A Critique of Hans-Hermann Hoppe's Thesis on Lesser Harmfulness of Monarchy than Democracy

Una crítica a la tesis de Hans-Herman Hoppe sobre el menor carácter lesivo de la monarquía frente a la democracia

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Recibido: 06/10/2015
Aceptado: 03/07/2016

Abstract

The aim of this paper is to critically analyse the thesis of Hans-Herman Hoppe that although any government – taken as a territorial monopolist in the field of jurisdiction and tax imposition – is an organisation harmful both from the economic and ethical point of view since it violates property rights in an institutionalised and legal manner, exploiting private owners and contributing to the process of "decivilization," yet the monarchy is less harmful than any democratic state.

The ultimate point is to prove that Hoppe's assumption on lower time preference of the governing monarch is not sufficient to conclude that monarchy is less responsible for violating property rights and that it contributes to the process of "decviliziation" less than democracy.

Keywords: Hans Herman Hoppe, democracy-monarchy comparison, economic freedom.

Resumen

El propósito de este trabajo es analizar críticamente la tesis de Hans-Herman Hoppe según la cual, si bien cualquier forma de gobierno –tomado como un monopolista territorial en el terreno de la jurisdicción y de la imposición fiscal– es una organización lesiva tanto desde el punto de vista económico como ético, puesto que viola los derechos de propiedad de manera institucionalizada y legal, explotan-

ISSN: 1576-4184
http://dx.doi.org/10.5209/RPUB.53878

do a los propietarios privados y contribuyendo al proceso de "descivilización", la monarquía resultaría menos dañina que cualquier estado democrático.

El objetivo último es probar que el postulado de Hoppe de que es preferible el gobierno de un monarca no es suficiente para concluir que la monarquía es menos responsable de la violación de los derechos de propiedad, ni tampoco que contribuye menos activamente que la democracia al proceso de "descivilización".

Palabras clave: Hans Herman Hoppe, comparativa monarquía-democracia, libertad económica

1. Hoppe on monarchy and democracy

In his works, Hans-Hermann Hoppe presents the thesis that any government – regarded as a territorial monopolist in the field of jurisdiction and tax imposition – is an organisation harmful both from economic and ethical point of view, since it violates property rights in an institutionalized and legal manner, exploiting private owners and contributing to the process of "decivilization." However, he continues to argue that monarchy is less harmful than democracy.[1]

The fundamental argument used by Hoppe to prove his thesis is that of the lower time preference of monarchs (who usually rule for a lifetime, often hereditarily) than people in power in democratic states (chosen for a fixed period of time). A monarch, who could potentially rule for a lifetime and with a prospect of passing the function down to his relative will undertake actions only after considering their long-term consequences in order to guarantee the long-term benefits, which, according to Hoppe, could be identified with the care for maintaining and increasing the wealth of the people living on the territory over which he rules:

> […] the more productive the population, the higher will be the value of the ruler's parasitic monopoly of expropriation. He will use his monopolistic privilege, of course [...]. But as the government's private owner, it is in his interest to draw parasitically on a growing, increasingly productive and prosperous nongovernment economy as this would effortlessly also increase his own wealth and prosperity.[2]

As a consequence, he will exploit his subjects less, borrow money more reasonably, he will be less willing to spend money on wars and will care for respecting property rights (since their elimination constitutes a threat to his own wealth). On the contrary, heads of democratic states, who are not the owners of the government,

[1] H.-H. Hoppe, *Democracy: The God That Failed*, New Brunswick: New Jersey, Transaction Publishers, 2001, pp. xix-xi; 11-15; 39-40.
[2] *Ibidem*, p. 47.

but only temporary clerks, will pursuit only the increase of the present income and wealth. This implies that they will be more willing to expropriate, increase taxes (both directly and indirectly, through inflation) and borrow money irresponsibly since they are aware that paying these debts will be the problem of their successors and not their own. In order to assume and hold power, they will promise various privileges to different groups and carry out the policy of redistribution at a great scale – through taxation or regulations imposed on private property and the market. They will also be more willing to engage in wars, which, owing to the greater identification of the society with the state that results from "blurring" of the border between the rulers and their subjects, will be more violent.[3]

As the empirical data that prove his thesis, Hoppe presents examples that show the greater increase in the extortion by the state – higher tax rates and larger debt, more regulations, higher inflation, higher employment in the state institutions, and the evolution of wars into total wars – during the "democratic republican age" (Hoppe acknowledges the end of the I World War as the beginning of this era) than during the prior, "monarchy age."[4]

However, should we assume that data referred to by Hoppe prove that there is in fact a causal relationship between democracy and the increase in the extortion by the state? It needs to be noted that Hoppe's approach is an ahistoric one: he contrasts societies that lived in two different historic periods, neglecting the possibility that other factors (such as e.g. the level of material development) could influence the extortion by the state as well, and that the causal relationship has an opposite direction – i.e. the change of the form of the state from monarchy to democracy is a result, not a cause of the increase in the extortion by the state (influenced by other factors). Were Hoppe's thesis to be true, it should be proven by conclusions drawn from the comparison of democratic and non-democratic states existing during the same period of history, the states of societies that were culturally similar and similarly developed. However, Hoppe failed to present such comparison, probably because he trusts his theoretical analysis completely and because in his approach, "a priori theory" is superior to the empirical data.[5]

This paper aims at providing such comparison. Although Hoppe is right claiming that the dominance of democratic states started only after the I World War, it is true that democratic states, or at least those including elements of democracy, existed throughout history.

[3] *Ibidem*, pp. 25-27; 30-31; 33-39; 47-48; 84; 86.
[4] *Ibidem*, pp. 41; 54-58; 59; 62; 69.
[5] *Ibidem*, p. xvi.

2. Icelandic Free State vs. Norwegian monarchy during 10th – 13th centuries

The first example to be discussed is the so-called Icelandic Free State, which existed in 930-1262 (in practice, until the end of the 12th century, when the system started to collapse). Today, it might be referred to as a kind of federal republic including elements of direct democracy and aristocracy (represented by chieftains – *goðar*). The official institutional structure of the Icelandic Free State comprised of thirteen regional assemblies (*héraðsþing*) and one national assembly (*Alþing* – this name most probably comes from the word almannaþing, meaning "the þing of all men"). Regional assemblies were convened twice a year and were gatherings of supporters of all *goðar* in a particular district. *Alþing*, being the gathering of all *goðar* (each *goði* was allowed to bring one-ninth of his supporters – the support for each chieftain was not a constant feudal relation, but a free choice from a certain group of people that could be changed at any time), was convened once a year, in summer. It was centred around the legislative council of the assembly (*Lögrétta*), comprising all *goðar*, which was responsible for ratifying common laws and issuing individual permissions to act against the law, e.g. marriage between close relatives or refusal to execute the sentencing of the court. In order to become binding, laws ratified by *Lögrétta* required unanimity and needed to be proclaimed during three consecutive *Alþing* conventions. Decisions regarding abovementioned individual permissions required unanimity and lack of objection of any of the participants of the convention (including those who were not *Lögrétta* members), as well as a proper fee. Both local and national assemblies had courts founded on the jurors appointed by *goðar*. These courts only decided on the guilt or lack thereof – the punishment was determined by the law itself (rejection or mitigation could only be possible with the permission of the *Lögrétta*).[6]

Icelandic Free State was one of the least statist societies in human history, hence, it is commonly referred to by libertarians as an example of a functional system of polycentric security and justice. It appointed only one civil servant (a lawspeaker – *Lögsögumaðr)*, whose responsibility was to conduct the national assembly and its legislative council, answering inquiries concerning the law and publicly reciting the Icelandic law. The execution of court rulings was the responsibility of victims themselves, their chieftains or other third parties that victims passed this right down to.[7]

During a hundred years (until 1097) the Free State was free of compulsory taxation nor did chieftains impose any taxes on their supporters that they collaborated with. However, in 1097, *Lögrétta* ratified a law introducing *tíund* (tithe) – an annual

[6] W. Gogłoza, "Upadek policentrycznego porządku konstytucyjnego średniowiecznej Islandii w świetle teorii stanu natury Roberta Nozicka", in *Oblicza wolności. Od klasycznego liberalizmu do libertarianizmu,* Katowice, Wydawnictwo Uniwersytetu Śląskiego, 2013, pp. 55-58.
[7] *Ibidem*, pp. 57-59.

tax of 1 per cent of the worth of the debt-free movable and immovable property that was used to pay for the help provided to those eligible to benefits and to maintain churches and the clergy. There were no other taxes. As regards wars, Iceland was not involved in any external conflicts during this period. Internal conflicts were rare (during 1030-1120 people even stopped carrying weapons) until the collapse of the system in the 13th century, when during 1208-1260 the death poll of local battles amounted to 350 people (7 per year), constituting about 0,7 per cent of the country's populace.[8]

In contrast, Norway, a monarchy at that time, had much more taxes. As reported in *Íslendingabók,* Harald Fairhair imposed a fee of five *aurar* (ounces of silver) on every traveller who wished to visit Iceland, which constitutes the origin of a fee called *landaurar*, set on 0,5 mark (one mark = 4 ounces) by king Olaf II.[9] On top of that, Norwegians also paid tithe to the church and were obliged to serve in the national fleet *(leiðangr)*. Moreover, they were expected to contribute natural resources to the king when he was travelling across the country (*veizla*). These obligations evolved into taxes.[10] Conquered peoples, such as Sámi, inhabitants of the Faroe Islands, Orkney Islands, Hebrides and the Isle of Man, were obliged to pay a tribute to the king of Norway (*skattr*).[11]

The kingdom of Norway also had much more complex administration. According to the article on this issue in *Medieval Scandinavia: An Encyclopedia,* there were a number of local offices (*armaðr, gjaldkeri, syslumaðr, lögmaðr*) existing since the 12th century.[12] In contrast to quite calm Iceland, Norway engaged in many conflicts, both internal and external. Successors of Harald Fairhair – Eric Bloodaxe, Haakon I of Norway, Harald Greycloak, Haakon Sigurdsson, Olaf Tryggvason, Olaf II, Harald Hardrada – were constantly at war, both with internal enemies, as well as other countries. They got into power through the use of force and violence and lost it the same way. The year 1130 was the beginning of the fights for the throne that lasted over a hundred years (until 1240).[13]

The Icelandic Free State is sometimes denied the right to be called a state at all – it is referred to as an example of anarchy, since the issue of ensuring security was

[8] *Ibidem*, pp. 57-60, 67-68.

[9] *Íslendingabók*, retrieved 27 May 2016 from: http://en.wikisource.org/wiki/%C3%8Dslendingab%C3%B3k.

[10] S. Imsen (ed.), „Taxes, tributes and tributary lands in the makingof the Scandinavian kingdoms in the Middle Ages", in: *Norgesveldet, Chapter 1: From tributes to taxes*, *Occasional Papers No. 2*, Trondheim, Fagbokforlaget, 2001, p 15.

[11] *Ibidem*, p. 14; R. B. Wærdahl, *The Incorporation and Integration of the King's Tributary Lands into the Norwegian Realm c. 1195-1397*, Leiden-Boston, Brill, 2011, p. 31, 62, 106.

[12] K. Helle, *Royal Administration and Finances – 2. Norway*, in P. Pulsiano and K. Wolf (eds), *Medieval Scandinavia: An Encyclopedia*, Garland, Routletge, 1993, p. 540.

[13] S. Bagge, *From Viking Stronghold to Christian Kingdom: State Formation in Norway, c. 900-1350*, Museum Tusculanum Press, 2010, pp. 25-32, 40.

offered by competitive institutions (in this case – *goðar*).[14] As noted by Gogłoza in one of the footnotes in his work:

> Medieval Icelanders [...] knew that this system was not a state, nor was it anything "similar to it." While in reference to continental monarchies they used terms – ríki ("kingdom," e.g. Norgesríki – the kingdom of Norwegians) or –veldi ("state," e.g. Danaveldi – the kingdom of Danes), they never referred to their own country as "Íslandsríki" or "Íslendingaveldi."[15]

Therefore, one might argue that the Icelandic Free State is not an example of the state as defined by Hoppe. However, from the point of view of Hoppe's understanding of the term – an agency in possession of a compulsory territorial monopoly on jurisdiction and taxation – the Free State as a whole was in fact a state. It had institutions responsible for ratifying laws applicable to everyone, including chieftains, and those responsible for making decisions on individual exceptions from the law, as well as proclaiming final court decisions that needed to be respected by everyone. Introducing *tíund* proved that the Free State had right to impose taxes as well. Hence, while chieftains could be treated as competing agents offering the service of ensuring property rights, the Free State as a whole had an actual (and compulsory, even though the compulsion was "bottom-up" in nature) monopoly on jurisdiction and taxation.

It is true that the system of the Free State was not an absolute democracy, since important decisions, such as ratifying laws and appointing judges, were the responsibility of *goðar,* who were not chosen democratically in the present-day sense of this term – they were a kind of aristocracy (however, they were not a closed cast either since one could pay one's way into the group).[16] On the other hand,

> In order to play an important role (both locally and nationally), chieftains needed the support of a great number of associated supporters. Without their collaboration, chieftain would not be able to appoint courts of the common assemblies, nor could he execute court rulings. However, bearing in mind that bændr were free to choose their chieftain [...],goðar had to seek their support by holding sumptuous feasts, giving generous gifts, entering into new and cementing already existing (family, friendly, contractual) alliances and, obviously, effectively representing associated bændr in disputes.[17]

[14] Þ. Eggertsson, *Economic Behavior and Institutions*, Cambridge, Cambridge University Press, 1990, pp. 308-309.
[15] W. Gogłoza, „Upadek policentrycznego porządku konstytucyjnego średniowiecznej Islandii w świetle teorii stanu natury Roberta Nozicka", in *Oblicza wolności. Od klasycznego liberalizmu do libertarianizmu*, Katowice, Wydawnictwo Uniwersytetu Śląskiego, 2013, p. 56.
[16] *Ibidem*, p. 55.
[17] *Ibidem*, p. 65.

In reality, chieftains, at least during the first 200 years, were dependent on the support of the people that chose to associate with them.

On the other hand, this system was certainly not a monarchy. Hoppe emphasizes that: „monarchy and democracy can be conceived of analytically as representing the two endpoints of a continuum, with various possible forms of government located at greater or lesser distances from one or the other extreme."[18] From this point of view, the Icelandic Free State was more of a democracy and less of a monarchy that contemporary monarchies, e.g. Norwegian monarchy. Nevertheless, it was much less statist (fewer taxes and civil servants) and less violent (fewer wars) – and this fact constitutes a contradiction of Hoppe's thesis.

3. The Commonwealth vs. European monarchies during the 18th century

Another example worth analyzing and comparing with contemporary European monarchies is the Commonwealth (Kingdom of Poland and the Grand Duchy of Lithuania) of 1569-1795. It is particularly interesting to consider the 18th century since the character of the monarchies of that time corresponds to Hoppe's use of the term most accurately.[19] Even though the Commonwealth was formally a monarchy as well, the dominant role played by the parliament (*sejm*), the constitutional limits put upon the king (the Henrician Articles, and later the Cardinal Laws) and relatively high (for that period) percentage of people eligible to vote made it closer to democracy than to monarchy, applying Hoppe's criteria.[20] The republican (public, not private) character of the state is implied in its name itself. The fact that the Targowica Confederation proclaimed transforming the Republic into a monarchy the cardinal

[18] H.-H. Hoppe, *op.cit.*, p. 18 (footnote).

[19] *Ibidem*, p. 18 (footnote).

[20] According to the research carried out by Tadeusz Korzon, the nobility in 1791 amounted to 8,2% of the population of the Republic (725 thousand out of about 8,7 million citizens) – see: T. Korzon, *Wewnętrzne dzieje Polski za Stanisława Augusta (1764 – 1794) badania historyczne ze stanowiska ekonomicznego i administracyjnego,* volume 1*,* ed. 2, Kraków-Warszawa, 1897, p. 321. Since only the noblemen had the right to vote, it may be assumed that it was about 4% of the whole society. This number is comparable with Great Britain, where until 1832 the right to vote in the election of the House of Commons was given to about 5% of the adult population – see: O. Majkowska, *Pozycja parlamentu brytyjskiego w świetle działania systemu dwupartyjnego,* doctoral dissertation under the guidance of Jan Iwanek at Faculty of Social Sciences, University of Silesia in Katowice, 2008, p. 54. „Elective monarchies as they existed for periods of time in Poland, Bohemia, and Hungary, for instance, are obviously less monarchic than are hereditary monarchies. Likewise, «constitutional» monarchies are less monarchic than preconstitutional ones. And «parliamentary» monarchies may well have to be placed closer to a democracy than to a monarchy, or, with universal suffrage, they may be no monarchy at all." H.-H. Hoppe*, op.cit.*, p. 18 (footnote). It is not clear if Hoppe is aware that monarchy in Poland before the partition was not only elective, but also "constitutional," parliamentarian and characterized by relatively common right to vote. In the introduction to the Polish edition of his work, Hoppe writes that: *"Poland was once an aristocratic country."*

sin of the parliament of 1791 implies that the nobility – at least until the 18th century – did not consider this form of government a monarchy. [21]

Even though the king was the head of the state (he was chosen by the whole of the nobility and theoretically any nobleman could be chosen to become the king), his power was highly limited. The chosen monarch was obliged to pledge *pacta conventa* – an obligation to fulfil his policy – before the coronation. They included the Henrician Articles – constitutional laws that guaranteed, e.g. the principle of choosing the king by the nobility, religious freedom, the prohibition of waging wars without the permission of the parliament, the obligation to convening the parliament at least once every two years, the supervision of the ruler by the sixteen-member council chosen during the parliament assembly and reporting to him, the prohibition of levying taxes, tariffs and monopolies without the permission of the parliament, the nobility's right to possess independent courts, property right of the nobility's lands, the obligation to sponsor the defence of the country from the *kwarta* levied on the lessees of the royal goods and the right of the citizens (nobility) to disobey the monarch in case he violated their rights or freedoms or did not fulfil his policies. Surprisingly, the last right was not just an empty promise, but it was actually used by the nobility.[22]

The highest legislative power (including imposing taxes) was held by *sejm* and the king was only a part thereof – one of the three groups in power (the remaining ones were *senat* who consisted of bishops, castellans and voivodes appointed for a lifetime by the king from the local nobility and some of the central officials; and *izba poselska* consisting of members chosen by the nobility during the land parliaments – regional nobility assemblies). Resolutions of the *sejm* (if it was not the so-called confederal sejm) required achieving consensus (understood in such a strict way that the lack of agreement from even one deputy could result not only in not ratifying a particular resolution, but also in breaking the assembly without making any decisions). Deputies of *sejm* were bound by instructions given to them by their land parliaments and were obliged to report to them. Land parliaments were also based on consensus, however, some decisions, mostly those concerning elections, were made by means of the majority voting.[23] In the 17th century, when *sejm* began to be notoriously broken,

[21] W. Stanek, *Konfederacje generalne koronne w XVIII wieku*, Toruń, Wydawnictwo Adam Marszałek, 1991, p. 171.

[22] *The Henrician Articles*, retrieved March 20, 2016 from: http://prawnik.trybunal.gov.pl/wszechnica/akty/art_henr.htm. An example of official disobedience of a part of the nobility was the act of rebellion against Sigismund III Vasa launched on June 24th 1607 (see: H. Wisner, *Zygmunt III Waza*, Wrocław-Warszawa-Kraków, Zakład Narodowy im. Ossolińskich, 1991, p. 96). Even though the revolutionaries were violently defeated, in practice – except for few individuals – they were not punished in any way (*Ibidem*, p. 99).

[23] A. Pawiński, *Rządy sejmikowe w epoce królów elekcyjnych. Tom I*. Warszawa, 1888, pp. 72-74; A. Lityński, *Sejmiki ziemskie 1764-1793. Dzieje reformy*, Katowice, 1988, pp. 33; 141.

land parliaments became virtually the only institutions responsible for levying and collecting taxes, creating army and organizing mass uprising (*pospolite ruszenie*).[24] Land parliaments were also responsible for the choice of judges for General Courts (courts of appeal for the civil and criminal law cases of the nobility) and Treasury Courts (that controlled the state's finances and carried out trials in fiscal law cases), as well as judges for so-called *sądy kapturowe* (lit. hood courts) that were courts acting during the interregna.[25] Except for this formal government structure, there was an additional form of self-organization of the nobility in critical situations based on the tradition. Nobles used to associate into sworn relations – confederations, which especially in the 18th century, as general confederations, were alternatives for state institutions with their own army, laws, finances and sometimes even foreign policy.[26] The constant governing bodies of the confederations, council marshals and committees, were chosen during general assemblies and the representatives of the general confederate councils during confederate parliaments assemblies.[27]

It should be noted that the right to vote did not depend on the property qualification – as it was, e.g. in Great Britain – but on the membership of the nobility. Most people entitled to vote were nobles who were not land-owners: lessees, officials and poor nobles cultivating their own, minute, piece of land similarly to peasantry or landless nobles.[28] The right to vote during land parliaments assemblies (hence, the elections) became limited to nobles of possession (landlords paying taxes in goods, their sons, pledgees and possessor on the condition that they were paying a special 100 zloties tax used to maintain the army and servicemen who were in possession of land for their achievements – as long as they were not subjects to the superior private authority or they were not obliged to serve privately) by the law of March 24, 1791. Some of these regulations were rendered null and void by the laws of crown and Lithuanian parliaments in 1793.[29]

Even considering such strict limits of the power of a monarch and public government ownership (even though it belonged to a part of society, not the whole), as well as the diversification of the wealth of people allowed to vote (which, according to Hoppe, creates a tendency towards redistribution: „It can be expected that majorities of «have-nots» will relentlessly try to enrich themselves at the expense of

[24] A. Pawiński, *Rządy sejmikowe..., op. cit.,* pp. 377-378.
[25] *Ibidem,* pp. 300; 319-320.
[26] W. Stanek, *Konfederacje generalne..., op. cit.*, pp. 55; 114-131; 146-162. An example could be an alliance with Russia formed by the general Sandomierz confederacy (created by August II) of August 30, 1704 (see: E. Rostworowski, *Historia Powszechna wiek XVIII*, ed. 4. Warszawa: PWN, 1994, p. 239).
[27] *Ibidem*, pp. 46; 67-71; 80. Targowica Confederation can be considered an exception since its council committee was created by means of co-option (*Ibidem*, pp. 84-85).
[28] T. Korzon, *Wewnętrzne dzieje Polski..., op. cit.*, p. 331.
[29] A. Lityński, *Sejmiki ziemskie..., op. cit.,* Katowice, pp. 126-127; 182.

minorities of «haves.»"[30]), the level of the extortion by the state was not high in the Republic of Poland when compared to neighbouring countries. In 1700 its annual income amounted to 24 tonnes of silver, whereas Prussi's and Russia's income was 60 tonnes, Austria's – 200 tonnes, Great Britain's – 440 tonnes and France's – 750 tonnes. While in 1788 it increased to 60 tonnes of silver, the difference between the Republic and neighbours grew as well: Prussia had the annual income of 425 tonnes, Russia – 900 tonnes, Austria – 960 tonnes, Great Britain – 1760 tonnes and France – 2250 tonnes.[31] The absolute monarchies (with an exception of Great Britain) experienced a much more rapid increase in their annual income. If one argues that the decisive factor in this case could be the population of given countries, other data can be presented – taxes per one person in 1785 were as follows: in Holland – 36 shillings, Great Britain – 34 shillings, France – 21 shillings, Habsburg Monarchy – 12 shillings, Spain – 10 shillings, Sweden – 9 shillings, Russia and Prussia – 6 shillings, Poland – 1 shilling.[32]

One might still argue that the difference was a result of lower productivity of Poland's economy in comparison with its neighbours. It is true that its economy was less productive, however, not that much as to create such a great difference. According to Van Zanden, assuming the GDP per capita in Great Britain in 1820 as 100, GDP per capita in Poland in 1700 was 40-46, and in 1750 – 34-37.[33] Respectively, in Great Britain – 68 and 81, in Holland – 97 and 95, in Italy – 71 and 62-66, in Spain – 50-56 and 51-53. Similar data (also assuming the GDP of Great Britain in 1820 as 100) was presented by Pamuk and Van Zanden in *The Cambridge Economic History of Modern Europe*: Poland – 38-42 in 1700 and 34-37 in 1750. Respectively, Great Britain – 73 and 87, Holland 109 and 109, Italy – 71 and 76, Spain – 61 and 58, Sweden – 66 and 67.[34] According to Orłowski, GDP per capita in Poland in 1700 was about 55% of the GDP of the Eastern European countries (present-day Germany, France, England, Italy) and in 1850 it decreased to 45%.[35] According to A. and G. Wójtowicz, per capita income in Poland in 1700 was 39,2% of the per capita income in Western Europe, in 1720 – 35,8%, and in 1790 – 46,5%.[36] These data imply that the abovementioned difference in the av-

[30] H.-H. Hoppe, *op. cit*, p. 96.
[31] E. Rostworowski, *Historia Powszechna..., op. cit.*, p. 100.
[32] *Ibidem*, p. 103
[33] J. Luiten van Zanden, *Early modern economic growth. A survey of the European economy*, in M. Prak (ed.), *Early Modern Capitalism: Economic and Social Change in Europe 1400-1800,* Taylor & Francis e-Library, 2005, p. 74.
[34] S. Pamuk, J. Luiten van Zanden, *The Cambridge Economic History of Modern Europe: Volume 1, 1700–1870*, Chapter 9 "Standards of living", Cambridge, Cambridge University Press, 2010, p. 221.
[35] W. Orłowski, *Rozwój i załamania: gospodarka polska w ostatnim tysiącleciu*, retrieved 16 April 2016 from: http://www.nobe.pl/gospodarka-pol-1000.htm, chart: http://www.nobe.pl/hist-wyk4.htm
[36] G. Wójtowicz, A. Wójtowicz, *Dlaczego nie jesteśmy bogaci? Dystans gospodarki polskiej do zachodnioeuropejskiej*, Warszawa, CeDeWu, 2009, p.43.

erage fiscal burden upon Polish citizens in comparison with other countries was mainly the result of the lower tax extortion rate.

What is also noteworthy is that citizens eligible to vote – the nobility – until a certain point in history were not obliged to pay taxes.[37] The burden of taxation was imposed mostly – as was the case with absolute monarchies – on those, who did not have the right to vote, i.e. peasants, townsmen and Jews. Most taxes (*pobory sejmowe,* general poll tax until 1717) were not permanent and they were levied only when it was necessary – due to a war, usually defensive one (since the nobility was not willing to give a permission to the fight and to sponsor the army unless there was a direct threat upon them).[38] Only in the second half of the 18th century did fiscal reforms introduce taxes that burdened the nobility to a higher degree (mostly taxes that were designed to maintain the army).[39]

The Commonwealth was burdened by much smaller debt than Eastern-European monarchies. While at the turn of the 18th century the annual income of the state of Great Britain amounted to one-fifteenth of its debt (16 mln pounds of income compared to 260 mln of debt), France – one-tenth (500 mln livres of income – 5 bln livres of debt), Austria – one-fifth (80 mln guldens of income – 360 mln guldens of debt), Poland's debt was about 20 mln zloties balanced with similar sum of the annual income.[40] One could include the private debt of the king, Stanisław II August that in 1790 was 17,5 mln zloties and in 1793 – 33 mln zloties, but they did not represent willingness of the "public" government of the Commonwealth to get into debt, but only an individual preference of the king, who hoped that his debt would be paid with someone else's money (indeed, the state did pay the debts of the monarchs twice).[41]

As regards wars, even though the Commonwealth was engaged in some, they were rarely aggressive. As mentioned above, the king had no constitutional right to wage a war without the permission of *sejm,* nor did he have money to do so since it required introducing special taxes by *sejm* (the regular income of the state was only enough to maintain several thousands of soldiers whose responsibility was to patrol and defend the borders).[42] The Republic fought only several wars that could be considered an act of aggression, and they were clearly initiatives of the kings.

[37] B. Markowski, *Administracja Skarbowa w Polsce*, Warszawa, Wyższa Szkoła Handlowa w Warszawie, 1931, p. 25.

[38] *Ibidem*, p. 25. Z. Gloger, *Encyklopedja staropolska ilustrowana*, t. IV, Warszawa, 1903, p. 52.

[39] B. Markowski, *op. cit.*, pp. 36-37; Z. Gloger, *op. cit.*, p. 51; A. Jezierski, C. Leszczyńska, *Historia gospodarcza Polski,* Warszawa, Wydawnictwo Key Text, 2003, p. 95.

[40] E. Rostworowski, *op. cit.*, pp. 100; 103-104; Z. Szpringer, *Publiczne zadłużenie Polski z perspektywy historycznej*, Analizy BAS, no. 2 (69), Biuro Analiz Sejmowych, 2012, p. 2/14.

[41] *Ibidem*, p. 2/14 (footnote); A. Jezierski, C. Leszczyńska, *op. cit.*, p. 96.

[42] E.g. in 1646 *sejm* objected to waging war with Turkey, forcing Vladislaus IV Vasa to abandon his military plans (see: J. Ekes, *Złota demokracja,* Warszawa, Instytut Wydawniczy PAX, 1987, p. 235).

In 1598 *sejm* gave a permission to Sigismund III Vasa to carry an armed venture to Sweden in order to protect the Swedish crown that hereditarily belonged to him.[43] In 1609, without the permission of *sejm*, but with the approval of *senat,* Sigismund III Vasa organised a military intervention in Russia, however, it was after a period of time when Polish nobility, lords and brawlers had been privately engaged in the Russian civil war started in 1605, with the unofficial support for the pretender for the throne by the Polish king.[44] In 1700, Augustus II the Strong attacked Sweden and started the Great Northern War, however, he did so not as a monarch of Poland, but as an elector of Saxony, his simultaneous office, using Saxon army.[45] As a result, the Commonwealth became the victim of Swedish invasion and joined the war formally in 1704.[46]

The army of the Commonwealth was not large, and in the 18th century it was exceptionally small. Until the second half of the 17th century the standing army responsible or defending borders (so-called *kwarciana army* maintained with a special tax called *kwarta* – a part of the royal income from the royal goods, zhupas and tariffs) was comprised of several thousand soldiers. In case of a threat it was supported by registered Cossacks (several thousand as well) and private troops. Additional forces (supplementary army), including *pospolite ruszenie*, were organized only in the event of a war. In the 18th century, during a period of peace, the army of the Republic amounted to 12-18 thousand soldiers (not including private troops) – incomparably less than that of France (150-180 thousand), Spain (80 thousand), Russia (130-200 thousand), Prussia (83-186 thousand), less than Great Britain (15-30 thousand; in case of a war 70-100 thousand), even less than such countries as Saxony, Bavaria, Denmark, Kingdom of Naples and Sicily, Kingdom of Sardinia or Portugal.[47] While standing armies of most European states constituted about 1% of the population (in Prussia – 3%), in Poland it was 0,1-0,2%.[48] In 1792, in the face of a critical threat the fixed number of standing army was set on 57,5 thousand soldiers (insufficient finances did not allow to increase it to previously planned number of 100 thousand). Ultimately, 70 thousand soldiers were organized to fight the war with Russia, out of which only 40 thousand were actually used in battle.[49]

The example of the Republic of Poland compared with monarchies that most accurately correspond to Hoppe's use of the term, clearly contradicts his thesis. The

[43] H. Wisner, *Zygmunt III Waza,* Wrocław-Warszawa-Kraków, Zakład Narodowy im. Ossolińskich, 1991, p. 72.
[44] *Ibidem*, pp. 108; 117.
[45] E. Rostworowski, *op. cit.*, p. 238.
[46] Making a treaty with Russia by the Sandomierz Confederation on August 30th, 1704 (see the previous footnote).
[47] E. Rostworowski, *op. cit.*, pp. 97-98.
[48] *Ibidem*, p. 98.
[49] A. Jezierski, C. Leszczyńska, *op. cit.*, pp. 69; 96.

Commonwealth, which according to his definition, was much more similar to democracy than to monarchy – and most certainly being an example of a publicly owned state – on average, had much lower fiscal burden, much smaller debt and was less willing to engage in wars than typical European absolute monarchies.

4. Leopold II of Belgium's rule in the Congo Free State vs. his rule in Belgium

Another noteworthy example could be drawing a comparison between Leopold II of Belgium's rule in the Congo Free State from 1885 until 1908 and his rule during the same period in Belgium, as well as other, neighbouring African colonies. In Belgium, Leopold II was a constitutional monarch – his power was limited by the parliament that was chosen only by the richest social groups (in 1894, only 10% of adult males were eligible to vote for the candidates to the House of Representatives and only 1000 out of 6 mln citizens were eligible to vote for candidates to the Upper House; after introducing an amendment to the constitution, 1,3 mln citizens were granted the right to vote for the candidates to the House of Representatives and 2000 – to the Upper House, however, half of the officials in this institution was chosen by provincial councils) – and his legal acts required a countersignature of ministers, who could be prosecuted if the House of Representatives decided they had broken the law.[50] The constitution of Belgium stated that the power to rule comes from the nation. In Congo, on the other hand, Leopold was „the sole arbiter of and legislator for the destinies of the Congo Natives".[51] He was an absolute sovereign and the only source of the legislative, executive and judicial power, not bound by any constitutional regulations, but only by international treaties that included Congo as their party.[52] His rule over this territory was an archetypical example of what Hoppe calls the "private government ownership."

During the reign of Leopold, free trade that had been developing rapidly in Congo was destroyed by banning local traders from selling ivory and natural rubber (and even other products, such as manioc bread) to European merchants operating on that territory.[53] The formal basis for such a law was proclaiming the whole of the "empty" land – meaning the non-built-up areas and non-farmed land – the state's property.[54] As noted by Morel, it resulted in transforming the natives of the land from the landowners into the subjects living on the government land.[55]

[50] B. Cook, *Belgium: A History*, New York, Peter Lang Publishing, 2005, p. 64; M. Vauthier, "The New Belgian Constitution", in *Political Science Quarterly*, Vol. 9, No. 4, 1894, pp. 722-723; 725.
[51] E. D. Morel, *King Leopold's rule in Africa*, London, William Heinemann, 1904, introduction.
[52] *Ibidem*, pp. 20-22.
[53] *Ibidem*, pp. 39-43.
[54] *Ibidem*, p. 78.
[55] *Ibidem*, p. 32.

The majority of the Congo's territory was given, by means of concession, to *trusts* – companies of which the majority of the shares were held by the government – and used as the private royal lands (Domaine de la Couronne).[56] Citizens living in other areas became burdened with taxes paid in nature (mostly in natural rubber, but also in other products or public service).[57] These taxes were quite high – the capital gains of the state in 1899 were 19130000 francs and in 1900 – 14991300 francs.[58] In comparison with Congo's export in 1899 – 36067959 francs and in 1900 – 47377401 francs, they constituted respectively 53% and 32%. These taxes were a significant part of the state's income (from 1898 fluctuating between 40% and 58%), being incomparably higher than in British, French and German colonies in Africa.[59] Until 1903 they were imposed arbitrarily by local government officials and in November of 1903, they were fixed on the maximum of 40 hours of public service per month – however, in reality, it did not have any considerable effect.[60]

What is more, the taxes in question were not the only form of taxation and extortion of the citizens of Congo by king Leopold.

> Until the debates of 1903 in the Belgian House, public opinion in Belgium and outside of it was made to understand that the taxation of natives in the Domaine Privé represented the summum of "taxation" exacted from the natives of the Congo. The Congo Government, in official documents, its apologists, official and unofficial, and its paid writers in the Press, have declared over and over again that the whole amount derived from the "taxation" of the natives appeared in the Budget […]. It was then made clear for the first time that, in addition to the Government "taxes" required of the natives "for benefits rendered," in the Domaine Privé stricto sensu, "taxes" were imposed upon the natives in a special section of the Domaine Privé, called Domaine de la Couronne, not for the Government purposes, but for account and on behalf of the Sovereign-King.[61]

In reality, this could be considered compulsory labour – work slavery – since if people refused to do that, they were killed – there are records of massive killings committed for this very reason.[62]

[56] *Ibidem*, p. 73; M. Ma Khenzu, *A Modern History of Monetary and Financial Systems of Congo 1885-1995*, 2003, pp. 91-95; 356 (map) (PhD thesis).
[57] *Ibidem*, p. 97.
[58] E. D. Morel, *op. cit.*, p. 66.
[59] *Ibidem*, p. 56; M. Ma Khenzu, *op. cit.*, pp. 99-100.
[60] *Ibidem*, pp. 97-98.
[61] E. D. Morel, *op. cit.*, pp. 70-71.
[62] *Ibidem*, pp.185-187.

In practice, compulsory labour was common not only on the royal and state's land, but also on areas administered by trusts.[63] Contrary to official statements claiming that the natives worked voluntarily and were offered a decent payment, they were forced to give up the set amount of natural rubber by means of violence (flogging, hostage-taking, burning villages). Female hostages were preferred to male and failure to deliver the set amount of products was punished by cutting arms off or often death.[64] As exposed by the Caudron case, it often happened that the Congo's government gave permission to private companies to collect taxes in nature, paying provision to the government agents (which was formally illegal, as ruled by the court).[65] In this particular case, the worker of *Société Anversoise du Commerce au Congo* was sentenced to prison for organizing (with the help of the government) disciplinary expeditions into natives' villages in order to kill their inhabitants. However, the governor-general who gave his permission for this and none of the government officials involved were punished in any way whatsoever.[66]

If Congolese were paid for their work at all, they were paid little, below the maximum prices set by the government, in worthless goods.[67]

The army of the Congo Free State comprised 20 thousand soldiers, not including armed forces maintained by trusts – approximately 10 thousand soldiers. Even though considering European countries, this was a ludicrously small number, in Africa it could be regarded as large armed forces, much bigger than Britain's forces in Western Africa (8000), France's in French Western Africa (12000) or Germany's in Cameroon and Togo (1800).[68] Its purpose was not fighting any external enemy (only in the beginnings of the state's existence they fought Arabs who had controlled the Eastern part of the country), but terrorizing civilians in order to force them into work slavery. Congo's soldiers murdered and crippled men, women and children – it was a common practice to cut off arms both of those dead and alive.[69] Another common occurrence was cannibalism – even with the permission of European sergeants.[70] It is worth to point out that spending on army and police was significantly higher than in other European colonies in Africa (e.g. British) and amounted even to 60% of the government spending, rarely decreasing below 40%.[71] In the course of time, Congo

[63] M. Ma Khenzu, *op. cit.*, p. 115.
[64] E. D. Morel, *op. cit.*, pp. 131; 157-158; 166-167; 169; 247.
[65] M. Ma Khenzu, *op. cit.*, p. 83; E. D. Morel, *op. cit.*, pp. 143; 146-147.
[66] *Ibidem*, pp. 139-141, 145-146.
[67] M. Ma Khenzu, *op. cit.*, pp. 57; 162.
[68] E. D. Morel, *op. cit.*, pp. 105-106.
[69] *Ibidem*, pp. 110-114.
[70] *Ibidem*, pp. 120-121.
[71] L. Gardner, The Fiscal History of the Belgian Congo in Comparative Perspective", Workshop: Colonial Extortion and Economic Development: The Belgian Congo and the Dutch East Indies Compared. University of Antwerp, 2011, retrieved 16 April 2016, from: http://vkc.library.uu.nl/vkc/seh/research/Lists/Events/Attachments/12/CH11.Leigh%20Gardner%20-%20Congo%20fiscal%20

developed a highly complex and costly administration that is considered as probably the best organized colonial administration of that time.[72]

Murders and terror, along with forced, exhausting labour, resulted in depopulation of whole areas in the country. It is estimated that during the reign of king Leopold, the population of Congo decreased by 5 up to 20 million people, which can be considered one of the most extensive genocide in human history.[73]

The example of the Congo Free State shows that, contrary to predictions implied by Hoppe's theory, the rule of the same person, acting as an absolute monarch – a private owner of the government – was characterized by much greater destruction and violation of property rights (even on the most basic level of self-possession), much greater tax burden and much greater military aggression (though addressed mostly towards civilians) than the rule of the constitutional monarch, limited by the parliament chosen through (to a large extent) democratic process.

As regards the debt of the Congo Free State, despite such an excessive extortion of the citizens, in 1905 it was more than 130 mln francs (only a part of it was included in the official budget reports), which was 430% of the annual income of the state.[74] The money from loans was spent (by the king himself) on purposes that did not have anything to do with Congo.[75] Such a rapid increase of the debt during the period of peace makes one doubt whether the tendency of the governments to reduce debt during the periods between wars during the "monarchical age", as observed by Hoppe, was indeed the result of the frugality and greater foresight of a monarch – a private government owner.[76]

5. Democratic and non-democratic governments in the 20th and 21st century

According to Hoppe, the end of the World War I can be regarded as the beginning of the "democratic-republican age" – "the point in time at which private government ownership was completely replaced by public government ownership."[77] He writes: "Everywhere, universal adult suffrage was introduced […]. A new era – the democratic-republican age under the aegis of a dominating U.S. government – had begun."[78] While pointing out that at that time the negative phenomena that he asso-

system.pdf, p. 7.
[72] *Ibidem*, p. 8.
[73] E. D. Morel, *op.cit.*, pp. 182; 185; 221; 238-241; R. J. Rummel, *Exemplifying the Horror of European Colonization: Leopold's Congo*, retrieved 16 April 2016 from: http://www.hawaii.edu/powerkills/COMM.7.1.03.HTM.
[74] M. Ma Khenzu, *op. cit.*, p. 107.
[75] *Ibidem,* p. 109.
[76] H.-H. Hoppe, *op. cit.*, p. 59.
[77] *Ibidem*, p. 42.
[78] *Ibidem*, pp. 41-42.

ciates with the high time preference characteristic of democracy were increasing, he disregards the fact that even after this point in history there were – and there still are – many non-democratic states, where the rulers are not subjects to any regulations from voters or parliaments, including dictatorships, where the ruler has the power of the absolute monarch. Formally, such states do not need to be monarchies (they might be called republics, they might have mock-republican institutions and even mock elections) and their rulers do not need to have the title of the formal owner of the state. However, from the point of view of Hoppe, they should be considered monarchs rather than democratic rulers: they owe their status to their own achievements (or the achievements of their ancestors from whom they inherit the power as in e.g. North Korea, Togo or Syria), they are not just civil servants chosen for office for a particular period of time; people are not equally capable of getting into the public offices, but it is dependent on their will.[79] While claiming that present-day monarchies, such as Great Britain, Belgium, Sweden, Norway, Denmark or Spain, "are clearly monarchies in name only" (and they are actually democracies), Hoppe himself seems to admit that the reality (of how the state is governed) is more important than formal terminology.[80] Since, from his point of view, it seems obvious that formal monarchies that in practice ruled by people chosen through elections are democracies, it should be equally obvious that formal republics governed by an irrevocable (and often hereditary) dictator, are monarchies.

However, it seems that Hoppe refuses to call the twentieth-century and present-day dictatorships monarchies. This conclusion could be based on the fact that he calls communism, fascism and national socialism simply tyrannies: "arbitrary powers, the holders of which claim to use it for the people and in fact appeal to the people, for support."[81] Even though nowhere in his work does Hoppe present reasons for why such a tyranny could not be considered a monarchy, it is worth to note that he does not regard any ideological legitimation given by the ruler a decisive factor. According to his theory, there is no basis to believe that a lifetime autocrat who claims that he uses his power for the good of his people could not be regarded as a monarch. On the other hand, the power of communist, nazi or fascist dictators was based mostly on force and not on the support of their people, who did not have any possibility to change the government through elections and rebellions (in case of communism, e.g. the Uprising of 1953 in East Germany, the Hungarian Revolution of 1956, the "Solidarity" movement of 1980-1981 in Poland) were violently put down as long as the communist system was strong enough to fight them.[82]

[79] *Ibidem,* pp. 48; 82.
[80] *Ibidem,* p. 18 (footnote).
[81] *Ibidem,* p. 42 (footnote).
[82] An example of Adolf Hitler is commonly provided in discussions as he came into power through democratic process. It is true that he was appointed as chancellor by a democratically chosen president after his political party had won the elections to Reichstag, although it had not obtained an absolute

Hoppe classifies the soviet type of communism as "public slavery," noting that, contrary to private slave-owners, soviet rulers did not have the right to sell or let their subjects on the labour market, which he believes was the reason for treating them worse than private slaves.[83] Not to ponder over whether this was actually true, it can be noted that in the eighteenth-century monarchies, monarch was not allowed to manage their free subjects in accordance with their own will, either. Hence, it is not the factor that enables one to distinguish between the private government ownership and public government ownership in his theory. The private government ownership (monopoly on jurisdiction and imposing taxes on the particular territory) does not necessarily result in private ownership of the subjects of such government – a situation in which a private government limits the freedom of the citizens so much that they are virtually slaves, but it is not their private owner allowed to trade them on the market is logically acceptable. Therefore, this does not make it impossible to regard the soviet dictatorship as a kind of a monarchy. What is more, it is not absolutely true that soviet-communist rulers did not have the right to sell or let their subjects on the labour market. North Korea made profit – and still does – by letting its subjects as workers, first to the fellow soviet regime, and now to private companies abroad, as well.[84]

It can be assumed, then, that according to Hoppe's criteria, twentieth-century and present day dictatorships, including communist and nazi regimes – with special emphasis put on the case of North Korea, where the dictatorship rule is one for a lifetime and since 1948 hereditary, and as proved above, it seems to fulfil Hoppe's criteria of a private slave-owner – are much more similar to

majority. However, after adapting the laws granting the government special powers, the influence of the people on the issue of removing him from the office and on the control of his actions disappeared completely. The legislative power that gave right to enforce decrees that were incompatible with the constitution was in the hands of the government, and in practice – Hitler himself. Next, a special decree prohibited all political parties other than National Socialist German Workers' Party (NSDAP) from taking part in politics and mock elections were organized resulting in granting all government offices to the NSDAP members. Until the end of the Third Reich era, no other elections were organized and the role of the Reichstag was only formally accepting Hitler's propositions.

[83] H.-H. Hoppe, *op. cit.*, p. 42 (footnote).

[84] See: a great number of journalistic information, e.g. A. Higgins, *In Siberia's last gulag: Conditions in North Korea's Russian logging camps, originally built for political prisoners, are reminiscent of the old Soviet gulag. But North Koreans fight to be sent to them, because from there they can defect*. Retrieved 16 April 2016 from: http://www.independent.co.uk/arts-entertainment/in-siberias-last-gulag-conditions-in-north-koreas-russian-logging-camps-originally-built-for-political-prisoners-are-reminiscent-of-the-old-soviet-gulag-but-north-koreans-fight-to-be-sent-to-them-because-from-there-they-can-defect-1425245.html; S. Smith, *North Korean labor camps in Siberia.* Retrieved 16 April 2016 from: http://edition.cnn.com/2011/12/15/world/asia/north-korean-labor-camps-in-siberia/index.html; A. Devalpo, *North Korean slaves.* Retrieved 16 April 2016 from: http://mondediplo.com/2006/04/08koreanworkers; K. Jin Mi, *Runaway Loggers on the Rise Due to Wage Cuts.* Retrieved 16 April 2016 from: http://www.dailynk.com/english/read.php?cataId=nk01300&num=7034.

monarchy than to democracy. How could they be compared to contemporary democracies?[85]

The general degree of economic freedom, and simultaneously the degree of extortion by the state – violating property rights by the state in different ways, such as taxation, regulations or inflation, as enumerated by Hoppe – in different countries has been measured by Heritage Foundation since 1995 in its *Index of Economic Freedom*. It is based on ten elements: the degree of protection of property rights in general, freedom from corruption, the degree of fiscal freedom, the level of government spending, the degree of freedom of operating business, the degree of freedom of the labour market (since 2005), the degree of monetary freedom (this factor reflects e.g. inflation), the degree of trade freedom, the degree of investment freedom and the degree of financial freedom.[86] The more points the country gets for a particular factor (maximum – 100, minimum – 0), the higher the level of particular freedom and the lower the level of the extortion by the state. Constituent grades for each factor are summed and the arithmetic mean is calculated. This average rate reflects the general economic freedom – and the extortion by the state – in each country.

While comparing the average grades of democratic and non-democratic states (both those rare "traditional" monarchies, such as Saudi Arabia, and those much more frequent, modern dictatorships) in this index during 1995-2005 (table 1), it can be noticed that the general average degree of the extortion by the state, measured as described above, is lower in democracies (although not much, taking into consideration the scale of grading from 0 to 100) than in non-democracies.[87] As regards constituent grades, non-democratic states are placed higher in terms of the lower government spending during the whole period of time in question, and in 2000, as well as 2003-2015 are placed higher in terms of fiscal freedom. Democratic states

[85] Even since 1946 if one was to acknowledge the reign of Kim Il-sung as the leader of Provisional People's Committee for North Korea before official founding of Democratic People's Republic of Korea.

[86] The data for the period since 1995 can be accessed at: http://www.heritage.org/index/explore; *2015 Index of Economic Freedom*, Appendix, Methodology: http://www.heritage.org/index/pdf/2015/book/methodology.pdf.

[87] The distinction between democratic and non-democratic states is based on the List of Electoral Democracies, FIW (1989-2015), retrieved 16 April 2016 from: https://freedomhouse.org/sites/default/files/List%20of%20Electoral%20Democracies%2C%20FIW%201989-2015.xls – for the index for each year I have applied data from a previous year (that reflect the situation of the year before the previous year), since the data for the annual *Index of Economic Freedom* come from the second half of the year before the previous year and the first half of the previous year and some of them include preceding years as well (see: e.g. 2015 *Index of Economic Freedom*, Appendix, Methodology: http://www.heritage.org/index/pdf/2015/book/methodology.pdf, p. 485). The criterion for being considered a democracy is obtaining at least 7 points out of 12 in the sub-category of Electoral Process and at least 20 (out of 40) in the category of Political Rights in the *Freedom in the World* rating. For details, see: https://www.freedomhouse.org/report/freedom-world-2015/methodology, retrieved 16 April 2016.

are characterized by higher constituent grades in all other factors considered. The most significant (and expanding) difference in favour of democratic states is clearly visible in the constituent grades concerning the degree of the protection of property rights and the degree of investment freedom. Large differences in favour of democratic states can be seen in the grades reflecting the trade freedom, financial freedom and business freedom, as well as freedom from corruption. Non-democratic states have slightly higher inflation which is reflected in the average degree of monetary freedom.

Table 1. The comparison of average grades of democracies and non-democracies according to the *Index of Economic Freedom*, 1995-2015

		FINAL GRADE	PROPERTY RIGHTS	FREEDOM FROM CORRUPTION	FISCAL FREEDOM	GOVERNMENT SPENDING	BUSINESS FREEDOM	LABOUR FREEDOM	MONETARY FREEDOM	TRADE FREEDOM	INVESTMENT FREEDOM	FINANCIAL FREEDOM
1995	DEMOCRACIES	60,9	62,1	43,4	65,1	60,8	71,5	N/A	62,3	62,5	63,8	56,9
	NON-DEMOCRACIES	52,5	47,3	34,0	61,3	68,8	64,0	N/A	55,9	48,0	48,5	44,5
1996	DEMOCRACIES	60,3	61,5	47,5	65,5	56,7	69,0	N/A	63,2	62,0	61,5	56,1
	NON-DEMOCRACIES	51,7	46,3	34,2	62,8	65,8	62,2	N/A	56,1	51,4	44,6	41,5
1997	DEMOCRACIES	60,9	62,6	46,9	65,0	58,2	69,0	N/A	65,1	62,9	61,5	57,4
	NON-DEMOCRACIES	51,3	44,6	30,5	63,7	69,8	61,1	N/A	57,7	49,8	44,0	40,9
1998	DEMOCRACIES	61,2	60,9	46,9	65,8	59,6	68,1	N/A	67,7	64,0	61,3	56,4
	NON-DEMOCRACIES	50,6	41,6	28,2	63,5	72,5	59,4	N/A	55,5	53,0	42,1	39,3
1999	DEMOCRACIES	61,9	61,3	47,0	66,9	60,1	67,8	N/A	71,6	65,0	61,8	56,2
	NON-DEMOCRACIES	50,8	40,3	28,4	64,5	73,9	57,9	N/A	61,7	52,8	41,1	36,7
2000	DEMOCRACIES	62,6	61,0	46,4	67,2	62,9	67,7	N/A	74,6	66,4	61,7	55,4
	NON-DEMOCRACIES	51,3	38,9	29,0	67,7	72,0	57,8	N/A	65,3	53,5	41,3	36,6
2001	DEMOCRACIES	63,4	60,2	46,6	68,5	66,2	67,6	N/A	76,6	67,5	61,4	55,7
	NON-DEMOCRACIES	51,9	37,2	29,8	68,0	70,6	56,8	N/A	69,7	57,8	40,5	36,8
2002	DEMOCRACIES	63,4	57,7	45,7	70,0	64,6	66,4	N/A	77,0	69,4	61,7	58,1
	NON-DEMOCRACIES	51,9	33,6	29,8	68,7	70,7	56,0	N/A	71,9	56,7	42,1	37,8
2003	DEMOCRACIES	63,1	56,1	45,0	71,0	64,1	66,9	N/A	77,4	68,1	59,3	59,5
	NON-DEMOCRACIES	53,4	35,0	29,6	72,1	74,1	56,1	N/A	73,0	57,0	42,9	40,9
2004	DEMOCRACIES	63,1	56,1	45,9	71,1	61,8	67,3	N/A	78,8	68,3	58,7	60,1
	NON-DEMOCRACIES	53,4	33,4	28,8	73,2	74,6	56,3	N/A	73,4	58,4	41,4	40,9
2005	DEMOCRACIES	63,3	56,5	46,9	71,6	60,8	67,8	62,0	79,4	70,8	56,9	59,9
	NON-DEMOCRACIES	53,7	32,0	29,2	75,8	74,2	56,3	58,3	73,2	60,7	38,7	39,0

2006	DEMOCRACIES	64,1	56,3	47,6	72,6	62,3	69,0	62,6	79,9	72,4	58,0	60,3
	NON-DEMOCRACIES	53,4	31,6	29,2	75,7	72,9	51,0	57,8	73,0	61,5	39,7	41,8
2007	DEMOCRACIES	60,1	45,6	41,2	74,5	67,3	62,7	60,5	75,2	72,0	49,6	52,0
	NON-DEMOCRACIES	53,9	30,2	31,3	77,7	74,1	52,7	57,9	71,2	66,0	37,3	40,7
2008	DEMOCRACIES	63,9	54,4	47,3	73,1	63,8	68,8	61,9	76,7	75,6	58,2	58,7
	NON-DEMOCRACIES	54,1	31,0	31,0	78,0	74,2	53,9	58,8	70,5	66,1	37,3	39,8
2009	DEMOCRACIES	62,9	52,7	46,8	73,1	61,6	68,6	61,4	76,5	76,7	56,2	55,4
	NON-DEMOCRACIES	53,8	29,5	29,4	78,0	70,8	57,1	61,1	69,8	67,3	36,4	38,7
2010	DEMOCRACIES	63,0	52,6	47,3	73,2	61,1	69,4	62,0	73,5	77,9	58,3	55,1
	NON-DEMOCRACIES	53,5	29,5	29,4	78,9	70,9	57,2	61,6	66,3	68,0	34,4	38,6
2011	DEMOCRACIES	63,4	52,6	47,6	74,1	58,2	69,7	63,1	76,2	78,1	59,6	54,6
	NON-DEMOCRACIES	54,1	29,9	29,6	79,7	72,5	56,1	58,9	69,2	69,8	36,0	39,3
2012	DEMOCRACIES	63,3	52,9	47,9	75,0	53,9	70,5	63,1	77,2	77,9	59,8	55,0
	NON-DEMOCRACIES	53,8	29,2	29,3	79,6	68,5	56,0	59,0	70,2	69,5	37,3	39,2
2013	DEMOCRACIES	63,4	52,7	47,5	75,3	55,9	70,3	62,5	76,7	77,6	60,8	55,0
	NON-DEMOCRACIES	53,7	28,7	29,7	80,2	69,2	55,7	57,6	69,0	69,5	38,7	39,0
2014	DEMOCRACIES	64,1	53,1	48,0	74,9	56,8	70,3	63,1	76,6	78,5	64,3	55,3
	NON-DEMOCRACIES	54,4	27,6	28,3	80,8	71,7	56,5	59,2	70,3	69,0	41,9	38,9
2015	DEMOCRACIES	64,0	52,0	49,8	75,3	56,7	69,2	62,2	77,5	78,8	63,9	54,7
	NON-DEMOCRACIES	54,4	26,7	31,4	80,3	69,8	55,9	59,6	71,2	69,7	40,9	38,2

Among non-democratic states, a fraction of radical dictatorships, where there are no democratic processes whatsoever, can be distinguished.[88] The comparison of democratic states with this group during 2007-2015 (table 2) shows that the average level of the extortion by the state is even higher in the latter.[89] As regards constituent grades, radical dictatorships, similarly to non-democratic states in general, are placed slightly higher during most of the period considered (except for 2013) in

[88] Countries which were attributed 0 points in the sub-category of Electoral Process in the *Freedom in the World* rating.

[89] The data given in the *Freedom in the World* rating come from the 2006-2015 period (https://www.freedomhouse.org/report/freedom-world-aggregate-and-subcategory-scores), for the Heritage Foundation ranking the data come from the previous year. Not all countries that obtained 0 points in the sub-category of Electoral Process in the *Freedom in the World* rating were classified in particular years in the *Index of Economic Freedom.* The countries taken under consideration include: Saudi Arabia, China, Equatorial Guinea, North Korea, Cuba, Laos, Swaziland, Turkmenistan, Uzbekistan and Vietnam (all years), Belarus and Fiji (2008-2015), Eritrea (2009-2015), Libya and Syria (2007-2012), Brunei (2014-2015), United Arab Emirates and Haiti (2007), Thailand (2008), Central African Republic (2015).

terms of the lower government spending, and during 2008-2010 in terms of fiscal freedom. However, the differences in their favour are not as sharp as when considering non-democratic states in general. All other constituent grades (property rights protection in particular) are in favour of democratic states.

Table 2. Comparison of the average grades of democracies and radical dictatorships according to the *Index of Economic Freedom*, 2007-2015

		FINAL GRADE	PROPERTY RIGHTS	FREEDOM FROM CORRUPTION	FISCAL FREEDOM	GOVERNMENT SPENDING	BUSINESS FREEDOM	LABOUR FREEDOM	MONETARY FREEDOM	TRADE FREEDOM	INVESTMENT FREEDOM	FINANCIAL FREEDOM
2007	DEMOCRACIES	60,1	45,6	41,2	74,5	67,3	62,7	60,5	75,2	72,0	49,6	52,0
	RADICAL DICTATORSHIPS	46,2	22,0	27,7	74,1	67,8	41,4	49,7	66,4	60,6	26,0	26,0
2008	DEMOCRACIES	63,9	54,4	47,3	73,1	63,8	68,8	61,9	76,7	75,6	58,2	58,7
	RADICAL DICTATORSHIPS	46,7	23,8	26,5	73,2	66,8	47,8	51,8	65,5	60,2	25,6	25,6
2009	DEMOCRACIES	62,9	52,7	46,8	73,1	61,6	68,6	61,4	76,5	76,7	56,2	55,4
	RADICAL DICTATORSHIPS	45,7	19,4	25,1	73,3	62,9	45,3	51,7	63,9	65,3	25,6	24,4
2010	DEMOCRACIES	63,0	52,6	47,3	73,2	61,1	69,4	62,0	73,5	77,9	58,3	55,1
	RADICAL DICTATORSHIPS	44,4	18,8	25,1	73,4	61,7	45,4	51,5	61,1	66,5	16,9	23,8
2011	DEMOCRACIES	63,4	52,6	47,6	74,1	58,2	69,7	63,1	76,2	78,1	59,6	54,6
	RADICAL DICTATORSHIPS	45,3	19,1	25,7	73,7	64,6	44,8	51,0	64,7	67,1	17,6	24,7
2012	DEMOCRACIES	63,3	52,9	47,9	75,0	53,9	70,5	63,1	77,2	77,9	59,8	55,0
	RADICAL DICTATORSHIPS	43,9	18,8	24,2	74,5	54,4	45,2	48,8	65,3	67,5	16,6	23,8
2013	DEMOCRACIES	63,4	52,7	47,5	75,3	55,9	70,3	62,5	76,7	77,6	60,8	55,0
	RADICAL DICTATORSHIPS	44,1	18,1	25,7	72,7	55,4	47,8	52,5	61,0	64,7	19,2	23,8
2014	DEMOCRACIES	64,1	53,1	48,0	74,9	56,8	70,3	63,1	76,6	78,5	64,3	55,3
	RADICAL DICTATORSHIPS	46,9	19,3	26,2	74,8	62,2	49,9	56,9	61,8	66,2	26,4	25,7
2015	DEMOCRACIES	64,0	52,0	49,8	75,3	56,7	69,2	62,2	77,5	78,8	63,9	54,7
	RADICAL DICTATORSHIPS	45,4	18,6	29,7	70,6	60,5	43,8	52,4	62,7	65,0	25,0	25,7

North Korea has been placed last from the very first publication of the index, significantly standing out among other states and its rate even decreased from 8,9 in 1995 to 1,3 in 2015. In comparison, the final grade of South Korea, classified as a democracy, balanced between 66,4 (2005) and 73,3 (1998), while all of its constituent grades were incomparably higher than those of North Korea. The comparison of these two states is particularly important for two reasons. Firstly, before they came into being as two separate states, they used to be a one, undivided country inhabited by one nation under one rule. Therefore, the difference between their degrees of the

extortion by the state cannot be explained by cultural or historical differences, nor can they be based on the difference in the initial conditions. Secondly, considering that modern dictatorships – as argued above – are much more similar to monarchies than democracies, North Korea should be regarded as the essence of monarchy as understood by Hoppe, even more than eighteenth-century monarchies or few modern official absolute monarchies such as Saudi Arabia or Brunei. The rulers of North Korea not only take the office for a lifetime and it is hereditary, not only are they absolute autocrats worshipped in a way that eighteenth-century monarchs would envy, but they also – as mentioned before – let their subjects as workers on the international labour market on regular basis, which according to Hoppe's criteria, makes them something close to the private slave-owners.[90]

The annual report presented by the Frasier Institute – *Economic Freedom of the World* – is yet another classification that aims at measuring the degree of the economic freedom (and what follows, the degree of the extortion by the state). This index takes into consideration five factors: 1) Size of Government (the consumption by the state and all transfer payments related to various entitlement programs, the degree of the tax burden and the scale of government companies and investments), 2) Legal System & Property Rights (independence of the jurisdiction, protection of property rights, impartiality of the courts, the degree of the armed intervention into the rule of law and politics, integrity of the legal system, the performance bond, regulations of the real estate trade, accountability of the police and the costs of crime), 3) Sound Money (money supply growth rate, standard deviation of inflation rate,

[90] In 2013, the "Ten Great Principles for the establishment of a monolithic thought system of the KWP" which are considered the ultimate rules for the government's and society's co-existence that people have to learn by heart, were altered. Apart from changing the name into "Ten Great Principles for the establishment of a monolithic leadership system of the KWP," the former dictator Kim Jong-il was put on a par with his father, Kim Il-sung, which is reflected especially in the change of the phrase "Make absolute the authority of the Great Leader Comrade KIM Il Sung" into "Make absolute the authority of the Great Leader Comrade Kim Il-sung, Comrade Kim Jong-il and the Party, and defend it to the death." In this statement, *the Party* refers to the current dictator, Kim Jong-un, the grandson of Kim Il-sung. Another phrase which was added to the document states that the Party needs to be an eternal living pulse of the revolutionary patrimony with the bloodline of Mount Paektu (*the bloodline of Mount Paektu* refers to Kim Il-sung's family). This is the official declaration of and legitimation for the power of the family of Kim Il-sung in North Korea. See: I. Jiro, *Program for the Legitimization of Kim Jong-un Regime,* retrieved 18 April 2016 from**:** http://www.asiapress.org/rimjingang/english/report/2013-10-23/; P. Chang-ryong, *Kim Il-sung Portraits replaced by Kim Il-sung – Kim Jong-il Duo*, retrieved 18 April 2016 from: http://www.asiapress.org/rimjingang/english/report/2014-10-28/; K. Jin Mi, *NK Adds Kim Jong Il to 'Ten Principles', r*etrieved 18 April 2016 from: http://www.dailynk.com/english/read.php?cataId=nk01500&num=10828; A. Yoo, *North Korea rewrites rules to legitimise Kim family succession*, retrieved 18 April 2016 from: http://www.scmp.com/news/asia/article/1296394/democratic-peoples-monarchy-korea-north-korea-changes-ruling-principles. The previous version of the text can be accessed at the Citizens' Alliance for North Korean Human Rights website: http://eng.nkhumanrights.or.kr.

inflation in the previous year and the freedom to have foreign bank accounts), 4) Freedom to trade internationally (tariffs, regulations, black market exchange rates and limitations put upon the movement of capital and people) and 5) Regulation (of the credit market, labour market, business and the costs of bureaucracy and corruption).[91] The scale of the constituent grades is 0-10 – the lower the grade, the lower the degree of the government extortion and the higher the degree of the economic freedom. The comparison of the average grades of democratic and non-democratic states based on the data provided by the Frasier Institute's website considering reports from 2000-2012, 1990 and 1995 (table 3) reflects the conclusion drawn from the Heritage Foundation index, even though the number of states considered is lower and it lacks some long-term dictatorships, including radical ones, such as: Belarus, Cuba, Eritrea, Equatorial Guinea, Laos, North Korea, Turkmenistan and Uzbekistan – this is why there is no point in creating a separate comparison for radical dictatorships.[92]

Table 3. Comparison of the average grades of democracies and non-democracies according to the *Economic Freedom of the World* in 1990, 1995 and 2000-2012.

		Summary Index	Size of Government	Legal System & Property Rights	Sound Money	Freedom to trade internationally	Regulation
1990	democracies	6,2	5,7	6,0	6,7	6,3	6,1
	non-democracies	5,0	5,3	4,4	5,9	4,3	4,9

[91] *Economic Freedom of the World: 2014 Annual Report.* Retrieved 16 April 2016 from: http://www.freetheworld.com/2014/EFW2014-POST.pdf, pp. 3-6, 231-243.

[92] The global report by the Frasier Institute of 2014 – perennial data: http://www.freetheworld.com/2014/Master-Index-2014-Report-FINAL.xls; the ranking for each year is presented in the report two years later (e.g. the report of 2014 is based on the data from 2012), the data presented in this index concern the year that that they regard, not the year of the publication of the report. The distinction between democratic and non-democratic states is based on the List of Electoral Democracies, FIW (1989-2015): https://freedomhouse.org/sites/default/files/List%20of%20Electoral%20Democracies%2C%20FIW%201989-2015.xls – for the ranking for the particular year, I have adopted the data from the following year (that refer to the situation during the year that the ranking concerns). The criteria for being qualified as a democracy is obtaining at least 7 point out of 12 points on the sub-category of Electoral Process and at least 20 (out of 40) points in the category of Political Rights in the *Freedom in the World* rating; for details, see: https://www.freedomhouse.org/report/freedom-world-2015/methodology. The countries listed above have obtained 0 points in the sub-category of Electoral Process in the *Freedom in the World* rating during all, or majority of, years that were considered in the summary available at: https://www.freedomhouse.org/report/freedom-world-aggregate-and-subcategory-scores.

1995	DEMOCRACIES	6,3	5,6	6,2	6,6	7,2	6,0
	NON-DEMOCRACIES	5,6	6,2	5,0	6,0	5,3	5,3
2000	DEMOCRACIES	6,8	5,9	6,3	7,7	7,4	6,5
	NON-DEMOCRACIES	6,1	6,4	5,1	7,2	6,0	5,7
2001	DEMOCRACIES	6,7	6,0	5,9	8,0	7,5	6,2
	NON-DEMOCRACIES	6,0	6,4	4,8	7,2	6,1	5,7
2002	DEMOCRACIES	6,8	6,1	5,7	8,2	7,5	6,7
	NON-DEMOCRACIES	6,0	6,4	4,5	7,1	6,1	6,0
2003	DEMOCRACIES	7,0	6,4	5,8	8,2	7,6	6,8
	NON-DEMOCRACIES	6,1	6,3	4,7	7,1	6,2	6,2
2004	DEMOCRACIES	6,9	6,5	5,7	8,3	7,5	6,7
	NON-DEMOCRACIES	6,0	6,3	4,6	7,1	6,0	6,0
2005	DEMOCRACIES	7,0	6,5	5,8	8,2	7,3	7,0
	NON-DEMOCRACIES	6,2	6,6	4,9	7,0	6,2	6,4
2006	DEMOCRACIES	7,0	6,6	5,9	8,3	7,4	7,0
	NON-DEMOCRACIES	6,3	6,5	5,1	7,1	6,2	6,5
2007	DEMOCRACIES	7,1	6,5	5,9	8,3	7,4	7,0
	NON-DEMOCRACIES	6,4	6,7	5,1	7,2	6,3	6,6
2008	DEMOCRACIES	7,0	6,5	5,9	8,3	7,4	7,0
	NON-DEMOCRACIES	6,3	6,6	5,0	7,0	6,2	6,6
2009	DEMOCRACIES	7,1	6,2	6,0	8,5	7,5	7,1
	NON-DEMOCRACIES	6,3	6,6	5,0	7,1	6,3	6,7
2010	DEMOCRACIES	7,1	6,3	6,0	8,6	7,5	7,1
	NON-DEMOCRACIES	6,4	6,6	4,9	7,3	6,4	6,8
2011	DEMOCRACIES	7,1	6,4	6,0	8,6	7,4	7,1
	NON-DEMOCRACIES	6,4	6,6	4,9	7,3	6,5	6,8
2012	DEMOCRACIES	7,1	6,4	5,9	8,6	7,4	7,2
	NON-DEMOCRACIES	6,4	6,6	4,8	7,4	6,4	6,9

The average degree of the government extortion measured according to the rules described above, was slightly higher in non-democratic states in all the years considered. As regards the constituent grades, democratic states were more freedom-oriented in all the years considered in four out of five factors (Legal System & Property Rights, Sound M, Freedom to trade internationally and Regulation). Non-democratic states in 1995, 2000-2002, 2005 and 2000-2007 periods were more freedom-oriented in terms of Size of Government. It is worth to examine different components of these

results. In case of the Size of Government, non-democratic states were better (assuming that government extortion is harmful) in terms of the government consumption compared to the overall consumption, transfers and subsidies as part of the GDP and (with the exception of 1990) tax rates. They were worse in terms of the government companies and investments in the economy. In case of regulations, non-democratic states were better in all the years considered in terms of hiring and firing regulations, centralized collective bargaining, minimum wage (except for 2002), administrative requirements for conducting business, since 2006 – bureaucracy costs and since 2009 – private sector credit. On average, they were worse in terms of private ownership of banks, interest rate controls, conscription, licensing restrictions, how easy it is to start a business, time costs related to the tax compliance and extra payments/bribes/favouritism. As regards Sound Money, Freedom to trade internationally and Legal System & Property Rights, in almost all of the components of these grades, in all the years considered, democratic states proved to be more freedom-oriented (with the exception of the costs of crime, in which case the average grades in different periods varied, but usually were very close).

The two reports show clearly that while both non-democratic, as well as democratic, states violate private property in all possible manners, non-democratic states exploit citizens in slightly different ways than democratic ones. While the latter extort them by imposing taxes that are later used to sponsor official entitlement programs, transfers and other government expenditures, as well as by imposing societal regulations (hiring and dismissing employees, collective bargaining, minimum wage) – which suggests redistribution for the benefit of different groups involved in democratic fight for power – non-democratic rulers prefer imposing regulations that limit possibilities of conducting business in order to limit the competition (licensing, tariffs, trade regulations, real estate trade market regulations, obstructions to starting larger business) and are less willing to protect property rights – that, together with higher direct participation in the economy (government companies and banks), as well as more widespread corruption, suggests redistribution for the benefit of the rulers themselves or privileged groups related to them. It is not surprising that this kind of extortion is not necessarily reflected in bigger government spending since the income might go straight to the pockets of these people. This redistribution is also implied by the tendency of the non-democratic states for higher inflation – as inflation is beneficial, at the expense of other market participants, for the one who first spends the money that appears on the market.[93]

According to the criteria assumed by the authors of both reports, the average degree of economic freedom in modern democratic states is slightly higher – and, simultaneously, the average degree of the state extortion is slightly lower – than in

[93] See: e.g. J. Hülsmann, *Ethics of Money Production*, Auburn, Ludwig von Mises Institute, 2008, pp. 100; 104.

non-democratic states. One might argue that these reports do not compare in measurable terms – terms of money – the extortion resulting from various forms of government intervention into the private property, and that it is impossible to assess whether regulations of trade freedom, licensing, inflation, ineffective protection of property rights and the higher share of government companies and banks in the economy result in x-dollars or x-euro higher redistribution than higher taxes and regulations of the labour market. However, it is safe to conclude that these results do not prove Hoppe's thesis that democracies unequivocally violate property rights to a greater extent than monarchies. North Korea seems to constitute an obvious counter-example.

As regards the tendency to engage in wars, even though a number of researchers claim that there is no clear difference between democratic and non-democratic states in these terms, empirical data seem to confirm the thesis that the more democratic the state is, the less willing it is to use violence externally.[94] They also show that modern democratic states almost never wage wars against one another.[95] During the period of 1819-1991 there were 198 wars recorded (with the death poll of at least 1000 people) between non-democracies and non-democracies, 155 wars between non-democracies and democracies and no wars between (stable) democracies and democracies.[96] In terms of victims on the state's own side, non-democratic states lead, as well.[97]

It should be added that in the 20th century totalitarian and authoritarian dictatorships were by far most aggressive towards their own civilians, murdering them mercilessly, which is the violation of the most basic private property, self-property. In the ranking of 20 most deadly regimes (based on the total number of killed vic-

[94] R. J. Rummel, *Democracies ARE Less Warlike Than Other Regimes*, in: *European Journal of International Relations 1*, 1995, retrieved 20 April 2016 from: https://www.hawaii.edu/powerkills/DP95.HTM.

[95] R. J. Rummel, *Libertarianism and International Violence*, in: *The Journal of Conflict Resolution* 27, 1983, retrieved 20 April 2016 from: https://www.hawaii.edu/powerkills/DP83.HTM – empirical data examined in this paper reveal that during 1976-1980 period, countries characterized by "political freedom" (democracies that respect the citizen rights, but not necessarily economically free) were not involved in any wars between one another. Rummel also Refers to the works of other researchers, showing that 14 strong democracies during 1920-1965 period were not involved in any wars against one another, and in the period of 1816-1980 only two marginal cases of wars between democratic countries (defined even more broadly, i. e. only as ones where electoral process and parliament existed) were recorded: Finland that together with Nazi Germany attacked Soviet Union, technically entering the war with allied democracies fighting against Hitler and the First Italian War of Independence in 1849.

[96] *Idem*, *Death By Government*, New Brunswick, Transaction Publishers, 1994, table 1.1.: https://www.hawaii.edu/powerkills/NOTE1.HTM; https://www.hawaii.edu/powerkills/DBG.TAB1.1.GIF; see also: *Idem*, *Power Kills, Appendix 1.1, Q And A On The Fact That Democracies Do Not Make War On Each Other*, retrieved 19 April 2016 from: https://www.hawaii.edu/powerkills/PK.APPEN1.1.HTM.

[97] *Idem*, *Democracies...*, *op. cit.*

tims), there is only one democratic state – Great Britain.[98] The list is dominated by communist (8, out of which 6 are placed in the first 10), nazi and authoritarian (10) dictatorships. Considering the number of killed civilians (annually) as percentage of all citizens, the first 15 states on the list are all dictatorships.[99] It is worth to note, however, that regardless of the actual power in the hands of dictators, two states out of the first 15 (Turkey in 1909-1918 and Romania in 1938-1948) were formally monarchies.

The abovementioned examples – both historic and modern – show that if one was to compare states existing in the same periods in history, one would conclude that those more similar to democracies are not characterized by a higher degree of the extortion by the state than those closer to monarchies – it is the other way round. Simultaneously, Hoppe is undoubtedly right emphasizing the increase of the state extortion becoming more rapid since "republican-democratic era." What could be the cause of this increase and why was it concurrent with the dissemination of democratic states?

6. Dissemination of democracy and the growth of the governments in modern times from the perspective of non-Marxian historical materialism

Attempts to answer this question have been made by Nowak in his own theory – non-Marxian historical materialism. According to him, both the government with its institutional structure and the system are only the reflection of actual relations of power inside the class of the rulers (managers of the use of force) and relation between the class of rulers and citizens (those who do not have the right to manage

[98] *Idem*, *Death..., op. cit.*, chapter 1: "20th Century Democide": https://www.hawaii.edu/powerkills/DBG.CHAP1.HTM (table 1.2); it is worth to notice that almost half of the victims are attributed to the 1900-1919 period, which coincides with Hoppean "monarchist era" (*Idem*, *Statistics of Democide: Genocide and Mass Murder Since 1900*, Charlottesville, Center for National Security Law, School of Law, University of Virginia, 1997, chapter 14: "The Horde of Centi-Kilo Murderers: Estimates, Calculations, And Sources": https://www.hawaii.edu/powerkills/SOD.CHAP14.HTM – table 14.1E). In this table, Rummel additionally estimates the number of victims of colonialism (conducted by all countries) as 50 million, however, this number is not explained in detailed way and might result from extrapolation of the experience of the Congo Free State to all other colonies (see: https://www.hawaii.edu/powerkills/COMM.7.1.03.HTM – Rummel estimated the number of colonialism victims as 870 thousand).

[99] *Idem*, *Death..., op. cit.,* chapter 1: "20th Century Democide": https://www.hawaii.edu/powerkills/DBG.CHAP1.HTM (table 1.3); it is worth to note that the Polish government during the 1945-1948 period is not considered communist, but authoritarian (which should be regarded as a mistake, considering Rummel's explanation of the responsibility of this government for the ethnic cleansing conducted on the previously German territories attributed to Poland after the World War II which clearly show that communists controlled the Polish government at that time – See: *Idem*, *Statistics Of Poland's Democide: Addenda*, retrieved 19 April 2016 from: https://www.hawaii.edu/powerkills/SOD.CHAP7.ADDENDA.HTM).

the use of force).[100] Particular individual members of the ruling class pursue maximizing the sphere of their control over citizens (authoritative regulation) with the competition mechanism in act – if one of them devotes energy to something other than dissemination of his power, he eventually loses the race.[101] The natural hierarchy based on the spheres of influence of the rulers is created, in which the institution whose aim is to control their competition (partly, since there are also *eminence grise*) is the pyramid of the state power that indicates the functions of the highest ruler, elite and the power apparatus.[102] The highest ruler (king, dictator, president, prime minister etc.) has the function to which the largest sphere of influence is attributed, with the larger "social power," however this sphere is not so great when compared with the sum of the spheres of influence of the dozens or even hundreds of thousands of apparatchiks. Therefore, he cannot rule against their will and "needs to adjust his policy to what has already been done: often disregarding or even contrary to the general commands."[103]

The tendency towards spontaneous maximization of the authoritative regulation (i.e. violation of property rights of other people) by the managers of the use of force, mostly the hundreds of thousands of apparatchiks, is natural and constant, and the only factor that constitutes a barrier for it is resistance of the citizens. The strongest group among them is the class of the means of production managers (referred to by Nowak as "the owners") that throughout most of the history was sufficient to control the pursuits of the rulers, preventing them from interventions, especially in economy – in some periods that group even managed to subjugate the rulers. However, when this class is weakened (e.g. as a result of mass revolts of the working class – the "direct producers" – or as a consequence of divisions within the class itself resulting from the emergence of new, progressive relations of production – such as the distinguishing of the bourgeoisie at the end of the feudal formation), the authoritative regulation gets stronger.[104] It decreases – temporarily or for a longer period of time – only in the event of the victorious "civil revolutions," i.e. common disobedience of all the citizens, both direct producers, as well as the owners, to the class of rulers.[105] The increase in the authoritative regulation is accompanied by the

[100] L. Nowak, *U podstaw teorii socjalizmu, tom I: Własność i władza. O konieczności socjalizmu*, Poznań, Wydawnictwo NAKOM, 1991, p. 158.
[101] *Ibidem*, p. 159.
[102] L. Nowak, *U podstaw teorii socjalizmu, tom III: Dynamika władzy. O strukturze i konieczności zaniku socjalizmu*, Poznań, Wydawnictwo NAKOM, 1991, pp. 105-110.
[103] *Ibidem*, p. 111.
[104] *Idem*, *U podstaw teorii..., tom I, op. cit.*, p. 212. For examples of the increase in regulation by the end of what Nowak understands as the feudal age, see: e.g. J. Woziński, *Monarchia absolutna Ludwika XIV czyli krwawy karnawał państwa*, retrieved 19 April 2016 from: http://nczas.com/publicystyka/monarchia-absolutna-ludwika-xiv-czyli-krwawy-karnawal-panstwa.
[105] L. Nowak, *U podstaw teorii..., tom III, op. cit.,* pp. 88, 92-94; *Idem*, *U podstaw teorii..., tom I, op. cit.*, p. 217.

development of statization, which Nowak understands as not only intervention of the state in the lives of the citizens, but a deeper process of substituting direct social relations between people with artificial relations of the citizen-state-citizen type, e.g. the necessity of "sanctioning" actions between citizens by the state.[106] In these terms, the government interference is constant and difficult to eliminate.

Nowak observes that in capitalism, unlike prior socio-political-economic formations – slavery or feudalism – the economic class war of the direct producers, including mass revolts ("people's revolutions"), tends to disappear as the class of means of production managers, owing to the technological development enabling them to produce never before experienced surplus of wealth, can "bribe" the direct producers by sharing this surplus with them. This, in turn, makes them less willing to organize mass revolts since they have much more to lose.[107] This is why these revolts, even if in the beginning they still do break out, do not require – unlike in prior formations mentioned above – the armed response from the state, and the class of the owners is no longer forced to introduce changes in the relations of production, which results in the fact that they are no longer divided and weakened. As a consequence, the phase of peace between the classes of rulers and citizens is remarkably long-lasting and the class of the managers use of force is relatively weak and can strengthen its influence only through slow evolution.[108] As Nowak notes: "For a long time, revolution was for the state the excuse for escaping the control of the private property. Eliminating the class conflict through economic means enabled the bourgeoisie to subjugate the state, permanently."[109] This was the reason for the dissemination of democracy.

Nowak defines democracy as a system in which the civil society is in possession of institutional means of control over some of or all of the components of the state power pyramid (the highest ruler, the power elite, the state apparatus).[110] He claims that democracy is an optimum system for the government during the period of peace between the classes of the rulers and the civilians, when "every new regulation contributes to growing civilians' resistance – the more control the government pursues, the higher civilians' resistance" since even though it temporarily hampers the development of the authoritative regulations,[111] it

[106] *Ibidem*, pp. 159-160.
[107] Nowak believes that capitalism is characterized by constant and rapid development of the productive forces and the maximization of accumulation (see: *Ibidem*, p. 222).
[108] See: *Idem*, *U podstaw teorii..., op. cit., tom III*, p. 65; *Idem*, *U podstaw teorii..., op. cit., tom I*, p. 229.
[109] *Ibidem*, p. 352.
[110] In this sense, one might regard as democracy i. e. "Rome's political system's first phase" (I assume, that Nowak means here the phase of early republic rather than monarchy) or feudalism, under which "some citizens – landowners in particular – were in strict control of the government power", see: *Ibidem*, p. 350.
[111] *Idem*, *U podstaw teorii..., op. cit., tom III*, p. 124.

> allows for [...] elimination of incompetent public officers and, using the threat of dismissing those competent, puts he pressure on them to become even better. Any other system would decrease the efficiency of the government in the period of peace between classes, making it more difficult to make use of the only strategy it could undertake in such conditions that serves its most important aim: manipulating the masses so that they do not see the slow and gradual, yet constant, increase in the authoritative regulation.[112]

It is also one of the three systems (two others are temporary multi-governments and anarchy) that are optimal for a civil society aiming at increasing its independence from the government. This is why, the system relations during the period of class peace are balanced under democracy.[113] However, as long as this period was a rare occurrence in history (in fact, only immediately after entering new socio-economic formations: feudalism and capitalism) and did not last long due to revolutions and necessity to resort to government force by the owners, democracy was a rare occurrence as well, since the systems adjustment to the contemporary relations between the rulers and citizens is not an immediate process. Besides, for different relations of this kind, non-democracies are optimum for the rulers (Nowak distinguishes three of them: autocracy, dictatorship and despotism).[114] The fact that democracy started to spread and become lasting was the result of the described characteristic of capitalism, which, due to continuing period of class peace, contributed to achieving the optimum system by most of the states.

However, if "eliminating the class war by economic means enabled the bourgeoisie to take control over the government," why did history witness the growth of the

[112] *Ibidem*, p. 113. A careful reader might be struck by a paradox: if the civil society is not satisfied with the increase in the authoritative regulation, the democratic control over the government power should empower them and result in dismissing those "most efficient" public servants – those who are responsible for the increase in the authoritative regulation. Moreover, if the democratic control hampers the increase in the regulations, what incentive does the government have to maintain it? The answer is: it defers the threat of widespread dissatisfaction and the necessity of concessions or an early revolution – the substitution of most of the ruling class – when the government is too weak. Hence, the "most efficient" ones are not those who carelessly increase the authoritative regulation in a rapid manner, but those who do it sensibly – not to make the civil society dissatisfied. Nowak does not state this directly, but it can be concluded from the note made on page 124: "As regards the scheme I, the hierarchical government enjoys the following benefit: democratic institutions to some extent reduce the increase in the civil alienation allowing for reaching compromises, solutions that are more often than not beneficial for the citizens. […] This implies that the period of peace between the classes is being prolonged." According to the scheme I (*ibidem*, pp. 87-95), revolutions during the stage of the ending of the class peace when the government is weak result in substitution thereof with revolutionary government or – at other stages – concessions on the government's part.

[113] *Ibidem*, p. 118.

[114] *Idem*, *U podstaw teorii..., op. cit., tom I*, p. 218; *Idem*, *U podstaw teorii..., op. cit., tom III*, pp. 111-115.

extortion by the state under capitalism coinciding with the spread of democracy? The weak power should not be able to increase its influence. On the other hand, according to what has been already stated above, the increase in government regulations should result in the citizens' resistance and termination of the class peace period – i.e. entering such class relations between the state and citizens under which democracy would no longer be an optimum.

Eventually, the time came when the class of the owners weakened under capitalism. Nowak refers to this period as the "economic crash phase" and believes it to be an inevitable result of the termination of the class war – under capitalism, direct producers were gaining wealth and therefore they did not mount any resistance and the owners no longer felt they needed to share their income with them, which in turn resulted in decreasing demand.[115] Even if this explanation for the worldwide economic crises in the first half of the 20th century – i.e. the time when the state extortion actually increased – is wrong, these crises (the Depression of 1920-21, Great Depression in 1929-1933 and crises during the world wars in countries whose territory served as battlefields) were an actual historic truth. As a result of the weakening of the owners class, the managers of the use of force began to viciously maximize their influence, entering the economic sphere with no need to deal with much resistance. Free from the owners class's control, the class of rulers began developing the military power, increasing its influence on and control over economy, gradually becoming the subject of economic life itself.[116] In the meantime, due to the termination of the economic class struggle under capitalism, there were no mass revolutions. In the broad sense, the relation between the rulers and majority of citizens was peaceful, and rulers strove to prolong this state by means of redistribution.[117] The class of former owners started to gradually disappear, substituted with the economic bureaucracy that was more willing to cooperate with the government.[118] That was the beginning of the process of totalitarization of capitalism – merging of the rulers and owners into one class that possessed both the means of production and coercion.[119] For a while, the period of class peace was endured despite the growth of statization – only marginal groups in society (e.g. youth) mounted any resistance.[120] Democracy was still an optimum system – since there was no threat of a mass revolution, there was no threat of making use of democratic means of control over the government and there was no need to eliminate them – it might have been even considered inadvisable since it could have provoke resistance.[121]

[115] *Idem*, *U podstaw teorii..., op. cit., tom I*, pp. 107-118; 233-234.
[116] *Ibidem*, pp. 235-236.
[117] *Ibidem*, p. 235.
[118] *Ibidem*, p. 236.
[119] *Ibidem*, p. 238.
[120] *Ibidem*, pp. 237, 239.
[121] For when the elimination of democracy is beneficial for the government, see: *Ibidem*, p. 348; *idem*,

The increase in the extortion by the state (that can be expected as a natural consequence of the growing statization and increasing authoritative regulations from Nowak's perspective) is not a result of democracy, but rather a phenomenon that coincides with it due to specific conditions that allowed for the growth of the government and the sphere of authoritative regulation while the lasting class peace period between the rulers and the ruled. These conditions included the weakening tendency of the people to revolt – people, bribed by exceeding wealth first by the owners of the means of production, then by the managers of the use of force who seized them from the former and took their role, were not willing to revolt and therefore, the ruling class did not need to resort to more authoritative forms of government. Simultaneously, the lasting period of class peace allowed for the increase of statization – and *eo ipso*, state extortion – since there were no revolutions that would make it possible to lessen the increase in the authoritative regulation.

The increase in the authoritative regulation and statization resulting in the growing extortion by the state are also known in contemporary non-democratic states, since they are at the more or less similar stage of the historical process (the truth that they are not democratic might be a result of the fact that at some point, due to some peculiar conditions, they left the state of the class peace or it might be just a statistical deviation – even though democracy is an optimal system under the class peace between the rulers and the citizens, it is not necessary that each and every society live under democracy. Nowak notes:

> the natural sequence of political systems of societies […] does not need to be reflected in every case. All that can be said is that it determines the direction of the tendencies on both sides of the social conflict in all societies of the same type and that – assuming idealized conditions – this tendency will be getting closer to realize this sequence in most societies. It does not refer to the natural sequence of political systems of societies alone, but even to the sequence of the optimum system for each class).[122]

However, since democracy hampers the current increase in the authoritative regulation (which, during the period of class peace is the cost paid by the current ruling class for avoiding revolutions, i.e. decreasing the probability of losing power) it is not surprising that the average level of the extortion by the state in non-democratic states is higher – even though the average level of redistribution and social regulation is lower, which is completely understandable since the latter are the cost paid for the class peace – and there is no class peace in at least part of modern non-democratic states.

U podstaw teorii..., op. cit., tom III, pp. 114; 127.

[122] *Ibidem*, p. 120.

What is more, if Nowak is right, one might assume that the growth of statization eventually leads to disturbing the class peace, which means that democracy is no longer an optimum system and should be substituted with non-democratic forms of government (autocracy, dictatorship, despotism).[123] Nowak described first symptoms of this process – such as the phenomenon of moving the people in power from the legislative bodies into institutions of executive power, sometimes the hidden ones (presumed "advisory" bodies of the executive power) – in 1986, long before e.g. the creation of the European Union in the form we know today.[124]

Nowak's thesis also, to some extent, explains the case of North Korea. It is, similar to the Soviet Union and other communist states, a totalitarian society in the understanding referred to above, and even its natural consequence – socialist society (one, in which one class controls not only means of production and coercion, but also means of "spiritual production" – indoctrination).[125] Therefore, it is at a different level of the historical process, for which the optimum system might be dictatorship or despotism and the level of the growth of statization with resulting growth in the extortion by the state is incomparably higher than in societies in which the classes of rulers and owners are (still) differentiated – this is reflected in the results of the economic freedom indices. What is peculiar in North Korea however, is the fact that while other communist states have – in one way or another – abandoned socialism and totalitarianism or are still in the process of abandoning them (as foreseen by Nowak), the state ruled by Kim Jong-un seems to have enslaved the citizens permanently. However, this might be a statistical deviation as well and might change sooner or later.

7. Weak points in Hoppe's argumentation – conclusions

The explanation based on Nowak's theory is a possible theoretical explanation of the phenomenon of coinciding spread of democracy and the growth of the extortion by the state beginning in the 20th century, which proves that in order to explain this fact coherently, there is no need to acknowledge a positive dependency between the degree of democratic nature of the government and the degree of state extortion. This phenomenon is not a convincing argument for Hoppe's thesis that democracy is more harmful than monarchy. Simultaneously, empirical data showing that while comparing states in the same historical periods, those more democratic ones are not characterized by the higher degree of the state extortion than those more similar to monarchies in nature make one doubt Hoppe's theory. Although Hoppe himself

[123] *Idem*, *U podstaw teorii..., op. cit., tom I*, p. 238; *Idem*, *U podstaw teorii..., op. cit., tom III*, pp. 117-118.
[124] *Idem*, *U podstaw teorii..., op. cit., tom I*, p. 342.
[125] *Ibidem*, p. 238.

seems to believe that empirical data cannot refute "a priori theory" which describes the necessary facts and relations and if they do not match, they should be rejected as nonsensical, such approach should be dismissed as incompatible with logic.[126] If a particular sentence concerning "necessary facts and relations" (or more broadly – a theory which is a coherent set of such sentences) is logically followed by the existence of some concrete relation in reality, and if this relation does not exist in reality (which can be examined empirically), it is logical that the particular sentence is wrong. As Hoppe himself states, logic questions presumption – and one needs to remember that this refers not only to presumptions on the empirical, sensory reality, but also to presumptions universal in nature. Obviously, empirical data can be tainted by an error or misinterpreted, and should not be treated as an ultimate truth, but rejecting them in a situation when no error or misinterpretation have been noticed, just because someone believes questioning statements that are incompatible with them to be "obviously absurd," gives dominion over logic to subjective perception of obviousness and necessity. If one were to treat e.g. physics in this manner, the results of Michelson-Morley experiment should be rejected (this experiment showed that, contrary to what was believed at that time, the speed of light in relation to Earth is independent of the direction of the planet's motion). Not always what seems obvious and compatible with reason is true.

Of course, Hoppe acknowledges that "a priori theories" are not infallible, however, he claims that to refute them, one needs to refer to other theoretical proposition and not to empirical data. Although I do believe that empirical data presented in this article suffice to refute Hoppe's theory on democracy and monarchy, in order to convince those who sympathize with the belief that "a priori theories" cannot be refuted by means of empirical data, one might list possibly weak points in his theoretical analysis.

The first weak point is that while comparing an absolute monarch and a "democratic ruler", Hoppe ignores the fact that the latter has much less power than an absolute monarch – this is due to limited, in comparison with an absolute monarch, competences. Hoppe seems to treat such a ruler, e.g. a president, as a kind of absolute monarch chosen to reign for a fixed period of time.[127] In reality, however, in democratic states, competences are assigned to many different people (and in an ideal direct democracy – to all citizens) and in order to make a decision it is necessary to obtain their approval. Hence, even if Hoppe's thesis that an average "democratic ruler" is just a temporary administrator and therefore is characterized by a higher time preference, pursuing only the increase of his own current income, i.e. maximizing the use the state's resources in a short time, it is still more difficult for him to put his ideas into practice than it is for an absolute monarch. He needs to agree with other

[126] H.-H. Hoppe, *op. cit.*, pp. viii-xix.
[127] *Ibidem*, pp. 25-26.

politicians that more often than not have different incentives. He might even be forced to obtain the approval of his citizens by means of referendum. It is possible that due to this factor, much of the wishes of "democratic rulers" are not realized and, as a result, the overall degree of the extortion by the state is lower than in the case of autocracy even though all of them (or majority) pursuits increasing it.

The second flaw in Hoppe's argumentation is the fact that he does not acknowledge that a democratic politician, for whom being in charge or losing his office (that might be related to being held responsible for his unjust actions) is determined by the citizens' periodical assessment of himself or political party he represents might to some extent, restrain himself from violating property of those citizens and exploiting them – that is if he estimates that it is more profitable for him to stay in power for a longer period of time and/or not provoke any legal actions against him, even if this would lower his profits. In case of an absolute monarch, the fear of losing position and being held responsible for his actions is less significant and is only bound to an extraordinary event of a palace revolution – hence, this factor is less important in terms of restraining oneself from excessive extortion of citizens.

The third defect in Hoppe's thesis is assuming the faulty presupposition that increasing the worth of the subject of prospective extortion (i.e. private property under the control of the government) is equivalent to increasing the worth of the monopoly on this extortion (i.e. government's "capital"). While it is reasonable to assume that life-time and hereditary monarch is willing to care for increasing the worth of the latter, it does not mean that he cares for increasing the worth of what he can exploit. Why? The worth of the monopoly on extortion does not depend only on the worth of prospect subject of extortion, but also on the efficiency of its extortion. The government that is able to rob the society of 90% of the wealth worth 100 million dollars is worth more than the government able to rob the society of 10% of the wealth worth 500 billion dollars. What is more, assumption that there might be a dependency between increasing wealth and decreasing ability of the government to steal from them is reasonable, since richer people are more powerful and can resist more easily. This is why a rational monarch, thinking of long-term and pursuing the increase in his monopoly on extortion is willing to stop his people from accumulating wealth – or let them do so only to a certain extent. For a democratic politician however, it is less important since – as Hoppe proves – he only cares for a temporary, short term profit and the worth of the monopoly on extortion in the long term is not that significant from his perspective.

The fourth weakness in Hoppe's argumentation, related to the abovementioned one, is that he does not acknowledge that for a monarch, who is in power potentially for his lifetime and whose position is hereditary, the crucial issue is to stay in power. It is not sure if he does. While a democratic politician knows that he is in position only temporarily, a monarch – who potentially has a lifetime of reigning ahead and who is going to pass his power on to his heir, needs to secure his position for the long

term. This also implies that it is more profitable for him to keep his subjects from accumulating wealth not to empower them. Additionally, a monarch aware of the possibility of a palace revolution, is going to focus on the present day more dearly than Hoppe claims.[128]

The fifth flaw in Hoppe's thesis is that he does not consider the consequences of the fact that government's monopoly on extortion is not necessarily the only source of income and the only property of the monarch.[129] It is true especially in case of monarchs that rule over more than one country. This means that it might be more beneficial for him to drive one country into ruin in order to invest the maximized profit gained in the short period of time in something more profitable than the governance in that country: this seems to be the case with king Leopold in Congo, who carried out predatory exploitation making use of the demand for natural rubber and investing the profit in other activities outside his absolute kingdom. This might also be the case with monarchs who decide that in the long term it is more profitable to invest for some time – by means of brute exploitation of their people – in expanding the territory of their monopoly through conquering other countries or confiscating the property of their subjects not in order to stimulate the consumption but to increase that part of their capital which is used in production of e.g. crown property.[130] In these terms, an absolute monarch is no different from a democratic ruler – except for the fact that he has much higher possibilities of realizing his will.

The sixth weakness in Hoppe's thesis is – as observed by Slenzok – that he does not recognize that the monarch's vision of the economic growth on his territory depends on his knowledge – he might not be aware that the predatory exploitation of the subjects or exceedingly large number of regulations decrease the worth of what he could exploit in the long run. He might even believe that it contributes to the increase of its worth.[131] In the first case – he does not differ from a democratic ruler in terms of adapted strategy, and in the second case – his focus of the future could lead even to the increase in extortion.

The seventh fault in Hoppe's theory is not acknowledging the possibility that a ruler might consider the increase in his power itself – the right to decide on the lives (and deaths) of other people – more profitable than accumulating material goods. For such a person, a government that gives him even smaller profits in material goods, but allowing him for excessive control and subjugation of his citizens would be the most valuable one. It is not unreasonable to assume that people who seek power are

[128] N. Slenzok, *Krytyka demokracji w filozofii społecznej Hansa-Hermanna Hoppego*, Uniwersytet Śląski, Katowice, 2012, p. 63 (MA thesis).
[129] Hoppe notices this possibility (H.-H. Hoppe, *op. cit.*,p. 19), but he does not analyze its potential consequences.
[130] N. Slenzok, *op. cit.*, p. 63.
[131] *Ibidem*.

driven by the pursuit of profit understood in this way.[132] And if that is the case, the lower time preference of an absolute monarch means that he pursuits extending his monopoly on extortion not in the sense of more material goods, but in the sense of more possibilities of controlling the lives of other people. A democratic politician on the other hand, if driven by such a desire, is willing to maximize his own power disregarding simultaneous weakening the power of the government in the long run, hence, it is probable that he is contributing to weakening its possibilities of violating property of others and extorting them than to the increase of such.

The last flaw of Hoppe's theory is assuming that the power of an absolute monarch – the private owner of the government – is based on the general respect for the property rights as such (contrary to democratic governments based on the respect for public property), which means that violating it by the monarch undermines his position – by questioning his legitimacy in the eyes of other monarchs.[133] This assumption is logically unfounded – why would one monarch be concerned that another monarch violates property rights of his subjects as long as he observes the rules that were accepted by and between monarchs themselves? One might as well assume that extorting, or even killing, slaves by one slaveholder would undermine his position in the eyes of other slaveholders. In fact, it is quite the opposite: the right to extort and kill slaves is inherent to the right to own a slave and other slaveholders cannot undermine this right without simultaneously undermining their own positions. The same case is with absolute monarchs – they cannot undermine the right of one of them to extort his subjects and violate their property rights without undermining the absoluteness of their own power or, at least, their claims to it. The fact that, as noted by Hoppe, monarchs in (Western) Europe seem to have acknowledge – at least declaratively – the superiority of rights, including property rights, over their power both in feudal times and later on, results from the fact that in reality they were not "completely" absolute monarchs, not only under feudalism, where the estates of the realm, as well as the church, were independent governing bodies, but also under absolutism, where despite the fact that formally the whole power was in the hands of the monarch, he still needed to be concerned

[132] Nowak seems to present such assumption, explaining it with the competition within the class of coercive measures managers: "The position of one ruler with relation to another depends on how developed his sphere of control of the citizens is, to what degree actions of other people are determined by his will. […] In the long-term, monopoly on the coercive measures is compatible with one goal only: maximization of one's own power" (L. Nowak, *U podstaw teorii..., op. cit., tom I*, p. 159). Those coercive measures managers who are driven by the will to achieve other goals are, sooner or later, eliminated. He believes that even when the coercive measures managers become the owners of the means of production (as is the case with a totalitarian society), the maximization of the surplus product is subordinate to the maximization of the authoritative regulation (*ibidem*, p. 194).

[133] H.-H. Hoppe, *op. cit.*, pp. 28; 85-86.

with the possibility of resistance by his subjects was he to violate their rights.[134] However, e.g. in Russia, mass expropriation of boyars and passing it down to the *Oprichniki* by Ivan the Terrible was not only acceptable by the existing system, but it also did not undermine Ivan's position in the eyes of other rulers – in 1573 he was one of the candidates for the Polish crown.

The abovementioned faults show that Hoppe's theory describes a model that not necessarily reflects the reality and empirical data that contradict it prove that, in fact, it is incompatible with reality. The assumption of the lower time preference of a hereditary monarch that rules for life in comparison with a "democratic ruler" does not suffice to conclude that monarchy contributes to the violation of property rights to a lower degree than democracy, nor to claim that it contributes to the process of "decivilizing" more.

[134] *Ibidem*, pp. 19-21; 28 (footnotes).