

Phil. 2200

Notes: Evaluating Social Theories

I. Evaluating Social Theories

- *Rational evaluation is comparative*: It doesn't matter if x is good absolutely. It matters if x is better than the feasible alternatives.
- *Rational evaluation is comprehensive*: A social structure must be evaluated by overall effects, not one or two issues.
- *Varieties of gov't & anarchy*: To evaluate gov't vs. anarchy, compare the *best feasible* form of government with the *best feasible* form of anarchy.
- *Status quo bias*: Avoid bias in favor of the status quo. Do not assume that status quo solves some problem best just because we haven't examined any alternatives.

II. Human Nature

- Humans are approximately instrumentally rational. Exceptions: unfamiliar, complex situations requiring abstract reasoning; cases where decisions are viewed as unimportant.
- Humans are aware of their environment. They usually know facts that are readily available at low cost and that bear on their interests.
- Humans are selfish but not sociopaths.
 - People care vastly more about themselves than about strangers. People make very small sacrifices to help strangers.
 - But people have attachments to specific others: family, friends.
 - They avoid actively attacking/injuring others.
 - They follow norms accepted in their society.
 - 2% of the population are sociopaths.
- About simplification:
 - An idealized conception of a system may leave out some causal factors.
 - The factors included must be *real* and *large*.
 - The assumptions should be well-known and non-ideological.
 - The idealized conception should afford straightforward predictions.
- A historical application: In the Jamestown colony, colonists starved due to socialization of agriculture.

III. Utopianism vs. Realism

- Some theories are "too utopian"/"not realistic enough". Ex: the utopian socialist proposes that everyone agree to work selflessly for the good of society.
- A realistic theory should *not* assume:
 - Excessive altruism on the part of the general public.
 - Perfect rationality or knowledge.
 - Psychological uniformity.
 - Persistence of system over time. Must be able to argue that the system would be stable.
 - Simultaneous, worldwide adoption.
- But the following are *not* valid criticisms of a social system:
 - The system is infeasible because we refuse to try it.
 - The system does not work in all possible conditions.

IV. Against Utopian Statism

- A mainstream political view can be excessively utopian. Utopianism is about whether the assumptions required for a system to work are realistic, not about whether the system is widely accepted.
 - Corollary: a radical theory can be less utopian than a mainstream view.
- Two forms of utopian statism:
 - Confusing how system is “supposed to” work with how it works.
 - Suspending assumptions about human nature when dealing with the state. Gov’t agents are humans; hence, have the same characteristics as other humans.

Phil. 2200

Notes: Socialist “Anarchism” (Bakunin)

I. Background

- Government: Defined by Max Weber as “a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory.”¹
- Anarchists believe in a social order without coercion or government.
- Typical motivations: freedom, equality, failure of arguments for legitimacy. The dangers of government.
- Varieties of anarchism: Socialist vs. Capitalist.
- Mikhail Bakunin (1814-1876): Russian revolutionary, one of the leading figures of socialist anarchism. Critic of Marx, esp. Marx’s “dictatorship of the proletariat.”

II. Basic Value Principles

- Supreme value: Freedom.
 - Freedom should never be sacrificed in the guise of protecting freedom.
 - Everyone’s freedom is inviolable.
 - Individuals’ freedom does not conflict.
 - Consequence: Absolute right of any person or group to secede from any association.
- Equality
 - Equality necessary for freedom.
 - Equality of political rights. Everyone has an equal share in governance. (Men as well as women.)
 - This also requires economic/social equality.

III. Political Organization

- Society organized into small communes.
 - Membership is voluntary.
 - Members vote for lawmakers, judges, and functionaries.
- Communes organize into provinces.
 - For mutual protection.
 - Again, purely voluntary.
 - Provincial parliament elected by the communes.
 - Serves to mediate disputes between communes, & represent interests in the national government.
- Provinces organized into nations.
- Nations organized into an international federation.

IV. Policies

- People who don’t work lose political rights and their children.
- People who violate laws will be punished according to the laws. However, they can escape by leaving the association.
- They may also be expelled from the association. (& from the territory?)
- Society supports anyone who needs support, incl. pregnant women, children, elderly, handicapped.

¹Max Weber, “Politics as a Vocation,” pp. 77-128 in *From Max Weber: Essays in Sociology*, ed. H. H. Gerth and C. Wright Mills (New York: Oxford University Press 1946), p. 78; emphasis in original.

- Free education.
- Free speech/press, freedom of religion, but no state support for religion.
- The commune must educate children.
- The commune may take children away who are abused by their parents.
- No standing armies.
- All voluntary interactions among adults allowed, even “exploitative” ones.
- How equality will be achieved:
 - Not through expropriation.
 - Abolition of inheritance. [Q: can you give your property to your children *just before* you die?]
 - Right of everyone to free education. [Who will pay for this, and what will make them pay?]
 - Some inequality will remain, but it will be small.
 - Factories, etc., run as worker cooperatives.

V. Objections

- Is this anarchy?
 - Government: citizenship & obligations thereof are involuntary.
 - Bakunin’s associations are voluntary & you can leave at any time.
- How to prevent people from committing crimes, without involuntary punishment?
 - Ultimate sanction: expulsion from the community.
 - Why wouldn’t you commit crimes, and then leave the commune to escape punishment?
 - * Commune provides economic needs.
 - * And protection.
 - * Other communes may not accept you after your crime.
- National defense without a standing army: Will it work?
 - Individuals are armed.
 - This was the original American plan (as mentioned on 86-7).
 - May work if there are no large, aggressive, technologically advanced enemies.
- Will approximate equality really result?
 - Bakunin assumes people’s natural abilities & economically relevant traits are approximately equal.
Is this true?
- Will capitalism emerge?
 - Bakunin assumes that worker cooperatives would naturally replace traditional, ‘capitalist’ firms.
 - What if capitalist organization is more efficient? What if some people are especially talented at management?
- Social provision of welfare needs: is it stable?
 - Commune A provides welfare for anyone who needs/wants it. Care for elderly, handicapped, children, free public education for everyone, including university level.
 - Commune B does not.
 - Both communes allow free immigration/emigration.
 - Which commune is more successful economically?
 - What happens to these two communes over time?

Phil. 2200

Notes: Individual Security under Anarchy

I. Government & Anarchy

- *Government*: “The state is a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory.” (Weber 1946, 78; emphasis in original) Key attributes:
 - Monopolistic
 - Coercive
- *Anarcho-capitalism (AC)*: Society with no government, but with private property. Provides ‘governmental’ services by alternative institutions.

II. Police, Courts, & Laws under Anarchy

- How would these presently governmental institutions be replaced?
- ‘Police’:
 - Private security guard companies protect people from criminals. There are multiple competing companies from which people can choose.
- Courts:
 - Private arbitration firms are used to resolve disputes. There are multiple competing arbitration companies.
 - Private contracts specify arbitration agreements.
 - Protection agencies sign arbitration agreements with each other.
- Law:
 - Laws are made by judges/arbitrators. Compare: the British common law.

III. General Advantages of Anarchy

A. *Coercion vs. Voluntariness*

- Governmental system: you are forced to accept a government, and have little or no control over what kind of government you have.
- Anarcho-capitalism: You choose whether to hire a protection agency, and which one.

B. *Competition vs. Monopoly*

- Governmental system = monopolistic.
- Incentive problems:
 1. Monopoly need not worry about being replaced → can do almost whatever they want.
 2. Social problems worsen → Gov’t gets more money/power.
 3. Voters: Negligible effect on elections → no incentive to form accurate beliefs.
- Consequences: inefficiency, high prices, low quality, abuse of power.
- Advantages of competition: improves incentives, eliminates inefficient providers.

IV. Questions/Problems about Security Agencies

(Most important issues in bold.)

1. *Is it anarchy?*

- AC provides government-like services. Is it a form of “competing governments”?
- This question doesn’t matter.
- What matters: AC differs from traditional gov’t in 2 ways: voluntariness vs. coercion, competition

vs. monopoly.

2. *Wouldn't security agencies fight with each other?*

- Violence is extremely costly.
- Most people oppose murder.
- Arbitration is more efficient.
- *Contrast:* what happens when governments decide to fight each other?

3. *What if one security agency decides to defend murderers, thieves, etc.?*

- Their clients would constantly be costing them money. (Compare: "The Arsonists' Fire Insurance Agency.")
- They fight a constant war against the rest of society.
- They must pay higher wages to their employees.
- The "Thief Protection Agency": They must charge their clients more money than the stolen goods are worth.
- *Contrast:* What happens if you get corrupt people in the government?

4. *Justice shouldn't be for sale!*

- People who provide protection are entitled to compensation.
- If they aren't paid, protection won't be provided.
- Anarchists can say "the law should be based on justice" just as much as statist.
- The gov't also charges \$\$ for its services.

5. *Who will protect the poor?*

- Most industries provide goods to low- and middle-income customers. Ex.: Walmart vs. Bloomingdale's.
- The poor are already paying for protection (from the state). Private protection would probably be cheaper and more effective.
- *Contrast:* Why would the government protect the poor? How well do they in fact protect the poor?

6. *How good will private protection be?*

- Probably better than gov't protection. See above, under "Competition vs. Monopoly".
- Gov't protection not very effective. % of offenses "cleared by arrest or exceptional means":²
 - Violent crime: 47%
 - Property crime: 19%
 - All crime: 22%

7. *How will anarchy deal with organized crime?*

- Organized crime derives most revenues from sale of illegal goods/services: prostitution, gambling, and especially drugs.
- Criminal groups can only make money on these things because they are illegal. Ex.: Al Capone in the Prohibition era.
- These goods & services would be legal under anarchy.

8. *Why won't protection agencies just become extortion agencies?*

- Competition: Customers will go to another agency.
- Compare & contrast gov't:

²Source: http://www2.fbi.gov/ucr/cius2009/data/table_25.html

- What if the gov't extorts money from you? (taxation)
- You can move to another state: but very costly, and
- usually prevented by immigration laws.

9. *Won't the protection industry be monopolized?*

- Economic theory: Marginal costs of production decrease, then increase.
- Most efficient size is determined by fixed costs, e.g., cost of building factory.
- Protection industry has minimal fixed costs.
- Conclusion: most efficient size is probably small → there will be many agencies.

10. *Will the agencies form a cartel?*

- Problem with cartels: each member has incentive to defect against other members. Difficult to enforce cartel agreement.
- In reality, cartels usually require government enforcement.
- The cartel members could threaten each other with force ... but unlikely that the threat would be carried out (see item 2).
- Cartel members might deny 'extended protection' to non-cartel members: but property owners would pay for protection for guests on their property (incl. residential & business property).

V. HOA vs. Government

- The anarchist society would probably have more HOA's than our present society. They would hire security.
- These differ from governments in 2 ways:
 1. Individuals choose to sign a contract.
 2. Competition between housing developments is much more meaningful than competition between governments.

Phil. 2200

Notes: Justice & Dispute Resolution under Anarchy

I. Questions & Objections about Anarchist Justice

(Most important issues in bold.)

1. *What ensures the integrity of arbitrators?*

- Competition among arbitration agencies → customers choose reputable firms → arbitrators seek to render decisions that outside observers regard as fair.
- Contrast: What prevents government courts from being unfair, irrational, inefficient, etc.?

2. *Will evil corporations hire arbitrators who always find in their favor?*

- Price theory dictates an optimum price for goods. Exceeding the optimum price → lower profits. (Corollary: Corporations are not omnipotent.)
- Imposing undesirable conditions on transactions is equivalent to raising the price.
- Conditions that are viewed as unfair/wrong add an extra cost *in addition* to expected monetary costs.
- Empirically, most companies resolve customer disputes more than fairly.
- An alternative perspective: Caplan thinks businesses would hire in-house arbitrators, and customers would accept this because very few customers expect to ever sue the company.

3. *Why accept arbitration?*

- Contracts with security agencies specify dispute resolution procedures, absolve agency of responsibility for protecting clients who refuse arbitration. (See item IV.2 under previous notes.)

4. *Why obey the arbitrator's decision?*

- Violating arbitration agreement ruins reputation; may be reported to criminal-record-reporting agencies.
- Violating decision defeats the point of going to arbitration.
- Also voids agreement with one's security agency.

5. *Who will make the laws?*

- Property owners, or property-owner associations, can specify the body of law governing interactions on their property.
- For cases where no relevant law was specified in advance, or the law requires interpretation: arbitrators decide.
- *Note:* This is how the British common law works. Advantages of common law vs. legislative law:
 - No one has to make a rule that takes into account all possible situations; judge only has to make a decision adequate to the case before him at the time.
 - More flexible: if a previously stated rule seems inadequate to the case at hand, it can be modified.
 - Rules that evolve will be closely tied to the kinds of problems that actually arise between people. Made by judges who have experience of these problems.
 - Less potential for rent-seeking, lobbying, abuse of power.

6. *What kind of punishments will criminals receive?*

- In most cases, decisions would focus on restitution, rather than retributive punishment.

7. *What about crimes that cannot be compensated?*

- In some cases, an agreement can be made for the criminal to make partial restitution (as far as he is able).
- In extreme cases, criminal may be exiled or executed.

- These things are up to the judgment of the arbitrators in the cases.

8. *Arbitrators might order excessive compensation.*

- Security agencies would serve ordinary people, not criminals \Rightarrow agencies favor arbitrators who are biased in favor of victims, not criminals \Rightarrow criminals may receive excessive punishment (greater than justice demands)
- Paul Birch's scenario: arbitrators will compete in offering ever more excessive compensation awards to victims \Rightarrow crime drops precipitously \Rightarrow arbitration firms go out of business \Rightarrow either chaos (with no arbitrators left) or government (last remaining firm has a monopoly and so becomes a gov't).
- Replies:
 - Empirically, crime victims do not in fact favor excessive punishments.
 - Arbitrators are unlikely to be intentionally unjust.
 - The arbitrators still have ordinary disputes to resolve, apart from dealing with criminals.
 - Empirically, large reductions in demand for a product do not result in collapse of the industry, nor monopolization.
- However, Birch is probably right that criminals would receive somewhat higher punishments than justice demanded.
- Note that this is also true in the governmental justice system (both empirically and in theory).

II. Problems with Governmental Justice

These are problems in the present system:

1. *Many are wrongly convicted.*

- 340 wrongful convictions between 1989 and 2003.
- Causes: eyewitness error; perjury by prosecution witnesses (incl. police, expert witnesses, jailhouse snitches); false confessions.
- This included 2% of the death row population. Death row cases receive closer scrutiny than other cases \Rightarrow we are more likely to discover the wrongful convictions.
- Even in these cases, probably the majority of wrongful convictions go undiscovered.
- Conclusion: false convictions probably much more than 2%. 5%?

2. *There are too many laws.*

- Length of the Code of Federal Regulations:
 - 1960: 23,000 pp.
 - 2010: 152,000 pp.
- Economist Ronald Coase: every regulation studied in *Journal of Law & Economics* found to have overall negative effects.
- This favors big business over small businesses.

3. *Costs are excessive.*

- Using the government courts is incredibly expensive. Avg. legal fees: ~\$284/hr. Cost of divorce: \$15k-30k.
- Gov't courts typically take several months to a few years to resolve disputes.

4. *Imprisonment fails.*

- Many prisoners abused by guards, other prisoners.
- Criminals become more dangerous in prison. Learn new criminal skills, make new contacts, acquire new resentment, absorb more antisocial values.
- Recidivism: ~2/3 within 3 yrs.

III. Reform vs. Anarchy

- There are things that could be done to improve the justice system. Why not advocate mere reform of gov't justice system, rather than converting to radically new system?
- Gov't failures are systematic, not accidental:
 - gov't has no incentive to seek better outcomes. (See previous notes on monopoly vs. competition.)
 - Empirically, these problems exist in basically *every* governmental justice system.

Phil. 2200

Notes: War & Societal Defense under Anarchy

I. Problem

How can an anarchic society avoid being taken over by foreign governments?

II. Defense without Governmental Military

- Guerilla warfare surprisingly effective against gov't armies. (Vietnam, Algeria, Ireland, Afghanistan)
- Occupying and controlling an ungoverned territory is more costly than taking over an existing government with a weak military.
- Nonviolent resistance surprisingly effective. (Indian independence movement, American Civil Rights Movement, Solidarity movement in Poland, collapse of Soviet Union)

III. Avoiding Conflict

- Does human nature make conflict inevitable? No, many societies lack war.
- Wars are sometimes fought over land & resources.
 - Anarchy should begin in an area without historic territorial disputes & w/o large concentrations of natural resources.
- Most wars start because of “conflict spirals” between governments. All or almost all are inter-governmental disputes.
 - These won't happen w/o a government.
- Some wars are fought over “dominance”
 - Also won't happen without a government.
- The liberal democratic peace: liberal democracies never or almost never go to war with each other. There are several hypothesized reasons for this (e.g., pertaining to trade, liberal values, prosperity, democracy).
 - After liberal democracy takes over the globe, military defense may become unnecessary.
- Having a strong military may raise rather than lower the risk of war.
 - Empirical evidence: either zero or slight positive correlation between military spending & war. Theoretical explanations:
 - * Military spending creates a war lobby.
 - * Gov't leaders behave more aggressively.
 - * Other nations perceive one as more of a threat.
 - Countries with large power difference were *less* likely to go to war.
 - Empirical evidence: 15 nations *right now* have no military. Largest of these: Costa Rica (since 1948).
 - Many more nations have a *weak* military (much weaker than some neighbor) that could not offer a plausible deterrent.

IV. Terrorism

- Terrorism has claimed very few lives. But it remains a cause for concern because of the future possibility of WMD attacks.
- What causes terrorism?
 - *The Clash of Civilizations Theory*: Terrorists hate liberal democratic values.
 - *The Foreign Policy Retaliation Theory*: Terrorists are retaliating for specific foreign policies of the U.S. government.

- Empirical evidence supports Foreign Policy Retaliation: statements of terrorists; studies by Scott Atran, Robert Pape.
- Government's current anti-terrorism strategy is unwise:
 - Probably creating more resentment.
 - There are too many Muslims who have some sympathy with the terrorists' cause → our strategy must focus on reducing that anger.
 - 37% of Muslims considered 9/11 attacks at least somewhat justified.

V. The Government's National Security Apparatus Poses a Threat to Others

- Gov't may initiate unjust wars.
- Gov't creates WMD's. New military technology constantly under development. This is the most likely cause for the extinction of the human species.
- We have a moral obligation to minimize these threats.

Phil. 2200

Notes: The Transition to Anarchy

I. The Prospects for Radical Change

Many radical social changes have happened:

- Hunter-gatherer → civilization
- Dictatorship → democracy
- Abolition of gladiatorial combat
- Abolition of torture
- Reduction in capital punishment
- Abolition of slavery
- Women's suffrage
- Decolonization

These have generally been in the direction of “liberalization”, i.e.:

- Greater respect for dignity & rights of individuals
- Aversion to violence & force
- Recognition of the moral equality of all persons

This is consistent with a move toward anarchism. Anarchy is possible; many other things are possible.

II. Steps toward Anarchy

The government can outsource court duties.

- Refer court cases to private arbitration.
- The government does this for some cases in some states, esp. auto insurance cases.
- Many contracts specify private arbitration. Ex.: your credit card agreement.

The government can outsource policing duties.

- Hire private security companies to patrol some areas.
- This is already done in some places: the Liberty Bell, Statue of Liberty, & main bus terminal in Durham, NC.
- “Citizen’s arrest” laws could be liberalized to permit arrest after private investigation.

Standing armies could be eliminated.

- Military is needed only to respond to other militaries.
- But defense requires less military than offense.
- Therefore, if every country maintains only the military needed for defensive purposes, then all militaries will gradually ratchet down.
- This may happen after the world has converted to liberal democracy. (Recall the democratic peace thesis.)

III. The Geographical Spread of Anarchy

- Anarchy would probably start as an experiment in a small area, perhaps a single city or small country.
 - Note how the world leaders in freedom of various kinds are all very small countries.
- If successful, the experiment could be expanded.
- The “global information age” makes this spread more likely.
 - People all over the world can see how things are done in other places, and how it works.
 - This was a major factor in bringing down communism.

IV. The Importance of Ideas

An argument for the future of anarchy:

1. The theory of anarcho-capitalism is true & well-justified.

Comment: See the rest of the book.

2. If the theory is true and well-justified, it will come to be widely accepted.

Comment: Human history shows enormous and persistent progress toward better ideas over time. (See section I above.)

3. If the theory is widely accepted, it will be implemented.

Comment: We don't know how this will come about, but it is highly probably that if most people don't want a government anymore, and don't believe in it, someone will figure out how to make it go away.

4. Therefore, anarcho-capitalism will be implemented.

Comment: Follows from 1-3.

Objection:

- In chapter 9, we saw that it is unrealistic to expect people to effectively monitor the daily activities of government. See theories of rational ignorance & rational irrationality.
- Why is it not also unrealistic to expect people to reach the anarchist consensus?

Reply:

- Understanding anarchism is much less cognitively demanding.

V. Conclusions

- No state is legitimate. No person has political obligations.
- Anarcho-capitalism is superior to government.
- Anarcho-capitalism is possible.

Phil. 2200
Review of Unit 6

At the end of this unit, students should know:

These concepts

Utopianism vs. realism
Government (Weber's def.)
Socialist anarchism
Anarcho-capitalism
The democratic peace
Common law

These theories/principles

How to evaluate gov't vs. anarchy
Huemer on human nature, incl. human motivations, how people choose actions
Socialist anarchism, incl.:
 How it is organized
 How it deals with criminals
 How it achieves equality
 The supreme value
 Right of secession
Anarcho-capitalism:
 How people are protected from crime
 How disputes are resolved
 Who makes laws
 2 main differences/advantages compared to gov't
Explanations of terrorism
 Clash of civilizations
 Foreign policy retaliation
How move to anarchy might start, incl.:
 Outsourcing
 Likely starting locations

These examples & what they show

Jamestown
A few examples of social change, e.g.,
 abolition of slavery
 movement toward democracy
 women's suffrage

These arguments

How a mainstream, statist view can be utopian
Why common law is better than legislative law
Answers to objections to An-cap
 Why security agencies don't battle
 Why organized crime would be a smaller problem
 Why security agencies don't abuse customers
 Why arbitrators would be fair
 Why people obey arbitrators
 How society can defend itself w/o gov't military
 How conflict might be avoided, incl.: what sort of place anarchy should be tried
How our national defense poses a threat to others
Argument that anarcho-capitalism will one day be implemented (incl. 3 premises & conclusion)