Part Two

The Meaning of Hoppe

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The Pope of Libertarianism

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There have been bleaker times for being a libertarian. I think of the two world wars, when respect for life, liberty and property fell off the list even of formal aspirations. Undoubtedly, though, now is a bleak time. If we go back a quarter of a century, both Britain and America had flourishing libertarian movements, and an acceptance by the political classes that libertarianism had its place on the spectrum of political opinion.

All is now altered. A quarter century of wars, of omnipresent moral panics, of cultural debasement, and libertarianism has been largely driven from public discourse. In my own England, the breaking point came in 2011, when a new Conservative Government had recently come in, and was starting on a decade and a half of shameless fraud and looting. An autonomous libertarian movement was at least a potential embarrassment, and so that movement was snuffed out. The true believers were purged and smeared. From that moment, libertarianism in England was claimed by a coalition of corporate shills and unmoored Trotskyites. Not surprisingly, there is no longer a libertarian presence in England.

I cannot speak with any detail for America. Even so, my perception that the American movement has been abandoned by almost everyone of ability and left to eccentrics and the very old. The place that libertarianism used to have in America seems to have been taken by white nationalism.

Every healthy civilisation needs a libertarian movement of some kind. There must always be a platform from which men and women can speak loudly against the universal trend of politics towards greater control over individual choice. The substantial vanishing of this platform can be explained by the collapse of Britain and America into total government since the beginning of the century. That vanishing has also contributed to the collapse.

Hans-Hermann Hoppe is the great exception. He is alive. He is active. He is prominent. He is without competition in the variety and interest, and in the originality, of his work. Now bearing in mind the vanishing of competition I have mentioned, this is weak praise in itself. The last man standing in a battle, when everyone else is dead or deserted, counts as hero—even if not the bravest or the most able of the men there at the beginning. If we look, however at his work in terms of variety and interest and originality, we can step outside the limitations of present comparison. Hoppe is, by default, the nearest the present libertarian movement has to a Pope. What he says on any present issue must be taken into account, even where not accepted, by all believers.

Let us move, then, to the matter of what Hoppe says. I will begin with what may be his most important contribution to abstract political philosophy. This considered, I will move to his thoughts on Marxian exploitation theory, and then to his rejection of democracy as the best political order even for an adulterated form of libertarianism.

**Argumentation Ethics**

Excepting those purely analytic, every system of thought appears to rest on shaky foundations. Free market libertarianism is no exception. Why *should* people be left alone? Why should they be free? We can argue that freedom allows people to make themselves happier than they would otherwise be. We can argue that it lets them become richer. The response is to ask why people should be happy or rich. These may seem self-evident goods, but they are not always so regarded. A further objection is to start picking holes in the definition and measurement of happiness.

We can claim that every human being is born with certain natural and inalienable rights, and that these include the rights to life, liberty and property. This has a nice ring to it as a manifesto. The objection is to ask how, without God as their grantor, these claimed rights are other than an exercise in verbal flatulence.

Hayek and von Mises, the two men who did most during the middle of the twentieth century to keep classical liberalism alive as an ideology, were various kinds of utilitarian. Rothbard, who took Austrian Economics and fused it with native American radicalism to create the modern libertarian movement, shared a belief with Ayn Rand in natural rights. What Hoppe tries with his Argumentation Ethics, is to transcend this debate. In doing this, he draws on his early work with Habermas, on the Kantian tradition of German Philosophy, and on the ethical writings of Rothbard. He begins with the observation that there are two ways of settling any dispute. One is force. The other is argument. Any one party to a dispute who chooses force has stepped outside the norms of civilisation, which include the avoidance of aggressive force, and has no right to complain if he is used harshly. Anyone who chooses argument, on the other hand, has accepted these norms. If he then argues for the rightness of force as a means of getting what he wants from others, he is engaging in logical contradiction. In short, whoever rejects the libertarian non-aggression principle is necessarily also rejecting the norms of rational discourse. Whoever claims to accept these norms must also accept the non-aggression principle.[[1]](#footnote-1)

Speaking long after first publication, Hoppe denied that this was a retreat from natural rights:

I was attempting to make the first two chapters of Rothbard’s *Ethics of Liberty* stronger than they were. That in turn would provide more weight to everything that followed. I had some dissatisfaction with [the] rigor with which the initial ethical assumptions of libertarian political theory had been arrived at. Intuitively, they seemed plausible. But I could see that a slightly different approach might be stronger. Murray never considered my revisions to be a threat. His only concern was: does this ultimately make the case? Ultimately, he agreed that it did.[[2]](#footnote-2)

Indeed, Rothbard gave the theory his highest praise. He called it

a dazzling breakthrough for political philosophy in general and for libertarianism in particular…. [Hoppe] has managed to transcend the famous is/ought, fact/value dichotomy that has plagued philosophy since the days of the Scholastics, and that had brought modern libertarianism into a tiresome deadlock.[[3]](#footnote-3)

**Thoughts on Marxian Exploitation Theory**

There was a time when libertarians read Marx only to refute him. He was a monster in his personal life. He was wrong about Economics. And so he was. But this wholly negative view also flourished at a time when a foreign government that had a form of Marxism as its established faith was pointing nuclear missiles at us. This foreign government passed away a third of a century ago. It should now be possible to take a less polemical approach to Marx and his claims. This is what Hoppe sets out to do in his 1990 article *Marxist and Austrian Class Analysis*.[[4]](#footnote-4)

The article offers a critical examination and comparison between Marxist class analysis and the Austrian School’s approach to understanding societal structures and economic dynamics. Hoppe explains the distinctions between these two perspectives, highlighting their foundational assumptions, methodologies, and conclusions regarding class, the state, and the nature of social conflicts. Much of his analysis varies between the hostile and the dismissive. In this respect, he follows the standard approach to libertarian discussions of Marxism.

Hoppe begins with a critique of the Marxist framework for class analysis, which is primarily based on the ownership of the means of production. In Marxist theory, society is divided into two main classes: the *bourgeoisie* (capitalists who own the means of production) and the proletariat (workers who do not own the means of production and must sell their labour). Classical Marxism claims that the history of society is the history of class struggles, and that, since the end of the eighteenth century, the exploitation of the proletariat by the *bourgeoisie* has been the source of social conflict and historical change.

The Austrian School, with its foundation in methodological individualism, offers a different approach to understanding class. Hoppe outlines how the Austrian perspective focuses on the actions and choices of individuals, rather than viewing classes as monolithic entities. The Austrian class analysis emphasises the role of voluntary exchanges and the coordination of individual plans in the market as the basis for social cooperation and advancement.

Part of this differentiation of the two approaches is Hoppe’s discussion of the role of the State in class formation. Unlike Marxists, who see the state as an instrument of *bourgeois* domination, he argues that, regardless of who owns the means of production, the State itself is a vehicle through which a ruling class emerges. The State, by its nature, creates a distinction between those who produce wealth and those who expropriate it through taxation and regulation. This leads to a new understanding of class conflict, not between capitalists and workers, but between taxpayers and tax consumers, or more broadly, between producers and expropriators.

Hoppe further distinguishes between capitalist exploitation, as characterized by Marxists, and state expropriation. He argues that in a free market, exchanges are voluntary and mutually beneficial, making the notion of exploitation by capitalists misleading. In contrast, the State’s expropriation of wealth through taxation and regulation is inherently coercive and constitutes the real form of exploitation in society.

Indeed, much of the Marxian attack fails simply because it does not take any account of time preference:

That the laborer does not receive his “full worth” has nothing to do with exploitation but merely reflects the fact that it is impossible for man to exchange future goods against present ones except at a discount. Unlike the case of slave and slave master, where the latter benefits at the expense of the former, the relationship between the free laborer and the capitalist is a mutually beneficial one. The laborer enters the agreement because, given his time preference, he prefers a smaller amount of present goods over a larger future one; and the capitalist enters it because, given his time preference, he has a reverse preference order and ranks a larger future amount of goods more highly than a smaller present one.[[5]](#footnote-5)

A useful outlining of differences, there is nothing controversial here among libertarians. In his opening sentences, though, Hoppe makes it clear that his discussion will not be bounded by the prejudices of the twentieth century:

I want to do the following in this paper: First to present the theses that constitute the hard core of the Marxist theory of history. I claim that all of them are essentially correct.[[6]](#footnote-6)

Hoppe has no time for the claim made by less thoughtful libertarians—or by the corporate shills mentioned above—that private ownership of the means of production is always just. Only a “clean capitalism”—that is, a market order in which there is no institutional fraud or force to tip the scales—is legitimate and therefore free from the Marxist attack. All present and past market orders are more or less open to this attack—always granting that the Marxists have no proper understanding of Economics, and that their real agenda has almost never been the liberation of mankind they proclaim so loudly. He elaborates:

History, then, correctly told, is essentially the history of the victories and defeats of the rulers in their attempt to maximize exploitatively appropriated income and of the ruled in their attempts to resist and reverse this tendency. It is in this assessment of history that Austrians and Marxists agree and why a notable intellectual affinity between Austrian and Marxist historical investigations exists. Both oppose a historiography that recognizes only action or interaction, economically and morally on a par; and both oppose a historiography that instead of adopting such a value-neutral stand thinks that one’s own arbitrarily introduced subjective value judgments have to provide the foil for one’s historical narratives. Rather, history must be told in terms of freedom and exploitation, parasitism and economic impoverishment, private property and its destruction—otherwise it is told falsely.[[7]](#footnote-7)

Hoppe concludes with a contrast between the Marxist and Austrian visions of social harmony and the resolution of class conflict. While Marxism anticipates a classless society emerging from the overthrow of the *bourgeoisie* by the proletariat, Hoppe suggests that the elimination of the state’s coercive powers and the establishment of a society based on voluntary exchanges and property rights would lead to a resolution of class conflicts. In such a society, according to Austrian theory, individual interests would align, and the exploitation of one class by another would cease, leading to genuine social harmony.

**Democracy: The God that Failed**

This brings me to the last of the three contributions I wish to discuss. In his 2001 book, *Democracy: The God that Failed*, he takes issue with the central claim of modern politics—that the most desirable order is one in which people vote for those who will rule them, and that a majority of the votes cast in an election largely legitimises the actions of the winner. The central point in Hoppe’s book is that the collapse of liberty now gathering pace in those countries with representative democracy is not some accidental flaw in the system—rather, it is part of the system’s own internal logic. Allowing people to choose their rulers is a certain recipe for the collapse of civilisation:

The mass of people, as La Boetie and Mises recognized, always and everywhere consists of “brutes,” “dullards,” and “fools,” easily deluded and sunk into habitual submission. Thus today, inundated from early childhood with government propaganda in public schools and educational institutions by legions of publicly certified intellectuals, most people mindlessly accept and repeat nonsense such as that democracy is self-rule and government is of, by, and for the people.[[8]](#footnote-8)

In a functioning monarchy, a country is owned by the head of a particular family. Because he expects to pass the country to his son, and then to his grandson, there is an incentive against national debasement. Short term benefits must be balanced against long term costs. Everyone knows who is in charge, and who is therefore to be blamed when things go wrong. When pushed, a weak monarch may offer the head of a disgraced minister. But this is an exercise in shifting blame that works only so often.

This is not to say that kings are necessary wise or virtuous. Hoppe knows his history, and he knows that kings in practice have often been low and trashy people. For him, though, politics is a matter less of character than of interests:

[A rational monarch,] in order to preserve or possibly even enhance the value of his personal property… will systematically restrain himself in his exploitation policies. For the lower the degree of exploitation, the more productive the subject population will be; and 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. He will not *not* exploit. 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—and the degree of exploitation thus would tend to be low.[[9]](#footnote-9)

In a democracy—especially in a democracy where some previous impress of monarchy has faded—power will tend to be taken and held by an army of the invariably low and trashy. Their main ability is lying to the voters. Their main incentive will be to make themselves rich through various kinds of corruption, and to win the next election. They will be driven, *as if by some invisible hand*, to fill up the voting lists with people as low and trashy as themselves—and considerably more stupid. The presence of such people justifies extensive welfare programmes that raise up supportive bureaucracies. It is also an excuse to abolish freedom of association among people who might otherwise combine to demand a smaller state. In due course, it changes the nature of the electorate in ways favourable to lying politicians. The last thing in their own interests is an informed, sceptical electorate. The result is now plain for anyone willing to open his eyes:

After more than a century of compulsory democracy, the predictable results are before our very eyes. The tax load imposed on property owners and producers makes the economic burden even of slaves and serfs seem moderate in comparison. Government debt has risen to breathtaking heights. Gold has been replaced by government manufactured paper as money, and its value has continually dwindled. Every detail of private life, property, trade, and contract is regulated by ever higher mountains of paper laws (legislation). In the name of social, public or national security, our caretakers “protect” us from global warming and cooling and the extinction of animals and plants, from husbands and wives, parents and employers, poverty, disease, disaster, ignorance, prejudice, racism, sexism, homophobia, and countless other public enemies and dangers.[[10]](#footnote-10)

The answer is to find some way to a natural order—a place where all exchanges are voluntary, with strong property rights, and the absence of a coercive state. Representative democracy is not a staging post towards any kind of libertarian utopia. It is, rather, a movement away from utopia. Hoppe envisions a society where individuals and communities self-organize and govern themselves through private law rather than through the mechanisms of a centralised state.

Not surprisingly, Hoppe is not universally popular within the libertarian movement. But, in an age when all the clever schemes of the 1970s and 1980s, to make governments more liberal by making them more efficient, have only produced governments larger and more dangerous than before, there is a case for sitting down and rethinking politics and political strategy from first principles.

And that, I will briefly conclude, is where Hans-Hermann Hoppe is unique among the libertarians of our age. He is not afraid to diagnose the remote causes of our present evils, and he is certainly not afraid to suggest alternative courses that are more likely to take us from where we are to where we should wish to be.

1. See, for example, Hans-Hermann Hoppe, “The Ultimate Justification of the Private Property Ethic,” Liberty 2, no. 1, September 1988), p. 20, republished as “On the Ultimate Justification of the Ethics of Private Property,” in *The Economics and Ethics of Private Property: Studies in Political Economy and Philosophy* (Auburn, Ala.: Mises Institute, 2006 [1993]; www.hanshoppe.com/eepp). See also Stephan Kinsella, “Argumentation Ethics and Liberty: A Concise Guide,” *StephanKinsella.com* (May 27, 2011; www.stephankinsella.com/publications). [↑](#footnote-ref-1)
2. Hans-Hermann Hoppe, “The Private Property Order: An Interview with Hans-Hermann Hoppe,” *Austrian Economics Newsletter* 18, no. 1 (2014; https://perma.cc/Q85T-UUSZ). [↑](#footnote-ref-2)
3. “Symposium: Breakthrough or Buncombe?” *Liberty* 2, no. 2 (Nov. 1988; https://perma.cc/A5UU-P64A): 44–53. [↑](#footnote-ref-3)
4. Hans-Hermann Hoppe, “Marxist and Austrian Class Analysis,” in Hoppe, *The Economics and Ethics of Private Property* (originally published in *J. Libertarian Stud.* 9, no. 2 (Fall 1990): 79–93). [↑](#footnote-ref-4)
5. Ibid., p. 122. [↑](#footnote-ref-5)
6. Ibid., p. 117. [↑](#footnote-ref-6)
7. Ibid., p. 126-127. [↑](#footnote-ref-7)
8. Hans-Hermann Hoppe, *Democracy: The God that Failed* (Transaction, 2001; www.hanshoppe.com/democracy), p. 92. [↑](#footnote-ref-8)
9. Ibid., p. 48. [↑](#footnote-ref-9)
10. Ibid., p. 89. [↑](#footnote-ref-10)