A Critique of Democracy

A Guide for Neoreactionaries

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Against Democracy

Chapter One

The world in 2015 is an impressive place. There are cities like Tokyo and Moscow that cover nearly a thousand square miles. The first kilometer-tall tower, Kingdom Tower, will be completed in 2019. There are over 50,000 commercial plane flights daily. There are over a billion smartphones in use, with more than 91% of the world's population using a cell phone. Countries are getting richer, millions are being lifted out of poverty and illiteracy, and each day we get closer to cures for diseases like cancer. On average, the world is getting less violent overall.

Despite all that is well with the world, there is one element that is a bit peculiar to some of us. It is that the political system of democracy is dominant in nearly all developed countries and is taken for granted as being the best form of government. Churchill's quote is often invoked: "Democracy is the worst form of government, except for all others which have been tried." He also said, however, "The best argument against democracy is a five minute conversation with the average voter".

In this book, we argue that democracy is not, in fact, the best available form of government, but actually among the worst. We credit civilizational progress made in the last couple hundred years mostly to scientific and technological innovation, with other advances made *in spite of*, not because

of democracy. Rather than standing together with liberty, in many cases democracy directly opposes it. Aristotle considered democracy the second lowest form of government, just above tyranny, with aristocracy and benevolent dictatorship above democracy. In the early 19th century, the French political writer Alexis de Tocqueville visited the United States and wrote how our democratic system stifles dissent and drives a "horizontal pressure" towards conformity. In the mid-20th century, Austrian conservative writer Erik von Kuehnelt-Leddihn wrote of a "Menace of the Herd" that draws everything under its control into formlessness, sameness, and mediocrity.

This book is written in a compact format, with an emphasis on academic studies and condensed arguments refuting key aspects of the case for democracy, which is so widely taken for granted that few people really think about it. Our objective here is to be as simple as possible and to serve as a reference which can be consulted without fuss. The brevity of this work also means that many important points will go unaddressed. It is only intended as a jumping-off point to further study.

What is the case against democracy? First, democracy provides a poor quality of governance. The primary purpose of government should be to provide a high quality of governance. It will be argued later on that democratic societies are functional largely to the extent that many civil servants are *not democratically elected* and that senior civil servants have their positions more or less for life. This is in contrast to the

folk view that governments are successful and effective to the extent that they are democratic.

How do we define a high quality of governance? Low crime, competent officials, political stability, predictability of outcomes, educational achievement, level of personal freedom, social cohesion, and so on. Of course, everyone will define “quality of governance” slightly differently, that goes with the territory. There is no scientific metric that can be used to comprehensively capture all our intuitive notions of good governance. The subjective element is fundamental. We merely argue that too few thinkers have seriously questioned democracy, and have begun to fall into a habit of defending it without thinking. Our case against democracy can be condensed into nine main points:

1) Democracy discourages planning for the future and encourages a political free-for-all where the incentives are to loot and spend rather than invest and build. This behavior is a display of high time preference, meaning looting the present at the expense of the future, and it is structurally inherent to publicly owned government, which is the nature of democracy.

2) Democracies are politically volatile and generate a constant state of low-intensity conflict. This conflict is largely destructive rather than constructive.

3) Democracies produce demagogic leaders who cater to the lowest common denominator and make decisions not based on any greater plan but on knee-jerk reactions to

opinion polls. They evolve into what we call Bonapartist leaders.

4) Democracies tend to go into debt and spend more money than they make, eventually leading to financial and social collapse. All countries, including non-democratic countries, have some tendency to do this, but the tendency in democracies is especially pronounced because decisions are driven by innate human tendencies in favor of immediate capital consumption magnified through mass enfranchisement and the absence of direct personal accountability for poor policy choices.

5) It is commonly assumed that irrational voter biases inherently cancel out, leading to the effective choice of policies that balance the interests of the many, but in reality many of these biases reinforce and magnify one another, leading to poorer outcomes than if a handful of competent officials were making the decisions that direct our government.

6) The dangers of non-democratic governance are generally overstated in democratic societies, which have a vested interest in justifying their own existence and to reject and stigmatize contrary evidence. Democracy is a self-reinforcing memeplex like any other, training its adherents to reflexively dismiss legitimate challenges to its effectiveness.

7) The unquestioning advocacy of democracy among most in the West, especially among top thinkers, is closer to a religion than to a deliberately chosen policy. Modern

democratic and progressive thought owes its intellectual lineage to universalist Protestant Christianity, and its emergent behavior and impact is most realistically modeled taking this into account.

8) Political history is basically cyclical, with civilizations progressing from benevolent authoritarian leadership to democracy to anarchy to tyranny and eventually back to benevolent authoritarian leadership again. This cycle repeats itself approximately every 300 years, but can occur in as few as 100 years. The benevolent authoritarian leadership phase is where society is the most stable, most culturally impressive, and where the most civilization-building gets done.

9) Democracy is ultimately anti-civilizational. It has worked well in certain places for a long time, such as Switzerland, but it isn't well suited to every country under every condition. In places like Iraq it has been an obvious disaster, and in Europe and the United States today it is the driver of a slow-motion decline.

To condense these points down into nine short sound bites:

1) Democracy incentivizes high time preference.

2) Democracy is politically volatile and encourages permanent low-level political warfare.

3) Democracy inevitably produces bungling or destructive demagogues who turn into Bonapartist leaders.

4) Democracy promotes national debt and leads to poor financial decisions by the government which eventually causes its collapse.

5) Voter biases intersect and magnify one another, not cancel out.

6) Democracy is a self-reinforcing memeplex that seeks its own survival.

7) The unquestioning advocacy of democracy in the West is similar to a religion.

8) Political history is a cycle between benevolent rulers, democracy, anarchy, and tyranny.

9) Democracy is anti-civilizational and threatens the prosperity of Western countries.

The country focused on the most in this book will be the United States, as it is the largest and most successful democracy in the world.

The Science and History of Leadership

Chapter Two

In contrast with democracy, rule by the many, is dictatorship or oligarchy, rule by the few. In this chapter we examine the evolutionary history of leadership among primates and how it transformed over time.

Primates evolved cooperating in hierarchical groups with a pecking order, the “dominance hierarchy”. A living example of an ancestral-style *Homo sapiens* dominance hierarchy would be the “Big Man” system in Melanesia and Polynesia, where dominant men take key roles and occasionally challenge each other for position.

The presence of a dominance hierarchy does not necessarily mean that every individual is in a strict linear order. There may be various tiers of social status with dozens or hundreds of individuals more or less on the same tier. Most of the time, however, a group or community will have one leader.

What is the evolutionary purpose of leadership and followership? Broadly speaking, to solve group coordination problems. When a hunt is on, someone has to decide when to stay and when to attack, where to travel in pursuit of prey, and so on. When two warriors are engaged in a brutal fight, it is helpful for someone with the authority to break it up. De Waal (1996) studied chimpanzee behavior in a captive colony at Arnheim Zoo in the Netherlands, and observed one interesting

case:

> *a quarrel between Mama and Spin got out of hand and ended in fighting and biting. Numerous apes rushed up to the two warring females and joined in the fray. A huge knot of fighting, screaming apes rolled around in the sand, until Luit (the alpha male) leapt in and literally beat them apart. He did not choose sides in the conflict, like others; instead anyone who continued to act received a blow from him.*

These apes were in a zoo, but consider if they had been on the African savanna in an area that had not received rain for many months and where food was scarce. In such a scenario, avoiding unnecessary fights would be a matter of life and death. If a full-on internal war did occur without an alpha male to break it up, numerous apes would have torn into each other, causing infection and probably death. Stupid conflicts are paid for in Darwinian coin.

In pre-civilizational human societies, the outcome of crippling internal conflict would be even worse—being tortured to death by warriors of a hostile tribe. Archaeological study of ancestral remains gives us estimates that 15-60% of adult males met their demise from violence (Keeley 1996). Without strong leaders to keep groups effective, a group might become slightly weaker than the competition, which seizes the opportunity to take over its watering hole, leaving the original group with nothing but warm mud to drink. This

must have happened millions of times over the last 200,000 years. The highly competitive demands of survival and coordination make it easy to see how leadership and followership could have evolved as adaptive mechanisms to promote survival. In a sense, relying on a leader to make group-level decisions is "putting all the eggs in one basket," but the alternative, arguing it out until everyone in the group agrees, is too socially and computationally expensive to be a viable adaptive solution.

Evolutionary psychologist Mark van Vugt, who works together with well-known psychologist Robert Dunbar, has used game theory to explain how leadership naturally develops. From (van Vugt 2009):

> *A simple two-player 'coordination game' illustrates that, in many situations, leadership is almost inevitable. Imagine a pair of individuals with two simple goals: one, to stick together for protection, and, two, seek resources such as food patches and waterholes. Two mutually exclusive options are available, patch A or B, and they will get the same pay-off at each one. In this situation, any trait (physical or behavioural) that increases the likelihood of one individual moving first will make them more likely to emerge as the leader, and the other player is left with no option but to follow. Furthermore, if this trait difference between players is stable — for instance, if player 1 is always hungry first — then a stable leader–*

follower pattern will emerge over time. This two-player game can be easily generalized to a multiple player game where one or a few individuals are able to coordinate a large group.

People stick together for protection. They move to get things. Someone must initiate the movement. That person is the leader. Thus, leadership emerges. This is a very simple model with broad explanatory power. Note how dominance psychology doesn't even need to be a part of the picture, though in practice it is.

Van Vugt's review of the literature on leadership in human groups comes to the conclusion that extraversion is the trait most often associated with leadership, that this trait has a substantial heritable component. In addition, he says that experiments have shown that talkativeness is predictive of leadership—a phenomenon he calls "the babble effect".

In evolutionary theory, it is often assumed that personality deviations from group averages—greater shyness or extraversion, for instance—are statistical noise that represent suboptimal deviations from the species-average. Van Vugt speculates, however, that heritable differences in personality actually serve an adaptive purpose, fostering social coordination through leadership, followership, and similar mechanisms.

Leadership went through a distinct change at the dawn of civilization, roughly 5000 B.C. in Mesopotamia. The systematic use of agriculture, pottery, and permanent

dwellings allowed accumulation of wealth for the first time. This brought about the first social differentiation and the formation of specialized warrior and priest-leader castes. All of this is in contrast to the forager lifestyle of prehistoric hunter-gatherers, where leadership was informal.

Prehistoric hunter-gatherers lived in groups about the size of what is called the Dunbar number, first proposed by anthropologist Robin Dunbar. This number is roughly 150 people, about the maximum with whom an individual can maintain stable social relationships. The dawn of civilization is unique is that it is around that time that human groupings of super-Dunbar levels were achieved for the first time. Maintaining stability and order in super-Dunbar groups is a unique coordination problem, one that we still understand poorly seven thousand years later. We can call this “the challenge of civilization”.

The first cities such as Eridu and Uruk in Mesopotamia had populations between about 4,000 and 10,000 people. Individuals could still only have about 150 stable social relationships, but now lived in societies where the total number of individuals was much greater than that. This must have been an unusual experience for the first individuals to aggregate in this manner, or perhaps it was too incremental to notice.

Beginning with Sumerian civilization, three sectors of society began to differentiate; institutional households, communal households, and private households (van die

Mieroop 1997). This notion of different kinds of households, especially institutional households, was rather novel. Beyond different types of households, there was differentiation of the palace, the temple, the city, and the countryside. The palace and the temple are academically known as “great organizations,” a historically novel entity. The earliest monarchs, in city-states like Eridu, were priest-kings. Secular authority was intertwined with spiritual authority.

Contemplating the rise of civilization from hunter-gatherer tribes is rather mysterious. In a different timeline of planet Earth, could it be that hunter-gatherer tribes are still the standard, and the planet is populated by a mere several million individuals? That’s how it was for most of our history. During the Toba eruption, 70,000 BC, the human population was just between 1,000 and 10,000 breeding couples. What essential ingredients came together to make civilization possible 63,000 years later?

In Sumer, the dawn of civilization went hand-in-hand with agriculture, sophisticated hierarchies, social differentiation, and the emergence of monarchy. How about elsewhere? In Ricardo Duchesne’s *The Uniqueness of Western Civilization*, he overviews how Indo-Europeans, the progenitors of modern Europe, were organized in tribes around a warrior aristocracy:

> *I want to argue that heroic individuals first come to light in aristocratic societies, and that Mycenae, the society*

evoked in Homer's Illiad, was truly aristocratic. It is in aristocratic societies that we first discover characters zealously preoccupied with their honor and future name, with the judgment of other "masters" regarding their courage, skill in war and in the hunt—as embodied with such intensity in the figure of Homer's Achilles, a character fundamentally at odds with any form of servility. But what do we mean by "aristocratic"? Why do we find the "first" individuals in history in such societies? I will argue that the individualism of the Homeric heroes came originally from the Indo-European chieftans who took over the Greek mainland in the second millennium, and founded Mycenaean culture. The argument of this chapter is that the primordial roots of Western uniqueness must be traced back to the aristocratic warlike culture of the Indo-European speakers who spread throughout Europe during the 4th and 3rd millennium.

According to the Kurgan hypothesis, formulated by archaeologist Marija Gimbutas in the 1950s, the history of Old Europe was dominated by outward expansions of Indo-Europeans from the Pontic steppe between 4000-1000 BC. There is not substantial agreement on whether this was a mass movement or colonization by an elite, but genetic studies of haplogroup R1a1a seems to suggest that much of Europe has a high incidence of genes that are prominent in the Pontic steppe area to the northeast of the Black Sea. So, the Kurgan hypothesis is corroborated by genetic evidence.

The Indo-Europeans had certain genetic and cultural adaptations which made them well-suited to success and expansion in the environment of late Neolithic Europe (4000-3000 BC). The primary driver appears to be what Andrew Sherratt calls the "Secondary Products Revolution," (Sherratt 1981) referring to the secondary products of domestic animals such as butter, milk, cheese, and wool. Simultaneously, the wheel was invented in the northern Caucasus area, which may have been an independent invention or proliferated from Mesopotamia, and horses began to be domesticated and used in warfare.

The most useful genetic adaptation of Indo-Europeans was lactose tolerance, which evolved in Turkey about 6,000 BC, and had become common among Indo-Europeans by the time of the secondary products revolution. This adaptation increased their caloric intake and led to greater growth rates, making the Indo-Europeans several inches taller than the other tribesmen around them. It would have also made them more muscular and capable of expansion. J.P. Mallory, in his book *In Search of the Indo-Europeans, Language, Archeology and Myth* (1989), writes: "physical anthropology of the deceased [in the new Kurgan-style burial mounds] speaks of a population that was more robust-appearing with males averaging up to 10 centimeters taller than the native Eneolithic [Balkan] population" (Mallory: 240).

In *The Coming of the Greek, Indo-European Conquests in the Aegean and the Near East* (1988), Robert Drews makes the case that the elite caste of proto-Greeks were Indo-

European chariot riders who made their warlike arrival on the Greek mainland around 1600 BC, giving rise to Mycenean civilization. It was the combination of rugged steppe peoples, with their high-calorie diets and secondary animal products, combined with the fair weather and abundant seas of Greece which gave rise to the origins of European civilization, what we know today as Mycenean or Homeric Greece.

In his book, Duchesne emphasizes individualistic and aristocratic qualities present in Indo-Europeans which were not evident in any other of the world's known cultures at the time:

> *Indo-Europeans were also uniquely ruled by a class of free aristocrats. In very broad terms, I define as "aristocratic" a state in which the ruler, the king, or the commander-in-chief is not an autocrat who treats the upper classes as unequal servants but is a "peer" who exists in the spirit of equality as one more warrior of noble birth. This is not to say that leaders did not enjoy extra powers and advantages, or that leaders were not tempted to act in tyrannical ways. It is to say that in aristocratic cultures, for all the intense rivalries between families and individuals seeking their own renown, there was a strong ethos of aristocratic egalitarianism against despotic rule.*

> *Let me pull together a number of traits I have found in*

the literature which, in their combination, point to a life of aristocratic equality, vigorous, free, and joyful activity. First, all Indo-European cultures from the "earliest" times in the 5th millennium have seen the presence of warriors who sought to demonstrate their standing and wealth, by dressing in "ostentatious" ways; for example, with long or multiple belts and necklaces of copper beads, copper rings, copper spiral bracelets, gold fittings in their spears and javelins—with variations of styles depending on place and time but all demonstrative of an "individualizing ideology" (Anthony: 160,237, 251, 259-63). Second, the Indo-European warriors "were interred as personalities showing off the equipment of life and their personal position in a final coup de theatre, rather than joining a more anonymous community of ancestors" (Sherratt 2001a: 192). Kurgan burials commemorated the deaths of special males; the stone circles and mounds, and the emphasis on "prestige weapons and insignia," were intended to isolate and self-aggrandize the achievements of warriors (Anthony: 245). Third, they developed a distinctive tradition of feasting and drinking, in which "individual hospitality rather than great communal ceremonies" dominated the occasions. These feasts—backed by a "prestige goods economy"— were "cheerful" events of gift-giving and gift-taking, performance of poetry praising individual deeds, and animal sacrifices (2011b: 253; Anthony: 343, 391). These feats served as a great opportunity for warriors

with higher status and wealth, in this world of constant small-scale raids and persistent inter-tribal conflicts, to acquire the greatest number of clients. They were also an opportunity for the less powerful or younger warriors to attach themselves to patrons who offered opportunities for loot and glory. The more followers the patron could recruit, the greater the expectation of success to be gained by all. Fourth, as Gimbutas clearly articulated, and as Anthony (93) has further noted, this was a culture in which "all [the] most important deities lived in the sky," While Gimbutas described these sky gods in negative terms as the gods of a belligerent people, one may see them as the gods of an energetic, life-affirming people whose gods were personified as celestial heroes and chieftans. The sky-gods of the Indo-Europeans reflected—to use the words of Dawson (2002)—their "intensely masculine and warlike ethics, their mobility." If the gods of Egypt and Mesopotamia demanded unquestioned submission to their will, passive acceptance; and if the female deities of Old Europe—to borrow the language of Camille Paglia (1991)—represented the "earth's bowels," and embodied the "chthonian drama of an endless round, cycle upon cycle," the sky-gods of Indo-Europeans furnished a vital, action-oriented, and linear picture of the world. Finally, I would highlight the purely aristocratic manner in which Indo-Europeans organized themselves into war-bands (koiros, brotherhood). The nature of this association

might be better understood if we were to start by describing Indo-European society as different levels of social organization. The lowest level, and the smallest unit of society, consisted of families residing in farmsteads and small hamlets, practicing mixed farming with livestock representing the predominant form of wealth. The next tier consisted of a clan of about five families with a common ancestor. The third level consisted of several clans—or a tribe—sharing the same. The Those members of the tribe who owned livestock were considered to be free in the eyes of the tribe, with the right to bear arms and participate in the tribal assembly. Although the scale of complexity of Indo-European societies changed considerably with the passage of time, and the Celtic tribal confederations that were in close contact with Caesar's Rome during the 1st century BC, for example, were characterized by a high concentration of both economic and political power, these confederations were still ruled by a class of free aristocrats. In classic Celtic society, real power within and outside the tribal assembly was wielded by the most powerful members of the nobility, as measured by the size of their clientage and their ability to bestow patronage. Patronage could be extended to members of other tribes as well as free individuals who were lower in status and were thus tempted to surrender some of their independence in favor of protection and patronage.

In the late Bronze Age, this combination of aristocracy,

warrior ethos, and free-spirited individualism was uniquely European. We often hear that Athenian Greece was the foundation of Western civilization, but this is not the case. The proto-Greeks were representative of a diaspora that began with the horse-mastering, milk-drinking aristocratic warriors of the Pontic steppes.

There are three reasons why the Greeks are often referred to as the foundation of Western civilization rather than Myceneans or Indo-Europeans. The first is that archaeological and paleogenetic studies of Indo-Europeans are more of a challenge than classical Greek studies and have only begun to bear fruit and consensus during the early 90s. The second is that focus on the Athenian Greeks is more politically amenable to educators in present-day liberal democracies. The third is the association of Indo-Europeans with the Aryan racial theories of Nazi Germany. We do not consider any of these good reasons for why study of Indo-Europeans should be neglected, as they are the true forebears of Western civilization. Their cultural impact on the West is profound.

This concludes our brief overview of the science and early history of leadership and the context of monarchy as it initially emerged—in an egalitarian aristocratic tradition that guarded against despotism. Keep this system in mind as we explore the problems of what came later, liberal democracy. The next topic we visit are the dynamics of cultural cohesion (or lack thereof) in modern society.

Cultural Cohesion and Cultural Conflict

Chapter Three

In this chapter we examine negative trends in cultural cohesion and argue that democracy exacerbates these.

In 2000, Harvard social scientist Robert D. Putnam published his major work, *Bowling Alone: the Collapse and Revival of American Community*, an extension of his 1995 essay “Bowling Alone: America’s Declining Social Capital”. In the book, Putnam found that there has been a profound decrease in civic participation of all types, from club membership, to political parties, to fraternal groups like bowling leagues. He distinguishes between two types of social capital: bonding capital, between those of similar age, race, sex, and so on, and bridging capital, connections between dissimilar groups. His conclusion is that both types of social capital have collapsed since the 1950s and that the collapse is mutually reinforcing. This has exacerbated ethnic tensions and led to other negative consequences.

Besides a collapse in social capital, there are other worrisome trends in America. The use of antidepressants (Celexa, Effexor, Paxil, Zoloft, and many others) has been increasing at an incredible rate since 1980. Antidepressant use among Americans skyrocketed by over 400% from between 1988–1994 and 2005–2008 alone. Over one in ten Americans takes antidepressants, including more than 23% of women in their 40s and 50s, a higher percentage than any other group.

Clearly, something is profoundly wrong with our mental health. Declining social contact is likely a major factor. Less exercise and poor diet may be another.

Another trend to watch out for is increasing political polarization. Since 1997, polarization in politics has increased by a factor of approximately two. A Pew study found that average inter-party differences in political values widened from 9 percentage points in 1997 to 18 percentage points in 2012. Political experts also argue that the Internet is contributing to political polarization. Between 2002 and 2010, the number of Americans who get their news primarily from the Internet has tripled from 7 percent to 24 percent. 55 percent of Americans said that the Internet is increasing the influence of people with extreme political views. 34 percent admitted that they seek out news sources that reinforce their beliefs.

One view of increasing polarization is that this is a natural process that waxes and wanes, and that it has no particular implications with the long-term stability of our country. A contrary view, based on the study of European history, is that *de facto* nation states form along ethnic and cultural lines and that the United States is in fact composed of several such states. According to this view, a geographically expansive country with a large and diverse population, such as the United States, would be especially prone to fissuring into several parts, as it almost did during the 1860s. We can also use an analogy from biology, where a cell tends to grow in size up until a certain limit, at which point it divides. We may

be seeing the early stages of that division today.

A change has occurred in the last 70 years, where the concept of the nation as a distinct group has faded from importance in the American mass consciousness. The definition of a nation is “a large aggregate of people united by common descent, history, culture, or language, inhabiting a particular country or territory.” Nationalism is now seen as unsophisticated or primitive among many educated Americans. In 1929, Albert Einstein said, “Nationalism is an infantile disease. It is the measles of mankind.” When America has gone to war, it has always framed the effort in terms of standing up for moral universals, rather than just pushing national interests. Whether true or not, this has led many Americans to think of themselves as “above” nationalism. European national self-concept has moved in the same direction, if it wasn't already there.

In reality, however, the United States is composed of a variety of distinct cultural blocs or “micro-nations” that tend to think and vote as a group on issues such as abortion, religion, the role of government, international affairs, the legality of certain types of speech, support for specific political candidates, and so on. The clearest divide, yet also among the most poorly understood, is that between conservatives and liberals. According to Gallup, in 2011 there were 40% of Americans who described themselves as conservative, 35% who described themselves as moderate, and 21% who described themselves as liberal. This makes conservatives the largest ideological group in the US, with almost twice as many

as self-identified liberals.

Liberals are especially likely to repudiate nationalism, but they have a nationalism in their own way. It is based on multiculturalism, diversity, social justice, and championing causes such as global warming. A more crude definition of nationalism might be a group of people who want to have a certain cultural tone for a geographic area. The partisans of that view promote a given national tone and repudiate contradictions to it. Both liberals and conservatives attempt to set a tone to define what it means to be an “American”, but of course these definitions often conflict.

Every nation will be composed of competing parts. Middle class and lower class, northerners and southerners, easterners and westerners, young and the old. The question is whether those parts can cooperate together to create a nation. In America in particular, the “Red States” and “Blue States” have been drifting apart on many issues over the last two decades. If anything, Red States are retrenching on issues such as abortion, to which opposition has newly risen. The Bush and Obama years have been characterized by bitter conflict between political parties on a scale not seen in recent memory.

Many scholars have pointed out that America was not founded as a democracy, but a republic. The states also had considerably more independence from the central government than they do today. Over time, America has become more democratic, in the sense that social and legal change driven by democratic majorities has accelerated. Today we see this with

respect to issues such as marijuana legalization and gay marriage. Since the 1960s in particular, social change driven by democratic majorities has picked up in tempo.

How has American government changed since its founding as a republic? Aside from becoming more democratic, it has become larger. From an objective perspective, its increase in size as a percentage of GDP is probably its most salient change. In the year 1900, US government spending accounted for just 7 percent of the GDP. Today, it accounts for 38 percent. The upward trend has held steady for more than a hundred years. In 2013, the US government budget was $3,454 billion. 25% of that went to Medicare and Medicaid, 23% to Social Security, 18% to Defense, 17% to Non-Defense Discretionary Spending, 11% to “Other Mandatory”, and 6% to Net Interest.

In the United States, there is nominally a conflict between conservatives, who are allegedly for small government, and liberals, who are for more government services, but in fact both sides are in favor of large government. Records of government spending over the last 50 years show that government actually expands in size more, on average, during Republican presidencies than during Democratic tenure.

The increase in the size of the government means that the outcomes of different votes matter more to the material well-being of the constituencies. Instead of there being essentially a free market, with government intervening only in matters of national interest, today we have a free market of which 38% is

actually government spending. In terms of its intervention into daily life, society's widespread dependence upon it, the number of make-work jobs and welfare checks it provides, how it perturbs the incentive landscape for everyday people, and so on, government has a much larger impact now than it ever has.

As the economy cools down, as it has since 2008 in America, we see an increasing population competing for the same amount of resources. Economist Tyler Cowen argues that we are in the middle of a “Great Stagnation”, which will culminate in a “new normal” where everyone is poorer and the consumption of beans will increase relative to meat. Silicon Valley investor Peter Thiel has made similar arguments and says that if the United States does not make radical technological innovations, like those imagined in the science fiction of the 50s, we will continue to be stuck in an economic rut.

During times of economic stagnation, cultural and racial fault lines can become more apparent. That's certainly been the case with the controversy around black youths being shot by white police officers and the accompanying protests, the Ferguson movement. The Occupy Wall Street protests were triggered in part by the 2008 Financial Crisis. Meanwhile, an intense culture war is ongoing among the lower class, middle class, and the elite: you could describe it as the *Fox News* vs. *MSNBC* divide.

Consider surveys on inter-party marriage. A survey in

1960 asked if respondents would be “displeased” if their child married someone outside their political party. Just 5% said yes. In 2010, a similar survey asked if respondents would be “upset” if their child married someone outside their political party. This time, about 40% expressed displeasure, 50% of Republicans and 30% of Democrats. This is a sharp uptick since before 2008, when less than 25% expressed negativity towards inter-party marriage. David A. Graham, writer at *The Atlantic*, calls this evidence of a new “hyperpolarized” politics.

It appears that America is evolving into two separate nations with different opinions on government, abortion, the role of the family, economics, values, and just about everything else. These beliefs may even be genetic: one twin study found that “heritability plays a significant role in partisanship, accounting for almost half of the variance in strength of partisan identification.” The authors further write that, *“This heritability is probably not an artifact of ideological orientation since strength of ideology is not significantly heritable in the same sample. Nor is it an artifact of heritability in the direction of partisanship, which also fails to be significant for this sample. Instead, variation in the decision to identify with any political party appears to be strongly influenced by genetic factors.”*

Researchers at Virginia Tech came up with a simple test can determine whether someone is likely to be a liberal or conservative. They showed test subjects disgusting images, such as maggots, animal corpses, or “unidentifiable gunk in the kitchen sink”, and measured their neural reactions using

functional magnetic resonance imaging. From their reactions to the images, the researchers were able to predict whether the test subjects would score as conservative or liberal on a test with 95 to 98 percent accuracy.

In today's political environment of big government, hyperpolarized politics, and economic stagnation, democracy is ritual warfare over how the governmental pie should be apportioned. New wealth derives from being able to get the government to give you money, in some way or another, rather than from economic growth. The portion of the economy that is dominated by government spending is essentially a planned economy, and it is captured by large voting blocs voting in favor of redistribution policies that personally benefit them or officially aggrieved groups.

Ritual warfare over both economic and values issues between competing political factions only reinforces entrenchment, leading to the polarization we see today. A desire to opt out—Exit—from unwanted political entanglements has led to numerous American secession movements in 2014, including a proposal for a new state called Jefferson in northern California and southern Oregon, a northern Colorado, and a Western Maryland. Silicon Valley venture capitalist and billionaire Tim Draper proposed a plan called Six Californias, to break California up into six states with Silicon Valley as its own state, but it failed to qualify for the 2016 California elections due to insufficient signatures. Draper's reasoning behind the proposal is that California is too large to be effectively governable.

The neoreactionary argument against democracy in this context is that it burns social capital, wastes time, exacerbates social divisions, and causes chaos, by forcing the entire population into an endless political competition for resources. Not only is there constant competition, but during the next election, your opposition might be able to reverse the changes your party made when you were in control, creating an incentive to produce structures which can't be removed. We see a ratchet effect in favor of big government, where each candidate makes new promises for government services which are then locked in. This process continues until the government goes bankrupt or dominates the entire economy. Without a strong executive to put the breaks on spending, the process of growth and spending just continues. No individual President or Congress has the political authority to roll it back. We are stuck on a path predetermined by the system itself, not the decision of any individual person or group of persons.

A traditional aspect of government was that it provided some cultural cohesion. It was something for us to organize our society around, however loosely. Traditional government had a paternal presence, whereas today's government seems more maternal. Traditional government in the United States was more republican than democratic, meaning that individual voters did not have power so much as their representatives. Prior to the United States and the French Revolution, traditional government meant that the average citizen was completely excluded from political decision-making. Despite this exclusion, in many cases such governments were an

effective banner for social cohesion, moreso than the democracies of today.

One aspect of democracy that makes it struggle with providing cultural cohesion is its constantly changing nature. People have trouble respecting a government that constantly changes depending on which party is in control or what political fad is important at the moment. They know that who is in power depends on the masses, and that the masses are fickle. Hopefully, the temporary leader of a democracy has some sort of gravitas, knowledge, or experience independent of his appeal to the majority. Even if he does, he will be influenced by powerful incentives outside his control. We explore those in the next chapter.

Incentives in Democracy

Chapter Four

One of the most criticized features about democracy are the governmental and economic incentives it creates. According to libertarian economist Hans-Hermann Hoppe writing in *Democracy: the God That Failed* (2000), these incentives are “decivilizational” and lead to a process of social and fiscal decline. Hoppe argues that the collapse of Communist socialism was an indictment against the fiscally irresponsible, creeping democratic socialism of Western democracies. He writes,

> *Moreover, throughout the Western hemisphere national, ethnic and cultural divisiveness, separatism and secessionism are on the rise. Wilson's multicultural democratic creations, Yugoslavia and Czechoslovakia, have broken apart. In the U.S.; less than a century of full-blown democracy has resulted in steadily increasing moral degeneration, family and social disintegration, and cultural decay in the form of continually rising rates of divorce, illegitimacy, abortion, and crime. As a result of an ever-expanding list of nondiscrimination-“affirmative action”-laws and nondiscriminatory, multicultural, egalitarian immigration policies, every nook and cranny of American society is affected by government management and forced*

integration; accordingly, social strife and racial, ethnic, and moral-cultural tension and hostility have increased dramatically.

Hoppe's key points about time preference and civilization are somewhat technical and expressed using economics jargon. His central point is that low time preference (ability to delay gratification and conserve resources for future productivity) leads to the better accumulation of capital which benefits everyone in the future, leading to a virtuous cycle. The accumulation of capital increases the marginal productivity of labor which *"leads to either increased employment or wage rates, or even if the labor supply curve should become backward sloping with increased wage rates, to a higher wage total."* Thus, *"a better paid population of wage earners will produce an overall increased-future-social product, thus also raising the real incomes of the owners of capital and land."* Hoppe sees this circular process of capital accumulation initiated by property owners leading to improvements in the lives of the workers, in turn leading to profits for the owners, as the primary factor underlying civilization in general.

Hoppe compares the time preference of a child, which is high, always hungering for what is there at the moment, with that of a responsible adult, which is lower, planning for the future. As a child matures, he is more likely to save and invest for the future, displaying a lower time preference. His time preference then increases again as he approaches death and there is less ability and necessity for him to plan for the long-

term future. Similarly, as a society progresses from barbarism to civilization, it engages in a positive feedback cycle of saving-investing, a lowering in time preference that subtly influences all others in the society to do the same. By creating a neatly-ascending staircase of incentives, the saving-investing cycle is a civilizing force, transforming the barbaric man into the civilized man by building up productive capital. In a civilization on the decline, this positive feedback cycle can unravel, with capital being devoured for short-term needs.

Besides using time preference to illustrate the difference between young and mature, barbaric and civilized, Hoppe even uses it to describe the difference between the "lower classes" and the "upper classes," approvingly citing a quote from Edward Banfield, *The Unheavenly City Revisited* (1971). In the book, Banfield illustrates the "persistent distinction" between social classes and cultures. Hoppe comments: *"Whereas members of the former (upper class) are characterized by future-orientation, self-discipline, and a willingness to forego present gratification in exchange for a better future, members of the "lower class" are characterized by their present-orientation and hedonism."* Hoppe finds it curious that while time preference is widely recognized by economists, in particular those of the Austrian School, sociologists and political scientists have paid it little attention. This is perhaps due to the controversial nature of ascribing socioeconomic differences to heritable behaviors, though there is undoubtedly a connection.

In Hoppe's view, there is a constant tension between

government, which has a tendency to grow and enrich itself at the expense of the population, thereby increasing their overall time preference, and the civilizing forces (the opposition of the public to taxation and exploitation) which limit the extent of government interventions into the economy and thereby preserves low time preference. Hoppe sees government as a potentially parasitic force on the natural productivity of the business sector. He views taxation of the private sector as "government property-rights violations" which increase overall time preference in proportion to their magnitude.

The central thesis of Hoppe's book is that democracy is a degenerative form of monarchy, the stage that civilization declines to when its time preference increases. He defines a government as the monopoly of expropriation across a territory. Specifically, he calls it instutitionalized expropriation.

Given that expropriation creates victims, an agency that institutionalizes expropriation must have legitimacy, Hoppe says. Acquiring legitimacy is a difficult task. Governments tend to begin in small territories and expand outwards. This form of government in typically connected to *personal* rule. Even for groups as small as clans or villages, he writes, people would rather place their trust regarding the sensitive issue of territorial monopoly of expropriation in the hands of a specific, known individual, rather than a democratic vote. Natural authority is a personal trait, and because the masses do not possess any natural authority, they must acquire authority through unnatural means. This would generally be through a

war or revolution.

The key difference between the two forms of government is that in one case, government is privately owned, in the other it is publicly owned. Hoppe argues that these two kinds of governments *"have systematically different effects on social time preference and the attendant process of civilization, and with the transition from personal (monarchical) to democratic (public) rule in particular, contrary to conventional wisdom, the decivilizing forces inherent in any form of government are systematically strengthened."* In other words, democracy (public government) is a decivilizing force associated with high time preference, whereas personal rule (private government) is a civilizing force associated with lower time preference.

The reason why a non-democratic ruler has a lower degree of time preference as compared to criminals or democratic governments is that *"the expropriated resources and the monopoly privilege of future expropriations are individually owned."* In other words, taxes are added to the ruler's private estate and a monopoly on future expropriation (taxation) is attached as a title to his estate. This causes an immediate increase in the present value of his estate. In addition, the ruler may sell, rent, or give away any part of his estate, and may *"personally appoint or dismiss every administrator and employee of his estate"*. He can also pass on his estate to his heirs, keeping it in the family indefinitely.

In theory, it then follows that the ruler, assuming no

motivations other than self-interest, would not want to increase his current income through taxation so much that it causes a "*more than proportional drop in the present value of his assets*". All else equal, this means he would have an incentive not to overtax his subjects. The value of his property, and most likely its currency, is "*reflected in the value of all future expected asset earnings discounted by the rate of time preference*", not just its first-order present value. This means the ruler would have an incentive not to expropriate funds from his territory in such a way that it damages his ability to expropriate further funds in the future. The lower the tax rate, the more resources the population will have available to further its own productivity, and the larger the pie from which a portion will be expropriated for taxes later.

The personal ruler has monopoly of law (courts) and order (police). It is in his interest to enforce private property law with the sole exception of his own expropriation (taxation). The enforcement of contracts creates a beneficial business atmosphere which increases private wealth which can later be taxed by the ruler's government. Hoppe writes that besides relying on tax revenue for his expenditures, a ruler will want to allocate some of his wealth to productive activities, the production of "normal" goods and services which can then bring revenue on the free market.

Hoppe identifies another factor of privately owned government which he says implies moderation. This is the exclusivity of private property. "*Typically,*" he writes, "*a*

private-property owner will include his family and exclude all others." The property is restricted to the family, in the case of a monarchy the ruler being the head of the family. In government, this exclusiveness takes on a "special meaning," which is that it "*implies that everyone but the ruler and his family is excluded from benefiting from nonproductively acquired property and income. Only the ruling family—and to a minor extent its friends, employees, and business partners—shares in the enjoyment of tax revenues and can lead a parasitic life."* The sentiment expressed here is that if government is going to exist, and it's going to be parasitic to some extent, it is best to restrict that parasitism to a specific ruling family instead of creating a parasitic super-organism that sucks up 48% of national GDP and employs and finances millions of mediocre employees and welfare chattel.

The fact that membership in the royal family is highly exclusive means that there is a "class consciousness" among the governed. They experience a mutual identification as "*actual or potential victims of government violations of property rights*", strengthening their solidarity in the face of perceived slights. The ruling class suffers the risk of losing its legitimacy if it overtaxes the population. Overtaxation causes emigration and lowers foreign investment, providing an incentive for the ruling family to moderate their expropriation policies.

In his book, Hoppe also describes how private ownership of government changes the way nations look at war. Because the primary purpose of monarchical war is to increase the

personal territory of the sovereign, it is viewed as a personal endeavor of the ruler, where he *"will have to bear all or most of the costs of a military venture himself"*. Otherwise, he will *"encounter immediate popular resistance"* which will *"thus pose a threat to the government's internal legitimacy"*. This is in contrast to the modern democratic/republican psychology view of war, where wars are somehow seen as activity benefiting the whole people of a nation, whether they personally desire the war in question or not. When war is conducted in supposed accordance with "the will of the people," as democratic governments do, it becomes easier to justify compelling the people for unlimited funds to finance that war. Hoppe highlights that the most effective expansionary monarchies expanded their territory through the *"contractual conjunction of originally independent kingdoms"*, which is largely a matter of family and marriage policy rather than military conquest. Of course, some great empires were also won by conquest.

In contrast to monarchies, a democratic ruler can use a government to enrich himself in the moment, but he does not own it. He, his party, and his constituents can only benefit from the present income of the territorial monopoly on expropriation, not present income plus all expected future asset earnings. This makes for incentives for greater time preference and short-term capital consumption with attendant waste.

Since government resources are unsaleable, says Hoppe, it makes calculating their market value impossible. Therefore,

he claims, it is *"unavoidable that public-government ownership results in continual capital consumption"*. Unlike in the case of a king, who can quantify his kingdom's long-term potential for earnings and has the private incentive to maximize them for the long term, a president only has the incentive to maximize immediate resource consumption to accomplish his goals. In other words, to maximize current income at the expense of capital values. A president, unlike a king, only owns the *current use of government resources*—not their capital value. Therefore, he has no incentive to be a long-term custodian for the capital value of the government, which he does not own. Since no one actually owns a democratic government, it becomes susceptible to pillaging and a Tragedy of the Commons. It is only the *personal ownership* of the capital value of the government that aligns incentives in favor of its long-term maintenance. Otherwise, the incentives for stability are just not there.

It is certainly possible to object to these points by Hoppe. For instance, it isn't true that public property can't be sold. The federal government has about $128 trillion worth of real estate that it could theoretically sell to finance itself. To address the point on presidential time preference, a president could very well exist that happens to care very much for the long-term future of his or her country, and takes actions in such a way as to maximize what they see as its long-term prosperity. Hoppe's point is just that the incentives are just not naturally aligned for that to happen, and are in fact aligned for it not to. He argues that a selfish king has incentives to care for the long-

term well-being of his country, while a selfish president does not. For a president to behave in a low time-preference way typical of an average selfish king requires saintly levels of personal morality and staunch devotion to long-term prosperity regardless of the immediate demands of the public, whereas a king would never have the personal incentive to engage in the short-term profit maximization characteristic of democratic politicians.

Hoppe says the public governance eliminates the clear line between the rulers and the ruled and thereby systematically weakens our opposition to the expansion of the government. By giving us the illusion that we are ruled by no one but instead we all rule ourselves, everyone has an imaginary piece in the franchise of the government, and cheers it on as it grows to displace the private sector. Public government makes expropriation and taxation seem less evil, therefore taxes increase, either in the direct form of higher tax rates or through money printing (inflation). Similarly, the ratio of "public servants" to private employees increases, encouraging rent-seeking.

Hoppe writes:

> *The combination of these interrelated factors —"public" ownership of the government plus free entry into it—significantly alters a government's conduct of both its internal and its external affairs. Internally, the government is likely to exhibit an increased tendency to incur debt. While a king is by no means opposed to debt,*

he is constrained in this "natural" inclination by the fact that as the government's private owner, he and his heirs are considered personally liable for the payment of all government debts (he can literally go bankrupt, or be forced by creditors to liquidate government assets). In distinct contrast, a presidential government caretaker is not held liable for debts incurred during his tenure of office. Rather, his debts are considered "public," to be repaid by future (equally nonliable) governments. If one is not held personally liable for one's debts, however, the debt load will rise, and present government consumption will be expanded at the expense of future government consumption. In order to repay a rising public debt, the level of future taxes (or monetary inflation) imposed on a future public will have to increase. And with the expectation of a higher future-tax burden, the nongovernment public also becomes affected by the incubus of rising time-preference degrees, for with higher future-tax rates, present consumption and short-term investment are rendered relatively more attractive as compared to saving and long-term investment.

These points are absolutely crucial. A king is personally liable for his country's debt, a president is not. When no one is personally liable for a debt, it has a tendency not to be paid. Furthermore, a public government's pathological tendency to acquire debt means it must increase taxes to pay back current debts, interest, and anticipated future debts. This causes a debt spiral which ultimately threatens the structural integrity of the

entire economy.

Hoppe also says that there is a fundamental legal difference between private and public government. Under a monarchical order, the natural preexisting private property law is preserved, with the monarch merely occupying an exceptional space in this private law system, being the owner of sovereign territory. Hoppe writes, *"He does not create new law but merely occupies a privileged position within an existing, all-encompassing system of private law."* Contrasted with this, under a public government, a new form of law, "public" law, emerges, which *"exempts government agents from personal liability and withholds "publicly owned" resources from economic management."* This public law competes with and erodes private law, subordinating it to the public agenda. The *"advocacy and adoption of redistributive policies"* for public law is incentivized and a "welfare state" is created.

The business of legislatively-enacted redistribution of income proceeds as follows, according to Hoppe. There are three primary forms of redistribution: 1) simple transfer payments, from the "haves" to the "have-nots", 2) "free" or below-cost provision of goods and services by the government, 3) business or consumer regulations, which differentially increase the wealth of one privileged business group at the expense of another, competing group. Through these three mechanisms, the government has a deep influence on the economy and the incentives that make up the web of our everyday society.

These legislatively-enacted redistribution actions have two overall effects on society. First, they increase the overall level of legal unpredictability, blurring the line between legal and illegal and causing an increase in criminal activity. Long-term unpredictability decreases the incentive to invest, increasing overall time preference. Secondly, redistribution tends to create privileged groups benefiting from unearned income, destroying their future incentive to independently earn income or otherwise contribute to society. This creates a welfare class which is economic deadweight. Similarly, "welfare cliffs" (increased private income causing loss of government benefits resulting in lesser total income) mean that individuals may have an active personal financial incentive *not* to seek employment, and instead sit back and benefit from government transfer payments. Even if the legislative intent is to help the poor with these redistribution schemes, in the long term it harms them by decreasing the overall productivity of the economy on which they depend.

In the realm of foreign policy, Hoppe points out that while a king can expand his kingdom through contractual mergers by marriage, a president can only expand the territory through warfare or imperialism. Even if a president were to create a voluntary connection between countries in the form of a contractual merger, these treaties would *"not possess the status of contracts but constitute at best only temporary pacts or alliances, because as agreements concerning publicly-owned resources, they could be revoked at any time by other future governments"*. Therefore, Hoppe says (paraphrasing),

if a democratic ruler and democratically elected ruling elite want to expand their territory and tax base, conquest is their only option, hence the likelihood of war will be increased.

Not only is the likelihood of war increased with democratic government, but the kind of war changes. Wars between monarchies tend to arise out of inheritance disputes, which are *"characterized by territorial objectives"*. Not being ideologically motivated, they are *"disputes over tangible properties"*. They are also viewed as the king's personal affair, *"to be financed and executed with his own money and military forces"*. As private conflicts between ruling families, the public expects there to be a clear distinction between combatants and noncombatants, rather than the chaos of total war. Hoppe quotes military historian Michael Howard, who wrote that as late as the eighteenth century,

> *on the continent commerce, travel, cultural and learned intercourse went on in wartime almost unhindered. The wars were the king's wars. The role of the good citizen was to pay his taxes, and sound political economy dictated that he should be left alone to make the money out of which to pay those taxes. He was required to participate neither in the decision out of which wars arose nor to take part in them once they broke out, unless prompted by a spirit of youthful adventure. These matters were* arcana regni, *the concern of the sovereign alone.*

Hoppe quotes Guglielmo Ferrero, writing of the eighteenth century,

> *war became limited and circumscribed by a system of precise rules. It was definitely regarded as a kind of single combat between the two armies, the civil population being merely spectators. Pillage, requisitions, and acts of violence against the population were forbidden in the home country as well as in the enemy country. Each army established depots in its rear in carefully chosen towns, shifting them as it moved about; ... Conscription existed only in a rudimentary and sporadic form, ... Soldiers being scarce and hard to find, everything was done to ensure their quality by a long, patient and meticulous training, but as this was costly, it rendered them very valuable, and it was necessary to let as few be killed as possible. Having to economize their men, generals tried to avoid fighting battles. The object of warfare was the execution of skillful maneuvers and not the annihilation of the adversary; a campaign without battles and without loss of life, a victory obtained by a clever combination of movements, was considered the crowning achievement of this art, the ideal pattern of perfection.*

In contrast, Hoppe writes, democratic wars tend to be total wars. Because democratic states blur the distinction between the rulers and the ruled, citizens tend to see themselves more as part of their state than would be possible under a monarchy, making them more likely to be motivated by an ideological nationalism that leads to unnecessary inter-state aggression. Michael Howard wrote that once the state

ceased to be owned by dynastic princes,

> *and became instead the instrument of powerful forces dedicated to such abstract concepts as Liberty, or Nationality, or Revolution, which enabled large numbers of the population to see in that state the embodiment of some absolute Good for which no price was too high, no sacrifice too great to pay; then the "temperate and indecisive contests" of the rococo age appeared as absurd anachronisms.*

We see this clearly with the debut of the Napoleonic Wars, the first modern wars that seriously disrupted the European political landscape and system of government that had stood for centuries. The Napoleonic Wars were also the first to feature conscription, an "innovation" that led to untold suffering among future generations. Instead of wars being fought as personal conflicts between princes for tangible properties, they became ideological affairs of ritualistic bloodsport. Soon it became necessary for America to export democracy by means of the sword.

Along with Napoleonic Wars came Napoleonic rulers, or what we call Bonapartist rulers, after Julius Evola's description of Bonapartism in his 1953 book *Men Among the Ruins*. Instead of making choices on their own behalf and (equivalently) in the best interests of their kingdom, Bonapartist rulers make choices in accordance with what they perceive as popular opinion. Evola coined the term "Bonapartist" after Napoleon III, a weak ruler who

demonstrated no independent initiative but instead desperately courted public favor. Austrian philosopher Otto Weininger described this relationship between the populist leader and the public as “mutual prostitution”. Instead of an example of proper leadership, where the leader takes independent initiative and actually leads, the populist does not lead and instead acts like a leaf blown about by popular whim. Evola wrote that it is the follower who needs the leader, not the other way around, but in the case of a Bonapartist leader, it is the leader who actually follows the followers, inverting the proper relationship. The leaders of democracies tend to be Bonapartist leaders.

GDP and Democracy

Chapter Five

A reasonable question to ask is whether democracy, despite its flaws outlined above, at least provides a greater GDP growth than more authoritarian forms of government. The answer is a straight no. Economists have argued on all sides of the debate: that democracies are necessary for economic growth, that China's rapid economic growth is uniquely enabled by its authoritarian government, and that democracy leads to slightly greater growth, on average, but that authoritarian governments have greater variance. Overall though, the consensus is that there is no clear relationship between democracy and growth, except for higher variance in outcomes among authoritarian governments. Harvard economist Lant Pritchett wrote, *"The broad categories "democracy" and "authoritarian" are roughly useless for the analysis of economic growth. The only robust empirical association between these categories and growth is that the set of countries with authoritarian governments have much higher variance of growth."*

A key 1996 paper by German sociologist Eric Weede, "Political Regime Type and Variation in Economic Growth Rates", highlights the empirical evidence for the difference in variance between GDP growth rates in democracies and authoritarian states. The abstract for the paper reads,

> *Research about the effects of regime type on economic growth rates did not establish any robust differences in average growth rates between democracies and autocracies. Here, it is suggested that we may have asked the wrong question. There still might be a difference in variances. Democracy implies similar constraints on rulers and thereby might lead to quite similar economic performances. Among autocracies, however, constitutional and institutional constraints are likely to be weak and variable. Moreover, personal inclinations of autocrats might matter much more than personality differences between democratic rulers. Data from the 1960-87 period supply some evidence that there is indeed greater variation in growth rates among autocracies than among democracies.*

According to this perspective, it is wise not to look at authoritarian governments as just one category of thing, but a catalog of possible governments that is somewhat wider than the range of democratic governments. That is what causes the greater variance in economic and social outcomes among authoritarian societies. For instance, the economic and social outcome of the absolute authority of the average African military dictator might be systematically different than the economic and social outcome of the average historical Mongolian despot, which is in turn different from the modern Muslim autocrat, who is in turn different than the Enlightenment-era European monarch, and so on. Not all kings are created equal. Being products of the cultures around

them, they inherit certain strengths and weaknesses common to all members of that culture. A king who rules over a country with a high average IQ and stable social institutions is going to preside over greater economic growth than a king who rules over a country with low average IQ and failing social institutions. Since history is not a laboratory, it may be difficult or impossible to credit individual monarchs rather than their circumstances for exceptional successes or failures.

In his paper, Weede cites several overviews (1990-1993) of the literature comparing growth rates to forms of government, which found that there was a roughly similar number of studies advocating authoritarianism as a promoter of growth as there are advocating democracy. According to Weede, there is no robust connection between average growth rate and form of government, and it's premature to make a conclusion on the matter. There is, however, the key difference in growth rate variance. Another, unrelated 2002 study came to an interesting conclusion: *"Rich countries indeed see a decline in growth after democratic transformation, while poor countries experience acceleration in growth."*

Examining cross-national evidence of economic growth rates and form of government, Francis Fukuyama writes,

> *many of the most impressive economic growth records in the last 150 years have been compiled not by democracies, but by authoritarian states with more or less capitalist economic systems. This was true of both*

Meiji Japan and the German Second Reich in the latter half of the nineteenth century, as well as any number of more recent modernizing authoritarian regimes such as Franco's Spain, post-1953 South Korea, Taiwan, Brazil, Singapore, or Thailand.

One can debate endlessly over whether this is true, but it certainly is an interesting hypothesis. The problem with trying to formulate general political “laws” with respect to regularities in recent governance is that the sample space is too small and there are never the right control groups. Therefore, we cannot explicitly agree or disagree with Fukuyama's statement. At the very least, we can say that efficiently run authoritarian states with “more or less capitalist” economic systems produce outcomes that tend to be acceptable, if not impressive. At the same time, we can see that authoritarian Communist states (like the Soviet Union) had low economic performance in the long run, while authoritarian Communist states that open themselves up to free markets (like China) have experienced economic success (in a sample set of one).

It is the view of the author that major steps forward in economic progress occur when civilizations stumble upon the right technological innovations. This is enabled by a variety of factors: the intelligence of the elite class (the “smart fraction”), the availability of leisure time, the acquired knowledge of the elite class, access to funding, and the international position of the country in scientific and technological affairs. In this complicated mishmash of qualifiers, sometimes democracies win, sometimes authoritarian governments do.

In this whole discussion on GDP vs. different forms of government, it is easy to get caught up in overvaluing the importance of GDP. Gross Domestic Product is just one indirect measure of the wealth of a country. We will spare you a detailed discussion of GDP, but suffice it to say, there are other metrics of comparable, if not greater importance: human capital, natural resources, geopolitical position, scientific accomplishments, happiness, cultural cohesion, and so on. None of these are measured by GDP. It is also possible for a country to "fudge" its GDP and make it seem larger than it actually is.

A more concrete and enduring form of wealth than GDP might be something like cognitive capital. It is well known that there is a strong correlation between national average IQ and GDP, with an observed correlation coefficient of 0.73. What is not as widely known is that the population fraction with IQ greater than or equal to some threshold IQ, probably about 108, predicts the GDP of a country even more closely than average IQ alone. This means that given increases to a nation's average IQ disproportionately increase the fraction of its population with an IQ over the threshold level, providing a corresponding greater increase in economic growth. This hypothesis, that smart fractions predict economic growth, is credited to the psychometric theorist La Griffe du Lion.

According to this *smart fraction theory*, the correlation between per capita GDP and intelligence is sigmoidal, meaning that those in the smart fraction contribute distinctly more to the economy than those below it. As we proceed from

lesser to greater intelligence and examine an economic productivity per capita, it is likely to jump abruptly as we examine individuals with an IQ of roughly 108 of greater, *"a bit less than the minimum required for what used to be a bachelor's degree."*

Part of the variance in economic growth among authoritarian states and democracies may have to do with how these different governments subsidize different types of performance. A socialist democracy may put more emphasis on low achievers, investing educational funds in them which they are cognitively incapable of absorbing, meaning that the input is wasted. In contrast, a more meritocratic democracy or a hierarchical monarchy might reward the highest performers, fostering and encouraging exceptional performance and discouraging mediocrity. This requires a certain elitist mentality, however, one that is rarely found among the egalitarian social democracies.

One of the worst economic habits of democracies may be their tendency to acquire debt. According to a highly controversial 2010 economics paper, "Growth in a Time of Debt" by Carmen M. Reinhart and Kenneth S. Rogoff, the authors claim that *"median growth rates for countries with public debt over roughly 90 percent of GDP are about one percent lower than otherwise; average (mean) growth rates are several percent lower"*. They say, *"the relationship between public debt and growth is remarkably similar across emerging markets and advanced economies."* If this is true, then the demonstrated tendency of democracies to acquire

debt may be systematically hampering their economic growth. Observations of debt-driven slowdowns in growth may not have been previously observed because not enough economies had surpassed the "magic threshold" of debt required to slow economic growth.

A 2014 research paper from the International Monetary Fund found "*no evidence of any particular debt threshold above which medium-term growth prospects are dramatically compromised*", one of many studies contradicting Reinhart-Rogoff. Although they found countries with high but declining debt which were growing at equal rates to countries with low debts, they did "*find some evidence that higher debt is associated with a higher degree of output volatility*".

The debt acquired by democracies is especially troublesome when voters or their representatives vote themselves entitlements which the state cannot afford, either requiring a suspension of payment, government shutdown, or raising taxes. An example is the trust fund of Medicare, which the government projects will be depleted by 2026, causing sharply decreased benefits, or the trust fund of Social Security, which will be exhausted in 2033. Continuing to fund these programs requires increasing taxes or the suspension of other government services. Clearly, when politicians voted to establish these programs, creating a system that is financially viable for the long term was not among their greatest priorities.

Wealth Issues

Chapter Six

Economists have a tool called the Gini coefficient which they use to describe income inequality within a country using a single number. A Gini coefficient of one or 100% represents maximum inequality, the case where one person has all income and everyone else has zero income. A Gini coefficient of zero means that everyone has an identical income. A hypothetical case where 20% of the population has 80% of the wealth corresponds to a Gini coefficient of at least 0.6, or 60%. The often cited example where 1% of the world's population owns approximately 50% of the world's wealth signifies a Gini coefficient of at least 49%.

Most developed countries have a Gini coefficient between 0.24 and 0.49, with countries like Slovenia, Austria, and Bulgaria having the lowest coefficients and therefore the most relative equality. The United States has a Gini coefficient of about 0.45. Brazil's is about 0.50. Hong Kong has the 12th highest Gini coefficient at 0.54. The most unequal country in the world, according to the CIA's statistics, is South Africa, with a Gini coefficient of 0.65.

The Gini coefficient is important to understand because it that it is partially propaganda. Some of the countries with the highest growth rates also have the greatest inequality. The superficial implication of Gini coefficient statistics is that countries with high inequality are “bad”, and those with low inequality are “good”. This should be rejected outright.

Economic growth necessarily produces inequality, and a uniform income growth rate across the entire population is not economically feasible. Highlighting the Gini coefficient is therefore mostly a show, a trick to get people to shed tears over inequality when they may not know the economic reality or fundamental economic constraints behind the numbers which make trying to minimize inequality foolish.

The worldview behind highlighting the Gini coefficient as an all-important measure is that, if the riches of the wealthy were somehow redistributed to the poor, they would actually make intelligent use of them in the long term instead of just wasting them instantly. This is dubious. As unfair as it may seem, there is an economic rationale to the income distribution as it stands right now. Transferring the wealth of the upper class to the poor is not the best way to ensure the well-being of the many; in fact, it may be the best way to destroy the economy for everyone. Communism is precisely the idea of attempting to create income equality, and it has failed completely in over 25 independent attempts throughout the 20th century, with over fifty million corpses to show for it.

Wealth inequality is not fundamentally bad. In fact, wealth inequality is good. From observing thousands of years of history, it is clear that in a market economy, a substantial amount of wealth tends to go to the few, while the rest is shared among the many. Is this a product of evil, of greed? Even if it were, it seems to be the economic configuration which is most natural and attempted deviations from it, like Soviet Communism, seem to consistently fail. It is likely that

an upper class owning most of the wealth is the most game theoretically optimal arrangement—i.e., the economic arrangement we tend to converge to and which we have thousands of years of experience in understanding and managing.

Consider a few traits about the Gini coefficient. The first is that everyone in a country can get richer while the Gini coefficient raises, signifying increasing “inequality”. Is this something we should feel indignant about? Certainly not. Increasing wealth benefits real lives, even if others in the same country have their wealth increase at an even greater rate. The income increase is not fungible—meaning, this income increase could not be arbitrarily transferred to everyone in the country and still retain the same economic value. The very reason the income differential exists at all is because of unique skills, connections, and traits that *the upper class have and the lower class don't.* It doesn't make economic sense for foreign investors, for instance, to evenly distribute their investment money to every single individual in Botswana. It makes more sense for them to invest in people with a track record who they have some hope of trusting. This differential investment, which makes perfect sense from an economic perspective, is lost on some liberal economists who view any form of income inequality as injustice.

The reason that certain individuals are wealthier than others is that third parties, investors and employees, see them as a more worthwhile investment than their colleagues. That is the free market. Does this mean that the wealth distribution is

optimal exactly the way it is now? Not necessarily. It does mean, however, that we should be skeptical when socialist-minded theorists demonstrate zero understanding of the economic role that capitalists play in the prosperity of the nation. If put in the place of high-level managers or investors, these armchair theorists would likely prove themselves to be bungling amateurs, lacking the IQ or experience to even make an attempt at dispersing and investing funds responsibly. This is why social differentiation exists; some people are suited to work on automobiles, others are suited to work in finance or management. It's part of the natural differentiation and hierarchy of a nation.

We should make the point that the *healthy nation* is one in which there is a level of wealth inequality. This is because certain people are more suited to managing, creating, and investing money than others. Lawyers make more money than waiters because that is how the market works. Any attempt to artificially change this, through revolutionary fervor or otherwise, is misguided. Our personal dislike or frustration with lawyers does not change the fact that their profession is in greater demand and requires more skills than being a waiter and thus they are paid more. Anyone who does not understand this basic fact is not ready to talk politics.

Consider the Gini coefficient of the planet as a whole over the last two hundred years. It has steadily risen from 0.43 in 1820 to 0.71 in 2002, at which point, after more than two hundred years of ascent, it slowly decreased to 0.68 in 2005.

When journalists, economists, or whomever, shows you the Gini coefficient in a given area or country, 90 percent of the time they're using it as a tool to show you how evil the regime in country X is and how it should be toppled immediately, through military force if necessary, because it's so unequal. Don't fall for such tricks. Remember that the global Gini coefficient has been climbing since 1820. Does this mean we should take all technological progress since 1820 back to the store, say it's flawed, and request a return? Judging by the way some journalists and economists write about it, that's what you might think they want.

Inequality is a natural part of growth. Some individuals in a country naturally make more than others, because they have a higher IQ, they're better connected, they do more useful work, or maybe they're just better people. Perhaps they make more money because they're crooks, in which case they should be prosecuted. The point of the government is not to artificially grab money from the wealthy to provide excessive unearned income to the poor, or to create an artificial economy, but to ensure that the poorest don't starve and that overall economic growth is maintained. Keeping people above the poverty line and enforcing the law is more important than minimizing inequality *per se.* The only wealthy individuals the government should be focused on seizing the wealth of are those who came into their money *illegally*—not otherwise. Some degree of government-provided social services is to be expected, but the social democracies of the West, such as the United States, ruin the whole system by introducing perverse

incentives and subsidizing sloth. It's too much of a good thing.

In the United States, the Democratic Party, including President Obama, has carefully floated the term “income inequality” to point to what they imply are social injustices. The problem is that income inequality in and of itself is not an injustice. So, repeating the slogan “income inequality” a thousand times isn't enough to necessarily make us care. Certainly, if income is obtained through criminal activity, that's something to be concerned about. But the *vast majority of wealthy people earn their money through legitimate activity*. So, making a crude psychological connection between wealth and misdeeds is illegitimate.

The mentality behind the Gini coefficient, and a lot of “wealth inequality” rhetoric in general is this: *if you're rich, I want to be rich too, and if we can't both be rich, neither of us should be*. It's like the kid on the beach who destroys a sand castle just because he doesn't want anyone else to have nice things. It's important to recognize that such jealousy will always be with us, will always be an impediment to progress, and should be dealt with harshly. The man who insists that national average income should not grow by a dollar unless everyone's income is growing evenly is merely a Communist.

Say you have two options: one country where everyone has the same income but economic growth has stagnated because it is a Communist country, and other country which is capitalist, with varying incomes, but which is experiencing economic growth. We should note that there are many

hundreds of millions of people, including many you likely know, who would *gladly* choose the Communist country. This is because their desire not to see anyone with more than them overwhelms their inclination to see economic progress in general. Their desire is to use every grain of their being to oppose increasing wealth by any socioeconomic class higher than them, no matter the consequences.

Part of the fundamental basis of any aristocratic, non-democratic society will be wealth inequality, just like in our present society. Historical surveys of wealth inequality find that historical wealth inequality was not much greater than today. Today, about 1% of the people earn roughly 25% of the income. Certainly, a country can impose trade barriers between itself and the rest of the world, try to restructure its internal economy in a certain way, but ultimately, it will be struggling against the norms imposed by the global market, which dictate that the 1% really is a lot more valuable than your average worker and commands a higher market salary. The fact that even high-level politicians have trouble accepting this, at least in public, is somewhat concerning. In all likelihood, they do accept it, they just fear the judgment of the public in making such statements openly.

We have to accept that a society where we, the average worker, make less income than the 1 percent—is a completely natural and normal part of the way the world should work. We, the average, are *substantially better off* living in such a society where the 1 percent are rewarded and the masses receive less. The purpose of a government is not to look at

total national income as a fungible pie, which would only be divided up evenly if we were really good people, and to redistribute accordingly. The purpose of government is to accept inequality as it is and come to terms with it openly, even if—especially if—the middle class is too full of bourgeoisie pride and stubbornness to understand this.

Does this mean that a responsible country should give unlimited license to quant exploiters who care not for national integrity but are just looking to make a quick buck? Certainly not. It is clear that there are many people making a great deal of money off of wealth transfer—that is, the manipulation of funds, rather than productive activity. Minimal economic backlash will come to pass if these people are regulated and taxed. The key point is to see the difference between actual exploitation and the natural differences in income which we expect to see in any naturally functioning economy.

When we consider the natural aristocrat, with ten or a hundred times more wealth than us, should we bristle and take offense at the fact that they're “essentially the same as us” and yet have so much more? No, we should not. This is because natural differentiation of wealth, when aligned with national economic and cultural interests, benefits everyone. If someone is very wealthy but essentially “on the same side” as us, we should applaud them, not feel jealous. They play in indispensable role in the allotment of global capital, and we indirectly benefit from their presence in ways that aren't immediately obvious from a standpoint of base jealousy.

Post-Democratic Philosophy

Chapter Seven

Utilizing limited space, this book so far has highlighted some of the key and best-supported points against democracy available. There are many other arguments we didn't mention, but we attempted to cover the main ones, especially those which are amenable to empirical discussion and solid theory rather than values-based debate and speculation. There are several topics we've conspicuously avoided: crime, fertility, multiculturalism, and many others. We specifically tried to focus on topics which are objective, at least tangentially related to game theory, and quantifiable in theory if not in practice.

In keeping with the title of the book, we've focused more on critiquing democracy than making positive arguments for any non-democratic system, though fair time was spent on that in the chapter on incentives. Let's recap the six prior chapters so far, skipping the intro:

- *Chapter Two: the Science and History of Leadership*. This chapter overviewed the evolutionary and cultural origins of leadership as a background context for the sort of social arrangements in which mankind evolved and created civilization.
- *Chapter Three: Cultural Cohesion and Cultural Conflict.* In this chapter, we examined various bullet points around cultural conflict and political hyperpolarization. We

argued that democracy exacerbates conflict by locking people into a zero-sum competition over government funding, and that traditional governments did a better job of providing cultural cohesion.

- *Chapter Four: Incentives in Democracy*. This chapter bit directly into the meat of anti-democratic theory by summarizing key arguments from Hans-Hermann Hoppe's 2000 book *Democracy: the God That Failed*.
- *Chapter Five: GDP and Democracy*. In this chapter, we reviewed the economic meta-analyses of the connection (or lack thereof) between form of government and GDP growth. We also criticized the practice of focusing too exclusively on GDP.
- *Chapter Six: Wealth Issues*. This chapter was a bit of a rant against the importance of the Gini coefficient, a variable used as a measure of wealth inequality, and by extension a rant against those who suppose that wealth inequality in general is necessarily dangerous or bad. This is important because accepting wealth inequality as a natural state of the economy is necessary to move beyond equality rhetoric.

Suppose that we read the arguments from the prior five chapters, consider them interesting, but ultimately conclude, “While these are good arguments regarding some of the problems of democracy, I am not convinced that this means we need to abandon democracy in favor of monarchy”. This is

a reasonable response, one we will attempt to overcome throughout the rest of this brief book.

The challenge with considering alternatives to democracy is that we were all raised in an environment where democracy was part of the state religion. The entire mythology of the United States, from George Washington to Martin Luther King, has been retconned (retroactively made to comport with a continuity and a narrative) in favor of the present-day, historically peculiar enthusiasm for liberal democracy. This is then taught to kindergartners and first graders, becoming part of the "common sense" that is continuously reinforced throughout public school and university which we accept fully as adults. In reality, though, many of our Founders were deeply suspicious of direct democracy, considering themselves strict republicans. Alexander Hamilton criticized democracy in a public speech and at the Federal Convention of 1787. In Federalist Paper #10, James Madison wrote,

> *When a majority is included in the faction, the form of popular government... enables it to sacrifice to its ruling passion or interest both the public good and the rights of other citizens.*
>
> *...Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security and the rights of property, and have in general been as short in their lives as they have been violent in their deaths. ...*
>
> *A republic, by which I mean a government in which the*

scheme of representation takes place, opens a different prospect, and promises the cure for which we are seeking.

A republic didn't really promise the cure for which he was seeking though, since it quickly degenerated into a socialist democracy, as republics are wont to do. Thomas Jefferson made his inegalitarian thoughts clear when he wrote,

> *The natural aristocracy I consider as the most precious gift of nature, for the instruction, the trusts and government of society. And indeed, it would have been inconsistent in creation to have formed men for the social state, and not to have provided virtue and wisdom enough to manage the concerns of society. May we not even say that that form of government is the best which provides most effectually for a pure selection of these natural* aristoi *into the offices of government? — (Letter to John Adams, Oct. 28, 1814).*

This doesn't sound very democratic. In fact, it sounds downright aristocratic. It completely contradicts the simplistic democratic view championed in elementary schools, middle schools, high schools, and universities in the United States today.

The first step to being able to consider democracy as an *option*, rather than a mandatory necessity for any civilized country, is to go back to the Enlightenment and look at it as a *collection* of ideas, some of which are more or less helpful or true than others, rather than a package which *must* be accepted

or rejected wholesale. In the fervor of the Enlightenment, which included the first serious modern questioning of the monarchical system, a package of ideas was introduced, some of which were very popular but not all of which automatically need to be accepted. We can pick and choose, evaluating each idea on its own merits.

One of the problems of the Enlightenment is that it introduced many *abstractions* of varying meaning: liberty, rights, freedom, and the like. The problem with abstractions is, unless they are precisely defined, everyone has a slightly different conception of what they mean, and their pursuit leads to chaos unless consensus is reached on specifics. The appeal of adopting pleasant abstractions as your goals is that they are difficult to criticize. This is because their core content is rather vague, though these abstractions are often bandied about with great certainty and self-assurance. The real world is complicated, and requires many tradeoffs between *different types* of freedom, liberty, and rights, which must be balanced with more profane concerns such as security, economic growth, and social stability.

While certain liberties, rights, and freedoms are important, and worth fighting for, in general we have to acknowledge that what we really value are concrete *things*: people, places, cultures. The Enlightenment has made us so preoccupied with semi-spiritual abstractions that people across the educated world have become reluctant to give anything else as their public justification for their actions. Why did we arm the Syrian rebels? Well, because freedom. But really,

what is the real reason? The real answer is complicated and has to do with a web of competing interests, countries, and individuals. It has little to do with abstractions like freedom, and everything to do with *Realpolitik* and control.

Enlightenment abstractions, in the context of being as justifications for policy, are similar to the simple stories given to children as explanations for everyday phenomena. Consider a conversation between two State Department officials. One is asking the other, “why did we arm the Syrian rebels?” The other answers, “Because freedom.” The first guy laughs, “Yeah, very funny. Tell me the real reason.” Adults with domain knowledge of politics or governance know that Enlightenment abstractions are just rhetoric, and to really understand how things work requires a more cynical and object-level understanding.

The Enlightenment contains so many different ideas that it is difficult to pull them apart. One of them is the “value of the individual”. Say that we accept that the individual has value. Does this then automatically imply that direct democracy, i.e., mob government, is the only legitimate form of government? In the creative imagination of many everyday people, it does. The official historical view of the French revolutionaries as the “good guys,” though the Revolution caused years of suffering and chaos, probably has a part to play in this. See how we go from a relatively simple moral statement, that the individual has value, and suddenly make a huge step to a concrete policy with great practical implications, the notion that democracy is the only just government? The

second does not automatically follow from the first, but in the minds of hundreds of millions of people, it does.

If we examine the history of Enlightenment ideas, we see supposedly “eternal” abstractions being used to justify whatever the progressive policy is at the time. In practice, these ideas are used to justify democratic socialism and ever-expanding nanny government. There is a air of juvenile anti-authoritarianism that suffuses the entire French Revolution-derived Enlightenment idea complex, which is extremely popular in the United States, but is not based on a balanced understanding of history, which is filled with examples where solid authority was the only thing protecting a people from destruction.

American history often leaves out the part where monarchy was the dominant form of government on the European continent right up until 1918, and that the entire civilized world did not actually switch over to democracy immediately after the French Revolution. American historians portray all monarchies as if they were tyrannies, when it is deeply clear from many tens of thousands of historical records that they were not. This lazy portrayal of monarchy as tyranny only persists because it is politically convenient from the perspective of present-day politics. There is no one around to defend monarchy. In the American mind, democracy is for the good guys and everything else is for the bad guys. This causes Americans—including and especially the best professors at schools like Harvard—to interpret history in a highly biased way that exaggerates the accomplishments of republicanism

and denigrates the achievements of monarchies which set the foundation of the modern world.

The proposal for private rather than public government, at its core, is extremely simple: for something to be properly valued and taken care of it, it must be *owned*. That includes government. If we want a government that is properly taken care of for the long term, it must be owned by someone. That means no democracy. Does this mean we're sacrificing our “freedom”? No, because I don't define freedom as being able to cast one meaningless vote among millions in an election.

The vast majority of decisions in our government happen entirely without democratic participation. The politicians we elect are just a thin icing on the cake; most government affairs are conducted by a class of unelected civil servants. The structure of our government is primary shaped by what this class of civil servants believes, *not* by who is in office or by which political party controls Congress.

The democratic myth is that everyone in a democracy has a roughly equal amount of political power to express their will in the government. Most people have managed to figure out that this isn't actually the case. Power in democracies is instead held by large organizations that manipulate and shape public opinion: the media, important universities, government agencies, lobbyists, and various elites. Our government conforms to what German sociologist Robert Michels called the *iron law of oligarchy*, that in any society, no matter what its government, real power is held by a small group. This

applies just as much in a democracy as it does in an aristocracy or a monarchy. Michels said, “Who says organization, says oligarchy”.

Reactionaries—the label gladly self-applied by those who oppose democracy—say that if democracy is really ruled by a small group of people, and the whole voting thing is mostly illusory, and is destructive to the extent that it isn't, why not make the whole thing formal and actually have real rulers? Having formal rulers would assign accountability and stability where today there is only a gray bureaucracy and revolving door of career politicians applying duct tape to a failing government.

The Enlightenment was an experiment. Some parts of that experiment did well, like the Scientific Method, others not so well, like democratic government. We are so immersed in democratic mythology, however, that we can barely imagine what life would be like without it. We've been inculcated to believe that democracy underlies everything good about the world: freedom of speech, economic growth, milkshakes and apple pie. It takes the mind of a historian to step outside the propaganda of the modern age and look at our current government in context of 6,000 years of recorded human history. Viewed from that perspective, our current government is an aberration, an unusual time period during which the mob happened to gain power and hold onto it for long enough to avoid disintegrating. We're still stuck in the unfolding of the French Revolution.

A realistic alternative perspective to the liberal democratic view is the traditional European aristocratic view, championed by thinkers such as Erik von Kuehnelt-Leddihn and Julius Evola. Kuehnelt-Leddihn, an Austrian aristocratic monarchist, called himself a “conservative arch-liberal” and was deeply concerned about classical liberal values such as free markets and personal freedom. He saw the tyranny of public opinion and the masses as more oppressive than the presence of a ruling prince or monarch. Like Plato, he saw tyranny as the natural conclusion of democracy.

The most important argument that Kuehnelt-Leddihn made was that liberty and equality are not equivalent; in fact they are opposed. Liberty implies the freedom to make choices and to make mistakes, which leads to differential outcomes. It implies a free market, where the board of directors of a company is free to pay the CEO five million dollars a year and the janitor just 20 thousand dollars a year. Liberty means *inequality*. Nature is unequal. When human beings enjoy liberty, our social structures develop organically, which involves hierarchy and inequality. Even when we artificially try to crush hierarchy and “level” everyone, it persists in a *de facto* sense, and forces everyone involved into an embarrassing charade. The historian Jacob Burckhardt wrote:

> *Democracy, indeed, has no enthusiasm for the exceptional, and where she cannot deny or remove it, she hates it from the bottom of her heart. Herself a monstrous product of mediocre brains and their envy, democracy*

can use as tools only mediocre men, and the pushing place-hunters give her all desired guarantees of sympathy. Yet it must be admitted that a new spirit, coming from below, gets hold of the masses so that they, driven by dark instincts, are looking again for the exceptional. But herein they may be surprisingly badly advised, and take a fancy to a Boulanger!

The fundamental spirit of democracy is the notion that all are somehow equal, not just in a legalistic sense but in some deeper socio-political sense. But we are not equal. Aristotle wrote, *"The worst form of inequality is to try to make unequal things equal."* Different things are by their very nature unequal. The cultural equality artificially forced in the United States is like a bad echo of the French Revolution, where schools were renamed after numbers to eliminate their local distinctiveness, an effort to wipe the local cultural slate clean in favor of a uniform modernist nationalism.

The worst calamity of modern thought is when the simplistic egalitarianism of modern liberal democracy stumbled upon the blank slate theory of mind when it made a comeback in the 1950s. According to this theory, everything we know is culturally instilled, and human beings do not have inherited beliefs or tendencies. Human nature does not exist: only cultural programming. Boys grow into men merely because that is what we are culturally programmed to be, not because we have distinctly masculine brains shaped during gestation in the womb and millions of years of natural selection. This view of the mind has been thoroughly

debunked by cognitive psychologists like Steven Pinker, yet it continues to be *de rigeur* in social studies departments around the country, including those producing our next generation of political leaders. It is adopted, because while it is completely false, it is politically expedient. The blank slate theory enshrines equality as supposed scientific fact, even though real scientists refute it. As de Tocqueville put it,

> *Equality is a slogan based on envy. It signifies in the heart of every republican: "Nobody is going to occupy a place higher than I."*

Rather than a system invented for the good of man, democracy is a system invented to appease the vanity of the common man so that the necessary business of government can continue while giving him the illusion he has a hand in it. Over time, the mass vote slowly eats away at the effectiveness of government, running up huge debts and creating a sprawling and unproductive bureaucracy, but this process takes more than a century to unfold.

Lord Acton, in his "Lectures on the French Revolution" wrote,

> *The deepest cause which made the French Revolution so disastrous to liberty was its theory of equality. Liberty was the watchword of the middle class, equality of the lower.*

We must remember that the sacralization of "equality" by the French Revolution is not the most reasonable

Enlightenment view of the meaning of equality, it is just one view among many. Arguably it is just a subversion of the Enlightenment concept in service of a selfish segment of the lower class who wishes to drag everyone down to their level, culturally as well as economically. In the liberal game of victimhood Olympics, the lowest common denominator won and was permitted to set the entire philosophical tone for the French Revolution, which persists in Enlightenment thinking to this day. We also see this in the way that the word "proletariat" evolved from meaning a sort of ruffian into some kind of noble ideal of humanity.

The gut opposition to aristocracy is primarily based on envy or jealousy. Aristocracy is a *natural occurrence*, something which grows out of any society unless it is rigorously policed and artificially cut back. A strain of liberalism says this policing is morally justified; we say it is not. From our review of incentives in chapter six alone, we find it clear that it would be worthwhile to at least *experiment* with the possibility of privately owned government in the modern West. Removing public governance, even in a small jurisdiction, would free that government from the constant leveling pressure of democracy and the foresightless capital consumption and waste which invariably attends it.

Cognitive Biases and Democracy

Chapter Eight

We've covered cultural cohesion, incentives, GDP, wealth inequality, and an extremely quick overview of post-democratic philosophy. For some, these approaches to criticizing democracy or examining it in historical context may be too shocking. Fortunately for these sensitive souls, there is another, slightly more indirect and technical way democratic critique can be expressed—in terms of the cognitive biases of voters.

Decades of cognitive psychology research has shown us that people are plagued by cognitive biases. These are systematic reasoning errors found in all human beings, as a basic part of our mental makeup. One example would be egocentric biases; a tendency to overestimate our own ability or importance relative to objective measures. Another is the planning fallacy; the phenomenon it takes longer to finish projects that we initially reckon. There is availability bias, where we reason using things that are easy to remember, and confirmation bias, where we preferentially seek out evidence to confirm our preexisting beliefs. The list goes on. With some effort, it is possible to account for and correct certain biases. Others are resistant to correction.

The reasoning behind the effectiveness of democracy is based on a theory called “the miracle of aggregation”, essentially the wisdom of crowds. This theory assumes that poorly informed voters vote more or less randomly, meaning that informed voters actually tip the scales, even if they

account for a relatively small percentage of total voters. Because informed voters are making the choices, everything turns out fine. The problem is that this isn't actually how it works. Since ignorant voters have *systematic biases*, these reinforce each other and outweigh the votes cast by informed voters. If only biases were unsystematic, this wouldn't be a problem, but they are, so it is.

Take a concrete example. Candidate A would be a better president in every way than Candidate B, but Candidate B is five inches taller than Candidate A. Come the elections, a majority of voters vote for Candidate B, because height is the only serious piece of information they internalized about either of the candidates. It sounds stupid, but this is how real elections work. If the stupid criteria that determines the victory of a candidate isn't height, it's something else like campaign dollars or preexisting social networks predisposed to candidates from that particular party.

In his book *The Myth of the Rational Voter* (2007), economist Bryan Caplan explains this idea of systematic voter bias in some depth, exploring how voters have false beliefs regarding matters of fact (such as whether wages have gone up in the past 20 years relative to cost of living) giving them a tendency to favor policies based on falsehoods. Caplan's book is notable because it is one of few that criticizes democracy using a quantitative, scientific approach. The jacket of the book reads, *"The greatest obstacle to sound economic policy is not entrenched special interests or rampant lobbying, but the popular misconceptions, irrational beliefs, and personal*

biases held by ordinary voters." It says, "Caplan contends that democracy fails precisely because it does what voters want."

On the object-level issues, the book is rather weak, but the core idea of democracy being flawed due to the way it focuses and magnifies the cognitive biases of the masses is correct. While an executive decision at least offers the *possibility* of an optimal choice, in a democracy an outcome conforming with the predominant bias is all but assured. Politicians know this, so they campaign using the simplest possible slogans and images. H.L. Mencken quipped, "democracy is a pathetic belief in the collective wisdom of individual ignorance".

Lack of accountability is another problem. According to Caplan's view of *rational irrationality*, people have a tendency to be rational about decisions which affect them personally and irrational regarding those that don't. Caplan provides quantitative evidence to back this view. Because government decisions and their consequences are highly distant and abstract to the average voter, the voter has no incentive to make the more rational choices he would otherwise make if he were engaged in something that affected him personally. Evolutionary psychology also plays a role. Evolution gave us neurological tools us to solve problems that faced us directly, not to decide top-level policies for the prosperity of millions of co-nationals. Doing the latter well requires special training and education.

One assumption commonly made is that voters shrewdly

“vote their pocketbooks”. Caplan points out that this is false: political party affiliation only loosely correlates with income, and the elderly are actually *less* likely than the general population to support Medicare and Medicaid. According to Caplan, this signifies that people do not vote only in their self-interest. Instead, he says, they vote in accordance with what they perceive to be in the best interests of their nation, *perceive* being the key word.

Consider this model. Instead of decisions of national or state policy being made by the average voter, decisions are made by officials and their advisory councils which consist of 130+ IQ experts with domain-relevant domain knowledge and experience, including knowledge of cognitive biases. That is theoretically what Congress is supposed to be, but the perverse incentives associated with public government keep messing it up, partially explaining their 15% approval rating.

Under the standard view of democracy (ignoring time preference arguments), the reason we can't just have a royal family's appointed officials make government decisions is because of an alleged mismatch between the interests of these officials and those of the public. If these officials serve merely at the whim of the ruler, they would have incentives to oppress and exploit us horribly, according to the standard story. Yet the politicians who stand for office tend to be in a similar socioeconomic class from which appointed officials would be drawn. Are their interests really be so misaligned from ours that we must switch them out every two years? Is there something objectively more effective about using

democratic voting instead of private government to switch out a given administrator? What about the thousands of administrators in this *current government* who hold substantial power but are unelected?

When voters advocate democracy, the “product” they are really interested in is the *feeling of empowerment* they get from voting. People like democracy not so much because they think it leads to better decisions than private government, but because it makes them feel good, and they believe everyone has the right to feel that way. The price for all these good feelings is a chaotic and ever-changing public policy. One wonders; if the government could simply buy the population's votes for twenty dollars apiece, how many people would choose to retain their right to vote, and how many would take the twenty bucks? Perhaps such an investment would be a worthwhile transitional form between public government and private.

Trust is another significant factor in judging the relative appeal of public or private government. In a society where there is low trust, such as America in 2015, democracy may seem more appealing because we do not trust arbitrarily selected officials to take our interests into account. In a higher trust environment, a more harmonious society, like Austria in the year 1820, or even America in the year 1955, a government based on royally appointed officials seems far less intimidating, since we can trust the officials to care for our interests. Indeed, the beneficial structural effects of Hapsburg royal administration in central Europe can still be observed a

century after the collapse of the empire.

An important factor in decision-making is information. The average voter lacks information. The subtlety of the points discussed by two voters arguing in a bar tends to be far lower than that of two government policy experts considering a decision around a conference table. Handing important decisions to voters throws away the greater intelligence, knowledge, and experience represented by the minds of policy experts and their deliberations. In a democracy, they might as well not exist, because voters make the decision instead. This includes decisions about who should be making government decisions.

We've reviewed six ways in which cognitive biases intersect with voter decisions:

- Systematic voter biases mean the “miracle of aggregation” isn't so miraculous.
- Optimal solutions simply aren't in the search space of democratic decision-making processes, because systematic biases overwhelm informed decisions.
- Rational irrationality means that voters have no skin in the game and no incentive to make rational decisions while voting.
- Voters don't vote for their simple self-interest, but for what they perceive as being in the best interests of the country.

- Democracy is actually a product that exists to make voters feel good, a way of bribing them to stop them from overthrowing the government.
- Trust influences the palatability of private government. Democracy seems more necessary when we do not trust the average government official to make decisions with us in mind. This may indicate deeper problems which need to be addressed first.

Of all the cognitive biases we can list, all of them preferentially affect masses of people more than individuals, and are magnified in group voting. For instance, there is anchoring, meaning a tendency to pick the first thing we see and anchor on that even when presented with new information. There is the bandwagon effect, the tendency of people to copy each other's decisions. There is the base rate fallacy, which means insufficiently taking background information into account in a decision, an error uninformed voters are likely to make egregiously. The endowment effect is a cognitive bias meaning people are especially reluctant to give up things they already have, which applies in the case of entitlements. These are just a few.

Naturally, individuals make these cognitive errors as well. The difference is that *individuals can be held accountable.* The democratic masses, on the other hand, are automatically correct and can never be held accountable. Poorly performing officials can be dismissed, poor electorates cannot. Individuals can be influenced by third parties to check over their biases,

resulting in improved reasoning, whereas in a democratic electorate, the minority of people who adequately account for their biases will be too insignificant to sway the results of any election. Qualitative improvement to individual decision-making is only really practical on a small scale. Any mass education will never be able to match individual learning and tutoring of exceptional students. But democracy depends on mass education to generate decisions.

Economist Robin Hanson introduced an interesting suggestion that is intermediate between democracy and not-democracy. He calls it, “vote on values, bet on beliefs”, or *futarchy* for short. “Vote on values, bet on beliefs” means that he proposes that matters of objective fact be put to betting markets, where there is an economic incentive to provide the right answer, while matters of values are worth voting on. Of course, as long as the government is owned by the public, the same problems of democracy apply, even if an important part —objective beliefs—is removed from the uncertain land of voting to the rationally incentivized one of markets. There is also the question of who gets to define the division between values and beliefs, which does exist but is not always crystal-clear.

Ultimately, there are two qualities that individuals can have which electorates cannot, which are 1) authority and 2) exceptional knowledge and access to information. Any government that fails to tap into these individually-based resources is selling itself short, forgoing an obvious gain in exchange for dubious cost, that of making people *feel* that

they are part of government. Even if the cost seems worth it in the short run, in the long it causes the entire system to degrade, and the quantity of hurt feelings from poor quality of governance far outweighs the hurt feelings that would be generated if the average man were to give up the right to vote. It's time for us to view voting as a behavior with a cost, a cost that doesn't pay for itself very well in terms of anything tangible. Hardly anything can be expected from a decision process that merely aggregates the votes of a great number of people.

Consider; would you invest in a company run by popular vote? Would you trust in the integrity of a nuclear power plant built by popular vote? Would you fly on a plane where the pilot is picked by popular vote? Undergo a surgery where the sequence of medical interventions is determined by popular vote? In some cases, popular vote might get it right, but it is bound to produce a lot more errors than the individual decisions of qualified people. Note that as the granularity of the decision becomes finer, it becomes increasingly obvious that popular vote performs poorly. If popular vote were the wisdom-generating engine that the state mythology makes it out to be, we would expect its performance to get predictably better on high-granularity problems, not predictably worse.

Alternatives to Democracy

Chapter Nine

As we previously mentioned, political thinkers will find some of the points we've gone over in this book compelling as critiques, but not be fully ready to embrace the idea of private government. This is perfectly natural for many reasons, first of all being that we're naturally more familiar with what we already know, secondly that private government tends to be associated in our minds with dictatorships in the world today, such as North Korea.

Is North Korea a private government? It is. Not all private governments are good. The general outlines of a government are determined by specifics of the ideology behind the people who create it, in North Korea's case being Revolutionary Communism. A private government made by people who fanatically believe in Revolutionary Communism is going to be a different private government than one created by American conservatives, or Romanian nationalists, or Russian czarists, or British royalists. So, while forming a private government in the West *could* lead to the creation of a new North Korea (after all, Russia is heavily influenced by the West and still went Communist), it probably won't.

Government is inherently messy to some extent, because human cooperation on large scales is messy. Government is not like math or science, where theorems and hypotheses can be proven and confirmed. The point of this book is not to say, “private government is always better than public government in every single circumstance, from the beginning of time to

the end of time". The point is not to pretend that private government is a panacea. The point is to get us thinking about alternative systems of government and to stop thinking that democracy is the only system we should even consider. It is the advocates of democracy who claiming that just one system —public government—is right for everyone. They are the dogmatists, we are not.

When we think about America, we should note America is more than just a system of government. America is a group of people, many of whom have shared culture, history, and ethnicity. If America, or parts of America, were to change their system of government, people would not stop being Americans. Changing the system of government will not turn Americans into North Koreans overnight, or ever.

The results for GDP growth and system of government, that there is greater variance in authoritarian countries, holds for categories outside GDP as well. In terms of technological innovation, cultural advancement, boldness of action, and civilizational vigor, private government has a larger spread—a greater variance of possible outcomes—than democracy. Democracy ensures mediocrity by blending the values and preferences of every single voter together to create a sort of inoffensive gruel. Democratic government slowly approaches the abyss of financial collapse due to unfunded entitlements and internal conflict, but it is generally capable of sustaining economic growth and a decent standard of living on the way down. The United States has so much human capital that it continues to be a relative success even with a bloated,

inefficient, wasteful public government operated by a merry-go-round of leaders. Our success is *in spite of*—not because of—democratic government.

There are three scenarios which could cause a return to private government in some small part of the Americas or Europe:

1. A relatively traditional, Orthodox country decides to restore a monarchy or transition to a dictatorship. This could happen in Russia, where a quarter of those polled said they were in favor of the restoration of monarchy, or Romania, where there is scattered but serious support for a restoration.

2. Due to improved technologies for self-sufficiency and a weakening central government, authoritarian city-states-within-a-state become possible somewhere in the West. They work so well that they are tacitly supported by the overarching government and eventually grow into independent city-states.

3. The United States experiences a full crisis and breakup at some point in the future, causing its reformation into a collection of countries based on geographic area and shared culture. One of these areas adopts a private government.

Those are the three scenarios I can think of. Perhaps there are others. I deliberately left out seasteading (ocean cities) here because I don't think that seasteading will have any

transformative impact on government. The incentive to live on land is too great. If a city-state did form on a seastead, it would be very small and insignificant. A new political era launched by seasteading is a nice vision, but the math for it doesn't really work right now. Each square foot is just too expensive, even taking into account price decreases enabled through an effective design.

Setting aside seasteading, we consider how a monarchical city-state could form within a collapsing or weakening government. In the scenario of a financial collapse, we could expect investors to dump US Treasury bonds in great volume. This would cause the dollar to crash and might cause the government to be unable to fulfill its financial obligations. The Federal Reserve can create money out of thin air, but if the currency being created has next to no value, it will not be sufficient to finance the government. If contractors no longer accept US dollars for payment because they are worth nothing, it doesn't matter how many dollars you can print.

In the event of a semi-permanent or permanent government shutdown, government employees would not be paid. Neither would entitlements like Social Security, Medicare, and Medicaid. The last thing to be cut loose would probably be the military. As the central government shuts down, it would fall to local governments to maintain order.

As long as local governments can pay police, they could retain some degree of control and order over the situation, even in a total federal government collapse. Even if the dollar

became worthless, state and local governments could pay police by bartering with food, tools, or other tangible properties. Local and state governments own a substantial amount of land and other tangibles which can be sold or traded to private individuals for whatever is necessary to continue paying and equipping police. The size of the government and presence of police might be diminished, but as long as some number of police can still be employed, local government would have substantial influence in establishing new structures of order, whatever they may be.

Part of that order could be private government. Some regions of the United States may even be particularly suited to such a government. For the sake of argument, let's consider a private government being formed in the aftermath of a US federal government collapse. To be a private government, of course it would have to be owned. Unlike fascist and socialist dictators, who nominally rule “for the People,” the owner of this new government would rule for the sake of their property, deriving authority not from majority approval but through some other means, such as charisma, intelligence, or whatever other positive qualities a good leader might have.

Say that a private government were established in part of the United States in a post-breakdown scenario. As an example, let's consider a state based on the Mormon Church. Call it Mormonia. Mormons consider it their religious duty to be prepared for societal breakdown, and are amply stocked with weapons and food. In the case of societal collapse, Utah would probably be one of the safest places in the 48

contiguous states to be. In contrast, somewhere like Los Angeles would be the worst possible place in the 48 contiguous states to be. Besides preparedness and social structure, many Mormons are genetically related. They are effective at cooperation and interaction, unlike, say, the multiracial, antagonistic, street-tier culture of much of the population of Los Angeles, which would likely tear itself to pieces in a collapse.

The Mormon Church is headed by the President of the Church. Mormons consider him a “prophet, seer, and revelator,” and refer to him using the term *Prophet.* In the event of a United States federal government breakdown, the President of the Church would become the highest secular authority for the Mormon Church in addition to “merely” the highest spiritual authority.

Would Mormons fear the President of the Church becoming an evil tyrant, oppressing the population of Mormonia, taxing them to oblivion, and generally behaving in the way that democratic propaganda would have us believe that every monarch in history behaved? That would be rather unlikely. In fact, they'd probably be happier under the leadership of the President of the Church than the President of the United States, though of course every Mormon can speak for themselves. The Mormon Church is relatively isolated in Utah anyway, essentially providing their own law and order, so parts of the culture are already pre-adapted to autonomy from the United States. In all likelihood, *very little would change*. If anything, the Mormons would be blessed with a

more stable government than the United States government, one better aligned with their religious and moral values and with a less threatening attitude towards them.

Systems of Government

What sort of non-democratic systems are available to transition to? There are at least five conceivable options. First is fascism. Neoreactionaries aren't fascists, however, viewing it as a form of modernism and Demotism (rule by the People). Fascism in its 20th century incarnation was socialist and totalitarian, and neoreactionaries are neither socialist nor totalitarian. We want to *decrease* the power of central government, not increase it. A monarchy or an aristocratic republic with restricted voting rights is the best way to achieve that. Monarchy is the second primary non-democratic system of government available.

Words like “fascism” and “monarchy” do not refer to the same system, but two very different systems, with different approaches to thinking about government, society, responsibility, social cohesion, and so on. They also refer to very different public policy on paper and in implementation. Monarchy is not fascism with Louis XIV subbed in for Hitler. Describing the myriad differences would require a full book, the closest to this being Julius Evola's *Fascism Viewed from the Right* (1964), a critique of fascism from a perspective *to the right of* fascism.

The third option for authoritarian government (I use this phrase interchangeably with “non-democratic”) are techno-

commercial city states like Singapore, which was pretty much ruled over by the democratic politician Lee Kuan Yew for three decades and continues to have an authoritarian administration.

The fourth are seasteading city-states, which I put in their own category because they are so historically unprecedented and might have a fundamentally different structure and needs from land-based governance. Most of the people interested in seasteading are anarcho-capitalists and libertarians, so presumably their governance would have that flavor. What that means in terms of top-level management, I'm not entirely sure.

The fifth option is an aristocratic republic with restricted voting rights. The problem with this is that aristocratic republics tend to quickly become democracies. I don't consider it an option for private government, personally, and have seen few neoreactionaries who do.

I'm going to spend a moment describing the differences between fascism and monarchy, since these are the two systems which account for most of non-democratic government in recent memory.

The example of fascism versus monarchy is a good case study in non-democratic systems. The brain of the average Westerner is likely to shut down when confronted with the comparison between the two. According to the contemporary state religion, both are about as evil as it's possible to be, fascism maybe a little more, and comparing them as if they

had any possible merits is unthinkable. Just like everything else, however, these systems have pros and cons. City-states like Sparta had a structure that might be considered fascist by today's standards, but it is remembered as the home of some of Ancient Greece's greatest warriors and one of the most powerful city states of Greece.

There are many differences between monarchy and fascism. The first is that fascism implies a totalitarian state, monarchy does not. Fascism implies no clear separation between the governing party and the governed, monarchy does. Fascism is socialist, monarchy is not. Fascism aggressively presents an overall vision of what society should be, imposed from the top down, monarchy does not. Fascism forbids “unearned income” on paper, meaning any revenue from investment whatsoever, monarchy does not. Fascism has a preoccupation with militarism and “society as barracks,” monarchy does not. Fascism has a leader that represents himself as carrying out the people's will, monarchy does not. Fascism is about meritocracy independent of social background, monarchy is about heredity and ancestry. Fascism implies a government in control of much of the economy, monarchy implies a government that spends less than 20 percent of GDP.

Monarchies throughout history spent about 2-5% of the national GDP on government. This was possible because monarchies had more authority and were able to *do more with less*. As time went on and governments grew, funding more and more entitlements, we now have the bloated social

democratic governments of today, like the United States and Germany, where government spending is about 41% and 37% of GDP respectively. Bhutan, which was an absolute monarchy up until 2008, spent about 30% of their GDP on government, but this is an example of a modern monarchy that follows the Western model of the big state. Iran, a theocratic republic with a Supreme Leader, spends about 21% of its GDP on government. No extant state spends less than 14% on government, with Guatemala at the bottom with 14.7%.

The purpose of monarchy in today's context would be to *decrease the size of government* while *increasing its authority*. Increasing the power of government is probably the only way to make it smaller. This is a key realization that sets the libertarian apart from the neoreactionary. Instead of spending 35-40% of GDP on government and digging deep into deficit spending, as many Western democracies do, a monarchy could begin by cutting the government in half, eliminating government-run health care and scaling back government-run education. Part of the purpose of such a transition would be to hand more of society back to the private sector. Instead of merely allowing corporatocracy, however, as libertarians would, the monarchy, its officials, and the aristocracy would fill the power vacuum which would otherwise be filled by big corporations.

In contrast to the monarchical view of government, some neoreactionaries advocate more of a techno-commercial city state model, like Singapore. Presumably this would be ruled

by one person, similar to a CEO (the details aren't really fleshed out), but it would be the CEO of the government instead of a company. In addition, the government would be run like a company, with shares. This proposal, called “neocameralism”, is credited to the blogger Curtis Yarvin. It's similar to standard libertarianism, except with a more authoritarian flavor. It can be difficult to gauge how seriously this proposal is taken, however, because its primary advocates rarely ever mention anything related to how authority, hierarchy, and power would be exercised in such a state. Sometimes the East India Company's private rule over India is used as another general example, though advocates of neocameralism don't seem very vocally in favor of colonialism either. The East India Company is a concrete example of a state owned by shareholders, which makes it useful as one of the few examples of the kind of state neocameralists are advocating.

Thus, we have the five major non-democratic models: 1) Fascism, 2) Monarchy, 3) Neocameralism, 4) Seasteading city-states, 5) Aristocratic Republics. Of course, a government consisting of some combination of these could theoretically be devised, but the policy gaps—as well as underlying motivation and values—are different among all of these. In a neocameralist or libertarian city-state, the government is basically run as a business, and hyper-capitalism rules. Libertarian thinkers such as Mises have spent a great deal of time arguing for a society with a minimal state that is essentially run by capitalism. In stark contrast, monarchists are

not interested in a state run completely by free market forces. They consider unrestrained capitalism erosive, and favor at least some checks or interventions.

Liberty and Monarchy

On paper, monarchists are similar to libertarians in the sense that they both want a smaller state that allows society itself more free rein over the flow of events. This distinguishes them from fascists, who basically want a country run by the state. What distinguishes monarchists from libertarians is that monarchists care about creating a government with a reliable *private* structure, while libertarians do not. All that libertarians talk about is less government. Far more rarely do they discuss what government structure *should* exist—they're too busy trying to come up with arguments why *none* of it really should. Some libertarians argue that a society with no state whatsoever, with order provided by overlapping private security forces and legal systems, would be a viable model. It is clearly not.

What distinguishes libertarians from just about everyone else is that everyone else tends to make basic acknowledgments about the necessity of government in general. Communists, fascists, social democrats, traditional conservatives, neocons, and monarchists all want a government. That much is clear. With libertarians, there is much confusion on this point. Many seem to dismiss the need for a government entirely. Therefore, despite all the excellent points libertarians often make about the necessity for a freer

society and a smaller government, it's hard to take them seriously for providing a complete, *positive* plan for government that could provide common law and order, not to mention general leadership structure for the whole of society, an essential role that government provides today.

The monarchist plan is for a minimal government, but for that government to be a strong one, both militarily as well as domestically. How is a monarchical worldview compatible with standard libertarianism? In some ways, it's completely compatible—a classical liberal monarch in favor of freedom is the best of all possible worlds for the libertarian. It's a surprise that more libertarians aren't in favor of the idea, especially given the prestige that Hoppe holds as a long-established anarcho-capitalist theorist. Libertarians always argue that ownership is important to efficiency, why do so few libertarians accept Hoppe's extremely straightforward arguments that ownership of government is necessary to make it efficient?

The libertarians say that if only our government were to go away and its role taken over by the private sector, everything would be pretty much fine. Monarchists tend to have more of a reactionary worldview, believing that removing government would not make things pretty much fine. In the reactionary worldview, unlike the libertarian worldview, the free market is not an unalloyed good. Markets can do horrible things. For instance, in Japan and Korea, economic pressures towards more work hours have caused spiraling levels of stress, breakdown of the family, and

suicide. This means unhappiness, a loss of intimate social connection, and low fertility. Similarly, when a small town restricts the entrance of chain stories, that is against the unbridled free market, but good for diversifying and growing the local economy.

Reactionaries believe that civilizations tend to either be in ascent or decline. They see capitalism as a wealth-generating force, but one to be kept on a leash. They lament the collapse of traditional social institutions: the family, the Church, and traditional, pre-progressive government. In fact, reactionaries reject all government that has emerged since the French Revolution; that's where the word “reactionary” comes from. It was originally a reaction to the French Revolution.

Any government provides a sort of *de facto* social and moral guidance and societal structure. Libertarians are in denial about this. They try to separate political from social issues completely, saying that government has no place in legislating morality, but missing that the government still sets an important structure and example even if it does not directly legislate morality. Reactionaries acknowledge that morality cannot really be legislated (forbidding something often just makes people want to do it more) but that social and moral guidance is still part of the responsibility of the leaders of a nation and a stable private government can provide that leadership. Public government cannot because intermittent politicians lack the authority that is required for real leadership. When presidents in democracy do provide leadership, it seems to be away from stable, traditional social

institutions and towards a social free-for-all where anything goes. This includes generous welfare packages that obviate the need to earn a living, multiculturalism to the point where it becomes a fetish, lack of enforcement against illegal immigration, forced integration of all kinds, affirmative action, stifling and ever-escalating political correctness and thought policing, and so on.

Who is in charge of government has a strong influence on determining the status ladder of overall society. A government controlled by those with a low time preference and an eye towards promoting pro-civilizational patterns, institutions, and behaviors is much more useful to the nation than one controlled by those with a high time preference who promote socialism, social licentiousness, and disunity. Even a hypothetical libertarian government would offer *de facto* moral guidance hardly distinguishable from liberal progressivism: for instance, condoning birth out of wedlock as if it were something normal, when masses of evidence show how children in single-parent homes suffer a variety of social problems. Marriage lowers the probability of children being in poverty by 82%. For single-parent, female-headed families the percentage of children below the poverty line is 37.1%. For married, two-parent families it's 6.8%. When the government is ruled by progressives or libertarian-influenced types (Republicans) who really only pay lip service to cultural issues, and provide no constructive cultural guidance, the slow slide towards increasingly broken families, among other cultural issues, is bound to continue.

Symbolism matters. What a leader says matters. Whether a leader is a president or a king matters. Whether the leader is switched out every four years matters. Whether the leader is dependent on pandering to a public vote matters. All these things change the characteristics of leadership, of government, of everything that is most important about the highest offices in a nation. It is much easier for a private government to have a beneficial social and cultural influence than a public government, not primarily through direct subsidy, but by being a cultural leader and setting the tone for the rest of society. By having the leader being determined by a mass-echelon vote, democracy panders to the mediocrity of the common man. The result is then a leader accustomed to pandering, in turn, to the basest possible motives and needs of the common man: bread and circuses. Reversing decades-long social decline, such as the rise of birth out of wedlock, is not going to happen because reversing such trends require bitter pills with long-term payoffs. There is no incentive for the democratic politician to implement them. There is an incentive for the king to implement them, however.

Hoppe identifies as a libertarian, not a monarchist, but represents the nexus between the two. He includes this disclaimer in his book:

> *Despite the comparatively favorable portrait presented of monarchy, I am not a monarchist and the following is not a defense of monarchy. Instead, the position taken toward monarchy is this: If one must have*

> *a state, defined as an agency that exercises a compulsory territorial monopoly of ultimate decisionmaking (jurisdiction) and of taxation, then it is economically and ethically advantageous to choose monarchy over democracy. But this leaves the question open whether or not a state is necessary, i.e., if there exists an alternative to both, monarchy and democracy.*

Yes, one must have a state. Outside of libertarianism the possibility of doing without one is rarely even discussed. Hoppe says, *"the choice between monarchy and democracy concerns a choice between two defective social orders."* He says this because he abhors the idea of a territorial monopoly by the state, as monopolies prevent the unrestrained operation of the free market and open competition. Our perspective here is that monopolies in some areas are part of life and can provide stability and structure, as long as incentives are configured right. A country having some set of top-level legal rules is a "monopoly," but a country with competing legal systems is not a country at all, it is anarchy. Hoppe acknowledges that there is no precedent in Western civilization for such a thing, but he sees it as an ideal that monarchy is closer to democracy in approximating.

It is crucial to understand Hoppe's perspective to elucidate the political bridge between anarcho-capitalists/libertarians and neoreactionaries:

> *Above and beyond monarchy and democracy, the following is concerned with the "logic" of a natural*

order, where every scarce resource is owned privately, where every enterprise is funded by voluntarily paying customers or private donors, and where entry into every line of production, including that of justice, police, and defense services, is free. It is in contrast to a natural order that the economic and ethical errors of monarchy are brought into relief. It is before the backdrop of a natural order that the still greater errors involved in democracy are clarified and that the historic transformation from monarchy to democracy is revealed as a civilizational decline.

Neoreactionary writers are all familiar with the libertarian perspective and many of them are former libertarians. Thus, there is a general understanding of the "natural order" arguments of Hoppe and the free market arguments of Mises. "Natural order" or the "Organic State" are terms sometimes used by political authoritarians, like monarchists, to appeal to a system they see as more in line with natural human tendencies, namely hierarchy and patriarchy. It's clear that Hoppe thinks the same way, but he phrases it exclusively as appealing to intermediate forms closer to an unrestrained free market, or "pure capitalism". This makes Hoppe intermediate between modernist libertarians and traditionalist monarchists. Hoppe calls for a "*radical transformation from democracy to natural order*":

And it is because of the natural order's logical status as the theoretical answer to the fundamental problem of

social order-of how to protect liberty, property, and the pursuit of happiness-that the following also includes extensive discussions of strategic matters and concerns, i.e., of the requirements of social change and in particular the radical transformation from democracy to natural order.

Part of natural order are monopolists. When a large amount of capital and expertise is aggregated, for a private government, say, or a school system, there is a force to maintain the *status quo*, because capital is not infinitely fungible and cannot be arbitrarily rearranged without substantial cost. For core services, such as government, we are fortunate that there is a monopoly. Competition among private companies attempting to provide government services would be a disaster, essentially anarchy, and would quickly evolve into separate and non-overlapping city states or the unification under one force.

It is completely appropriate for a nation to look out for itself. That might mean trade tariffs and autarky that protect the nation's economy *vis-à-vis* competing states. A state has no obligation to be “fair” with respect to economic interaction with other states. It is a choice. A state has the right to choose protectionist policies to protect its vital interests. Hoppe and other anarcho-capitalists call this immoral or even criminal. It is important not to conflate the value of domestic free markets versus international free markets. A nation may freely choose to have domestic free markets while putting restrictions on international corporations. Why should a nation contribute its

lifeblood to international corporations that ship jobs and profits overseas? It only should do so to the extent that it benefits the country and its people as a whole.

The same thing applies to immigration. A country can and should be a particularist entity, associated more with particular ethnic, social, linguistic, and cultural groups than others. Some cultural discrimination is appropriate and realistic. For instance, the United States is associated more with White Anglo-Saxon Protestants than it is with Indians. Thus, the state has the right to moderate Indian immigration or even keep them out entirely, if it so pleases. It is contradictory that so many libertarians laud private property, but the most important kind of property delimiter—the border—is seen as a mere impediment to the flow of international capital and workers, which is supposedly primal. It is not. Setting a certain cultural tone and reveling in natalism to an extent is an absolutely natural part of nationhood. Only with the modern rejection of national sovereignty itself do we see people questioning limits on immigration or the need to set a predominant cultural theme. This nationless worship of internationalism is more akin to a global socialist worldview than a private property one. Nick B. Steves, a neoreactionary writer, gives the formula “Libertarian + Particular Attachments = Reactionary”. Neoreactionaries are not fans of abstract universalism; they see the need for particular attachments to certain cultural forms, market forces be damned. Some of the foundations of Western civilization are non-negotiable.

Aristocracy

A key element of the natural order of monarchy is an aristocracy. The traits of aristocracy and what makes some individuals aristocrats and others not (choice of the king) is a topic that deserves its own lengthy treatment, but here there is only space for a few words.

Aristocracy originates with the ownership of land. Land is the most stable resource. The aristocracy had certain obligations and privileges, obligations and privileges that many of the American wealthy today can only vaguely guess at. One of these obligations was to provide a decent quality of life for the people under their care or working on their estate. Aristocrats who failed to provide that would have to pay the price of people leaving their estate or jurisdiction and adding their human capital to others. This is also why serfdom is a bad idea—it prevents the free movement of peoples which allows for competition among local jurisdictions and economic entities.

A king is just an especially powerful aristocrat, elevated to the level of sovereign. By being one among a class of leaders, he is attached to something besides the university he went to, which seems to be among the biggest factors that connect people in business and government today. An aristocracy is community that can develop a deep and rich culture distinctive of the nation as a whole. Harvard is not. Many prominent universities are thoroughly infected with cosmopolitan internationalism that gives graduates a sort of

contempt for the nativist concerns of common people, which they see as backward, and loyalty only to the international money system. An aristocracy is a way of keeping tabs on an elite, giving them privileges but also instilling a culture of certain cultural, economic, and social expectations.

In a natural order, the rich will always exist. There will be people with more money than you. The question is whether we want them being educated and participating in social institutions and patterns that encourage a lack of loyalty to the nation and its people, being replaced by loyalty to money, or whether they should be a part of some cultural firmament where concerns beyond money are enforced through social pressure, reputation, and shame. “Business ethics” is a sorry replacement for an aristocracy with expectations of each other and for the nation. The operation of domestic and international capital alone cannot be trusted to establish healthy leadership figures for the national community. That requires social institutions based on *tradition*, not money.

A modern monarchy would have a mix between the untitled and titled wealthy. The titled wealthy would have special legal privileges that the untitled do not have, such as immunity to land tax. They would have certain spoken and unspoken obligations for running their businesses and estate. They would have a closer connection to the government and the royal family than the untitled wealthy. In return, they would have to keep a certain percentage of their assets in the country. The spread of offshore banking in the last few decades has made a mockery of national sovereignty by

allowing the wealthy to hide their money where it can be untaxed. The role of a monarch would be to bully and force these people to invest their wealth primarily in the country where they live, not offshore or overseas.

The formalization of wealth in the form of aristocracy is meant to create a state with a lower time preference. When the ownership of wealth is constantly circulating like a merry-go-round due to vast government spending and subsidy, this is more difficult to establish. There is also a lack of cultural unity in the upper class. The upper class in America nowadays tend to be culturally similar to the medium or even lower class in their geographic area: they watch the same stupid television shows, listen to the same news stations, and have a similar cultural depth as any American. This constant mixing of classes is a negative result of excessive free markets, not a positive one. To maintain social structure, some stability and predictability of social classes and families is necessary. Certainly, there will be people who move between classes, but cultivating long-term families with a higher set of cultural standards, education, personal values, and government connections is an indispensable element of preserving national identity, unity, and sovereignty. This is only possible through aristocracy.

Aristocracy is something that happens naturally. Only through artificial government-imposed leveling, such as inheritance taxes, does it break down. To establish an aristocracy will require the prompt repeal of inheritance taxes, the creation of titles, and the introduction of land tax

exemptions for titled families.

Conclusions

Throughout this book, we've addressed various ideas which are experiencing a major revival since roughly 2009 or 2010. Highly educated young democratic progressives and libertarians are coming across arguments that are changing the way they look at the whole modern liberal democratic system. We repeat the refrain from the beginning of the book; for a more nuanced view of the world, look at the Enlightenment as a collection of ideas which may be questioned and individually rejected as appropriate, rather than a codex that everyone must follow. There are a great many merits to private government which have been insufficiently explored. There are a great many assumptions in our thinking that derive from questionable trends originating in the French Revolution.

It is important to know that while democracy seems to be universally respected, actual intellectual arguments for how it benefits the country over private government are not really forwarded. The French Revolutionaries chopped the king's head off, and suddenly democracy was in vogue. It was just based on the actions of people seeing what they could get away with. Now that we've come so far and seen a lot of the chaos, waste, and lack of accomplishment that democracies produce, it's time to consider another way.

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