Is Government Inevitable?*

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1 Introduction

Randall Holcombe's, "Government: Unnecessary but Inevitable" (2004), offers some excellent insights regarding the sustainability of anarchy and minimal government. Holcombe recognizes that "government was not created for the benefit of its citizens, it was created for the benefit of those who rule." Although he agrees that the government is not needed for the provision of public goods, Holcombe believes libertarian anarchists ignore more practical questions concerning the sustainability of anarchy and the inevitability of government. He argues that the stronger will always get their way to form government, so the relevant debate between advocates of liberty should be about how weaker individuals can "create and sustain preemptively a liberty-preserving government." The inevitability of the state forces society to decide between evils. Instead of advocating anarchy, he believes libertarians should advocate establishing minimal governments that can prevent takeover by more tyrannical ones.

Inspired by Holcombe's discussion, this paper reconsiders some of his claims. Despite his interesting hypothesis, we believe that Holcombe's argument fails on two counts. First he fails to show that anarchy must break down, and second he fails to show that limited government will not. The very arguments that he uses to argue against the viability of anarchy can be applied to the viability of limited government, and the very arguments that he uses to argue for the viability of limited government can be applied to the viability of anarchy. In this paper, we discuss the problems with Holcombe's theoretical arguments and discuss historical evidence to show that he cannot have his cake and eat it too. Holcombe, who could be considered a pessimistic anarchist, is in our opinion too pessimistic about anarchy and too optimistic about government.

2 Some Observations Concerning the Sustainability of Anarchy

Building on earlier criticisms of anarchy (Nozick, 1974; Cowen, 1992; Tullock, 1972; Tullock, 1974), Holcombe argues that government is inevitable. Conventional wisdom is that stateless orders must necessarily be short-lived because of their susceptibility to outside forces. There may be truth to this position but we believe the historical record brings this position into question.

The ubiquity of government today causes us to forget that numerous societies were stateless for most of their histories and that many remained so well into the twentieth century. The historical presence of long-standing, primitive anarchic societies spans the entire globe. Consider, for example, societies such as the Eskimo tribes of the North American Arctic, Pygmies in Zaire, Indian tribes like the Yoruk of North America, the Ifugao of the Philippines, the Land Dyaks of Sarawak, Indian tribes of South America such as the Kirikuru, the Kabyle Berbers of Algeria, the Massims of East Paupo-Melanesia and the Santals of India, none of which had governments. (Leeson, 2004a)

Many stateless societies also populated pre-colonial Africa and a few encompassed significant numbers of people. Consider for instance, the Tiv, which included over one million individuals, the Nuer whose population has been estimated at 400,000, or the Lugbara with over 300,000 members. Inside Africa, the Barabaig, Dinka, Jie, Karamojong, Turkana, Tiv, Lugbara, Konkomba, Plateau Tonga and others all long stood as stateless, or near-anarchic orders as well. Somalia is essentially stateless, and despite predictions that new government would immediately reemerge, has effectively remained so since its government dissolved in 1991. (Little, 2003)

More striking yet is that the fact that, globally, the world has and continues to operate in the context of "international anarchy." (Cuzan, 1979) The continued presence of numerous sovereigns creates massive ungoverned interstices for many of the interactions between the inhabitants of these different nations as well for the interactions between sovereigns themselves. (Stringham, 1999) Although many of the stateless orders mentioned above disappeared with the extension of colonial rule in the nineteenth century, the international sphere remains anarchic and shows few signs of coming under the rule of formal government any time soon.

Holcombe believes that because libertarian anarchy is not practiced today we should never expect it. He writes, "Every place in the world is ruled by government. The evidence shows that anarchy, no matter how desirable in theory, is not a realistic alternative in practice." But this evidence does not prove his point. Suppose someone used that the same argument against democracy in the year 1500: "Every place in the world is ruled by monarchy. The evidence shows that democracy, no matter how desirable in theory, is not a realistic alternative in practice." Over the past few centuries, the political systems have changed dramatically. Just because monarchy was commonplace a half millennium ago does not mean it is inevitable as Holcombe's logic would suggest. And just because democracy was uncommon a half millennium ago does not "show" that democracy "is not realistic in practice." All that the evidence shows is that democracy was uncommon a half millennium ago and that anarchy is uncommon today. To show that government is inevitable, Holcombe would need to come up with a

theory of why anarchy is impossible, which is what authors such as Nozick (1974) and Cowen (1992) attempted to do.[1]

3 Is Government Really Inevitable?

Following his professors, Buchanan (1972) and Tullock (1972), Holcombe gives some theoretical reasons why he believes government is inevitable. He maintains that stronger agents will be tempted to use force against the weak and impose government on them. Because some are stronger than others they will see that using force is cheaper than trade. While parts of the argument may have truth, they do not establish the inevitability of the state. To arrive at Holcombe's conclusion, two special assumptions are necessary.

First, strength must be so disproportionate that the strong face little downside for engaging in conflict. This assumption may be unrealistic. Imagine what would happen if everyone were of similar strengths. If one stood a fifty percent chance of losing any fight, as long as fighting entails costs, the use of force would not be the income-maximizing strategy. Even if one has superior strength, the use of force may not be the income-maximizing strategy. As long as weaker parties can commit to injuring the stronger party in the course of fights, the stronger party who consistently "wins" may still be worse off by engaging in fighting. (Friedman, 1994a)

The relevant question is not whether some are more powerful than others but whether power is so lopsided that the strong face few risks by engaging in conflict. Consider again the state of global anarchy in which we find ourselves. Power is more

[1] Rothbard (1977) and Childs (1977) question the theories of Nozick and Friedman (1994b) and Caplan and Stringham (2003) question the theories of Cowen. They argue that Nozick and Cowen do not offer compelling reasons why anarchy must break down.

evenly distributed between sovereign states in the international arena than between individuals in New York's Central Park. Although some nations could win consistently wars against others, they would do so at significant cost. The ability of even small nations to inflict harm on larger nations might explain why violent confrontations between states are less common than confrontations between individuals in Central Park. In discussing the anarchy of the international sphere then, it would be inappropriate to assume that anarchy necessarily leads to some state establishing hegemony over others. This is not to say that invading never takes place. It is merely to point out that the presence of asymmetric power is insufficient to prove that world government is inevitable.

The second assumption required for Holcombe's conclusion is that weaker individuals cannot find private solutions to transform the incentives of the strong to plunder. This assumption too, can be questioned. Some historical examples illustrate this case. The environment in which individuals interacted in nineteenth-century West Central Africa satisfied the conditions Holcombe describes for the inevitable emergence of the state.

Traveling middlemen who connected European exporters on the coast of Angola and the producers of these exports in the remote interior of Africa were substantially stronger than the producers with whom they interacted. Additionally, no formal authority policed the interactions between the members of these two groups—they interacted in the context of anarchy. Middlemen thus faced a strong incentive to violently steal the goods they desired rather than trading to obtain them.

The argument presented by Holcombe suggests that these middlemen would establish government over producers, but the historical record indicates that they did not.

Why? Producers devised several informal institutions for transforming the incentive of stronger middlemen from banditry to exchange. One institution they employed was middleman credit. Producers decided not to produce anything so that if middlemen came to plunder their goods, there would be nothing for them to steal. After having incurred a costly trip to the interior to plunder producers, middlemen who approached producers and found nothing to take faced two options. They could either go home empty handed, or they could agree to exchange with producers on credit.

Because the former choice involved certain losses and the latter involved the prospect for profits, middlemen agreed to credit agreements with producers. Middlemen would pay up front and producers would agree to harvest the goods and make them available at some point in the future. The use of credit not only prevented middlemen from plundering producers, it also created a strong incentive for them to protect these producers from the predatory behavior of other middlemen.

In order repay middlemen, producers had to be alive and healthy. This created a strong incentive on the part of credit-offering middlemen to protect the safety of producers from others who may try to harm or steal from them. Credit thus transformed producers in the eyes of middlemen from targets of plunder to valuable productive assets they desired to protect. (Leeson, 2004b)

This is just one of several such private mechanisms employed by producers to alter the relative payoffs of plunder-versus-trade that middlemen faced. We do not mean to suggest that introducing credit will in all cases prevents the emergence of government, but this example illustrates how weaker agents might be able to prevent predatory activities of stronger agents. Other examples of stateless societies altering incentives to

protect property rights includes the potlatch system of the Kwakiutl Indians described in Johnsen (1986). By devising private mechanisms that alter the cost-benefit structure of activities for stronger agents, the imposition of force need not be inevitable.

4 Would Preemptive Government Work?

In addition to questioning the alleged inevitability of government, we can also question Holcombe's belief in the viability of constitutional government. Holcombe claims that individuals can get a more limited state by preemptively forming a constitutional government. Let us assume for the moment that Holcombe is correct that anarchy must break down. Do Holcombe's assumptions warrant his conclusion regarding preemptive state formation? To us, at least, it seems that the answer to this question must be no. The reasons are straightforward.

According to Holcombe, individuals can achieve smaller government if "they design [it] themselves." For this to work, he points out, individuals must have a will and desire for greater liberty. But with the exception of revolutionary change, Holcombe fails to specify the process by which individuals are to arrive at this government. This is a major problem because it gives us no idea which individuals are to do the designing.

It seems uncontroversial that any such process must involve political agents, but once we admit political agents, the self-interest of these agents enters the picture. (Powell and Coyne, 2003) Couple ruler self-interest with superior strength that Holcombe describes, and can there be any hope for limits on government? Rather than creating the minimal state as Holcombe desires, these political actors will deliver much more than

anyone bargained for. If we agree with Holcombe that government is created by force, then why would we assume that its creators will produce the minimal state?

One way out this dilemma, to which Holcombe points, is if citizens are strongly unified against the will of the political agent. In this case the political agent will be forced to consider the desires of the public. But realize now that Holcombe is not relying on constitutional constraints as the main check on government but instead relying on ideology. If one accepts the hypothesis that ideology can trump government force, anarchy becomes a sustainable socio-economic organization, which is just the opposite of what Holcombe wants to argue. Ideology, after all, is what libertarian anarchists such Hummel (1990; 2001) believe can stave off the violent formation of the state.

If the public agrees on the principles liberty and can act in concert to maintain the minimal state, the public can also act in concert to maintain libertarian anarchy. Just as the public could constrain the minimal state from becoming more coercive, the public could constrain private protection agencies from becoming more coercive.

The creation of preemptive limited government in Holcombe's argument faces another serious problem. If we assume that stronger agents will always use strength to overtake the weak, what prevents stronger authoritarian states that devote most of their resources to military build up from overtaking societies with preemptively created limited governments? Unless we assume that the society that has designed this government also designs the strongest government, it should again be confronted with the problem it faced in anarchy—being overtaken by a stronger party.

5 Conclusion

Holcombe's piece is an advance over other public choice economists who analyze the formation of government as a voluntary social contract. He introduces a more realistic view where government is not created to solve public goods problems. Recognizing that government is unnecessary, Holcombe could be classified as a pessimistic anarchist. Yet we believe he is too pessimistic about anarchy and too optimistic about government. While recognizing the important advances in Holcombe's discussion, we believe his conclusions should be questioned.

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