The Production of Security

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Never forget that government, even one that does operate on the consent of the governed, is fundamentally the only social institution that enjoys a monopoly on the initiation of force. Put another way, the government is the only entity that is allowed to perform actions that, if you or I did, would be not only be illegal for us to do, but also immoral. Regardless of whether it is a monarchy, a communist dictatorship of the proletariat, or even a republic, all governments exist within a different moral sphere from the one you and I inhabit, which is why many opportunistic and evil people constantly want to seize coercive power and use it to push their little own factional special interest agendas, to the detriment of the property, liberties, and lives of everyone else.

Why can't the provision of security services be considered the same as any other product or service that is traded within the free market? More importantly, why is it assumed that government possesses a monopoly on the provision of security services? Is there any proof to demonstrate that security services are of better quality and served at a lower cost by government than if they were sold by entrepreneurs?

These are the questions that drove Molinari to try and ascertain whether or not the free market could provide better security services than government ever could. He first describes the rise of the corporatocracy: GUSTAVE DE MOLINARI

"When they saw the situation of the monopolizers of security, the producers of other commodities could not help but notice that nothing in the world is more advantageous than monopoly. They, in turn, were consequently tempted to add to the gains from their

own industry by the same process. But what did they require in order to monopolize, to the detriment of the consumers, the commodity they produced? They required force. However, they did not possess the force necessary to constrain the consumers in question. What did they do? They borrowed it, for a consideration, from those who had it. They petitioned and obtained, at the price of an agreed upon fee, the exclusive privilege of carrying on their industry within certain determined boundaries. Since the fees for these privileges bought the producers of security a goodly sum of money, the world was soon covered with monopolies. Labor and trade were everywhere shackled, enchained, and the condition of the masses remained as miserable as possible."

In other words, the oligopolies only exist by virtue of the monopoly of the initiation of force as uniquely enjoyed by government. Molinari concludes:

"This leads us to affirm that the moral foundation of authority is neither as solid nor as wide, under a regime of monopoly or of communism, as it could be under a regime of liberty."

If that is true, then what is the rationale for the free market provision of security services? Molinari starts from the position of one who lives in a state of nature:

"It is in one's self-interest to procure security at the lowest price possible."

Assuming that enough individuals want to offset the personal costs for their own security onto an entrepreneur whose company is strong enough to ward off roving criminal gangs, then it would be feasible to imagine that paying an entrepreneur would be less costly than just simply doing it yourself. Molinari envisions an agora of entrepreneurs:

"Let us imagine a new-born society: The men who compose it are busy working and exchanging the fruits of their labor. A natural instinct reveals to these men that their persons, the land they occupy and cultivate, the fruits of their labor, are their property, and that no one, except themselves, has the right to dispose of or touch this property. This instinct is not hypothetical; it exists. But man being an imperfect creature, this awareness of the right of everyone to his person and his goods will not be found to the same degree in every soul, and certain individuals will make criminal attempts, by violence or by fraud, against the persons or the property of others. Hence, the need for an industry that prevents or suppresses these forcible or fraudulent aggressions."

Of course, one should ask the question: What prevents such companies from becoming government themselves? Molinari answers:

"If, on the contrary, the consumer is not free to buy security wherever he pleases, you forthwith see open up a large profession dedicated to arbitrariness and bad management. Justice becomes slow and costly, the police vexatious, individual liberty is no longer respected, the price of security is abusively inflated and inequitably apportioned, according to the power and influence of this or that class of consumers. The protectors engage in bitter struggles to wrest customers from one another. In a word, all the abuses inherent in monopoly or in communism crop up."

Thus, a "market anarchy" that disallows competition is not a free market at all. If anything, Molinari is inadvertently describing our current situation with absolute government *exactly*; however, if there is competition, would this prevent companies from becoming a new government, perhaps by way of launching wars with each other? Molinari explains that:

"Under the rule of free competition, war between producers of security entirely loses its justification. Why would they make war? To conquer consumers? But the consumers would not allow themselves to be conquered. They would be careful not to allow themselves to be protected by men who would unscrupulously attack the persons and property of their rivals. If some audacious conqueror tried to become dictator, they would immediately call to their aid all the free consumers menaced by aggression, and they would treat him as he deserved. Just as war is the natural consequence of monopoly, peace is the natural consequence of liberty."

Put another way, because society would be essentially composed of polycentric libertarian communities (not unlike the early American colonies), then anyone trying to "conquer" them (even the private security companies) would automatically fail. How would the private provision of security be allocated geographically, absent a government? Molinari postulates that:

"Under a regime of liberty, the natural organization of the security industry would not be different from that of other industries. In small districts a single entrepreneur could suffice. This entrepreneur might leave his business to his son, or sell it to another entrepreneur. In larger districts, one company by itself would bring together enough resources adequately to carry on this important and difficult business. If it were well managed, this company could easily last, and security would last with it. In the security industry, just as in most of the other branches of production, the latter mode of organization will probably replace the former, in the end."

Perhaps this sounds too much like John Stuart Mills' concept of the natural monopoly, but at least its control over a given locale would be geographically limited and thus would preserve a polycentric market society. Then again, if the market demands it, what *would* prevent such a "natural monopoly" from eventually becoming a stateless nationwide franchise?

Gustave de Molinari's *The Production of Security* is an eye-opening politico-economic treatise about the viability of private security being able to replace government. Before anybody begins condemning or labeling me this or that political ideology which I do not subscribe to, I would encourage everyone (especially my detractors) to first read *Are Cops Constitutional?*, and then pay special attention to the examples Dr. Roots uses to illustrate the fact that even the American governments themselves are already

relying on the provision of private security (albeit, corporatist ones). For *fictional* examples, I would also recommend *The Probablity Broach* and *The Moon is a Harsh Mistress*, paying special attention to the interrogation featured in Chapter X: **Shots in the Dark** and the jury trial of monarchist Stuart Rene Lajoie, respectively. All that I ask of anyone is to serious consider whether or not so-called dispute resolution organizations (DROs) would be a viable substitute for government or not. If secession from, or restoration of, the Republic turn out to not be possible, then DROs may very well have to be our fall-back position for securing our Liberty.