

PAPERS FOR THE ADVANCEMENT OF

LIBERTY

Paper No. 6 | Jul-Aug 2021
(English version)

IN OUR TIME



Classical liberalism versus anarchocapitalism

JESÚS HUERTA DE SOTO



PAPERS FOR THE
ADVANCEMENT OF
LIBERTY IN OUR TIME

English edition

Paper No. 6, Jul-Aug 2021

Published by



www.fundalib.org

Editor: Juan Pina
Deputy Editor: Federico López

HQ: Gran Vía, 6, fourth floor
E-28013 Madrid (Spain)
www.fundalib.org | avance@fundalib.org

ISSN: 2792-2146. Legal Dep. TO 126-2021

This publication is an AI-assisted translation of its Spanish original. The publishing of this content does not imply that the magazine and/or the Foundation necessarily agree with the views expressed.

Photos: Shutterstock and archives.

This magazine is financially supported by the Atlas Network, a global network of pro-freedom think tanks. For more information, visit www.atlasnetwork.org.



ABOUT THE AUTHOR



Jesús Huerta de Soto is Professor of Political Economy at Rey Juan Carlos University in Madrid. He holds a PhD in Law and a PhD in Economics from Complutense University of Madrid and a Master of Business Administration from Stanford University. Author of twelve books published in more than sixty editions worldwide and translated into nearly twenty languages, Professor Huerta de Soto

is one of the leading figures in the Austrian School of Economics today. His extensive academic career has earned him distinctions such as honorary doctorates from Francisco Marroquín University (Guatemala), Alexandru Ioan Cuza University (Iasi, Romania), Moscow Financial University (Russia), ESEADE (Argentina), and National University of San Marcos (Lima, Peru). He edits the journal *Procesos de Mercado* and, through his presence in the media and at events and projects of an informative nature, is today one of the most recognized voices in the field and ideas of Liberty.

UNCHAIN LIBERTY, GET AVANCE
MAGAZINE EVERY MONTH
Receive the Spanish language mag
and its supplements at your home.



Just go to the Foundation's payment gateway and choose the monthly option for a donation of at least six euros (or eight if residing out of Spain, twelve if outside the EU). Then, write to avance@fundalib.org specifying your name, surname, and full postal address. To place your donation, scan this QR code with your smartphone or go to: <https://donorbox.org/libre-donacion-fundalib>

Classical liberalism versus anarchocapitalism*

JESÚS HUERTA DE SOTO

I. Introduction.....	4
II. The fatal error of classical liberalism	4
III. The state as an unnecessary body.....	5
IV. Why statism is theoretically impossible.....	8
V. The impossibility of limiting the power of the state: its "lethal" character in combination with human nature	9
VI. Anarchocapitalism as the only possible system of social cooperation truly compatible with human nature	11
VII. Conclusion: the revolutionary implications of the new paradigm	13
VIII. Illustrated Appendix and Brief Comments on the Spanish Anarchist Tradition	16
References.....	18

* Originally published as chapter 19 in Jörg Guido Hülsmann and Stephan Kinsella (eds), *Property, Freedom, and Society: Essays in Honor of Hans-Hermann Hoppe*, Auburn, Alabama: Ludwig von Mises Institute, 2009, pp. 161-178.

This article explains why the ideal of classical liberalism is theoretically and practically unattainable, and why the only system of social cooperation theoretically possible and wholly compatible with human nature is anarchocapitalism..

I. Introduction

In this first decade of the twenty-first century, liberal thought, in both its theoretical and political aspects, has reached a historic crossroads. Although the fall of the Berlin Wall and of real socialism beginning in 1989 appeared to herald “the end of history” (to use Francis Fukuyama’s unfortunate and overblown phrase), today, and in many respects more than ever, statism prevails throughout the world, accompanied by the demoralization of freedom lovers. Therefore, an “aggiornamento” of liberalism is imperative. It is time to thoroughly revise liberal doctrine and bring it up to date in light of the latest advances in economic science and the experience the latest historical events have provided. This revision must begin with an acknowledgement that classical liberals have failed in their attempt to

limit the power of the state and that today economic science is in a position to explain why this failure was inevitable. The next step is to focus on the dynamic theory of the entrepreneurship-driven processes of social cooperation which give rise to the spontaneous order of the market. This theory can be expanded and transformed into a full-fledged analysis of the anarchocapitalist system of social cooperation, which reveals itself as the only system that is truly viable and compatible with human nature.

In this article, we will analyze these issues in detail, along with a series of additional, practical considerations regarding scientific and political strategy. Moreover, we will make use of this analysis to correct certain common misunderstandings and errors of interpretation.

II. The fatal error of classical liberalism

The fatal error of classical liberals lies in their failure to realize that their ideal is theoretically impossible, as it contains the seed of its own destruction, precisely to the extent that it includes the necessary existence of a state (even a minimal one), understood as the sole agent of institutional coercion.

Therefore, classical liberals commit their great error in their approach: they view liberalism as a plan of political action and a set of economic principles, the goal of which is to limit the power of the state while accepting its existence and even deeming it necessary. However, today (in the first decade of the twenty-first century) economic science has already shown: (a) that the state is unnecessary; (b) that statism (even if minimal) is theoretically impossible;

and (c) that, given human nature, once the state exists, it is impossible to limit its power. We will comment on each of these matters separately.



III. The state as an unnecessary body

From a scientific perspective, only the mistaken paradigm of equilibrium could encourage belief in a category of “public goods” in which satisfaction of the criteria of joint supply and non-rivalry in consumption would justify, prima facie, the existence of a body with a monopoly on institutional coercion (the state) that would oblige everyone to finance those goods.

Nevertheless, the dynamic, Austrian conception of the spontaneous order entrepreneurship drives has demolished this entire theory put forward to justify the state: the emergence of any case (real or apparent) of a “public good,” i.e. joint supply and non-rivalry in consumption, is accompanied by the incentives necessary for the impetus of entrepreneurial creativity to find a better solution via technological and legal innovations and entrepreneurial discoveries which make it possible to overcome any problem that may arise (as long as the resource is not declared “public” and the free exercise of entrepreneurship is permitted, along with the accompanying private appropriation of the fruits of each creative, entrepreneurial act). For instance, in the United Kingdom, the lighthouse system was for many years privately owned and financed, and private procedures (sailors’ associations, port fees, spontaneous social monitoring, etc.) offered an effective solution to the “problem” of what “statist” economics textbooks depict as the most typical example of a “public good.” Likewise, in the American Far West, the problem arose of defining and defending property rights concerning, for instance, head of cattle in vast expanses of land. Various entrepreneurial innovations which resolved the problems as they arose were gradually introduced (cattle branding, constant supervision by armed cowboys on horseback, and finally, the discovery and introduction of barbed wire, which, for the first time, permitted the effective separation of great stretches of land at a very affordable price). This creative flow of

entrepreneurial innovation would have been completely blocked if the resources had been declared “public,” excluded from private ownership, and bureaucratically managed by a state agency. (Today, for instance, most streets and highways are closed to the adoption of innumerable entrepreneurial innovations – the collection of a toll per vehicle and hour, the private management of security and noise pollution, etc. – despite the fact that most such innovations no longer pose any technological problem. Nevertheless, the goods in question have been declared “public,” which precludes their privatization and creative entrepreneurial management.)

Furthermore, most people believe the state is necessary because they confuse its existence (unnecessary) with the essential nature of many of the services and resources it currently (and poorly) provides, and over the provision of which it exercises a monopoly (almost always under the pretext of their public nature). People observe that today highways, hospitals, schools, public order, etc. are largely supplied by the state, and since these are highly necessary, people conclude without further analysis that the state is as well. They fail to realize that the above-mentioned resources can be produced to a much higher standard of quality as well as more efficiently, economically, and in tune with the varied and changing needs of each individual, through the spontaneous market order, entrepreneurial creativity, and private property. Moreover, people make the mistake of believing the state is also necessary to protect the defenseless, poor, and destitute (“small” stockholders, ordinary consumers, workers, etc.), yet people do not understand that supposedly protective measures have the systematic result, as economic theory demonstrates, of harming in each case precisely those they are claimed to protect, and thus one of the clumsiest and stalest justifications for the existence of the state disappears.

Rothbard maintained that the set of goods and services the state currently supplies can be divided into two subsets: those goods and services which should be eliminated, and those which should be privatized. Clearly, the goods mentioned in the above paragraph belong to the second group, and the disappearance of the state, far from meaning the disappearance of highways, hospitals, schools, public order, etc., would mean their provision in greater abundance, at higher standards, and at a more reasonable price (always with respect to the actual cost citizens currently pay via taxes). In addition, we must point out that the historical episodes of institutional chaos and public disorder we could cite (for example, many instances during the years prior to and during the Spanish Civil War and Second Republic, or today in broad areas of Colombia or in Iraq) stem from a vacuum in the provision of these goods, a situation created by the states themselves, which *neither do* with a minimum of efficiency what in theory they should do, according to their own supporters, *nor let the private, entrepreneurial sector do*, since the state prefers disorder (which also appears to more strongly legitimize its



Murray Rothbard stated that there are two types of government services: those that should be eliminated and those that should be privatized.

coercive presence) to its dismantling and privatization at all levels.

It is particularly important to understand that the definition, acquisition, transmission, exchange, and defense of the property rights which coordinate and drive the social process do not require a body with a monopoly on violence (the state). On

the contrary, the state invariably acts by trampling on numerous legitimate property titles, defending them very poorly, and corrupting the (moral and legal) behavior of individuals with respect to the private property rights of others.

The legal system is the evolutionary manifestation of the general legal principles (especially regarding ownership) compatible with human nature. Therefore, the state does not determine the law (democratically or otherwise). Instead, the law is contained in human nature, though it is discovered and consolidated in an evolutionary manner, in terms of precedent and, mainly, doctrine. (We view the Roman, continental legal tra-

account of how the private provision of what today are considered “public goods” would work (though the lack of a priori knowledge of how the market would solve countless specific problems is the naïve, facile objection of those who favor the current status quo under the pretext, “better the devil you know than the devil you don’t”). In fact, we cannot know today what entrepreneurial solutions an army of enterprising individuals would find for particular problems – if they were allowed to do so. Nevertheless, even the most skeptical must admit “we now know” that the market, driven by creative entrepreneurship, works, and it works precisely to the extent that the state does not

Law is evolutionary and customary and, therefore, predates and is independent of the State and does not require any monopolistic agency of coercion for its definition and discovery.

dition, with its more abstract and doctrinal nature, as far superior to the Anglo-Saxon system of common law, which originates from disproportionate state support for legal rulings or judgments. These judgments, through binding case law, introduce into the legal system all sorts of dysfunctions that spring from the specific and prevailing circumstances and interests in each case). Law is evolutionary and rests on custom, and hence, it precedes and is independent of the state, and it does not require, for its definition and discovery, any agency with a monopoly on coercion.

Not only is the state unnecessary to define the law; it is also unnecessary to enforce and defend it. This should be especially obvious these days, when the use – even, paradoxically, by many government agencies – of private security companies has become quite common.

This is not the place to present a detailed

coercively intervene in this social process. It is also essential to recognize that difficulties and conflicts invariably arise precisely in areas where the free, spontaneous order of the market is hindered. Thus, regardless of the efforts made from the time of Gustav de Molinari to the present to imagine how an anarchocapitalist network of private security and defense agencies, each in support of more or less marginally alternative legal systems, would work, freedom theorists must never forget that what prevents us from knowing what a stateless future would be like (the creative nature of entrepreneurship) is precisely what offers us the peace of knowing that any problem will tend to be overcome, as the people involved will devote all of their effort and creativity to solving it (Kirzner 1985, 168). Economic science has taught us not only that the market works, but also that statism is theoretically impossible.

IV. Why statism is theoretically impossible

The Austrian economic theory of the impossibility of socialism can be expanded (Huerta de Soto 1992, 151-153) and transformed into a complete theory on the impossibility of statism, understood as the attempt to organize any sphere of life in society via coercive commands which involve intervention, regulation, and control and emanate from the body with a monopoly on institutional aggression (the state). The state cannot possibly achieve its coordination goals in any part of the social-cooperation process in which it attempts to intervene, especially the spheres of money and banking (Huerta de Soto, 2006), the discovery of law, the dispensing of justice, and public order (understood as the prevention, suppression, and punishment of criminal acts), for the following four reasons:

- a) The state would need a huge volume of information, and this information is only found in a dispersed or diffuse form in the minds of the millions of people who participate each day in the social process.
- b) The information the intervening body would need for its commands to exert a coordinating effect is predominantly tacit and inarticulable in nature, and thus it cannot be transmitted with absolute clarity.
- c) The information society uses is not “given;” it changes constantly as a result of human creativity. Hence, there is obviously no possibility of transmitting today information which will only be created tomorrow and which is precisely the information the agent of state intervention needs to achieve its objectives tomorrow.
- d) Finally and above all, to the extent state commands are obeyed and exert the desired effect on society, their coercive nature blocks the entrepreneurial creation of the very information the intervening state body most desperately needs to make its own commands coordinating (rather than maladjusting).

Not only is statism theoretically impossible, but it also produces a whole series of distorting and highly damaging peripheral effects: the encouragement of irresponsibility (as the authorities do not know the true cost of their intervention, they act irresponsibly); the destruction of the environment when it is declared a public good and its privatization is prevented; the corruption of the traditional concepts of law and justice, which are replaced by commands and “social” justice (Hayek 1982); and the imitative corruption of individuals’ behavior, which becomes more and more aggressive and less and less respectful of morality and law.

The above analysis also permits us to conclude that if certain societies thrive nowadays, they do so not because of the state, but *in spite of it* (Rodríguez Braun, 1999). For many people are still accustomed to behavior patterns that are subject to substantive laws; areas of greater relative freedom remain; and the state tends to be very inefficient at imposing its invariably clumsy, blind commands. Furthermore, even the most marginal increases in freedom provide great boosts to prosperity, which illustrates how far civilization could advance without the hindrance of statism.

Finally, we have already commented on the false belief held by all those who identify the state with the provision of the (“public”) goods it now provides (poorly and at great cost) and who wrongly conclude that the disappearance of the state would necessarily mean the disappearance of its valuable services. This conclusion is drawn in an environment of constant political indoctrination at all levels (especially in the educational system, which no state wishes to lose control of, for obvious reasons), an environment where standards of “political correctness” are dictatorially imposed, and the status quo is rationalized by a complacent majority which refuses to see the obvious: that the state is nothing but an illusion created by a minority to live at others’ expense, others who are first exploited, then corrupted, and then paid with outside resources (taxes) for all sorts of political “favors.”

V. The impossibility of limiting the power of the state: its “lethal” character in combination with human nature

Once the state exists, it is impossible to limit the expansion of its power. Granted, as Hoppe indicates, certain forms of government (like absolute monarchies, in which the king-owner will, *ceteris paribus*, be more careful in the long term to avoid “killing the goose that lays the golden eggs”) will tend to expand their power and intervene somewhat less than others (like democracies, in which there are no real incentives to worry about what will happen after the next elections). It is also true that in certain historical circumstances, the interventionist tide has appeared to have been dammed to a certain extent. Nevertheless, the historical analysis is

irrefutable: the state has not ceased to grow (Hoppe 2001). And it has not ceased to grow because the mixture of human nature and the state, as an institution with a monopoly on violence, is “explosive.” The state acts as an irresistibly powerful magnet which attracts and propels the basest passions, vices, and facets of human nature. People attempt to sidestep the state’s commands yet take advantage of its monopolistic power as much as possible. Moreover, in democratic contexts particularly, the combined effect of the action of privileged interest groups, the phenomena of government shortsightedness and vote buying, the megalomaniacal nature of politicians, and the irrespon-



For Hans-Hermann Hoppe, the historical analysis is indisputable: the state has not stopped growing.

sibility and blindness of bureaucracies amounts to a dangerously unstable and explosive cocktail. This mixture is continually shaken by social, economic, and political crises which, paradoxically, politicians and social “leaders” never fail to use as justification for subsequent doses of intervention, and these merely create new problems while exacerbating existing ones even further.

The state has become the “idol” everyone turns to and worships. Statolatry is without a doubt the most serious and dangerous social disease of our time. We are taught to believe all problems can and should be detected in time and solved by the state. Our destiny lies in the hands of the state, and the politicians who govern it must guarantee us everything our wellbeing demands. Human beings remain immature and rebel against their own creative nature (an essential quality which makes their future inescapably uncertain). They demand a crystal ball to ensure not only that they know what will happen in the future, but also that any problems which arise will be resolved. This “infantilization” of the masses is deliberately fostered by politicians and social leaders, since in this way they publicly justify their existence and guarantee their popularity, predominance, and governing capacity. Furthermore, a legion of intellectuals, professors, and social engineers join in this arrogant binge of power.

Not even the most respectable churches and religious denominations have reached an accurate diagnosis of the problem: that today statolatry poses the main threat to free, moral, and responsible human beings; that the state is an enormously powerful false idol which is worshipped

by all and which will not countenance anyone’s freeing himself from its control nor having moral or religious loyalties outside its own sphere of dominance. In fact, the state has managed something which might appear impossible a priori: it has slyly and systematically distracted the citizenry from the fact that the true origin of social conflicts and evils lies with the government itself, by creating scapegoats everywhere (“capitalism,” the desire for profit, private property). The state then places the blame for problems on these scapegoats and makes them the target of popular anger and of the severest and most emphatic condemnation from moral and religious leaders, almost none of whom has seen through the deception nor dared until now to denounce that in this century, statolatry represents the chief threat to religion, morality, and thus, human civilization.¹

Just as the fall of the Berlin Wall in 1989 provided the best historical illustration of the theorem of the impossibility of socialism, the huge failure of classical-liberal theorists and politicians to limit the power of the state perfectly illustrates the theorem of the impossibility of statism, specifically the fact that the liberal state is self-contradictory (as it is coercive, even if “limited”) and theoretically impossible (since once we accept the existence of the state, it is impossible to limit the expansion of its power). In short, the “law-based state” is an unattainable ideal and a contradiction in terms as flagrant as that of “...hot snow, wanton virgin, fat skeleton, round square” (Jasay 1990, 35), or that evident in the ideas of “social engineers” and neoclassical economists when they refer to a “perfect market” or the so-called “perfect-competition model” (Huerta de Soto 2007, 347-348).

1 Perhaps the most notable exception appears in Pope Benedict XVI’s brilliant work on Jesus of Nazareth. That the state and political power are the institutional embodiment of the Antichrist must be obvious to anyone with the slightest knowledge of history who reads the Pope’s reflections on the most dangerous temptation the devil can put in our way: “The tempter is not so crude as to suggest to us directly that we should worship the devil. He merely suggests that we opt for the reasonable decision, that we choose to give priority to a planned and thoroughly organized world, where God may have his place as a private concern but must not interfere in our essential purposes. Soloviev attributes to the Antichrist a book entitled *The Open Way to World Peace and Welfare*. This book becomes something of a new Bible, whose real message is the worship of well-being and rational planning” (Ratzinger 2007, 41). Redford makes similar, though much more categorical, comments (Redford 2006).

VI. Anarchocapitalism as the only possible system of social cooperation truly compatible with human nature

Statism runs counter to human nature, since it consists of the systematic, monopolistic exercise of a coercion which, in all areas where it is felt (including those corresponding to the definition of law and the maintenance of public order), blocks the creativity and entrepreneurial coordination which are precisely the most typical and essential manifestations of human nature. Furthermore, as we have already seen, statism fosters and drives irresponsibility and moral corruption,

as it diverts the focus of human behavior toward a privileged pulling on the reins of political power, within a context of ineradicable ignorance that makes it impossible to know the costs of each government action. The above effects of statism appear whenever a state exists, even if every attempt is made to limit its power, an unattainable goal which renders classical liberalism a scientifically unfeasible utopia.

It is absolutely necessary to overcome the “utopian liberalism” of our predecessors, the classical



Despite the fall of the Berlin Wall, states have continued to grow and curtail individual freedoms in all areas.

liberals, who were both naïve in thinking the state could be limited, and incoherent in failing to carry their ideas to their logical conclusion and accept the implications. Hence, today, with the twenty-first century well under way, our top priority should be to allow the (utopian and naïve) classical liberalism of the nineteenth century to be superseded by its new, truly scientific and modern formulation, which we could call libertarian capitalism, private property anarchism, or simply, anarchocapitalism. For it makes no sense for liberals to continue saying the same things they said one hundred fifty years ago when, well into the twenty-first century, and despite the fall of the

Moreover, the proposed system eliminates the corrupting incentives created by the state, and in contrast fosters the most moral and responsible human behaviors, while preventing the emergence of any monopolistic body (state) which legitimizes the systematic use of violence and the exploitation of certain social groups (those which have no choice but to obey) by others (those which at any time have the tightest hold on the reins of state power).

Anarchocapitalism is the only system which fully recognizes the free, creative nature of human beings and their perpetual capacity to internalize increasingly moral behavior patterns

Anarcho-capitalism is the only system that recognizes the free creative nature of human beings and their capacity to adopt increasingly moral behaviors in an environment where no one can claim the right to exercise systematic coercion.

Berlin Wall nearly twenty years ago, states have not ceased to grow and encroach upon people's individual freedoms in all areas.

Anarchocapitalism (or "libertarianism") is the purest representation of the spontaneous market order in which all services, including those of defining law, justice, and public order, are provided through an exclusively voluntary process of social cooperation which thus becomes the focal point of research in modern economic science. In this system, no area is closed to the drive of human creativity and entrepreneurial coordination, and hence efficiency and fairness increase in the solution of problems, and all of the conflicts, inefficiencies, and maladjustments which bodies with a monopoly on violence (states) invariably cause simply by virtue of existing, are eradicated.

in an environment in which, by definition, no one can arrogate to himself the right to exercise monopolistic, systematic coercion. In short, in an anarchocapitalist system, any entrepreneurial project can be tried if it attracts enough voluntary support, and therefore many possible creative solutions can be devised in a dynamic and constantly changing environment of voluntary cooperation.

The progressive replacement of states by a dynamic network of private agencies which back different legal systems and also provide all sorts of security, crime prevention, and defense services constitutes the most important item on the political and scientific agenda, as well as the most momentous social change to take place in the twenty-first century.

VII. Conclusion: the revolutionary implications of the new paradigm

The revolution spearheaded in the eighteenth and nineteenth centuries by the old classical liberals against the ancien régime finds its natural continuity today in the anarchocapitalist revolution of the twenty-first century. Fortunately, we have discovered the reason behind the failure of utopian liberalism as well as the need to overcome it with scientific liberalism. Also, we know that the old revolutionaries were naïve and mistaken in pursuing an unattainable ideal which, throughout the twentieth century, opened the door to the worst statist tyrannies humanity has ever known.

The message of anarchocapitalism is markedly revolutionary. It is revolutionary in its end: the dismantling of the state and its replacement by a competitive market process in which a network of private agencies, associations, and organizations take part. It is also revolutionary in its means, particularly in the scientific, economic-social, and political spheres.

- a) Scientific Revolution: On the one hand, economic science becomes the general theory of the spontaneous market order extended to all social realms. On the other hand, it incorporates the analysis of the social discoordination statism produces in any area it influences (including law, justice, and public order). In addition, the different methods for dismantling the state, the transition processes involved, and the ways and effects of wholly privatizing all services now considered "public" comprise an essential field of research for our discipline.
- b) Economic and Social Revolution: One cannot even imagine the spectacular human achievements, advances, and discoveries that will be possible in an entrepreneurial environment completely free from statism. Even today, despite continual government harassment, a

hitherto unknown civilization has begun to develop in an increasingly globalized world. It is a civilization with a degree of complexity for which the power of statism is no match, and once it is totally rid of statism, it will expand without limit. For the force of creativity in human nature is such that it inevitably sprouts up through even the thinnest cracks in the government's armor. As soon as people gain a greater awareness of the fundamentally perverse nature of the state that restricts them, and once they perceive the tremendous opportunities removed daily from their reach when the state blocks the driving force of their entrepreneurial creativity, they will in large numbers join in the social clamor for reform, the dismantling of the state, and the advancement toward a future which remains entirely unknown to us but is bound to raise human civilization to heights unimaginable today.c) The information society uses is not "given;" it changes constantly as a result of human creativity. Hence, there is obviously no possibility of transmitting today information which will only be created tomorrow and which is precisely the information the agent of state intervention needs to achieve its objectives tomorrow.

- c) Political Revolution: The daily political struggle becomes secondary to that described in (a) and (b). It is true that we must always support the least interventionist alternatives, in clear keeping with the efforts of classical liberals to democratically limit the state. However, the anarchocapitalist does not stop at that; he knows, and must also do, much more. He knows that the ultimate goal is the total dismantling of the state, and this fires his entire imagination and fuels all of his political action on a daily basis. Small advances in the right direction are certainly welcome,



One of the main flags used by the international anarcho-capitalist movement, with its initials "a" and "c" in gold, the color of capitalism, on the black of anarchy.

but we must never slip into a pragmatism that forsakes the ultimate goal of putting an end to the state. For purposes of teaching and influencing the general public, we must always pursue this objective in a systematic, transparent manner² (Huerta de Soto 1997).

For instance, the anarchocapitalist political agenda will include ever reducing the size and power of states. Through regional and local decentralization in all areas, libertarian nationalism, the reintroduction of city-states, and secession (Huerta de Soto 1994 and 2002), the aim will be to block the dictatorship of the majority over the minority and to permit people to increasingly "vote with their feet" rather than with ballots. In short, the goal is for people

to be able to collaborate with each other on a worldwide scale and across borders, to achieve the most varied ends without regard to states (religious organizations, private clubs, Internet networks, etc.) (Frey 2001).

Moreover, let us remember that political revolutions need not be bloody. This is especially true when they result from the necessary process of social education and development, as well as from popular clamor and the widespread desire to stop the deception, lies, and coercion that prevent people from fulfilling their aims. For example, the fall of the Berlin Wall and the Velvet Revolution, which brought an end to socialism in Eastern Europe, were both basically bloodless. Along

² For example, one indication of the growing importance of libertarian capitalism on the current political agenda is the article "Libertarians Rising," which appeared in the Essay section of *Time* magazine on October 29, 2007 (Kinsley 2007, 112).



The so-called black and gold flag is the best-known flag of anarcho-capitalism, and uses gold to symbolize capitalism, instead of the red used by anarcho-collectivists.

the path to this important final result, we must use all of the peaceful³ and legal⁴ means that current political systems permit.

An exciting future is opening up, in which we will continually discover new roads that will lead us, in keeping with fundamental principles, toward the anarchocapitalist ideal. Though this future may seem distant today, at any moment we may witness giant steps forward which will surprise

even the most optimistic. Who was able to predict five years in advance that in 1989 the Berlin Wall would collapse, and with it communism itself in Eastern Europe? History has entered into an accelerated process of change, and although it will never come to a halt, it will begin an entirely new chapter when humanity, for the first time in modern history, manages to rid itself of the state once and for all and reduce it to nothing more than a dark and tragic historical relic.

³ We must never forget the prescriptions of the Spanish scholastics of the Golden Age regarding the strict conditions an act of violence must satisfy to be "just": 1° All possible peaceful means and procedures must first have been exhausted; 2° The act must be defensive (a response to concrete acts of violence) and never aggressive; 3° The means used must be proportional (e.g. the ideal of independence is not worth the life or liberty of even one human being); 4° Every attempt must be made to avoid claiming innocent victims; 5° There must be a reasonable chance of success (if not, it would be unjustifiable suicide). These are wise principles, to which I would add that participation and financing must be entirely voluntary. Any act of violence which goes against one of these principles is automatically delegitimized and becomes the worst enemy of the professed objective. Finally, Father Juan de Mariana's whole theory of tyrannicide is also relevant here (Mariana 1599).

⁴ As Rothbard indicated, it is not advisable to violate current laws (basically administrative commands), because in the vast majority of cases, the costs outweigh the benefits.

VIII. Illustrated Appendix and Brief Comments on the Spanish Anarchist Tradition

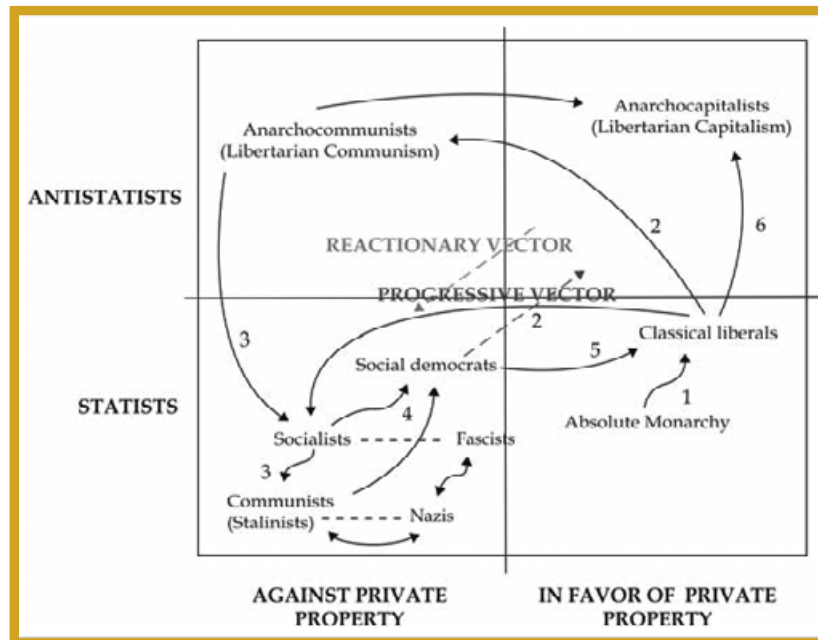
Chart 1 shows the different political systems and how they evolve naturally into each other. They are grouped according to the degree to which they favor statism or antistatism, and support or oppose private property.

We see how the initial (mistaken and utopian) revolutionary movement of the classical liberals against the old regime slips into the pragmatism of accepting the state and opens the door to forms of socialist totalitarianism (communism and fascism-Nazism). The fall of real socialism ushers in social democracy, which today prevails far and wide (group-think).

The liberal revolution, which owes its failure to error and naïveté on the part of classical liberals, has a still-pending stage, which will consist precisely of the evolution toward anarchocapitalism.

One consequence which followed the failure of the liberal revolution was the appearance of libertarian communism, which was unanimously reviled and combated by supporters of the other political systems (particularly the most left-leaning ones), precisely due to its antistatist nature. Libertarian communism is also utopian, because its rejection of private property compels the use of systematic (i.e. "state") violence against it, thus revealing an insuperable logical contradiction and blocking the entrepreneurial social process which drives the only anarchist order scientifically conceivable: that of the capitalist libertarian market.

Spain has a long-established anarchist tradition. While we must not forget the great crimes committed by its supporters (in any case qualitatively and quantitatively less serious than those of communists and socialists), nor the contradictions in their thinking, it is true that, especially during the Spanish Civil War, anarchism was an experiment which enjoyed great popular support, though it was destined to fail. Just as with the old liberal revolution, today anarchists have before them their second great opportunity, which lies in overcoming their errors (the utopian quality of an anarchism which rejects private property) and accepting the market order as the sole, definitive path toward abolishing the state. If the Spanish anarchists of the twenty-first century can internalize these teachings from theory and history, Spain will very likely surprise the world again (this time for good, and on a large scale) by leading the theoretical and practical vanguard of the new anarchocapitalist revolution.



REFERENCES

- Frey, B. 2001. 'A utopia? Government without territorial monopoly'. *The Independent Review* 6, no. 1 (summer): 99-112.
- Hayek, F.A. 1982. *Law, legislation, and liberty: A new statement of the liberal principles of justice and political economy*. 3 vols. London: Routledge.
- Hoppe, H-H. 2001. *Democracy: The god that failed: The economics and politics of monarchy, democracy, and natural order*. New Brunswick, NJ: Transaction Publishers.
- Huerta de Soto, J. 1992. *Socialismo, cálculo económico, y función empresarial*. Madrid: Unión Editorial (2d ed.: 2001; 3d ed.: 2005).
- Huerta de Soto, J. 1994. *Teoría del nacionalismo liberal*. In *Estudios de economía política*. Madrid: Unión Editorial (2d ed.: 2004).
- Huerta de Soto, J. 1997. *El economista liberal y la política*. In *Manuel Fraga: Homenaje académico*. Vol. 2, pp. 763-788. Madrid: Fundación Cánovas del Castillo. Reprinted on pp. 163-192 of Huerta de Soto, J. 2002. *Nuevos estudios de economía política*. Madrid: Unión Editorial (2d ed.: 2007).
- Huerta de Soto, J. 2002. *El desmantelamiento del estado y la democracia directa*. Chap. 10, pp. 239-245 in *Nuevos estudios de economía política*. Madrid: Unión Editorial (2d ed.: 2007).
- Huerta de Soto, J. 2006. *Money, bank credit, and economic cycles*. Translated by Melinda A. Stroup. Auburn, AL: Ludwig von Mises Institute. Originally printed in Spanish in 1998: *Dinero, crédito bancario, y ciclos económicos*. Madrid: Unión Editorial.
- Huerta de Soto, J. 2007. 'The essence of the Austrian school'. Lecture delivered at the Bundesministerium für Wissenschaft und Forschung, 26 March, 2007, in Vienna. Published in *Procesos de Mercado: Revista Europea de Economía Política* 4, no. 1 (spring 2007): 343-350.
- Jasay, A. de 1990. *Market socialism: A scrutiny. This square circle*. Occasional paper 84. London: Institute of Economic Affairs (IEA).
- Kinsley, M. 2007. 'Libertarians rising: The party that reels in these voters will dominate the future of American politics'. *Time*, 29 October, 112.
- Kirzner, I. 1985. *Discovery and the capitalist process*. Chicago and London: University of Chicago Press.
- Mariana, Father Juan de. 1599. *De rege et regis institutione*. Toledo: Pedro Rodríguez.
- Ratzinger, J. 2007. *Jesus of Nazareth*. Translated from the German by Adrian J. Walker. London: Bloomsbury.
- Redford, J. 2006. *Jesus is an anarchist. A free-market / libertarian anarchist, that is - otherwise what is called an anarcho-capitalist*. <http://anti-state.com> (1st version: 19 December, 2001).
- Rodríguez Braun, C. 1999. *A pesar del gobierno: 100 críticas al intervencionismo con nombres y apellidos*. Madrid: Unión Editorial.

ILLUSTRATION CREDITS

Page 4: Jeremy Red. Page 16: graph created by the author. All other images and illustrations are from archives.

ABOUT THE FOUNDATION, THIS MAGAZINE AND ITS SPANISH AND ENGLISH SUPPLEMENTS

The publisher of *AVANCE de la Libertad* magazine and the supplement you are holding is the Foundation for the Advancement of Liberty (Fundalib), based in Madrid. Since 2015, the Foundation has been working in Spain and internationally for the cause of economic and personal freedom for all human beings. Fundalib is an entity associated with the prestigious Atlas Network, based in Washington, which brings together some 500 pro-freedom think tanks in a hundred countries. It is also a member of European networks such as Epicenter and ELF. The Foundation researches different aspects of freedom in various areas. In particular, it periodically compiles several national and international indices on the state of freedom, including the Regional Tax Competitiveness Index (IACF) and the Economic Freedom Index for Spain's Cities (ILECE). The IACF was one of the six finalists for the prestigious Templeton Prize in 2024, and the ILECE was awarded the Europe Liberty Award in 2020. Fundalib has won several other awards and distinctions, notably first place in the international think tank competition organized by the European Resource Bank in Chişinău (Moldova) in 2019. The two documentaries produced by the Foundation have been included in the official selection of festivals in the United States and South Korea,



Fundación para
el Avance de la
Libertad

and one of them won an international specialized festival (New York, 2023). The Foundation supports various civil society activist organizations and is a top publisher of books on the ideas of freedom. The Foundation's publications are available on the fundalib.org website, including the series of Brief Reports on Current Issues. Since June 2020, the Foundation has been publishing the aforementioned monthly magazine, which provides readers with brief opinion pieces aimed at spreading ideas throughout society. With a classical liberal and libertarian orientation, the magazine covers the entire ideological spectrum from classical liberalism to agorist and ancap positions, as well as objectivist philosophy. Fundalib thus seeks to promote the various families of individualism, aware of the fearsome resurgence of various forms of collectivism in our time, generally through the various populisms that are regaining political ground.

Since 2021, this magazine of short articles has been complemented by the supplement *Cuadernos para el Avance de la Libertad*. What you are looking at is an English edition of one of those *Cuadernos (Papers)*. On page 2 of this Paper, readers will find the code and web address to subscribe to the magazine, and on the website there are several other options for joining and supporting Fundalib.

COMERCIO SIN FRONTERAS, LIBERTAD SIN FRONTERAS.

El peligroso resurgimiento del nacionalpopulismo amenaza la libertad de producir, comerciar y consumir, y pone en riesgo los fundamentos mismos de la globalización económica.

Importar es tan positivo como exportar. Defendamos el libre comercio sin fronteras entre empresas privadas.



www.fundalib.org

DESENCADÉNATE

Desencadena la libertad donando en
www.fundalib.org/don/

Y también puedes suscribirte a **AVANCE**,
hacerte Amigo de la Fundación o patrocinar
proyectos concretos mediante Patreon:
www.patreon.com/fundalib



Fundación para
el Avance de la
Libertad



Consulta a tu asesor fiscal
sobre la elevada desgravación
aplicable tanto a empresas
como a particulares