

[To Home page](#)

# Brief explanation of anarcho capitalism

1. The free market is efficient and just.
2. People have the right to forcibly defend their property, and part of their property rights is the right to travel, to move goods about, and to make deals with those who are willing to make deals.
3. Freely competing groups without territorial monopoly can uphold justice and defend people. Enforcement should protect person and property, and not redistribute wealth, etc.

Anarcho Capitalists argue that private enterprise can provide law enforcement, and the market place can resolve disagreements about what the law is and what the law means.

Anarchists are not opposed to leaders and leadership, nor to law and laws – What anarchists oppose is that certain leaders should have a special privilege to use force, a privilege to coerce, to compel others to submit to their leadership, to use force in ways that would be impermissible for other people to use force. Anarchists favor there being more leaders, not no leaders – as many leaders as can find followers. Similarly, anarchists do not oppose law, but rather oppose the existence of any body of men with the power to make law by merely decreeing it to be law.

Everyone has the right to defend themselves. Under some very common circumstances a right to defend oneself will necessarily imply a right to exact reasonable and proportionate vengeance for offenses committed against one, to prevent and deter repetition. Of course a right to oneself punish offenses against oneself is a dangerous and not very useful right. One might lose. If one wins, others will find it hard to tell who is the offender, and one's own idea of “reasonable and proportionate” is apt to be unexpectedly different from other's ideas of “reasonable and proportionate”.

We therefore expect that in anarchic society most people, most of the time, will contract out of this dangerous right, by specific contracts with specific people, contracts that provide less dangerous methods for imposing justice, contracts that are for the most part signed, with clear terms that are written down somewhere, explicit contracts that unlike Lock's “implicit contract” are genuinely voluntary in that one has a real choice to contract with one group or another, or not contract at all, or form one's own protection organization.

We expect that most people, most of the time, would sign up with various defense agencies, who would for the most part be responsible for enforcing law, that law would be enforced by freely competing rent-a-cops, vigilante groups, and militias.

Signing up with a protection agency in advance is going to be like signing up with an insurance company. As with medical insurance, if someone has not signed up with a protection agency in advance, and signs up after trouble occurs, he is going to find protection is limited and expensive. One contracts with an agency before trouble arises, in order to deter potential trouble makers – as with medical insurance, one contracts with an agency hoping never to use its services, and the agency hoping never to provide them. The agency therefore prefers to lose customers who commit crimes.

Insurance companies will not insure you against deliberately burning your own house down, and if they did, it would cost too much, and similarly protection agencies will not protect you when you yourself start a conflict. Therefore protection agencies will always need to have some reasonable arrangements for determining fault. They will do this not out of concern for the general good but out of concern for their own particular good, and the good of their clients or members.

Protection agencies will want clients who are peaceful, and law abiding (just as credit card agencies want clients who pay their just debts and health insurance companies want healthy clients) and will have mechanisms in place to discriminate against the lawless. One such a mechanism is a system for determining justice in a dispute. Such a mechanism will effectively fine the somewhat lawless, and will leave the intolerably lawless unprotected and subject to private violence. If you are determined to be at fault, you will have to pay compensation or face grave danger of possibly lethal violence. Of course you might find a protection organization with a different opinion of you, but they have an incentive to form accurate opinions. Their diverse institutions and procedures for ensuring the accuracy of these opinions is the system of justice in an anarchic society.

If a client has a permanent relationship with his defense agency, in which the defense agency, like an insurance company, bails him out in trouble, then both defense agencies in a conflict have an interest in justice – one defense agency seeking that justice be done and seen to be done for the accuser, one seeking that no injustice be done nor seen to be done to the accused. If, however, the relationship is like that between a client and a lawyer, where the client hires the agency after trouble arises, then the agency has an excessive interest in getting good results for its client regardless of justice, and, like lawyers, an excessive interest in trouble. I expect that in anarchism, defense agencies would usually be based on long term relationships,

rather than charging by the incident, because someone who relied on by-the-incident defense would be vulnerable to someone with superior resources. When he really needed defense, no one would want to provide it. Payment-per-incident creates an dangerous incentive for the defense agency to defend its client even when he is in the wrong, but it also creates a dangerous incentive for the client to refrain from seeking punishment for those who have wronged him even when he is in the right, and thus makes it likely that others will believe they can wrong him with impunity. An insurance type defense contract, where the defense agency does not charge for particular incidents, however costly they may be, will get you a little decal to put on your property and your contracts and so forth, a decal which will deter evildoers because the contract it represents deters evildoers. Such a contract represents determination to be avenged, payment in advance committing oneself and one's defense organization to future vengeance.

For defense organizations to have the right incentives, most people, or at least most people with something to protect and ability to pay, must sign up in advance, and for most people to sign up in advance, institutions for protecting those that have not signed up in advance (heroes, vigilantes looking to build a reputation, charities, and commercial defense agencies doing pro bono work) cannot be overly effective. Predation on those that have not signed up has to be a serious problem, so that someone who declines to sign up with one group or another needs to devote unusual effort to self defense, and effort to building a reputation that he is willing to resist aggression and predation. Having a decal proving you have committed in advance to an organization that is committed in advance to avenging you has to be worth something, in order that people have incentives to make the necessary commitments, which means that not having such a decal has to cost something. Too much pro bono work by well intentioned heroes would undermine the system. There needs to be significantly less justice and security for those that are not signed up, in order that individual people individually have incentive to make the necessary payments and commitments – which means there needs to be significant semi tolerated predation on those who merely have by-the-incident protection.

Suppose a customer has a dispute, and his agency refuses to assist him, claiming he started the trouble, or the other guy is not provably at fault. Suppose the customer objects, and now has a dispute with his defense agency. The most effective way that the customer can deter or damage his former defense agency is by advising other customers of that agency that it found him guilty unreasonably, much as people sometimes complain, and frequently threaten to complain, about bad conduct by insurance companies.

The best way the agency can win such a dispute is to persuade its customers that it reasonably found him at fault – the best way it can win such a dispute is to ensure that justice is seen to be done, and the best way it can save money by ensuring it has the right clients is to allow justice to be done to those of its clients that create trouble. The clients want an agency that will do justice to those that do them wrong, and the agency wants clients that refrain from doing wrong.

So, provided that most affluent and respectable people with something to protect sign up in advance of any dispute, each of the agencies involved has an interest in ensuring that justice is done, and wants to be able persuade the other agency, its other clients, and potential customers, that justice was done – the agencies want justice to be done, and want justice to be seen to be done.

Sometimes, to ensure that justice is seen to be done, it might well be necessary to rely on an outside arbitrator, an independent rentacourt, neutral between both groups of rentacops.

An arbitrator needs a reputation for doing justice, an anarcho capitalist defense agency needs to actually do justice. Government courts do not need either one.

For all this to work, we need free markets and competition, thus enforcement areas must largely overlap, so that there is no monopoly of enforcement, and courts must be independent from enforcement organizations, and people must have reasonable grounds to believe they are independent from enforcement organizations, and it must be hazardous for any man to act as judge in his own cause. If enforcement or court monopolies arose, or exclusive cartels of enforcement or courts arose, anarcho capitalism would resemble industrial feudalism for those people who found themselves with little choice of enforcement.

Under Anarcho Capitalism enforcement is based on fealty and association, not on location.

If someone suffers an adverse judgment from a well respected court, and refuses to abide by that judgment, then the judgment will not automatically be enforced, but his reputation is damaged in a fashion that makes it comparatively safe to use violence against him.

Courts are kept honest because they fear loss of respect, leading to loss of authority and thus revenue. Enforcement organizations generally, but not always, adhere to what the courts commend because they fear loss of respect, leading to violence from other enforcement organizations and loss of customers and clients.

It might happen that one enforcement organization preferred court X,

and another preferred court Y, leading to the threat of expensive conflicts between these two organizations. If the courts are reasonably just, then both agencies would probably come to an agreement in advance as to which court to use in any future dispute that pitted clients of the two organizations against each other.

And if they did not agree, perhaps because one of the courts was thoroughly corrupt and biased in favor of the clients of the particular agency that wished to use it? Well then, it's war. But at least under anarcho-capitalism those who wish to make war must themselves pay the cost of war, which should make wars exceedingly rare. Since defence organizations do not "own" their clients and their client's property in the way that states own their subjects, they should have far less incentive to make war on each other than states do. If a defence organization wins a war, this means that its view of what law should mean is likely to prevail, but it does not directly gain wealth and power from winning a war in the way a state does. Other methods for determining law, or the interpretation and application of law, tend to be considerably cheaper.

Sometimes there would be conflicts. Perhaps Militia A might claim that Militia B was soft on crime. Militia B might claim that Militia A was lawless and violent.

If Militia A was lawless and violent, this would probably eventually bring it into conflict with other enforcement organizations, a conflict that would normally be resolved by the courts.

Militia A might reject the verdict of the courts, though this is unlikely. If it did it is likely that most of its clients would repudiate it, and the leadership of Militia A might very likely die.

The experience of the [wild west](#) was that bitter and prolonged conflict between enforcement organizations was very rare, but not totally unknown. Those cases that happened are alleged to result from persistent criminal behavior by one of the enforcement organizations, some say both.

- [The problem of cartelization](#)
- [The problem of inequality before the law](#)
- [Public Goods.](#)
- [The Public Good of Defense Against States](#)
- [Law in anarchy.](#)
- [Roads, drains and real monopolies](#)
- [Monetary Stability](#)
- [The free rider problem](#)
- [Social capital.](#)
- [Mutual aid in self defense](#)

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