



Anarcho-Capitalism

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Why in News?

The term "**anarcho-capitalism**" has recently gained attention, particularly with the recent electoral victory of [Javier Milei](#), a **self-proclaimed anarcho-capitalist**, in the **presidential race in Argentina**.

- This political philosophy advocates for the **abolition of the state**, proposing that **private companies manage law and order** in a free market.

What is Anarcho-Capitalism?

▪ About:

- Anarcho-capitalism, political philosophy and political-economic theory that advocates the voluntary exchange of goods and services in a society broadly **regulated by the market rather than by the state**.
- The term anarcho-capitalism was coined by **Murray Rothbard**, a leading figure in the American libertarian movement from the 1950s.
- Anarcho-capitalists assert that **private companies** in a free market **can efficiently provide policing and legal services**.
- The philosophy contends that similar to private sectors offering superior products and services, private policing and legal systems can outperform state-monopolized counterparts.
 - In an anarcho-capitalist society, individuals pay private police and courts for protection and dispute resolution.
 - Private companies, driven by customer patronage, are argued to be more accountable, as dissatisfied customers can **switch to competing services**.
- Anarcho-capitalists advocate for **competitive markets**, asserting that they guarantee **top-tier and cost-effective police and legal services**. This contrasts with **state-funded systems**, providing customers the **freedom to select services aligned with their preferences and needs**.

▪ Concerns:

- Multiple private firms offering police and judiciary services in a single region **may lead to armed conflicts and chaos**.
- Skepticism arises about a **market-based system favouring the wealthy**, allowing them to escape justice by paying more to private firms.
 - Apprehensions exist that a **profit-driven system could marginalize the poor**, limiting their access to justice.
- Critics worry that **without a centralized authority, private firms may not be accountable to the broader public**, influencing justice based on financial interests, and potentially compromising the integrity of justice.
- The absence of a centralized authority may **increase the risk of vigilantism**, where individuals or groups take the law into their own hands.
 - Anarcho-capitalism could **worsen societal inequalities**, providing better legal protection for those who can **afford premium services**.
- The absence of a standardized legal framework may result in varying standards of justice,

creating uncertainty and inconsistency in legal outcomes.

▪ **Anarcho-Capitalist Responses to Concerns:**

- Private firms would **aim to satisfy the larger market**, not just the wealthy, ensuring fair and accessible justice for all.
- In a competitive market, private firms **depend on customer patronage**, making them accountable to the public and responsive to their needs.
 - Private firms may strive to meet the demand at the **bottom of the pyramid**, potentially offering better chances of justice for the poor.
- Competitive pressures among private firms would lead to agreements on common rules, preventing conflicts and potential vigilantism.

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