

Rothbard and Hoppe versus Classical Liberalists

Notes by Heng-Fu Zou

November 21, 2024

1 Murray Rothbard's Ideas in "For a New Liberty" and Hans-Hermann Hoppe's Critique in "Democracy: The God That Failed"

Murray Rothbard's "For a New Liberty: The Libertarian Manifesto" (1973) lays the foundation for his libertarian philosophy, focusing on the centrality of individual liberty, self-ownership, and private property. Rothbard is a central figure in the Austrian School of Economics, and his work is deeply rooted in the belief that individual freedom and voluntary cooperation are the cornerstones of a just and prosperous society. Rothbard's vision is largely centered on the abolition of the state and the creation of a stateless, voluntary society—an idea commonly known as anarcho-capitalism. His key philosophical argument is that the state is inherently coercive and unjust because it monopolizes violence and enforces laws through force, violating the rights of individuals. Rothbard argued that the state is fundamentally illegitimate because it rests on coercion, while voluntary exchange, market-based cooperation, and the protection of property rights respect the natural rights of individuals.

In "For a New Liberty," Rothbard critiques the existing political order by exposing the destructive role of government in society. He rejects the legitimacy of the state and calls for its complete dismantling. He emphasizes the moral case for liberty, which argues that individuals have the right to control their own bodies, make their own choices, and retain the fruits of their labor. Rothbard's argument against the state is rooted in individualism, and he asserts that a just society is one that respects private property and voluntary exchange. He believes that the free market is the ideal mechanism to organize society's economic activities, including law enforcement, defense, and dispute resolution. Rothbard envisions a society of self-governance, where services traditionally provided by the government—such as law enforcement, courts, and even national defense—are replaced by private, voluntary alternatives. This would allow individuals to make decisions based on their own preferences and needs, fostering a system of peaceful cooperation without the interference of the state.

Rothbard's anarcho-capitalism stands in stark contrast to the state-based systems of governance that dominate the modern world, particularly the welfare

state and democracies. Rothbard argues that taxation is theft because it is extracted by force, and that the military-industrial complex, welfare programs, and central banking systems only serve to empower the state and further enslave the individual. He criticizes the idea that the state can provide justice, as it is fundamentally self-interested and corrupt. Rothbard's solution is a radical restructuring of society, in which all aspects of governance are privatized, and all interactions between individuals and organizations are voluntary.

Rothbard's ideas on anarcho-capitalism and the abolition of the state have had a profound influence on a range of libertarian thinkers and activists, including Hans-Hermann Hoppe, whose work in "Democracy: The God That Failed" (2001) builds upon and refines Rothbard's ideas. While Rothbard critiques the state as a coercive institution, Hoppe takes his critique further by focusing on the concept of democracy itself. Hoppe argues that democracy, often touted as the best form of governance, is in fact deeply flawed and inherently destructive to individual liberty and private property. Hoppe's main contention is that democracy exacerbates the inherent problems of the state, and he presents anarcho-capitalism as the ultimate solution to state violence and property rights violations.

Hoppe begins by elaborating on the idea that democracy, unlike monarchy, is a particularly pernicious form of government. In a monarchical system, the monarch, who holds power for life and owns the nation's resources, has a long-term vested interest in the well-being of the kingdom and its people. Hoppe suggests that monarchs may be more likely to protect property rights and promote long-term stability, since their wealth and reputation are tied to the prosperity of their state. However, in a democratic system, political power is temporary and unaccountable. Politicians in democracies are elected for short terms, and their main incentive is to secure re-election by catering to special interest groups and popular demands, often at the expense of long-term prosperity or the protection of property rights. Hoppe argues that democracy encourages politicians to loot the population and undermine property rights because they are more focused on short-term gains and immediate voter satisfaction, rather than the long-term stability of the nation.

One of Hoppe's most striking points is his argument that democracy inherently leads to debt accumulation, inflation, and the destruction of property rights. He argues that politicians in a democracy have little incentive to preserve capital or make decisions that benefit future generations, because they do not own the resources of the state or have a long-term stake in its welfare. Instead, they have an incentive to borrow and inflate the currency to fund government spending programs, thus benefiting in the short term while passing the costs onto future generations. This is a critique that extends Rothbard's arguments about the dangers of central banking and inflation, but Hoppe argues that democracy itself enables these practices by giving politicians the power to exploit the population for political gain.

Hoppe's critique of democracy is not just about its economic consequences; he also challenges the moral legitimacy of democracy. Hoppe is deeply influenced by Rothbard's theory of natural rights and private property, and he argues

that democracy, by institutionalizing coercion and enabling the majority to infringe on the property rights of the minority, is fundamentally unjust. He believes that democracy is a system where the majority can legally plunder the minority through taxation, regulation, and redistribution. In contrast, Hoppe's anarcho-capitalism offers a system where all interactions are voluntary, and individuals retain absolute ownership of their property, without the threat of state expropriation.

In "Democracy: The God That Failed," Hoppe also outlines a detailed vision for a privatized society, much like Rothbard's anarcho-capitalism, but with greater emphasis on the role of private property and contractual agreements in creating a just and prosperous society. Hoppe advocates for a society where all social functions, including law enforcement, dispute resolution, and national defense, are provided by private individuals or voluntary associations, rather than the state. This system would be based on property rights and voluntary exchange, rather than coercive state power.

Hoppe's concept of "argumentation ethics", which suggests that the state's existence is inherently self-contradictory because it violates the principles of private property, provides a robust philosophical foundation for his argument. Just as Rothbard argued that the state is based on force, Hoppe extends this critique by showing how democracy itself is built on contradictions, since the process of voting and majority rule enables the majority to infringe on the private property of the minority. Hoppe uses the ethical foundation of self-ownership and property rights to argue that anarcho-capitalism is the only morally consistent political system.

While Rothbard envisioned a world of freedom, voluntary cooperation, and private property, Hoppe's work refines this vision by presenting democracy as an inherently flawed and self-destructive system that needs to be replaced with a property-based society. Hoppe builds on Rothbard's vision of anarcho-capitalism but introduces a new critique of democracy and a monarchist model as potentially preferable in certain contexts. Ultimately, both Rothbard and Hoppe seek to create a world where individuals live without coercion and the state is replaced by voluntary exchange, but Hoppe takes Rothbard's arguments further by critically analyzing democracy and emphasizing the importance of long-term property ownership for ensuring liberty and prosperity.

2 Murray Rothbard and Hans-Hermann Hoppe are both key figures within the Austrian School of Economics, and they both heavily built upon the ideas of Ludwig von Mises, who is considered one of the most influential economists in the development of libertarianism and anarcho-capitalism. Rothbard and Hoppe expanded and adapted Mises' economic and political theories, integrating their own critiques of state power, the nature of democracy, and the structure of society. Below is a detailed exploration of how Rothbard and Hoppe developed Mises' ideas:

1. Rothbard's Development of Mises' Ideas

A. Subjectivism and Praxeology

One of the foundational principles Mises introduced to economics was praxeology—the study of human action. Mises emphasized that economics is a social science rooted in individual choice, and he developed the framework of subjectivism to explain how individuals make decisions based on their preferences, constraints, and available knowledge.

- Rothbard, in his “Man, Economy, and State” (1962), extended Mises' praxeological framework by applying it more broadly to the Austrian critique of the state and government intervention. Rothbard built on Mises' idea that human action is purposeful and rational, and that economic systems evolve naturally from the interaction of individuals in the marketplace.

- Rothbard took Mises' approach to subjectivism further by using it to critique government interference in markets, arguing that the state disrupts the natural order of the market and prevents people from making the decisions that best suit their needs.

B. Critique of Interventionism

Mises famously argued in “Human Action” that economic interventionism—the government's manipulation of prices, wages, and monetary systems—distorts the market's natural price signals and leads to inefficiencies. This concept is central to the Austrian critique of socialism and central planning, with Mises asserting that central planners cannot possess enough information to allocate resources effectively.

- Rothbard expanded Mises' ideas into the realm of political philosophy and morality. While Mises focused more on the economic implications of interventionism, Rothbard added an ethical dimension, arguing that state intervention is not just economically harmful but also morally unjust because it infringes

on private property rights and individual freedom. Rothbard extended Mises' analysis of market intervention into the realm of state coercion, framing the state as inherently exploitative and coercive. In contrast, voluntary exchange is what Rothbard saw as morally and economically productive for society.

C. The State and the Role of Government

Mises believed that private property rights and the market were central to a functioning society, but he did not take the radical step of advocating for the complete abolition of the state. Mises accepted the necessity of a minimal state to protect property rights, maintain law and order, and prevent force from being used inappropriately in the market. He suggested that the state's monopoly on violence should be limited to a protective function, which could include maintaining peace and enforcing contracts.

- Rothbard, however, extended Mises' framework into the realm of anarcho-capitalism, arguing that even the minimal state is unnecessary and that all functions of government—police, law enforcement, and defense—could be privatized. Rothbard's critique of the state was much more radical than Mises', with Rothbard arguing that government is inherently coercive and that society could function more efficiently and justly without any form of state control, through private contracts and voluntary associations.

- Rothbard's "For a New Liberty" (1973) and "The Ethics of Liberty" (1982) argue that not only is the state economically inefficient, but that it is fundamentally immoral, as it rests on the coercive monopolization of force.

2. Hoppe's Development of Mises' Ideas

A. Argumentation Ethics

Hoppe took Mises' praxeological approach and applied it to political philosophy in a novel way. He is known for developing the argumentation ethics theory, which is a philosophical justification for libertarianism based on self-ownership and property rights.

- Hoppe built on Mises' concept of human action and argued that the act of argumentation itself presupposes the existence of property rights, particularly self-ownership and the ownership of resources. According to Hoppe, in any argument or debate, individuals must implicitly acknowledge the ownership of their own bodies and the right to control their own actions. If one argues for the legitimacy of the state or any other form of coercion, they are violating the very principles of rational discourse, which presuppose the respect for individual self-ownership.

- In this way, argumentation ethics provides a logical defense of libertarianism and private property rights as a priori principles, deeply rooted in the very structure of rational discourse itself. Hoppe's extension of Mises' theory moves from economic analysis to a more ethical and metaphysical defense of anarcho-capitalism.

B. Critique of Democracy and the State

Mises acknowledged that democratic systems could function under certain conditions, but he was deeply skeptical of socialism and central planning. His analysis of the state focused on the inefficiencies and moral dangers of state

intervention, particularly in terms of centralized economic planning. However, Mises did not fundamentally reject democracy as a form of government.

- Hoppe, however, developed Mises' critique of democracy into a much more radical argument. In "Democracy: The God That Failed" (2001), Hoppe argues that democracy, even in its best form, is inherently flawed because it leads to the erosion of property rights and encourages state parasitism. He claims that democratic politicians, whose tenure is temporary, have no long-term stake in the nation's future and will often pursue policies that benefit them in the short term at the expense of long-term stability. Hoppe contrasts this with monarchy, where a monarch, as a permanent ruler, would have a vested interest in preserving property rights and the long-term prosperity of the kingdom.

- Hoppe also deepens Mises' idea by framing democracy as inherently self-destructive. He argues that democracy leads to unlimited government because it institutionalizes short-term exploitation of the public and fosters inflationary and debt-fueled policies.

C. The Structure of a Libertarian Society

Hoppe continues Mises' work on market-based governance, but goes further by envisioning a society without any state—completely privatized, where all functions of government (law, defense, and justice) are replaced by private, voluntary arrangements.

- Hoppe's concept of a privatized society is an extension of Mises' private property theory but with the added twist of complete decentralization. He emphasizes the importance of property rights and contractual agreements in structuring the relations between individuals and communities. His vision is one where voluntary, market-driven institutions handle what the state traditionally does. This is in line with Rothbard's anarcho-capitalism but incorporates Hoppe's own emphasis on property-based governance.

3. Key Differences Between Rothbard, Hoppe, and Mises

While Rothbard and Hoppe both take Mises' work in the direction of anarcho-capitalism, their views diverge from Mises' more moderate stance in significant ways:

- Rothbard's radicalism: Rothbard extended Mises' critique of the state into a radical anarcho-capitalist vision that calls for the complete elimination of the state, a step Mises never took. Mises was a classical liberal who believed in the need for a minimal state to protect property rights and ensure the rule of law. Rothbard, by contrast, rejected the notion of a minimal state altogether, arguing that any form of government is inherently coercive.

- Hoppe's critique of democracy: Hoppe builds upon Mises' skepticism of government but takes the critique further by condemning democracy as inherently exploitative and self-destructive. Hoppe prefers monarchy in certain cases because of its potential to provide a long-term interest in maintaining the stability of property rights, whereas Mises did not make such a distinction between democracy and monarchy.

- Mises on state intervention: While Mises was deeply concerned with the effects of state intervention and centralized planning, he accepted a limited state that maintained law and order. Rothbard and Hoppe, by contrast, believe

that any state inherently violates individual rights and is thus fundamentally illegitimate.

Rothbard and Hoppe's developments of Mises' ideas extend his economic principles into a comprehensive political philosophy advocating for a society based on private property, self-ownership, and voluntary exchange. Rothbard's radical extension of Mises' ideas led to a fully anarcho-capitalist framework, in which the state is entirely abolished, and all services traditionally provided by the government, such as law enforcement, defense, and justice, are privatized. Rothbard's work emphasized the moral and economic case for a voluntary society, where individuals interact freely in a market without the interference of coercive authority. His belief in self-ownership and property rights as the foundation for a just society served as the basis for his critique of the state and statist institutions. Rothbard argued that voluntary exchange was the key to creating wealth and resolving conflicts, rather than relying on the force of government. His works, particularly "For a New Liberty" and "The Ethics of Liberty," effectively laid the foundation for the libertarian and anarcho-capitalist movements, advocating for a society where all interactions are based on mutual consent and respect for individual rights.

Hoppe, building on Rothbard's critique of the state, took these ideas further by emphasizing the incompatibility of democracy with the preservation of property rights and individual liberty. While Rothbard had critiqued the state as inherently coercive, Hoppe's critique of democracy introduced a new dimension, arguing that democratic systems inherently lead to long-term economic destruction and a dilution of property rights. Hoppe's book, "Democracy: The God That Failed", contended that democracy, by making power more temporary and unaccountable, incentivizes politicians to exploit state resources for short-term political gain, which ultimately leads to policies that erode individual rights and undermine property ownership.

Where Rothbard envisioned a society based on voluntary interactions, Hoppe's radical development proposed a property-based political order that would be devoid of state coercion. Hoppe argued that monarchy, where a single ruler holds long-term responsibility for the land and its people, might be preferable to democracy, as the monarch has a personal stake in the long-term prosperity of the state. In Hoppe's view, the monarch's vested interest in preserving the wealth of the state made him less likely to exploit resources compared to democratic politicians, who have no long-term commitment to the welfare of the population and are more inclined to short-term policies that benefit them politically. While Mises accepted the minimal state as a necessary institution for upholding property rights and protecting individuals from coercion, Hoppe rejected the legitimacy of any state form, including minimal states, arguing that even a minimal state undermines the foundation of property rights and economic freedom.

Hoppe's notion of "argumentation ethics" further developed Mises' praxeological approach by providing a philosophical foundation for the libertarian position. Building on Mises' idea of human action as purposeful and rational, Hoppe proposed that the act of argumentation itself presupposes the recogni-

tion of property rights—specifically self-ownership. According to Hoppe, any argument justifying the existence of the state is self-contradictory because it would violate the very principles of self-ownership and private property that are necessary for rational discourse. This provides a logical defense of libertarianism and anarcho-capitalism, which is rooted in respect for property rights and non-aggression.

In contrast, Mises was more moderate in his views on the state. He accepted the existence of a minimal state, arguing that it was necessary for the maintenance of law and order, the protection of property rights, and the prevention of force. Mises envisioned a libertarian society where the state exists only to protect individuals from aggression, theft, and fraud, with its powers limited to the judicial and policing functions. Mises' vision, while advocating for economic freedom and property rights, stopped short of calling for the complete abolition of the state. He believed in the potential for limited government to protect individual freedoms while maintaining a market economy.

Rothbard and Hoppe, by contrast, fully embraced the idea of a stateless society and viewed the state as not just unnecessary, but also inherently exploitative and morally unjust. Rothbard went so far as to argue that state authority is not only economically inefficient, but also a form of coercion and theft that violates the natural rights of individuals. Hoppe extended this view by suggesting that democracy exacerbates the problem by institutionalizing coercion and exploitation in a way that monarchy does not, because a monarch has a vested interest in long-term property protection, whereas democratic leaders have an incentive to loot and exploit the population for short-term political gain.

Both Rothbard and Hoppe offer a more radical vision than Mises, rejecting the notion of the minimal state and advocating instead for a society where all government functions—law enforcement, defense, conflict resolution, and more—are privatized. Rothbard's anarcho-capitalism is more focused on the practical application of a stateless society, while Hoppe's work is notable for its philosophical defense of property rights and his critique of democracy as a fundamentally destructive political system. Together, their work builds on Mises' economic framework but pushes the boundaries of the Austrian school into more radical political theory.

In conclusion, Rothbard and Hoppe both extend and radically develop Mises' economic and political ideas. Rothbard takes Mises' critique of interventionism and the state and applies it to create a vision of a voluntary, stateless society, arguing that the state is inherently coercive and morally unjust. Hoppe builds on Mises' praxeological and property rights theories but takes them further by critiquing democracy itself, arguing that even minimal governments—and especially democracies—inevitably lead to the erosion of property rights and the destruction of individual liberty. While Mises accepted the necessity of a minimal state, Rothbard and Hoppe reject the idea of any government, advocating for anarcho-capitalism as the only just and morally consistent system. Through their work, Rothbard and Hoppe have developed and expanded the Austrian School's critique of the state into a fully anti-state and property rights-based political philosophy.

3 Murray Rothbard and Hans-Hermann Hoppe both developed their ideas based on the Austrian School of Economics, but they diverge from Friedrich Hayek on several key issues, especially in their views on the role of the state, democracy, economic policy, and social order. While all three thinkers emphasize individual liberty, private property, and free markets, Rothbard and Hoppe are far more radical in their rejection of government, whereas Hayek, while a strong advocate for liberty, supports a limited role for government in society. The differences between their views can be seen in their approaches to government intervention, property rights, and their broader visions for a just society.

1. Rothbard's and Hoppe's Radical Libertarianism vs. Hayek's Support for a Minimal State

A. The Role of the State: Rothbard and Hoppe's Anarchism vs. Hayek's Minimal State

- Murray Rothbard and Hans-Hermann Hoppe both argue for a stateless society, which they believe is the only morally consistent approach to individual liberty and private property. Rothbard's idea of anarcho-capitalism calls for the complete abolition of the state, including the elimination of all government functions, such as law enforcement, defense, and court systems. Rothbard argued that all interactions should be voluntary and based on private property rights, with the protection of those rights handled through market-based solutions and private arbitration. Rothbard views the state as inherently coercive and exploitative, making even a minimal state unacceptable.

- Hoppe, influenced by Rothbard, develops these ideas further with his critique of democracy. In his work "Democracy: The God That Failed", Hoppe argues that democracy is not just another form of government but is fundamentally flawed because it encourages politicians to act based on short-term electoral considerations, leading to long-term harm for property rights and economic stability. Hoppe even argues that monarchy can be preferable to democracy because monarchs have a long-term interest in maintaining property rights and wealth, whereas democratic leaders are incentivized to exploit the system

for their personal gain.

- In contrast, Friedrich Hayek accepted the need for a minimal state. While he was deeply concerned about the dangers of government intervention and the rise of totalitarianism, he believed that some form of government was necessary to maintain law and order, property rights, and market stability. In his seminal work “The Constitution of Liberty” (1960), Hayek argued that while the state is an imperfect institution, limited government is crucial for the preservation of individual freedom. According to Hayek, the government’s role should be to provide a legal framework for property rights, enforce contracts, and protect citizens from aggression, but it should not engage in broader economic management or redistribution.

B. Government Functions and Constitutional Limits

- Rothbard and Hoppe envision a society in which government functions—including law enforcement, defense, and dispute resolution—are handled by private entities and voluntary associations. Rothbard’s vision is rooted in anarchism, rejecting any form of state power. He argued that the state is inherently violent and exploitive because it uses coercion to enforce its laws. For Rothbard, the abolition of the state would be a necessary step toward ensuring the right to self-ownership, private property, and voluntary cooperation.

- Hayek disagrees with this radical approach. While he shared Rothbard’s concerns about government overreach, Hayek was more pragmatic about the role of the state. He believed that a limited government that protects individual rights and maintains a legal system is essential for the proper functioning of a free society. Hayek’s “Constitution of Liberty” is dedicated to establishing legal limits on government while ensuring that the rule of law is maintained. Unlike Rothbard and Hoppe, Hayek was not in favor of abolishing the state, but rather argued that constitutional constraints must be in place to prevent the state from becoming too powerful and encroaching on individual freedoms.

2. Views on Democracy: Rothbard and Hoppe vs. Hayek

A. Democracy and Representation

- Rothbard and Hoppe have a fundamentally negative view of democracy. Rothbard argued that democracy was simply a system of legalized plunder, where the majority can vote to expropriate the property of the minority. Rothbard believed that even in a constitutional democracy, the state’s power to tax and regulate leads to the violation of individual property rights. Hoppe takes Rothbard’s critique a step further by asserting that democracy is inherently exploitative, as it encourages politicians to act based on short-term electoral incentives, which leads to policies that are economically unsustainable and detrimental to property rights. Hoppe goes so far as to argue that monarchy, where a monarch has long-term ownership of the state, may be a better system than democracy because the monarch has a vested interest in maintaining the wealth and stability of the nation.

- Hayek, however, was much more accepting of democracy than Rothbard and Hoppe. While he agreed that democracy can lead to bad policy and the expansion of government, he believed that it was the best form of government available, especially when compared to alternatives like authoritarianism or

socialism. Hayek argued that democracy is an important safeguard against tyranny and that it provides a mechanism for individuals to hold their rulers accountable through elections and checks and balances. However, Hayek was critical of democracy's potential to expand government and undermine liberty, especially when it comes to the rise of the welfare state and centralized planning. In his view, the key to preventing democracy from descending into totalitarianism was constitutional limits on the state's powers, which he addressed in his book "Law, Legislation, and Liberty" (1973-1979).

B. The Dangers of Mass Democracy

- Hoppe and Rothbard criticize mass democracy because it leads to a majoritarian system where the masses can vote to infringe on the property rights of the minority. Hoppe, in particular, critiques democracy's tendency to lead to short-term exploitation, such as excessive taxation and inflationary policies. For Hoppe, the absence of a long-term ruling class (as in the case of a monarch) means that politicians have no vested interest in the future and are incentivized to exploit resources for immediate electoral gain.

- Hayek, while critical of democracy's excesses, does not reject it entirely. Instead, he advocates for constitutionalism—the idea that the rule of law and constitutional limits on government are necessary to preserve individual liberty within a democratic framework. Hayek's "Constitution of Liberty" focuses on the importance of protecting the individual from government through constitutional restraints and establishing clear rules that prevent the state from becoming overly interventionist.

3. Hayek's Comprehensive Government Programs: Rothbard and Hoppe's Rejection of Government Intervention

A. Hayek's Social Programs and the Rule of Law

- Hayek's ideas about the role of government are most clearly articulated in his works "The Constitution of Liberty" and "Law, Legislation, and Liberty". Hayek argued that law is essential for a functioning market and individual freedom. In "The Constitution of Liberty", Hayek discusses the need for the state to provide a framework of laws that protect private property, enforce contracts, and ensure personal security. He views the state as a necessary institution to preserve the rule of law and to prevent society from devolving into anarchy or totalitarianism.

- Hayek's vision of a minimal state contrasts sharply with Rothbard and Hoppe's more radical libertarianism. While Hayek believes in market-driven solutions, he still allows for a limited government to maintain public order, provide social insurance programs, and ensure public goods (like defense and infrastructure) that are not adequately provided by the private sector. In "Law, Legislation, and Liberty," Hayek defends social welfare programs as necessary to protect individual liberty by ensuring that people are not forced into poverty by market forces.

- Rothbard and Hoppe, however, categorically reject such programs. For them, even the minimal state that Hayek envisions is illegitimate because it still imposes coercive taxes and regulates economic life. Rothbard argues that social insurance and public goods are best provided by the private market, not by a

government that operates with force. Hoppe extends this view, claiming that any form of government, whether democratic or minimal, is ultimately unjust and that society should be organized entirely through voluntary associations.

4 Murray Rothbard, Hans-Hermann Hoppe, and Milton Friedman all emerged as prominent figures in the libertarian and free-market economics movements, but their views on the role of government, economic policy, and society differ significantly. While all three share a commitment to individual liberty and free markets, Rothbard and Hoppe are much more radical in their rejection of government, advocating for a stateless society or anarcho-capitalism, while Milton Friedman—a leading figure in the Chicago School of Economics—was a strong proponent of free-market capitalism but still believed in the necessity of a minimal state to maintain economic stability and protect individual rights.

1. Views on the Role of Government: Rothbard and Hoppe vs. Milton Friedman A. Rothbard and Hoppe’s Rejection of the State vs. Friedman’s Support for a Minimal State

- Murray Rothbard and Hans-Hermann Hoppe advocate for anarcho-capitalism, a system in which all government functions—including law enforcement, the judiciary, and national defense—are privatized and provided by voluntary market-based institutions. They view the state as inherently coercive and exploitative, inherently violating individual rights, especially property rights. Rothbard argues that the state’s monopoly on violence, enforced through taxation, regulation, and military power, is illegitimate and unjust. Hoppe takes this critique a step further by also criticizing democracy as a flawed system, which he believes incentivizes politicians to exploit resources for short-term electoral gains, leading to long-term harm to property rights and economic stability. Hoppe goes so far as to argue that monarchy, with its long-term vested interest in maintaining property rights and wealth, might be preferable to democracy.

- Milton Friedman, in contrast, believed that government intervention in the

economy should be minimized, but he did not advocate for the abolition of the state. In “Capitalism and Freedom” (1962), Friedman famously argued that a minimal state is necessary to preserve individual liberty, property rights, and social order. While he was critical of big government, welfare states, and central planning, Friedman argued that certain government functions—enforcing laws, maintaining national defense, and protecting property rights—are necessary for a stable society and a functioning market economy. He accepted that a limited government should exist to provide public goods that the market may not efficiently produce, such as defense, education, and policing.

B. Friedman’s “Minimal State” and Public Services

- Rothbard and Hoppe reject any form of government, including a minimal state, arguing that even the smallest form of state is illegitimate because it still violates individual property rights through coercive taxation and regulation. For Rothbard, even a minimal state is still morally unjust because it operates through force and coercion, whereas voluntary cooperation is the only just and efficient way to organize society.

- Friedman, however, while an advocate for free-market policies, was a pragmatist and accepted the need for a minimal government to provide public goods and ensure that individual rights are protected. He argued for a government that primarily performs functions like the protection of property rights, enforcement of contracts, and protection against violence—functions that Rothbard and Hoppe believe could be better provided through private, voluntary means. Friedman’s belief in a minimal state contrasts sharply with Rothbard and Hoppe’s view that any state, no matter how limited, is inherently coercive and incompatible with true liberty.

2. Democracy: Rothbard and Hoppe’s Radical Critique vs. Friedman’s Pragmatic Support

A. Rothbard and Hoppe on Democracy: A Threat to Liberty vs. Friedman on Democracy as a Mechanism for Accountability

- Rothbard and Hoppe are strong critics of democracy. Rothbard sees democracy as a system where the majority can legally plunder the minority through the ballot box, justifying taxation and redistribution. In his view, democracy is just another form of statism that does not address the root issue: the coercive nature of the state. Rothbard believes that democracy simply shifts the power between ruling elites, but it never eliminates the coercive force that the state wields over individuals. He famously described democracy as “legalized theft” and political plunder.

- Hoppe takes this critique a step further, arguing that democracy is self-destructive because it incentivizes politicians to act for short-term gain rather than long-term prosperity. He contends that in a democratic system, politicians have no long-term interest in the stability of property rights or national wealth. Hoppe even suggests that in certain circumstances, monarchy could be a more stable and property-respecting system because monarchs have a long-term vested interest in maintaining their property and wealth.

- Milton Friedman, on the other hand, did not share Rothbard and Hoppe’s disdain for democracy. While he was highly critical of the welfare state and gov-

ernment intervention, he viewed democracy as the best system of government to prevent authoritarianism and maintain individual freedom. Friedman believed that democracy, when properly functioning with a constitutional framework and limited government, offers a mechanism of accountability that can constrain the power of government and protect individual liberties. He recognized that democracy is not perfect, but he believed it was the best alternative to more authoritarian forms of government. For Friedman, democracy is a pragmatic safeguard against the concentration of power, as it provides a means for people to hold rulers accountable through elections.

3. Economic Views: Rothbard and Hoppe’s Radical Free Markets vs. Friedman’s Support for Free Markets with Some Government Intervention

A. Rothbard and Hoppe’s Complete Free Market vs. Friedman’s Pragmatic Free Market

- Rothbard and Hoppe envision a completely free-market economy, in which all economic functions—including law enforcement, defense, and contract enforcement—are privatized and managed by voluntary, market-based institutions. Rothbard’s radical anarcho-capitalism calls for no government interference in any aspect of the economy, including currency, taxation, and regulation. He sees any form of government as inherently coercive and detrimental to individual liberty. Hoppe extends this by envisioning a society based entirely on property rights and voluntary cooperation, with all functions typically provided by the state handled through private entities.

- Milton Friedman, while a strong proponent of free markets, accepted the necessity of some government intervention in specific areas. In his work “Capitalism and Freedom”, Friedman argued that the market should be the primary mechanism for organizing economic life, but that there are certain public goods that the market may not provide efficiently, such as national defense, public infrastructure, and education. He accepted the need for government intervention in these areas, provided the intervention is minimal and does not interfere with market competition. Friedman famously advocated for policies like the flat tax, privatization of government services, and minimal welfare programs, but he still believed that the state had a role in certain essential areas.

B. Friedman’s Support for Some Government Functions

- While Rothbard and Hoppe envision a world without government, Friedman believes that certain functions must still be handled by the state. Friedman’s vision of a minimal state included regulation of money supply through monetary policy, protection of individual rights, and policing. In his famous work “Free to Choose” (1980), Friedman advocated for deregulation and privatization in areas like education and welfare, but he still believed that government should protect individual rights, including enforcing property rights, and ensure fair competition in the market. Unlike Rothbard and Hoppe, who view the government as intrinsically harmful, Friedman is more pragmatic in his approach, advocating for reduced government rather than its complete abolition.

4. Social Order and the Rule of Law: Rothbard and Hoppe vs. Friedman

A. Rothbard and Hoppe’s Emphasis on Private Property and Voluntary Order

- Rothbard and Hoppe place private property rights and voluntary contracts at the center of their views on social order. Rothbard believes that a voluntary society based on property rights is the only legitimate social order, and that the state is incompatible with liberty because it relies on coercion. Both Rothbard and Hoppe argue that private property and voluntary cooperation should govern all aspects of social and economic life. In this framework, all forms of governance—including law enforcement, defense, and dispute resolution—would be provided through private entities rather than the state. Rothbard argues that people can resolve disputes and protect their rights through voluntary agreements and private arbitration, which would lead to a more just and peaceful society. Hoppe, following Rothbard, expands on this by emphasizing the need for property-based governance in which individuals freely choose the institutions they wish to associate with, and all social interactions are grounded in private property and self-ownership.

- For Rothbard and Hoppe, social order can only be achieved when all individuals are free from the coercive authority of the state. The state, in their view, distorts social interactions by enforcing laws that violate property rights and creating monopolies in essential services like law enforcement and defense. These thinkers advocate for a market-based social order that relies on individual responsibility and private property to establish peace and stability.

B. Friedman's View of the Rule of Law and Government

- Milton Friedman, while also emphasizing the importance of private property and market competition, was more inclined to accept the role of the state in maintaining social order. He argued that the rule of law—the consistent application of laws that protect individual rights and property rights—is crucial to the functioning of a free society. For Friedman, the rule of law ensures that economic freedom is preserved, and that individuals are protected from both private coercion and governmental overreach.

- In his “Constitution of Liberty”, Friedman advocates for limited government intervention, but within the bounds of a constitutional system that guarantees individual freedoms. Unlike Rothbard and Hoppe, Friedman believes that the government’s role is not only to enforce contracts and protect property rights but also to provide certain public goods that the market might fail to supply. He is more pragmatic about the state’s involvement in areas like monetary policy, public education, and defense. Friedman argues that government should avoid direct intervention in the economy but still has a responsibility to ensure basic functions that protect liberty and the market economy from threats like monopolies and market failure.

5. Economic Views: Rothbard and Hoppe’s Radical Free Market vs. Friedman’s Market-Based Liberalism

A. Rothbard and Hoppe on the Free Market: Complete Privatization vs. Friedman’s Support for Limited Government Intervention

- Rothbard and Hoppe envision a fully privatized market, where all economic activity—including law enforcement, defense, and social welfare services—is governed by voluntary contracts and private property rights. Rothbard’s anarcho-capitalism is the ultimate extension of the Austrian School’s free-market princi-

ples, rejecting any form of government intervention in favor of a market society where the state is abolished entirely. Rothbard's economic thought centers on the idea that individual liberty and voluntary exchange can solve all social problems without the need for government involvement.

- Hoppe extends Rothbard's anarcho-capitalist framework by arguing that private property and voluntary contracts form the foundation of a just society. Hoppe believes that any form of government, whether minimal or democratic, inherently violates individual rights because it relies on coercion. His model of anarcho-capitalism focuses on replacing the state with property-based governance, in which individuals and private institutions handle all the functions traditionally managed by the state, from law enforcement to defense.

- Milton Friedman, while a strong advocate for free markets, accepted the idea of a limited role for government. He argued that free-market capitalism is the best means for organizing society, but he believed that the state still plays an important role in protecting property rights, ensuring law and order, and providing public goods like national defense and infrastructure. Friedman's Chicago School of economics supports minimal government intervention, particularly in areas like monetary policy and taxation, but it does not go as far as Rothbard or Hoppe in advocating for a completely stateless society. Friedman argued that government should avoid excessive intervention, but it should still regulate areas where the market fails—such as monopolies and externalities—and provide essential public goods that cannot be efficiently provided by the private sector.

B. Friedman's Support for Monetary Policy and Social Programs

- Rothbard and Hoppe strongly oppose any form of central banking and fiat money, seeing the state's control over the monetary system as a key tool for inflating the currency and redistributing wealth. Rothbard's analysis of money is grounded in the Austrian theory of money, which emphasizes the need for a hard currency (such as gold) to preserve economic stability and prevent the government from using inflationary tactics to fund its expenditures.

- Friedman, while advocating for monetary policy, differed from Rothbard and Hoppe in his approach. In "A Monetary History of the United States" (with Anna Schwartz), Friedman argued that the Federal Reserve should manage the money supply to prevent inflation and stabilize the economy. He was a strong proponent of monetarism, which advocates for controlling the growth of the money supply to ensure price stability. Unlike Rothbard, who called for the abolition of central banking and a return to a commodity-based currency, Friedman saw monetary management by the central bank as an essential part of a well-functioning economy and a necessary tool to prevent economic instability.

- Friedman's position on social welfare also differs from Rothbard's and Hoppe's more radical stance. Friedman supported certain public welfare programs, such as negative income tax (which he proposed as a replacement for the welfare state) and universal basic income, which he argued could reduce poverty without distorting the market. However, Rothbard and Hoppe would reject any form of redistribution as morally unjust, viewing it as coercive taxation that violates property rights.

6. The Social Order: Rothbard and Hoppe's Contractual Society vs. Friedman's Legal Framework

A. Rothbard and Hoppe's Vision of a Contractual Society

- For Rothbard and Hoppe, the foundation of a just society is private property and voluntary contracts. Rothbard argued that social order emerges from the interaction of individuals based on their respect for property rights. In this contractual society, there is no coercive authority, only voluntary agreements between individuals and market institutions. Hoppe extended this vision by introducing the concept of property-based governance, where all social functions are provided by private entities, and individuals have complete control over their own property and life choices.

B. Friedman's Legal Framework and Social Order

- Friedman shares Rothbard and Hoppe's view on the importance of private property and market competition, but he is more inclined to accept a legal framework provided by a limited government. For Friedman, the rule of law is critical for maintaining social order, but he supports the government's involvement in areas such as defining and protecting property rights, enforcing contracts, and maintaining public infrastructure. He sees the state as necessary to prevent violence, fraud, and coercion in society, but he maintains that economic freedom and market competition are best supported by a government that does not interfere with the economy's natural processes.

Conclusion:

In conclusion, Rothbard and Hoppe represent the more radical wing of libertarianism, advocating for the abolition of the state and the privatization of all government functions. They argue that government—in any form—is coercive, immoral, and incompatible with individual liberty and private property. Rothbard's anarcho-capitalism is the ultimate expression of this vision, while Hoppe extends the critique by also rejecting democracy and favoring monarchy as potentially more stable. Friedman, by contrast, accepts the necessity of a minimal state to provide basic functions such as defense, policing, and the protection of property rights. While all three thinkers advocate for free markets and limited government, Friedman's pragmatic approach differs from Rothbard and Hoppe's anarchism in that he accepts some government intervention in areas where the market may fail.

5 Murray Rothbard, Hans-Hermann Hoppe, and Robert Nozick are all prominent figures within the libertarian tradition, but they differ significantly in their views on the role of the state, property rights, and social order. While all three share a commitment to individual liberty, private property, and free markets, Rothbard and Hoppe take a more radical approach by advocating for a stateless society (anarcho-capitalism), whereas Nozick, while strongly supportive of individual rights and minimal government, proposes a limited state rather than an abolition of the state. Below is a detailed comparison of their ideas:

1. Views on the State: Rothbard and Hoppe vs. Nozick

A. Rothbard and Hoppe's Rejection of the State vs. Nozick's Minimal State

- Murray Rothbard and Hans-Hermann Hoppe are both advocates for anarcho-capitalism, which calls for the complete abolition of the state. Rothbard viewed the state as inherently coercive, arguing that even a minimal state violates the rights of individuals because it operates through force and taxation. Rothbard believed that all government functions—law enforcement, defense, and justice—could and should be privatized and handled through voluntary, market-driven institutions. According to Rothbard, property rights are the foundation of individual freedom, and any form of government, even a minimal one, undermines those rights by imposing taxes and regulations that are enforced through coercion.

- Hoppe, influenced by Rothbard, extends this critique further by not only rejecting the state entirely but also criticizing democracy as a flawed system. Hoppe argues that democracy incentivizes politicians to exploit state resources for short-term gain while undermining property rights in the process. Hoppe contends that monarchy, in certain contexts, could be more stable because monarchs have a long-term vested interest in the preservation of wealth and property rights, unlike politicians in democracies who have short-term incentives. Nevertheless, Hoppe also supports a stateless society based on private property rights and voluntary associations.

- Robert Nozick, on the other hand, advocates for a minimal state, which he refers to as the “night-watchman state” in his book “Anarchy, State, and Utopia” (1974). Nozick does not advocate for the complete abolition of the state, but

rather for a state that exists solely to protect individual rights, specifically the protection of private property, enforcement of contracts, and national defense. For Nozick, the state is legitimate as long as it operates within a framework that respects individual freedom and does not overstep its bounds into areas like redistribution of wealth or economic intervention. Nozick believes that a limited government is necessary to provide the legal framework for a peaceful society, but it should not interfere with the voluntary interactions and private exchanges that define a free market.

B. Nozick's Theory of Justice and the State's Role

- Nozick develops his own theory of justice in the "Entitlement Theory", which is based on three principles: justice in acquisition, justice in transfer, and rectification of injustice. According to Nozick, property rights are self-ownership rights that individuals acquire by mixing their labor with unowned resources, and they can transfer or trade property freely. Nozick argues that the state's only legitimate function is to protect property rights and enforce contracts but that the state should not engage in redistribution or welfare programs. This view contrasts with Rothbard's perspective, where even minimal government—such as Nozick's—would still be seen as a violation of individual rights because it would still involve coercion in the form of taxation and monopoly on force.

- Rothbard and Hoppe would reject Nozick's minimal state, arguing that any form of state is inherently coercive and illegitimate. They see taxation as theft and believe that a truly just society is one where individuals and voluntary institutions handle all aspects of social order and governance. For Rothbard, the state is irreformable and inherently corrupt, so even a minimal state like Nozick's is unacceptable. Hoppe shares this view and argues that government—even a limited one—undermines property rights and individual autonomy because it uses force to enforce laws and take resources from citizens.

2. Views on Property Rights: Rothbard and Hoppe vs. Nozick

A. Rothbard and Hoppe's Theory of Property Rights

- Rothbard and Hoppe both base their views on property rights on the idea of self-ownership and the homesteading principle. Rothbard argues that individuals own themselves and have the right to appropriate resources from the natural world by mixing their labor with them (a concept inspired by John Locke's labor theory of property). Rothbard goes further, stating that once someone has homesteaded a piece of land or property, they own it outright and have the right to dispose of it as they see fit. Rothbard's radical view is that property rights are the foundation of all social interaction, and any infringement on these rights (e.g., taxes, regulations, or state control) is a violation of liberty.

- Hoppe, following Rothbard, expands on the concept of private property by emphasizing that in a stateless society, property rights would be completely protected through voluntary associations and contractual agreements. For Hoppe, property rights are the foundation for a peaceful and prosperous society, and the state's role in infringing upon these rights is unjust. Hoppe further argues that private property creates a natural social order, as individuals are incentivized to protect and maintain the resources they own, while any violation of these rights would be immediately addressed by the private sector.

B. Nozick's Theory of Property Rights and the State's Role

- Nozick, in contrast to Rothbard and Hoppe, does not advocate for a completely privatized system where all social functions are handled through voluntary means. Instead, Nozick's theory of property rights is grounded in his entitlement theory, where the legitimacy of property ownership is based on just acquisition (e.g., through homesteading or voluntary transfer). He accepts the idea that individuals have the right to their private property, but he believes that redistribution—as seen in welfare systems—is unjust. Nozick's theory, however, does not require the elimination of the state. Rather, Nozick advocates for a minimal state that protects individual rights, ensures justice in property transfers, and provides national defense.

- Rothbard and Hoppe, however, believe that even a minimal state would be illegitimate, as it still maintains coercive authority over individuals. Rothbard and Hoppe see taxation as theft, and even the most limited form of government is still involved in the coercion of individuals through force and violence, primarily through its monopoly on law enforcement and force.

3. Views on Democracy: Rothbard and Hoppe vs. Nozick

A. Rothbard and Hoppe's Rejection of Democracy

- Rothbard and Hoppe are strong critics of democracy. Rothbard sees democracy as a system that allows the majority to plunder the minority by voting to tax and redistribute wealth. He believes that democracy simply creates an illusion of consent, where the majority's rule is backed by the state's monopoly on force. For Rothbard, democracy is no better than other forms of government, as it is still coercive and oppressive.

- Hoppe takes this critique a step further by arguing that democracy incentivizes short-term exploitation by politicians and is inherently unstable. Hoppe contrasts democracy with monarchy, suggesting that monarchs have a vested interest in the long-term health of the nation's wealth, making them less likely to engage in short-term plundering for political gain.

B. Nozick's View of Democracy and the State

- Nozick, in contrast to Rothbard and Hoppe, does not reject democracy entirely. While he is critical of government intervention and taxation, he sees democracy as a necessary and legitimate form of government to protect individual rights. In "Anarchy, State, and Utopia", Nozick argues that a minimal state can be justified in a democratic system if it only enforces laws that protect individual rights. He believes that democracy is the best available system for ensuring that individual rights are protected and that government power is constrained. Nozick argues that democratic procedures provide a legitimate basis for government, as they allow for citizens to give their consent to laws and governance through voting. However, Nozick stresses that such a state must remain minimal, focusing only on protecting property rights, enforcing contracts, and maintaining national defense. He acknowledges the dangers of democratic excesses, but believes that democracy, if limited, is compatible with liberty and justice.

Nozick's support for democracy is grounded in his belief in the social contract—that people, through a mutual agreement, consent to the minimal functions

of government. This is in contrast to Rothbard and Hoppe, who see democracy as merely a more insidious form of state coercion that still involves violence and infringement on individual property rights. For Rothbard and Hoppe, government—regardless of its form—is illegitimate because it is rooted in force.

4. Justice and Redistribution: Rothbard and Hoppe vs. Nozick

A. Rothbard and Hoppe on Justice and Redistribution

- Rothbard and Hoppe strongly reject redistribution in any form, including wealth redistribution through welfare programs or progressive taxation. For Rothbard, any form of state redistribution is theft, as it is based on the forcible expropriation of individuals' property without their consent. Rothbard's belief in self-ownership and absolute property rights means that individuals have the right to keep the fruits of their labor and assets without interference from the state or others. He argues that the only legitimate redistribution of wealth would be that which occurs through voluntary exchanges in a free market, not through coercive government action.

- Hoppe echoes Rothbard's view, but also emphasizes the dangerous effects of state intervention in the economy. He argues that welfare programs and redistributive policies are not only morally wrong but also create economic distortions, disincentivizing productivity and creating dependency. Hoppe's critique of redistribution is tied to his larger critique of democracy, which he believes encourages short-term exploitation of resources by politicians seeking re-election.

B. Nozick's Theory of Justice and Minimal Redistribution

- Nozick, in contrast to Rothbard and Hoppe, acknowledges that while redistribution of wealth is generally unjust, there are specific instances where state intervention can be justified to rectify past injustices. His Entitlement Theory of justice holds that individuals are entitled to their holdings if they have acquired them through just means—either through just acquisition (e.g., homesteading or voluntary trade) or just transfer (e.g., mutual consent or voluntary exchange). However, Nozick allows for rectification in cases where injustices have been committed, such as theft or fraud, and believes that the state could intervene in such cases to restore fairness.

- Nozick also proposes the idea of a minimal state that ensures the protection of rights but does not engage in broad economic redistribution or welfare programs. He does not support the kind of welfare state that Rothbard and Hoppe argue is inherently coercive, but he accepts that some forms of state action might be necessary to correct unjust transactions or provide limited social insurance. For example, Nozick suggests that voluntary welfare (such as private charity or charitable organizations) could be a better solution than government-enforced redistribution.

- Rothbard and Hoppe, by contrast, would reject even this minimal intervention. For them, any form of redistribution—even if aimed at correcting past wrongs—is an infringement on the right to private property and is therefore morally unjust.

5. The Role of Spontaneous Order: Rothbard and Hoppe vs. Nozick

A. Rothbard and Hoppe's Vision of a Voluntary Society

- Rothbard and Hoppe both emphasize that spontaneous order can emerge

from voluntary exchanges and self-organization in a stateless society. They argue that when individuals are free from the coercion of the state, they will naturally engage in peaceful cooperation through contracts and market interactions, which will lead to the creation of social and economic order. Rothbard, in particular, believed that the free market would provide solutions to every societal need, from education to defense, without the need for government intervention. He was highly critical of social planning by the state, which he believed distorts natural economic signals and causes inefficiency and injustice.

- Hoppe, influenced by Rothbard, builds on the idea of property-based social order, in which all interactions are grounded in private property rights and voluntary agreements. Hoppe sees democracy as inherently destabilizing, arguing that it incentivizes politicians to act in short-term interests at the expense of long-term stability, and advocates for a privatized society where all social functions are managed by private individuals and associations rather than the state.

B. Nozick's View of Social Order and Spontaneous Cooperation

- Nozick, like Rothbard and Hoppe, values individual liberty and private property. However, Nozick's view of social order differs in that he believes a minimal state can support and enforce a system of justice based on individual rights and property protection. Nozick envisions a system where individuals are free to create spontaneous orders through their voluntary exchanges, but he argues that there still needs to be a government apparatus to enforce legal rights and rectify injustices. For Nozick, the state is not inherently coercive but is an institution designed to ensure that individual rights are protected from aggression and force.

- Nozick, therefore, accepts a legal framework that enforces justice and property rights—which would necessarily involve some state action—but he contends that such a state would be limited in its scope, focusing only on the protection of property and enforcement of contracts. Nozick's vision is still grounded in the concept of spontaneous order, but he argues that a minimal state is necessary to uphold and protect this order and prevent violence and fraud.

Conclusion: Rothbard, Hoppe, and Nozick's Divergent Paths

In conclusion, Rothbard and Hoppe differ from Nozick primarily in their views on the necessity of the state. Rothbard and Hoppe argue for the complete abolition of the state and a stateless, market-driven society based on private property and voluntary cooperation, while Nozick advocates for a minimal state that exists solely to protect individual rights and enforce justice. Rothbard and Hoppe reject any form of government intervention, while Nozick allows for the state to intervene in limited circumstances to correct injustices and protect property rights. These differences in their views on the state, property rights, and the role of government in ensuring justice and social order represent some of the most important philosophical divides within the broader libertarian tradition.

6 Murray Rothbard, Hans-Hermann Hoppe, and David Friedman are all proponents of anarcho-capitalism, but they have some key differences in their philosophical foundations, approaches to governance, and views on the role of the state and private institutions. While Rothbard and Hoppe are both more ideological and principled in their rejection of the state, Friedman takes a more pragmatic approach to anarcho-capitalism. Below is a detailed comparison of their views.

1. Views on the State: Rothbard and Hoppe vs. David Friedman

A. Rothbard and Hoppe's Complete Rejection of the State

- Murray Rothbard and Hans-Hermann Hoppe are strong advocates for anarcho-capitalism, which calls for the complete abolition of the state. Both philosophers argue that the state is inherently coercive and unjust because it uses force and violence to enforce its laws, taxes, and regulations. For them, the state is the ultimate violator of individual rights and private property. Rothbard, influenced by Austrian economics, specifically believes that taxation is theft, and government activities such as law enforcement, justice, and defense should be fully privatized and handled by voluntary, market-based institutions.

- Hoppe, following Rothbard's lead, also rejects the state, but his critique of democracy adds an additional layer to his argument. Hoppe argues that democracy inherently leads to economic inefficiency and moral decay because democratic politicians have short-term incentives to exploit state power for electoral gain. He contrasts this with monarchy, which he believes may sometimes be a more stable system because monarchs have a long-term vested interest in the prosperity of their property and subjects. Nevertheless, like Rothbard, Hoppe ultimately advocates for a stateless society, in which property rights and voluntary contracts govern all social relations.

- David Friedman, while also an anarcho-capitalist, is more pragmatic in his approach to anarchism. In his book "The Machinery of Freedom" (1973), Friedman describes a theoretical anarcho-capitalist society where government functions like law enforcement, judicial systems, and national defense are privatized and handled by market forces. However, Friedman does not reject the existence of the state in the same moral terms as Rothbard and Hoppe. Instead, his argument is based more on practical considerations: he believes that anarcho-capitalism would be more efficient than the current state system, and that private institutions could perform these functions better than any government. Friedman emphasizes market competition as a mechanism for providing

these services and believes that private defense agencies or arbitration firms would emerge in a system where the state is removed.

B. Rothbard and Hoppe's Ideological Standpoint vs. Friedman's Pragmatism

- Rothbard and Hoppe view state coercion as morally illegitimate in all forms, whether it is a minimal state or a more expansive one. For them, the state's monopoly on violence inherently contradicts the principles of individual liberty and self-ownership, which they see as the core tenets of libertarianism. They are ideologically driven, seeing the state as an immoral institution that cannot be reformed or scaled down, but must be abolished entirely.

- David Friedman, while sharing the same end goal—the abolition of the state—takes a more pragmatic approach. Friedman is less concerned with the moral critique of the state and more interested in showing that privatization of government functions would be more efficient than a monopolistic, coercive state system. In his anarcho-capitalist framework, Friedman suggests that market mechanisms (like competition between private firms) would provide more cost-effective and efficient solutions for security, dispute resolution, and justice than the monopoly of government. Friedman, therefore, does not engage in the same moral absolutism about the state that Rothbard and Hoppe do, and his arguments for anarcho-capitalism are rooted in pragmatic efficiency rather than a fundamental moral critique of the state.

2. Views on Democracy: Rothbard and Hoppe vs. David Friedman

A. Rothbard and Hoppe's Radical Critique of Democracy

- Rothbard and Hoppe both critique democracy in very negative terms. Rothbard argues that democracy is essentially “legalized plunder”—it allows the majority to vote for the redistribution of resources and wealth from the minority. Rothbard rejects the idea that democracy is a just system of government because it still rests on coercion and does not address the underlying problem of the state's monopoly on force. He believes that democracy is just another form of tyranny, where individuals' rights are violated through the majority's will.

- Hoppe takes this critique a step further by arguing that democracy is inherently unstable and self-destructive. He argues that in a democratic system, politicians are incentivized to act for short-term political gain, leading to policies that benefit them electorally but harm the long-term economic health of the nation and undermine property rights. Hoppe's argument goes beyond the moral critique of coercion and focuses on the incentive structure of democracy. He contrasts democracy with monarchy, where a monarch, being the long-term ruler, has a vested interest in maintaining property rights and economic stability, making him less likely to engage in short-term exploitation.

B. Friedman's Acceptance of Democracy

- David Friedman, unlike Rothbard and Hoppe, does not reject democracy outright. While he is critical of government intervention and central planning, Friedman acknowledges that democracy, when limited, can be a legitimate form of government. In “The Machinery of Freedom”, Friedman argues that democracy can work in a minimal state where the government's only purpose is to protect individual rights and ensure the rule of law. Friedman sees democracy as a necessary mechanism for ensuring accountability and preventing the concen-

tration of power in the hands of a single ruler. For Friedman, democracy serves as a safeguard against authoritarianism and tyranny, as it allows individuals to hold rulers accountable through the electoral process.

- Unlike Rothbard and Hoppe, who argue that democracy is inherently flawed and leads to coercion and economic harm, Friedman believes that democracy, when limited by a constitution that safeguards individual rights, can coexist with free markets and liberty. He sees democracy not as a threat to liberty but as a mechanism of control that prevents the state from becoming too authoritarian.

3. Social Order and the Market: Rothbard and Hoppe vs. Friedman

A. Rothbard and Hoppe's Vision of a Contractual Society

- Rothbard and Hoppe believe that social order and law can emerge from voluntary, market-based institutions. They argue that all social interactions, including law enforcement, defense, and dispute resolution, can be managed by private, voluntary organizations. Rothbard envisions a completely privatized society where property rights are defended by private security firms, and disputes are resolved by private arbitration. For Rothbard, the free market is not only the most efficient way to organize economic life, but it is also the best means of ensuring peace and order.

- Hoppe agrees with Rothbard but adds an emphasis on property-based governance and the privatization of all government functions. Hoppe envisions a society governed entirely by property rights and private contracts, where individuals voluntarily associate with one another and private institutions perform all the roles traditionally handled by the state. For Hoppe, a stateless society is not only the most efficient but also the morally just system of governance.

B. Friedman's Vision of Social Order

- David Friedman shares Rothbard's and Hoppe's belief in the importance of private property and market competition for achieving social order, but he also believes that some government functions are necessary. In his vision of anarcho-capitalism, Friedman describes a society where market institutions handle all aspects of social order, but he recognizes that government could play a role in enforcing individual rights and resolving disputes. He is less ideologically committed to the idea that all social functions must be handled by private institutions and more focused on the ****practical efficiency**** of privatizing government functions. Friedman is open to the idea that the state, in its most minimal form, might be necessary to establish the framework for individual rights and social order. Unlike Rothbard and Hoppe, who argue that even the smallest form of government is inherently coercive and immoral, Friedman's pragmatic approach focuses on how the market can replace government functions, but he also acknowledges that the transition to a fully privatized society might require some initial state intervention in the form of legal recognition and defensive institutions.

For Friedman, the spontaneous order of society can evolve more efficiently through market-driven solutions rather than the coercion and monopoly of state-run institutions. However, his approach is practical and flexible—he does not completely reject the state's role in ensuring legal protections and defending

property rights as Rothbard and Hoppe do. He advocates for a minimal state that acts solely as a protector of rights, but the emphasis is on privatizing as much as possible, including law enforcement, courts, and defense, believing that market competition will produce better outcomes than government intervention.

4. Economic Views: Rothbard and Hoppe's Radical Free Market vs. Friedman's Practical Free Market

A. Rothbard and Hoppe's Radical Free Market and Property-Based Society

- Rothbard and Hoppe both argue for an unrestricted free market with minimal to no government interference. Rothbard views government intervention as inherently harmful to both individual liberty and the market economy. For Rothbard, the state distorts the economy through taxation, regulation, and monetary inflation, and these government functions should be fully privatized in an anarcho-capitalist society. Rothbard's ideal is a world where all functions of governance—law enforcement, courts, defense, and education—are managed by private individuals or voluntary institutions.

- Hoppe shares this vision but emphasizes a more property-based social order, where all interactions between individuals are grounded in private property rights and voluntary contracts. He believes that a stateless society can function without a central authority, where private property and self-ownership are the organizing principles of social life. Hoppe further critiques democracy for its short-term incentives and advocates for long-term stability achieved through property-based governance.

B. Friedman's Pragmatic Free Market

- David Friedman also supports a free market but emphasizes practicality and efficiency over ideological purity. While he advocates for the privatization of most government functions, Friedman does not entirely reject the role of the state in the economy, especially in its initial stages of transition. For example, Friedman believes that government regulation is often inefficient and counter-productive, but he is more open to state involvement in areas where the market might fail, such as national defense, infrastructure, and basic legal frameworks that protect property rights.

- Friedman's vision of a free market is grounded in his belief that market mechanisms can improve outcomes in areas where the state is currently involved. He is an advocate of market solutions to address social problems but recognizes that a minimal state might be required to protect property rights and enforce basic law and order. Friedman's monetarism, his theory of controlling the money supply, and his advocacy for free-market policies like school choice, privatization, and deregulation are consistent with his free-market liberalism, but he also acknowledges that the state has a limited but necessary role in supporting the framework of the market.

5. Justice and Property Rights: Rothbard and Hoppe vs. Friedman

A. Rothbard and Hoppe's Absolute Property Rights

- Rothbard and Hoppe view property rights as absolute and inalienable. They are the cornerstone of their anarcho-capitalist vision, where the right to self-ownership and the right to private property are sacrosanct. Rothbard's philosophy is grounded in the non-aggression principle (NAP), which asserts that

individuals have the right to act freely as long as they do not initiate force against others or their property. Hoppe extends Rothbard's view by arguing that property rights are the basis for all social order, and that individuals and organizations will naturally protect their property through voluntary arrangements without the need for state intervention.

- Friedman also emphasizes property rights, but his approach is more pragmatic and focuses on ensuring that the state protects those rights through the enforcement of contracts and property laws. While Friedman supports a free market, he also believes that the state should provide a legal framework for property protection—especially in the early stages of an anarcho-capitalist transition—because property rights and market stability require some form of governmental oversight to prevent theft and fraud.

B. Nozick's Influence on Friedman's Justice Framework

- Friedman's vision is also influenced by Nozick's idea of justice as entitlement—where individuals are entitled to hold property as long as they acquire it through just means (either by self-ownership or voluntary transfer). While Friedman differs from Nozick in his support for the minimal state, he shares the belief that private property and voluntary exchange are central to a just society.

- Rothbard and Hoppe, however, believe that property rights cannot be violated under any circumstances. For them, the state cannot be trusted to protect property rights because it is inherently coercive and will always end up infringing on those rights. Instead, they advocate for a society based entirely on voluntary contracts and private property protections that are free from state coercion.

6. The Role of Competition: Rothbard and Hoppe vs. Friedman

A. Rothbard and Hoppe's Vision of Market-Based Governance

- Rothbard and Hoppe advocate for complete privatization of all government functions. In their vision, competition would naturally arise in areas like law enforcement, defense, and dispute resolution. For example, multiple private security firms would compete for customers by providing better protection at lower prices. Similarly, private arbitration firms would offer dispute resolution services, and private courts would resolve legal conflicts. This system would allow individuals to select the services they find most reliable and efficient, fostering a dynamic, competitive market for social order and justice.

B. Friedman's Market Competition and Minimal Government

- Friedman, while supporting market competition, believes that the market will work best when government provides a legal framework and ensures that property rights are protected. Friedman's argument for market-based governance is more pragmatic, suggesting that competition in services such as law enforcement and defense would be more efficient and innovative than state monopolies, but he does not advocate for the complete abolition of government. Friedman acknowledges that private firms can deliver better outcomes in many areas but believes that the minimal state plays an essential role in ensuring that property rights are upheld and that disputes are resolved without violence or fraud.

Conclusion: Rothbard, Hoppe, and Friedman's Divergence on Anarcho-Capitalism

In conclusion, Murray Rothbard, Hans-Hermann Hoppe, and David Friedman share a commitment to anarcho-capitalism, but they differ in their philosophical approach and pragmatic solutions for achieving a stateless society. Rothbard and Hoppe are ideologically radical, rejecting all forms of government, including minimal states, because they view government as inherently coercive and immoral. They advocate for a society entirely based on private property, voluntary contracts, and market-driven institutions.

In contrast, David Friedman is more pragmatic. While he shares the ultimate goal of abolishing the state, he focuses on how a privatized, market-driven society could function more efficiently than a state-run system. Friedman believes that a minimal state might still be necessary in the short term to establish property rights and rule of law, but he advocates for a system where competition replaces government functions like law enforcement and defense.

7 Murray Rothbard, Hans-Hermann Hoppe, and James Buchanan are all influential figures in the field of economics and political theory, but they differ significantly in their views on the role of the state, government intervention, and constitutional design. While Rothbard and Hoppe are more radical in their rejection of the state and advocate for anarcho-capitalism, James Buchanan is known for his work in public choice theory and his advocacy for constitutional economics within the context of limited government. Below is a detailed comparison of their ideas, highlighting key differences in their views on the state, democracy, and the role of government in society.

1. Views on the State: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Complete Rejection of the State

- Murray Rothbard and Hans-Hermann Hoppe both reject the state entirely, arguing that any form of government is inherently coercive, immoral, and incompatible with individual liberty and property rights. For Rothbard, the state is a monopoly on violence, which imposes taxation and regulation through

force. Rothbard's ideal society is one where all functions of government—law enforcement, defense, and dispute resolution—are privatized and handled through voluntary, market-based institutions. This vision is anarcho-capitalist in nature, where market competition replaces state coercion.

- Hoppe, influenced by Rothbard, also advocates for a stateless society based on private property rights and voluntary contracts. Hoppe critiques democracy as inherently unstable and exploitative, arguing that democratic politicians are incentivized to act for short-term political gain, which undermines property rights and economic stability. Hoppe takes a further step by suggesting that monarchy may be a better option in some cases, as monarchs have a long-term interest in maintaining wealth and property rights.

B. Buchanan's Support for a Limited State

- James Buchanan, on the other hand, offers a more moderate view of the state. Buchanan is most known for his work in public choice theory, which examines the behavior of politicians and government officials through the lens of economic incentives and self-interest. In "The Limits of Liberty" and "Democracy in Deficit", Buchanan argues for the necessity of limited government that is constrained by constitutional rules and that serves to protect individual rights and maintain public goods, like national defense and law enforcement. Buchanan does not reject the state entirely, but instead, he calls for constitutional design to prevent the state from growing too large or abusing its powers.

- Buchanan's minimal state focuses on creating the conditions for individual liberty and economic efficiency within the bounds of a constitutional framework. While he is aware of the dangers of government intervention and public debt, Buchanan believes that a constitutional government—one with checks and balances and clear limits on its powers—can be compatible with individual freedom and market efficiency. He views the state as a necessary institution for organizing society but argues that its role should be restricted to protecting property rights, enforcing contracts, and providing public goods that the market cannot efficiently provide.

2. Views on Democracy: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Critique of Democracy

- Rothbard and Hoppe are strong critics of democracy. Rothbard argued that democracy is simply "legalized plunder", allowing the majority to vote to redistribute wealth and expropriate the minority. For Rothbard, democracy does not solve the inherent problem of state coercion but merely shifts the power from one ruling group to another. He contends that democracy legitimizes the state's use of force and does not create a truly just society.

- Hoppe, taking this critique further, argued that democracy incentivizes politicians to act in short-term interests, which undermines long-term economic stability and the preservation of property rights. Hoppe famously argued that monarchy might be more stable than democracy because monarchs, unlike democratic politicians, have a long-term vested interest in maintaining the wealth and economic prosperity of the nation. Despite this, Hoppe, like Rothbard, ultimately advocates for a stateless society, where all governance is based on private property and voluntary contracts.

B. Buchanan's Support for Democracy with Constitutional Limits

- James Buchanan, in contrast to Rothbard and Hoppe, argues that democracy can be legitimate if it is constrained by constitutional rules. In his public choice theory, Buchanan examines how democratic institutions work in practice, emphasizing that politicians often act based on their self-interest rather than the public good. He acknowledges the incentive problems inherent in democracy but believes that constitutional safeguards—such as fiscal constraints and balance of powers—can help mitigate the potential exploitation of democratic systems.

- Buchanan advocates for a limited government within a democratic framework that respects individual rights and the rule of law. His vision of democracy is not one of unchecked majoritarian rule but rather one in which the government is bound by the rule of law and explicit constitutional limits. For Buchanan, democracy can be a tool to protect individual liberty, as long as it operates within the framework of constitutional constraints that prevent government overreach and economic intervention.

3. Views on Property Rights: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Absolute Property Rights

- Rothbard and Hoppe base their entire political theory on the absolute protection of private property. For Rothbard, property rights are inalienable, and the right to self-ownership and the right to appropriate and control property are the foundation of a just society. Rothbard believes that taxation is theft, as it violates an individual's right to their property. Hoppe similarly holds that property rights are the cornerstone of social order, and any government that interferes with property rights is fundamentally illegitimate.

B. Buchanan's View on Property Rights and the Role of the State

- James Buchanan also sees property rights as foundational but emphasizes that these rights must be protected by a limited government that operates under the constraints of a constitutional order. Buchanan is concerned with the role of government in preserving property rights and ensuring that individual rights are not violated by others. In Buchanan's framework, the state is necessary to enforce these rights but must be constrained by constitutional rules to prevent exploitation and redistribution. Unlike Rothbard and Hoppe, Buchanan does not view government intervention as inherently harmful, but rather as a necessary institution for ensuring justice and protecting the individual property of all members of society.

4. Constitutionalism and Government: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Advocacy for a Stateless Society

- Rothbard and Hoppe are strong proponents of anarcho-capitalism—the idea that all social functions can be privatized and provided by voluntary institutions. Rothbard argues that even a minimal state is incompatible with liberty because it still relies on coercion and force. For Rothbard, the only just system is one where all interactions are voluntary, and the government is completely replaced by private institutions that respect individual property rights and engage in non-coercive means of dispute resolution.

- Hoppe extends Rothbard's anarchism by also rejecting democracy and

advocating for property-based governance in which voluntary contracts replace the coercive laws of a state. Hoppe believes that in the absence of a state, individuals and private institutions would work together to create a social order based on the preservation of private property and the non-aggression principle.

B. Buchanan's Constitutionalism and Limited Government

- James Buchanan, in contrast, argues for constitutional economics as a means to ensure that the state does not exceed its legitimate functions. Buchanan's public choice theory explores how the state can be made to serve the public good by limiting its role through constitutional rules. Buchanan does not advocate for the abolition of the state but proposes a minimal state that is bound by the rule of law and operates under a constitutional framework that prevents government from violating individual rights or engaging in redistribution. For Buchanan, constitutional design is essential to protecting property rights and ensuring that the state acts in the interest of individual liberty and economic efficiency. He believes that by establishing clear constitutional limits on government powers, citizens can ensure that the state remains accountable and does not expand its scope beyond its proper functions.

Buchanan's concept of constitutionalism is focused on creating a structure that limits government intervention in the economy and in people's lives. Unlike Rothbard and Hoppe, who argue that any state is inherently coercive and cannot be justified, Buchanan acknowledges the necessity of a minimal state that is designed to protect property rights, enforce contracts, and maintain national defense. His approach is built on the belief that a properly designed constitution can constrain the state and create a framework within which individual rights can flourish.

Buchanan's idea of constitutional democracy also incorporates the idea of fiscal responsibility, arguing that governments should be limited in their ability to tax and borrow, to prevent unsustainable debt and welfare programs that undermine individual responsibility. For Buchanan, the state should be a protector of liberty, but its power should be constrained by constitutional rules that ensure it cannot infringe upon individual freedoms or engage in excessive redistribution.

5. Views on Redistribution: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Absolute Rejection of Redistribution

- Rothbard and Hoppe both strongly reject any form of redistribution by the state. Rothbard believes that redistribution, whether through taxation or welfare programs, is a violation of property rights because it involves taking property from individuals without their consent. Rothbard argues that the only just way for wealth to be redistributed is through voluntary exchanges in a free market. Any form of state redistribution is seen as theft in Rothbard's framework, as it involves coercion and the violation of individual liberty.

- Hoppe shares Rothbard's view, arguing that welfare programs and redistributive policies undermine economic efficiency and incentivize dependence rather than self-sufficiency. Hoppe also views government redistribution as a form of coercive theft, arguing that such policies are not only unjust but lead to economic harm by distorting market incentives and creating a culture of

entitlement.

B. Buchanan's Approach to Redistribution

- James Buchanan, while also critical of redistribution, takes a more nuanced view of the state's role in economic policy. Buchanan recognizes that some degree of redistribution is inevitable in any society, particularly when it comes to addressing market failures and ensuring that basic needs are met for all citizens. However, he argues that redistribution must be constitutionally constrained to prevent it from becoming excessive or counterproductive.

- Buchanan emphasizes that redistribution should be designed in such a way that it does not undermine individual initiative or create disincentives for work and self-sufficiency. He also believes that redistribution policies should be transparent, limited, and based on clear criteria, rather than being left to the discretion of politicians who may exploit them for political gain. Buchanan's view is that the government's role in redistribution should be limited and targeted, ensuring that it does not become a vehicle for broad-based wealth transfer but rather a mechanism for protecting the most vulnerable while respecting individual freedoms.

6. Political Philosophy: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Political Philosophy of Anarchism

- Rothbard and Hoppe both reject statism and advocate for a completely stateless society, one that is based on private property and voluntary contracts. Rothbard's vision of anarcho-capitalism is grounded in the non-aggression principle (NAP), which asserts that all human interactions should be peaceful and voluntary. Rothbard believes that society can function more justly and efficiently if it operates without a state and relies on individuals and voluntary institutions to govern themselves.

- Hoppe, influenced by Rothbard, extends this framework by critiquing democracy as an inherently unstable and flawed system. For Hoppe, democracy encourages short-term thinking and incentivizes politicians to exploit state resources for their own gain. In contrast, he suggests that monarchy, in certain contexts, might be more stable, as monarchs are generally more vested in the long-term well-being of their realm. However, like Rothbard, Hoppe ultimately advocates for a stateless society in which all governance is privatized and based on property rights.

B. Buchanan's Political Philosophy of Constitutionalism

- James Buchanan, unlike Rothbard and Hoppe, does not advocate for the abolition of the state but instead focuses on creating constitutional constraints to limit government power and ensure that the state serves the public good. Buchanan's public choice theory explores how political systems often fail to operate in the best interest of the public, with politicians often acting out of self-interest rather than for the general welfare. To counteract these tendencies, Buchanan calls for the creation of constitutional rules that limit government's ability to tax, spend, and engage in redistributive policies.

- Buchanan's political philosophy is based on the idea of constitutional economics, which seeks to design government structures in such a way that individual liberties are protected and government power is constrained. Buchanan

argues that the state's role should be limited to protecting property rights, enforcing contracts, and ensuring that the rule of law prevails, while redistribution and government interference in the economy should be strictly limited and based on constitutional principles.

7. Views on Democracy: Rothbard and Hoppe vs. Buchanan

A. Rothbard and Hoppe's Critique of Democracy

- Rothbard and Hoppe both critique democracy harshly. Rothbard argues that democracy leads to majority rule, where the majority votes to plunder the minority. For Rothbard, democracy does not solve the inherent problem of state coercion but merely legitimizes it through the electoral process. He sees democracy as a form of tyranny of the majority, where individuals' rights can be violated by the votes of others.

- Hoppe expands this critique by arguing that democracy incentivizes short-term exploitation of state resources by politicians seeking re-election. In Hoppe's view, democracy is unstable, and the only just society is one in which property rights are protected and governance is based on voluntary cooperation. Hoppe contrasts democracy with monarchy, where a monarch's long-term interest in maintaining stability and prosperity makes him less likely to engage in exploitative policies.

B. Buchanan's Support for Democracy with Constitutional Constraints

- James Buchanan, in contrast to Rothbard and Hoppe, supports democracy as long as it is limited by constitutional rules. Buchanan does not reject democracy outright but acknowledges its potential dangers when it is unchecked. He believes that democracy can be compatible with liberty and market efficiency if it is structured with constitutional safeguards that limit government power and prevent redistribution and excessive intervention. Buchanan advocates for a democratic system that is constrained by a constitution, ensuring that individual rights are preserved and public choice is guided by principles of fiscal responsibility and economic efficiency.

Conclusion: Rothbard, Hoppe, and Buchanan's Diverging Visions

In conclusion, Rothbard, Hoppe, and Buchanan share a commitment to individual liberty and property rights, but they differ significantly in their views on the role of the state, democracy, and government intervention. Rothbard and Hoppe argue for a completely stateless society, where all social functions are privatized, and government is abolished entirely as coercion and force are seen as inherently unjust. On the other hand, James Buchanan advocates for a minimal state, believing that constitutional limits on government can ensure individual freedom and economic efficiency. While Buchanan accepts democracy as a necessary tool for protecting rights, Rothbard and Hoppe see it as inherently flawed and self-destructive. Buchanan's focus on constitutional economics stands in contrast to the anarcho-capitalist framework of Rothbard and Hoppe, highlighting the different approaches within the broader libertarian tradition.

8 Murray Rothbard and Hans-Hermann Hoppe both represent the more radical strand of libertarian thought, with an emphasis on anarcho-capitalism—a vision of society entirely without the state. Their critiques of government intervention, particularly in terms of property rights and state power, lead them to adopt a skeptical or even critical stance toward scholars like Ronald Coase and Douglass North, who, despite their contributions to economics and institutional analysis, are not aligned with their stateless vision. Below, I will outline how Rothbard and Hoppe would likely engage with and critique the ideas of Coase and North, particularly their views on the role of institutions and the state.

1. Ronald Coase: Views on Property Rights, the State, and Market Solutions

A. Coase's Theorem: Private Bargaining and Externalities

- Ronald Coase is most famously known for his work on the Coase Theorem, which suggests that if property rights are well-defined and transaction costs are low, individuals and firms can negotiate solutions to externalities without the need for government intervention. According to Coase, market-based bargaining can effectively solve problems like pollution or other forms of social inefficiency without the need for state regulation or taxation. The government's role is reduced to defining and enforcing property rights.

B. Rothbard and Hoppe's Critique of Coase

- Murray Rothbard would likely appreciate Coase's recognition of property rights and market solutions, particularly the idea that voluntary exchanges can solve many social issues. However, Rothbard would disagree with Coase's reliance on the state to define and enforce property rights. Rothbard believed that all government interventions—even in the form of defining property rights—are inherently coercive and illegitimate. Rothbard's approach to property rights would be far more radical, advocating for a stateless society where property rights are spontaneously defined by individuals or through private institutions such as arbitration services or contractual agreements. Rothbard would argue that the state should not have any role in enforcing property rights, as it inherently violates the principle of self-ownership and voluntary association.

- Hans-Hermann Hoppe would likely share Rothbard's critique but would also criticize Coase's implicit endorsement of democracy. Hoppe's theory of property-based governance sees private property as the only just means of social order. Hoppe would argue that Coase's model, which still involves the state in defining and enforcing property rights, is fundamentally flawed. Hoppe would emphasize that the state's coercive nature makes it incapable of impartially enforcing property rights and would assert that a privatized system of property rights enforcement would be more efficient and morally just. Hoppe would also critique Coase's assumptions about transaction costs, arguing that in a stateless society, private arbitration and market competition would naturally lower transaction costs without the need for state-imposed frameworks.

C. Overall View of Coase by Rothbard and Hoppe

- Rothbard and Hoppe would likely appreciate Coase's emphasis on private solutions and market-driven problem solving. However, they would reject his belief that the state can be a neutral actor in defining and enforcing property rights. They would argue that true liberty and efficient resource allocation are only possible in a system where all state functions are privatized, including the enforcement of property rights.

2. Douglass North: The Role of Institutions and the State

A. North's View of Institutions and the State

- Douglass North, a key figure in new institutional economics, emphasizes the importance of institutions—both formal (like laws and property rights frameworks) and informal (like social norms and cultural practices)—in shaping economic outcomes. North believes that well-defined institutions are critical for fostering economic growth and reducing transaction costs. He also highlights the role of the state in creating and enforcing the legal framework necessary for market economies to function efficiently. In North's view, institutions, and by extension, the state, are essential for reducing the uncertainty that arises from weak property rights and ensuring long-term economic stability.

B. Rothbard and Hoppe's Critique of North

- Murray Rothbard would likely critique North's heavy reliance on the state to create and enforce institutions. Rothbard's Austrian economics stresses the importance of spontaneous order—the idea that economic systems emerge naturally from individual actions rather than being imposed by central authorities. Rothbard would argue that the role of the state in defining institutions is counterproductive, as it interferes with the market process and leads to inefficiencies. He would assert that institutions related to property rights and social order should emerge organically from the actions of individuals and private entities, not from state-enforced legal systems.

- Hans-Hermann Hoppe would likely critique North's focus on formal institutions and the state's role in shaping those institutions. Hoppe's argumentation ethics would point to the coercive nature of the state, even in the context of institutions. For Hoppe, the state's involvement in defining and enforcing institutions, such as property rights, is illegitimate, as it inherently violates self-ownership and individual rights. Hoppe would argue that spontaneous institutions (such as private property systems or contractual agreements) are the

only legitimate form of social order and that the state only distorts the natural evolution of property rights and economic exchange.

C. Views on the Role of Institutions and the State

- Rothbard and Hoppe would fundamentally disagree with North's premise that institutions require the state's involvement for their success. They would argue that the state's involvement in institutional creation leads to market distortions and inefficiencies. Instead, they advocate for private institutions, contractual arrangements, and voluntary associations to determine the rules of social interaction, including property rights, without the need for government intervention. Rothbard's vision of a stateless society would align with Hoppe's anarcho-capitalist framework, where institutions of all kinds, from security to dispute resolution, would be provided by private, competing entities rather than by a centralized government.

- Rothbard would likely argue that North's institutional approach, which places emphasis on formal institutions and their enforcement by the state, undermines the very foundation of economic liberty and self-determination. Rothbard would propose that the state is the primary source of inefficiency in economic transactions, and the way to reduce transaction costs and create prosperity is through a privatized and voluntary society where institutions emerge organically from individuals' actions.

3. Views on Social Order and Governance: Rothbard and Hoppe vs. Coase and North

A. Rothbard and Hoppe on Social Order and Governance

- Rothbard and Hoppe both believe that true social order is best achieved through private property and voluntary cooperation, not by the imposition of state laws or government-enforced institutions. For Rothbard, all governance should be privatized and decentralized. He envisions a society where property rights are defined and defended by private firms and where conflict resolution and dispute settlement are handled through arbitration, not through state-controlled courts. Hoppe builds on this idea, emphasizing that only a privatized system of governance, based on property rights, can ensure social order and economic prosperity. Hoppe rejects the idea of democracy as an acceptable form of governance, arguing instead that a monarch, or a more stable private property-based system, would provide the most effective governance without the coercive nature of the state.

B. Coase and North on Governance and Institutions

- Ronald Coase believes that market solutions can handle issues like externalities, but he still believes that the state's role is necessary in defining property rights and providing legal frameworks that make private bargaining possible. For Coase, while market transactions can solve many problems, the state must step in to establish the rules of the game by defining rights and reducing transaction costs.

- Douglass North similarly emphasizes the role of institutions in providing the framework for economic exchange. However, North also believes that formal institutions—created and enforced by the state—are crucial for providing the legal certainty and property rights necessary for economic activity. North

argues that well-defined institutions and their enforcement by a government or state apparatus create the conditions for economic growth and the reduction of transaction costs. According to North, the state's role is indispensable in ensuring that these institutions are not only well-established but also protected from instability and corruption.

4. Key Differences Between Rothbard, Hoppe, and Coase/North

A. The Role of the State

- Rothbard and Hoppe see the state as inherently coercive and destructive of individual freedom and property rights. They argue that the state's monopoly on force is the fundamental problem with modern societies. For them, the state corrupts the natural processes of voluntary exchange and private property rights. They believe that private property rights can be efficiently defined and protected without the state. Rothbard advocates for a completely stateless society where all functions typically handled by the government, including law enforcement, dispute resolution, and defense, are provided by private, voluntary institutions. Hoppe extends Rothbard's views, emphasizing that property-based governance—where individuals and private institutions define the rules of society—is the only morally legitimate form of social order.

- Coase and North, on the other hand, view the state's role as necessary for creating the legal and institutional frameworks that facilitate market exchanges. Coase argues that the state is needed to define property rights and reduce transaction costs to allow for efficient bargaining between private actors. North similarly argues that the state is critical for establishing and enforcing formal institutions that provide the rule of law and stability, ensuring that property rights are secure and transactions are efficient.

B. Transaction Costs and Property Rights

- Rothbard and Hoppe believe that property rights can be defined and defended without government intervention. They view the state's role in defining property rights as unnecessary and coercive. Rothbard would argue that transaction costs in a stateless society could be reduced through the operation of private arbitration and voluntary agreements. Hoppe would emphasize that property-based governance would naturally lead to lower transaction costs, as private actors and institutions have a vested interest in maintaining the property rights of individuals and enforcing contracts efficiently.

- Coase, however, emphasizes that transaction costs are a central issue that government intervention can help solve. According to Coase, when property rights are not well-defined or are poorly enforced, transaction costs rise, and this leads to market failures. He believes that the state has a role in establishing clear property rights and legal frameworks to reduce these costs, allowing for more efficient market exchanges.

- North also focuses on transaction costs but, unlike Rothbard and Hoppe, believes that these can only be reduced through government-enforced institutions that provide the necessary legal framework and ensure property rights are secure and protected. North argues that without formal institutions backed by the state, the economy would struggle to develop, as individuals and businesses would not have the legal certainty necessary to engage in long-term investments

or large-scale economic activities.

C. Governance and Social Order

- Rothbard and Hoppe envision social order arising from private institutions rather than state authority. For Rothbard, the free market, operating through voluntary contracts, would naturally create a just social order based on private property and the non-aggression principle (NAP). Rothbard's vision is of a purely voluntary society, where all conflicts are resolved by private means, and all governance functions are carried out without coercion.

- Hoppe shares Rothbard's vision but with a greater emphasis on the inherent instability of democracy. He argues that monarchy, or a form of government with long-term, hereditary leadership, would be more stable and respect property rights better than democracy, which incentivizes short-term exploitation by politicians. However, like Rothbard, Hoppe ultimately advocates for a stateless society based on private property rights and voluntary exchange.

- Coase and North view institutions—including formal legal structures and government-enforced property rights—as crucial for social order. For Coase, the state is needed to provide the legal structures that allow for property rights to be defined and enforced so that private individuals and firms can engage in efficient exchanges. North shares this view but goes further in asserting that the state has a critical role in shaping the informal and formal institutions that govern economic behavior. In North's view, the rule of law and the stability of property rights are only possible through the active involvement of the state in defining and enforcing institutions.

5. Efficiency and Economic Growth: Rothbard and Hoppe vs. Coase and North

A. Rothbard and Hoppe's View of Economic Growth Without the State

- Rothbard and Hoppe both reject the idea that economic growth depends on state institutions or government interventions. They argue that the free market, under conditions of private property rights and voluntary exchange, is the most efficient system for fostering innovation, prosperity, and long-term economic growth. Rothbard argues that government intervention distorts the market and reduces efficiency by creating barriers to entry and promoting monopolistic behavior. In Rothbard's view, economic growth is best achieved in a society without the state, where market actors can freely engage in mutually beneficial exchanges.

- Hoppe would add that in a stateless society, property rights are better maintained and defended through private institutions. Hoppe's critique of the state suggests that the state's tendency to redistribute wealth and intervene in markets leads to inefficiencies that prevent true economic growth. He believes that a property-based society would have lower transaction costs and better align incentives to promote long-term prosperity.

B. Coase and North on Economic Growth with the State

- Coase sees the state's role as essential in defining property rights and reducing transaction costs. For Coase, the state's ability to establish clear and enforceable property rights is what enables individuals to negotiate effectively and solve problems like externalities. He argues that uncertain property rights

create inefficiencies in the market, and the state can reduce these inefficiencies by ensuring legal clarity and property protection. Coase would likely argue that economic growth is facilitated by the state's legal framework, which provides the stability necessary for individuals and firms to invest and engage in long-term economic activity.

- North similarly believes that economic growth is only possible with the establishment of strong institutions. For North, institutional frameworks—often backed by government enforcement—are essential for reducing transaction costs, ensuring property rights, and creating a stable environment for economic exchange. North argues that the state plays a critical role in fostering economic development by ensuring that institutions are in place to protect private property and facilitate economic cooperation. Without these institutions, economic activity would be hampered by uncertainty and high transaction costs.

Conclusion: Rothbard, Hoppe, and Their Critique of Coase and North

In conclusion, Rothbard and Hoppe would likely critique both Ronald Coase and Douglass North for their implicit acceptance of the state's role in defining and enforcing property rights and institutional frameworks. While Coase and North see the state as essential for economic growth and reducing transaction costs, Rothbard and Hoppe reject the state's involvement, arguing that private property, voluntary contracts, and market competition are the true drivers of social order and economic prosperity. Rothbard and Hoppe view the state as inherently coercive, and therefore incompatible with the libertarian vision of a just society, which they believe should be based entirely on voluntary interactions and private governance.

9 Murray Rothbard and Hans-Hermann Hoppe both shared a deep commitment to libertarianism and anarcho-capitalism, and as such, their critiques of Thomas Hobbes’s political philosophy are rooted in their belief that the state is inherently coercive and morally illegitimate. Hobbes, in his seminal work “Leviathan”, argued that in order to escape the state of nature—which he viewed as a state of constant war of all against all—humankind must enter into a social contract and establish a sovereign authority to maintain peace and enforce laws. Hobbes’s theory justifies the creation of a powerful, centralized state with absolute authority, which Rothbard and Hoppe would vehemently reject. Below is a detailed discussion of Rothbard’s and Hoppe’s critiques of Hobbes, focusing on their disagreements regarding the role of the state, social contract theory, and individual rights.

1. Hobbes’s View of the State and Human Nature

A. Hobbes’s View of Human Nature and the State of Nature

- Thomas Hobbes viewed humans in their natural state—the state of nature—as being in a condition of constant conflict, where there are no laws, morals, or institutionalized authority to regulate behavior. Hobbes famously described this state as one of “war of every man against every man”, where individuals are motivated by self-preservation and their actions are guided by their desires, which leads to a brutal and chaotic existence. Hobbes believed that to escape this anarchy, individuals must consent to a social contract and form a sovereign state that holds absolute power to impose order and secure peace.

- Hobbes’s argument is that civil society requires a centralized authority, which he called the Leviathan, to maintain peace and prevent the chaos of the state of nature. This Leviathan is authoritarian and has absolute sovereign power, which includes the right to tax, enforce laws, and govern the lives of individuals without any restriction. Hobbes believed that the sovereign’s power

is derived from the social contract, where individuals give up their natural rights in exchange for protection and security from the dangers of the state of nature.

B. Rothbard and Hoppe's Critique of Hobbes

- Murray Rothbard and Hans-Hermann Hoppe would both argue that Hobbes's theory of the state is deeply flawed because it justifies coercion and involuntary submission to an absolute sovereign. While Hobbes views the state as a necessary entity to ensure peace and order, Rothbard and Hoppe reject the legitimacy of any form of government—including the absolute state advocated by Hobbes. They argue that the state, even when founded on a social contract, is a coercive institution that violates individual rights.

- Rothbard, in particular, would critique Hobbes's view of human nature, arguing that it is overly pessimistic and fails to recognize the capabilities of individuals to cooperate peacefully and spontaneously without the need for an all-powerful government. Rothbard's Austrian school of economics and his view of spontaneous order stand in direct opposition to Hobbes's vision of a chaotic state of nature. Rothbard believed that voluntary exchange and property rights—not the creation of a state—are the natural means by which individuals can resolve conflicts and create social order. For Rothbard, individuals do not need a sovereign to guide them; they can form voluntary institutions for cooperation and dispute resolution.

- Hoppe would also critique Hobbes's state by arguing that it is fundamentally coercive and ultimately leads to tyranny. Hoppe, influenced by Rothbard's anarcho-capitalism, sees Hobbes's theory as an ideological justification for state control. For Hoppe, the state—whether absolute or minimal—is inherently unstable because it lacks a real economic incentive to preserve individual property rights. According to Hoppe, a monopoly on force in the hands of a sovereign authority incentivizes exploitation and encourages short-term power grabs, leading to the erosion of property rights and individual freedoms. In contrast to Hobbes's view of a necessary sovereign, Hoppe would argue that voluntary associations and market-based mechanisms are far superior at maintaining order and property rights.

2. Social Contract Theory: Rothbard and Hoppe's Rejection of Hobbesian Contract

A. Hobbes's Social Contract and the Formation of the State

- Hobbes's social contract theory is the foundation for his argument that individuals must surrender their natural rights to an absolute sovereign to maintain peace and protect themselves from the dangers of the state of nature. According to Hobbes, the social contract is the rational decision for individuals who wish to escape the chaos of the state of nature and enjoy the benefits of a peaceful society. The sovereign is thus granted absolute power, including the right to make laws, tax citizens, and control the military.

B. Rothbard and Hoppe's Critique of the Social Contract

- Rothbard rejects Hobbes's social contract theory because he believes that the state's formation through a contract is inherently coercive. Rothbard's anarcho-capitalism asserts that any contract that requires individuals to surrender their natural rights to a central authority cannot be legitimate, as it

fundamentally violates the principles of self-ownership and individual liberty. Rothbard would argue that any social contract that allows for the existence of state coercion is not a true contract because it lacks the voluntary consent of all parties involved. He would argue that people can live in a just society without needing to form such a contract that creates an overarching, coercive authority like the Leviathan.

- Hoppe shares Rothbard's rejection of the Hobbesian social contract but extends it by critiquing democracy and state sovereignty. For Hoppe, social contracts are inherently flawed because they typically lead to the state's expansion and the erosion of property rights. Hoppe's theory of government is heavily influenced by private property and contractual obligations, but he rejects the idea that any form of democratic contract or social compact can be legitimate. Hoppe is particularly critical of democracy as a form of government because, in his view, it incentivizes short-term exploitation by politicians who rely on taxation and state power to secure their positions.

- In "Democracy: The God That Failed," Hoppe argues that the social contract of democratic states is ultimately flawed because it shifts the incentive structure from the protection of property to the exploitation of resources through government redistribution. According to Hoppe, democracy leads to a decay of individual property rights because elected officials act in their self-interest to redistribute wealth and expand state power, which is a process Hobbes did not anticipate in his version of the social contract.

3. The Role of Force and Coercion: Rothbard and Hoppe's Rejection of Hobbesian Sovereignty

A. Hobbes's Justification for Absolute Sovereign Power

- Hobbes believed that the only way to maintain peace and security in society was through the concentration of power in the hands of a single, sovereign authority. This sovereign's authority is absolute, meaning that it cannot be challenged or questioned. Hobbes believed that in the state of nature, humans would be in a constant state of conflict, and only the sovereign's authority could provide peaceful order. Hobbes famously wrote that the sovereign's power should be as absolute as the king's power over his subjects.

B. Rothbard and Hoppe's Rejection of Sovereignty and Centralized Power

- Rothbard vehemently rejects Hobbes's belief that an absolute sovereign is necessary to ensure social order. For Rothbard, the state's monopoly on force is incompatible with individual freedom and property rights. He argues that, in fact, the state itself is a source of disorder because it relies on coercion and violence to enforce its will. Rothbard's belief in voluntary cooperation, property rights, and free markets stands in stark contrast to Hobbes's endorsement of a coercive sovereign. Rothbard would argue that peace and order can be achieved not through a Leviathan, but through **private property rights**, voluntary exchanges, and market-based solutions. In Rothbard's view, the state is the root cause of much of society's disorder, as it monopolizes the legitimate use of force and distorts market processes. Rothbard would argue that private security companies, arbitration systems, and voluntary contracts can provide a more peaceful and just society than a state ever could. In fact, the very existence

of a state creates violence and coercion, undermining the natural order of free cooperation and economic exchange.

- Hoppe shares Rothbard's fundamental critique of Hobbes's sovereign power, but goes even further by emphasizing the dangers of democracy as a form of governmental coercion. For Hoppe, even a limited state with sovereign authority—such as that envisioned by Hobbes—is inherently flawed because it still holds the power to violate property rights and coerce individuals. Hoppe argues that democracy, which Hobbes might have considered a potential solution for limited sovereignty, only makes matters worse by incentivizing short-term exploitation and creating a system where politicians engage in wealth redistribution and economic plunder at the expense of individual property rights.

- Hoppe takes it a step further by claiming that the monarchical system (as historically practiced in monarchies, such as in early Europe) could have been preferable to democracy, because monarchs, with long-term vested interests in their realm, might be more inclined to preserve stability and property rights than democratic politicians, who are motivated by immediate electoral concerns. Nevertheless, Hoppe still believes that monarchy is fundamentally flawed and only a stateless society, based on private property, voluntary associations, and contractual agreements, can ensure real peace and property protection.

4. Hobbes's Influence on Modern Political Thought: Rothbard and Hoppe's Divergence

A. Hobbes's Legacy in Modern Statism

- Hobbes's influence on modern statist thought cannot be overstated. His belief in the need for an absolute sovereign has shaped many forms of authoritarian and statist governance throughout history. The modern welfare state, as well as the argument for centralized control over economy, society, and military power, can trace intellectual roots to Hobbes's idea that human beings require a strong, centralized authority to prevent conflict and ensure peace. Many proponents of big government—whether from a left-wing or right-wing perspective—continue to adopt Hobbesian arguments for the necessity of state power to protect society from internal and external threats.

B. Rothbard and Hoppe's Alternative Vision

- Rothbard and Hoppe offer a radical alternative to this Hobbesian vision. Both thinkers believe that human beings are perfectly capable of organizing their own lives and securing their own property without the need for an absolute sovereign. Their critique of Hobbes focuses on the moral and practical flaws of state power. Rothbard believes that the state is illegitimate because it is based on coercion and force and that a truly just society would involve a voluntary society with private property at its core. Hoppe, in addition to rejecting Hobbes's sovereign authority, critiques democracy as an unstable and morally flawed system that leads to the erosion of property rights and individual freedom.

- Rothbard and Hoppe's alternative vision of a stateless society governed by private property and voluntary cooperation stands in stark contrast to Hobbes's centralized, coercive sovereign. For both thinkers, peace and order are best achieved through individual liberty and market institutions that respect prop-

erty rights. Rothbard and Hoppe see state power as not only unnecessary but also as the primary obstacle to creating a just and prosperous society.

Conclusion: Rothbard and Hoppe's Critiques of Hobbes

In conclusion, Rothbard and Hoppe would strongly reject Hobbes's ideas on the state, social contract, and sovereign authority. They critique Hobbes's view that the state is a necessary institution for peace and security, arguing that any state, whether absolute or minimal, is inherently coercive and morally illegitimate. While Hobbes saw the sovereign as essential to maintaining order in society, Rothbard and Hoppe advocate for a stateless society built on voluntary cooperation, private property, and market mechanisms. For them, the state is the cause of disorder, not its solution, and individual rights and property can best be protected through voluntary interactions rather than state-enforced authority.

10 Murray Rothbard and Hans-Hermann Hoppe are both libertarian thinkers who share a critique of the state and advocate for a stateless society built on private property and voluntary exchange. Their views on John Locke and the American Founding Fathers are shaped by their rejection of governmental authority and their anarcho-capitalist vision. Below is a detailed breakdown of how Rothbard and Hoppe would critique Locke's theory of natural rights and the social contract, as well as the American Revolution and the constitutional framework created by the Founding Fathers.

1. Critique of John Locke: Natural Rights and the Social Contract

A. Locke's Theory of Natural Rights and Property

- John Locke is often viewed as the intellectual father of classical liberalism and natural rights theory, which significantly influenced the American Revolution and the founding principles of the United States. Locke argued that individuals have natural rights to life, liberty, and property, which exist independently of government. According to Locke, people form governments through a social contract to protect these rights and that the legitimate authority of the state derives from the consent of the governed.

- Locke’s ideas were grounded in a theory of property in which individuals gain ownership of things by mixing their labor with unowned resources (a version of the labor theory of property). Locke famously argued that private property is a natural right derived from this process of homesteading and voluntary exchange.

B. Rothbard’s Critique of Locke: Inconsistent with Individual Liberty and Property Rights

- Murray Rothbard, while sharing Locke’s basic commitment to natural rights and property rights, offers a more radical critique of Locke’s theory. Rothbard, influenced by Austrian economics, anarchism, and individualist libertarianism, argues that Locke’s vision is flawed because it still leaves the door open for state authority, which Rothbard believes is inherently coercive and immoral. Rothbard’s core critique of Locke is that Locke’s social contract theory fails to justify the state as a legitimate institution, even under the guise of consent.

- Rothbard rejects Locke’s belief in the state’s monopoly on force and his view that government is a necessary protector of property rights. Rothbard argues that property rights can be effectively defended without the state through private property systems and voluntary contracts. Rothbard sees Locke’s justification of government as contradictory, given that Locke advocates for individual rights and freedom while also allowing for a state apparatus that violates these rights by taxing, regulating, and imposing force.

- In his critique of Locke, Rothbard would highlight that Locke, despite his emphasis on individual liberty, still grants the state power to enforce laws and regulations—which Rothbard views as an infringement on individual sovereignty. Rothbard would argue that the social contract Locke presents is not a legitimate contract because it is not voluntary in the anarcho-capitalist sense, but rather a fictitious justification for government coercion.

C. Hoppe’s Critique of Locke: Support for a Limited State

- Hans-Hermann Hoppe, while agreeing with many of Rothbard’s critiques of Locke’s social contract theory, takes an additional step. Hoppe criticizes Locke’s theory of government for its inconsistency in providing an adequate basis for the protection of property rights. Hoppe, like Rothbard, believes that government is fundamentally coercive and that no state can be legitimate, even if it is founded on consent.

- Hoppe also argues that Locke’s social contract theory is contradictory in its reliance on the state as a protector of property rights, while at the same time granting the state monopoly control over resources and the power to impose taxes and laws. Hoppe would also critique Locke for his belief in democracy as a legitimate form of governance, which Hoppe views as inherently unstable and short-term exploitative.

- In “Democracy: The God That Failed”, Hoppe develops his critique of democracy and constitutional government, arguing that Locke’s model of governmental consent and constitutional limitations is insufficient. Hoppe takes Rothbard’s critique further by discussing the inherent instability of democracy, which he believes incentivizes politicians to engage in wealth redistribution at the expense of property rights. For Hoppe, the state, even in a Locke-inspired

limited form, is not capable of protecting property rights effectively because of its incentive to grow and violate individual freedom.

2. Critique of the American Founding Fathers: Constitutionalism and the Creation of the State

A. The American Revolution and the Constitution

- The American Revolution and the U.S. Constitution were heavily influenced by Locke's theories of natural rights and the social contract. The Founding Fathers, including Thomas Jefferson, James Madison, and Alexander Hamilton, were inspired by Locke's ideas of individual liberty and property rights, and they sought to create a government that would protect these rights through the establishment of a limited state.

- The U.S. Constitution, which established the federal government with specific powers and checks and balances, was seen as an effort to create a government that would protect natural rights while preventing the abuses of monarchical power. The Bill of Rights added additional protections for individual freedoms, including freedom of speech, religion, and the right to bear arms.

B. Rothbard's Critique of the Founding Fathers and the Constitution

- Rothbard, as a radical libertarian, criticized the U.S. Constitution for its failure to abolish the state entirely. Rothbard argued that, although the American Revolution might have been a legitimate rebellion against monarchical tyranny, it still resulted in the creation of a new state. Rothbard saw the Constitution as a compromise that institutionalized the state, rather than abolishing it, and did not solve the fundamental problem of government coercion.

- Rothbard believed that even though the Constitution sought to limit federal power through the separation of powers and the Bill of Rights, the state was still inherently coercive and ultimately unaccountable to the individuals whose natural rights it was supposed to protect. Rothbard argued that the state would inevitably expand and violate property rights, as history demonstrated. For Rothbard, the Constitution could not prevent the growth of the state, and he believed that the American experiment in constitutional government ultimately failed because it did not abolish the state but merely sought to contain it.

C. Hoppe's Critique of the Founding Fathers and the Constitution

- Hoppe shares Rothbard's critique of the Constitution but adds his own emphasis on the dangers of democracy. While Rothbard critiques the Constitution for creating a new state, Hoppe criticizes the Constitutional framers for failing to realize that democracy itself is an illegitimate form of government. Hoppe, influenced by his critique of democracy in "Democracy: The God That Failed", argues that the American Revolution and the Constitution ultimately led to the creation of a democratic republic that would inevitably undermine property rights and individual liberty. He claims that democracy incentivizes short-term exploitation by politicians and that the system of representative government creates long-term instability and violations of property rights.

- Hoppe's view on the Constitution is that it was incomplete in its attempts to limit state power. While Rothbard argued that the Constitution still established a coercive state, Hoppe went further to argue that the Constitution was

doomed to fail because of the inherent flaws of democracy, which the Founding Fathers, despite their Lockean influence, did not adequately address. Hoppe emphasizes that the American constitutional system still retains a monopolistic government with the power to tax, regulate, and coerce. The creation of a democratic government under the Constitution only opened the door for political plunder and the erosion of property rights.

Conclusion: Rothbard and Hoppe's Critique of Locke and the Founding Fathers

In summary, Rothbard and Hoppe share a critique of John Locke and the American Founding Fathers centered around their belief in the inherently coercive nature of the state. They critique Locke for leaving the door open to the state as the protector of property rights, while they argue that true protection of rights can only come in a stateless society based on private property, voluntary contracts, and spontaneous order. Rothbard and Hoppe view Locke's justification for the state as fundamentally flawed because it does not address the moral issues of state coercion and government intervention in private property. They argue that Locke's social contract and his view of the state as a protector of individual rights are not sufficient to justify government in any form. For Rothbard, the state is inherently illegitimate, and property rights can be better defended in a voluntary, market-driven society, without the need for state intervention.

Critique of the Founding Fathers:

- Rothbard and Hoppe also critique the American Founding Fathers for establishing a new state, despite their advocacy for individual rights and limited government. Rothbard would argue that the American Revolution, while a justified rebellion against monarchical rule, resulted in the creation of a new government that still used coercion and violated property rights. He believed that the U.S. Constitution failed to prevent the state from growing and violating individual liberty, as evidenced by the expansion of government powers and the eventual increase in taxes, regulations, and interventions over time.

- Hoppe, taking this critique further, would argue that the Founding Fathers' attempt to create a limited government was insufficient because they still allowed for the democratic process, which he viewed as inherently flawed and prone to instability. He believed that the constitutional republic they created, despite its best intentions, inevitably led to economic and political exploitation through the democratic process, where politicians are incentivized to serve short-term interests rather than protect property rights and individual freedom. In "Democracy: The God That Failed," Hoppe argues that democracy fosters a system where politicians are incentivized to exploit state resources for electoral gain, leading to the erosion of private property and economic stability.

Anarcho-Capitalist Vision of Governance

- Both Rothbard and Hoppe advocate for a society without the state, where all governance is privatized and provided by voluntary institutions. Rothbard envisions a stateless society where property rights are upheld by private property owners, arbitrators, and security firms in a free-market environment. In Rothbard's world, the state is unnecessary, as individuals and market institutions

can provide protection and dispute resolution through voluntary means.

- Hoppe shares this vision but argues that monarchy could have been a preferable form of governance over democracy, as monarchs have a long-term vested interest in maintaining wealth and property. Despite this, Hoppe believes that even monarchies are not ideal, as they still involve state coercion, and thus he calls for a privatized, property-based system of governance. For Hoppe, democracy is not merely inefficient but morally harmful, as it incentivizes the exploitation of public resources for political gain. Therefore, he advocates for the abolition of the state altogether, with private property rights being the foundation of social order.

Conclusion: Rothbard and Hoppe's Radical Libertarianism

To conclude, Rothbard and Hoppe share a fundamental critique of Locke's political philosophy and the U.S. Constitution. They argue that Locke's justification of the state as a protector of property rights and individual liberties is inconsistent with a true vision of liberty because it still allows for the coercive force of the state, which they see as inherently violating natural rights. The American Founding Fathers, while inspired by Locke's ideas of natural rights, failed to recognize the intrinsic flaws of the state and created a new government that was still prone to coercion and abuses of power.

For Rothbard and Hoppe, property rights and individual freedom are best protected not by the state but by private institutions, voluntary cooperation, and market-based mechanisms. They argue for a stateless society where government is replaced by a system where private property rights are the foundation of governance and social order, rejecting the idea that the state can ever be a legitimate protector of rights. Thus, their critique of Locke and the American Founding Fathers stems from their rejection of any form of government intervention in favor of a society built on voluntary interactions and private property.

11 The ideas of Murray Rothbard and Hans-Hermann Hoppe have influenced a wide range of libertarian, anarcho-capitalist, and Austrian economics thinkers. Their views on private property, anarcho-capitalism, the state as inherently coercive, and the privatization of all government functions have shaped a specific strand of libertarian thought that rejects even minimal state solutions and advocates for a stateless society based on voluntary cooperation and private property rights. Below are some of the major thinkers and figures who share or have been influenced by Rothbard and Hoppe's ideas:

1. Lew Rockwell

- Lew Rockwell is a prominent libertarian and founder of the Mises Institute, which has been instrumental in promoting the ideas of Murray Rothbard and Hans-Hermann Hoppe. Rockwell has long been an advocate for anarcho-capitalism and the abolition of the state. His writings often echo Rothbard's rejection of the state's coercive nature and Hoppe's critique of democracy. Rockwell has also been influential in spreading Rothbard's work and promoting the Austrian school of economics.

2. Robert P. Murphy

- Robert P. Murphy is another Austrian economist and libertarian thinker who has been heavily influenced by Rothbard. Murphy is known for his work on Austrian economics, public choice theory, and anarcho-capitalism. He has written extensively on topics such as economic theory, taxation, and the role of government, and is a vocal advocate for the abolition of the state, in line with Rothbard's and Hoppe's ideas. Murphy's work on individual liberty and free markets follows closely in the tradition of Rothbard's radical libertarianism.

3. Walter Block

- Walter Block is an economist and philosopher who has been a staunch defender of anarcho-capitalism and has worked to develop and expand Rothbard's ideas. Block is known for his defense of property rights as absolute and his critique of any government interference, even in the form of minimal state solutions. His book "Defending the Undefendable" argues for the moral legitimacy of actions that are often criminalized, such as vagrancy, prostitution, and usury, all from the perspective of individual liberty and private property.

4. Tom Woods

- Tom Woods is a prominent Austrian economist, historian, and libertarian author who has been greatly influenced by Rothbard and Hoppe. Woods is known for his work on economic theory, libertarian history, and criticism of the state, and has been a vocal advocate for anarcho-capitalism. Woods is also known for his popular podcast, *The Tom Woods Show*, where he discusses libertarian principles and promotes the ideas of free markets, individual liberty, and limited government (or no government at all).

5. Michael Huemer

- Michael Huemer is a philosopher and libertarian thinker who, while not strictly an anarcho-capitalist, shares many of Rothbard's and Hoppe's critiques of the state. His book *"The Problem of Political Authority"* is a direct challenge to the idea that government is a legitimate institution. Huemer argues that the state is morally unjustifiable and that anarchism—especially voluntary anarchism or anarcho-capitalism—is a more ethical and just solution to organizing society. He shares Rothbard and Hoppe's belief that individual liberty and private property should be the foundation of social order, and he critiques statism from a philosophical and ethical standpoint.

6. David D. Friedman

- David D. Friedman is an economist and anarcho-capitalist who has written extensively on the anarcho-capitalist model of social order. While he does not fully embrace all aspects of Rothbard's Austrian economics, he shares Rothbard's and Hoppe's vision of a stateless society. In his book *"The Machinery of Freedom"*, Friedman outlines a vision of a market-based society where property rights, law enforcement, and dispute resolution are privatized. While Friedman's approach is often more pragmatic than Rothbard's and Hoppe's, particularly in his belief that the transition to a stateless society would require private competition and market-based solutions, he shares the basic view that government intervention should be eliminated in favor of voluntary, market-driven institutions.

7. Sepp Hasslberger

- Sepp Hasslberger is an advocate for voluntaryism and anarcho-capitalism, and has been influenced by Rothbard and Hoppe. He is known for his work in advocating for personal freedom and economic liberty. Hasslberger promotes the idea of a stateless society in which individuals freely enter into voluntary agreements, and where property rights are the foundation of society. While he is not as widely known as Rothbard or Hoppe, his ideas align closely with their vision of a world without the state.

8. Kevin Carson

- Kevin Carson is an economist and anarchist who has been influenced by Rothbard's and Hoppe's critiques of the state. He is known for his work on mutualism, a form of anarchism that promotes cooperative and voluntary forms of property. While his anarchist mutualism differs from Rothbard's and Hoppe's anarcho-capitalism, Carson shares the belief in privatizing all aspects of society and rejecting state authority. Carson is critical of corporate welfare and state-enforced monopoly power, aligning with Rothbard and Hoppe's critiques

of state-supported capitalism.

9. Jeffrey Tucker

- Jeffrey Tucker is a well-known libertarian and Austrian economist who has written extensively on individual liberty, free markets, and anarchism. He has been an advocate for anarcho-capitalism, following the ideas of Rothbard and Hoppe. Tucker is known for his work at the Mises Institute, and for his writings on the intersection of economics and individual freedom. He frequently critiques government intervention and advocates for a society based on private property and voluntary exchanges.

Conclusion: Shared Ideology and Influence

Rothbard and Hoppe's ideas are deeply influential within the libertarian, Austrian economics, and anarcho-capitalist movements. The thinkers mentioned above, such as Lew Rockwell, Robert P. Murphy, Walter Block, and Tom Woods, share the belief that the state is inherently coercive and that society should be governed by voluntary, market-based institutions. These thinkers, like Rothbard and Hoppe, argue that private property rights, voluntary exchange, and individual liberty are essential components of a just and prosperous society. While some of these thinkers may differ in their emphasis on certain aspects of economic theory or anarchist governance, they all share the common goal of promoting a society without the state based on free markets, voluntary cooperation, and private property.