

*THE MYTH OF NATIONAL DEFENSE:
ESSAYS ON THE THEORY AND HISTORY
OF SECURITY PRODUCTION
BY JÖRG GUIDO HÜLSMANN:
«SECESSION & THE PRODUCTION
OF DEFENSE»*

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Abstract: In his essay «Secession and the Production of Defense» the economist Jörg Guido Hülsmann emphasizes on the argument that purely private production is always superior to public and compulsory schemes, which also includes the area of security and defense production. Hülsmann's essay can be seen as a logic further enhancement of the ideas previously defined by Gustave de Molinari in his famous «The Production of Security», which had then been further developed by economists, philosophers, experts in constitutional law, and certainly other great thinkers of the Austrian School of economics, such Ludwig von Mises, Murray N. Rothbard, Hans-Herman Hoppe, and Walter Block. Hülsmann argues that private security providers will be much more efficient than any public institution, adapting their services to customer demands by defining the most competitive security offers which are truly requested by the population. However, in this essay, Hülsmann's main focus is the actual process of secession, which as he states, can always be justified against a violent and coercive behaviour of governments towards (parts of) their population. Hülsmann explains why secession can be seen as economically and morally useful and often necessary step and how it can best be managed and put into practice. The crucial difference between the economic «cooperation by virtue of contract» and a political «cooperation by virtue of command» is defined, giving historic examples of successful and unsuccessful secessionist movements.

I
INTRODUCTION

In the first part of his essay, Prof. Dr. Jörg Guido Hülsmann points out that all aspects currently regulated and steered by governmental

organizations could be handled by private enterprises in a much more efficient and just way. However, Hülsmann concedes that governmental institutions do not have to be fully abolished in the field of law enforcement, as they may also be reformed by simply operating on purely private terms. Private security providers will hire the most capable experts in their business segment, and will be forced by the free market to offer the most efficient and competitive services to the population.

Consequently, whereas the current public defense system is highly intransparent, inefficient and costly, providers in a privatized defense sector would be forced to constantly optimize their services by minimizing unnecessary waste and costs, inventing new security technologies and weapons, while adapting the total scope and level of security investments to the desires of the corresponding population.

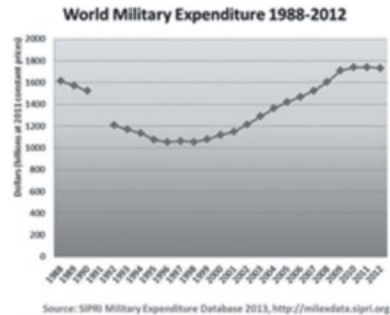
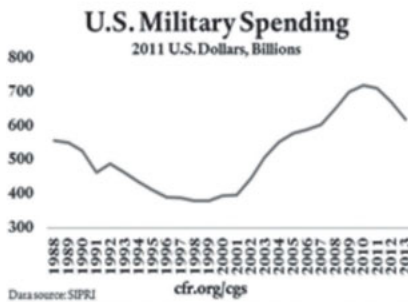
If such reform is carried out by the government organizations themselves, one would talk about examples of «privatization», «denationalisation» or «desocialisation». As an alternative, abolishing government control without any involvement of the corresponding government must be seen as a feasible alternative which is often referred to as «secession».

Hülsmann points out that it can be misleading to simply refer to «secession» as «a one-sided disruption of bonds with a larger organized whole». To be more precise, we need to clearly differ between improper and illegal «breaches of contract» and the justifiable «disruption of hegemonic bonds». As Mises already quoted, one must distinguish between «cooperation by virtue of contract and coordination» on the one hand, and «cooperation by virtue of command and subordination or hegemony» on the other hand. Property can be acquired either with the consent of its present owner, or it is acquired against his will — and then consequently violating his property rights. Or, as Franz Oppenheimer pointed out, one can «either use the economic means of appropriation or the political means of appropriation.»

The Anarcho-capitalist economist Hans-Herman Hoppe had stated that initially, secession was simply the shifting of control over a nationalized wealth from a larger, central government to a

smaller, regional one. If this will lead to more economic integration and prosperity cannot be generally said, as in each case, it will depend on the new regional government's policies. However, due to the secession, the formerly hegemonic domestic relations will then be replaced by contractual mutually beneficial relations. Consequently, Hoppe states, forced integration will and should be replaced by voluntary separation.

Specific aspects of warfare such as operational and strategic forms of military conflicts, which were thoroughly discussed in Hülsmann's essay, are only comprehensively reviewed in this paper if a direct and relevant impact on economic or political aspects was detected.



II THE AUTHOR

Jörg Guido Hülsmann (born May 18, 1966) is a professor of economics at the University of Angers in France, a senior fellow of the Mises Institute and adherent of the Austrian School of Economics. Hülsmann is the author of *The Ethics of Money Production* and *Mises: The Last Knight of Liberalism*. He is a contributor to scholarly journals such as the *Quarterly Journal of Austrian Economics*, *The Independent Review*, and *Procesos de Mercado*, as well as to magazines such as *La Tribune* (France) and *eigentlich frei* (Germany). Professor Hülsmann is also the director of the Austrian Research Seminar in Paris.

III THE GLOBAL EVOLUTION OF SECESSION VERSUS CENTRALIZATION

For most mainstream «progressive» economists and historians, centralization is generally considered to be a «good and progressive» movement, while disintegration and secession are considered as reactionary anachronism. Even politicians and economists that consider themselves as liberals often believe that larger political units automatically lead to wider markets, assuring peace and increased wealth. As evidence of this, it is argued that economic prosperity has often increased during the periods of significant centralization. However, we must understand that correlation or temporal coincidence, do not prove causation.

Roughly nine-hundred year ago, Europe consisted of thousands of independent territorial units. During the second half of the 17th century, Germany consisted of some 234 countries, 51 free cities, and 1,500 independent knightly manors, while by 1871 its complete unification was «achieved». In 1291, on the other hand, Switzerland began as a confederation of three independent cantonal states and by 1848 it was a single state — but with approx. two dozen cantonal provinces.

First of all, one must carefully differ between political integration (centralization) and economic (market) integration, as they are completely different phenomena. While political integration involves the territorial expansion of a government's power for taxation and property regulation, an economic integration is the extension of the interpersonal and interregional division of labour as well as of market participation. Generally speaking, taxing income earners and regulating private property owners is always counterproductive for a society, not only from a moral but also economic perspective.

Throughout most parts of the past millennium, Europe possessed a highly decentralized power structure of many independent political units, which help to explain the origins of capitalism. Capitalism first flourished during times of political decentralization, for example in the northern Italian city states and in the South of Germany.

Moreover, we need to understand that in the past, states which have taxed and regulated their economies only to a very small extent, have often expanded their territories at the expense of less liberal states. This explains why in particular throughout the 19th century, Western Europe dominated the rest of the world. Hans-Hermann Hoppe stated on this respect that «progress results whenever a less taxing and regulating government expands its territory at the expense of a more expropriative one.» However, history has also shown us that the fewer the number of remaining states are (consequently increasing the total size of their individual territory), the less their government's will continue to defend and strengthen domestic liberalism.

The collapse of the former socialist Soviet Union has led to the creation of several new states — within its former USSR territory as well as in Eastern Europe. The majority population within these new states often belong to groups ethnically, religiously, and/or linguistically very different to the former Soviet union's majority population. Also former Yugoslavia has turned into several independent new states, such as Slovenia, Croatia, Serbia, and Bosnia, while also the Czechs and the Slovaks have split into 2 individual independent countries. Also in other parts of Europe we can see separatist movements which, by using very different means, attempt to achieve independence. These groups include South Tyrolians in Italy, Scottish nationalists in Great Britain, separatists in the Basque Country and Catalonia, as well as Flemish groups in Belgium.

In contrast, throughout the past decades, the European Union (and its predecessor the European Community) has been trying to minimize the cultural identities and particularities as well as the political and economic independence of its member states. However, despite the intentions to centralize all political power with the EU, separatist movements are gaining new support. The motivation for secession can be different, being either based on the aim to achieve linguistic, cultural and/or religious independence, or also being based on purely economic/ financial aspects.

IV
HÜLSMANN'S THOUGHT ON SECESSION
& SELF-DETERMINATION

Hülsmann criticizes that governments can violate other person's rights and property without being considered criminals. The «hegemonic bond» between the so-called «director-ruler» and its subjects is down to the fact that (a majority of the) members of society consider such violations of other people's property rights as compatible with civilized intercourse. Consequently, one way to act against such coercive violent behaviour by the state is to use secession, defined as the one-sided disruption of hegemonic bonds by certain subjects. In this case, mentioned subjects can either no longer support the ruler's violating property rights, for example by no longer paying taxes, or, alternatively, they may simply start resisting the ruler whenever he violates their own or other people's property rights. The secessionist may abolish the hegemonic aspect of the existing (coercive) institutions. Hülsmann explains different forms of secession that have occurred in history, also referring to the geographical dispersion of political regimes and the present-day example of the city of Baarle, a Belgian town located in the Netherlands which has Belgian enclaves within its Dutch enclaves, leading to certain streets in which some houses belong to Belgian law, whereas other houses in the same street may actually belong to Dutch laws.

Also former colonies of European powers in other parts of the world were an example of geographically disconnected territories under common hegemonic bonds, and their later process of independence can certainly be considered as «secession».

Forced integration always creates tension and conflict, while voluntary separation leads to harmony. As secession usually involves the breaking away of a smaller from a larger population, it is also a vote against the general principle of democracy (in the sense of «dictatorship by majority»), while instead being in favor of private, decentralized property.

However, secession does not automatically mean that people want to completely break with all hegemonic ties between them and their ruler, but they might only intend to change certain unfair

regulations, such as demanding lower taxes or refusing certain privileges of other individuals within the territory.

Also bonds between government and the individual subjects within a territory can be very different, as one could see in the so-called «Jewish ghettos» in several European cities where Jews were often exempted from non-Jewish jurisdiction and certain forms of taxation. Even though these «special» treatments were not created by prior secession movements, they show that different «systems» can exist within one greater geographic territory. Hülsmann concludes that «the only limit for geographical dispersion of political regimes is given by the boundaries of private property», while each property owner may theoretically also set-up different set of rules for the users of his property/ land.

The establishment of isolated secessionist strongholds can be seen as a first important step to achieve the ultimate goal of full liberation of a certain territory. Hülsmann points out that such small independent areas usually depend on the exchange of goods and services with other regions. The smaller the country, the greater will be its pressure to defend free trade, rejecting protectionism. While Russia might still be able to achieve a comparatively high standard of living when rejecting any form of foreign trade, smaller new countries which were founded based on secession, could not follow such protectionist policies without significantly losing wealth and living standards. Truly unrestricted free trade would allow even the smallest state to be integrated into the world market, while also benefitting from the division of labor. Thus, the smaller a territory is, the more crucial it is likely to be to promote and benefit from free trade.

As Hülsmann pointed out, there are two major benefits of political reforms by secession:

First, secession abolishes hegemonic bonds including core organizations like the former (hegemonic) army, police, the courts... etc. Consequently, at least in the beginning, the new governments will potentially defend crucial aspects like political transparency, free enterprise, freedom of speech and generally individual liberty more properly than the former hegemonic regime. However, in several cases these new secessionist territories might actually turn into

a more coercive violent political system than its former hegemonic power had ever been. Hülsmann compares the «implementation» of a new freer political system with the laws of the business cycle: Business investments which are not supported by genuine savings will lead to an economic bust after a short period of economic growth illusion. Simultaneously, political territories on which «liberty is being imposed» may (after a short period of liberty illusions) soon suffer from even more coercive, totalitarian regimes. Hülsmann also states that classical liberalism has never managed to establish a properly working public order which protected private property and individual liberty for more than a few decades, whereas in contrasts in the Middle Ages, the Christian religion did not only define the duties and rights of all citizens for centuries, it also limited medieval aristocrats in their endeavors, consequently defending and guaranteeing certain liberties of all subjects.

Hülsmann critically evaluates classical liberalism, stating that it is no surprise that it has never succeeded in bringing lasting, long-term liberty and justice to any country so far. Hülsmann favours a naturally evolving secession, which, if properly done, can lead to genuine reforms that «do not already automatically contain the seeds of their own destruction».

Second, secession is the only possible type of political reform that could achieve a private-property regime in which the principles of such regime are respected, if secession is an «activity fully harmonious with the respect of private property and the *economic means*». Thus, this specific reform would not create new violations of property.

1. Conditions for Secession

Hülsmann points out that in most cases, the hegemonic power is much better equipped with arms and machinery needed for violent conflicts, than the secessionist movements are. Consequently, secessionist must find means to overcome the hegemonic coercion, despite that central government having a monopoly on typical war material and «war organizations» (such as the military). Consequently, secessionist will mainly have to depend on light

weaponry, such as pistols, guns, grenades) which they could potentially acquire either legally in their own or in foreign markets, or (illegally) from foreign groups and governments which might support such secessionist process. Heavy weapons such as tanks or fighter jets will likely be inaccessible for seccionists. Thus, it is in the secessionists' interest to create a conflict without clearly identifiable combatants and front lines, as amorphous enemies are the bigger threat to a hegemonic states' structure. (Even though violence against civilians must certainly not be the goal, one may add as an example the recent terrorist attacks in both Western and predominantly Muslim countries where small terrorist groups have been able to significantly threaten entire societies.) In this discussion, Hülsmann mentions the supply of weapons from foreign governments as an option to properly plan a secession, without providing any critical comments regarding the moral justification of having foreign (possibly also totalitarian regimes) support sececcionists, possibly with the aim of simply weakening the government of the mentioned attacked hegemonic bond. It is morally quite questionable to use the ideals of «self-determination» and «supporting a new & better system for the people» in order to justify a secession which is ultimately guided by an aggressive minority that had acquired its weapons from foreign totalitarian regimes which might be even more violent than the combated domestic hegemonic bond.

However, governments are never able to fully control the entire population, as «the government» always represents a minority within the entire «society». Thus, Hülsmann states, «hegemonic bonds exist because a majority voluntarily complies with them». It is the members of a coercive system that establish their own subjection, meaning that people choose by themselves to subject to a ruler.

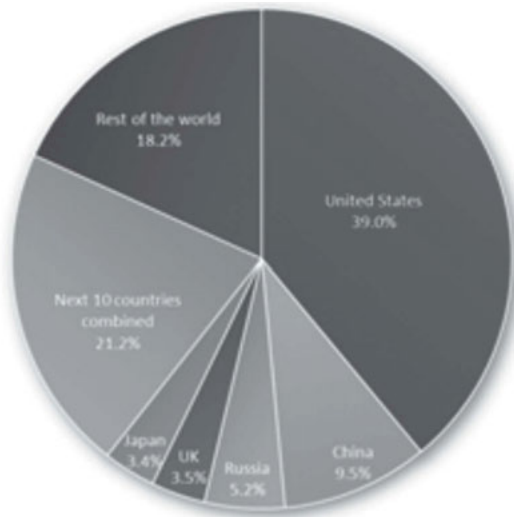
People justify their own acceptance of hegemonic bonds, assuming that «any change could possibly make it even worse». Successful secession requires a previous transformation of the people's political beliefs. Hülsmann vaguely says that «a substantial majority of the population' must strongly reject the present hegemonic bonds».

2. Privatizing Warfare — Respecting Private Property Rights

Hülsmann points out that a main challenge for a secessionist movement will be the «moral and practical requirement» that «all individual and organized war measures on the side of the secessionist are in strict consonance with the very private order that they seek to bring about». They must respect the private property rights of all people involved. After the successful secession, the military organizations which emerge by the secessionist movement might later on turn (officially) into «defense institutions». If these organizations initially already rely on violations of property rights, they will ultimately lead to just another coercive hegemony.

However, such «privatization» of warfare does not mean only isolated individuals should engage in combat, but will mainly have to be handled by secessionist militias. Hülsmann states that it would be «conceivable that... a body of paid full-time warriors will emerge», arguing that it could make sense to have several independent militias, operating autonomously. Even if the secessionists

GLOBAL DISTRIBUTION OF MILITARY EXPENDITURE IN 2012



Source: SIPRI Military Expenditure Database 2013, <http://milexdata.sipri.org>

might not be able to win the military confrontation, they can create a situation of permanent chaos in which it is no longer worthwhile for the coercive rulers to continue with their attempt to control the secessionist territories.

Hülsmann argues that the so-called guerrilla warfare is suited for secessionist wars as decision-making is decentralized, and bonds between them and the population are typically contractual bonds. As there are no hegemonic bonds, they can also not be perpetuated after the war. Key for a successful guerrilla fighter is a good relationship to his own community, as he needs the support of the population. However, Hülsmann also argues that it is crucial for the secessionists to get a certain sympathy and «backing» from the larger population of the hegemonic bond. Ultimately, these «libertarian warriors» would need to respect the property rights of everyone, «friends and foes».

3. How to Achieve True Self-Determination: Hoppe, Hülsmann and Deist

Ludwig von Mises already understood that «mass democracy is no substitute for a liberal society, but rather an enemy of it». Nowadays, by looking at the United States of America, it is hard to believe that a physically vast, multicultural state of roughly 330 million people, with very diverse economic, social, and cultural interests, can be properly steered via one central government which defines common laws and regulations, valid for all people living in mentioned common territory. Both Hülsmann and Hoppe argue that self-ownership, self-determination, and decentralization need to be applied in all parts of the world, whether it is Catalonia, Scotland, Flanders or South Tyrol. Hoppe as well as Jeff Deist believe that secession movements do not necessarily need to be backed by political mass movements, but should much rather focus on «hyper-localized resistance» to the federal government in the form of a «bottom-up» revolution.

Hoppe states that force is justified in self-defense, and consequently, the use of democratic means is justified when used to achieve nondemocratic, libertarian, pro-private property ends: A bottom-up revolution shall use persuasion and democratic mechanisms to

secede at the individual, community, and local level, withdrawing consent from and fully ignoring the rules of the coercive rulers (the corresponding governments).

Deist states that nowadays, in countries like the USA, the road to secession cannot work by directly starting on the national political level. Financial and human resources of libertarians, secessionists and anarcho-capitalists are simply too weak to significantly change the thinking of the society's majority. From a Libertarian perspective, political change in today's Western societies is not possible unless there is a philosophical, educational, and cultural base for change. Hoppe envisions a growing number of «implicitly seceded territories» engaging in noncompliance with federal authority:

It seems advisable to engage in a policy of passive resistance and non-cooperation, by stopping to support the enforcement of federal law. The ultimate goal must always be a complete self-determination at the individual level, granting each of us sovereignty over our lives. Ludwig von Mises said that «if it were in any way possible to grant this right of self-determination *to every individual person*, it would have to be done.»

Secession begins with actions taken in our everyday lives to distance and remove ourselves quietly, nonviolently, inexorably from state authority. In order to prepare for self-cultivation, people need to cultivate stronger personal relationships (while the state prefers atomized individuals without strong family structures or real-life social networks). People need to secede from state dependency becoming more self-sufficient in regards to food, water, security — and certainly regarding economic/ financial — and ultimately monetary independence. Independence from the main stream public media, from public education, and public healthcare are also crucial to achieve true financial and mental independence from the state's institutions.

V

THE EFFICIENCY OF PRIVATE WARFARE

Hülsmann believes that spontaneously formed private war organizations, including clandestine guerrilla professionals, are

economically more efficient than public military structures. Moreover, Hülsmann states his quite controversial idea that «voluntary military organizations» would respect private property rights «in all aspects of their activities», whereas compulsory military organization would partially rely on private property right violations, giving taxation as an example. Also from a military perspective, Hülsmann considers private organizations to be more efficient. First, all employees of the private organization need to be qualified, showing motivation, since on a free market, they need to justify their employment and salary on a daily basis. Everyone involved, including the professional guerrilla fighters, chooses his/her job voluntarily, and the freedom to do so is expected to increase motivation. Hülsmann refers to historical cases in which private defense organizations formed «joint ventures» to confront enemies like the Huns in 451 A.D. or Napoleon in 1813. Regarding this argument, one must certainly critically observe that both society and technology have crucially advanced throughout the past 200 years, for which modern wars cannot be put on the same level as former wars against Napoleon: The complexity of modern weapons and their ability of destruction have since been taken to a whole different level.

1. «Ultimate Control»: Centrally Steered Inefficiency vs Customer Demand

Hülsmann specifies the difference between both concepts in regards to the «ultimate control aspect»: In private warfare «the ultimate control rests with each private-property owner». Every citizen, being a consumer, defines the content of his individual «defense service package». Soldiers are considered to be potentially better motivated, as they are working for private companies, rather than being public servants. In a private order, the consumption and investment decisions of the citizens connect the defense production with other business sections within an economy, as savings in the warfare sector can lead to further spendings in other areas. Thus, individuals can make their value judgement directly felt. As companies intend to satisfy their customers, the citizens (as

consumers) can choose which defense services are produced, by which technique and organization, and at which costs. Citizens can choose whether they want to contract one of the individual professional security providers, or whether they want to purchase light weapons for themselves and their own protection, while other citizens will not spend any money on security and defense, as they have other priorities. If total spendings on defense decrease, other business sectors are expected to grow. Hülsmann believes that in a free society, the production of defense is adjusted to the needs of the citizens. The permanent competition between the individual security providers forces them to constantly improve their services, inventing better concepts and technologies, while reducing waste and costs.

2. Free Market Prices & Economic Calculation versus Misallocations

Moreover, in a free security & defense market with free market prices, economic calculation will be used to choose the most efficient forms of military organizations and technologies. In a publicly run, State-controlled military system, major decisions are taken by civil executives, such as Ministers and Presidents, who often neither have any experience as entrepreneurs nor as military experts. Their misallocation of resources, caused by coercive mandatory taxation of the population, pull away investments and consumption from business sectors that are seen as more crucial by the citizens. Nowadays however, the proper balance between produced goods & services and their actual public demand is disrupted, as consumer demand is being ignored. A lack of transparency is leading to wasteful behaviour and moreover, military leaders might tend to expose their troops to unnecessary dangers.

On a critical note, one may argue that a strong and qualified military with well-trained fighters and state-of the art modern technology weapons cannot be created within a few weeks or even months. Moreover, «defense» against external/ foreign aggressors is not a typical consumable product as it is usually not

proactively requested by the consumer, but appears only necessary when being attacked. Thus, it is typically requested and consumed as a reaction, not as a proactive action. Consequently, «the demand for defense» against foreign country attacks cannot be compared with the need for apples, beer or other typical consumer goods — and its proper provision takes time. Moreover, one can certainly argue that some citizens will not have the income to actually finance any private insurance company for warfare protection. Consequently, many citizens might not be protected from internal or external aggressors. In addition, it might not be very efficient if, the households within the same street or neighborhood individually choose 10, 15 or more different security providers — who then individually will have to fight one strong, invading nation-state army. For example, if cities like Riga or Kiev were split between 10 or 15 different independent private security providers, it is highly unlikely that they could properly coordinate to prevent the invasion of one strong Russian state-controlled army. On the other hand, if all citizens choose the same private security provider just for having «one strong common defender», there will not be any real competition on the security market either.

VI

COMMENTS & CRITICISM TO HÜLSMANN'S THOUGHTS

1. **Secession as the Majority's Desire: A Practical & Moral Need?**

Hülsmann mentions several times that in most cases, «a necessary condition for successful secession is that a substantial majority of the population repudiates the hegemonic bonds... that a great number of citizens are in a secessionist mood.» However, from a pure «operational & pragmatic» point of view, a government can also be inoperable if only a minority within the secessionist territory successfully prevents the government officials and public servants from doing their job. An area can be rendered ungovernable without the support of the population's majority.

Moreover, secessionists can reduce the need for public support by maintaining secrecy and self-sufficiency. This means, that unidentified individuals and small groups can be able to supply their own attacks, without a need for public support, for example by «fleeing to the wilderness to become rural guerrillas».

Hülsmann justifies secessionism if «a substantial majority of the population» supports it, vaguely stating that there is the need for an «ample popular support... to replace police, judiciary and public officials with individuals independent of central government.» However, one may very well argue that by constantly referring to «majorities», Hülsmann justifies the entire democratic system, a system that can ultimately be considered «a dictatorship by majority». It is not clear what «substantial majority» means — is it 51% or 67% of the entire population — or only of those that previously participated in a referendum or corresponding elections? Just like, at least from a military/ operational perspective, there is no need to actually have «the majority's» support to successfully overturn a (coercive) government, the simple fact of having «the support of the people's majority» does not guarantee that a freer, less coercive new secessionist State can be accomplished. Moreover, it is possible that «the new minority» will be treated much worse in the new secessionist state, than the new State's majority had ever been treated in the former «hegemonic bond».

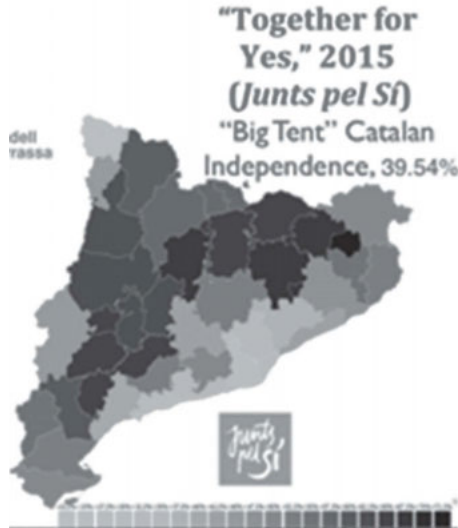
2. «What Majority?» — Secession & the Challenges of Self-Determination & Privatization

a) *Secession without entire Self-Determination?*

What is not sufficiently discussed in Hülsmann's essay is how a peaceful secession could actually work from a political, sociologic and constitutional perspective. First of all, Hülsmann who considers himself a libertarian, anarcho-capitalist and consequently a supporter of complete privatization, does not clearly distinguish between self-determination and the secession of a territory. Moreover, it is not clearly stated whether he completely

condemns the concept of «democracy», whether every «democratic decision» is seen as a coercive, unjustified and as a hegemonic «dictatorship by the majority», even within such a new secessionist State.

It would be crucial to clearly define, to which geographic extend and in which political cases a «secession» can be justified. What happens if, within a territory which is generally considered as a stronghold of seperatism, opinions significantly differ by county, district or even by urban quarter? By looking at Scotland and Catalonia we can see that even within these territories «general opinion» significantly differs by district when it comes to the idea of political independence. If Scotland had chosen independence in their past referendum, what (from a libertarian or anarcho-capitalist point of view) should have happened with those Scottish regions that heavily voted against independence?



(Support for the political Catalan Independence Movement in the 2015 Catalan elections — split by region).



The same applies for Catalonia: If in a Catalan referendum, the total majority of the voters support independence, but within certain provinces such as Tarragona or Barcelona a majority prefers to remain within the Spanish state, to which state will these provinces then belong? In the 2015 Catalan regional elections, parties opposed to Catalunya's secession from Spain (Ciudadanos, PSC and PP) received a majority of votes and seats in some of the «comarques» such as Tarragonès, Baix Penedès, Garraf and Baix Llobregat, including the city of Tarragona. Would these people, against their respective majority decision, be forced to belong to a potential new independent Catalonia? If so, what happens if at a later stage, the citizens of Tarragona or Barcelona request a referendum for their own independence from Catalonia — or on possibly belonging once again to the Spanish state? To break this even down into the respective city districts: there might also be significant differences between the individual districts within bigger municipalities such as Tarragona and Barcelona: What would be the «fair and proper» solution, if certain neighborhoods of Barcelona, like Gràcia and Les Corts prefer to belong to Catalonia — while others such as Ciutat Vella want to belong to Spain?

This question can be broken down into ever smaller units, by finally having individual referendums in every single village, in every neighborhood — until ultimately reaching the individual level of true self-determination.

Once «the right for secession» is given to a certain region, allowing that region's population to autonomously decide on their independence, without needing the support of the hegemonic bond's majority population, there is no more moral or legal justification to prohibit any form of further secession movement — be it by individual districts, villages, neighborhoods — or even for each individual citizen. The example given by Hülsmann on the Dutch-Flamish city of Baarle cannot be taken as a general «best-practice approach», as both the Netherlands and Flanders have the same official language, belonging both to the EU and the same currency zone — consequently differing only in a few specific aspects regarding their cultural, political and economic structure.

In the case of a consistent and limitless right to secession — ultimately leading to complete self-determination — the households

within one single street could potentially belong to a dozen different countries — or to no country at all.

Consequently, Hülsmann misses to specify which groups of people can actually «justify complete secession» from a «hegemonic bond», as he does not specify how exactly a fully privatized system of anarcho-capitalism with entire self-determination should be achieved and how it should economically and legally function.

2. Avoiding a Pyrrhic Victory — An EU-controlled Scotland & a Socialist Catalonia?

Moreover, any secession always bears the risks that the new State will actually be less liberal and less capitalist than the hegemonic bond it previously belonged to. An «independent» Scotland would very likely become part of the EU, potentially also introducing the Euro currency. In Catalonia, the most radical political separatist movement is currently supported by «CUP», «ERC» and other radical left-wing socialist parties, which pretend to set-up a «socialist & independent Catalonia», combining reasonable patriotism with planned-economy ideas and collectivist populism. Most separatist movements had initially been based on the completely rational desire to protect one's own cultural roots, one's own language, religious beliefs or other traditions. Throughout these processes for independence, an initially healthy combination of patriotism, cultural bonds and the desire of freedom has often been mixed with an aggressive populist nationalism which then, unfortunately, often led people to support collectivist, anti-libertarian secession movements. One might state that ultimately, libertarians will have to accept «the people's» decision, because if such new State's citizens prefer a new but coercive secessionist government, it is «that people's» own choice. This argumentation however can only be justified if one believes in democracy, and the ultimate democratic concept of a «dictatorship by the majority» since even within such new secessionist State there is certainly not «one public opinion» but many different and autonomous opinions and desires, represented by the State's individual citizens.



3. Justification for the Use of Violence & Foreign Weapons

A very relevant aspect which Hülsmann mentioned, but which could have been discussed in a more detailed way, is the moral justification to use weapons and violence, in particular if mentioned weapons for secessionist movements are being provided by foreign, and potentially totalitarian, regimes. First of all, who can ultimately decide whether a government is violating the rights of its citizens, certain minorities or a few individuals? Which precise government behaviour justifies the use of mortal weapons against other human beings for the sake of «secession» and «self-determination»? By generally refusing any form of public order, vigilante justice/ arbitrary law and any form of violence in the name of «secession» seems to be justified against «the State» — and ultimately against its servants (e.g. Police officers). Hülsmann can certainly be seen as an economist and author who often points out his idea of a respectful, capitalist society of peaceful coexistence, but in this specific essay, he could have taken the opportunity to explain his thoughts on the justification

of the use of violence more properly. Moreover, it is not clear, whom his mentioned «secessionist guerrilla groups» are actually fighting for: is it a fight of independent individuals who claim individual liberty and self-determination within a fully anarcho-capitalist society? Or is the aim the establishment of a new separate State for thousands or millions of people? If it is the latter option, how can one ultimately guarantee, that within this specific territory, a majority of the population truly desires full politic independence from the former hegemonic bond? Also in this case, the mentioned example of the Dutch-Flemish city of Baarle is not fully satisfying as both Netherlands and Flanders are sharing the same currency, the same language and belong to the European Union. Thus, the cultural, political and economic impact of secession, as in the case of the (partial) independence of the Republic of Kosovo from Serbia, can be much more significant — also for the minorities within the new secessionist State. Moreover, Hülsmann states that it is an option to acquire weapons from foreign (potentially totalitarian) movements and governments, not questioning the moral justification of such a purchase from a libertarian point of view.

4. Privatizing National Defense: Insurance Companies as a Solution?

The question of national defense is a frequent objection against the anarcho-capitalist idea that the state should be abolished. For defense, the Austrian School economists and anarcho-capitalist Hans Hermann Hoppe proposes private insurance companies which in his opinion, are inherently peaceful, compared to governments, and far more economically efficient. Already today, and due to the obvious failures of governments, the number of gated communities and private security companies has been significantly increasing in many countries, partially replacing police services. Also in other sectors, private companies are running services which many citizens still consider to be «publically-organized», such as mail delivery services and garbage collection.

When it comes to national defense and foreign affairs however, many practical obstacles can be detected regarding the idea of «complete self-determination & full privatization».

For example: if a foreign military invades a peaceful anarcho-capitalist territory, who in this case will be protected from the invader's expulsions, detentions or even killings — only those citizens that had properly paid their insurance company's bills? To assure «one strong military response», would not all citizens ultimately choose the same private insurance company, selecting the biggest and (hopefully) strongest provider — and if so, how is this different from mandatory public taxation? In case of turning currently existing nuclear powers such as the USA, India, Russia or France into «anarcho-capitalist societies of self-determination» — would their nuclear weapons then be sold to private companies, potentially by running open «nuclear weapons auctions» to sell them to whomever is willing to pay the most? And who could prevent such insurance company from ultimately turning into a State itself — or from having the insurance company's owner sell his company and its weapons to other (potentially totalitarian) states? Moreover, assuming that a hegemonic aggressive State attacks an anarcho-capitalistic territory in which the population has not chosen 1, but actually 5, 10 or 15 different insurance companies to protect them — how should these individually split insurance companies defeat an invading modern nation-state army? And finally, what about the threat of a potential bankruptcy of the insurance provider — in particular considering the fact that due to the threat of potential insurance liabilities, the insurance company might already declare bankruptcy at the first sign of a foreign country's attack, leaving its own people («its former customers») entirely defenseless?

VII CONCLUSION

According to Hülsmann, any existing government can be seen as a compulsory territorial monopolist of ultimate decision-making and a compulsory territorial monopolist of taxation. As several

other Austrian School economists had already explained before, it is obvious that such an institution cannot arise «naturally», as the outcome of voluntary contractual agreements among individual property owners. The main purpose of all existing States is to grow bigger and to re-distribute and consume the wealth of its citizens. Governments are monopolies that are immune to market forces, appropriating the citizens' income, producing over-regulation, war, and financial chaos. In this essay, Hülsmann mainly focuses on the illusion that collective security requires a collective government. Hülsmann generally questions that central governments could provide any type of service more efficiently than the free market. Even in the areas of security and national defense, Hülsmann argues, private companies could provide better services, at lower costs than public institutions. A major problem in current societies is, that governments determine unilaterally the price that justice-seekers (meaning citizens / tax-payers) must pay to the government for providing security services.

In a private property society with a completely privatized security and defense sector, the corresponding providers will have to serve the customers' (citizens') demand, constantly optimizing their services to be competitive. As all «professional security & defense providers», from the security companies' Executive Board to their contracted guerrilla fighters, have to satisfy customer expectations in a free competitive market, they are likely to be more motivated and better trained than their counterparts in public, centralized organizations. However, as nowadays modern warfare can be based on weapons of mass destruction (WMDs), such as a nuclear, radiological, chemical and biological weapons, Hülsmann's concept is certainly controversial. Assuming the complete privatization of the current US, Russian, French or British army, Hülsmann does not explain what to do with their currently existing nuclear weapons. Moreover, it is not clearly explained how a minimum defense service should also be provided to those citizens that are not able to finance a private security service. Most importantly, it will need to be further discussed how a city's population should be protected against the attack of a strong State-nation army that is owning weapons of mass

destruction, if the defense service within the mentioned city is split between many different independent private security providers.

Apart from evaluating the efficiency of private warfare, Hülsmann also thoroughly analyses the general concept, benefits and possible implementation strategies of secessionist movements as such. The most relevant activity for any secessionist movement is the successful battle of ideas, and of political beliefs. The population needs to understand the importance and the legitimacy of the secessionist idea. The focus must be on establishing a true private-property order, as it is counterproductive to rely on compulsory concepts. The necessary support of the people must be gained with constructive concepts.

From an economic point of view, Hülsmann considers competition between states as absolutely positive. History has shown us that the fewer the number of remaining states is (and the larger their individual territories), the less interest their governments will show in defending liberalism, civil rights, political transparency, and economic free competition. Secession must therefore not be seen as reactionary, but as absolutely «progressive», being economically efficient while also increasing linguistic and cultural diversity. Secession supports economic integration and development. A European continent consisting of hundreds of distinct countries or even independent free cities could lead to a situation of having more truly liberal governments which are economically integrated through free trade, leading not only to more social and political harmony, but certainly also to economic progress and development.

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