

The Ethics of Free Society

by Obadiah Shoher

Copyright ©2003-2008 Obadiah Shoher

All rights reserved

Contents

International gendarme.....	5
Virtual jurisdictions	9
Crossing over to competitive jurisdictions.....	12
Practical aspects of anarchist communities	16
Competing jurisdictions	25
Living in private jurisdictions	30
Justice in private communities	33
Armies do not have to be national	39
Mini-jurisdictions are peaceful.....	43
Vengeance vs. compensation	45
Between freedom and totalitarianism.....	53
Uncompensated damages	55
More ethical treatment of neighbors.....	60
Relative ethics.....	67
Cooperation only among neighbors	70
Negative legislation	80

Positivism and rationalism	88
Contractual regulation	93
Anarchism as a rejection of the monopoly on power	98
Defining the anarchism	105
Monopoly of political orientation	108
Market capitalism is not monopoly	110
Boundary effects.....	112
The marginal utility approach to liberalism.....	119
Possibility of contentiously repressive anarchist settlements	125
Governing by consensus	129

International gendarme

The war in Iraq stemmed from the delusion that a large-scale war would convince the public that Iraq greatly threatened the world, whereas a police action to eliminate Saddam would have sufficed.

America's role in preventing violence is inseparable from its role as arbiter and even judge. Conflicts cannot be prevented forever. Peaceful resolution of disputes is not always possible. Needed changes come only by force, internal or external. America's only option as objectively dominant power besides adjudicating conflicts is to require wars do not translate into atrocities. Opposing atrocities will not significantly distort development of societies, because atrocities are generally irrational, not purposeful.

Eternal peace between states advocated by Kant is possible only in rigid world which is, on the contrary, dynamic. Migration changes allegiance, requiring border adjustments. Religious preferences change, splitting the countries. Developed regions become politically ambitious. The world constantly needs changes, not security from changes.

Most conflicts deal with the borders. The weaker of two aggrieved parties launches a conflict, hoping for the international intervention in case of effective retaliation. Except for delegating America the power to decide border disputes arbitrarily, and treating the resulting abuses as a lesser evil than current incessant clashes, the only plausible solution is to let any group draw borders around the land it bought or settled, reducing the definition of statehood to land

ownership. In fact, there is hardly any other solution, since nationalist guerrillas can often force their terms through terrorism.

An empire becomes hedonistic, not eager for adventurism or massive abuses. After decades of protecting Europe against communism, America got uncooperative socialist governments in Western Europe since 1970s, and no gratefulness after the demise of the USSR. The United States, for all its shortcomings, is a better international judge than the United Nations, a conference of barbarians from Zaire to Saudi Arabia to KGB-run Russia.

Gendarme uses its dominance for economic advantage. Since, however, exports to undeveloped countries are relatively small, pushing sales usually raises more outcries, which the competitors gladly sponsor, than money. Political influence is feasible for mega-deals, but with so high stakes, the corruption is unavoidable under any administrative arrangement. Gendarme has significant advantage in selling arms, but the world benefits from assured extinguishing of the supply of spare parts by gendarme in the destabilizing conflicts. Developed countries supply expensive arms, possibly limiting the financial ability of third-world nations to wage protracted wars. Gendarme would limit arms sales to conflict zones if only to save on peacekeeping.

International peacekeeping operations are costly. Most are irrelevant to empire. The question might be asked whether taxpayers or those who seek intervention for humanitarian reasons should bear the expense. Clearly defined policy is less expensive than indecision. International peacekeeper could define the terms of involvement, prohibit the provocations, and rely to threat and overwhelming response when warnings are ignored. Much of the current work for

international peacekeepers arises from artificial former colonial borders. Sustenance level societies violate others' rights in a fight for survival. Typically of undeveloped economies, their people associate themselves with relatively small tribes. These ex-colonies are not ready for nationhood. Even Germany and Italy were not nation-states in late nineteenth century. The colonial empires, however, drew borders with little regard for local wishes or capacities.

New borders should be drawn along the lines of ethnic conflicts, creating tribal mini-states wherever possible, sometimes under mandate administration of civilized countries. To talk of the sovereignty of failed states which cannot protect their citizens is frivolous. With economic progress and wars, those mini-states could join to form viable members of the international community.

American international involvement from Haiti to Romania was well wished: from establishing a decent economic order to overcoming a Soviet-era corrupt regime. Such meddling never benefits the countries helped. Bureaucrats in Washington are ignorant of local intricacies. Unintended consequences mount up, the installed rulers take international support for the license to suppress their opponents and press the crises instead of resolving them, mega-corporations exploit the political influence, and foreign intervention provokes public outcry with eventual violent end. Doing good to others in complex environments is unworkable, like any positivism. Gendarme's intervention distorts society, and his support conserves the distortions. Like planned economy, political intervention mounts conflicts, resulting in major upheaval instead of continuous minor adjustments. No gendarme could make all people and governments

moral. Positivist goals of bringing justice to every corner of earth require unlimited resources and perennial involvement. Gendarmes, such as America, NATO, or the UN that adhere to the politically correct policy of rectifying all wrongs soon have to juggle scarce resources, arbitrarily choosing which conflicts to quash and which – to ignore. Positivism always ends up in arbitrariness.

The idea of settling conflicts objectively is futile. Even die-hard socialists finally conceded the impossibility of centrally planned economies, because planning for myriad individual choices is impossible. But the UN insists on planning things more intricate than consumer habits: kinship, envy, hatred, religion, and other lines along which bloody conflicts take place. Forcing settlements on warring parties only keeps the conflict going, invigorating both sides for new aggression. The most external power can hope is to prevent atrocities. Everything else—borders, politics, religion—should be left to the local power equilibrium. Rigid absolute peace has no chance in the dynamic world that needs continuous confrontations to adjust.

People who insist that the United States or the United Nations should establish justice on earth and save innocent victims (the definition of innocence being flexible) should remember that "You shall not murder" does not necessarily mean protecting someone from murder. On the contrary, the expectation of international peacekeeping actions provokes violence, since the aggressor can do its work before international forces are deployed to prevent further violence. Knowing that someone will step in makes the first strike profitable. The expectation of intervention provokes spiraling demands and radicalism, instead of forcing the parties to a settlement. In most cases, no war would be necessary: the parties could settle on

8

terms reflecting their assessment of each other's relative strength. In primitive societies, strength correlates roughly to the size of the population, and so such decisions are curiously democratic. When technologically developed states wage war, public opinion decries needless violence, and settlements do not reflect the parties' relative power but more or less the interests of both sides.

Virtual jurisdictions

If mega-corporations are not monopolies, are states monopolies? States have exclusive territorial jurisdiction over all their citizens. If a state allows only Sony television sets, then Sony has a monopoly. Similarly, states monopolize the law by prohibiting their people to live privately by any other rules.

Reducing the size of states is one way to strip them of that monopoly, leaving it technically intact but practically insignificant, rather like allowing only Sony TVs at one apartment house and only Panasonics at another. Customers could buy either, and only need to move a short distance. Could the same be done with jurisdiction?

Non-territorial jurisdictions exist. Sovereign Military Order of Malta is recognized as sovereign and issue passports. States grant aliens various immunities: Roman citizens from arbitrary prosecution, the British from taxes in the Ottoman Empire, the Jews from local marriage laws in Muslim lands, diplomats from local prosecution. Organizations like trade unions, insurance companies, and religious and ethnic networks offer protection resembling that by sovereigns. People of various nationalities, with different passports, subject to dissimilar domestic regulations and conflicting taxation,

often live next door and even marry, creating potential conflicts of jurisdiction, such as when their children have three citizenships: of each parent and of the land of birth. Americans work alongside with British, French, Mexican, and Indian citizens, all with allegiance to different states, at US factories. Jurisdiction becomes virtual. Citizenship is more territorially dependent than consumer goods, but liberal societies where services are largely privatized offer few barriers to virtual citizenship. Local services may be separated from purely jurisdictional matters. Thus aliens might pay for local municipal, police, or civil defense services but not submit to marriage legislation.

Virtual jurisdictions could be organized along any lines. Religions regulate private lives of their adherents across the states. Private insurers offer better protection for their customers than many states to their citizens. Multitude of jurisdictions from various providers would blur sovereignty of institutions, and return sovereignty to individuals who would be able to partially delegate it to institutions on ad hoc basis.

Why should there be any jurisdiction in the narrow sense of regulating personal matters? There is perhaps no reason for such regulation, except the atavism of religious or ideological preferences which some tried to impose on others.

Relaxed immigration laws and the dual citizenship some countries offer make jurisdiction increasingly virtual for people of some nationalities, wherever they live. Competition among jurisdictions would lessen their demands and reduce traditional citizenship to insignificance. Large countries could make citizenship more attractive by offering anything from welfare programs to

various immunities. Luxury citizenship, like other luxuries, might not find or accommodate many takers. Britain protected its few merchant companies abroad, but the United States does not offer similar protection to masses of its citizens overseas.

Corporations grow bigger in the global market. Why refuse the states the chance of enlarging in a globalized world? Citizens are much like consumers with common tastes, national identity and brand preference, might be willing to pay a premium for convenience and security. Size, indeed, does not matter. Competition does. Mega-corporations comfortably accommodate consumers among a variety of products and suppliers of luxury goods or sub-standard Third World knock-offs.

If governments withdrew welfare programs and subsidies, many large cities would collapse, but large jurisdictions would survive, held together by the political consensus among most citizens. Republicans and Democrats might respond to various matters differently, but they concur on the notion of central government. Large jurisdictions might become more flexible, reserving significant powers for cities and offering self-regulation to minorities. People could choose among various jurisdictions, large or small, niche or mainstream, in the absence of territorial monopolies on jurisdiction.

A choice among states already exists in the global economy in terms of corporate law and taxes. Individual people and companies can take advantage of lower taxes, better asset protection, and other perquisites offered by the nations competing for their money. Why not expand the competition to all aspects of civil law and everybody the choice, regardless of their net worth?

Crossing over to competitive jurisdictions

Governments oppose jurisdictional competition, and shut people inside Dodge town of nation-states. Monopoly over the citizens allows governments not just overcharge them, but charge taxes regardless of services rendered. Like with economic monopolies, a relatively small competition from mini-jurisdictions would halt monopolistic abuses, forcing states to lower taxes and streamline services.

Owners of private communities and tenants of townships would resist "foreign" enclaves within their boundaries. If private ownership of land would confer sovereignty, then owners might lease land to developers instead of selling it. Why refuse national states a similar right to resist new jurisdictions? Must they sell vacant land on demand? The difference between townships and state is monopoly. No entity should be forced to cede territory to people aspiring to form their jurisdiction if land is available at market prices nearby. Since humans occupy only a tiny percentage of the earth's habitable territory, and the need for arable land shrinks as yields increase, there is no reason to fear the privatization of all land or collusion of owners to raise the price of land. People who want to establish a mini-state could just buy land at a sensible price without resorting to violence. They are not free, however, to settle in any particular place, like they are not free to take any goods they want, but only those they could buy or find in abeyance.

Land ownership is already fragmented. Making each land plot sovereign would wreak havoc which would soon settle down but

cause considerable economic damage in the meantime. The damage would be limited if the communities adopt only minimal legislation, thus differing little among themselves, and not impeding economic relations between them. Sovereignty might be granted only to newly founded communities on uninhabited land. Granting sovereignty to existing towns is impractical, since that would affect the local property of people living elsewhere, because the township might drastically change the laws, affecting the property value and even access to it, even nationalize it. Nation-states would never agree to let the existing cities secede, though they might happily let dissenters move to new sovereign settlements instead of accumulating revolutionary pressure. The increased strength of states relative to people alleviates revolutionary threats, the tax resources allow bribing the malcontents, but higher moral demands of advanced societies make states more responsive, and bribing only provoked more demands. Overall, revolutionary pressure remains potentially significant. Economic dissenters move to offshore jurisdictions with their money, more important to states than their bodies. The example of dissenters moving to tax-free settlements would influence other citizens, and erode the monopoly on jurisdiction, but politicians are less concerned with remote consequences, and might prefer venting the dissent, especially now that smart radicals turn to terrorism. Moral warfare of Gandhi, King, or Mandela type might work with repressive regimes, but asymmetric warfare is the only means of influencing the Big Brother who manufactures the public opinion, not suppresses it. Anarchists follow in the steps of Moses who employed asymmetric threat to make the state agree to people's right of exit from jurisdiction. Not surprisingly, political correctness undermines

states in numerous ways: morality, if superficial and hypocritical, destroys enterprises built on expediency and strife for power. Multiculturalism, for example, cause states to admit culturally divergent immigrants, and even encourage diversity instead of assimilation. Many people in the developed countries would object alien domination. When blacks, Asians, and Hispanics become majority and rule, some Americans would press for autonomy of their “European” communities, and set an example of culturally homogeneous jurisdictions. Autonomy is a compromise between expedience of a large state and comfort of cultural homogeneity. In another example, humanism opposes harm to civilians during military campaigns, and implicitly divides citizens from their states. If not responsible for their governments, people are not obliged to accept or even respect them. Taking sovereignty away from nations raises questions of ownership of natural resources. The notion of resource-rich regions seceding is clearly unacceptable to established nations. New jurisdictions would not be able to buy prohibitively expensive land with known resources, nor could they profit from if they could buy it, since they would have to pay what the resources are worth. Only three scenarios offer profit: acquiring the land for free as nation-states do, discovering the resources, or colluding with others to drive up prices of natural resources. Socialists should oppose state ownership of natural resources as unearned income, but socialists tend to nationalism. Society might deny ownership of resources so scarce as to create a monopoly to people who just happened to own the land where the resources are.

The elimination of nation-states need not be revolutionary. Eclipsing economies and international tax planning weakens states’

taxing power. The demands of interest groups drive up democratic governments' expenses. Historically states break down as the power elite loses power and newcomers take over—only to fall into the same expense spiral in time. Since demands for redistribution and government expenses increase toward the zenith of the national wealth cycle, and continue to increase after the GDP growth slows down, a budgetary gap opens which neither inflation nor debt can fill.

Anarchists could speed that cycle up by campaigning for tax reductions. Supporting interest groups which demand more government expenses, is useful but immoral. The next best policy is to foment discontent among interest groups: insist on neutral laws that do not benefit any subset of the population, revoke obsolete laws, prohibit budget deficits in peacetime, and fix budget items as percentage of GDP to resist lobbying. Other measures might include giving limited sovereignty to minorities, transferring legislative functions to regional legislatures while protecting the private sphere from governmental encroachment, and creating arbitration courts.

Many people are contempt of voluntary charity. Anarchists must prove it works by establishing foundations serving the narrow stratum of people who cannot keep themselves. These efforts would not be visible in welfare states, and would not significantly improve lives of paupers in sustenance economies. That is paupers might see the difference, but observers in affluent countries would not. Semi-industrialized countries with population mostly above the sustenance level, which lack large welfare provisions, are a good stage.

Instead of appealing to people's subdued love of freedom, anarchists might concentrate on self-interest. Middle class is not happy to be the major source of funding for budgetary waste. Neither

do the inhabitants of megalopoli enjoy their status of donors of rural infrastructure. Restraining redistribution to economically weaker regions would break a major inducement for them to stay together in nation-states. People might support the right to refuse social security payments, and not demand the benefits, but invest on their own. Setting budget not in money, but in percentage of taxes, such as "5% of income tax revenues must be spent for primary education," would be a step toward personalization of taxes, allowing people to refuse certain part of their taxes, and not demand the corresponding services.

Intolerant to coercion, anarchists should not coerce others. Though exiting the states is almost impossible in the world of monopolistic jurisdictions, anarchists need not overturn the states, but only demand self-government of their communities.

Practical aspects of anarchist communities

Anarchist communities, the largest units with uniform law, might better be called neighborhoods, since they truly consist of people with shared values and similar behavior. The practical difficulties of defining ownership would preclude their belonging to the tenants, a problem already evident with regard to municipal property, which belongs theoretically to the public but is in practice alienated from them.

It is possible, however, to envisage an arrangement under which publicly owned communities could operate efficiently. One option is a corporation that issues shares to buy land for the community, build

infrastructure, and manage the settlement like a regular public stock corporation. Much like Italian renaissance city-states.

What advantage such "stock town" has over any public town? Liberals in no way object to collective property, but only to unspecified ownership. Owners oppose mismanagement only when it diminishes the value of their property. Where the assets cannot be sold, like nominal stakes in municipal corporation, effective ownership is lost and managerial abuses abound.

Yet another type could be likened to a closed corporation. While theoretically only the inhabitants could own shares, it would be open to outsiders in practice if they settled there or made trust arrangements with some resident.

Economically or ideologically homogenous communities organized as cooperatives, much like existing townships. Egalitarian-minded communities could limit the maximum amount owned by each shareholder.

An important managerial difference from contemporary municipalities would be property-based voting. Voting power could range from equal in cooperatives to fully proportional to investment in public property in corporations. Alternatively, voting power could depend on the value of a person's private land plot or municipal tax burden. Tenants would likely vote only in communist communities or townships allocating voting power depending on taxes paid.

With the variety of ownership arrangements open to them, people would likely choose as they do now among businesses: small private and larger shareholder-owned communities. Each community would sell residence permits to prevent outsiders from using the infrastructure paid for by inhabitants.

Why would anyone buy shares in such communities? One motivator would be to associate the ownership of a certain number of shares with right of residence. A more likely arrangement would be shareholders charging residents for municipal services and imposing a real estate tax or association fee. This scenario is like workers using shareholder-owned equipment in return for a "tax" on the value-added the workers produce.

Travel among communities would for the sake of convenience be mostly unhampered by visa requirements, though the privilege might not be extended to fringe communities of objectionable morals or radical political views whose members would have to travel among places that tolerate them by air. Communities would not be obliged to issue work or residence visas to anyone.

Guarding the borders would be impossible. Communities would have to resort to on-site control, replacing ID's and credit cards with fingerprint scanning to pinpoint illegal visitors. Electronic payment methods, particularly fingerprint purchase authorization, and eliminating cash would extinguish the flow of illegal visitors, since they could not buy anything.

Gated communities irritate socialist outsiders who desire the prohibited. Fencing small communities, however, is acceptable like closing the doors of one's house. A community has the right to restrict the use of its infrastructure, as a person restricts access to household property. States close their doors to immigrants and even visitors on a much larger scale than any community could.

What if several communities colluded to encircle and suffocate a settlement they detest? Such collusion would be an unacceptable monopoly, and ineffective in the age of air travel. Cargo shipping

18

would present a problem, but an outcast community would have little foreign trade anyway. Human history is full of breakaway groups stomping off angry. They either make their case and survive or die out. Being drastically different from the norm requires determination. Society has to be generally conservative to survive. New ideas have a heavy burden of proof to bear to overcome barriers of distrust and reprisal.

Private jurisdictions are no more likely to become monopolists through land purchase than corporations are to monopolize the market by acquisition of other businesses. Statehood markets citizenship, which cannot be monopolized because of the same forces that prevent monopolization in other markets. No competing state could buy all the land and keep new people out: the more territory it buys, the higher the price of what's left is. Buying land not intended for prompt settlement is not economically viable; uneconomic political ambitions are not sustainable.

Admittedly, there may be more clashes among small private communities than among nations, but turbulence is not all bad. Small clashes would keep readjust society to prevent major conflicts shake up the political and bureaucratic establishment, preventing their becoming callous and irresponsible to people's needs.

Small communities would solve perhaps the biggest intellectual problem of our time, the engineering of consent whereby odious totalitarian rulers become lovable Big Brothers. Small countries with fluid population would not have a monopoly on ideology. Different states would peddle different ideas, giving people the choice. The legitimate interest of promoting basic values is irrelevant, since why

advertise so widely accepted maxims? Governments promote current policies, fooling the people for their tax money.

Villagers do not divinize an atrocious local strongmen like the Soviet people worshipped Stalin. Popular decisions about local infrastructure are better informed than about ideology, foreign policy, economy, and similar matters on which neither masses, nor politicians or academics have coherent opinion.

Small groups are more sensible than masses. Individual people still influence decision-making in small communities. Masses make the decisions in large societies, and individual people disappear in the mob. Few influence events by themselves. Joining the crowd means abandoning distinctions and judgment. People must cooperate with the group to compete with outsiders; they cannot compete with the group, which is too large to oppose.

Communities can't afford to manufacture public opinion. Media spread among politically different jurisdictions would offer more diverse views. Since the media are profit oriented, and profit comes largely from political influence, small communities where power is dispersed would not attract the media, thereby reducing biased reporting.

Dissent is expensive. Advertisers ignore asocial people who are not devoted consumers. Distributing periodicals and broadcasting to thinly scattered audiences is costly, though the internet and inexpensive satellite programming are available. Cost of delivery to communities of dissenters is small, and their collective buying power attract advertisers.

Since the whole idea beyond the independent communities is distributed jurisdiction, instead of the national "one size fits all"

political equivalent of centrally planned economy, communities would be populated by consenting adults. That opens the question of minors, the mentally deficient, and people too old to relocate.

It is not likely a community would abuse minors or exterminate the aged or mentally deficient, especially since most families have children, every person expects to become old, and mental problems could affect the loved ones. The Nazi policy of killing the mentally deficient produced domestic unrest and disturbed foreign observers sufficiently to stop it soon. The Nuremberg trials showed that people are willing to overturn laws and even apply the law retrospectively to end and punish heinous crime. Similarly, anarchist communities would deal with what they consider clear-cut crimes against humanity on an *ad hoc* basis through concerted military intervention. An occasion so rare does not justify separate legislation. Any attempt to legislate every contingency is doomed. Free anarchist communities should not repeat the bureaucratic states' error of trying to legislate every imaginable act.

Parents might neglect their children. Should society intervene? By modern standards, nearly all the children in sustenance economies are neglected. Before the second half of the twentieth century, most parents and some schools administered corporal punishment. Public education was rare even in the West through the late nineteenth century. The demands of modern parenting are not critical to children's well-being. Sensible parents care about their children and educate them properly. Why have them? People argue about what proper education is. Some oppose force-feeding religious teachings to unconsenting minors, but young people often shed cultural and religious ideas when they grow up. Parents hope to influence their

children by choosing a school, but standardized education leaves no less an imprint and levels cultural diversity, hampering evolution of society. There is no reason to expect that children in free communities will be abused.

Public ownership of the streets in a city is not necessarily a good idea. The public should not manage the streets; and should outsource their maintenance and everything else all the way to police services. Public management even of streets is a springboard to bureaucratic expansion. People could pay for street maintenance on a usage basis, just like they pay for roads in Singapore. If someone is too poor, he could relocate to some cheaper place. Tracking needs not result in totalitarian control: anonymous prepaid cards would preserve privacy, yet allow per-usage charge.

Though it is probably undesirable to privatize streets and parks in existing cities where the public is already invested in housing expecting free usage of these amenities, governments should stop building new cities or enlarging old ones, clearing the way for new privately owned communities—with private streets.

The current sharing of expenses for public infrastructure is neither equal nor proportional but based on consumer spending through sales taxes, real estate values, and similarly irrelevant variables. The present system of financing municipal expenses does not make sense. It is like charging for lunch based not on the food ordered but on the value of one's clothes (sales tax) and house (property tax). It is also like paying for a lunch one did not eat: city dwellers subsidize public transport whether they use it or not, pay for parks they rarely visit, and for police even though they commit no

crimes while criminals do not have to reimburse the cost of conviction.

One reason regulations and taxes increase is that they are largely unaccounted for. Who would object to medical students getting more and better education? But more education costs more on one hand and leaves fewer working years on the other, meaning higher costs of medical services. What tenant objects to rigorous building codes? The one who realizes that complying with regulations raises the rent.

A US government policy offers a useful example. Under the Paperwork Reduction Act, each new form includes a note about how much time we waste filling it out. Similarly, the communities should attach a value to each regulation, so people will know how much indirect cost they cause. The easy way to keep the accounting truthful is a buy-out option: an affected person or company could pay a fine a little above the expected cost of compliance instead of actually complying. Rational people would prefer improving their property by complying with sensible regulation to wasting the same money. Mandatory insurance could replace safety regulations: private experts could better assess the risks than bureaucrats bent on regulating. Wherever possible, taxes must replace regulation. It is society's, not the landlord's job to provide for the handicapped. If society wants them, it must pay for them, not pass the obligation on to the owners. And take automobile pollution. Drivers make the environment worse for everybody and should pick up the tab for reducing pollution with cleaner gasoline and catalyzers. But landlords damage no one by not having disability access and therefore are not obliged to pay for it.

Anarchist communities would have to cooperate on various issues, among them pursuit of escaped criminals and pollution. Ideally, the cooperation should be negative: no protection of convicts, no significant pollution. Even unfriendly states cooperate that way. The USSR and Austria collaborated to prevent excessive contamination of the Danube. People cooperate with their neighbors endlessly without resorting to state intervention.

How would anarchist communities cooperate? The examples of the League of Nations and the UN demonstrate that an international parliament based on one country, one vote does not work. Earlier balance-of-power treaties were more sustainable, but many anarchists refuse any approach based on power.

Why cannot the UN operate effectively? Because it operates much like a national parliament, setting positive goals. Conflicts arise over the distribution of scarce resources, UN funding of humanitarian programs, peacekeeping missions, or redrawing borders. Had the UN confined itself to a purely negative approach, it would have saved itself a lot of trouble.

Similarly, the "United Communities Organization" should not concern itself with distribution. If there were a need for infrastructure beyond or between communities, private enterprise would build it and sell it for a fee. If a famine arose in a community, the others would be free to send—or not to send—charity to the afflicted. The "UCO" should function only to stop violations: land encroachment, contract violation, and the like, an inter-community court of criminal justice. The "UCO" could also help communities unify legislation. Any community would be free to disagree and reject unified codes,

which might nevertheless impede economic relations with other entities.

Competing jurisdictions

Modern political theory recognizes both the right and expediency of sovereignty of ethnic and religious groups. Granted statehood, they fully realize cultural aspirations and, more importantly, do not offend or threaten others. Political views are not weaker than religious, and political minorities are similarly entitled to their jurisdictions.

No moral reasoning allows states to keep dissident regions integrated. Groups are averse to living together because cannot trust others with different values and interests. Unless replacing old values with new ideals, and melting diverse groups together, states face separatism when police powers and redistribution fade. European drive to integration is overestimated, though Europeans in many respects became monocultural, a single group. EU integrated only in basic issues, and the volume of common legislation is negligible when compared to laws of member states; EU even stumbled upon constitution, unable to agree on principles.

Dissent cannot be justly suppressed, yet people loathe bizarre opinions and practices. In their drive to expand influence and borders, democratic states force accommodation of alien views, uncomfortable coexistence. Libertarianism shrinks the unacceptable, bringing to light still more of commonly detested practices. Mini-jurisdictions offer morally comfortable living in shared values'

societies, and provide for dissent through migration to consenting communities.

Competing jurisdictions are a historical norm. The enterprising, mobile, economically important minority could always move with their money to another city-state. Restrictions on immigration, which cannot be lifted for reasonable payment, are an innovation, firmly established only in the beginning of twentieth century. American colonies were originally private jurisdictions. Even without significant competition for citizenry, and constantly in conflict with the inhabitants, they were mild compared to states, with minuscule taxation and light regulation. Colonial legislatures opposed the governors, and relied on people, unlike in modern states where the competition with executive branch is nominal, and parliaments are alienated from citizens. Only conflicting interests make checks and balances work. President and parliamentarians in democracies quarrel over which special interests would benefit from government policies, but collude against people at whose expense the benefits come. People in democracies believe that governments serve popular interest, and check rulers mildly; in private jurisdictions, conflict of interests is clear, and checks effective.

Smaller jurisdictions would allow the people of modest means to come to power. Now the politicians need to pay for large mass media advertising, and are necessarily affiliated with financial interests. Small states are also more transparent, with less corruption, wasteful spending, and other bureaucratic abuses.

Politicians address the largest possible voting audience, thus cannot be specific in their programs, lest they offend some. Larger is a state, more interest groups are there, and more averse are the

politicians to details. This promotes demagogues. Small jurisdictions might have more competent rulers. Governments have to be unitarian: they cannot efficiently pursue policies tailored for conflicting needs of various population groups. In result, governments pursue haphazard activities rather than policies, and bestow benefits on some groups versus sops to others. Large modern governments respond to numerous or vociferous voters more than to common sense, and exacerbate the shortcomings of democracy in non-isomorphous societies.

Globalization stimulates competition among states, restricting their abusiveness. Diplomatic appointments, citizenship, corporate registrations, and tax concessions are for sale. Anarchists should oppose the developed countries' bribing with aid and coercing lesser states to make them abandon tax shelter provisions. Repressive tariffs, restrictions on payments clearing for countries with lax money laundering regulation, discrimination of offshore companies are major impediments to making the states compete.

By blurring borders and eliminating tariffs, globalization destroys monopoly of states. Relocation becomes less expensive. Over-taxing is impossible without tariffs. Fluid capital markets allow new economies to develop fast.

Rich states expand their influence; affluent people drift to safe individualism. This dichotomy undermines empires. States generally prefer nominal authority over large areas to rigid power over the small ones, and control huge areas with diverse groups rather flexibly. Globalization of state power through alliances like EU limits that power to commonly acceptable denominator. Earlier global institutions, from empires to Church, learned that expanding the scale

of influence means weakening it, limiting it to tribute or the most general doctrinal issues, accordingly. Globalization makes central authorities more remote, and opens space for self-determination of groups.

Globalization diminishes local power. Super-large global organizations with diverse interests are less prone to lobbying than local bureaucracies. Such organizations exercise relatively little control over local and private matters, and are less intrusive than national governments. Global entities like the United Nations might support small jurisdictions, which are easier to control than mega-states. Facing manipulation by large countries, international bodies might appeal for support and justification directly to public, position themselves as defenders of panhuman ideals, and promote self-determination of coherent groups. Transition from city-states to nation-states was supported by new ideals and discrediting of the notion of city-states. Global organizations will similarly find it necessary to do away with nation-states. This would position mini-jurisdictions in global community like the towns within nations: adhering to some common laws, but independent and competing for inhabitants. Legislation, unified across culturally different countries, tends to the lowest denominator, and is less abusive than national. Mini-jurisdictions in globalized society might need little laws in common. Close administration on the global scale being impossible, more power is accorded to market forces. Rigidly centralized control of the Church over the global domain quickly dissolved when monopoly was lost, giving rise to many competing religious sects. Likewise, squeezing of power upwards to supra-national bodies

weakens the power down, providing for emerging competing jurisdictions.

Community of neighbors is natural society. Central power historically involved itself very little in communal relations, generally satisfied with taxing and conscripting. Non-intrusion extended to full autonomy of aliens, such as dhimmi.

Nation-states depend on invented identity, and oppose competition of identities. They need homogeneous ideology, and eradicate autonomy through force or subsidies. Nation-states used improvements in communication and transportation to encroach on “sovereignty” of communities.

Further improvements shifted the power centers up, from nation-states to regional organizations which reflect major common interests (trade, migration, defense) and generally do not meddle in personal matters. “Region-states” might return to historical norm of central authority appropriating only the functions which all communities involved view similarly: human rights, but not marriage age.

Centralizing only consensual functions might return another historical norm, multiple allegiances. Communities relegate defense to NATO, trade to WTO, international police work to the UN, economic crises management to IMF, and so on.

Supra-national organizations take consensual functions away from nation-states, which are thus de-legitimized and dissolved. Nation-states impede regional organization which therefore undermines them by usurping monetary, fiscal, defense, and other major policies.

Culturally homogeneous communities interconnected in overlapping alliances are the history, and also the future.

Living in private jurisdictions

Imagining anarchist society in minute details is even less possible than central planning: we have some experience of present-day economy, but not of the future state. General trends are clear.

Private jurisdictions have a better claim to sovereignty than states that do not own land but manage it in the people's name. Theoretically, the public in nation states has sovereign rights but rarely exercise them, since politicians, bureaucrats, or interest groups usurp them. Dwindling participation in elections shows that citizens understand their estrangement from legislation. Private jurisdictions honestly accept the impossibility of distributed authority, of a mega-state with millions of citizens and conflicting interest groups governed for the common good. Competitive, though private and therefore authoritarian legislation is better than the unworkable ideal of representative government. Private jurisdiction bests the national democracy in the complex adaptive system of human society through predictability based on stable self-interest, minimal regulation, and relatively small size which does not distort global politics, economy, and culture. Private owners of mini-jurisdictions are on the average smarter and morally superior to bureaucrats who advance through loyalty, and corrupt politicians.

Letting someone else make the rules may seem risky, but tenants agree to their landlords' regulations, aliens often live in host

countries for generations without voting rights, and citizens rarely influence legislation even if they vote. Residents of private jurisdictions would vote the way consumers do: with their dollars and their feet, by moving to communities that please them.. Citizens of nation-states have no such control over legislation: they cannot easily obtain residence and work permits in other jurisdictions. Competition is the ability to switch, and competition of states is realized through right of exit – which works only if many other jurisdictions offer a right to enter.

Small shareholders in corporations are passive just like citizens in relation to states. Since all shareholders have the same profit goal and a great many different companies offer the chance to reach that goal, unlike citizens of nation-states who have contradictory interests. Negative legislation allows little latitude for conflicting citizen demands; arbitrary positive regulation breeds conflicts, contempt of representative government, and a web of *ad hoc* alliances that cheat the population. No competitive jurisdiction would be so abusive as states with positive laws.

Corporate jurisdictions owned, managed, and legislated by corporations could be very comfortable. They require no allegiance, or participation in ideologically inspired wars, or taxation for pork barrel spending, but only reasonable tenancy fees. Inhabitants of small private towns would feel less anxious than in megalopoli. So long as the owner has no monopoly, he must satisfy his customer-citizens to increase the demand for new settlements and raise values in existing ones. He must offer an even-handed municipal code, fair taxation, and relatively honest police. Corporations, which amassed great wealth but are formally refused voting power, would eagerly

create their jurisdictions. To lure citizens, corporations would offer significant benefits, offsetting the loss of electoral power for people.

The biggest problem in private jurisdictions is the potential for legislative abuse. Exploiting people's need to relocate, owners might introduce restrictive laws, from higher taxes to unequal court treatment, though such abuse would soon empty the community as residents moved out: the cost of relocation is small in mobile economies. Large corporations with many communities would have to protect their reputation to maintain demand and would not abuse residents. Existing investor-owned communities with few requirements are liberal compared to municipalities. The dominant suppliers rarely mistreat customers, though the cost of switching to another supplier may be significant in industry.

Legislative stability would be private jurisdictions' most significant improvement over national governments. Without a body of professional lawmakers whose interest lies in promulgating more laws, private jurisdictions would legislate very little. Vendors who change the terms of sale drive away bewildered customers.

National jurisdictions are abusive as any monopolists, raising prices (taxes) and worsening the terms (regulation). Private jurisdictions would occupy vacant land, attract people with fair taxes and unburdensome legislation. Most communities would have similar laws, certified by a body like the ACLU.

What happens if a traveler accidentally enters hostile territory? A black person straying into a KKK community would fall victim to the lynch laws the residents are perfectly content with. Or what if residents passed a law to confiscate the property of the richest person in village? One option to deal with such marginal situations is a

general agreement to hurt no one against his will, and prosecuting the deviations. Consent is ambiguous. Someone who agrees with local laws might suddenly object if when facing criminal charges. A person who could learn the rules, had a reasonable time to leave, but stay in the community, consents to the local laws. This reasoning cannot be applied to minors, whose care must be entrusted to their parents. The rule of thumb with minors is significant actions taken toward them should be reversible once they reach the adulthood. Religious education in this scenario remains at parents' discretion, since young adults often reject the religion of their childhood. The barrier of societal intervention on behalf of children is very high, when parents' actions certainly harm them, not when society envisages better education.

Justice in private communities

Governments should only assume the functions which cannot be private. Such are only the functions which affect the people without their consent. Civil courts can be private: the parties have no choice but to agree on arbiters. Criminal courts affect people regardless of their consent, and cannot be strictly private. Whether societies elect judges, or states hire them, the occupation is non-private. The case is different with police: though societies must license the use of force, management is better left to private efforts. Management of criminal courts is insignificant, and privatizing them is not expedient.

What about the honesty of courts in private jurisdictions? Where someone finances the court, partiality is a possibility. While

governments pay judges, who might therefore be less than objective in cases involving the state, their dependency is arguably less than that of private judges.

Residents would not settle in a private community with captive courts. Arbitration is a likely solution, since it is cheaper, faster, and less cumbersome than traditional court proceedings, though even outside arbitrators might favor the owners, on whom they depend for business. The judges, however, are unlikely to show extreme partiality, since prospective residents would refuse them as arbitrators-of-choice in residency contracts. In this sense, judges are elected by litigants just as by citizens, and would be as responsive to their electorate. Simple commonsense laws leave less space for judicial abuses. Profit-seeking owners would not want their communities to be reputed abusive and lawless.

Concerns that judges might favor capitalists in disputes with labor stem from nineteenth-century precedents, though the injustice of that time is often exaggerated. Judges administered laws which gave employers and employees equal rights, thus offering no additional protection to workers whose bargaining power was low due to over-supply of labor. Modern social advocates are accustomed to legislation that protects workers and consider early court decisions shocking. Typical are rulings against unions. Judges then saw trade unions as illegal cartels before they gained immunity. Courts have always been corrupt, and capitalists have more to bribe judges with. With public chosen, impartial arbitrators, corruption would be rare. As multibillion judgments against corporations demonstrate, capitalists are averse to the risk of bribing judges. Even more averse are corporation managers whose only gain from crime is keeping

34

their jobs, while the downside is jail sentence. The biblical injunction against favoring the poor in courts is evidence that elected judges are partial to workers.

In modern societies, the rich have the advantage over the poor but not necessarily when there are many opponents, as in class actions. One can spend only so much on litigation: if both are sufficiently funded, their position is equal; but trial costs are often much higher for corporations than for the plaintiffs. The rich are far more exposed than the poor, making the rich attractive targets for lawsuits, tempting the poor into litigation and letting them raise funds for it.

Legal simplicity is the major reason for fair courts in private jurisdictions. Without complex laws, attorneys cannot resort to tricks. Ancient Greeks compensated sparse legislation with demagogy, but modern courts rely less on attorneys' rhetoric to convince the juries. Satellite photography, DNA testing, and interrogation under medication might eventually make trials objective. Labor-management disputes in a simple and equal legal system could be reduced to fulfillment of contract. The party which breaches is guilty by definition.

People rarely go to court even in litigious societies. Few people need the police. Commercial courts and police would be more efficient than government agencies. There is no reason to expect justice would not be served in private jurisdictions.

Since poverty breeds crime, the poor might pay more for police services than the rich. Crime rate, however, depends on moral values of community rather than on wealth. Idleness of welfare made the ghettos of subsidized housing a hotbed of crime. The poor in private

jurisdictions would work hard. They might be violent, but not decidedly criminal like many inhabitants of inner cities, and would drive the criminals away, as villagers often did. Government police, at any rate, is bad at protection: the police rarely prevent crimes, and never compensate the victims as a security service that failed in its obligations is expected to do. Police exert vengeance, and that could be done at criminals' expense.

Concentrations of criminals reduce the per-capita cost of police protection. A local force would need fewer detectives and more divisional inspectors with insider's knowledge of the community' affairs. Criminal neighborhoods expect only heinous crimes to be prosecuted and are more tolerant to police abuse and minor crimes. People handle crime prevention, investigation, and prosecution informally. The rich expect the police and the courts to redress minor offenses. Affluent areas would have actually more expensive police for several reasons. They have more property to protect. They are less tolerant of suffering and want to eradicate even minor crimes. The rich hire more professional police for higher wages. Affluent people insist on expensive due process to minimize the chance of wrongful convictions. Justice and protection is a good. The rich want it of better quality, and more expensive.

Employers do not hire police to abuse workers, or to force them to sign unwanted employment contracts. Ford employed more than three thousand private police only to counter illegal unionization, damage and theft.

Since private police might need to operate in jurisdictions which do not license them, police forces might merge to create several large police companies and many small affiliates under local

The Ethics of Free Society
enforcement arrangements. Because legal systems differ, only important crimes would involve mutual enforcement. Mergers and cooperation would restrain competition and raise concerns about the usurpation of repressive power, but new companies would enter the market and make cartels non-sustainable. Police services providers would compete to offer better treatment and lower costs.

Ending centralized financing of law enforcement would further decentralize control of police forces. Instead of paying for protection with taxes, people might buy enforcement insurance. Criminals might be required to reimburse the cost of enforcing the law on them. Impersonal financing is unfair since law-abiding people pay and criminals do not.

Some people cannot pay for private police services. The cost and likelihood of needing police services are lower than for medical treatment, and the price of police insurance would be insignificant. Courts and police would demand payment from culprits. In extreme cases, society would buy insurance for the poor as charity, just as it provides medical coverage. Public police services are as inefficient as any government operation. Free services increase demand for them, and people turn to police instead of accommodating, arbitrating, or scuffling, though reliance on state destroys the bonds of society. The cost of police is very high in per-real-criminal terms, from hundreds of thousands to millions of dollars per head, depending how one defines real” crime.

People adjust their actions to the expectation that government would intervene to quash violence and prevent reciprocity. Starting violence to achieve the maximum results before the intervention and without fear of reciprocity is profitable, leading to escalation of civil

and criminal violence in especially legalistic states with strong police. People in free societies accommodate and arbitrate, since public intervention is cumbersome.

Civil courts are not free in modern society. The public pays significant attorneys' fees. Why then do people not settle out of court? Many use mediation and settlements are common. Lawyers mislead clients to beef up fees. Most litigation aims to exploit legal loopholes or juries. Public courts let litigants avoid arbitration in favor of legal legerdemain. Criminal courts, however, should remain in the public domain. Choosing arbiter, working together to resolve the problem, is a step to reconciliation.

Law enforcement agencies prosecute fellow bureaucrats reluctantly. Private police services, paid for crimes solved, would go after officials. Journalists love to uncover corruption because such stories increase profits. Private police would be more effective than journalists.

Large employers would favor jurisdictions which protect them. Few people would settle in such jurisdictions, because competing employers offer better terms. Corporations seeking the best employees cannot abuse them. Collusions, such as of owners of jurisdictions and corporations, do not work in free and mobile economy. Pervasive police and judicial regulation is a creature of the twentieth century. People still solve most conflicts without resorting to government arbitration. Homogeneous communities with simple and reasonable laws have little need for police.

Armies do not have to be national

People at large should be ready to take up arms to defend their freedom if necessary, but professionals should handle normal defense and law enforcement. In the modern age of advanced weaponry, people with light arms could still counter the occupant, as in Iraq, unless he sets an example of overwhelming violence, as in Hiroshima. Such violence, however, might make the conquered country economically non-viable and could spark terrorism against the attacker.

People must be prepared to defend their freedom personally when other means fail. Popular resistance checked regular armies: Greek and American militias defeated Persian and British troops. Asymmetrical warfare gives small communities better odds against aggressors. Free people are hard to subjugate.

With many private police agencies and armies competing, there is little reason to fear abuse. The police should deal only with real crimes, not arbitrarily defined transgressions; armies should protect communities from aggression, not establish a new world order.

But would not small communities unable to buy protection be vulnerable? The example of minor European states demonstrates that small entities are more secure. Many city-states lacked armies, and accumulated assets of their citizens, not arms, correctly expecting to buy protection when necessary. One state's deterrence is another state's threat, and countries with army and deterrence provoke less enmity. Taking net interest at 2% and alienable national assets equal to GDP, countries with defense budget of just 3% of GDP spend more on defense in 25 years than they might lose in conquest.

Theoretically, an efficient society would spend all its wealth on defense rather than let an invader take it. Small countries, however, figured they would lose any conflict with their bigger neighbors, so they replaced armies with hope. But mercenary armies let even small countries buy protection without military alliances. That is essentially an insurance scheme: less able customers pool their funds to offer risk coverage to everyone. Given the fixed costs of war, aggression against minor countries does not pay. Ideological wars would be less common among a multitude of private jurisdictions. War profits would be impossible since most accumulated wealth is liquid. Money cannot be easily conquered. Just as companies do not abuse customers to keep them from switching suppliers, commercial armies would not attack clients who might turn to competitors for protection. Armies would likely communicate to avoid conflicts rather than exacerbating them and driving up costs.

An artificial entity like a state depends on internal and external enemies to provide a sense of identity. Arrogance, ideology, and military-industrial complexes push for war. In contrast, commercial armies make money by deterrence and lose it by fighting. Mercenaries' rational economic concerns benefit the public, while irrational national self-aggrandizement destroys people.

A commercial army behaves much like a religious institution, selling credibility-based goods, whose quality is uncertain. When the goods are important (eternal life or victory), people choose credibility over cost. That leaves only a few providers, several major churches, a few commercial armies. When importance declines—people lose faith or peace breaks out—clients prefer convenience to credibility.

There is no reason to fear that armies would grow monopolistic and resort to aggression against client states.

National armies stage more coups than mercenaries. Mercenary armies might seem more prone to adventurism, like realizing commanders' dreams of world dominance. Commercial armies, however, would respond to client mini-states. Wealthy communities prefer dealing with stable armies, not those headed by maniacs, and would put potential aggressors out of business. Good soldiers would not join armies with maniac, war-bent commanders, limiting capabilities of irrational mercenary outfits. Commercial armies are politically stable, since they have plural constituencies, many small clients instead of a single national government. Competing armies would tolerate aggressor less than governments responsive to public opinion.

What about preemption? Clients ostracizing aggressive armies works as preemption. A rejected aggressor army might create its own state to secure funding or blackmail others or find malicious donors. Another form of preemption is deterrence through military build-up. Communities lacking depth of defense will preempt, making the build-up risky. But instances requiring real preemption would remain where one army must attack another with no clear defensive purpose. That problem arises with national armies as well. The introduction of private jurisdictions would make nationalist wars less likely than now when military suppression of other states is a logical step for states that are accustomed to suppressing unwilling citizens. Dissenting minorities would be able to form their states instead of fighting for survival. Profit driven commercial armies are more rational than national armies at the service of governments whose policies change

constantly. Conflicts would be fewer than between national state armies, though people resort to violence under any institutional arrangement.

Mercenary armies impair the overly expensive, inefficient, and aggressive military-industrial complex. Governments use tax money for military procurement which gets them bribes, support from the constituencies working at government-funded factories, and prestige accorded to saber-rattling states. War justifies this bizarre procurement before the public. Commercial armies lack any of these reasons for rapprochement with weapons manufacturers. No for-profit army would buy advanced fighter jets which have no opponents, stealth bombers that lack viable targets, aircraft carriers unprotected against low-profile surprise attack, or similarly expensive and practically useless items. The commercial armies cannot afford the weaponry acquired by some states, but neither do the efficient armies need it. Mobile armies with well-trained mercenaries could destroy nationalist behemoths before they mobilize. Some mercenaries will invest wrongly, and go down with their clients, but so do national armies with wrong allocations; at least, clients could hire new mercenaries during war, and others refuse inefficient mercenaries. Many mini-jurisdictions hiring many mercenary armies in many low-intensity conflicts will create complex adaptive system of warfare and promote maximum efficiency both financially and in terms of public control over the military.

Mini-jurisdictions are peaceful

Developed societies and strong states relegate conflicts to non-violence, such as price bargain, legalistic battles, and demonstrations. Price bargain, a major means of adjustment, works only in relatively egalitarian groups and when non-monopolistic resources are concerned. The required degree of egalitarianism exists inside advanced liberal economies and now across the West, but not across countries generally.

Poor countries cannot pay for their objectives as much as the rich countries are ready to pay, and the poor find violence, such as hostile alliances or asymmetric warfare, more expedient. Indochina could not buy independence.

Price bargain works when the receiver could walk away with money and buy substantially similar goods elsewhere. This is impossible with unique property; Israel cannot buy Jerusalem from Palestinians.

People plan to enjoy property for limited time; nations – indefinitely. Individual Afrikaners might find worthwhile to buy the Negroes' acquiescence to apartheid with subsidies. White South African government, however, realized that demands would be increasing, and eventually bankrupt the country. Unwilling to expel Negroes, it opted for settlement.

International and civil disputes, unlike market transactions, are few, and cannot reliably establish prices and purchasing power. Bakers sell many baguettes daily, and know how much they can ask. Even active armies wage few wars, and in different circumstances. Except when enemies are insignificant, the cost of war is uncertain. If

states decide to pay instead of fighting, they would not agree on prices.

Mini-jurisdictions would be equally insignificant. They would be many, much more than nation-states. They would generally subscribe to mercenary services, and their military power would be known from their economic capabilities; this is not so with national armies. Mini-jurisdictions offer a chance to largely replace fighting with bargain.

Mini-jurisdictions are culturally homogeneous, and do not need nationalist or religious propaganda, or external enemies to cement artificial nations. A convention of jurisdiction by settling or purchase of land relegates conquests to robbery.

Communities lacking depth of defense would be averse to fighting, but rely on multiple and overlapping alliances to arbitrate and deter. Fluid and complex alliances would prevent outdated rigid arrangements that draw states in wars regardless of the immediate interests.

Mini-jurisdictions are easier, but less attractive targets than states. Post-industrial wars of robbery are unprofitable, since most wealth is intangible and cannot be seized. Most are “wars of honor” to usurp power or establish control. Overrunning mini-jurisdictions offers few laurels, and subjugating people used to freedom is almost impossible, as Machiavelli recognized.

Modern economy leaves little reason for wars of territorial aggression: huge Russia is a laughingstock, while tiny Switzerland is admired. Anarchist communities would rarely attack one another on economic grounds. Mini-jurisdictions foster a culture of ideological pluralism, removing another motive for war.

War is non-viable in industrial economy where real estate or hard goods are no longer the major source of wealth. States, however, pursue economically irrational ideological wars. Mini-states are much more constrained in their ability to wage uneconomic war. Foreign policy of private, profit-oriented community owners would be more rational than policy of governments spending other people's money. The Greek city-states were much more peaceful than totalitarian China of the Warring States period. The Greeks became aggressive under autocrats, and so might anarchist townships, but the aberration is temporary. The ability of states to wage incessant wars depends on their readiness to maneuver and change alliances, making yesterday's friend tomorrow's foe, which is not easy in democracies.

Because new jurisdictions would populate unsettled land, a proliferation of mini-states would distribute population, thinning the megalopoli. That offers a military advantage: biological and nuclear attacks would harm fewer people spread over large areas. Relatively small settlements are easier to police and more secure against asymmetrical warfare.

Vengeance vs. compensation

The legal code of Ur-Namma (about 2000 B.C.E.) required compensation for damages. An eye was valued at half-mina of silver. Three centuries later, the code of Hammurapi (resembling the biblical laws recorded later) prescribed vindictive punishments, "an eye for an eye," aimed not to compensate the victim, but prevent or reduce repetition. The code of Hammurapi is harsher than Ur-Namma but it improved Ur-Namma's judicial doctrine and better protected the

people. Offenders cease to be neighbors when they violate the rules of neighborhood. The offensive behavior has to be expunged.

Society is concerned with prevention, not with compensating the victims, since there is no obligation to protect, and society did not wrong the victim. While the prospect of compensation is almost irrelevant to would-be criminal who would spend for compensation (even if he is caught) only about as much as he expects to gain, making the crime profitable on average, vindication is harsher, making the game on average less than fair for the criminal. Even the superficially compensatory punishments, such as paying double, are essentially vindictive, aimed at inflicting on the criminal a punishment harsher than the offense he is caught with.

Since vengeance aims at preventing repetition, inadvertent damage needs not be revenged. Compensatory doctrine similarly does not punish innocent damage.

The doctrine of compensations, accepted in modern society, is unethical. Vindictive punishment provides for proportional response: everyone values his eye similarly. But compensatory damages are disproportional. A person, who smashed an expensive car, is required to repair or replace the property, which may cost more than all his assets. In vindictive doctrine, the offender's liability is his car, smashed in response. This action is effective in preventing future violations and proportional to the harm incurred. The harm is valued according to offender's scale, and the system does not benefit the rich. They pay according to their means, but receive according to the poor offenders' means. Recognizing disproportionality of compensatory damages, legislators limited people's exposure by mandatory insurance.

Corporal vindication is simple. Assets, however, are not as easy to count as eyes, and inflicting reciprocal financial damage is difficult. Civil law settles for compensation.

Vindication in civil matters is inoperative in boundary cases: a pauper with no assets may damage others' property unreservedly.

Reciprocity could be expanded from the same to similar damage at judge's discretion: when offender is unlikely to be deterred from repetition by reciprocal damage of property, he could be imputed a similar damage in a form significant to him, such as forced labor.

Many people who despise violence strongly desire vengeance.

Modern jurisprudence recognizes this very human feeling through the doctrine of punitive damages. People refrain from vengeance mostly from fear of law enforcement. Vengeance underlies the rule of reciprocity: know that a person offended will revenge in kind.

Some claim that if revenge is eliminated, evil will go too, at least if people are inherently good. Kindness reveals positive traits in people, but not always. A system of suppressing evil is necessary, though it should not be expanded into its opposite, a totalitarian threat.

Absolute mercy in the administration of justice becomes brutality to people in the hands of criminals.

It is a matter of wordplay whether society punishes criminals for past offenses or discourages them from repetition: except for the execution, the actions are the same. Criminals might view punishment as vengeance, but society sees it as preventing repetition and discouraging other criminals. Vengeance discourages repetition. A person who murdered his wife could be prevented from repetition simply by prohibition of another marriage. A swindler who became

rich and conducts legitimate business might not even need to be prevented. Resort-like closed communities that isolate criminals prevent repetition; yet, they deserve more harsh treatment in jails. Releasing a murderer after several years in prison does not look like credible prevention. Since criminals are statistically much more probable than average people to commit a crime, prevention dictates life imprisonment for every offense. Kind people might refuse vengeance. Sometimes forgiveness may work: a person offered another cheek might repent. When, however, the offense is significant, society cannot take chances: non-resistance encourages goodness but also makes repetition profitable. Even if a victim forgives the robber, society acts against him to prevent repetition. Encouraging repentance differs from tolerating crime. Vengeance and prevention are inseparable. Punishments are driven by vengeance which incidentally and moderately deter repetition.

The negative reciprocity commandment is a consequence of an eye for an eye doctrine. People who follow the commandment avoid the lex talionis being applied to them. That doctrine is a civilized and regulated mode of vengeance, a basic feeling of highly organized animals, including humans.

Tit-for-tat formula has two dimensions: no more, and no less. A balance between justice and forgiveness prohibits dangerous tolerance of criminals. No all-out destruction of enemy, but proportionate response, preventing escalation of violence in intensity (killing in response to injury) or scale (vendetta).

Tit-for-tat is an optimal strategy for attaining equilibrium in systems with indefinitely repeated interactions of statistically equal agents,

such as human societies. But people are unequal – so how the system could work? They are equal in a sense that all have two eyes, and it is always possible to inflict reciprocal damage, either in corporal or financial terms. An eye for an eye means “half of one’s eye for half of his victim’s eyes,” and the financial punishment must be similarly relative, not in “dollar fine for dollar damage” terms. This relativity precludes application of tit-for-tat to positive actions: “I will give you half of my property, and expect you to reciprocate with half of yours” is open to abuse when assets are different. Similarly, “I help you now, and expect you to help me later” is unenforceable. A person helped to get up would waste unreasonable time looking for an occasion to repay with similarly significant favor, and the benefactor could view that favor differently: e.g., a gift of money might offend him. Exotic responses, such as reciprocating with good not to the benefactor, but to random other, are similar waste of time; more good would be done by each person caring about himself, not harming others, and doing them good when his sweat is disproportionately low to the result. Thanking the benefactor is practical solution to general impossibility of repayment.

Reciprocal forgiveness might work in small communities of well-wishing people, and only in simple everyday matters where one expects to need reciprocal forgiveness; one does not forgive his neighbor for loud music at midnight. Tit-for-tat could be softened in the communities of friendly people where the damages are likely unintentional and could be corrected by reproach: the injured party switches to offensive not immediately, but after the second injury. In our example, that would be loud music the next midnight.

Tit-for-tat is not harsh. On the opposite, the strategy is predominantly nice. Its retaliatory implication is simple and unambiguous. The strategy is forgiving: after inflicting vindictive punishment, it treats the offender similarly to other people, thus switches back into cooperative state. Societies developed communal application of lex talionis: individual people do not exert justice anymore, but leave reciprocation to communities, and make the strategy still nicer subjectively.

Tit-for-tat is not the most efficient strategy. Such seems to be the GRIM: an unforgiving policy that punishes every injury permanently. The GRIM is all-out war, permanent refusal to cooperate with offenders, all eyes and limbs for an eye. Lex talionis attempted to soften the human nature which is predisposed to the GRIM, but not entirely successfully: even after inflicting tit-for-tat punishment on criminals through legal system, people still avoid cooperating with them. Ex-convicts cannot easily find jobs. If most crimes are intentional, and if most criminals do not change in prisons, then the GRIM is morally right, perhaps with a provision of cooperation with ex-criminals who demonstrably repented or lost an ability to commit further crimes. The last case is relevant to military affairs: peaceful cooperation is possible between the countries that were at war when the conflicting interests or the military capabilities are gone for foreseeable future.

People often choose to moderate efficiency; societies do not sanction killing the old or robbing the weak. Tit-for-tat provides to people a comfortable margin of assurance: they are reasonably protected against criminals and may expect a bit of toleration if offended others. Tit-for-tat equals the GRIM with minimal safety net,

50

a limited liability. Safety net works well in economy, allowing people to calmly try, work, and risk, and safety net works elsewhere.

Philosophically, every strategy needs to be moderated a bit from its maximum efficiency. Tit-for-tat is the nicest of reasonably efficient strategies for societies where most people are expected to cooperate, but are ready to defect to opposition in retaliation.

Another efficient strategy is tat-for-tit which starts at non-cooperation, and only switches to cooperation when encountering opposition. Since then, tat-for-tit cooperates until it encounters offense, at which point it switches back to non-cooperation. Tat-for-tit exploits the weak, but cooperates with the strong (who oppose it). This very efficient strategy in practice equals tit-for-tat, because society immediately opposes attempts at exploiting it, and tat-for-titters have to switch into cooperative mode. People should oppose aggressors (who pursue tat-for-tit) until the aggressors start to cooperate.

In informationally ineffective society, where the news of their meanness are not propagated fast, communities may employ tat-for-tit strategy against other communities. In informationally effective society, where information is spread fast and cooperation between the sucker communities could be easily organized, this strategy would turn other communities against the mean aggressors. In the modern world, only the communities unquestionably stronger than all their enemies combined could engage in mean strategies. And even such strong communities are held back from aggression by the popular opinion of their citizens who see members of other communities are fellow (neighborly) humans not to be subjected to depredation, but treated nicely.

The Bible's criminal law of generally double restitution is an enhancement of tit-for-tat strategy with provision for non-solved crimes. Some crimes, like stealing an ox, are so heinous, endangering livelihood of families, that five-to-one restitution is mandated. The damage thus inflicted on criminal equals not price of an ox, but danger to the family that lost it.

Tit-for-tat does not degenerate into a chain of reciprocal abuse, since "tit" is not an offense, but a response to offense of "tat." In practical situation less clear-cut than murder or stealing, people might see the tat differently, with the offending party not imagining himself an aggressor; in some situations, what one views as beneficence the other perceives as abuse. In such blurred situations, tit-for-tat escalates violence, and suggests avoiding positive actions that affect others without their consent. Tit-for-tat is not vengeance in a common meaning: all out, disproportional. The strategy limits the vengeance in interpersonal relations to reasonable, justifiable extent, serving rational purpose of prevention, not consummating fury.

Tit-for-tat works only between about-equals, in situation close to power equilibrium—with each blow intended to restore that balance. In civil issues, such as sustaining informal contract (e.g., marriage) it is equal ability to inflict reciprocal damage (both spouses are similarly concerned with the other's infidelity). In criminal matters and formal contract, this translates in equality before the law.

Between freedom and totalitarianism

Societies swing between totalitarianism and freedom. Poor societies value bread above freedom and economic development and are vulnerable to totalitarianism. Affluent societies buy government services at inflated costs, create bureaucracies, alienate people from power, and prepare the ground for *coups d'etat* and totalitarianism.

Two forces prevent long-term totalitarian rule. First, the love of freedom can be suppressed but never extinguished. When government control becomes too pervasive and infringes on even people's minimal requirement of freedom, they revolt. When, as at the dawn of modern industrialization, people in general become more affluent and meet their basic needs, more demanding transcendent values, like freedom, can overthrow a dictator. Second, due to deficiencies in transportation, data collection, and communication, governments once could not reach deep inside societies, leaving a considerable private sphere even in the most centralized regimes. Recent decades, however, have seen quantum leaps in the efficiency of transportation, communication, and computerized data collection and processing, developments which provide the technological basis for Orwellian government.

At the same time, people made rich by technology resist government infringement on their liberties, despite the social safety net governments provide.

Tax revenues are partially wasted on coercion and pork barrel spending. Taxpayers are left with less net income. Prices increase relative to net income. The increase mostly hurts the poor and lower-middle class who consume all their income. Demand for welfare

increases, hiking taxes, and completing the circle. Welfare state balloons until it blows.

Since the bureaucracy and regulation are self-perpetuating and ever increasing, their goal of increased power and control clashes with people's love of whatever freedom they have. That conflict, like most others, could bring on dynamic equilibrium between the opposing forces, though that is unlikely, since the forces involved are strong and uncompromising. The bureaucracy must expand; stagnation strangles it. Bureaucracy, like any ruling class, must assimilate new members, or else the ambitious candidates would seek to overthrow the power monopoly to clear a place for themselves. In civilized societies, such coups are performed under slogans of liberty. Eventually the increasing numbers of comers would not find positions in politico-bureaucratic establishment, and they would seek to overturn the state, in accord with desires of freedom-loving people. Anarchists could exploit the temporary power vacuum to create their communities before a new state ascends.

Freedom bears the seeds of totalitarianism which spiral outward. Liberal democracy becomes soft, tolerates malicious dissent, and clears the way for tyrannical revolution. Each turn in the gyre is wider as governments invade the private sphere with pervasive propaganda and police surveillance, and perhaps hypnopedia and genetic engineering in the future. The increasing pressure discourages people and inures them to government guardianship. Fortunately, other trends strengthen the love of freedom: inexpensive information, exchange of ideas, reduced dependence on the community for welfare and protection.

Uncompensated damages

People in free society expect no interference from others, and do not interfere with them. In real world, people necessarily interact – and interfere. Interference creates something new, and is therefore positivism. Free society relies on negative regulation, generally allowing only consensual positivism. When a party affected by positive action does not consent to it, such party feels harmed. Since the rule of reciprocity prohibits harming others, the consent should be purchased. The damages are human influences not compensated acceptably to the people influenced. The damages must be compensated. Freedom is assurance of no damage to property, including the ultimate property, life. The property, in turn, must be acquired without damaging others.

The commandment is qualified: Do not do *to another* what is hateful to you. Freedom is internal: people are free in their private sphere and restricted only from causing damage in a wide sense of affecting the others. *You will not steal* commandment also infers prohibition of uncompensated damages which therefore might be punished by force, similarly to punishing theft.

Damages to neighbors must be justified either by virtue of their general acceptance or by fair compensation. Liberalism restricts uncompensated damages except by freely agreed convention. General acceptance is a sub-class of *quid pro quo* compensation: tolerance of damages suffered in anticipation of tolerance for similar damages caused. For example, breathing the common air is a damage generally accepted since everyone breathes. On other hand, not

everyone pollutes with a car pollution, and those who do must compensate the damage directly to the community. People who play loud music at home should soundproof their homes. Only universal, common damages need not be directly compensated, since universal tolerance balances the account.

People expecting others to tolerate minor damages must be sure that others value these damages little, "do not do to another what is hateful to *him*." Generally, however, we cannot know what another detests, and only assume that our neighbors hate the same things as we do. Hence, practical dictum, "do not do to another what is hateful to *you*."

Trivial damage is tolerated. Deut23:25 allows eating grapes in neighbor's vineyard, but not collecting them in vessels. Public right of insignificant use prevents ownership excesses. Anarchists worry about individuals privatizing forests and excluding others from enjoying them; Bible has solved that problem.

Breach of contract is a major case of uncompensated damages. Society needs not regulate contracts or even arbitrate them, but it must enforce judgments of private arbiters, compensating the damages and discouraging repetitive offenses.

Breach of customs is a damage like any other. The Bible instructs making parapets on roofs to avoid incurring criminal guilt when someone falls from the roof. The roof parapets are customary, and failing to conform to that custom constitutes an offense. Negligence in conforming to customs is an offense, too. People are responsible for enforcing customs in their domain – houses, in this example. The customs can represent moral as well as physical

conventions. It is as much impermissible to stay naked at rooftop as it is to neglect making parapet on it.

Communities are free to pursue any policies internally, just like people are free while they do not damage others. Communists might prohibit private ownership in their jurisdictions, but not fight the outside capitalists. Production of illicit drugs does not damage others when export is permitted on f.o.b. basis. Rather, importers of drugs harm the communities prohibiting them. Boundary cases appear when virtually all countries prohibit certain things. Thus, allowing f.o.b. export of illicit drugs when no other country permits them might only be intended as harm. Building nuclear weapons which would obviously threaten someone else, is a clear damage. As with other boundary effects, only immediately dangerous of them justify regulation. Satellite broadcasting of libertarian content over strenuously religious countries is unwelcome, but not dangerous, and should not be prohibited, though the locals might agree or legislate to avoid the specific channels.

Pollution cannot be avoided altogether but only mitigated to acceptable degrees. Communities would agree to the quantitative definition of tolerable pollution, preventive measures, and penalties. The least intrusive form of the last two is to bond potentially unsafe factories, letting private experts to assess the risks. High cost of insurance, and threat of property destruction and civil liability in case of accident preemptively forces factories to improve safety. The quantification would be ineluctably arbitrary. Liberal society reduces arbitrariness, but cannot avoid it.

What if some jurisdiction tolerates pollution? Others could respond, as they would to any threat to life and health, with persuasion, economic or diplomatic sanctions, or war.

What about owners who pollute their own property without threatening others? Isolated pollution, like buried garbage, is rare and in any case threatens adjacent territory. Negotiated conventions among owners and communities would control pollution.

Communities might: refrain from privatizing unusual or unique assets, like an especially beautiful lake (though governments are often unsatisfactory custodians), mandate preventive measure, or require joint ownership so that parties will control each other's use. The last option eliminates a monopoly and lets market forces find a solution. In extreme cases, society might expropriate assets with fair compensation. Abusive monopoly over unique assets calls for regulation.

Limiting ownership of unique assets to reputable foundations is a simple solution to possible abuse, but socialists claim this measure inadequate because people are unconcerned with long-term consequences and would not donate to such foundations. Cutting down Amazon forests or polluting a river has, however, immediate and obvious consequences. Economic value of dumps and agricultural land being small, the necessary investment is not tremendous. Realizing that people value remote nature little, socialists legislatively coerce them to pay for conservation. Presumption that people cannot plan for their own good destroys the moral basis of democracy or consensual anarchy. Socialist ecologists are authoritarians, requiring a state to fulfill their agenda.

Market force provides an automatic solution in most cases. If the property is valuable, then by definition someone is ready to pay this value. Foundations could buy beaches for public use or the lands valuable only as scenery. No rational owner would spoil it but rather use it or sell it. Communities could force the irrational owners to sell or maintain the lands. Much contamination results from public ownership of land. Lobbying for discharge permits and legal loopholes is cheaper than cleaning the waste or relocating the factory to desert.

Even in free market societies, some assets are public. Rivers flowing through several communities are jointly regulated, but the air and the seas are truly public. Privatizing coastal waters would create self-regulating, autonomous business communities in many areas, but not everywhere. International pollution standards, enforced by economic and military sanctions, would be necessary. Fortunately, such cases are few, since only the most toxic wastes contaminate the air or water beyond the site of their use or deposit. Positive regulation must be confined to basic issues agreeable to all. Common threat makes people forget their differences. Expanding regulation to cover dubious contingences causes discontent.

Similar to land or town, clean environment is not a liberty, but a good, which entails significant direct and indirect costs, as well as profits lost to reduced production and relocation to places that do not protect the environment. Different countries see things differently. The United States wants the best environment money can buy, while India tolerates dirty technology to create jobs. Tolerance to pollution is an Indian competitive advantage, luring the employees. Domestic pollution need not be regulated internationally. Global ecological

regulations are possible but would raise the prices of many commodities, including fertilizers and pesticides, power, gasoline, and building materials, which contribute more to life expectancy than pollution deducts.

A community might prefer pollution to driving a business away with expensive ecological demands. Even then, laid off workers, activists, or interest groups might harass the polluter with lawsuits. Consensus on contamination is essentially a contract among landowners, the public, and polluting facilities. All parties must understand the terms. Lying about the toxicity of emissions violates the contract and can turn murderous if the public's health is affected. Investigative journalism, legal pressures, and the free flow of information reveal such deceit eventually and discourage investment in polluting factories.

International pollution agreements are monopolistic and therefore anathema to anarchists. Since there is a single atmosphere and a single body of oceans, regulating them is an inevitable natural monopoly which should be kept minimal and consensual.

More ethical treatment of neighbors

Two of the ten Mosaic commandments are unqualified by an object: you shall not murder and you shall not steal. But other ethical injunctions apply only to neighbors. Stealing from *anyone* is prohibited, but even coveting—in the sense of actionable intent—*neighbor's* property is banned. Two-fold ethics, distinguishing between neighbors and all people, is wise. People cannot help coveting things; just as sexual desire expands the population, so

jealousy drives material civilizations. All evil actions must be restricted. The ties of community depend on cooperation, not competition. Cooperation requires trust, and neighbors are enjoined from false oath and envy. Covetousness is universal but must at least be exorcised from small groups. Crimes are universally barred, but only neighbors must bar improper intentions. Luke's Good Samaritan definition is practical: anyone who is expected to do good to a person is his neighbor. This is the essence of cooperative groups. Family is the primary group, since close relatives are expected to help each other.

Bible recognized that neighbors belong to close, though not closed, groups. The Hebrew word root relates to joint action and, puzzlingly, to evil, implying, perhaps, that groups rarely do good to outsiders and that external threat cements groups. Groups are subjective and flexible; Bible mandates inclusion of family. Could a person conveniently exclude another from his group when lying in court against him is expedient, though the Bible prohibits false oath against neighbors? Not if the other fits the minimal definition of neighbor, acting jointly with that person or, in other words, benefiting him. In operative democracies of township level, all inhabitants are thus neighbors. Beyond the statutory neighbors, people are free to include in their groups whom they wish. Spending on a cat more than on starving Africans is legitimate, since domestic cat might be more of a neighbor than distant alien. People expect cooperation and warmth from cats, but not from aliens. Minimal charity to support other humans is obligatory, but anything beyond that is up to benefactors, and no one is entitled to criticize their choice.

Collectivism needs an enemy to maintain coherence of an artificial group. Family or friends are examples of small groups not depending on outside competition to keep them together. Neighbors form the largest group sustainable by internal cooperation more than by external competition. Neighbors could afford indifference to outsiders instead of enmity.

Nations are too diverse internally to be counted as groups. The concept of nation is fleeting innovation. It is not based upon territory: Muslims across the globe often are more attached to each other than to Christians next door. It is not religious: India is multi-confessional. It is not ethnical: Palestinians are contempt of Israelis. Nation is a fantasy of collectivists that coincided with interests of states.

Neighbors are not significantly different. Many psychiatrists see patients as different from "normal" people, thus somewhat outside the human group, and treat patients cruelly. Public, however, does not concentrate on mental deviations of patients, and demand humane treatment, expected for neighbors.

Neighbors share value systems and co-exist by practicing the golden rule, which works only when all share the same values. It wreaks havoc if applied to heterogeneous populations. Communists bent on nationalization are content to being nationalized themselves. Masochists can brutalize others without violating the principle of ethical reciprocity. Laws and police force the population of megalopoli to superficially cooperate.

Neighbor-oriented human nature precludes the communist appeal to the world's workers to unite against capitalists. As Orwell remarked, English workers are more concerned with soccer scores than rescuing their comrades in Vienna or Berlin. Nike employees

team up with capitalists to best their fellow workers at Reebok. People unite more readily on immediate interests than on theories and are not likely to recognize aliens as neighbors. Unnatural affiliation takes grotesque forms. Ecologists protest cutting down forests, putting the interests of exotic animals before the locals' needs.

People whose religion or ideology requires them to see a neighbor in everyone are happy to find and persecute anyone who can be called different.

Neighbors form evolving groups, cooperating within them and competing with outsiders. Ethical requirements toward neighbors and aliens are different. "Community ethics" are cooperative, while "outsider ethics" are competitive and avoids only violent confrontation. States disregard even minimal ethical treatment of aliens and make war for profit or the sake of ideology, violating the prohibitions of murder and theft.

People feel ethical concern for their neighbors. Situations arise in everyone's lives when they can violate ethical conventions without fear of detection and punishment, yet people often abstain from transgression from habit or fear, but more because they recognize that ethical rules benefit society.

Hedonistic utilitarianism sets the societal goal of maximizing the net present value of joy experienced by all people or group members in current and future generations. While society discounts the future enjoyment, individuals also discount the others' enjoyment, attaching less value to feelings of aliens.

In times of wealth, ethical treatment expands: from individual to family to nation, and now even to distant peoples and animals. Each stratum is accorded wider rights: from prohibition of murder to

injunction on robbery to charity. In times of material crisis, group boundaries shrink. People are concerned to save their own lives and perhaps the lives of family and close friends. They can ill afford to help others. Since they expect no help from others, they fulfill the standard of negative reciprocity. Enmity, which accompanies impoverishment, is more acute in diverse societies with obvious enemies than in homogeneous communities.

People do not automatically become egoists in harsh situations. When they have better chances of survival as a group, such as on battlefield, they act according to the group values. This group is very small, a company or platoon, not extending beyond the immediate neighbors to those of whose cooperation the person is less certain. When group affiliation offers no benefits, such as during immense starvation, people become egoistic to the extent of cannibalism and ignoring the family members. Likewise, in affluence, group offers no significant benefits, and fades. Groups are only important when evil looms, whether an enemy or economic hardship, or when threat is moderate. Group is an instrument of competition, and loses importance when so does competition. In poor societies, the quality of life is wretched and its value low. In terms of cost-benefit, murder is an effective way to redress material imbalance. The Bible teaches a lesson about marginal utility: a single prohibition of murder restricts the freedom of some, yet greatly benefits society, since people unafraid of others form neighborhoods, cooperate, and advance the civilization.

People are entitled to disregard the property rights of others if they do so to preserve their lives. Respect to the next-tier rights comes only after previous-tier rights are assured. Generally, only

people who do not fear for their lives respect other people's property, especially if their lives depend on that property.

As societies grow wealthier, they extend group boundaries, giving more rights to minorities, foreigners, and aliens without harming themselves. Fast growth through competition is partially sacrificed to comfort of cooperation. People who have something valuable, and see its fragility, could be compassionate. The value is measured against the perceived cost of compassion. An American housewife with modest income could still easily afford small charity to African children. More friendly is the object of compassion on friend-foe scale, better are his chances to benefit.

Affluence is necessary, but only the fear of losing it makes affluence sufficient for expansion of ethics. The force behind expansion of ethics is the same as behind any group allegiance: desire of cooperative stability to the little extent that it does not significantly impede competitive advancement of individual. Lack of fear makes cooperation seem unnecessary. Great fear suggests putting all efforts into competition. Extreme poverty makes every man to stand for himself, and extreme wealth elevates him above considering others.

Rich societies which did not fear for their wealth, often evolved cruel and arrogant. Extreme fear also generally rules out compassion, but combination of wealth with such fear is rare, and this case is unlikely. Very rich feel themselves unassailable, and the expanded ethics is middle class' value.

Ethics is not natural in the sense breathing is. Some societies lack concept of ownership; they are unconcerned with stealing. Too many people murder (not just kill) at war and other harsh situations,

too many steal when cannot be caught to consider them deviants. Many societies, especially poor and discontent, accept violence, and only fear of punishment stops many from murder. Ethics is an accepted, artificial set of beliefs, similarly to religions and ideologies. Unlike ideologies, ethics is distilled from societal relations, tried, and proven useful. An ideal ideology cannot be developed likewise because, unlike ethics, it is practiced by entire societies, not individual people, and cannot be refined in myriad interactions.

Ethics might be visualized as cone, with one's neighbors at the bottom: neighbors' rights are broader than those of remote aliens. The cone expands in two directions: in breadth, as more rights are attributed to various constituencies, and in height, as more aliens are recognized as deserving at least some rights and ethical treatment—from family to village to nation to ethnos to the remote Africans to animals to plants).

The cone rises irrationally as aliens are arbitrarily and temporarily included at the higher levels like the abused Christians in Muslim lands at the time of the crusades or people seen starving on television. Two forces tug the cone upward: the fear that trampling other's rights might lead to violence; and compassion. The latter may be a consequence of the former, with compassion seen as the subconscious fear of suffering. Buddhism recognizes that charity is misplaced; Christianity extends compassion to everyone, making it unrealizable; Judaism requires it only for neighbors. In barbarous societies, the cone retracts into an egocentric dot, with no rights for anyone. Christianity, on the opposite, envisages the cone transformed into cylinder, with all people as neighbors.

Relative ethics

Ethics are relative. People show how little they value other people's lives by refusing to share with the hungry or the sick. People ransom their relatives at the expense of perpetuating and increasing the threat to others from the criminals they support with such payments. Governments prefer expenditures like road building to saving of lives by providing medical care. People in some occupations, like firefighters, routinely risk their lives for wages.

Ordinarily, liberties coexist amicably and fruitfully. In rare cases, however, a specific freedom may be abridged if it contributes to a greater, albeit inadvertent, evil. Biblical prohibition of theft meaningfully *follows* the prohibition of murder.

The right to life itself is not absolute. People risk their lives to save others, for religion or ideology, for money. Assessing the value of other people's lives is futile; they appraise their lives themselves by choosing to risk them in particular circumstances. Society buys lives by hiring firemen and asking them to endanger themselves to save property.

As values are relative, so are freedoms. A person determines the value of freedoms, deciding which to sacrifice to realize others. Though some ethical systems impose choices by force, such as communal ownership in socialist societies, people can only be called free if others do not interfere with their freedoms. People are free to the extent that the exercise of their freedoms does not damage others without compensation. If people want to listen to loud music, they might soundproof their houses. Since people cannot live without affecting others, and compensating myriad minor damages is

impractical, the negative injunction “Do not do to your neighbor what you do not want him to do to you” regulates everyday interactions well. The injunction, however, deals only with neighbors, people who share the same values and does not work in pluralist societies. People should be allowed to form sovereign communities of shared basic values. Especially in modern societies where affluence lets people develop widely differing cultural and political attitudes, opinions should not be homogenized. Though pluralist societies tolerate moderate opinions, and homogenize mostly by consent, uniformity affects the development of new ideas. Radicals could practice their views only in isolated communities. Capitalist countries might let people buy land and prohibit private ownership of production facilities or hired labor on it. Similarly, communities might reject government services and privatize even fire departments. There is no reason why such communities cannot forego most taxation, since they do not require government services. Such communities should not, however, to produce damage, like pollution. Just as nations can tolerate political diversity, they can tolerate various legal systems. That is, people who buy land should be able to establish their own jurisdiction on it and possibly relate to “the mainland” in a kind of commonwealth, sharing military and police protection or other services. One might also posit landless virtual communities whose members live among the population but buy only some government services and pay proportional taxes.

Requiring landowners to allow access—as to a well in arid land or to crops in time of famine—would lead to unrealistic demands. People are free to value their lives above other people's property and to steal and risk the consequences, but owners are not obliged to

68

share. Even if the owner values life above property, he probably values his property more than a hungry man does. Relativity comes into play only when other means are exhausted. A thirsty man can work for reasonable time for the man who owns water instead of demanding free water. Only monopolistic ownership should be regulated. A person who brings water from afar to sell it in the middle of desert is entitled to set any price, unlike a corporation holding natural oasis in concession.

Freedoms clash—the life of a soldier against the life of his enemy, the rights of criminals versus the rights of victims. Freedom should not harm others, and minor liberties should not usurp greater liberties.

Morals require calibration, adjustment to realities. When prohibitions are harsh or absolute, people have to continuously violate them in the normal course of their lives. People cannot avoid offending others, and cannot compensate for every imaginable—or imagined—offense. It does no good to morality to label every such infringement an offense. The guilt gets watered down, and people get used to breaking laws. When both murder and tax evasion are a crime and few people detest the last, murder is taken more lightly. Tax evasion is loss of profit, not stealing. Using an office phone to call home may be theorized as theft, but since the damage is not meaningful, such act is not an offense. Infidelity is a breach of an implicit marital contract, but if the other party does not know about the breach, no injury occurs, and an unfaithful spouse need not regret. If left to judge their own actions, people would tend to dismiss the harm they do as insignificant, but their bias would be moderate. Commonly accepted things should not be declared immoral. Calls for

more stringent morality are appropriate: few people may accept the additional limitations at first, but others would join if the limitations prove practical.

Cooperation only among neighbors

The idea of peaceful cooperation among all people is a fantasy like planned economy, namely, that desires can be assessed, quantified, and compared. The rule of negative reciprocity applies only to neighbors. Any rule of cooperation works only among people who share basic values. If someone is comfortable living in filth and pollution and another is not, they would never agree on environmental legislation, even if they agree to reciprocate. Governments circumvent this problem by buying the compliance, bribing less advanced groups and protecting more sophisticated ones. Pluralist societies need a government to arbitrate between the groups, to no one's consistent satisfaction and to everyone's cost in taxes. Expanding such groups debases common values: the larger the group, the fewer the principles agreeable to all. Everyone accepts *Thou shalt not murder*; fewer accept *Thou shalt not steal*; and there is no consensus on the maximum acceptable level of pollution.

Anarchist communities, therefore, would either be small and ethically homogeneous or libertarian where only basic values are regulated. Nothing else could not be called anarchist, though it could freely accept external jurisdiction in return for material considerations.

Two people agree on the proof of a theorem only if both accept the axioms. When people have different underlying values, they often

The Ethics of Free Society have trouble agreeing on particular measures. Different axioms lead them to different conclusions. Honest and compassionate people can avoid conflicts arising not from conflicting values but from unwillingness to consider others' interests. Even so, many objective divergences would remain to be resolved by non-cooperative means. It is unlikely that universal compassion would promote evolution, since the compassion benefits the weak and ineffective. Accommodation sometimes arises out of compassion, or group interest, but mostly from self-interest of avoiding confrontation. Conceding to people with different values just out of compassion actually works against the common welfare by perpetuating weakness. Adherents of this approach would buy inferior or overpriced goods because of compassion to manufacturer, harming competition and development. Artificial compassion often harms more efficient groups: superfluous welfare programs cost the taxpayers dearly. The weak, of course, should not be repressed, but neither should they be helped beyond critical circumstances beyond their control. That means, for example, no help for communist regimes, such as of North Korea, unless drought causes starvation. Since people are accustomed to cooperating with their neighbors and television showing distant people makes almost anyone a neighbor, that approach may look cruel. Yet it is the only efficient option for evolution of behavior and social organization. Animals are normally much crueler. Humans, dominant and possessing great resources, can allow more experimentation and do not have to suppress the weak but rather let them disappear naturally. Helping the weak, however, promotes evolutionary inefficiency.

The impossibility of good intentions toward everyone is evidenced by people's quickness to rationalize others' failures (error of judgment, carelessness, bad luck), thus differentiating the others from themselves. People often cannot bear to see a member of his group suffer but has no problem if the sufferer is "not one of us." Implicitly ostracizing sufferers, making them ineligible for charity, is easier than helping them.

Since comprehensive ethics is an intra-group phenomenon, inter-group relations based on competitive self-interest and restrained only by fear and shared basic values are unethical. The more developed societies are, the more ethical norms they subscribe to. The wealthier are they, the more they fear losing wealth, and more ethical toward aliens.

Cooperation is a tendency, not hard-wired policy. Wicked ways, as any exploitative strategy, work for some people sometimes, but they are detrimental to society which suppresses them.

Groups with similar values are dispersed in a global society, interrelated in an isomorphous web, no longer territorially separated; they are liquid, and individual people are often attached to several groups at a time. Such evanescent groups generate or attract less sustained hatred than coherent groups. Conflicts among car manufacturers exceed the magnitude that earlier started wars, but GM neither fights nor sabotages Toyota, and their dealers do not burn each other out. Adherents of opposing groups are intertwined and share moral values. That does not mean wars are obsolete: nuclear protection reduces the fear of all-out war, and civilizations still have different morals. Terrorism would become a response to the

elusiveness of modern groups: small-scale, specific attacks instead of massive assaults certain to draw in many besides the intended enemy.

Groups cannot trust each other. Mutual confidence among neighbors stems from perceived common goals, communal interest. Trust is a matter of predictability, the assurance that self-interest leads others to keep promises. That filters out tactical alliances: opponent renege on pledges when unpredictable developments make keeping them unfeasible. Since one party needs to trust another only on issues of mutual interest, the prerequisites for trust are: shared interests and sufficient acquaintance to assure long-term predictability. Groups mostly share interest when facing common enemy, and even then, cooperation is uncertain because they perceive the threat differently, and some might opt for alliance or treaty with enemy.

Conflicts among groups can be resolved only by competition, except when some groups temporarily cooperate to jointly compete with others. Even inside nations, interest groups fiercely compete for subsidies. Not all conflicts result in military or trade wars, but all parties take the possibility of such confrontations into account in decision-making. Is such a system of resolution fair? No, not even if all the parties agree to it. For example, before WWI Germany and France were set to settle issues through war, which satisfied the rule of negative reciprocity. Chinese aggression against Tibetan monks is not justifiable even under that very limited meaning of reciprocity.

Should no group be repressed? Clearly, gangs must be punished to prevent them from harming others. Repress only those who oppress others? That definition is impractically ambiguous, since often two groups threaten each other, or the aggression is justified in

the eyes of some but not of others. By that definition, tyrants are entitled to act against revolutionaries whose goal is replace them by force.

When interests clash irreconcilably, such as both parties desiring the same land or souls for conversion, power is the only mediator. Force represents the relative attraction of opposing views: how much support can either attract and wield as power? In a rational world, an assessment of comparative strength would settle conflicts, with the weaker side conceding peacefully. Evolutionary competition looks ugly: people despise non-cooperative mechanisms, but such mechanisms are indispensable for survival and common improvement.

Families often punish uncooperative behavior. Neighbors compete in trade within mutually accepted frameworks. Citizens do not have to use force but rather rely on laws. Can groups not use a similar approach? No. Citizens of the same state resolve conflicts by legal means because they are neighbors and share basic values. They have no differences sufficiently important to justify fighting and killing or other harsh measures, yet differences among compatriots do lead to boycotts, strikes, or civil unrest. When inter-group divergences blur, and economic ties strengthen, groups often merge, as German states in nineteenth century or EU in twentieth, and hitherto hostile people abandon force in favor of laws. People curiously welcome diverse opinions that are clearly within their value systems, but oppose widely divergent ideological platforms such as are common in international relations; experience tell them that former are generally innocent, while the latter lead to violence.

The conflicts over unique objects essential to a group's welfare or consciousness, such as Arab-Israeli war, are justifiable (not to be confused with just). Using force to prevent arbitrary damage is just. People who defend their freedom act nobly. Executing murderers is right. But genocide is a crime. Revolutionaries fighting tyranny are not like people who try to undermine responsive representative governments. Only the defense of life, freedom, property, and dignity require force, which is otherwise reprehensible

Should the strongest be free to interpret the propriety of their goals? Yes, but only to a degree. When the strong become overweening, many feel threatened and unite against aggression. The risk of uniting the opposition restricts excess.

Some groups have been enlarged through hatred of mutual enemies. Xenophobia fosters intra-group cooperation. Shared culture, made increasingly isomorphous by the mass media, makes large value-based groups possible. A group can be defined as the maximum unit within which the rule of negative reciprocity can operate. Value-based groups are weaker than hatred-based groups. The former practices only negative cooperation, while the latter practices positive cooperation against a common enemy or other threat, like starvation. The shift from positive to negative cooperation damaged communal ties during rise of industrial urban society. Without common enemies or credible threats, such as famine, but rather with narrowly individual concerns, people lost the objective need for positive cooperation. New groups formed around new concerns: workers may accept overtime or wage cuts to keep a factory afloat, but such affinities are unstable and less clearly defined than traditional communities.

The disappearance of neighborhoods and clear-cut groups testifies to the absence of enemies, human or economic, contrary to common socialist assertion that the world became more hostile and economically burdensome. Competition promotes improvement, not survival, and cannot sustain groups.

The definition of neighbor based on territorial proximity remains relevant as populations grow denser. Neighbors must share at least basic values, or the police have to enforce them. The more territorially compact a group is, the more common projects and regulation it can reach a consensus on. People can live in metropolises only by suppressing their individuality and accepting group values. Many people would move to small shared-values communities. Metropolises would house the people poor or without strong values.

People fill sensual vacuity left by dissolved neighborhood ties, by randomly including koalas, Africans, or children with disabilities in their inner group, making them objects of compassion. Media coverage tremendously enlarges the circle of people perceived as neighbors: a child swelled with hunger in a remote African village on live TV evokes tears of compassion. That artificial expansion might have negative effects. Infinitely dispersed matter has zero density; love for everyone is love for no one. The same people who donate to African charities hate their next-door neighbors for loud music. Superfluous definition of the allowed recipients of charity dilutes the compassion. People who see most recipients as clearly not deserving the help, feel less concern to the real needy than if they were the only recipients. The fabric of neighborhood relations has thinned out in post-industrial metropolises. The erosion of group delineations has

76

diffused hatred, no longer structured along lines of ethnicity or religion in developed societies. Rather, everyone fights for himself, with groups forming on an *ad hoc* basis. There is, for example, no reason why the Germans chose Jews and gypsies for extermination, while tolerating to the French, their bitter enemies decades before. Similarly, politicians, who thought geostrategically long before the masses acquired that outlook, are used to *ad hoc* alliances, friends and foes swapping places. Inter-neighbor relations change faster, becoming more complex and less predictable.

Socialists proclaim the international unity of workers, an XXL-size group whose members are in fact not attached to each other. Faced with the need to protect domestic constituencies, socialists invented arbitrary reasons for not cooperating with workers in other countries: imperialist encroachment, affiliation with hostile regimes, or nationalism. They had to protect their core supporters from job competition, which led to repression of peasants in the USSR. The arbitrary definition of *enemy* requires ideological brainwashing. Socialism rigidified class distinctions, unlike the class fluidity that typifies liberal capitalism.

Another over-extended group is the European Union which now includes countries of wide economic diversity, and with the eventual acceptance of Turkey, cultural incompatibility. The *soi-disant* neighbors exploit the Union by demanding subsidies, concealing budget deficits, and forging political alliances with outsiders, mainly the United States.

People are neither individualists nor social animals. They act neither in self-interest nor for the benefit of society. Rather they associate with different groups to varying degrees, creating changing

structures of relations. When people seem to act contrary to the common interest, they may just have another grouping in mind. After wars end, they re-group to compete with former comrades-in-arms. As social creatures, people pursue the joint interest of the smallest group which promotes their individual interests, like a nation in time of war; but in peacetime that smallest group could be a factory, a family, or one of myriad other communities. Since no community fully realizes anyone's aspirations, people compromise between baseline self-interest and its nearest available approximation, balancing individualism and communalism and considering probability and the effort involved. Seeming altruism is in fact often a calculated compromise, a partial abrogation of individual aspirations in return for a better chance at balancing them.

Personal definitions of interest are frequently irrational (though not necessarily wrong); mountain climbers or fireman willfully face unusual dangers because they cannot turn back for moral reasons. Rational arguments can be imagined for such cases: self-esteem and personal reputation, group reputation, or even financial issues. A more realistic reason is that the value of interest skyrockets under stress when mind suppresses critical evaluation; minor possessions in a burning house are all-important for firemen. The concentration on a particular interest that pushes out other considerations triggers selfless behavior for the common good.

Altruism sometimes builds on contrasting behavior. Some who saved Jews during WWII were contrarians who acted in opposition to policies they despised. Others, like the pope, acted to preserve reputation or self-esteem. But what about real altruism? The answer is clear once we define *real* as *out of compassion*. Basic ethical

78

The Ethics of Free Society norms apply to more people. Similarly, people might feel compassion to close relatives who cannot afford a new house, but only tremendous sufferings of aliens arouse pity. People recognize many levels of group affiliation: from family, the closest group with rigorous ethics including even respect, to nation where murder and theft are prohibited, to humanity where only mass deaths are unacceptable. Returning to our example, some people were too simple or too sophisticated to recognize Jews as aliens, and helped them as neighbors, but most who helped did so because tremendous atrocities threatened the mega-group, humanity. As always, a balance was involved between perceived personal risk—objective risk considered *vis à vis* one's self-importance and anxiety—and the perceived danger to the group. Compassionate people did not analyze the common benefit of their risky actions. Protecting the common interest is a sub-conscious drive, a survival instinct.

A soldier given a suicidal mission often does not expect gratitude from the community. Why does he not defect, as would be only rational? He cannot be driven to death blindly by sub-conscious animal group instinct: humans control their instincts, although stress might short out conscious behavior. People are not only bodies, but also minds – and they rationally protect their minds sometimes at the expense of bodies. Some views are so ingrained that they are a part of the mindset, worth dying for and not abrogated when feasible to preserve mere body. Many actions, irrational from an individual viewpoint, seem reasonable in groups. Ideology cements groups, and dying for ideology pursues group values. Propaganda suppresses the critical conscious, programming people to identify the common agenda as self-interest. The soldier might die for what he perceives as

his own interest, but many soldiers die for the only group that still matters in critical conditions, the comrades. Indeed, a neighbor is a person who is expected to help.

Communal instinct (group interest, compassion, altruism) is not generally reciprocal. Compassion does not pay directly. People see themselves both as individuals and as part of a group and the group's interests as their own. Communalism is an interpretation of individualism. Based on prevailing morals and experience, communalism sub-consciously, though not always rationally, furthers individual goals.

The balance between individualism and communalism differs across cultures, and economic and security environments. Threat of violence or starvation strengthens communalism. Too little individualism suppresses minorities, impedes dissent and intellectual pursuits, and dampens progress. Too little communalism weakens bonds of mutual support and destabilizes societies. A flexible balance between individualism and communalism promotes the health and evolution of human society.

Negative legislation

The liberal ideal is negative regulation prohibiting socially dangerous acts without restricting or requiring personal behavior which does not affect others. The seemingly logical next step of prescribing positive actions does not work. The impossibility of positive formulations reflects the fallacy of rationalism. The world is too complex to be fully understood or governed by rational prescriptions, such as central economic planning. Refraining from

some action might mean missing a chance to make the world better, but it causes no harm, allowing things to run their natural and generally most efficient course. Action might improve the world but more often harms it, introducing reverberating distortions. Do-good regulation presupposes people know what is good and understand it uniformly, that they can resolve conflicts between good acts which harm some, and that everyone intends to do good without exploiting others. That might be true of neighbors but not of dissimilar people. Good intentions rarely lead to good results. Some simple situations in economy or any other complex adaptive system allow calculation and judgment. The Bible requires positive actions when they clearly harm no one: pulling an enemy's ox out of the ditch, letting orphans and widows glean. Expanding those prescriptions onto more complex situations creates conflicts: welfare programs for able adults impoverish society and discourage recipients from working. Planners often ignore the harm to beneficiaries of positive actions, presuming they could refuse the help. But they don't, sometimes because of want or greed, sometimes - ignorant of long-term consequences. In the world dominated by do-gooders, beneficence is increasingly forced on unwilling recipients, and become an acceptable pretext for wars.

Positive actions usually harm the actors, at least in terms of time or resources. Believing that the rich care less about their superfluous resources, the public expects them to take care of others. Countries of higher morality also must live up to public expectations. During the crisis in Somalia, the UN turned to the United States, not Russia, for help. No one expected a totalitarian regime to sacrifice its resources unselfishly, but for morally conscious America, the

sacrifice was normal. That might be reasonable, except for the unintended harm seemingly beneficent actions often cause.

People quickly discount past beneficences, especially those unnecessary. Except in the marginal utility cases, recipients value the good much less, than it cost providers. Benefactors are often disappointed seeing beneficiaries eagerly accepting benefits, but refusing reciprocity. Such behavior is rational: reciprocity is impossible when two sides value the good differently. It costs the same for two people to mutually abstain from murder, but a person who received a largely useless gift worth \$100 is disinclined to spend useful \$100 for reciprocal gift.

People might act for the good of others from compassion, from group self-interest, or from gratitude. Regardless of how negative the consequences, no one can stop some well-wishers. But such behavior should not be mandated. People should foremost enjoy their lives, not spend them helping others, unless enjoying such activity. Refusing to sustain patients on life-support systems indefinitely is different from murdering them.

Anarchist society has freedoms, not rights which are positivism, allowing people to demand from society. There is no inherent right to charity or life, but so long as society collects taxes to pay charity or keeps police, people could demand the services promised to them. In society without taxes or public police, people are free to live and own, but cannot demand protection or charity. Society must prohibit all actions of individuals and groups toward others to which they do not consent. That allows charity if requested but prohibits central planning, positive prescriptions, monopolistic jurisdictions), and uncompensated damages.

Following the way of negation, people are entitled to use force to stop any violation of the rules and return to the *status quo antedelinctum*. The permission to annul an illegal deviation from the normal state of affairs lets free societies build jails and citizens attack petty thieves. The thief acts positively to create new relationships and establish a new status quo. Police action, while apparently a positive application of force, is actually negative, since its ultimate aim is to undo an act, theft in this example. Credible threat might be negated similarly to violence. A person kills racketeer not to stop payments, but to prevent violence likely to take place when he stops paying.

Police action is justified to reverse criminal deviation. Killing a thief is needless, because the lesser means of fining or jailing achieve restitution and prevention. Killing a thief does not reverse an act but is a new act.

Bible recognizes that not killing *per se* is punished by death—which would create vendetta—but only illegal murder. Execution of murderer equitably revenges a crime and expunges it from society, and needs not be condemned or revenged.

Breach of contract and other uncompensated damages are also examples of illegal deviation, and might be negated through court action.

Some crimes, like robbery, are compensable. The Bible prescribes restitution beyond the imputed amount to account for unresolved crimes. Many felonies are irrecoverable, and the *status quo ante* cannot be regained. Recompense is transposed to the moral plane, offering vengeance instead of real restitution. Negative legislation permits killing a murderer to achieve a kind of restitution.

Since society suffers minimally from any particular crime, the public needs no restitution and is chiefly concerned with preventing repetition. Abstaining from lawlessness might also mean preventing and even actively opposing it.

Criminal justice prosecutes actual crimes, not protects people against crimes. Protecting the people against crimes would require a lot of measures and expenses to guard against improbable occurrences; cost/benefit ratio of such protection is close to zero. Logically developed, such protection should result in totalitarian state with people confined to their houses.

Responsibility is individual, yet the Bible judges nations summarily. People can establish justice and find culprits in their own communities, but not in the groups they do not control. Damages, inflicted by other groups, need, however, be checked and compensated. Individual responsibility, therefore, works inside groups; other groups are dealt with as corporate bodies, which allows bombing countries at war, not just shooting at troops. Criminals must be punished individually, if they are known and approachable; corporate responsibility is the last resort against a group shielding its criminals. Collateral damage should be minimized; Lot was allowed to leave the town, and civilians must be given a chance to flee.

An ideal society of conscious and compassionate people might abrogate positive regulation. Elsewhere, however, some is unavoidable. Generally negative, the Bible resorts to positive prescription with the tithe. To prohibit incest, the Bible must limit the degree of consanguinity positively at cousins. Liberal society also needs some arbitrary quantification: *e.g.*, the acceptable level of pollution and the penalties for exceeding the limit.

It is irrelevant whether judges or parliamentaries create positive regulation. Rather, legislation should resemble judicial process. Evaluating similar laws, customs and reason should minimize unavoidable arbitrariness.

Classic antinomian anarchy is as unworkable as Rousseauvian communism where the common interests overwhelm individualism.

The negative approach speaks in terms of freedom *from*, never *to*. True freedom is *from* arbitrary restrictions, letting people accumulate wealth as they might. The absence of impersonal restrictions, such as bad weather or physical deficiencies, is not liberty but luck. The ability to do something, like live according to predefined material standards, is an achievement, merited or otherwise, but not freedom. Sophistically redefining freedom, socialists package their demands of redistribution into an anarchist or liberal framework, but that approach stumbles against simple but fundamentally irresolvable issues. How far should the "freedom to" extend: to live? to live according to American or German standards? to live in an egalitarian society? or to buy whatever one wishes? Who is to define the applicable sphere of that "freedom"? Consider how greatly people would depend on the arbitrary will of that regulatory body. Who would assess and resolve conflicting desires? All students want the "freedom to" attend prestigious universities for free—and would overwhelm the facilities. What about "freedom" to non-material things? Could society force a girl to marry a suitor who is free to marry her? Negating marriage through divorce is very different from forcing a marriage to fulfill someone's freedom to marry.

Equal “freedom to” translates into equality. If people are equally free to do or to have everything, then they are positively equal. That contrasts with the negative equality of liberalism, the absence of arbitrary restrictions. Egalitarianism has consistently proved unrealizable. It is also unethical. Twenty- and eighty-year-olds are not similarly free to retire at the public’s expense. The rich and the unemployed are not both entitled to buy a Lexus. To give everyone equal “freedom to,” society would have to use resources unequally.

Unless defining equality as equal lack of arbitrary prohibitions, equality of opportunities (“freedom to”) needs to be readjusted at every stage. Pupils have equal access to schooling, but they learn differently and have different chances at joining good university. The society then equalizes their chances to admittance to university by affirmative action. They again study differently. The society then goes further to equalize their chances at being accepted for a particular job. They work differently. Then it is only consistent to equalize their chances to hold the job, by restricting lay-offs and sustaining arbitrary lawsuits of fired employees. Workers produce different value added; those who produce less, often receive more from society in the attempt to equalize incomes. After years of working differently, people are again equalized in societal expenses on them, and receive the same Medicare benefits. Equality of opportunities, consistently applied at every turn of people's lives, translates into discredited equality of outcomes. The “freedom to” involves ever-expanding regulation. Totalitarian, all-powerful bureaucracy rules egalitarian societies by forcing choices and morals on people. “Freedom to” could be confused with “freedom from” if

86

one discounts history. A classic socialist argument has two people in the same pit, one thrown in deliberately, the other who fell in. Socialists say the liberal classification of those cases as illegal coercion and legitimate occurrence respectively is irrelevant, since both are in the same situation. Such a comparison is meaningless. Similar states of affairs can result from dissimilar actions. Logically, identical outcomes say nothing of the preceding operations. A person could be poor because he is stupid or a monk, or wasted his inheritance or was robbed, but the cases cannot be equated: each calls for a different attitude. Only the last is a violation of “freedom from.” They might all need help getting out of the ditch, but providing that help without inquiring about the causes provokes irresponsible behavior. Mitigating violations of “freedom from” and providing for accidents is sufficient. There is no need to invoke superfluous and arbitrary “freedom to.” Society does not even have to restore the victim of violence. That is the perpetrator’s obligation. The community persecutes him to discourage the prohibited behavior and statistically assure freedom from violence. Robbery or humble birth put people at a disadvantage, but the variance is not society’s concern.

The logic of marginal utility says the public can provide some “freedoms to” where cost little and benefit many. A practical case is hard to construe. Any such program is prone to expand to expensive inefficiency. Private charity is better than tax-funded bureaucratically administered welfare.

Positivism and rationalism

Any system of ethics could only be negative: avoiding certain actions or disregarding certain events. Any positive prescriptions run into the problem of correlating the pursuit of different—necessarily contradictory—prescriptions. Each objective has to be pursued at the expense of others. We expect ethics to operate with maxims; if anything does not deserve to be a maxim, there is no need to build it into the ethics. But all of the objectives cannot be pursued to maximum extent; a person has to strike equilibrium among them. This equilibrium is necessarily subjective, depending on the relative values a person attaches to each of these objectives. The ethics and the path to happiness therefore remain subjective, leaving no role for centralized prescriptions. Happiness, an inherently subjective phenomenon, cannot be quantified, and therefore cannot be reached by following positive rules. A subjective phenomenon cannot be objectively regulated.

Positivism is often argued for as a means to establish morality in the immoral (or violent, self-interested) world. Real morality is the morality of the real world, the ethical order people arrive at naturally. Theoretical morality, established by regulation, is Quixotic or serves special interests.

Positive, “Do to the other what you would like the other to do to yourself,” is impractical. It makes necessary to provide for everyone before eating a meal. Moreover, one who loves his neighbor should allow him to experience the same satisfaction. Thus, having given his property to another, he will be compelled to immediately receive another’s property, and vice versa *ad infinitum*.

The one accepting does so to the detriment of the giver (whose means thus diminish) and of others who could receive this property or favor instead of the receiver. The resources of each concrete person are limited, and doing favors to *everyone* else is impossible; only a few could be favored. Attitude to the others remains unregulated. The imperative of positive love in Leviticus 19:34, “You should love him similarly to yourself,” should be viewed in the context of Lev19:33 “You should do him no wrong,” a negative formulation. Besides, the Bible requires that attitude only to neighbors: only they could be treated even remotely as oneself.

Positivism seeds guilt, as people see good things they could do but do not want to do, like eating in restaurants instead of sending the amount of the check to someone who could live on it for months. Instead of accepting this as a fact of human nature, they ascribe this to their imagined wickedness. Positivism is dangerous to society, because the continuous breach of do-good prescriptions devalues all morals, including real—negative—ethics.

Action, unlike inaction, must be justified. To change natural flow of events, people need a reason. Abstaining from murder and theft requires no physical efforts and expenditure of time and resources. Negative legislation generally imposes no cost on people. Positive prescriptions require doing something, and cost of carrying them differs greatly among people. Sometimes this injustice is allowed. Other times the costs are equalized by diversifying the regulation, and demanding from people differently. People are not equal before a positive law, and only acquiesce to it through coercion or engineering of consent.

A boundary case of helping another by complying with his request is often not positivism since benefactor decides nothing, and forces no action on beneficiary. Lending is therefore not positivism. Helping in monopoly situations, when the help is not available from elsewhere, is positivism, because benefactor's actions are critical for carrying out beneficiary's plans. Such help should be carefully evaluated, and offered only in simple and clearly beneficial situations, not when a weapon of murder is asked for, which is presumably hard to find elsewhere. Answering an entreaty falls under the negative reciprocity rule, since no one wants his urgent request refused.

Guarantees are positivism, an attempt to introduce predictability in unordered CAS. They are disproportionately expensive, ineffective, and distort the working of CAS. Obligations and guarantees of two parties in a simple contract are mostly predictable, and in any case would harm only them. Society-wide guarantees, similarly to any generally applicable positivism (expanded ethics, taxes) are harmful. Such is the case with social guarantees like pensions: people are either not assured of the amount (in private plans), or lose most of their time-value-adjusted payments (in government plans). Pensions destroy flexibility of the working habits, such as increase of the maximum working age in response to increased time of education and to decrease of the birth rate. Aged voters create downward pressure on the working age, and upward pressure on the retirement benefits regardless of the capabilities of society. Bank deposits guarantee provokes irresponsible credit policies ignored by the public whose money' safety is assured. Positive regulation is against human nature. No one likes to be

90

enjoined, and being forced to do something is worse, turning people into uncritical automata. Even beneficiaries of regulation often hate it: recipients of charity often have hard feelings to donors.

Positivism perpetuates itself. Regulation attempts to prevent natural behavior. Prevention only mounts the pressure, calling for more regulation. People circumvent the prevention, causing legislators to widen it. Since all regulation benefits some at the expense of other, profit-seeking people flock to the benefited group, making the regulation more expensive. Entropy and marginal utility assure that regulation becomes less efficient and more expensive. Bureaucracy accrues around the regulation, supporting, rationalizing, and perpetuating it. Supporting inefficient behavior sends wrong signal, increasing it: welfare draws more people to ranks of jobless.

If people accept rationalism, and fill it with supposedly correct ideas (e.g., that egalitarianism is the achievable moral goal), it is their moral obligation to push others to accept that ultimate good. Rationalism seeds positivism, and is violent. If feelings are reduced to numeric values and consequences of our actions are known, then ends could justify the means. If quantifying the feelings, why not quantify the morals? Objectively valuing the life, what prevents us from arriving at the logical conclusion that society should kill the burdensome old people? Why not keep the people obedient by lie or soma – for their own good, as the rulers perceive it?

If rationalism is right, if the subjective could be made objective and quantified, then young and talented Raskolnikoff is justified in killing an old usurer. Rather, only a subject could value his choices – whether of buying certain item, or of giving up his life.

Rationalism endangers society. Myriad customs evolved through millennia of experimentation. Though society periodically shed or change them, they knit it at any given time. Much of expanded ethics depends on customs, and balance between private and communal is entirely empirical. People often do not see rational underpinning of seemingly unnecessary traditions which developed through complex adaptive mechanisms of human interaction. In rationalist framework, tradition loses credibility. The burden of proof shifts from challengers of status quo to its supporters, who are unable to justify customs, like it is impossible to theoretically establish the price equilibrium. Customs and prices are arrived at through trial-and-error, iterative, not predictive process. Rationalist societies lose morals, thus impede economic activity, and decline.

State is necessarily rationalist, since no approach decides on the required arbitrary actions better. Normally people do not have to risk their lives, but if a state decided on war, then certain guidelines on self-sacrifice are necessary. Sometimes the rationalism is explicit, such as sacrificing few soldiers to save many. Sometimes it is a rational choice of a particular subjective approach, such as appointing a prime minister, and delegating him largely arbitrary executive authority. Sometimes the rationalism is pursued by manufacturing of consent which rationalizes the subjective by substituting the rationalist goal of the state for the people's subjective opinions, as happens when inducing people to war. State is not only a trade-off between freedoms and responsibilities, but also between morality and ideology. Rationalist decisions could be replaced with subjective choices by buying the adherence to these rationalist decisions. Government does not need central planning or coercion to procure

92

weapons: it rather offers a sufficiently high price to private companies to bend their subjective choices from producing kettles to manufacturing missiles. Instead of herding the unwilling people into wars, government offers sufficiently high salaries to induce them to join the army. When a promising drug must be tested on humans, risking few lives to save many, pharmaceutical companies do not need to request the government to force several people to sacrifice their life for this rational end, but pay attractive compensation to volunteers. Forcing the people to adhere to government decisions is not the only way to operate a centrally planned economy: government could pay the people to adhere to its five-year plans, buying the compliance instead of punishing non-compliance. If the policies become successful, the increasing GDP and the tax base would offset the compliance payments. Competitive jurisdictions offer services in return to allegiance.

Contractual regulation

People often regulate their relationships through contracts: formal contracts for specific purposes, implicit contracts for common affairs, and basic ethical conventions as the minimally acceptable contractual terms.

People should not choose between similar ethical objectives but through inaction accede to the natural choice. Abram denied Sarah and called her his sister to save his life: no one should sacrifice his life to save another, especially if the effort is likely futile. Likewise, Talmudic "You do not know whose blood is redder" forbids murder for the sake of survival, such as cannibalism during a famine. Careful

consideration often suggests less drastic options. It is, however, permissible to kill in self-defense, since that prevents unethical behavior, an attack.

Beyond prohibitions, ethics deal with the doctrine of disproportionate effect, the obligation to do good when small effort creates great benefit, such helping an enemy to unburden his fallen donkey and giving alms. Though disproportionate effect is generally attainable only with small efforts, even sacrifice of one's life provides disproportionate effect when opposing immense evil, and going hungry for months of starvation is a small thing to save the life of another. Except when the disproportion is obvious to them, people are not obliged to oppose injustice or alleviate others' sufferings. Helping foreigners has no such effect, while persecuting heinous crimes has. Minor evil could be tolerated; average evil is better opposed, but no one is obliged to fight it; everyone must oppose immense evil: every effort to fight it is disproportional. Tyrants and mass murderers employ few active adherents to carry out atrocities; they really depend, however, on silence of the majority, the silence correctly taken for acquiescence, making the bystanders into the "willing executioners."

Each person must decide for himself if an action has disproportionate effect or not. People value the feelings of their friends and relatives higher, thus providing larger positive effect, and so spend more efforts for the closest neighbors. Often a seeming beneficence turns awry: improved medicine in Africa increased the population and created permanent dependence on other countries for food, medicine, subsidies, and peacekeeping operations. Since positive actions in complex adaptive systems are inefficient,

94

disproportionate good should be sought only in the simplest cases: educating orphans but not nurturing undeveloped nations. The doctrine is intended for neighbors but might be applied to aliens in extreme cases, since all men are part of the human race. Formal contracts apply to simple relations with predictable inputs and consequences. Such agreements are limited in time and scope.

Most human interactions are founded on implicit contract. Newlyweds expect marital fidelity, shared material fortunes, and compassion from each other. Both sides evaluate the bargain: a rare American fiancée accepts the demands of a Saudi fiancé. So long as both parties understand the terms and agree without coercion, the contract is fair. A husband who kicks his wife once might be guilty, but one who kicks her regularly is not since the wife acquiesces by not leaving. Perhaps she loves him or his money enough to accept beating. Unless she is coerced, the marital arrangement is consensual and legitimate.

Implicit contracts are continuously readjusted and eventually broken, depending on the balance of power between the parties. Sweethearts accommodate one another, seeing each other's interest as one. When enchantment dissipates, self-interest re-emerges, drawing some spouses into the same balance of power game states play. The balance is not static: contractual relations are in dynamic equilibrium.

Power is the ability to affect others' interests. Suppliers and customers have power over each other, and price settles at the point of the balance of power. Power changes continuously: a spouse's mutual concern fades, and new circumstances evolve. A wife who

fails to rekindle her husband's interest loses bargaining power, and the balance shifts against her.

Unlike in international relations, readjusting the balance of power in personal interactions comes not through rare, violent wars, but frequent, low-intensity tit-for-tat deterrence by threat. The side perceived as consistently under-responding loses ground. Breach of contract is an exploitive strategy to further self-interest if there is no threat of reprisal. The interest is not narrowly material, but includes spiritual components: a person might violate a contract only to prove himself smart and sly.

Contracts are not broken just when interests shift for two reasons: governments protect formal contracts, and people who breach contracts don't get new ones; and many people believe honesty is valuable even when they do not benefit from it immediately. Neither makes contracts impregnable but rather establishes a barrier before breach. Because bankruptcy option curtails liability, government enforcement of contracts seems a minor factor in upholding them. Honesty is subjective in implicit contracts when the parties understand the terms differently, as can happen in marriages. Honesty plays a minor role in international treaties: states represent their people and territory uniquely, and other states cannot choose different parties to deal with, as people do in interpersonal relations. Military, economic or diplomatic threats sustain international agreements. Though the nuclear deterrence diminished the threat of military enforcement of pacts, stability of economic interests in global markets where exploitable inefficiencies are rare, lends longevity to international pacts.

Formalizing agreements as much as feasible increases their chances of survival beyond the moment of convergent interests. Most formal contracts are enforced without appealing to the state because people need to maintain a reputation of integrity and settle disputes privately. Society need intervene only to prevent fraud or theft when the facts are incontrovertible and to penalize malefactors, perhaps only to enforce the decisions of arbiters.

The ethical injunctions against murder and theft can be understood expansively: the former includes any cruelty, even to animals, severe injury, and deprivation of vital qualities, such as freedom; the latter, any violation of property rights, from keeping something found to breach of contract. The decision to expand one's moral obligations is a unilateral and should not affect others. That is, adherents of one religion may not force conversion on others for the sake of ultimate life, nor may vegetarians prevent others from eating meat. Expansion cannot justify walking away from even an implicit contract: parents may not abandon their children by choosing to become hermits or monks.

Some expanded restrictions, such as marriage, stem from contractual obligations, and are directly compensated. Other restrictions are not: a person accepts them, expecting the return statistically from the community, not from immediate beneficiaries. One might voluntarily restrict his behavior toward others, accepting wider sense of negative commandments, such as from avoiding false oath to not lying to neighbors to being honest with everyone. Expanded restrictions would generally make life in a community more comfortable, but might not benefit humankind since they

impede competition and evolution. Closer is the group, more expanded restrictions people accept.

Every contract involves a fair exchange of property, including non-material property, such as one's services or freedom. Breach makes the exchange unfair, since one party receives uncompensated benefit from the other. Society might choose to uphold contracts based on expansion of the ethical posit, "Do not steal." Since, however, contracts relate to voluntary rather than regulated interactions, the public should not control private contracts.

Anarchism as a rejection of the monopoly on power

An essential monopoly is control of an object which must be obtained regardless of price. Competition is making a similar object available from another supplier. A non-essential monopoly is possession of an object which cannot be obtained from an unrelated supplier but does not have to be obtained.

Freedom involves the ability to choose. Monopoly forecloses choice. Freedom, therefore, is the absence of essential monopoly. Anarchy rejects not power *per se* but absolute, coercive power wielded through essential monopoly.

A robber could offer his victim a choice between life and purse only because he foreclosed the escape. Similarly, a state posits dilemma of tax or jail only because it established monopoly over its citizens by covering a territory too large for relocation, and implicitly colluded with other states to make immigration cumbersome.

In the boundary case, the passive monopolists' behavior becomes an imposed damage. A monopolistic supplier of an essential

product, for example, is passive if he does not force customers to buy at inflated prices, but customers see the price as forced upon them. Exploitation of monopolies must be prohibited like other unrecompensed damages. Society should not usually break or confiscate monopolies but rather offset their harmful consequences through servitudes or price controls.

The ultimate monopoly is government jurisdiction. Since government is legitimate only as a people's corporate expression, the monopoly translates into common monopoly of land, most of which the people neither use nor intend to use. States sell some land rights, even the right of ownership, but no state cedes jurisdiction over land. Arrogance and monopolistic aspirations move the states to forbid private jurisdiction on private land with consenting inhabitants and no externalities. People in a distant community, growing and consuming, but not exporting marijuana, are harmless to others.

The monopoly of jurisdiction is as unjustifiable as any other. A government or society might have under its jurisdiction only as much territory as it can actually use either directly or by settling consenting people there. Since settled or cultivated land usually represents only a tiny percentage of the available territory even in civilized countries, there is enough potentially available territory to satisfy the universal desire for the ultimate good: customized or freely chosen jurisdiction.

The argument that states are illegitimate since they acquire land unjustly is irrelevant. Even a land monopoly legally paid for is illegal. A near-infinite sequence of right actions (purchases) results in a wrong (monopoly).

The contract theory of sovereignty stipulates that people freely establish states. But that free decision becomes a political monopoly,

depriving their descendants of choice. A person should not enslave another without his consent, even his own child. Forcing choices on unwilling adults is an argument against democracy. Past generations should not bind future generations to a state. Each person must be able to choose a state or decentralized settlement for himself. The choice of jurisdiction is more important than a choice of merchandise, yet governments generally promote economic competition—not, however, in jurisdiction and citizenship. The way to give people a choice of citizenship is the same as any other—competition among relatively small providers (mini-states), continuously changing their products (legislation and territory). Associating “expanded right of land ownership” with jurisdiction would create a fluid marketplace of citizenship, with states coming and going, expanding and contracting, depending on how popular their ultimate product—passports—are among citizen-consumers.

Decentralizing jurisdiction promotes peace among otherwise irreconcilable groups. For example, Jews are entitled to live in a country of their own, but they prefer an ethnically uniform state to fully practice their religion. Therefore they refuse to let Arabs re-settlement in Israel. By the same reasoning, foreign anti-Semites are entitled to demand states without Jews. Such demands, however, are widely condemned, though there is little difference between the two. The only answer is flexible jurisdictions, allowing each group to live as it likes on the land it owns. Israelis would be happy in a country without Arabs, and anti-Semites would live in white supremacist communities that ban Jews and Negroes. Some communities might be communist, self-contained or trading with capitalist communities,

while others – embrace unregulated market economy. Imposing political order is wrong just like imposing religion.

The prohibition of unpaid damages means that no one may force his views on another, which requires consensus instead of democracy, shared values instead of pluralism. A society might reduce values to very basic levels, as secular democracies do, but why? Mini-jurisdictions would let each group pursue its values fully without externalizing them on the unwilling.

Dissolving mega-countries into a network of communities does not mean a return to feudalism. Indeed, history moves not in a circle but in a spiral. Unlike feudalism, anarchist communities would be economically connected to allowing free travel. They would unify laws and subscribe to the same courts and enforcement agencies in inter-community relations to facilitate economic cooperation. They would, however, regulate purely internal matters differently. Internal jurisdiction would not likely deviate much among most communities, since pronounced deviation would preclude the flow of visitors and economic integration. Some matters, from drug policy to city planning, could deviate with little effect on visitors. Why, then, dissolve centralized government powers, if spontaneous cooperation would produce almost the same legal situation? First, much current legislation is frivolous or subservient to special –interests and would not replicate in the communities, forced by competition to offer the best laws. Second, that centralized systems produces bad legislation is not the issue; the problem is that such parliaments impose legislation. The communities might make the same choices, but they would be free choices. Mini-jurisdictions would have scant legislation; minuscule states like Liechtenstein or Monaco have very

little. Laws often respond to special interests; small community would be less vulnerable to lobbying and control legislation better. Laws affect people in consensual isomorphous societies more equitably, not letting one group benefit at the expense of another, assuring general opposition to abusive laws. People are less politically agitated in small jurisdictions: competition in municipal elections is far less than in national ones. The absence of profit and fame makes government less attractive. The communities' private owners would have a single objective, profit, and would not need laws serving the peculiar objectives of many groups.

Both size and quantity matter. People are free to leave most states and go anywhere willing to accept them. There is freedom in labor relations, where a tiny fraction of the labor force chooses among millions of employers. But two hundred states constitute a monopoly, with prohibitively high relocation costs, fully occupied land, and a citizenship market that discourages new entities, mostly through war, rarely through the peaceful negotiations characteristic of non-monopolized labor relations. When there is nowhere to go, there is no right of exit and no freedom from coercion.

A group of living organisms is a complex adaptive system (CAS), which explains some of the ways humans differ from animals. Attempts to find qualitative difference between them have failed consistently. Animals have intelligence, emotions, some tool-making ability, a sense of ownership, the desire to live better, free will, and many other traits once thought to be uniquely human. CASs produce great synergetic effects, turning small quantitative differences into qualitative differences. Relatively small increases in human intellect compared to animals let man progress rapidly

The Ethics of Free Society through CAS mechanism. Distortions in CAS, therefore, are a major impediment to the development of human society.

Monopolies introduce inefficiency and regularities in the complex adaptive system of society. Insiders could exploit them. Monopolies allow coercion and create power. Only force can sustain monopolies. Anarchy is the rejection of essential monopolies.

Without a monopoly on employment, a single factory in a faraway town could not restrict salaries. Without a monopoly on labor, trade unions could not blackmail employers. Without a monopoly on jurisdiction, governments could not force people to obey the law. Without a monopoly of force, governments could not enforce taxation. Without a monopoly on ethics, governments could not abrogate moral responsibility for murder, and so could not wage wars. Without cartels of international tax agreements aimed at establishing monopolistic taxation, governments would compete for people's money, charging reasonable fees for services rendered, instead of draconian levies.

Servitudes regulate land monopoly, mandating the owners to provide the right of passage. Access to unique, thus monopolistically held, properties might be similarly open to public. This does not allow for trespassing on private lawns.

The pollution/ public health issue can be treated as a case of monopoly. A *particular* pollution must cease; other pollution will not do. Pollution could be regulated in anarchist society. People would disagree which particular pollution is essential and needs regulation. Each community would set its own criteria. Wherever a community creates damage (pollution affecting other communities), it would have to reach an agreement with the affected.

Feudalism provides the monopoly on land which farmers cannot acquire by reasonable means. The acquisition of all the land in a region large enough to make migration prohibitively expensive also creates a land monopoly. Globalization and effective transportation dissolve earlier monopolies by letting people move inexpensively. Modern effective economies have almost no monopolies other than those created by government regulation.

Nation-states establish land monopolies by occupying territories large enough to make resettlement complicated, and deprive people who want to establish their jurisdictions. No objection can be raised to land ownership *per se*, since it is essential for establishing mini-jurisdictions.

What if the market is effective, but a particular person is not? A society could take care of such people through poverty-line benefits or by monitoring predatory practices, prohibiting employers from imposing requirements to which effective employees would not agree. Society, however, could not require employers or landlords to do anything more than abstain from harming people. Making their lives better could be conducted as public charity, not by simply shifting the public cost of charity to a narrow group of employers. Such fringe situations do not justify wide-scale regulation.

If someone spent a fortune building an artificial oasis in a desert, he is entitled to ask compensation for using it. The oasis would not be a monopoly, since anyone could build another nearby. The owner is free to ask any price, though a person dying of thirst could legitimately disregard property rights and seize the water if he could not pay or the price were so high that risking his life in a fight seemed the better choice.

Consider the DeBeers diamond monopoly. It does not justify violence. Only monopolies that endanger lives or essential freedoms should be opposed with violence.

But what should people do about monopolies? Nationalization is the last resort and should be accompanied by fair market compensation. Requiring the owner to divest part of his property is the next worst option. The public should first explore the option of creating competition for the monopoly, perhaps by inviting an investor and guaranteeing him consumer or employee allegiance. In most cases, threat of such action would suffice to curtail monopolistic malpractice, since monopolists risk their whole investment otherwise. In any case, globalization provides more choices, and non-government created monopolies are rare.

Defining the anarchism

Anarchists are not anti-statist any more than they object to communes, philatelist clubs, or any other types of organization involving restrictions, obligations, and payment of dues. They are against state as an instrument of coercion. Only monopolist states are coercive; the competing jurisdictions, as any competing entities, cannot coerce. Anarchists, therefore, only object to monopoly on jurisdiction.

How does this soft definition of anarchism correlate with the traditional one, the rejection of any government? The latter is mistaken. Most theorists recognize the need for cooperation, including legislation. Institutionalized criminal justice is unavoidable in any society. State is a formal or informal arrangement of pursuing

the ends significant for society at possible cost to its members. Except for impractical anarcho-egoists, all anarchists agree on the need for some societal organization. They reject a state for alienating legislative powers from its citizens to curtail liberties. In competing jurisdictions, people would have effective—though indirect—legislative power, voting by moving and by accepting rent, just like consumers vote for products by switching suppliers and agreeing to certain prices. Consumer power is very effective. Eliminating the monopoly on jurisdiction solves the foremost anti-state objection, *viz.* that states are unresponsive to individual needs and coercive. Competitive “states” would be as responsive to their citizens as competitive suppliers are to their customers.

People do not care whether the power exists, or whether some people agree to being governed. The legitimate concern of any person is that no one coerces him. Prohibiting any power whatsoever is superfluous to this end. Coercion is only possible when its object has no other choice but to accept the terms, whether a price or a law. Where there are choices, there cannot be coercion. Anarchism must only be concerned with forcible restriction of choices, not with power *per se*. Anarchism is a rejection of any monopoly: from supply of goods to jurisdiction. In economy, monopoly is prevented by prohibiting corporations with super-large market share and collusions – not by abrogating all companies and private initiative. Similarly, preventing a monopoly on citizenship and jurisdiction does not call for abrogation of state, but for dissolving super-large states, making them into the relatively small entities independently offering their services to consumer citizens.

Relocation between mini-states poses moderate problem in affluent mobile societies, where people change many residences. Companies keep prices down and work to increase the quality of products to dissuade consumers from switching to other suppliers. Likewise, threat of relocation would prevent abuses of the settlements' owners.

Like companies in mature industries, unable to differentiate through innovation, tend to concentration as the means to increase semi-monopolistic profit, prevent competitive decrease of prices, and cut expenses, so the mainstream states, unable to offer substantially different legislation, would concentrate. This process would not result in mega-states. Even mainstream legislation might vary considerably from libertarian to conservative. Municipal services and welfare provisions could be even more diverse. As with mega-corporations, market concentration does not result in abuses: any attempt to increase profit beyond normal, or any substantial inefficiencies suggesting the better ways of doing business, would bring in the competitors who would establish new jurisdictions and compete with concentrated states that became unattractive for their customers.

Absence of state is impractical. People are not egoistic, but follow societal ethics even where its norms run against immediate self-interest. Every person realizes that for his own survival he needs a last-resort protection of an entity much stronger than himself, which could compete, violently if necessary, with multitude of people opposing him – a group. Fostering a group is an evolutionary instinct, a rational behavior. Since a person needs help of his group only as the last resort, in rare circumstances, he only accepts to spend

very little of his resources (time or money) for the group. This behavior is consistent with the doctrine of disproportionate effect: a person normally spends little for the group, but is willing to give up his life when a group is threatened physically or ideologically: ideology is critical to mutual ties and survival of a group. Tithe shows that a person is willing to spend about ten percent of his resources for the society. The people, who concede some of their time, money, and efforts for the group, could accept a state, a formal appearance of that group. A state in this narrow sense could pursue the objectives of a group recognized by its members. If people recognize prohibitions of murder and stealing and the obligation of charity, than a state could enforce these functions even in their expanded sense (defense, upholding of contracts) – but no other functions.

The other end of political spectrum from anarchy, totalitarianism, never rejects all freedoms, but leaves people small private sphere. Likewise, anarchy need not reject all regulation.

Monopoly of political orientation

Government must defend life, liberty, and property. As Locke observed, government imposition of religion makes rebels of otherwise conscientious people who want private matters left alone.

Government policies resemble faith. Like faith, policies promote “credibility goods” whose value cannot be readily tested or even evaluated by consumer citizens who are relegating to trusting governments the same way believers trust churches or other religious institutions to bring salvation. In both religion and policy, options

and variations are beyond the customer's comprehension, therefore a matter of faith. While some modern governments disallow legislation based on religion, however, they operate on legislation supported by faith, be it in socialism, the welfare state, moral or economic conservatism, or whatever else.

The reason that pushed religion from the public sphere should be applied to political dogma as well. Central governments should defend life and liberty, and property, while individual communities should be free to regulate property and all other internal matters. Naturally, most would adopt uniform codes to expedite transactions with the outside world, but differences, including those of principle, should be tolerated. Semblance to federalism is superficial. Federalism is applied to large regions usually with heterogeneous population whose opinions are averaged down, and so the laws differ slightly and randomly among cantons. Dependence of federal states on central government for redistribution makes them compliant and prevents deviations.

Anarchism is not about political orientation but the absence of the monopoly on orientation. Every strain of anarchism makes freedom its objective. That approach differentiates anarchism from other policies which aim at a stronger state, social justice, religious dominance, or other ends. But is not it odd to suppress the real or perceived freedoms of some in pursuit of freedom for all? Yet, anarchists of both left and right suggest that. The left disregards property rights, whether for all property or for industrial assets only is immaterial. In both cases, the objects are sufficiently important that people have been ready to fight, kill, and die for them throughout history. The right creates a system which, though free of arbitrary

restrictions, yet creates what socialists perceive as a monopoly on employment and credit. Whether it actually does is unimportant. It is enough that some people believe so, and they would not feel free in a free market society. Both ultra-right and ultra-left reject all power and therefore refuse courts and criminal justice, effectively abrogating the freedoms of the weak.

This reasoning suggests that no one political system can make all people feel free. Therefore, anarchism should not impose a model of freedom but instead offer people a regulatory framework in which more or less all could realize their freedom as they want without infringing the freedom of others.

This definition of anarchism translates into rejecting a monopoly on political views, letting almost everyone live by his own lights. To that end, anarchism is the rejection of the government monopoly on jurisdiction. So long as each community can regulate internal matters as it wishes without interference, whether communist or capitalist, the anarchist ideal is satisfied.

Market capitalism is not monopoly

Socialists often assert that capitalism establishes a monopoly of the few on the means of production, letting them extort the value-added from workers. The notion is inherited uncritically from eighteenth century Europe where land was the only substantial productive means. The American colonists saw arable land as an unlimited resource, created by work.

A monopoly is the substantial control of all the resource in question. Productive means, both equipment and capital, are created

continuously. No regulation or collusion precludes workers from acquiring them, defusing the accusation of monopoly. In fact, some do own factories through share holding but do not exercise the concomitant managerial rights. While each worker owns but few shares, trade unions pool the minor bargaining power of millions of individual workers to make them strong collective bargaining bodies. If workers wanted to manage the enterprises they own, they would have created share-management trusts to do so.

Equally unfounded is the notion that low-tech industries see more of employee-owned companies because the capital requirements are lower. Such industries are simpler, requiring almost no organizational skills and only part-time management. Service enterprises often involve expensive equipment, so investment is no impediment to worker ownership of productive means. Even in zero-fixed-investment services like software engineering, where a few people can make a product at no expenses other than the cost of living, workers prefer wage employment to owning the business.

The capital required for a single factory work place runs about a hundred thousand dollars. well within the reach of many people in developed societies through low-rate loans if not cash. Yet, most people prefer employment to entrepreneurship.

The socialist' contention that workers cannot acquire productive means is mistaken. By definition, a worker does not own the equipment, and the argument is circular: those who do not own machinery do not own it. Many *ex*-workers, however, have started businesses and own the equipment.

It is easy to see why people exchange some of the value they create for reliable wages, rather the way they support the

government. In affluent societies, people pay even exorbitant prices the government or corporate investors and managers charge, for the assurance of welfare and wages. Those assurances, essentially services, are not wrong or inhumane *per se*; rather they are overpriced, and refusing them might give people the satisfaction of direct involvement in state or factory affairs, a mentally rewarding task if not financially critical. Explaining the inefficiency of such payments, urging citizens and workers to refuse both government and corporate services and take control of both through their voting power and shares, is perfectly legitimate. Forcing that solution on unwilling people through the subversion of capitalist democracy is as wrong as any coercion.

It is odd that socialists want to restrain market competition, so essential for freedom. Arguably, their reason is the incompatibility of narrow rationalism with complex adaptive systems.

Restraining competition requires overwhelming bureaucratic framework of arbitrary licensing and central planning. A state with such institutions is neither free, nor benefits the consumers who enjoy less innovations and competitive price reductions.

Boundary effects

It is possible to construct a theoretical case of acute formal injustice within the legal system of any society. This is a common literary plot. The Gödel theorem mathematically establishes that unsolvable problems exist in any system of axioms. No political order can answer every conceivable question.

Any theory stumbles at the boundaries of the data range. Euclid's geometry proved inapplicable in space, and Newton's physics, on the subatomic level. Ideally, new theories arise to explain the effects at the outer limits of the data. As in the natural sciences, political philosophy knows of boundary effects where theories fail. While liberalism works under normal circumstances, marginal cases justify deviation from the ideal. Boundary cases do not justify regulating mainstream cases.

Boundary effects are self-extinguishing, never self-perpetuating. Free market mechanisms soon dissipate them, making the regulation unnecessary. Leaving the market intact, not impairing the freedom of disposal of property is the most efficient approach. Since effective market overcomes injustice, it is sensible to pursue market policies disregarding random injustices: minimizing regulation and inviolability of property is more important than absolute justice, unattainable at any rate. No policy is the best policy. Only free market society constitutes absence of policy. Corruption and oligarchy are policies, which should be either uprooted to establish free market, or, more realistically, replaced with less exploitive transparent regulation.

Extreme inefficiency of some people, obviously unable to rationally judge or defend their self-interest, is a typical boundary case, justifying paternalistic regulation.

Ineffective markets allow for the exploitation of workers; closed economies, for the abuse of consumers; government regulation benefits the oligarchy; and so on. A better theory would account for boundary effects, prescribing the optimal behavior applicable to both normal and boundary situations and concentrate on

eliminating the source of inefficiency. That translates into eliminating the monopolies on employment (improving workers' mobility), supply (reducing tariffs), and enterprise (regulatory monopolies).

Mass unemployment might justify regulating minimum salaries and working conditions, but the nearly full employment, effective marketplace, and upward mobility of the present century make the reasonable demands of social liberals in the mid-nineteenth century irrelevant. Socialists, however, prefer treat the consequences instead of concentrating on the cause. They would rather regulate employers and suppliers. Regulation calls attention away from the cause and compounds the problem by introducing new inefficiencies. Imagine what would have happened if modern socialists had altered nineteenth-century industrial relations. Instead of dirty factories, workers would have clean, healthy workplaces. Wages would rise, the workday shorten. That, however, would diminish investment resources, impede the creation of new jobs, and greatly prolong the labor oversupply. Ironically, the next generation of workers' welfare depends on today's capitalists accumulating and reinvesting profits.

In post-communist countries, with wage controls and ineffective markets, artificially high wages stifle production and depress employment. Workers, unable to get a job by accepting lower pay, agree to various forms of unregulated abuse, such as skipping pension payments, late payrolls, and in-kind wages. Employers predictably profit from bribes and kickbacks. A regulated system cannot change interest-driven market forces but only pushes them underground, where they operate in the ugliest forms.

Boundary effects are often not as bad as they seem. Great Depression left many jobless, but food was sufficiently cheap to minimize the life threat. Influx of pauperized villagers, made unemployed by improvements in agriculture into cities in eighteenth and nineteenth centuries created sense of impoverishment, though the workers were materially better off than before. In fact, a common complaint of early capitalists was no-show of workers, who earned enough in a few days to live for some time without work at the customary level of consumption. At other times, population, swelling on better medical treatment and abundant food, while new capital and transformed workplaces were added slowly, could not easily find jobs.

Boundary effects produce injustices which give rise to socialist and other revolutionary movements. The injustices are intuitive but not objective. A common example is early industrial era factory owners getting rich on the backs of starving workers. Intuitively, the workers deserve a larger share of the value added, and the owner gets too much. But did bankers lend to factory owners at terms so advantageous they could get rich? The workers, perhaps, were inefficient negotiators, but no one doubts efficiency of bankers. Banks or their depositors could have built factories themselves and hired managers. Yet banks preferred lending capital, confirming that entrepreneurial profit was reasonable. The liberal argument is that incomes reflect the value society sets on various occupations. In pre-industrial economies, there are too many workers, and too few entrepreneurs, which justifies their robust incomes. While the argument is open to question, the alternatives are arbitrary, reflecting the theorists' views of what wage is just. Arbitrariness is not the

ultimate evil, but acquiescing to it is a matter of ideological preference, not of freedom or ethics.

Another significant boundary case is the economic colonization of undeveloped countries. While foreign direct investment generally benefits new economies with work culture, technology, and capital, it also often exploits local inefficiencies: predatory privatization, domination of banking and insurance, tying loans to unnecessary goods. Protectionism is generally costly and ineffective, but gradually decreasing protection of significant embryonic industries might be justified.

Harmful boundary effects might be mitigated without regulation when they coincide with social transitions, accompanied by partial abrogation of property rights. Auctioning aristocratic estates, using the money to cushion the transformation of landless peasants into workers, could have financed the leap from feudalism to industrial capitalism. Privatization proceeds might have covered savings in state banks and pensions in post-socialist economies. Ex-colonies might do by rational use of natural resources and sale of land.

Conforming to the rule of reciprocity, freedom to own large quantities of food gives way to others' freedom to live in the boundary case of famine. Property rights are not abrogated when the person violating them acts out of necessity. He must make restitution when possible or work off the debt—but not be punished, since he pursued the more important freedom, and is not guilty. Utter necessity is a criterion: African countries cannot demand indemnity for copying AIDS drugs (looting the patent owners) while spending on non-essential things like palaces and weapons.

The coercion of owners should be minimized, their assets not confiscated, but sold. In the emotionally charged atmosphere of major distress, likely to cause boundary effects, people would seldom agree on the acceptable degree of suppression of lesser freedoms; the hungry would revolt instead of coming to a rational and ethically justified settlement. Human interactions are based on the balance of power among economic, political, or academic elements, but the fear of retaliation dampens the use of physical power. Sufficient misery, however, overcomes fear, and push comes to shove between the rich and the hungry.

Society might intervene only to confront clear and present danger. Social engineering for the sake of improvement, however that is understood, is a prescription for socialism and a regulated economy. From saving starving people by controlling food prices, society goes to supporting the habitually unemployed. Boundary cases are by definition extraordinary: terrible droughts justify support, but a consistently low agricultural yield of undeveloped countries does not. Socialists typically use boundary cases to justify all-out regulation, a scholastic approach of widening the meaning of terms to appear at contradiction to common sense. Thus, slavery opposes freedom, and socialists coined "slavery to capital" to show that market opposes freedom. Owners of large stocks of food exploit people during starvation, and socialists lump them with entrepreneurs to show that ownership is exploitative.

Killing of animals for food is another boundary case, necessary taking of life of lesser beings. Ownership additionally restricts killing: the few animals the Bible permits for food are generally domesticated; people give them life to take it later. Bible underscores

the concession by prohibitions and rituals which rule out the murder of animals for game. Necessity is a critical qualification: cat breeder, for example, cannot kill kitten at will, nor should a slaughterer inflict unnecessary suffering. Like some people need to suffer or die, usually unwillingly, for the sake of many others threatened with death, as at war, so more the animals might need to be killed or subjected to experimentation to develop treatments for humans.

Market needs many similar objects to efficiently operate the evolution of imperfect decisions. Most such decisions fail, often destroying the assets they were applied to. Where the assets are unique, such as rivers, and their preservation is a must, imperfect decisions leading to likely destruction of the assets are unacceptable, and the public must regulate the use of the assets – commercially inefficiently, but at least preserving them. Similarly, monopoly as control on *most* of the particular asset, such as silver, denies other marketers access to this asset, and makes experimenting with imperfect decisions impossible, shifting the price and allocation of resources, and calling for regulation to prevent abuses. But such monopolies are extremely rare: most owners do not pollute their rivers, sceneries are rarely unique, and monopoly on one resource leads to development of alternative resources. A monopoly is a boundary case where the market stops operating, usually due to government-induced interruptions of market mechanisms that introduce inefficiencies into the economy and produce monopolies. The ownership of unique goods, such as lakes of rare beauty or valuable paintings, constitutes a natural monopoly and sometimes calls for regulation to prevent their destruction, Government monopolies, on the other hand, should be dissolved, not regulated.

118

There is no clear-cut line beyond which boundary effects occur. Sustenance societies are often more tolerant of murder than affluent communities; food riots are common during famines; food brokers often collude during periods of famine and merit anti-monopoly regulation. Government regulation, redistribution, and subsidy might be preferable to civil unrest. Affluent societies rarely encounter economic hardship, and regulating them to prevent improbable violence is unnecessary..

The boundary effect generally sets different freedoms, such as of life and ownership, at odds. Sometimes the conflicts are horizontal, between the same freedom among different people— one soldier in the company gets a suicide mission or a disaster blurs the distinction between neighbors and aliens: Americans helped Rwandans stop the massacres.

The marginal utility approach to liberalism

Ethics are not absolute but must balance the expectations of many. Extending liberties beyond a certain point could grossly infringe the liberties of others. The law of marginal utility posits that increasing efforts produce insignificant results after a process reaches some specific point.

One liberty always comes at the expense of another, though the conflict is usually hardly visible; but conflicts become acute in fringe situations. Socialists exploit situations like economic downturns to promote increased regulation. Regulation is justified in marginal situations which threaten lives or the basic welfare. The possibility of such situations arising, however, does not justify regulation. But

governments extend the provisions for marginal situations on everyday lives. Societies have expenses beside healthcare, police, and defense. Beyond certain points, the concern for life gives way to others. Protecting life becomes prohibitively expensive at the margins. Societies cannot care for just anyone. They should protect their citizens from murder and theft and nothing more.

In purely liberal doctrine, there is no obligation to help, but no doctrine should be taken to extremes. Extending government protection to all fringe groups is prohibitively expensive, though caring for the most vulnerable can be extremely effective.

Justice is statistical, convicting some innocents and not punishing some guilty; finding truth in all cases is impossible. An attempt to uphold the commandments absolutely, to punish all guilty, would result in skyrocketing wrong convictions. Therefore, society relaxes even prohibition of murder in marginal number of cases, to preserve other freedoms: freedom from wrongful conviction, or from totalitarian control, sort of a camera implanted every person monitoring his activities.

Minimal public expenses (for courts and criminal police, for example) might increase GDP by preventing exploitive strategies and increasing market efficiency through the random efforts of free people reasonably certain of their lives and property. Sustaining the poorest somewhat reduces economic growth, but growth is not the only objective: people pursue group objectives to best other groups in competition, and have to help the neediest neighbors. The minimal safety net adds to certainty of life, allowing people to concentrate on work. Eliminating extreme poverty reduces crime.

Assistance is due only in cases of clear and present danger and only when the benefits of saving lives greatly outweigh the costs. Society should not pay simply to improve people's lives. The cases of real danger are few, the cost is small, ever smaller when the societies moves from sustenance to affluence. The Bible requires charity to desperately poor, while welfare states subsidize people who are rich compared to inhabitants of undeveloped countries.

There is likewise a positive obligation to help enemies in minor things, such as biblical example of unburdening fallen donkey, to promote reconciliation and allay hostility at insignificant cost.

The cost/benefit ratio of regulation increases exponentially as the percent of a society receiving welfare benefits increases and skyrockets when the percentage nears 100% and the law of diminishing returns takes over. The cost is not only monetary but also in terms of freedom from regulation.

People sacrifice some of the freedom for safety net, but loath excessive encroachment. After a certain point, citizens oppose even reasonable restrictions.

Liberalism is a policy of minimizing regulation to the point where further decreasing is demonstrably detrimental to the society in cost/ benefit terms. This generally leaves states with defense by hiring mercenary army, criminal justice, including punishing breach of contract as a form of theft, by licensing private police, and minimal charity. No forcible taxation is necessary: almost all people would willingly pay small and essential charity, insurance for police services might be mandatory, and defense might be financed from land or tenancy rent. Specific regulation, such as pollution restrictions and traffic rules, causes no opposition if kept to sensible

minimum, and might be properly regarded as custom, not law. The marginal utility guideline is far from the proverbial middle path. On a scale where zero means a hippy community and one hundred, Orwellian society, the optimal regulation stands perhaps at ten. That translates into a centralized control of ten percent of GDP, the tithe, the ultimate claim of society on individual, and his maximum responsibility for neighbors. Up to that point, centralized services are useful for almost everyone: criminal justice, minor charity, and defense. After that, the cost of regulation increasingly outstrips its benefit. The Golden Section suggests regulating about one-third of GDP, about the amount of obligations set in the Bible.

The logic of marginal utility applies to many other spheres. Take education. Sixty to eighty percent of the people in developed economies are employed in low-end services or repetitive industrial jobs or are habitually unemployed. They do not use education beyond what can be learned in the first four grades. Why should society spend a fortune educating them? The problem becomes more acute as the population ages. Even people employed in high-end services use little school learning.

It makes sense to educate only children who show aptitude at public expense. Proponents of compulsory education note cases of children who tested badly but later became good learners. First, that is the argument against compulsory education, since it is impossible to provide uniformly good teachers, and bad teachers dampen the pupil's desire for knowledge. Second, we do not deny education to children who test badly. Their parents can finance their tuition with grants or loans. Social investment in their education, however, is not promising. Third, such cases are few. Perhaps ten percent of bad

122

learners eventually become good learners, and the pool of early slow learners probably does not contain more undetected geniuses than average. If seventy percent of adults use no general education at work and two-thirds could be spotted as bad learners in the fourth grade, then society spends more than half its outlay for education for the sake of the ten percent. In other words, extending free education to marginal cases is tremendously expensive and a waste of public funds. No sensible person would invest on such terms.

Limiting education at public expense would not create castes. Fixed classes were gone before compulsory education was extended to the public. Education increases social mobility among aspiring young learners. Those who do not want to learn cannot be forced by free education, and limited intelligence and education do not preclude social advancement. Most CEOs use little school and university knowledge. For them universities are clubs, springboards to social advancement, unrelated to real learning. Even some national presidents show the irrelevance of knowledge to career.

Some medical programs also ignore the marginal utility of preserving the lives of the chronically sick at tremendous cost, using money which could be used more effectively on preventive care.

People's lives are not invaluable even to themselves. Some risk their lives by become firemen or joining armies. The value of an individual life is less in societies which routinely go to war or pollute the environment. While transcendental concerns usually define the value of life, material benefit is also involved. Treating marginal cases of terminally ill people with the latest methods at great expense is useless for society. Per-person caps of the government medical programs should be reevaluated. Insurance companies should be

allowed to run inexpensive low-cap plans that cover ninety percent of the probable contingences. If a person or his health cannot be saved for \$100K, society should not pick up a \$5M tab. People can choose to plan and pay the premiums for an improbable contingency or not. Even with a \$100K cap, people can get good treatment, especially if medical service monopoly were busted. People can also receive treatment in countries with less expensive medical care. Capping would preserve the existing benefits for most people, while saving tremendously on marginal cases.

Government medical plans should not aim at the best treatment which is the newest and most expensive, but rather at decent care for moderate cost. Medical professionals want the government to spend more, and lobby for coverage of the most expensive procedures, rather than using the available funds to provide universal coverage for the procedures with low profit margin.

Other examples of cost of marginal provisions include safety concerns, from *hot* warnings on coffee cups, to recalling automobiles for minor flaws unlikely to affect many people, to building codes. There is no absolute protection. Chernobyl blew up because of human errors no system could prevent. Several figures should be determined and stated: the legally acceptable rate of serious incidents resulting from using a product, acceptable negligence (complicated products cannot be fully tested and fool-proofed), the monetary value of life, and the price society is willing to pay to preserve citizens' lives based on its budgetary capacity. Mandatory liability insurance for all products is the best market approach, discouraging dangerous goods with hefty premiums. Competitors quickly inform the public of various defects in others' products, pushing deceit from the

124

marketplace and letting consumers balance price and safety, the price of absolute safety being infinite.

Possibility of contentiously repressive anarchist settlements

Not everyone strives for freedom. Socialists prefer limited freedom with certain government guarantees. Many people value loyalty or order above freedom. Many prefer the comfort of uncritical acceptance of government and corporate propaganda. Spanish anarchists were a minority at home and almost unknown abroad during the Civil War. Communities of free and inquiring people would be perfect, and intellectual and enterprising people would likely join them, though the majority would opt for less freedom—which is their right so long as they do not suppress dissent.

That attitude is common among poor people with limited freedom who cannot realize themselves professionally. They choose communal attachments and hatreds to increase their self-esteem. Lawless paupers might prefer safety of dictatorship to unlimited freedom.

People welcome freedom in good times, because the other side of freedom, the responsibility, is easy to handle in wealthy society, but they want to cede responsibility in extreme conditions, such as economic hardship or battlefield. The responsibility is not necessarily alienated to other people (rulers or commanders), but might be shed because of the circumstances. Combatants imagine the enemy as willing to kill them, and so they build up their anger, suppress critical thinking, disregard the sanctity of life, and charge to kill their opponents. In theoretical case of an enemy coming from his trenches

with flowers and balloons instead of guns (demonstrating the level of friendliness only expected from neighbors), no indoctrination would suffice to kill him. Once, however, a few people fired into that peaceful crowd, others would follow: someone else decided, their group should act, and they are not personally responsible for their actions. Many people subconsciously detest responsibility for others, relegating this positivism to government.

Freedom is a luxury good, or rather a luxury way to self-esteem and enjoyment of life. Bread is the simplest means, and communalism is next. Only the people, who consider themselves affluent, though they might live in a barrel, respect themselves as individuals, not as part of community.

In economies of abundance, many people accept government services at inflated cost, believing they assure the services thereby. That is a legitimate, if odd, position, certain to spread when the artificial intelligence would make the goods free. Dependence on government evolves into restriction of liberties, since bureaucratic government is about regulation and imposition.

Affluence diminishes people's need for communal safety net. Governments reverse this trend by increasing benefits and distributing them broadly, buying allegiance with people's own money, or money looted from other strata. Redistribution does not sustain society, but only creates vertical dependence of people on government. Citizens of welfare states sell their freedom to authorities, not curtail it for common benefit of neighbors. Most people accept the restriction of their freedoms for compensation. Why, then, insist on anarchy? To foster competition among jurisdictions. The present situation features regional monopolies,

126

The Ethics of Free Society states, colluding through diplomatic efforts for total hegemony. Anarchy creates many small jurisdictions competing to offer their citizen-inhabitants free choice. All anarchists ask is the end of the monopoly of jurisdiction. People who like ATT can continue using its services even after its monopoly is gone; indeed, service improved and prices fell. Those who do not like ATT choose other providers. De-monopolizing jurisdiction would improve the tax-to-services ratio for people in all communities, from liberal to socialist. Anarchism is not about *how* people should live, but that they should be able to live as they wish, forming communities with any political order. Anarchism allows people to live and work without coercion, but not forces them to do so. Neither it allows people to coerce others to a particular type of freedom.

Many people want the government to think for them, even at some cost in efficiency. The natural love of freedom balances that proclivity. People protest government regulation not when it becomes inefficient—it always is—but it substantially infringes their freedom of choice.

There is also the issue of the definition of freedom. People signing labor contracts freely oblige themselves to work for someone and lose control of much of their time for the contractual period. Labor contracts can be described as term slavery or slavery seen as a boundary case of labor contract. There is no absolute freedom, but any particular arrangement is free insofar as people are not coerced. Since most people have to work for a living, the decision to work is not freely made. But the choice of employer is generally free. By the same token, some people choose a national president freely yet have no say whether or not they want to be governed.

Republics were originally small city-states, closely resembling the mini-jurisdictions anarchists argue for. Plato was right to stipulate active participatory democracy as the best form for such entities. The rise of nation-states emasculated the reasoning behind republicanism. Democracy became a hollow symbol, with citizens unable to track the myriad actions of mega-states, form opinions about them, and force those opinions democratically. Interest groups flourish where involvement diminishes. Often bureaucracies control states. Voters elect nominal leaders, while real power resides with mid- to lower-level civil servants. Reasonable people might prefer elected and enlightened autocracy to bureaucratic decision-making. While regulating bureaucracy prevents some abuse, it is still open to corruption and waste. Authoritarian rulers might do better than that, and often did, breaking up the administrative apparatus to steer a new course. Assured of their position, authoritarian rulers might accept greater diversity of views than bureaucratic states. But autocracy does not work in large states which are only governed bureaucratically. The choice between democracy and democratically appointed authoritarian ruler is a choice between nominally wider participation at high economic costs to lobbying, and limited election-only participation which is possibly less wasteful. The participation is insignificant compared to regulation: democracy with myriad laws meddling in private matters is worse than an autocrat who does not.

Just courts, efficient police, transparent and abstract laws, minimal regulation, monetary and political stability, good education, absence of monopolies foster the business, competitiveness, and innovation.

Political stability is best achieved under enlightened authoritarianism or consensual anarchism. Overwhelming bureaucracy produces inertia, conservatism, and political stability, but overregulation stifles the economy.

Stifled political aspirations, channeled into economy, produce growth. Political activism flourishes in sound but stifled economy. There are money and sponsors for activists. Many people cannot find economic opportunities, and venture into politics. State is large and attractive for activists who want to manipulate it. State is not heavily bureaucratized, and responsive to demands of activists. Few simple laws regulate daily activities, and people are not alienated from governing. Political activism, hardly an evident good because it aims at manipulating the masses, comes at the cost of economy.

Rich states grow strong at the peak of their greatness, and destroy their economic base through bureaucratic expansion. Strong state is culmination of rich state, not a cause of it. A state becomes strong a bit on eclipse, when people get used to the peak richness, and in laziness and decadence agree to procure government services to shed personal responsibility.

Governing by consensus

Societies that reach affluence through work learn tolerance. People value their hard-earned property, and sympathize with others who toil similarly. Violence gives way to democracy, then consensus.

Though anarchist communities would not necessarily be consensual, that is the most natural organization for free people. Instead of democratic acquiescence to suppression by others in return for suppressing others' minority dissent, free people want neither to

suppress nor to be suppressed. There is nothing inherently wrong with democratic compromise. People compromise continuously: spending time working to earn a living, restricting sexual choices to a spouse for convenience, or attaining political goals by subscribing to majority rule which means conceding some issues.

Some people, however, value freedom above expediency and prefer consensus even at the expense of expedient measures which are not backed universally. The position is not entirely irrational. Many of its adherents represent a minority views in science, politics, and other spheres. The idea of imposed democratic compromise threatens their most cherished values and their intellectual survival. Habitually dissenting minorities number few people but providing the critical pool of intellectual diversity that enables human evolution. Strictly democratic societies stifle dissent by requiring adherence to communal decisions, thus impairing exploration of new paths, and helping the governments to create popular support for themselves. Disproportional influence of passionate dissenters and revolutions are evolutionary mechanisms, overcoming the conservatism of democracies. Democracy with provision for dissent is very efficient: conservative enough to protect society from excessive experimentation, yet open to change if dissent convinces the majority. Influential minorities often change societies. The system is like a mechanism with some high-velocity parts and lots of ballast. Such provisions exist only in liberal democracies. The heart of liberalism is the protection of intellectual, political, ethnic, economic, and other minorities from democratic centralism. Democracy balanced by liberal safeguards is a viable policy, but not sustainable: government emasculates the liberties with acquiescence of majority

130

which does not need them. Democracies become demagogical because freedom of speech masks hollowness of other liberties, and morph into tyranny or anarchy.

The main problem is that democratic decision-making constantly erodes the liberal safeguards established by visionaries. The conforming majority does not need the protections intended for minorities and repeatedly vote to diminish them. The American Constitution is a good example: its liberal provisions protecting individuals from governmental encroachment continuously adjust to new legislation. Competing private jurisdictions offer a partial solution: some would give the minorities neglected in the democratic process better protection than more homogeneous jurisdictions. Niche communities need not be more expensive: while restricted decision-making by supermajority or consensus results in fewer actions, many communal projects are a waste of resources, and fewer projects agreed upon mean less waste.

Fully consensual town-states are improbable, since dissenters could obstruct communal decisions. Such an arrangement presumes expects universal cooperation or almost no collective action besides the few ethical prohibitions universally agreed upon. Such communities are extremely conservative, since legislative change is all but impossible. Dissenters would have to move to more democratic towns with majority rule, or establish their own communities. Since consent is more a bulwark of dissent than a practical method of reaching agreement, consensual communities would be peaceful. There is significant difference between being unable to enact desired legislation and being forced to obey a detested law, between unearned profit and outright loss. Consensus

shields inflammable minorities from oppressive majorities. Yet consensual communities would consist of people with like views. Only individualist settlements with no communal action could afford to bring together people of different views, foregoing the possibility of consensual decision on any but the most broadly supported matters.

Consensual or super-majority communities would rarely wage war except in self-defense, eliminating conflicts over no clear objectives but rather over personal or national ambitions.

The need to consider all views to reach consensus would lead to harmonious, compassionate societies. People of similar outlook would create webs of horizontal connections, making themselves true neighbors.

Voting is like a contract. Consent is a must when only personal property is in question. The disposition of joint property can be regulated by any arrangement agreeable to the owners, generally a simple majority or a super-majority.

Vote by super-majority protects against legislative encroachment on liberty yet allows organizing joint efforts. Though private ownership of a settlement obviates the need for most collective decisions, some issues would remain— perhaps the election of judges, the licensing of police, the common defense. The corporations which owned such towns could handle all those issues, too, and people would vote with their money by choosing this or that settlement and its laws. That should satisfy most people. Those who want to influence legislation directly can settle in communes or buy shares of town-management corporations, legislating as shareholders, not citizens.

Decision-making by super-majority involves a problem of reversal. Imagine that seventy percent of the population votes for a particular law and passes it. When it proves flawed, support shrinks to forty percent. That does not leave the super-majority of sixty-seven percent needed to pass a new law to replace the bad one. One third of voters could block a new law but not rescind it. One option is to leave the asymmetry, because any consistent policy is better than the swings common in majoritarian democracy where laws normally pass only by narrow margins. Another option, preferable to people who hate regulation, is the periodic re-voting of every law, requiring repeated super-majority support. That alternative has the advantages of automatically phasing out obsolete legislation, holding down the quantity of new laws, and preventing the government from misapplying the laws. The British Parliament periodically reviews the license to kill granted to the security apparatus: failure of renewal results in automatic abrogation, forcing the intelligence community to behave reasonably in order to survive. An intermediate choice would be a specific renewal period for each law.