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Norbert Slenzok

The State, Democracy, and Class Rule. Remarks on the Hoppean Approach

Introduction

The subject-matter of the presented paper is the theory of class struggle proposed by Hans-Hermann Hoppe, one of the leading representatives of the libertarian political philosophy in the radical tradition of Murray N. Rothbard.[1] This variant of libertarianism comprises three fundamental, logically interrelated tenets: 1) every person is, by virtue of natural law, the sole owner of his own body (the right to self-ownership);[2] 2) every person

Norbert Slenzok (ORCID: 0000-0002-4887-8416) – PhD; a philosopher and political scientist specializing in political philosophy and theory as well as in the history of political thought with special regard to libertarianism. Holding philosophy classes for political science students at the University of Silesia in Katowice. E-mail: n.slenzok@gmail.com.

1 See in particular M.N. Rothbard, *For a New Liberty. The Libertarian Manifesto*, Auburn AL: The Ludwig von Mises Institute, 2006; idem, *The Ethics of Liberty*, New York – London: NYU 1998.

2 Hoppe's position on natural law is in fact sort of equivocal. On the one hand, unlike Rothbard, who subscribed to the classical natural law doctrine of Aristotle and Thomas Aquinas (see Rothbard's works cited above), he explicitly disassociates himself from the entire natural law tradition by pointing to the normative vagueness of the very concept of human nature. Instead, he defends and develops the so-called argumentation ethics formulated by Jürgen Habermas and Karl-Otto Apel. Cf. H-H. Hoppe, *The Economics and Ethics of Private Property. Studies in Political Economy and Philosophy*, Auburn AL: The Ludwig von Mises Institute, 2006, pp. 313–330, *passim*. On the other hand, it appears that Hoppe might still be classified as a natural law theorist in the broader meaning of the term. On certain occasions, he labels

is, also by virtue of natural law, entitled to his external holdings provided that those spring up from acts of original acquisition of previously unowned resources, or from subsequent voluntary transfers (exchanges, gifts, inheritances, etc.) involving justly homesteaded goods; 3) the state, defined as an organization that successfully arrogates to itself the status of the ultimate decision-maker within a given territory by exercising a coercive monopoly over judicial services and taxation, is morally undefendable and thus ought to be abolished. For by levying coercive payments and criminalizing competition in settlement of disputes, it necessarily violates others' property rights in both their bodies and external holdings. The only just social order, which ought to supersede all forms of statism, is therefore anarcho-capitalism, also referred to as market anarchy or private-law society.[3]

The abovementioned set of beliefs is clearly highly moralized. Doubtless, Rothbardian libertarians are very well-known for their commitment to justice (as they conceive of it, of course) as the bedrock of any rational political discourse.[4] However, it should be noted that their criticism of the state, apart from the ethical dimension, typically appeals to descriptive, political considerations as well. To wit, especially in the context of the dispute with minarchists (libertarian advocates for the minimal state) and classical liberals, Rothbardians tend to argue that the

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his ethical theory a natural law one as well, asserting that what it offers is a set of universally binding norms of conduct as opposed to mere conventions. Cf. *Idem*, *The Great Fiction*, Auburn AL: The Ludwig von Mises Institute, 2021, p. 15. Therefore, even though the philosophy of communication presented by Hoppe does not commence with any specific idea of human nature and concomitant order of goods, its postulates fall under the more capacious notion of natural rights coined by Herbert Hart. According to this definition, a right is a natural right when it is applicable to all men capable of choice and is thereby not dependent upon any convention. H. Hart, 'Are There Any Natural Rights?', *The Philosophical Review* 64 (2)/1955, pp. 175–176.

3 S. Kinsella, *What Libertarianism Is,* in: J.G.Hülsmann, S. Kinsella (eds), *Property, Freedom, and Society. Essays in Honor of Hans-Hermann Hoppe*, Auburn AL: The Ludwig von Mises Institute, 2009, pp. 179–196.

4 Cf. M.N. Rothbard, *Why be Libertarian*, in: *idem*, *Egalitarianism as a Revolt Against Nature and Other Essays*, Auburn AL: The Ludwig von Mises Institute, 2000, pp. 239–246; H-H. Hoppe, *The Economics and Ethics of Private Property. Studies in Political Economy and Philosophy*, Auburn AL: The Ludwig von Mises Institute, 2006, pp. 311–313.

political ideal put forth by their opponents, i.e. the vision of a limited (or minimal), rights-defense-oriented government is plainly utopian. Both political theory and historical experience prove, they claim, that the state is indeed unrestrained in its pursuit of power and tax revenue, and will accordingly amass ever more prerogatives, constantly expanding far beyond any constitutionally designed purview and thus infringing upon private property rights to an ever-larger degree. Therefore, contrary to what one might believe at first glance, it is market anarchy, not a limited state of whatever form, that should be espoused by freedom-lovers as the only reasonable and realistic setting for social order.[5]

Importantly, the Rothbardian strand of libertarianism is intimately connected to the Austrian School of Economics. Rothbard, a major figure in modern Austrian scholarship himself, was a disciple of the school's most eminent representative – Ludwig von Mises. Hoppe, apart from his contributions to political philosophy, is an Austrian economist too, one of his primary research fields being methodology of economics and philosophy of social sciences. In this regard, he, like Rothbard and Mises before him, subscribes to a specific set of methodological positions. This includes, to name only the most important tenets, praxeology as a universal, deductive science of human action, apriorism as opposed to all forms of empiricism, and methodological individualism with respect to all branches of social sciences. To boot, following Mises, some Austrians – Hoppe included – proffer the thesis about the primacy of studies in ideas (hereinafter: 'historical idealism' as opposed to historical materialism) in the realm of historical inquiry.[6] Though the last claim does not belong to

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5 Cf. M.N. Rothbard, *The Anatomy of the State*, in: *idem, Egalitarianism as a Revolt Against Nature...*, pp. 55–88; H-H. Hoppe, *Democracy – the God that Failed. The Economics and Politics of Monarchy, Democracy, and Natural Order*, New Brunswick – London: Transaction Publishers 2007, pp. 277–292. Compare also essays by minarchist and anarcho-capitalists collected in: R.T. Long, T. Machan (eds), *Anarchism/Minarchism. Is a Government Part of a Free Country?*, Burlington VT: Ashgate 2008.

6 On the methodology of the Austrian School in Misesian tradition, see: L. von Mises, *Epistemological Problems of Economics*, trans. G. Reisman, Auburn AL: The Ludwig von Mises Institute, 2003; *idem, Human Action. A Treatise on Economics*, Auburn AL: The Ludwig von Mises Institute, 1998, pp. 1–71; *idem, Theory and History. An Interpretation of Social and Economic Evolution*, Auburn AL: The Ludwig von Mises Institute, 2007; *idem, The Ultimate Foundation of Economic Science.*

the hard-core of the Austrian methodological creed (the Austrian School is, after all, a school of economics, not of history), it, as will be seen, nevertheless plays a role in Hoppean analyses of politics and history.

Hoppe is yet perhaps most renowned – at least among educated laymen – for the harsh criticism of democracy presented in his best-selling book 'Democracy – the God that Failed.' In his view, democracy represents nothing but a horrifying mechanism of serfdom and theft on a historically unprecedented scale. Not only is it far inferior to patrimonial or absolute monarchies and aristocratic republics, which, while certainly imperfect from the libertarian perspective, proved considerably more conducive to individual rights protection, but it also begot modern totalitarian regimes of communism, fascism, and Nazism.[7] Furthermore, democracy is, claims Hoppe, the most efficacious tool of class rule as it allows rulers to effectively divide their victims with tax-funded bribes and profoundly remold their mindset so as to blur their class consciousness. In what follows, I shall elaborate on how Hoppe's lesser-known theory – his class theory – underlies his critique of the state in general and the democratic system in particular by describing the state and its accomplices as the true ruling class.

All the while the presented article is meant to provide a full-blown case neither for the libertarian account on the state in general nor for Hoppean theories of class and democracy in particular, it is nevertheless aimed at addressing three critical questions concerning the class theory propounded by Hoppe: 1) What role does that theory play in the justification of the Hoppean critique of democracy and the state? 2) Is Hoppe's class theory consonant with his methodological positions, or more specifically with his historical idealism and methodological individualism? 3) While embracing several core Marxist claims in a revisionist fashion, Hoppe, per his own statements, does not endorse the concomitant concept of

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An Essay on Method, Indianapolis: Liberty Fund 2006; M.N. Rothbard, *Economic Controversies*, Auburn AL 2011, pp. 1–136; H-H. Hoppe, *Economic Science and the Austrian Method*, Auburn AL: The Ludwig von Mises Institute, 2007; *idem*, *Kritik der Kausalwissenschaftlichen Sozialforschung. Untersuchungen zur Grundlegung von Soziologie und Oekonomie,* Opladen: Westdeutscher Verlag, 1983; R. Cubeddu, *The Philosophy of the Austrian School*, London – New York: Routledge, 2005.

7 H-H. Hoppe, *Democracy – the God that Failed*..., *passim.*

historical necessity. How then should one interpret his attempt to construe the entirety of human history as an arena of class conflicts?

Correspondingly, the article offers three major theses: 1) The libertarian (Rothbardian-Hoppean) theory of the state is actually a class theory of necessity. That is to say, the very ethical foundations of libertarianism imply the distinction between classes of natural law abiders and breakers in the first place. Furthermore, the above outlined descriptive component of it – i.e. the claim that the state will never cease to expand and grow unless eliminated altogether – presupposes a certain theory of class struggle. 2) Although there is, in fact, some tension between the purported idealism of Hoppe's philosophy of history and his class theory, what that tension implies is the need to attenuate historical idealism, not class theory. Additionally, the latter conception is entirely in line with Austrian methodological individualism. Moreover, since historical idealism is a rather minor – i.e. not distinctive or quintessential – component of the Misesian methodology, the endorsement of the class approach can be upheld at relatively low cost. 3) In sharp contradistinction to its Marxist counterpart, libertarian class analysis does not rest upon the notion of historical necessity and allegedly inexorable laws of social development. Instead, it should be interpreted as an explicitly normative rational reconstruction of mankind's history. Therefore, the article might indeed be seen as some support for the theory in question in that presented arguments emphasize its consistency with other crucial claims professed by Rothbardian-Hoppean libertarians as well as its indispensability for the overall framework of the libertarian philosophy in that tradition. However, several further controversies that should be tackled by adherents of libertarian class theories will be indicated at the end of the paper.

The topic under scrutiny has already been given some coverage in the literature. Apart from Hoppe, another notable libertarian scholar who explicitly argues for a class theory is Roderick T. Long.[8] Anthony de Jasay, too, perceives the state as an oppressive institution, whose lust for

8 R.T. Long, *Toward a Libertarian Theory of Class*, in: D.M. Hart, G. Chartier, R.M. Kenyon, R.T. Long (eds), *Social Class and State Power. Exploring an Alternative Radical Tradition*, London – New York: Palgrave Macmillan, 2018, pp. 297–329.

power and coerced payments should serve as a cornerstone of historical and political analysis.[9] Additionally, a libertarian class theory has been formulated – though in the form of a political pamphlet instead of a scholarly tract – by an agorist Wally Conger.[10] His ideas have also been (quite favorably) commented on by Marcin Chmielowski.[11]

On the other hand, arguments against the class approach have been raised by David Friedman.[12] Ludwig von Mises, while not a libertarian but a classical liberal, criticized the Marxist class analysis in such a manner that his case may well be applied to libertarian class theories. In what follows, I shall side with the former group of authors and try to refute arguments put forth by the critics of class analyses. Crucially, the presented inquiry differs from the existent literature in that it concentrates on philosophical and methodological rather than strictly political issues such as crony capitalism, which the abovementioned libertarian class theorists tend to underscore.

The paper shall proceed in the following order. In section 1, I succinctly summarize the Hoppean stance on the state. Section 2 elaborates on Hoppe's libertarian class struggle theory. Section 3, in turn, presents an overview of libertarian and classical-liberal positions towards the concept of class struggle with a special reference to arguments contra class theories. Further, in section 4, I attempt to demonstrate that those objections are either implausible or indecisive. Finally, in section 5, I suggest that the Hoppean class theory should most accurately be construed in light of its normative underpinnings. The last section concludes by summarizing the presented inquiry and hinting at some other questions concerning the libertarian class analysis that, in my opinion, should be subject to future investigations.

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9 A. de Jasay, *The State*, Indianapolis: Liberty Fund 1998, pp. 290–301.

10 W. Conger, *Agorist Class Theory. A Left Libertarian Approach to Class Conflict,* the place and the publisher unspecified, 2016.

11 M. Chmielowski, *Agoryzm. Teoria i praktyka*, Katowice: Fundacja Wolności i Przedsiębiorczości, 2015, pp. 83–90.

12 D. Friedman, *The Machinery of Freedom. Guide to a Radical Capitalism,* Chicago: Open Court Publishing Company, 1989, chapter: 'The Economics of Theft, or Nonexistence of the Ruling Class'. For the lack of a hard copy, I use the e-pub format version without pagination.

The state as an expropriating property protector

As has already been mentioned, the state, seen through Rothbardian--Hoppean lenses, is inherently immoral as it monopolizes and imposes services of conflict resolution that people would otherwise be able to either patronize or forgo in the marketplace. Relatedly, instead of relying on peaceful exchanges, the state acquires its income by force (to use Franz Oppenheimer's distinction frequently employed by libertarians: by political, not economic means).[13] However, to Rothbard and Hoppe, the state is not only morally wicked. To make matters worse, its existence runs afoul of the most essential theorems of the economic science. For the state is, by definition, a monopolist, and every monopoly – defined as 'a grant of special privilege... reserving a certain area of production to one particular individual or group' – harms consumers.[14] Under monopolistic arrangements, the quality of services will inevitably fall, while their prices will rise. 'Motivated, as everyone is, by self-interest and the disutility of labor, but equipped with the unique power to tax, state agents will invariably strive to *maximize expenditures* on protection—and almost all of a nation's wealth can conceivably be consumed by the cost of protection—and at the same time to *minimize the actual production* of protection' – argues Hoppe.[15]

Furthermore, the status of the ultimate decision-maker provides the state with a position of a judge in its own cause. As a result, 'predictably, the definition of property and protection will be continually altered and the range of jurisdiction expanded to the state's advantage. The idea of some 'given' eternal and immutable law that must be *discovered* will disappear and be replaced by the idea of law as *legislation* – as arbitrary, *state-made* law'."[16]

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13 F. Oppenheimer, *The State: Its History and Development Viewed Sociologically*, trans. J.M. Gitterman, New York 1922, pp. 24–25.

14 M.N. Rothbard, *Man, Economy, and State with Power and Market*, Auburn AL: The Ludwig von Mises Institute, 2009, pp. 669.

15 H-H. Hoppe, *The Great Fiction*, Auburn AL: The Ludwig von Mises Institute, 2021, p. 191.

16 *Ibidem*.

Thus, the very existence of the government is not only likely to bring about more and more encroachments upon individuals' right to private property. The state and private property are, in fact, conceptually incompatible with each other. Within the boundaries of the state, only *fiat property* (state-made property in analogy to state-made money) is possible. That is to say, as the ultimate arbiter in all cases of conflict including those where the state itself is involved, the state actually stipulates what law and rights are. In so doing, it arrogates to itself a property title to all goods including human bodies that exist under the state's jurisdiction. In other words, a monopoly over jurisdiction and legislation is logically irreconcilable with the right to private property simply because it precludes the possibility of private owners being genuine owners, i.e. the ultimate decision-makers with respect to resources they hold titles to. There cannot be two sovereigns in one domain and in the same time. As Hoppe points out, citizens' 'property, then, is their property in name only. It is granted to them by the state, and it exists only as long as the state does not decide otherwise.'[17]

Hoppe's final conclusion is then unequivocal: 'A tax-funded protection agency […] is a contradiction in terms: it is an expropriating property protector and can only lead to ever more taxes and less protection.'[18]

If the state is as diabolical as Hoppe presents it, then how come it nevertheless still persists? To Hoppe's mind, while the state cannot be justified whatsoever, it can still be explained in socio-psychological terms.[19] More specifically, the state manages to survive thanks to aggression (against individuals' property rights), ideology (in the Marxist sense of the word), and redistribution, by means of which it coerces, deceives, and buys off its citizens.

As regards aggression, it should be clear from what has been said so far that the state rules its populace by resorting to physical violence or

17 *Idem*, *The Great Fiction*, p. 174.

18 *Idem*, 'Introduction', in: *idem* (ed.), *The Myth of National Defense. Essays on the Theory and History of Security Production*, Auburn AL: The Ludwig von Mises Institute, 2003, p. 8.

19 *Idem*, *A Theory of Socialism and Capitalism,* Auburn AL: The Ludwig von Mises Institute, 2016, p. 167.

a threat thereof.[20] Citing Rothbard and Schumpeter, Hoppe suggests that everyone who believes that the state constitutes a demand responsive firm of sorts, a voluntary community, or an agency based on social contract, put his conviction to a test by ceasing to pay taxes. The true nature of the state will then become manifest to such a person.[21]

This notwithstanding, Hoppe stresses the insufficiency of pointing exclusively to violence as means to explain the state's continued success in controlling its citizenry. Like David Hume and Étienne de La Boétie, he posits that people's obedience cannot be explained only in terms of power and fear since it is always the ruled, not rulers, who constitute the vast majority of every society. Moreover, even if state agents were really capable of suppressing popular resistance, the question of why they themselves obey orders from their superiors would still remain unanswered. Says Hoppe: 'The president cannot coerce the general to go to war—in fact, the greater physical strength would probably be on the general's side; and the general in turn cannot coerce his soldiers to do the fighting and killing——in fact, they could smash him anytime. President and general can only succeed because of favorable intrastate public opinion, and only insofar as the overwhelming majority of the state employees at least passively supports their actions as legitimate.'[22]

Thus, every state seeks legitimacy, thanks to which obedience can be effectively ensured by making citizens believe the government is actually justified. This, in turn, is achieved by means of ideology, be it religion, nationalism, or egalitarianism of whatever pedigree or kind.[23] At any rate, it should be emphasized that Hoppe invariably adheres to historiosophical antimaterialism (idealism). His stance could be also described as normativist in the sense that norms professed by people are

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20 This point should be rather uncontroversial even for non-libertarians. The use of violence is, after all, explicitly invoked even in the classical definition of the state by Max Weber, which libertarians clearly draw on. M. Weber, *Politics As a Vocation*, trans. R. Livingstone, in: *idem*, *The Vocation Lectures*, Indianapolis – Cambridge: Hacket Publishing Company, 2004, p. 33.

21 H-H. Hoppe, *Eigentum, Anarchie und Staat. Studien zur Theorie des Kapitalismus,* Opladen: Vestdeutscher Verlag 1987, p. 144.

22 *Idem, The Economics and Ethics of Private Property*..., pp. 55–56.

23 *Idem*, *A Theory of Socialism and Capitalism*..., p. 180; *idem*, *The Economics and Ethics*..., p. 70; *idem*, *Getting Libertarianism Right*, Auburn AL: The Ludwig von Mises Institute, 2018, p. 44.

taken here to be the ultimate given of historical analysis. To Hoppe, all material incentives through which the state seeks approval are ultimately traceable back to convictions of the ruled. In order for any attempt at bribing the public to be successful, it must always conform to beliefs of the latter in the first place. As rational creatures, humans are capable of assessing policies offered to them in terms of justice and injustice. They do not display any natural interests that would not be grounded in their worldview. Hence the emphasis placed by Hoppe on the notion of public opinion. Hoppe concludes: 'If it is public opinion that ultimately limits the size of an exploitative firm, then an explanation of its growth in purely ideological terms is justified. Indeed, any other explanation, not in terms of ideological changes but of changes in "objective" conditions must be considered wrong. The size of government does not increase because of any objective causes over which ideas have no control.... It grows because the ideas that prevail in public opinion of what is just and what is wrong have changed.'[24] More generally: 'Ultimately, the course of human history is determined by ideas, whether they are true or false.'[25] This contention has clearly been drawn from Mises, who wrote contra historical materialism of Marx: 'In the world of reality, life, and human action there is no such thing as interests independent of ideas, preceding them temporally and logically. What a man considers his interest is the result of his ideas.'[26]

Apart from ideology – but, to reiterate, within its framework – the state preserves its rule by offering material benefits to some fractions of the citizenry. Through the public system of redistribution of wealth, the government creates beneficiaries materially dependent upon it, thereby turning them into its allies.[27]

What does the general principle of the state's redistributionist activity say? It says: *divide et impera* – divide and rule.[28] The state must favor some groups at the expense of others so as to generate conflicts between them. In doing so, it disunites the ruled by offsetting the resistance of payers with the

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24 H-H. Hoppe, *The Economics and Ethics...* p. 57.

25 *Idem*, *Democracy – the God that Failed...*, p. 43.

26 L. von Mises, *Theory and History...*, p. 140.

27 H-H. Hoppe, *A Theory of Socialism and Capitalism...*, pp. 180–181.

28 *Ibidem,* p. 182.

approval of recipients. Writes Hoppe: 'Politics, as politics of a state, is not "the art of doing the possible", as statesmen prefer to describe their business. It is the art, building on an equilibrium of terror, of helping to stabilize state income on as high a level as possible by means of popular discrimination and a popular, discriminatory scheme of distributional favors.'[29]

Hoppe holds that the *divide et impera* principle is most excellently applied in the democratic system. It is so for two reasons. First, all politics of redistribution creates a category of harmed homesteaders, producers, and contractors, who constitute a potential source of rebellion against the government. Second, it is a simple economic truth that every action comes not only at a direct but also at an opportunity cost. Thus, redistribution inevitably gives rise to the emergence of yet another victimized group – those who have lost their fight for public funds. It is therefore they whose unfulfilled desires amount to the opportunity cost of a given redistributive policy.

An invaluable advantage of democracy from rulers' perspective is that it efficiently alleviates disaffection on the part of both groups. Under democracy, everyone who considers himself aggrieved may reasonably count for becoming a tax-recipient in foreseeable future. In other words, democracy makes it possible for everybody to join – at least temporarily – the ranks of exploiters. As a result, 'it maximally reduces current frustrated lust for power through the prospect of a better future.'[30]

To Hoppe, democracy is therefore not an embodiment of liberty and justice, but the most effective machine of exploitation in mankind's history. If the state constitutes, in Frederic Bastiat's words, 'that great fiction, through which everybody endeavors to live at the expense of everybody else',[31] then democracy epitomizes that fiction at its finest.

While, in view of the above-outlined theses, it should not come as a surprise that Hoppe perceives the democratic era as the historical peak of statism in the Western civilization, he also argues that the tendency toward the growth of the government power is inherently built-in the very

29 *Ibidem.*

30 *Ibidem,* p. 189

31 F. Bastiat, 'Government', in: *The Bastiat Collection. Two Volumes*, Auburn AL: The Ludwig von Mises Institute, 2007, p. 99.

nature of the state. This great trend can be observed from feudal anarchy of early medieval times to gradual consolidation of estate monarchies, the emergence of absolute monarchy in modernity, and finally, the establishment of contemporary totalitarian regimes and welfare states.[32]

A libertarian theory of class struggle

In his essay titled 'Marxist and Austrian Class Analysis', Hoppe asserts that the theory of class conflict set forth by Marx and Engels is 'essentially correct.'[33] Even though the Marxist construal of the basic claims of class analysis must be deemed erroneous and rejected, the 'hard-core' of Marxist class theory may be successfully reformulated so as to reach an adequate interpretation of historical processes. In Hoppe's view, the core of the Marxist class theory consists of five theses, each of which requires certain modifications.

1) 'The history of mankind is the history of class struggles.' The struggle takes place between a relatively small ruling class and a bigger group of the exploited, the form of exploitation being of an economic nature.

2) The ruling class is united in striving for the maintenance of its status as exploiters; it never deliberately renounces power and fruits of exploitation. Power and goods must be wrestled away from it in the course of strife, the outcome of which is conditioned by proliferation of class consciousness among the exploited class. That is to say, in order to overcome, the latter group must come to understand its inferior position in society and demonstrate the will to alter that state of affairs.

3) Class rule manifests itself in arrangements regulating property rights, to use the Marxist terminology – in certain 'relations of production.' It is for the protection of those arrangements that the ruling class institutes the state as the apparatus of compulsion and governs it. The state helps conserve the existent class structure by erecting a system of 'class justice.' It further produces an ideological superstructure, which exists precisely for the preservation of exploitation-based social relations.

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32 H-H. Hoppe, *Democracy – the God that Failed*..., *passim*.

33 *Idem*, *The Economics and Ethics of Private Property*..., p. 117.

4) The process of internal competition within the ruling class brings about concentration and centralization of power. An initially existing multipolar order of exploitation is gradually supplanted by oligarchy or monopoly, whereby ever fewer exploitative powers are capable of operating. The remaining exploiters form a hierarchical structure, which is accompanied by the intensification of imperialistic warfare and territorial expansion.

5) With centralization processes approaching their peak, class rule turns ever more incompatible with the further development of 'productive forces'. As a result, economic crises become ubiquitous, thereby creating 'objective conditions' for the emergence of a revolutionary movement. The movement overthrows the class rule and establishes instead a 'classless society' characterized by 'withering away of the state' and the 'replacement of government of men over men by the administration of things.'[34]

What should the proper reading of these claims be like? 'Exploitation – says Hoppe – is the expropriation of homesteaders, producers and savers by late-coming nonhomesteaders, nonproducers, nonsavers and noncontractors; it is the expropriation of people whose property claims are grounded in work and contract by people whose claims are derived from thin air and who disregard others' work and contracts.'[35] Exploitation, thus understood, constitutes indeed an inherent part of human history (thesis 1). It really does divide society into two conflicted classes, though not on the basis of ownership in means of production but into homesteaders, producers and contractors on the one hand, and those who acquire goods produced by the former group through aggression.[36]

The way Hoppe reformulates the further components of the Marxist philosophy of history should come as no surprise given what has already been said about his libertarian views on the nature of the state. The Marxist notion of class consciousness corresponds to the libertarian idea of the public opinion as the ultimate driving force that stands behind all

34 *Ibidem*, pp. 117–119.
35 *Ibidem*. pp. 125–126.
36 *Ibidem,* pp. 126–127

historical processes (in this respect, Hoppe obviously reverses Marx's thought). The maintenance of a social order consisting in exploitation, in turn, requires social approval, whereas a revolutionary situation occurs when the exploited eventually come to see through the veil of propaganda and grasp the nature of their subordination (thesis 2).[37] Importantly, here again, democracy plays a key role in preserving class rule. For under the democratic regime, which purports to be a 'popular' government, the distinction between exploiters and the exploited is obfuscated as the latter group no longer sees itself as separate from and opposed to the former. The will to resist on part of the ruled – their class consciousness– is thereby considerably weakened.[38]

Social relations embedded in arrangements concerning property rights are, in turn, nothing else but a distortion of the natural, propertarian order by the state. 'Class justice' denotes the statist judicial monopoly, which violates natural law by letting members of the state apparatus do things their fellow men would never be allowed to do such as war, conscription, or larceny (taxation). Finally, the existence of the ideological superstructure manifests itself in the efforts to falsely legitimize the government by means of public education and other propaganda tools (thesis 3).[39]

Although Marxism unduly conceives of the state as a guardian of private property, it does not err in assessing the government as an institution of exploitation. Moreover, while proposing a wrong explanation of that fact, it accurately recognizes the redistributive dimension of the state's activity, especially its alliance with big business in general and the banking sector in particular.[40]

The centralization of power within the ruling class stems from the rivalry for the expansion of each state's territorial jurisdiction, the main instruments of which being conquest and war. In so doing, states attempt not only to increase their own power and tax revenue but also to prevent their domestic citizenry from seeking more palatable living conditions elsewhere. This endeavor of strengthening the monopoly over taxation

37 *Ibidem*, pp. 127–128.

38 H-H. Hoppe, *Democracy – the God that Failed*..., pp. 21–22.

39 *Idem, The Economics and Ethics of Private Property*..., pp. 128–130.

40 *Ibidem*, pp. 130–132.

and jurisdiction through elimination of competing territorial monopolists results in the reduction of the number of existing states, thereby setting a global tendency towards political centralization in motion (thesis 4).[41]

Ultimately, with external competition having been successfully eliminated, a dominant state becomes unrestrained in hampering markets, and the resultant deterioration of the living standard inevitably ensues. Thus, stagnation and chronic crises induced by the state's activity increase to the point of no return. The growing frustration of society undermines the political order, and the revolution is at the gate. In the wake of the revolution, the new order of justice and economic prosperity – the market anarchy – comes about (thesis 5).[42]

To avoid any misunderstandings, Hoppe stipulates that the above interpretation of history implies no notion of historical necessity whatsoever. 'Contrary to Marxist claims, this is not the result of any historical laws, however. In fact, no such things as inexorable historical laws as Marxists conceive of them exist' – he claims.[43] Indeed, as has been seen, the way Hoppe rethinks Marx departs very far from the original. First and foremost, Hoppe explicitly rejects the Marxist claim about the primacy of 'material' structure over ideological superstructure. Hence, what he cannot embrace is not only the concept of historical necessity but also Marx's optimism reflected in thesis 5. By the same token, unlike Marx, Hoppe sees the state as a class in itself, not as 'a committee for managing the common affairs' of the ruling class.[44] Obvious divergences between Hoppe and Marx are yet of rather minor importance. More significant for our purposes are logical relations between Hoppe's class approach and his libertarian creed.

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41 *Ibidem*, pp. 132–136. One of Hoppe's most lively discussed claims is his fervent support for secessionist movements as allies (irrespective of their own agenda) in the struggle against statism. To Hoppe, political decentralization and fragmentation of states, thanks to competition between them, facilitate internal liberalism and international economic integration, whereas centralization – a prevalent trend in European history since medieval times – constitutes a grave danger to liberty. See: H-H. Hoppe, *Democracy – the God that Failed...*, pp. 107–120; *idem*, 'Nationalism and Secession', *Chronicles,* November 1993, pp. 23–25.

42 *Ibidem*, pp. 136–138.

43 *Ibidem*, pp. 136.

44 K. Marx, F. Engels, *The Communist Manifesto*, trans. S Moore, Oxford: Oxford University Press 1992, p. 33.

The Libertarian Dispute Over Class Theory

As is known, Ludwig von Mises was an ardent opponent of class theories of whatever sort. To him, Marx's fundamental flaw boils down to the adoption of the perspective of methodological collectivism (or holism) instead of the individualist one. In other words, Marxist social philosophy concentrates not on individuals, but on classes. It then disregards the possibility of there being conflicting interests between an individual and his social class. The problem is further aggravated as Marx conflates the concepts of class and caste. For in order to pontificate on class members' constant harmony of interests, one would have to construe classes as legally closed castes. Meanwhile, in the free market economy, the class hierarchy is of an entirely different nature. The economic order is, argues Mises, characterized by intensive vertical social mobility, with individuals regularly changing class affiliation within their lifespan. Commitment to the revolutionary cause is therefore no more in the proletarian's interest than striving to improve his position and join the ranks of the bourgeoisie. Moreover, claims Mises, every proletarian is not only a laborer but also a consumer. As such, he seeks the highest possible quality and the lowest possible prices of goods. Depending then on the catallactic function we conceptually place him in, the interests of his and those of his fellow proletarians may well be both consonant or divergent.[45] Finally, the production factors owners – capitalists and entrepreneurs – by no means constitute a ruling class. On the contrary, since their interests and profits ultimately hinge upon the consumer's choices, it is he who must be considered the sovereign of the free market economy.[46]

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45 In Mises, 'catallactics' denotes that part of the praxeological theory that deals with market processes. Concepts such as the laborer, the entrepreneur, or the capitalists, are then dubbed 'catallactic functions'. L. von Mises, *Human Action*..., p. 233.

46 *Idem*, *Marxism Unmasked. From Delusion to Destruction*, Irvington-on-Hudson NY: Foundation for Economic Education, 2006, pp. 11-18; *idem*, *Socialism. An Economic and Social Analysis*, trans. J. Kahane, New Haven: Yale University Press, 2010, pp. 328-351. It is noteworthy that Mises' theory of consumer sovereignty has been plausibly challenged by Rothbard. In his view, such a usage of the term 'sovereignty' represents a glaring misnomer. In the free market economy, each and every actor is a self-owner, meaning that he exercises sovereignty over himself, but not over anybody else. The only type of sovereignty that is characteristic of the free market

Mises' critique of Marx applies – *mutatis mutandis* – to the Hoppean class struggle theory, except of course for the objection regarding consumer sovereignty. Hoppe, too, might possibly be charged with abandoning methodological individualism and neglecting the possibility of actors switching their classes. Just like a proletarian may become a businessperson, so a state officer may have the ambition to become an entrepreneur, or at least to move to the private sector as a laborer. As Chmielowski points out, there therefore appears to be a certain, seemingly irreducible tension between Austro-libertarian individualism and the collectivist features of class analysis.[47] Stated more precisely, the purported contradiction would pertain to *methodological* individualism. For it is rather obvious that no such a contradiction exists between the individualism of the libertarian *ethics* and the class analysis as Hoppe presents it. After all, class structure is here conceptualized against the criteria of *individual* rights abidance (among homesteaders, producers, and contractors) and violations (on the parasitic class' part).

Another prominent critic of synthesizing libertarianism with a class theory is David Friedman. In the same vein as Mises, he argues that the class approach overlooks harm done by plenty of state-made laws to members of the state apparatus themselves. If, for instance, Washington DC civil servants incur losses due to their own government overregulating the airline industry, then it is unreasonable to claim that their objective interest still lies in having the industry hampered by the state. Moreover, skills developed in the public sector might well be put to good use in the private one. It is then not the case that outside the statist political order, there is no future for members of the state apparatus. Hence, it need not be the case either that they will always tend to defend statism. The efficacy of the pure free-market economy can offer them career and consumption prospects at least no worse than what they currently enjoy.[48] In a word,

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is therefore individual sovereignty. M.N. Rothbard, *Man, Economy, and State with Power and Market*, Auburn AL: The Ludwig von Mises Institute, 2009, pp. 629–631.

47 M. Chmielowski, *Agoryzm*..., 2015, p. 83.

48 D. Friedman, *The Machinery of Freedom. Guide to a Radical Capitalism,* Chicago: Open Court Publishing Company, 1989, chapter: 'The Economy of Theft, or the Nonexistence of Ruling Class'.

Friedman's objections are akin to those of Mises in that they point to the collectivism of the class analysis and call for a more individualist approach.

On the other hand, as has been indicated in the introduction, to propose a classical-liberal or libertarian theory of class struggle is by no means a peculiarity of Hoppe's thought. On the contrary, as pointed out by Ralph Raico, the roots of the Marxists social conflict theory can be traced back to French liberalism of the Bourbon Restoration period (1815–1830), whose most notable representatives were Charles Comte, Charles Dunoyer, and early Augustin Thierry, as well as to James Mill and other Anglo-Saxon classical liberals. They all believed that the actual driving force behind human history is the conflict between productive market actors on the one hand, and the state and its collaborators on the other. Furthermore, not only was the Marxists philosophy of history inspired by these views but also Marx, Engels, and Lenin themselves never really tried to conceal the influence the liberal thinkers exerted on them.[49]

Roderick T. Long identifies a class thread even in Adam Smith, who, in his critique of mercantilism, spoke of politically connected business people that owe their wealth to subsidies, tariffs, and regulations, as opposed to those profiting solely from productive activities in the marketplace. To Smith, in Long's interpretation, it is a primary task of a just and effective social order to provide political institutions benign to the latter group, not to the former. In Long's opinion, there are therefore two distinct modern traditions of theorizing about class conflicts: the liberal, Smithian theory that regards the state power as a main or even the sole source of class oppression, and the Rousseauvian one, in light of which it is economic inequity that leads to class struggles. The prevalent, Marxist take on classes, despite its classically liberal roots, follows of course into the Rousseauvian tradition.[50]

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49 R. Raico, *Classical Liberal Roots of the Doctrine of Classes*, in: Y. Maltsev (ed.), *Requiem for Marx*, Ayburn AL: The Ludwig von Mises Institute, 1993, pp. 193–210. See also the following essays and excerpts available in the collection by Hart, Chartier, Kenyon, and Long cited above: J. Mill, 'On Those Who Pillage and Those Who Are Pillaged', pp. 63–70; A. Thierry, *The Emancipation of the Bourgeoisie,* pp. 133–140.

50 R.T. Long, *Toward a Libertarian Theory of Class*..., pp. 305–308. See also: A. Smith, 'On Conspiracies, Monopolies, and Unproductive Labour', in: D.M. Hart, G. Chartier, R.M. Kenyon, R.T. Long (eds), *Social Class and State Power*..., pp. 7–9.

As has already been mentioned, among contemporary libertarian thinkers, class theories essentially alike to Hoppe's have been put forward by libertarians such as Conger, Long, and Jasay. Moreover, the idea of class struggle can also be found in Rothbard. Not only did he often explicitly harness class theory terminology but he would also occasionally adduce the class-related tenets of the early nineteenth-century liberals.[51] In addition to this, Rothbard wrote a great deal about the unholy alliance between the state and big business.[52] More important still, his entire theory of the state as an entity united against its citizenry by a constant commonality of interests consisting in the aggrandizement of political power and increase of tax revenues is underpinned by the view that the state and its victims constitute two separate, mutually hostile classes.[53] Finally, while not having elaborated on a full-fledged historiosophy, he did emphasize that the history of mankind should be viewed as 'a race between state power and social power.'[54]

In sum, therefore, Hoppe's position is anything but exceptional. For especially classifying Rothbard as a class theory adherent bolsters our point that class theory plays a crucial role in libertarian social thought. Furthermore, there are good theoretical reasons for that. First and foremost, the division of people into two sets – those who honor private property rights as prescribed by the libertarian justice theory and those who do not – follows directly from the libertarian position on natural law. Second, the belief in the existence of a ruling class underlies the view that the state displays a natural tendency towards growth. If members of the state apparatus do not form such a unified class, then there is no point speaking of any common goal on the state's part. Likewise, if the common feature of state representatives is not power and money lust, then there is no point speaking of the state's goal being power and tax revenue. The same is true of the Hoppean approach to democracy. Were democratic politicians not united in the pursuit of exploitation – i.e. did they not

51 M.N. Rothbard, *Left and Right. The Prospects for Liberty*, in: *idem, Egalitarianism as a Revolt Against Nature...*, pp. 28–29.

52 Cf. his *The Mystery of Banking,* Auburn AL: The Ludwig von Mises Institute, 2008, pp. 177–246.

53 *Idem*, 'The Anatomy of the State', in: *idem*, *Egalitarianism...*, pp. 55–88.

54 *Ibidem,* pp. 86–87.

constitute the exploitative ruling class – Hoppe's claims about democracy as an instrument of bribery, the *divide et impera* principle etc. would be derived out of thin air.

Both historically and logically, then, the theory of the state propounded by both the founding father of contemporary libertarianism and his most prominent disciple turns out to be a class struggle theory. As Long puts it in the very first sentence of his essay on libertarian class theories: 'Libertarianism needs a theory of class.'[55]

A discussion of objections

Having drawn the overall picture of the dispute, let us now embark on criticism of the above-cited objections against libertarian class theories.

To begin with, the ostensible contradiction between any class theory and methodological individualism stems from a rather superficial understanding of what methodological individualism actually is. What

55 R.T. Long, *Toward a Libertarian Theory of Class...*, p. 297. On the face of it, the libertarian conception of the class departs from the mainstream sociological view on social classes. According to the standard definition, the class is – as opposed to other forms of social strata such as slavery, castes, or estates – characterized by informality and relative openness (the lack of formal barriers), economic foundations (class divisions are determined by inequalities in the possession of material resources), and impersonality (there are no personal obligations or duties such as those of slaves vis-à-vis slavers or lower-caste members vis-à-vis higher-caste individuals). Cf. A. Giddens, *Sociology. Fifth Edition*, Cambridge – Malden MA: Polity Press 2006, p. 300. Thus, a critic might argue that what libertarians speak of is not class stratification at all, since the distinction between the state and its victims does not meet the criteria of an economic basis and impersonality (one's relation with the state need not have anything to do with one's level of affluence; moreover, at least the state is in a sense a personalized organization in that there are certain specific individuals in charge). Such criticism would misfire, though. As regards the first problem, the concept of economic inequalities should not be reduced to the opposition between the rich and the poor. Even Marx and Engels used to define classes in terms of ownership in means of production, not in terms of affluence. And as libertarian class theorists argue, the difference between natural law abiders and members and collaborators of the state, who arrogate to themselves the right to stipulate others' property rights and live off their productive performance, is indeed a difference in ownership in means of production and other material goods. As for the question of impersonality: though the state is managed by personalized leadership, it still represents an impersonal, legal entity. Such is, after all, the difference between modern states and feudal, patrimonial monarchies of medieval times.

it says is this: all social phenomena must be scrutinized as outcomes of individual actions. This is not by any means tantamount to the plainly indefensible claim that each individual constitutes a closed universe, destitute of any features shared with others. Were this the case, there would be no way any theories or hypotheses concerning the social world could ever be proposed. For any general terms (universals) concerning that word such as "entrepreneur', 'laborer', 'statesman', or even 'human' would be thereby rendered meaningless. Likewise, no science of human action including Misesian praxeology would be possible, not to mention its application to actual social context by means of understanding (*verstehen*). Unthinkable too would be other popular extensions of methodological individualism such as game theory.

An adequate definition of methodological individualism has been given by John Watkins: 'According to this principle, the ultimate constituents of the social world are individual people who act more or less appropriately in the light of their dispositions and understanding of their situation. Every complex social situation, institution, or event is the result of a particular configuration of individuals, their dispositions, situations, beliefs, and physical resources and environment.... The individuals may remain anonymous and *only typical dispositions* [italics added], etc., may be attributed to them.'[56] That is to say, for an explanation to qualify as methodologically collectivistic, it does not suffice that it predicates certain tendencies characteristic of some collective about individuals. In Watkin's words, per collectivism, "social systems constitute 'wholes' at least in the sense that some of their large-scale behaviour is governed by macrolaws which are essentially *sociological* in the sense that they are *sui generis* and not to be explained as mere regularities or tendencies resulting from the behaviour of interacting individuals."[57] As Watkins points out, typical illustrations of what collectivism implies are business cycle theories resorting to explanatory factors that are 'self-propelling, uncontrollable, and inexplicable in terms of human activity, but in terms of the fluctuations

56 J. Watkins, 'Historical Explanation in the Social Sciences', *The British Journal for the Philosophy of Science*, VIII (30), pp. 105–106.

57 *Ibidem,* p. 106.

of which such largescale phenomena as wars, revolutions, and mass emigration, and such psychological factors as scientific and technological inventiveness can, it is claimed, be explained and predicted.'[58] The same is true of Marxist 'iron laws of history', a paradigm example of a collectivist analysis.[59]

While sharing with Marxists the idea of class struggle, Hoppe does not share their faith in any such iron laws. It thus cannot be said that he sees historical macrotrends as ontologically and explanatorily irreducible to what individuals think and do. Let us illustrate this point with the classical scenario of Crusoe and Friday coming across each other on a desert island. Assume Robinson takes Friday captive. From now on, it is only Friday who performs productive labor, whereas Crusoe rips the benefits of his victim's coercive efforts. It is then justified to say that their relationship has assumed the character of a class one: Crusoe has become a one-man ruling class, while Friday has been forcibly turned into a one-man exploited class. When trying to predict what Crusoe will do next, a social scientist of the Hoppean sort will most likely argue that Crusoe, much like all other people (especially those who, like politicians of all parties, have already demonstrated their power lust as Crusoe has by enslaving Friday), presumably seeks power and easy money.[60] Hence, he will not cut Friday loose, but will rather continue to exploit him as long as his slave's

58 *Ibidem*, pp. 106–107.

59 *Ibidem*, pp. 108–109.

60 The assumption of state agents and their collaborators being self-interested power and revenue seekers is, as can be seen throughout the article, an indispensable building block of the Hoppean class analysis. Admittedly, as has already been observed in the literature, such an approach goes beyond the scope of the praxeological theory described by Mises. For in contrast to the purely formal character of praxeology (the pure logic of action), the Hoppean investigations invoke, whether explicitly or implicitly, certain substantive, psychological motives underlying human action (see: P. Nowakowski, 'Dlaczego rządzą źli. O krytyce demokratycznych "zarządców" w fiozofii politycznej Hansa-Hermanna Hoppego', *Dialogi polityczne* 2010, No. 13, pp. 263–278; N. Slenzok, 'Hansa-Hermanna Hoppego libertariańska rehabilitacja monarchii. Analiza metodologiczna', *Societas et Ius* 2016, No. 5, pp. 111–132). This, however, need not pose a problem. Although in 'Democracy...', Hoppe misleadingly suggests that his case be treated as a praxeological, *a priori* one, he elsewhere correctly acknowledges the status of the interpretations of history he proposes as rooted in contingent, principally refutable assumptions. See: H-H. Hoppe, *The Economics and Ethics of Private Property*..., p. 33; *idem*, *Kritik der Kausalwissenschafltichen Sozialforschung*..., pp. 33–38.

exhaustion does not result in a decrease in production. Since Crusoe and Friday, as one-man classes, are the only actors in this scenario, it is clear that methodological holism has nothing to do with the analysis. Yet if this is so, then why would extending the ranks of either class in such a manner that its number would rise to 1+n change anything? At the end of the day, the very same explanatory and prognostic procedure is being employed.

Insofar as Friedman's criticism is concerned, let us notice that even if tax-recipients bear a certain cost because of the state's activity, they still bear it with an income yielded by that activity. By the same token – as pointed out by Hoppe – those whose entire income comes from taxation do not actually pay taxes.[61] The public sector employees may indeed have – as Friedman aptly observed – interest in the reduction of the state's involvement in some areas of the economy. Yet those will always be areas other than their own ones. For the common denominator of ruling class members, i.e. fruiting the benefits of coercive seizure of private property, stands unimpaired.

Let us now move on to Friedman's suggestion that the possibility of the state employees taking advantage of their skills in the private sector undermines the libertarian notion of the ruling class. At least in some cases, the state employees are doubtlessly able to do so. Although Hoppe himself could argue that political competence and economic competence represent entirely different types of skills,[62] the problem is ultimately an empirical one as it comes down to the question of what portion of government workers possess a versatile skillset. Of far greater significance for the theory at hand is the question of whether the very possibility of a public employee switching his occupation justifies the rejection of any class-based interpretation of the state's actions. Fortunately for Hoppe and other libertarian class theorists, it does not seem to be the case. So long as concepts such as the laborer, the capitalist, the entrepreneur, or the bureaucrat are used as Weberian ideal types, we can attribute to them specific types of valuations without purporting thereby that what we describe are actions of each and every laborer, capitalist, entrepreneur, or

61 H-H. Hoppe, *The Economics and Ethics of Private Property*..., p. 324.

62 *Idem*, *A Theory of Socialism and Capitalism*..., pp. 45–46.

bureaucrat. For what we are attempting to explain is behavior of a member of the state apparatus qua member of the state apparatus, a tax-recipient qua tax-recipient, etc.[63]

Lastly, as regards the relation between structure and superstructure, Hoppe does not question the state apparatus members' – either as individuals or as a class – having the faculty of autonomous moral judgment and the ability to eschew both the statist ideology and their own social position it legitimizes.[64] He nonetheless holds that their position does make them particularly prone to statism, the most vivid example being academics with their predominantly left-wing bent.[65] Yet the thesis about the primacy of ideas in history is thereby not abandoned altogether. Ultimately – according to that thesis – the state employees' expanding their prerogatives and maximizing tax-based revenue does not represent, like any other human activity of whatever sort, a purely material process. Rather, political actions – qua human actions – are embedded in value scales of actors driven by their convictions. The same goes for the state apparatus members: they exploit because they believe they are morally entitled to do so.

This notwithstanding, it is true Hoppe partly mitigates his historical idealism by embracing class struggle theory. For it seems his approach presupposes an assumption of there being, among other human ends, goals that display particular persistence. Their roots must be traced back to elementary psychological motives of behavior, among which we find seeking power and wealth. With this assumption thrown overboard, any quasi-universal account on historical processes like that of Hoppe would be unwarranted. In this respect, Hoppe is indeed somewhat inconsistent.

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63 Weber and Mises, both methodological individualists, saw ideal types as indispensable tools of historical understanding. M. Weber, *Economy and Society. An Outline of Interpretative Sociology*, trans. E. Fishoff and others, Berkeley – Los Angeles – London: University of California Press, 1978, pp. 20–22; L. von Mises, *Theory and History*..., pp. 315–322. On how Hoppe himself employs (though not always explicitly) the methodology of ideal types, see N. Slenzok, 'Hansa--Hermanna Hoppego libertariańska rehabilitacja monarchii...'

64 Strictly speaking, this point has not been raised by anyone in the literature. I nevertheless invoke this topic for discussion's sake since, as will be seen below, it does cast light on the ambiguity of Hoppe's stance.

65 H-H. Hoppe, *The Great Fiction*..., pp. 3–8.

On the one hand, he writes: 'The...assumption involved was that people indeed lust for power and hence can be corrupted into state-supportive action if given a chance to satisfy this lust. Looking at the facts, there can hardly be any doubt that today this assumption, too, is realistic.'[66] On the other hand, he readily adds that '... it is not realistic because of natural laws, for at least in principle, it can deliberately be made unrealistic. In order to bring about the end of statism and socialism, no more and no less must be accomplished than a change in public opinion...'[67] Yet it turns out that, in light of Hoppe's pronouncements concerning the persistence of tax-consumers in subscribing to and preaching the ideology of statism, the public opinion is not entirely flexible. It also appears that ideas are not – as Mises and Hoppe would like to have it – the ultimate given of human history.

Class struggle theory as teleological-normative philosophy of history

In spite of the above remarks, one could still charge Hoppe with running into some sort of historical determinism. One might argue that if it is really the case that 'the history of mankind is the history of class struggles', then, no matter what caveats Hoppe adds, he does posit that there is only one pattern or explanatory scheme to which all explanation of human conduct should be ultimately reduced. Just like orthodox Marxists tried to explain each and every element of culture in terms of its function in class conflict, Hoppe too might be understood as suggesting precisely the same thing with respect to class conflict as he as a libertarian conceives of it. Such an impression would be false, though. Not only does Hoppe dissociate himself from such historicist reduction but also nowhere in his writings can one encounter any all-encompassing explanatory scheme of that sort. Furthermore, there is, I believe, a far more plausible way to read his reinterpretation of Marxist claims. To wit, Hoppe's understanding of history in terms of class struggle can be defended from the standpoint of

66 H-H. Hoppe, *A Theory. of Socialism and Capitalism*..., p. 196.
67 *Ibidem*.

an antipositivist outlook on normative concepts as underpinnings of every scientific inquiry into social affairs.

As pointed out by Karl-Otto Apel, a teleological interpretation of history – i.e. one that perceives history as a holistic process with a specific end such as freedom, peace, equality, and the like – can be perfectly firm provided that one views such an interpretation as a reflection of ideals of a researcher instead of unwisely taking it to be an exhaustive description of historical reality in itself. A philosopher of history, when attempting to reconstruct historical processes through a prism of an explicitly articulated normative standard, has every right to interpret history in such a manner.[68] It does not by any means entail sacrificing historical truth for political or propaganda purposes. Rather, it is about selection of subject-matter of research, which in turn – as Leo Strauss aptly noticed – cannot take place independently of a researcher's worldview. A historian or a philosopher of history, as a human being, is an acting subject whose actions are contingent upon his ultimate ends. In the case of historical studies, the choice of what to study and what to concentrate on when formulating a narrative is inexorably influenced by the researcher's value hierarchy, which determines his views on events and processes as worth or not worth interest.[69]

In his theory of historical reconstructions, Apel makes an analogy to Lakatos' methodology of rational reconstructions in the history of science. History and philosophy of science select, prioritize, and interpret historical material against the criterion of scientific progress. They do not investigate all past scientific endeavors but largely those that have contributed to the advancement of knowledge. If they scrutinize those that have not, they assess them as failed or futile attempts in light of a rationally reconstructed idea of science in itself, irrespective of what understanding of science a given past researcher could have had in his mind. In like manner, historiography and historiosophy are warranted to select, prioritize, and interpret elements of the past from the perspective

68 K.O. Apel, 'Zasada samofundowania…', in: T. Buksiński (ed.), *Rozumność i racjonalność*, Poznań: Wydawnictwo Naukowe Instytutu Filozofii UAM, 1997.

69 L. Strauss, 'What is Political Philosophy?', in*: idem*, *What is Political Philosophy? And Other Essays,* Chicago – London: The University of Chicago Press, 1959, pp. 21–27.

of ethics.[70] Insofar as the Hoppean class theory is concerned, it means that claiming class conflict to be the central part of history should not be viewed as an attempt to build an all-embracing, class struggle-oriented explanatory scheme. The bottom line here is what Hoppe – as a libertarian theoretician – emphasizes in history as *normatively* most significant.

Indeed, such a value-laden starting point of social research is not only admissible but also requisite for knowledge of human affairs to be comprehensive. Let us note that the Weberian ideal of value-free science stemmed from Weber's skepticism toward the very concept of an objectively grounded ethics. Later, the neopositivist rejection of the very meaningfulness of the normative inquiry only finished the job of disseminating the polar opposition between science and ethics.[71] If, however, one considers – as Rothbardian-Hoppean libertarians do – ethics an objective field of knowledge, no worse in this respect than any natural science, then why be afraid of value-ladenness in social sciences? Furthermore, since – under the libertarian approach – ethics provides one with objective knowledge, and the very purpose of scientific undertakings is the pursuit of such objective knowledge, a scholar who refrains himself from framing his research on the basis of ethical conclusions, desperately avoids value-loaded language etc. will always draw an incomplete picture of his issue. And conversely, a researcher who self-consciously adopts a value-laden perspective, stands a chance to truly contribute to the edifice of universal, multi-dimensional knowledge.

It is also worth pointing out that the above reading of the libertarian class struggle theory, while representing a humble attempt at formulating a rational reconstruction inspired by Apel and Strauss, seems to be in line with Hoppe's own intention. Hoppe unveils the ethical presuppositions of his historiosophical position, presenting the resemblance between libertarians and Marxists in the following way: 'Both oppose a historiography which recognizes only action or interaction, economically

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70 K.O. Apel, *Zasada samofundowania*...; Comp. I. Lakatos, 'History of Science and Its Rational Reconstructions', in: E. Hacking, *Scientific Revolutions*, Oxford: Oxford University Press, 1981, pp. 107–127.

71 F. Van Dun, 'Economics and the Limits of Value-Free Science', *Reason Papers* 1986, No. 11, pp. 17–32.

and morally all on a par; and both oppose a historiography that instead of adopting such a valueneutral stand thinks that one's own arbitrarily introduced subjective value judgments have to provide the foil for one's historical narratives. Rather, history must be told in terms of freedom and exploitation, parasitism and economic impoverishment, private property and its destruction—otherwise it is told false.'[72]

As a result, what we have here is a coherent, normatively grounded theory of history as – in Rothbard's words – 'a race between state power and social power', with Hoppe's vision of future revolution being more an ethico-political appeal than an actual forecast. It is a Kantian approach of sorts as well. It is normativist and teleological yet not historicist in the sense explained by Popper.[73]

Conclusion

As has been seen, the libertarian theory of class conflict proposed by Hoppe passes at least the test of consistency with other core tenets proffered by the philosopher and his school of thought. Furthermore, the class analysis turns out to pervade Rothbardian-libertarian theorizing about the state, whether explicitly or implicitly, from the very outset. That is to say, the libertarian property rights theory by definition divides people into classes of natural law abiders and breakers. To boot, Hoppe and other Rothbardian libertarians need to espouse and defend a class struggle approach to political analysis at least as long as they want to uphold their crucial political contention about the state being an unrestrained power and tax revenue seeker. In so doing, they by no means have to embrace an over-simplistic, historicist view on history as a holistic process reducible to a narrow set of overwhelming factors constituting some alleged laws of social development. On the contrary, while emphasizing freedom of acting subjects and concomitant unpredictability of future events, in endorsing

72 H-H. Hoppe, *Marxist and Austrian Class Analysis*..., pp. 126–127.

73 I. Kant, 'Idea powszechnej historii w aspekcie kosmopolitycznym', in: *idem, Rozprawy z filozofii historii*, trans. M. Żelazny et al., Kęty: Antyk, 2005, pp. 31–43. K.R. Popper, *The Poverty of Historicism*, New York: Harper Torchbooks, 1961, pp. 3–4.

a class approach they simply derive consequences from their ethical tenets and underscore those facts that really matter in their light.

That being said, Hoppe does maintain that some motives and factors are more persistent and more universal than others. These are power and profit lust that manifest themselves in the state's constant growth over centuries. This view, as I have shown, runs counter to Hoppe's conviction, drawn from Mises, that it is ideas and the state of the public opinion that constitute the ultimate given of human history. Even though jettisoning the one-sided accentuation of the role of ideas in shaping historical processes does not seem to be an unacceptable price for upholding the class approach, it does open new areas for improvement and advancement of libertarian class theory. For one thing, it raises the question of what the nature of relations between ideas and human primordial goals such as power and profit actually is. In other words, given the general statement that both ideas and basic psychological desires do matter to a certain extent (which is indeed a rather trivial pronouncement), it becomes intriguing to ponder how this view could be further clarified. For another, since libertarians stress the fact that human beings – especially politicians – are naturally power-hungry, their approach – in spite of all obvious differences – turns out to be surprisingly akin to classical realism (the so--called 'human nature realism') in international relations theory.[74] This impression is additionally bolstered by the fact that both classical realists and libertarians emphasize the state's propensity to initiate military conflict and conquest.[75] Thus, as the former paradigm has been seriously

74 Other significant divergences aside, libertarians and realists part company in their final, prescriptive conclusions. Realists, following in Hobbes' footsteps, envision a state powerful enough to protect its populace from foreign threats posed by other states' aggressive plans. By contrast, libertarians hold there is a plain *non sequitur* in this Hobbesian-realist chain of reasoning. If people are really as aggressive and power-hungry as Hobbes and classical ("human nature") realists assume, then their destructive urge will only be further galvanized, not tamed, should some of them wield power to rule and tax. The most reasonable solution to the corruption of human nature is therefore to abolish, not institute and empower the state. See: H-H. Hoppe, *Democracy...*, p. 239. On classical realism, see H. Morgenthau, *Politics Among Nations: the Struggle for Power and Peace*, New York: Knopf, 1948. On modern variants of realism, especially offensive realism, see: J. Mearsheimer, *The Tragedy of Great Power Politics*, New York – London: W.W. Norton&Company, 2001, pp. 4–22, *passim*.

75 For the libertarian approach, see M.N. Rothbard, 'War, Peace, and the State', in: *idem*, *Egalitarianism*..., pp. 111–132; H-H. Hoppe, *The Economics and Ethics of Private Property*..., pp. 96–99.

questioned over the last couple of decades by structural realism and other major international relations theories, libertarian thinkers could considerably benefit from engaging in those debates. The same goes for the ideas vs. material incentives problem, which in turn has been a topic of a thorough discussion between constructivism and realism, with the former school advocating for an idealistic position alike to that of Hume, de La Boétie, and Hoppe.[76] Needless to say, all empirical aspects of the Hoppean class theory (e.g. the alliance between the state and big business, particularly the banking sector, the tendency to centralization in interstate relations, and the like) require intensive studies that lie beyond the scope of this article.

From another angle, much is still to be clarified with respect to the very concept of class in libertarianism. As has been seen, under Hoppe's theory, there are clear-cut examples of ruling class members: politicians, bureaucrats, crony capitalists. There is yet a fundamental ethical question: who else is actually involved in statism? E.g. is a libertarian tax-funded university professor, such as Rothbard or Hoppe themselves, a parasitic class member? Does his being a libertarian speak in his favor? Maybe it does because, by virtue of his contesting the state, he is harmed by the very existence of its apparatus of coercion, whereas non-libertarians are not really harmed since they accept and support statism at least to a certain degree, which makes the professor eligible for compensation from them? Or maybe his libertarian commitment does not count since, to put it bluntly, actions speak louder than words? Or does voting for statist parties amount to complicity in statism? If so, then how many actual victims (the exploited) do libertarians see among their fellow men? Conundrums of this sort abound, especially under democracy, where, as the Hoppean analysis implies, sets of perpetrators and victims often overlap with each other.[77]

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76 Especially Alexander Wendt's moderate constructivism, which incorporates some pervasive material motives into its theory ("rump" materialism), might be instrumental as a source of support for at least some libertarian observations on the nature of politics. A. Wendt, *Social Theory of International Relations,* Cambridge: Cambridge University Press, 2003, pp. 92–138.

77 Some contributions to these topics have already been made. See: W. Conger, *Agorist Class Theory...*; W. Block, 'Toward a Libertarian Theory of Guilt and Punishment for the Crime of Statism,' in: J.G. Hülsmann, S. Kinsella (eds), *Property, Freedom, and Society...*, p. 137–148.

Be that as it may, libertarian class theorists should try to come up with answers to such challenges. Although there was certainly no room in this paper to do it, they are doubtlessly of paramount importance for the libertarian theory on both ethical-prescriptive and political-descriptive level.

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The State, Democracy and Class Rule: Remarks on the Hoppean Approach

The subject-matter of the paper is the theory of class struggle proposed by Hans-Hermann Hoppe, one of the leading representatives of libertarian political philosophy in the radical tradition of Murray N. Rothbard. The author reconstructs and critically comments on the theory at hand. The author's remarks focus on the ethical and methodological background of Hoppe's approach, the main question being whether the latter theory is consonant with the thinker's positions on ethics and methodology, as well as with his political standpoint. The author argues that not only does class analysis not contradict other core beliefs of Hoppe but it also represents an indispensable element of his libertarian philosophy. There is, however, a significant tension between the class approach and Hoppe's secondary philosophical position – his historical idealism. The article is concluded by indicating some further issues in the Hoppean theory of class that, in the author's opinion, should be subject to future inquiry.

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LIBERTARIANISM, HANS-HERMANN HOPPE, MURRAY N. ROTHBARD, THE STATE, CLASS ANALYSIS, DEMOCRACY.