



V3 PARTNERS

ENTREPRENEURIAL TECHNIQUES

“INNOVATION IS THE WHIM OF AN ELITE BEFORE IT
BECOMES A NEED OF THE PUBLIC.”

- VON MISES



CONTENT

- anarchy
- consent
- property
- liberty
- equality
- rule by law not by man

▪“We live together because social organization provides an effective means of achieving our individual objectives not because society offers us a means of arriving at some transcendental common bliss.” - J. Buchanan



ANARCHY

- the entrepreneur is an individualist
- individualist's utopian world is anarchy - peopled with persons who respect a minimal set of norms dictated by mutual tolerance and respect, where people are free to do their own things, may opt out of any agreements, no coercive power by anyone over anyone. anarchy does hold out a utopian promise.
- but what if one or more members offended by some behavioral pattern? bring a mutually accepted rule against it. but who will enforce infractions?
- ordered anarchy emerges with rules, social contracts etc.
- good which emerges from the free choices of individuals involved
- today's radicals are called anarchists but in fact they are just the opposite they act to reduce freedom for all



CONSENT

- ordered anarchy is the acknowledgement of (consent to) rules and an enforcing agent
- institutionalized means of resolving conflicts among individuals
- individual's contractarian calculation to consent to accepting above



PROPERTY

- once consented to rules and enforcing agent ordered anarchy concept of property naturally arises
- property is more than one limited by space and time
- property right or “rights” is the need for a line between “mine and yours” personal rights such as ownership of
- but property rights are never absolute - land with easement rights, zoning rules, etc.
- if we both arrive at a parking space at the same time, some rule of right of way must exist to avoid conflict - ladies first, age first
- liberty is one of the property rights
- delineation of property rights is the means through, which a person is defined
- rights are different among persons. exchange of rights occurs among differing persons. equal persons need not exchange rights, no free trade.



LIBERTY

- a simple exchange - shopping at a store, when property laws are clear
- complex exchange - free-for-all store where someone is suddenly asking to pay, property laws are not known
- when laws are known, clear, accepted, rights are limited, exchange is a trivial matter
- in the opposite case, exchange is a difficult matter
- clear mutually accepted laws limiting freedoms make freedom possible



EQUALITY

- people are different in many ways: looks, strengths, needs....
- we live in a society of individuals not of equals
- existence of individual rights forces us to resolve conflicts
- must separate individual rights and group rights
- if no mutual respect for rights exist then no free exchange of rights is possible. “mutual agreement on assignment of rights implies *equal* and reciprocal respect for these rights.”
- enforcing agent must treat all persons neutrally and *equally*
- people are “treated *equally* because of the assignment of rights and not because they are equal.” people by necessity “are and must remain unequal.”
- neutral treatment implies the *equal* treatment of *unequals*



RULE BY LAW NOT BY MAN

- necessity of enforcing agent arises due to conflicts among individual interests. enforcer must protect individual rights to act including the making and carrying out valid contracts
- must define rights and limits for the group to act.
- how will the enforcing agent be checked? power sharing or higher law: Bible, laws of God, natural laws, social contract, written constitution (division of power).
- if unchecked: “constitutional anarchy”- range and extent of government influence over individual depending on the accidental preferences of politicians, judges, or people of power.
- government becomes overbearing, violating these principles, what next?



THE END

CHAPTER 1