

# The Devil by the Horns

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*To counteract the evil which arises from the tendency man has to transgress his proper limits, and the discord produced by such unjust encroachment on the rights of others, is the essential object of the creation of the State.*

—Wilhelm Humboldt

Back in 2011 while studying in Germany, I paid a visit to Professor Jesús Huerta de Soto in Madrid. We met at the Universidad Rey Juan Carlos, where he had just finished a lecture. After a long conversation on economic and philosophical issues, Professor Huerta de Soto gave me all of his books, some of them both in the German and Spanish editions. Luckily for me, my girlfriend was present and helped me out with carrying the precious gifts all the way back to Germany. When the meeting ended, Professor Huerta de Soto offered us a ride in his golden Bentley, which was an offer we couldn't resist. The conversation went on in the car and it basically consisted in him trying to convince me to abandon classical liberalism in order to convert to the one and only true creed of

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anarchocapitalism. “Classical liberals are making a pact with the devil” he told me and went on to explain that once you create the state there is no way you can control its growth. The core arguments on which he based his case are to be found in his article “Classical Liberalism vs Anarchocapitalism.” Although I could see the impeccable logic of Professor Huerta de Soto’s line of thinking, I wasn’t entirely convinced by it back in 2011. And I’m still not entirely convinced today that anarchocapitalism or “scientific liberalism” is more than a necessary utopia. Of course, Professor Huerta de Soto is right on most fronts in his critique of the state and there is no doubt that we shall all combat the religion of “statolatry.” However, it seems to me that the central problem with Professor Huerta de Soto’s argument is the notion that we can get rid of the devil altogether. In Tolkienian terms, Huerta de Soto believes that we can effectively destroy the ring of power and prevent Sauron from enslaving us all. The view that the source of evil can be destroyed leads Huerta de Soto to conclude that classical liberalism and its defense of the state must necessarily fail: “The fatal error of classical liberals lies in their failure to realize that their ideal is theoretically impossible, as it contains the seed of its own destruction, precisely to the extent that it includes the necessary existence of a state (even a minimal one), understood as the sole agent of institutional coercion” (Huerta de Soto, 2009, p. 162). According to Professor Huerta de Soto, classical liberals are making Isildur’s mistake: they believe they can keep the ring of power, use it for good purposes and at the same time escape from its corrupting influence over their souls. In other words, they think they can take the devil by the horns. This line of reasoning must be considered very seriously especially when the fact is taken into account that the state has often become the most destructive and criminal organization of all. Nevertheless, a deeper examination of the main issue, namely the origins and role of the state, is necessary in order to clarify the terms of the debate. To my mind, the main difference between anarchocapitalists and classical liberals is one of attitude. Classical liberals are pessimists while anarchocapitalists are optimists. Unlike anarchocapitalists like Huerta de Soto, classical liberals believe that the devil cannot be destroyed. All we can do is to learn how to live with it. For classical liberals it is human nature itself what carries the seeds of its own destruction and the best we can do is to tame it. James Madison best represented the classical liberal position when he wrote that government was “the greatest of all reflections on human nature” adding that “if men were angels, no government would be necessary.” He also insisted that “if

angels were to govern men, neither external nor internal controls on government would be necessary” (Madison, [1788] 2006, p. 288). Madison would have probably agreed with Huerta de Soto’s claim that the state “acts as an irresistibly powerful magnet which attracts and propels the basest passions, vices, and facets of human nature” (Huerta de Soto, 2009, p. 169). But he would have also observed that those vices and destructive passions can be even more devastating in the absence of government. The tendency of our species to dominate, abuse and exploit others is precisely the origin of what Oppenheimer called “political means” (Oppenheimer, [1907] 1922, p. 25). Pirates, bandits and other criminal gangs did not need to form state-like organizations in order to use violence with the purpose of satisfying personal desires. Moreover, compared to chaotic and random violence of these types of groups, the state might represent a source of progress precisely because it has the ability to monopolize coercion. As Oppenheimer observed, the first stage in state formation “comprises robbery and killing in border fights, endless combats broken neither by peace nor by armistice. It is marked by killing of men, carrying away of children and women, looting of herds, and burning of dwellings” (Oppenheimer, [1907] 1922, p. 10). Once the state has been formed, however, violence is reduced and the space for a civilized life becomes possible. The dominant groups realize that it is in their best interest to keep the peasants alive and respect their property appropriating only their surplus. In Oppenheimer’s words, “the herdsman in the first stage is like the bear, who for the purpose of robbing the beehive, destroys it. In the second stage he is like the bee-keeper, who leaves the bees enough honey to carry them through the winter. Great is the progress between the first stage and the second” (Oppenheimer, [1907] 1922, p. 65). It is for this reason that the state can enable a “higher form of society” (Oppenheimer, [1907] 1922, p. 66).

Steven Piker’s study on violence confirms this view. According to Pinker, in stateless societies, the probability to be killed by someone else was substantially higher than in societies with a state. Research on skeletons shows that in prehistoric societies the average number of people who died at the hands of others was 15%, ranging from 4% to 60%. In hunter-horticulturalist and other tribal societies, the average was 14%. In hunter-gatherer societies, an average of 24.5% of the death occurred as a result of warfare. Meanwhile in the earlier form of states such as pre-Columbian empires in Mexico, 5% of the death on average was the result of killings by someone else. When it comes to modern states, the most violent period

was the seventeenth century in Europe with the religious wars and the first half of the twentieth century with the two world wars. The average percentage of the deceased population being killed by others in the seventeenth century was about 2% and 3% in the first half of the twentieth century. When the entire twentieth century is considered, only 0.7% of the world's population died in battles. If genocides, purges and other man-made disasters are included, the number increases to 3% (Pinker, 2011, pp. 48–50). When numbers of deaths per 100 thousand people per year are used as a measure, stateless societies also show a significantly higher rate of violence than societies with a state. Therefore, it is not accrued to sustain, as Jesús Huerta de Soto does, “that the true origin of social conflicts and evils lies with the government itself.” At least from a historical perspective, the idea that overall stateless societies offered a more peaceful and less-violent life is nothing but a myth. In Pinker's words: “states are far less violent than traditional bands and tribes. Modern Western countries, even in their most war-torn centuries, suffered no more than around a quarter of the average death rate of non-state societies and less than a tenth of that for the most violent one” (Pinker, 2011, p. 52). According to Pinker, “a state that uses the monopoly of violence to protect its citizens from one another” is the most consistent violence-reducer of all (Pinker, 2011, p. 680).

Classical liberals recognize the fact that even in absence of a state there will be violence, murder and crime by more or less organized groups. As Madison put it: “In a society under the forms of which the stronger faction can readily unite and oppress the weaker, anarchy may as truly be said to reign as in a state of nature, where the weaker individual is not secured against the violence of the stronger” (Madison, [1788] 2006, p. 291). For classical liberals it is not the state which is the enemy of individual freedom *per se*, but arbitrary violence by a third party be it the state or any other group. “Without security,” Wilhelm Humboldt wrote, “it is impossible for man either to develop his powers or to enjoy the fruits of so doing; for, without security, there is no freedom” (Humboldt, [1852] 1993, p. 39). This is the reason why classical liberals define liberty as the absence of arbitrary coercion, for it is only in a situation where coercion is controlled that we can pursue our own goals and be free (Smith, 2013, p. 7). Echoing von Humboldt, Friedrich Hayek noted that, “coercion is evil because it eliminates an individual as a thinking and valuing person and makes him a bare tool in the achievement of the ends of others” (Hayek, [1960] 2006, p. 19). As the same Hayek noted, the state can solve this problem by

centralizing coercion. At the same time, we must limit the power of the state “to instances where it is required to prevent coercion by private persons” (Hayek, [1960] 2006, p. 20). In short, government is a response to the problem of tribal violence and classical liberalism is a response to the problem of unchecked state violence. As Madison put it, “in framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself” (Madison, [1788] 2006, p. 288).

If we accept the premise that violence or the threat of it are defining characteristics of human interaction, then there is no reason to believe that anarchocapitalistic societies are more sustainable over time than minimal states. The fact that states exist all over the world constitutes a clear indication that this is the case even if in the past successful example of stateless urban societies are to be found (Thompson, 2005). If somehow, we could entirely decentralize the application of violence in a given community, the ability to organize an army capable of defending the territory from another organized army that seeks to dominate it would have to be preserved. As Hayek pointed out, “coercion cannot be altogether avoided because the only way to prevent it is by the threat of coercion” (Hayek, [1960] 2006, p. 19). And it is hardly conceivable that the support of a standing army could be solely funded by voluntary contributions instead of taxation. It could be objected at this point that small and weak states can be overrun at any time by larger states. Therefore, having a state does not offer any advantage over the anarchic alternative. But this objection overlooks the fact that less powerful states have historically formed alliances with larger states in order to be protected from the threats of invasion by states with greater military capacities. This was clearly the case of Western Germany as well as South Korea and Japan during the Cold War (see, e.g., Roehrig, 2017). Had it not been for the nuclear umbrella of the United States and the military might of France and the UK, the Soviet Union would have probably advanced over Western Europe. Likewise, communist China and North Korea would have had no major impediment to dominate South Korea and Japan. And there can be no doubt that this would have been a much worse outcome for the inhabitants of these territories. This brings the discussion to an additional and crucial point. It is of course true that from the perspective of classical liberalism, states are nowadays all too powerful. But to argue, as Jesús Huerta de Soto does, that “classical liberals have failed in their attempt to limit the power of the state” is too

simplistic (Huerta de Soto, 2009, p. 162). Even if we agreed that all states are evil, we must accept that some are more evil than others. The United States with its liberal form was in all possible respects better for human freedom than the Soviet Union and it still is far superior to China or Cuba to name just two examples of alternative state models. The same can be said about many other Western countries where individuals enjoy substantial degrees of freedom, thanks to institutional frameworks and values that have been the product of the classical liberal philosophy.

It is possible to enjoy large degrees of individual freedom under a state as long as the basic structure of the rule of law is kept in place. There is of course no guarantee that any government will not degenerate into tyranny and it might be the case that some relatively free societies today become totalitarian nightmares in the future. But again, this would not be the failure of classical liberalism as a theory but of the custodians of freedom. Ultimately, classical liberals believe that freedom depends on the ideas, values and traditions that prevail in society. As Hayek pointed out, our task must be viewed in a long-term perspective. Accordingly, "it is the beliefs which must spread, if a free society is to be preserved, or restored, not what is practicable at the moment" (Hayek, 1948, p. 108).

This view might be considered too optimistic. However, the idea that we must prevail in the battle of ideas if a free society is to be preserved must also constitute the foundation of any anarchocapitalistic system. If due to the collectivist impulses inherent to human nature a stateless form of organization came to lose popular support, it would not survive. Moreover, Professor Huerta de Soto's critique of classical liberalism in order to persuade us that anarchocapitalism is superior when it comes to protecting freedom would make little sense if he did not believe that his message couldn't change enough minds to eventually move things toward the direction he is proposing. This intellectual commitment is exactly what classical liberals advocate. But if we accept the view that by engaging in the battle of ideas, we can contribute to create the conditions for a movement toward anarchocapitalism then by the same token we must believe that active and effective advocacy for the limitation of government power must make it possible to achieve a minimal state. The real fight then is not against the notion of a minimal state but against statolatry. And this is a task where both classical liberals and anarchocapitalists should collaborate. Classical liberals must have no illusions about the ability of the state to do good. They have to remember Thomas Paine's wise words when he observed that government, in the best case is "a necessary evil" and in the

worst case is an “intolerable one” (Paine, [1776] 2014, p. 6). Anarchocapitalists do not need to accept this dictum in order to advance the cause of freedom. All they have to do is to continue to denounce the malaise that arises from statolatry and state praxis while persisting in their efforts to present an ideal type of society to which we should all aspire. If we have no choice but to take the devil by the horns, then we will always be in need of a clear voice like Jesús Huerta de Soto’s in order to keep us from falling into its seductive and corrupting power.

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