

Can prediction markets bring about the end of the State?

By B. Water

Abstract

In light of recent threats to human liberty worldwide, the use of assassination markets, a form of prediction market, as a means of self-defense against State-sponsored crime is discussed, along with the potential pitfalls of such a tool. We make a moral case for the use of assassination markets against agents of the State violating the Non-Aggression Principle based on the Moral Parity thesis. We find that the use of assassination markets for nefarious purposes is unlikely and could be mitigated; and that its use as a means of self-defense against State-sponsored crime could be an instrument for justice and would ultimately lead to the collapse of the State. It would thus encourage the creation of voluntary alternatives to State services free of coercion.

Introduction

There is no question that human liberty is under threat in most countries. Arguably, even Western societies, by no means « free » but « somewhat free », are experiencing a decline in human freedom with the rise of ever more authoritarian governments. Despite some bright spots, freedom around the world is on its way out, as the State increases its reach into its subjects' lives. Worryingly, it doesn't seem like the majority of people, or even a sizable minority, cares about liberty.

For the past hundred years or so various strands of libertarian philosophies, particularly anarcho-capitalism, have demonstrated how human liberty is best assured by the absolute respect for property rights and the Non-Aggression Principle; which stipulate that an individual's property (including his own body) is sacred. The individual is thus free to do with his property what he wants, as long as he doesn't harm, steal, or defraud another individual's property. Note that the Non-Aggression Principle is by no means a pacifist ideology. If another

individual or an organisation like the Mob or the State tries to rob, defraud or harm him, the individual is morally justified in defending his property in any way he wants. The principles of libertarianism are thus incompatible with the existence of a State ruling over people.

Yet this simple (if radical) concept has never reached mainstream appeal. All the other political ideologies accept to various degrees the right of the State to steal from (via taxation) and to regulate its subjects' lives, and if it comes to that, to imprison or even kill them, in violation of the Non-Aggression Principle. We can group these ideologies under the umbrella of « statism ». Pretty much everyone (perhaps 99% of people) is a statist. Even worse, as the rise of authoritarianism in the past few years around the world (including in the West) has shown, if anything more people are embracing the State as the solution to most problems.

In practice, all this means that the cause of liberty cannot be advanced by democratic means. There is no libertarian moment. After a hundred years of libertarian thought and half a century of anarcho-capitalism, we are nowhere near close to convincing even a sizable proportion of our fellow men that liberty can only be achieved via these principles. The question then has to be asked: how can we get from a Statist world to a Free world? We see three possibilities.

First, violent revolution. This one can be dismissed rapidly. Uprisings and revolutions happen on a regular basis, but they are rarely successful and create a lot of 'collateral damages' to lives and properties. They can improve a particular situation but are focused on replacing a government or a type of governance by another. Thus, at best they replace a terrible government with one that's a little more accommodating of liberty, but the State remains. For a violent revolution to destroy the State, mass adhesion to the principles of libertarianism would be needed. However, as we saw, this type of paradigm shift in how people view the State is unlikely to happen in the foreseeable future, if ever.

Another proposal is called agorism. Popularized by Konkin and Schulman¹, it could be described as the activist branch of anarcho-capitalism. It proposes the creation of a voluntaryist society through the use of black-markets (which Konkin describes as counter-

¹ See Konkin, Samuel Edward III, 1980 : *New Libertarian Manifesto.*, And Schulman, Joseph Neil, 1979 : *Alongside Night.*

economics), essentially encouraging people to slip away from the State's reach by participating in peaceful economic activities that aren't subjected to taxes or regulations. Agorism seeks to undermine the State by actively avoiding interacting with it, thus depriving it of its power and revenues, and developing alternatives based on voluntary participation. Agorist activities include tax evasion (the peaceful avoidance of theft from the State), smuggling of all sorts, drug dealing, and prostitution (in places where it is illegal). While these activities are laudable and certainly deprive the State of revenues, they hardly make a dent in its power. For agorism to destroy the State, yet again, there would need to be a large proportion of the population engaging in it. Tax evasion only effectively chokes the State of funding if a large proportion of people and corporations do it. Even then, it could be argued that with ever increasing money-printing and debt, the State could very well survive for a while with no revenue whatsoever.

The largest experiment in agorism was arguably the original Silk Road drug market² and its successors, which popularized the notion of a safe online black market for buying substances (along with other goods and services) deemed illegal by the State. Silk Road showed how a stateless society could function while still providing the valuable services the State currently has a monopoly on, like drug quality-testing and conflict remediation. However, despite generating billions of dollars in sales in the last ten years, Silk Road and its successors have hardly made a dent in the State's war on drugs. If it is less risky to buy and use drugs now with these services, it remains illegal in most places, and hundreds of thousands of people are jailed, killed or otherwise have their lives ruined by the State for the crime of using or providing illegal substances. How big have online drug markets got to be for the war on drugs to be over?

Along with crypto-anarchy, which is focused on developing tools to enhance individual sovereignty, such as encryption (protecting communications from the State's snooping), cryptocurrencies (making financial transactions private and untaxable), or 3D printed guns (allowing personal defense without regulations), these online black markets a la Silk road are

² Silk Road was an online black-market best known as a platform for selling illegal drugs accessible through The Onion Router (TOR) and using the cryptocurrency Bitcoin to preserve user anonymity and security. See [https://en.wikipedia.org/wiki/Silk_Road_\(marketplace\)](https://en.wikipedia.org/wiki/Silk_Road_(marketplace))

useful tools for individuals to go about their lives while ignoring the State as much as possible, but they cannot vanquish the State without mass adoption. Encrypting your messages is noble, but if you are the only person doing it along with your acquaintances, that still leaves 99,99% of all communications open to government-spying. If you are getting paid in cryptocurrencies and don't report this income to your tax authorities, you are indeed depriving the State of some revenues, but if you are the only one doing it with a few hundred radicals, that still leaves 99,99% percent of all financial transactions at the mercy of the taxman. Even the widespread availability of guns permitted by the Second Amendment of the United States' Constitution, which was specifically designed to act as a countermeasure to prevent the rise of a tyrannical government, couldn't stop the US government from evermore encroaching on its citizens' rights (how many times have American gun owners claimed the government would have a rebellion on its hands if it passed gun regulation X, only to have everyone comply with it once it was law?).

All in all, the agorist strategy of avoiding the State and building communities outside of it is laudable and certainly works on a small spatial or temporal scale: small projects can fly under the radar. However, large and popular projects like the Silk Road sooner or later meet the full wrath of the State, which has demonstrated it will go to any length to stop such threats to its power.

The ideological tools to do away with the State have been around for at least half a century in the case of anarcho-capitalism (and even more than 150 years in the case of the individualist anarchists like Lysander Spooner). The practical tools to live without the State, with agorism and crypto-anarchism, have seen continuous improvements over the last 30 years. And yet the State still stands; and by all accounts it's becoming bigger than ever.

If people can't be convinced on a non-geological timescale that the principles of libertarianism are the right philosophical grounds society should stand on; and if agorism is insufficient to durably disable the State, let alone destroy it, are we doomed to live under the rule of authoritarian governments for the foreseeable future? As we'll see now, this doesn't have to be the case.

The third and last possibility we envision is the use of decentralized prediction markets, where anyone can bet anonymously on the outcome of any event. A product of crypto-anarchist circles, these free information markets allow for an intriguing and arguably unsettling arrangement theorized by Bell on the Cypherpunk mailing-list called “Assassination Markets”³.

An assassination market is a particular type of prediction market, where anyone can bet on the date of death of a given individual, thus collecting a payoff if they guess the date accurately. Naturally, the very structure of a prediction market could incentivise the assassination of individuals as the assassin would know the exact date of death and could profit by making an accurate bet. In practice, bettors could place random bets with no intention of winning but rather of increasing the incentive for a potential assassin to eliminate the individual. The incentive would be particularly present with individuals for whom a large volume of bets had been placed. A small volume of bets, say \$100, would be insufficient to motivate anyone (at least in the Western world) to plan a murder, so the general public wouldn’t have to worry about them being in any danger, as the likelihood of a large number of people wanting a random person dead is fairly small.

Agents of the State (from cops and taxmen to legislators and Presidents), on the other hand, by the very nature of their activities (the collection of taxes, the passing and enforcement of laws such as drug laws and civil asset forfeiture) run afoul of the Non-Aggression Principle and regularly make enemies of their fellow citizens. It is thus conceivable that agents of the State would be prime candidates for an assassination market: the cops involved in the shooting of an unarmed citizen, the Senator who introduces a bill allowing more government spying, the President who launches wars of aggression could all attract a significant amount of bets (like a crowdfunding campaign “if 10,000 people give \$10...”) and would thus become targets for assassination.

³ See Bell’s original essay, “Assassination Politics”, which introduced the concept of assassination markets : <https://cryptome.org/ap.htm>.

In this article, we first make the moral case for assassination markets. In a second section, we describe how an assassination market would work in practice and expand the assassination market concept to include government property as a legitimate target. In the third section we discuss whether assassination markets could bring about the collapse of the State or at the very least be a tool for justice against State-sanctioned crimes, then look into the potential abuses of assassination markets in a fourth section. In the fifth and final section, we look at future directions and places where assassination markets have the highest chance of working.

I/ The moral case for assassination markets

The functioning of assassination markets, as outlined above, certainly strikes the mind at first as being inimical to the Non-Aggression Principle.

Indeed, no reasonable person could place a bet on an innocent individual without violating the Non-Aggression Principle: it would be akin to putting a contract on an innocent's head, thus making yourself guilty of murder.

There is however one exception to the Non-Aggression Principle: self-defense, or "the conditions under which a person may, in self-defense or the defense of others, sabotage, attack, or kill a fellow civilian, or destroy private property"⁴. In this case, assassination markets can be useful tools to protect yourself and your property from harm and theft. Betting against individuals guilty of serious violations of the Non-Aggression Principle like murderers and extortionists would be a means of self-defense and would provide incentives to prospective bounty hunters, especially in cases where the authorities are unable or unwilling to catch the guilty party.

In most modern societies though such criminals are usually dealt with using the traditional justice system, which, if imperfect, does an ok job of pursuing, stopping and punishing most egregious crimes. Assassination markets would only be marginally useful in those cases. However, when the Non-Aggression Principle is violated by the State and its agents, the

⁴ Brennan, Jason, 2018: When All Else Fails: The Ethics of Resistance to State Injustice, p.11.

traditional justice system — itself a part of the State and running on stolen funds (taxes) — fails in most cases, even the most egregious ones, to go after the perpetrators. This is where assassination markets would prove most useful: as a tool to threaten to or to exercise deadly force in self-defense against agents of the State.

Agents of the State, from police officers to the President, currently enjoy what Brennan calls Special Immunity, which protects them against acts of self-defense⁵. In practice, this means that you cannot use force against an agent of the State like you would against a regular individual, even if both are violating the Non-Aggression Principle. Say a police officer tries to seize your cash for no reason during a routine traffic stop using civil-asset forfeiture laws (a process that even the majority of statist would call akin to theft): due to Special Immunity, you cannot defend yourself by threatening him with or using deadly force without risking a lengthy prison sentence; while it would be perfectly acceptable for you to do so if the person trying to seize your cash was a regular thief.

Let's imagine another situation where you witness an unarmed man being slowly choked to death by an armed individual while pleading for him to let go of his neck. It would be perfectly moral and reasonable for you to use the threat of deadly force against the armed aggressor to avoid the unarmed man's death. If de-escalation is impossible, using deadly force against the armed individual would be morally just to defend a fellow human being. If the armed aggressor is a police officer however, under Special Immunity, this becomes impossible (again, without risking a lengthy prison sentence), and the only option is for you to watch the man die, and possibly sue the police officer through the traditional justice system for restitution.

Now let's say the Mob bosses who control your city have a meeting and decide to increase the protection money they'll extort from you, in exchange for leaving you alone, and

⁵ "Government agents — or at least the agents of democratic governments — enjoy a special immunity against being deceived, lied to, sabotaged, attacked, or killed in self-defense or the defense of others. Government property enjoys a special immunity against being damaged, sabotaged, or destroyed. The set of conditions under which it is permissible, in self-defense or the defense of others, to deceive, lie to, sabotage, or use force against a government agent (acting ex officio), or destroy government property, is much more stringent as well as tightly constrained than the set of conditions under which it is permissible to deceive, lie to, sabotage, attack, or kill a private civilian, or destroy private property." Brennan, Jason, 2018 : When All Else Fails : The Ethics of Resistance to State Injustice, p.10.

sometimes providing useful services like protection from thieves. You've never consented to them taking money from you in the first place, and you certainly aren't consenting to giving them more of your hard-earned money. It would be morally acceptable for you to assassinate one or all of the Mob bosses in self-defense to protect your private property (since the mere threat of violence would be unlikely to impress them). However, if instead of Mob bosses, you have Congressmen voting to increase your taxes, you cannot defend yourself by using violence against them because of Special Immunity, even if in both cases money is taken from you without your consent (past or present) under the threat of violence!

As a final example of the double standards we live under with Special Immunity, imagine a terrorist organization armed with armored vehicles. The leader of this organization decides to attack a given territory in order to seize it. Countless civilians will die in the battles for control over this territory. It would be morally acceptable under the principle of self-defense for an inhabitant of this territory, and even for a complete stranger to the conflict, to kill the terrorist leader, or to destroy or sabotage the armored vehicles used by his organization, in order to protect the inhabitant's life and property and those of the countless civilians residing on this territory.

Now if we imagine a President starting a war of aggression with another country, we have a similar situation, but due to Special Immunity, it is not possible to kill the President or sabotage his army in order to prevent the invasion of the country. Instead you are to merely vote the President out of office comes the next election (although this doesn't solve your problem since the next one will probably continue the war or start a new one, or violate the Non-Aggression Principle in some other way).

Brennan has demonstrated at length that the Special Immunity thesis is wrong and morally untenable and has proposed an alternative called the Moral Parity thesis which happens to work particularly well with assassination markets⁶. Under the Moral Parity thesis, "the conditions under which a person may, in self-defense or the defense of others, deceive, lie to, sabotage, attack, or kill a fellow civilian, or destroy private property, are also conditions under which a civilian may do the same to a government agent (acting ex officio) or government

⁶ See also Block, Walter, 2006 : Radical Libertarianism : Applying Libertarian Principles to Dealing with the Unjust Government, Part II. Reason Papers, Vol. 28, pp. 85-109

property”⁷. In other words, just because the individual violating the Non-Aggression Principle is an agent of the State doesn’t protect him from violent self-defense. The corollary of this is that you are then justified in using force in self-defense against agents of the State (and State property) if they violate your property rights⁸. The use of force would thus be permissible in all the above examples under the Moral Parity thesis, regardless of the status of the aggressor.

Using force against agents of the State however, even if moral, remains a risky proposition. Certainly, even people in agreement with the Moral Parity thesis wouldn’t dare exercise their right to self-defense against a politician or government agent, lest they risk being killed or spend the rest of their lives in prison. This is where assassination markets offer a solution. As we will see, the way assassination markets work allows for everyone to exercise their right to self-defense by providing a financial incentive (via betting) for a more reckless and/or well-trained individual to use force against a government agent. In essence, assassination markets allow an individual to subcontract his right to self-defense, especially against agents of the State who have harmed, are harming or plan on harming him⁹.

Moral Parity is in complete coherence with the libertarian principles of the Non-Aggression Principle and self-defense and provides a useful framework for applying those principles in practice with assassination markets. The combination of these libertarian principles and the Moral Parity thesis makes a strong and compelling moral case for assassination markets, for if

⁷ Brennan, Jason, 2018: *When All Else Fails: The Ethics of Resistance to State Injustice*, p.11.

⁸ Obviously, a right to self-defense doesn’t preclude a sense of proportionality, for many if not most agents of the State aren’t directly violently enforcing laws and regulations, seizing property or killing people. For these agents, the mere threat of violence could be enough to motivate them to quit their jobs and possibly voluntarily make restitutions to their victims without the need for any violence to actually be deployed. Some unpunished crimes like murder by a police officer could however justify violent retribution. The volume of bets on a person on an assassination market would reflect this sense of proportionality, for it would be highly unlikely for a low-level government bureaucrat to catalyze so much hate that their name would gather a sizable amount of bets. A known violent police officer on the other hand could very well see a good number of people place bets on his name.

⁹ Note here that the concept of self-defense doesn’t mean that the use of force is only justified when your life or property are in immediate danger. The specific threat of future harm also justifies the use of self-defense, and in cases like violations of the Non-Aggression Principle by agents of the State where the justice system is unable to provide restitution and/or punishment, past harm can justify the use of force as a proxy for justice, (e.g., a war criminal who’s never been prosecuted for his crimes could very well see the families of his victims bet on his assassination on an assassination market, thus providing the victims’ families with a modicum of justice, and possibly preventing the commission of future war crimes).

self-defense is moral regardless of the employment status of the aggressor, any tool that facilitates the exercise of this right is a welcome addition.

As we have seen, since the traditional justice system is reasonably efficient with common criminals, assassination markets would be most useful in deterring and defending against violations of the Non-Aggression Principle by agents of the State. In the next section, we will examine how assassination markets would work in practice.

II/ How would assassination markets work?

On an assassination market, anyone can place a bet on the date of death of a given individual and collect a payoff if the date guessed is accurate. In other words, an assassination market resembles any other betting pool, except that it has a rather sinister theme. As mentioned previously, the market would incentivize assassination of individuals for whom there is a large pool of bets, as the potential assassin could profit from making an accurate bet on the time of the subject's death. In other words, once the bets are high enough, the chances of a bettor tipping the odds in his favor by assassinating the individual would be quite high.

Obviously this type of bettors would be a small minority of all users of an assassination market, but the rest of the users, knowing those bettors exist, would place random bets in the hope not of guessing correctly and winning the bet, but of increasing the prize on individuals they hold a grudge against. As discussed previously, it is more than likely that politicians and some agents of the State would be high up on most users' "naughty list".¹⁰

Property could also be listed on an assassination market (in this case the moniker "destruction market" would be more accurate) with the same basic principle of betting on the date of destruction, rather than death, of a piece of property (building, vehicle, surveillance device, etc). Bell hadn't anticipated this use for assassination markets, but their use as a tool for self-defense against the State calls for the ability to bet on government property: government agents are nothing without government property. Thus, it should be possible to bet on the

¹⁰ I am indebted to the work of Robert Vroman, "The Jim Bell System" (news.bitcoin.com/the-jim-bell-system), who has undertaken a thorough examination of Jim Bell's original Assassination Politics essay.

date of destruction of a drone, a speed camera, a police vehicle, a building, or any other type of government property.

In practice, an assassination market would most likely take the form of a website (see Figures 1 & 2) accessible through The Onion Router (TOR) or a similar technology allowing visitors to remain anonymous. The website would display a list of names (possibly sorted by different criteria: alphabetical order, by country, by type of Non-Aggression Principle violations) next to dollar amounts (Fig. 1). Users would then select a name (Fig. 2) and place a bet, choosing a date and the amount they're betting, which could be as low as a few cents and as high as tens of thousands of dollars. Bets would be placed in a cryptocurrency like Bitcoin or Monero for maximum privacy and anonymity and would be added to the total. Users would be able to bet on any name, how many times they desire, and could create new markets (i.e., submit a new name). Bets could also be private, in the sense that the total amount of bets on an individual would be public but the specific dates on which the bets are placed wouldn't be visible so as not to "tip off" the individual listed.

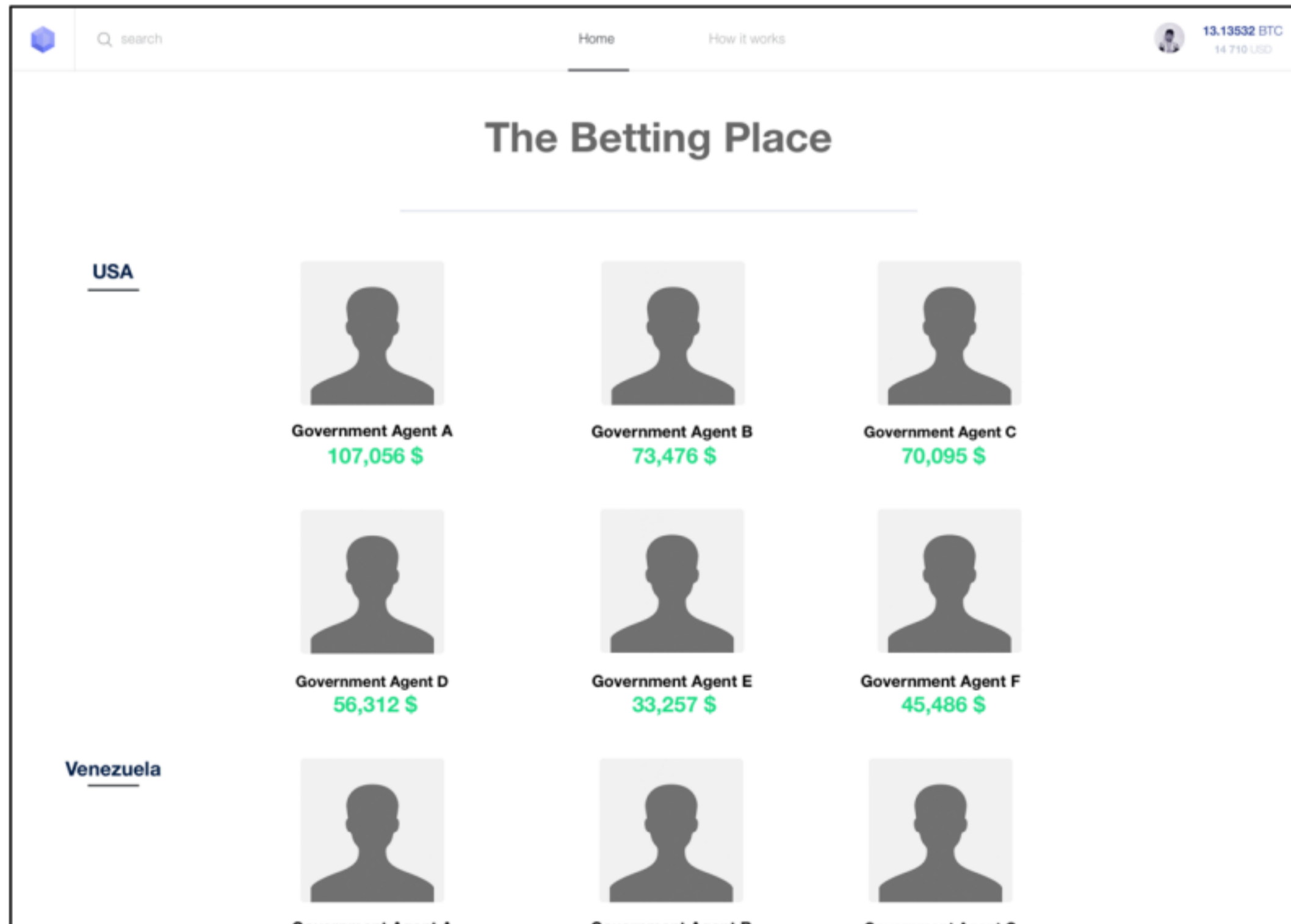


Figure 1: Example of an assassination market interface. On the homepage of the website, names are listed along with the amount that has been bet on them.

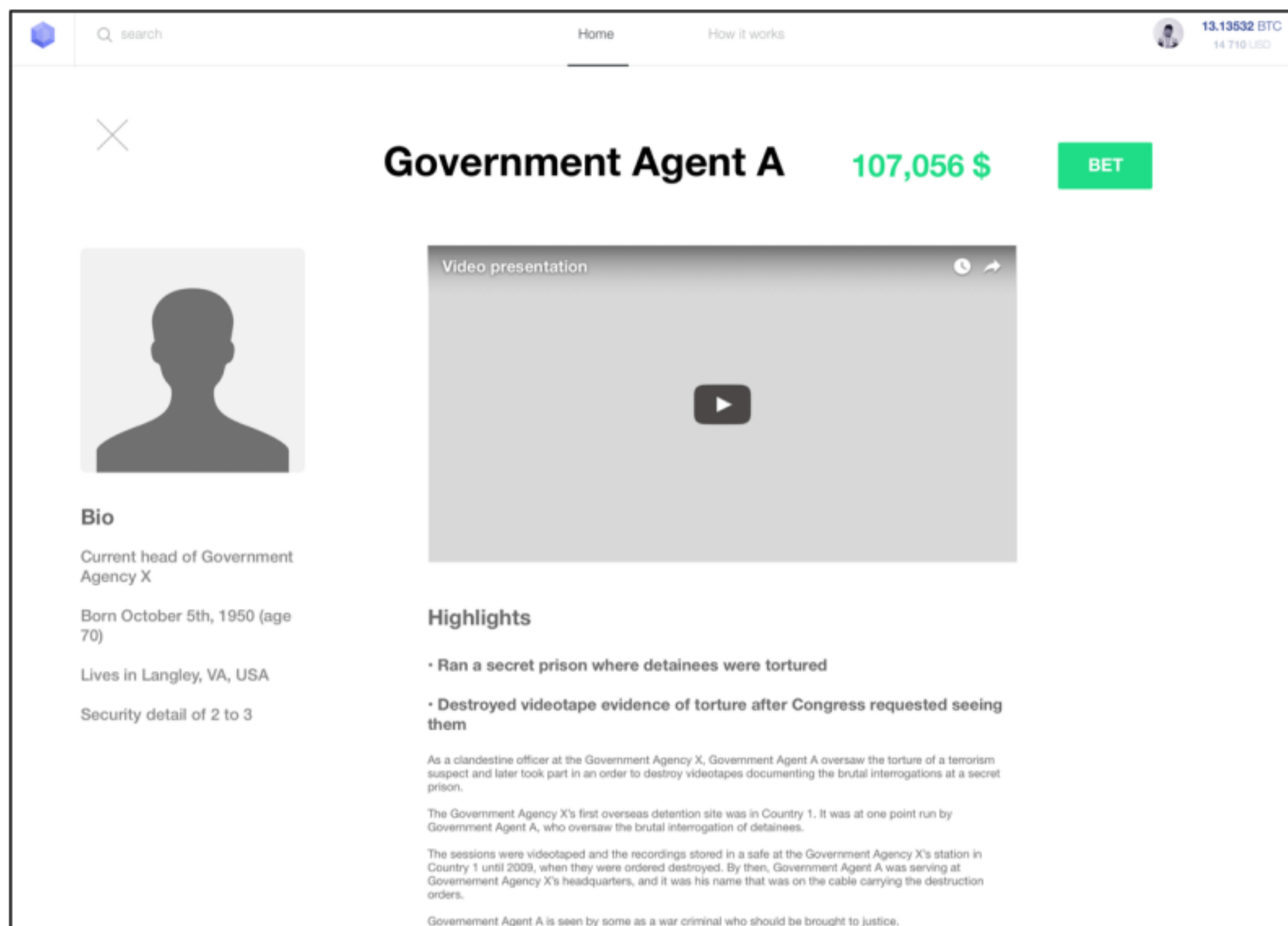


Figure 2: Example of the personal listing of a government agent on an assassination market. Along with the name and amount bet, the listing could incorporate documents (texts, videos) related to the crimes committed by the government agent, along with useful biographical information.

The assassination market could very well function in an automated way using decentralized technology. Upon the death of someone listed on the market, a decentralized oracle would report the time of death and the assassination market would automatically settle the bet and transfer the amount to the cryptocurrency wallet of the user with the accurate prediction. In the case of multiple users having a correct prediction, the amount would be split equally between them.

Other interfaces could be built on top of an assassination market, like insurance schemes, where users would be able to buy insurance against government aggression, including such things as tax enforcement and civil asset forfeiture. The insurance company would then be motivated to bet on the assassination market to make sure agents of the State don't violate the Non-Aggression Principle against their clients, lest it be forced to compensate their losses. One could also envision the creation of "baskets of bets", for users wanting to place bets on "bad guys" but who wouldn't know where to start: there could be "Middle East dictators" baskets of bets for instance, where your bet would be divided across the listings of multiple dictators and their high ranking officials in the Middle East. Users of such a service would thus

be able to donate toward a general goal (i.e., to get rid of dictatorships in the Middle East) rather than against a specific individual.

The security and anonymity of all users would be of paramount importance to an assassination market for obvious reasons. At no point would any identifying information be needed from any user. The combination of an access through TOR and the use of cryptocurrencies, along with good operational security practices, would ensure the safety and privacy of all users, who could then bet without having to worry about anyone knowing about their activity.

Ease of use, anonymity and privacy could very well lead to the mass adoption of an assassination market. In the next section, we will examine whether this could lead to the collapse of the State.

III/ Could assassination markets bring about the collapse of the State?

In the first two sections we have made a moral case for assassination markets' use against Non-Aggression Principle violators for which the traditional justice system is ineffective — in particular when violations are committed by agents of the State — based on the Moral Parity thesis, and described how such markets would work. But what exactly would mass adoption of such a system mean for the State?

As people place bets on the top politicians ruling their country (presidents, ministers, agency chiefs, members of parliament), who tend to crystalize a lot of hate and resentment and would thus generate a significant volume of bets, it is conceivable that an element of fear would inject itself into the political class. If the very top leaders like Presidents and Prime Ministers enjoy very large security details and would most likely remain safe even in the face of massive amounts of bets placed on their heads, other, lower ranking politicians like members of parliament, ministers and top bureaucrats (i.e., the real decision makers) wouldn't enjoy the same amount of protection and some could be expected to be assassinated. If that were to happen on a "semi-regular" basis (more than once in a year, for instance), a significant amount of fear would be expected to take hold of the political class. This would arguably improve the communication between office holders and their constituents as going against their interests

could prove costly, in a perfect illustration of the words of Alan Moore: “People shouldn’t be afraid of their government. Governments should be afraid of their people”.

If assassinations became a regular instance, surely at first new people would try to take the assassinated politicians’ place, but the cycle would begin anew as they would inevitably violate the Non-Aggression Principle of some of their constituents¹¹ and have bets placed on their heads. In the long run, it could deter people from seeking those positions of power altogether and motivate current office holders to resign to prevent their death.

This would result at the very least in power becoming much more decentralized, as ruling over a large number of people would become a far too risky proposition (as the more people you rule over, the larger the potential bet pool). Another consequence would be a more hands-off government, as passing bills and regulations that harm people and violate the Non-Aggression Principle would be met with a large volume of bets on the people voting or drafting such laws. Placing a bet on your local congressman to deter or punish him for voting in favor of a surveillance law or a tax hike would certainly be more effective than petitioning or placing calls to his office.

Bets would not only be placed on the top politicians but also on a large number of mid- or low-level State agents, provided they violate the Non-Aggression Principle of a large enough number of people to generate a significant volume of bets. This category could include police officers, prosecutors, judges, military personnel, bureaucrats, etc. The main difference between people in this category and people in the previous one is that the former are just ordinary, regular people who do not possess (except in extreme cases like judges in mafia cases) any security detail and who live among their victims, and are thus extremely vulnerable to retaliation via an assassination market. Like with politicians, the existence of bets on an assassination market would instill the fear of their victims and could make the aggressors think twice about enforcing unjust laws (or helping draft new ones).

¹¹ Or other people, since anyone is free to place bets... including the civilian population of a country this politician decides to bomb, for instance.

If assassinations were to occur (and it's even more likely that they would than with the relatively well protected politicians), the deterrence effect thus produced would be massive and profound, for what police officer would seize someone's cash in civil-asset forfeiture only to have a very large bet placed on their head? Sure enough, at first new police officers, new prosecutors, new judges, new military personnel, new bureaucrats would take the place of their fallen brethren, but the cycle would repeat itself, and soon enough the proposition of policing, prosecuting, and judging anything more than crimes who actually have victims would become untenable. Likewise, collecting taxes and waging wars of aggression would be far too dangerous.

On top of this, the use of a destruction market to target the State's infrastructure and tools like government buildings, police cruisers, and surveillance equipment, which could all face arson or sabotage, would cripple the State's enforcement arsenal¹².

As a result, the State would lose a large proportion of its enforcement powers as its agents would at the very least think twice before violating the Non-Aggression Principle. Furthermore, the lack of enforcement of victimless crimes would embolden people to pursue their activities in a more agorist way, as refusing to pay taxes or abide by onerous regulations and unjust laws would become much safer.

This positive feedback loop would soon enough bring about the collapse of the State as it would become essentially impossible for the State to function: the passing of laws and their enforcement as well as any type of aggressive foreign policy would be such dangerous activities as to discourage most people from even trying to undertake them. For those who would be brave enough to try, an assassination market would provide swift deterrence. The State would thus have to be replaced by voluntary alternatives free of coercion, since the use of coercion would be too dangerous in a society with a widely used assassination market.

¹² A positive aspect of a destruction market as opposed to an assassination market is the fact that it's much more palatable, let alone easier and safer, to arson or destroy government property instead of assassinating a government agent.

Crucially, the State's collapse would be brought about by people who for the vast majority do not subscribe to anarcho-capitalist or libertarian ideals. Using an assassination market is in fact ideology-agnostic, as most people would likely use it to remove a politician they dislike in the hope of replacing him with one they prefer. It's likely that leftists would target a politician from the right to force him out of power and make way for their preferred candidate, and that people on the right would target a leftist politician to get their candidate in power. The trick is that the assassination market doesn't magically disappear when their candidate is in power, thus their rivals can use it to get their candidate in power, etc. The same thing can be said about the targeting of low-level government agents: police officers would be more likely to be targeted by leftists, while being supported by people on the right, whereas bureaucrats enforcing taxes on corporations would be more likely to be targeted by people on the right, while being supported by leftists. The logical end to this cycle is the collapse of any form of modern State, as pretty much any politician and any agent of the State with a modicum of power is hated by one political faction or another. The aggregate of all political hatred thus leads to the complete collapse of the State.

Widespread and long-lasting boycott of an assassination market by all political groups — perhaps the only way to stop this process — would be unlikely since it would only take one fringe faction to start using an assassination market for others to reason that they might as well use one too. In essence, assassination markets, while being temporarily a useful tool for political activists in the perpetual fight between left and right, “our candidate versus their candidate”, end up hijacking this fight and leading to the very destruction of political power.

Assassination markets thus solve the problem identified earlier: on the one hand, convincing the majority of the population that libertarian principles are the best ones we have to live peaceful, productive and fulfilling lives is unnecessary, since the collective actions of the market, while being entirely apolitical, will bring about the end of the State and force the creation of peaceful, voluntary alternatives. On the other hand, as State power diminishes, agorism will flourish as lighter enforcement of rules and laws means people can ignore them

without much risk to their lives and property. This will encourage the creation of voluntary alternatives to State services free of coercion¹³.

If, however, the predictions above are wrong, there is still another use for assassination markets as a tool for justice against crimes the statist justice system usually won't go after: crimes committed by the State.

Historically, virtually only Nazi war criminals have been considered fair game for retaliation, as illustrated by the fact that "Nazi hunters" have been lionized in countless works of fiction and have become a staple of popular culture. If the heinous nature of the Nazis' countless crimes is self-evident, they unfortunately weren't the only mass criminals out there at the time. Communist dictatorships of the 20th century haven't suffered the same sort of widespread condemnation as Nazi Germany has, and most crimes of this area, which killed hundreds of millions of innocents, remain unpunished. The 21st century has already seen countless war crimes, murders of political opponents by the State, and numerous other atrocities. Perhaps even more than before, crimes committed by agents of the State today, in a world where even facts are relative, are getting more brazen and remain seldom prosecuted.

Why wouldn't all war criminals and other criminal agents of the State be pursued like former Nazis were? As discussed above, crimes committed by the State and its agents are seldom prosecuted. Victims have little recourse when their aggressors act in the name of the State: the traditional justice system won't punish the aggressor, and vengeance is in most cases far too dangerous and impractical. This is where assassination markets could prove useful, as the names of killer cops, war criminals, or of those responsible for the imprisonment or murder of political opponents (from the underlings to the heads of State) could be listed on the market. If crude, this system would provide at least a semblance of justice, albeit of a retaliatory nature.

Further down the line, when voluntary security agencies develop, there could be other forms of contracts placed on those types of criminals' heads, like abduction ones, which would pay

¹³ On the subject of how a free society would function without the State, and who would provide security and justice services, see for example Tannehill, Morris & Linda, 1970 : The Market for Liberty.

for the delivery of the individual in question to a private prison or courthouse where they would be tried for their crimes. In the meantime, retaliation is the only tool that can be realistically used, and assassination markets can make such a form of justice against State-sponsored crimes easy, secure and widespread.

As we have seen, assassination markets could bring about the collapse of the State and be useful tools for delivering justice against crimes committed by the State. They aren't without their risks however, and we will examine the potential for misuse of assassination markets in the next section.

IV/ Potential misuses of assassination markets

If assassination markets have the potential to unleash an anarcho-capitalist society, the fact remains that most people do not believe in the libertarian principles of absolute respect for private property. Besides, before the State collapses, it will certainly put up a fight. Both of these situations represent potential nefarious uses of an assassination market.

One possibility is the rise of mob rule as a result of the use of an assassination market to violate the Non-Aggression Principle by targeting innocent people. Three likely scenarios are the targeting of individuals for their offensive speech, for their wealth, or for their religion, ethnicity or sexual orientation.

Many people still get extremely angry and potentially violent against speech they disagree with; in many countries the mere suspicion of blasphemy is enough for a mob to kill someone, and so-called blasphemous speech can have people far away from these countries killed as well. Although the existence of an assassination market is unlikely to aggravate this former situation, since mobs already kill blasphemers on a regular basis with impunity and there is thus no need for a tool like this one, it is however conceivable that the publisher of blasphemous caricatures could end up listed on an assassination market. Bets would be placed by people so offended by the nature of this speech that they would want this publisher dead. Likewise, publishers of heinous speech could become targets. Note that these people already face significant risks today (including being murdered) for their free-speech activities. Their

listing on an assassination market, provided the volume of bets is significant, would indeed increase the risk of their murder by opportunistic killers.

One consequence of this use of assassination markets would be for offensive speech to be increasingly published anonymously so that the author cannot be identified. It's likely that this could be enough to neutralize this nefarious use of assassination markets.

Far left activists could likewise target rich people they despise because of their wealth, or for example the cost-cutting CEOs who fired employees. This latter case has been examined in detail by Bob Murphy and Robert Vroman and we won't go into details here but to say that it would be unlikely for this situation to arise, as the recently fired employees would have a hard-time finding another job if they are known to have been responsible, even indirectly, for the death of their former CEO. The incentive to place bets on the cost-cutting CEO wouldn't really be there¹⁴.

Far right activists on the other hand could very well target ethnic and religious minorities or members of the LGBTQ community. As would be the case with leftists targeting wealthy individuals however, one problem they would face is that an assassination market works by listing a specific individual. Apart from famous individuals who happen to be wealthy, or of a particular religion, or ethnicity, or sexual orientation, most of the people they hate are really anonymous, random members of society. They could list a random person on an assassination market for being Jewish for instance, but would there be enough bets on such a random individual for it to become worth it for an opportunistic assassin to kill them? Indiscriminate assassinations like this one would require a rather large amount of money, and thus many people would have to contribute, which could limit the number of innocent individuals potentially targeted by extremists. It's thus unlikely that there would be more hate crimes than there are today, as these would require significant funding, and apart from extremists (who themselves could be listed on an assassination market for encouraging the murder of innocents if they aren't anonymous), few people, even racists and homophobes, are willing to

¹⁴ See Bob Murphy, « The Politics of Destruction » (news.bitcoin.com/the-politics-of-destruction/) for a critique of assassination markets and Robert Vroman's detailed rebuttal « The Jim Bell System Revisited » (news.bitcoin.com/the-jim-bell-system-revisited/)

spend money on having someone they don't even know and who hasn't caused them harm in any way killed.

Another possibility for the misuse of assassination markets is its use by the State to target political opponents. Since anyone can bet on an assassination market, various security agencies could use such a service to get rid of political opponents and other people deemed undesirable by the regime. If those opponents are just political rivals trying to seize power for themselves, then this wouldn't really be a negative side of assassination markets. If however those political opponents are fighting for freedom, documenting State crimes or doing other subversive activities, then their elimination certainly is criminal and a cause for concern.

It's quite unlikely that a Western country would use an assassination market in such a way, with the potential exception of going after terrorist leaders, since if (or rather, when) the use of such a tool were to be discovered by the public the consequences could be quite negative for those responsible. In fact, the type of regime that would be capable of using an assassination market to eliminate its political opposition probably already uses the full capabilities of its security apparatus to detain, poison, or kill anyone it deems too dangerous for its survival. Clearly the State doesn't need new tools to go after the opposition; the main hindrance holding it back from eliminating every member of the opposition is public opinion, which still has to be carefully managed even in authoritarian or dictatorial countries.

Assassination markets would thus only prove marginally useful to the elimination of a State's political opponents. If some states were to use one, it would force the opposition underground and encourage the adoption of leaderless or anonymous movements. As previously stated, assassination markets work when you target specific individuals. A leaderless movement is thus much more difficult to go after with an assassination market.

Ironically, the use of an assassination market by the State could also encourage its use by the opposition as a means of retaliation against State-sponsored crimes. On the whole, it's thus unclear whether the use of an assassination market by the State would be a net negative.

These two possibilities are plausible and certainly unsettling. In both cases as we've seen they can however be mitigated or even prevented by anonymity. In addition and more generally, justice must obviously be done in cases where an assassination market would be used to violate the Non-Aggression Principle.

As the previous discussion makes clear, it's unlikely that these potential misuses of assassination markets would outweigh the benefits of living in a Stateless society. In the next section, we will suggest future directions regarding the implementation of assassination markets.

V/ Future directions

One plausible barrier to the adoption of assassination markets in the Western world could be the fact that violent self-defense is considered a very last resort and certainly not a political tool; the Moral Parity thesis isn't widely known nor accepted, and political violence is considered unpalatable. As a result, the idea of defending your property and liberty from agents of the State through an assassination market rather than the use of your right to vote, even if the latter is quite demonstrably useless in most cases, may not be popular for a while. Consequently, the number of bettors and of people willing to murder agents of the State for financial gain could be too small for an assassination market to function. Political polarization and violence however are on the rise in the West, so this may change in the coming years.

In the meantime, a destruction market could prove much more popular, as property destruction is widely seen as a lesser crime than bodily harm. Protest movements could use them to incentivize the destruction of police surveillance equipment, of specific government buildings, etc. As those things already happen organically on a small scale during protests in the West, a destruction market could make them more widespread and effective in disrupting State retaliation.

In the rest of the world however, assassination markets could prove popular for two main reasons: political violence is more frequent and more widely accepted, and people are generally poorer than in the West, meaning the proposition of using an assassination market

as a source of revenue would be much more appealing. Countries like Venezuela, Lebanon or Ukraine for example are ripe for assassination markets. In those countries, where violence is frequent, government corruption widespread and massively resented, firearms readily available and cryptocurrencies already used by a significant number of people, a cottage industry of mercenaries or teams of assassins could form to answer the demand for defense against State-sponsored crime. Those countries could lead the way in the use of assassination markets and inspire Western countries to follow suit (especially if destruction markets prove popular there first).

The technology to develop the first successful assassination market already exists, from cryptocurrencies like Bitcoin or Monero and The Onion Router (TOR), to the Augur prediction market platform¹⁵. The question is: who will build it? Apart from individual developers, a decentralized organization functioning on an encrypted chat app like Keybase¹⁶ could supervise the development of an assassination market by awarding bounties in cryptocurrency for the successful development of a particular part of the project. This type of organization, which is both leaderless and efficient, is already in use in the 3D printed guns community and has enjoyed a remarkable amount of success.

As this paper makes clear, we believe assassination markets have the potential to bring about the fall of the State and accelerate the rise of a voluntary society free of coercion. The topic of assassination markets in general deserves further study, as they have been seldom seriously considered in the scholarly literature¹⁷. However, in the face of ever-growing State encroachment on liberty around the world, the rapid implementation of assassination markets could prove vital to preserving human freedom in the 21st century.

¹⁵ <https://www.augur.net/>

¹⁶ <https://www.keybase.io/>

¹⁷ The only scholarly discussion on assassination markets was written by Sukamaran. See Sukamaran, R., 2004 : Cryptology, Digital Assassination and the Terrorism Futures Markets. *Strategic Analysis*. Vol. 28 (2), pp. 219–236. [doi:10.1080/09700160408450129](https://doi.org/10.1080/09700160408450129).