Rivista Italiana di Filosofia Politica

Firenze University Press
www.fupress.com/rifp

Surveillance as Social Disorder

La sorveglianza come malattia sociale

Andrea Togni

Independent Researcher, Italy
andrea.togni@protonmail.com

Abstract. This article argues that hierarchical, systematic, state-mandated surveillance is a precondition for an increase in government influence over the lives of individuals, a violation of property rights, and the social disorder that always comes with planned societies. The first section provides a conceptual definition of surveillance in juxtaposition with the definition of privacy. The second section explains how the government exploits the notion of risk to justify the growth of its surveillance apparatus, so that behaviors can be foreseen and controlled. In the third section, consequences of hierarchical surveillance such as higher taxation, more government planning, greater violations of property rights, and less societal trust are analyzed. The closing remarks submit that Hoppe's argumentation ethics is able to justify, a priori, the desire of subtracting oneself from arguing with others, especially state agents, and that privacy is praxeologically needed to accomplish this goal.

Keywords: surveillance, privacy, property rights, libertarianism.

Riassunto. La tesi principale di questo articolo è che gli apparati di sorveglianza statale sono una delle precondizioni più importanti per il rafforzamento del controllo governativo sugli individui e per la sistematica violazione del diritto di proprietà privata. Nella prima sezione, il concetto di sorveglianza viene definito in giustapposizione a quello di privacy. Nella seconda, si spiega come lo stato sfrutti la nozione di rischio per giustificare la crescita ininterrotta del suo apparato di sorveglianza e per incrementare il suo controllo sui comportamenti passati, presenti e futuri della popolazione. Nell'ultima parte, vengono studiate le conseguenze del regime di sorveglianza statale, quali una maggiore tassazione, maggiori regolamentazioni, maggiori violazioni dei diritti di proprietà privata, e lo scardinamento del

Rivista Italiana di Filosofia Politica 8 (2025): 225-244
ISSN: 2785-4256 (online) | ISSN: 2785-3330 (print) | DOI: 10.36253/rifp-3287

tessuto di fiducia sociale. Infine, si mostra come l'etica dell'argomentazione di Hoppe, se integrata con la nozione prasseologica di privacy, giustifichi a priori la possibilità di sottrarsi allo sguardo altrui e agli interventi indesiderati dello stato.

Parole chiave: sorveglianza, privacy, diritto di proprietà privata, libertarismo.

1. Surveillance and privacy

One of the defining traits of libertarianism is the concern regarding the state's monopoly on violence. The main contention of this article is that such a monopoly depends heavily on the ability of governments to surveil the population. If this is true, a philosophical understanding of surveillance is urgent for any libertarian[1] who aims at building a just society.

As a first step, surveillance is the logical negation of privacy. Togni defines privacy as the ability to make oneself invisible by default to potential enemies and visible by choice to trusted peers.[2] Surveillance may be defined as the systematic violation of privacy; that is, as the situation where individuals cannot hide themselves from the prying eyes of unwanted third-parties, especially state actors and their cronies.[3]

It is appropriate to distinguish between horizontal and hierarchical surveillance. Horizontal surveillance is exerted voluntarily between peers who are able to make themselves invisible at any time: friends can keep an eye on each other but can also request to be left alone; customers may voluntarily subscribe to a mailing list to receive interesting offers while maintaining their ability to unsubscribe. Opting-out is not available in the case of hierarchical surveillance: the state does not allow taxpayers to not share their income; recently, not disclosing one's vaccination status meant grave legal consequences. Consent plays a central role in the distinction between these two types of surveillance. An analogy with payments can be drawn. A consensual transaction between a baker and a customer is legitimate because it is voluntary; the same is true for horizontal surveillance. On the other hand, taxes are illegitimate because they are imposed regardless

[1] Unless stated otherwise, in this article libertarianism is developed in anarcho-capitalist and agorist terms.
[2] Togni, "Invisibility (by Default)."
[3] An original and systematic discussion on the notion of privacy in the context of the libertarian literature can be found in Togni, "Invisibility (by Default)," "The War on Privacy," and "Privacy as a Kantian-Misesian Condition." The purpose of this article is to analyze surveillance in juxtaposition with privacy as defined in those papers.

of taxpayers' will; the same is true for hierarchical surveillance.[4] Another way to distinguish between horizontal and hierarchical surveillance is through exclusivity. Individuals are exclusively entitled to dispose of their property as they wish, which includes the ability to hide it from anyone else at any time. This is not the case if hierarchical surveillance is imposed and privacy is violated; that is, if the government tries to force people to make their property visible by default to state agents. This article focuses on hierarchical surveillance as the logical negation of privacy. The government needs systematic surveillance[5] to determine who must pay taxes, who should benefit from subsidies, where war targets are located, and so on. A taxpayer who is able to remain invisible by default is not a taxpayer anymore because she can hide her wealth from the taxman; a war target who can protect her privacy effectively is able to survive another day. Protecting privacy and avoiding being subjected to hierarchical surveillance are prerequisites for any free society.[6]

When it comes to surveillance and privacy, it is necessary to understand what kind of theoretical notion they are. Togni reads privacy in Kantian-Misesian terms as an a priori condition for the preservation of property rights.[7] On a long enough timeline, motivated adversaries will always attack properties and bodies that are easy to locate; eventually, they will succeed. Like all a priori concepts, privacy entails empirical and practical consequences: it is, and should be, one of the cornerstones of any strategy to defend property and liberty from violent actors.[8] While the protection of privacy and property defines human nature and human action, systematic surveillance does not. At the very least, the inability to hide from unwanted eyes creates a chilling effect that hinders the ability of surveilled individuals to act freely; in the worst case, surveillance allows enemies to assault targets physically. As will be subsequently detailed, hierarchical surveillance is not an axiomatic, a priori feature of human

[4] The analogy is just an analogy and is not perfect: taxes are a direct violation of property rights, while surveillance is usually a precondition for their violation.
[5] Unless stated otherwise, the terms "surveillance," "hierarchical surveillance," and "systematic surveillance" will be treated as co-extensive.
[6] As will be shown later, hierarchical surveillance can be carried out by private companies that work for the government. The private sector is not immune from the responsibilities associated with systematic surveillance just because it is private. Actually, it is common for big tech companies to lobby regulators so that their business model, which is often predicated on data harvesting regardless of the explicit consent of users, is recognized as legal. Governments tend to allow this kind of behavior when they can legally force private companies to share privately-harvested data with authorities; this kind of "collaboration" is one of the cornerstones of the surveillance state.
[7] Togni, "Privacy as a Kantian-Misesian Condition."
[8] Togni, "The War on Privacy."

action, but an arbitrary and positivistic tool[9] that makes it impossible to act without the intermediation of unwanted third parties, and restricts the ability to opt-out of unjust social systems.

Surveillance, privacy, and property are vague terms that embrace a significant variety of situations. Togni provides an ontology of privacy and property that distinguishes between the realm of the body and of the mind, the domain of physical external objects, and the realm of information and ideas.[10] For the purposes of this article, the last domain is particularly interesting because contemporary surveillance apparatuses are heavily dependent on information technologies.[11] Privacy is a necessary condition for the very existence of mental and digital property rights: as soon as information is shared, individuals lose exclusive control over it, and listeners are instantly able to use it as they wish. In other words, the only legitimate way to claim exclusive property rights of digital information and mental ideas is to never share them.[12] Moreover, information enjoys a peculiar metaphysical and praxeological feature that is not found in common physical objects: it can be homesteaded multiple times by multiple individuals at the same time. Before publishing this article, I owned the ideas discussed in it exclusively; once published, they enter readers' heads and are effectively homesteaded by them: readers can use these concepts for any purpose they like; that is, readers can mix their work with these ideas to create new ones, which are owned exclusively as long as they are not shared in the open. In general, once A communicates idea X to B, both A and B own X. Exclusive control on the part of A is lost; then, A and B can mix their labor with X and transform it in a variety of ways, thus creating Y, W and Z, which are owned exclusively if, and only if, they are not shared with someone else.[13]

According to Hoppe, "property rights cannot be conceived as being timeless and nonspecific regarding the number of people concerned.

---

[9] While some libertarians of the utilitarian variety think that positivistic laws can be useful to defend privacy, legislation is more often exploited by governments and private sector cronies to enable widespread surveillance of the population (Togni, "GDPR").

[10] Togni, "The War on Privacy."

[11] For a detailed comparison between these three domains, see *ibid.*

[12] Notoriously, libertarians such as Kinsella (*Against Intellectual Property*) reject positivistic laws that "protect" "intellectual property" because they allow the state to exert violence against individuals whose only "fault" is to use their mental faculties as they deem appropriate. Still, some libertarians try to defend positivistic approaches to intellectual property on utilitarian grounds. However, utilitarianism and positivism are self-defeating because governments, not libertarians, define what is useful and what is not from a legal perspective (Togni, "Privacy as a Kantian-Misesian Condition").

[13] The same analysis can be applied to digital information: if it is in the open and not encrypted, exclusive property rights cannot be claimed.

Rather, they must be thought of as originating through acting at definite points in time for definite acting individuals."[14] Hoppe's point is correct but can be articulated more specifically. In the physical domain, an object can be owned by one and only one individual entity at any point in time; in the domain of information, multiple individuals can homestead the same public idea at the same time and mix their mental work with it to shape new ones.[15] The same is true for digital information: exclusive control is lost as soon as it is shared and privacy is lost; once leaked, that piece of information will be homesteaded and used by whoever comes into contact with it. The metaphysical nature of information has consequences for the protection of property rights. If privacy is safeguarded, information is hidden from external observers completely, thus assuring full and exclusive ownership. If privacy is lost, exclusive property of information is irremediably lost and new homesteading processes are initiated by whoever sees it. In contrast, physical objects, being made of matter, cannot completely disappear from the sight of potential adversaries. On the other hand, it is possible to defend physical property even if privacy is not preserved completely: a house is not automatically raided just because thieves know where it is located. Still, weak privacy makes the defense of physical property harder and allows potential enemies to develop more effective and targeted strategies of assault, which will eventually succeed if privacy is not strengthened properly.[16]

Ontological differences between the physical domain and the realm of information entail significant consequences for libertarians, whose goal is to escape the rule of the state and its surveillance apparatus. One traditional way to attain this goal is by founding small libertarian communities such as Liberland, a micro-nation between Croatia and Serbia.[17] However, this strategy has some limits. According to cypherpunk activist May, "the basic problem is that *physical space is* too small, too exposed to the view of others,"[18] which means that would-be nation

[14] Hoppe, "Economics of Laissez-Faire," 329.
[15] The same is true for digital information: in this case, the homesteading process requires not only mental labor, but also some kind of computational work.
[16] The natural right to homestead ideas and information is challenged by pervasive public regulation and by the dominant position of big private enterprises. For example, buying a video-game does not usually entitle the buyer to full property rights: she cannot distribute it as she likes and some features may be accessed only through a subscription. These widespread mechanisms are dependent on manufacturers' constant surveillance of users and on the ability to call upon law enforcement to crack down on information sharing. Piracy is a libertarian strategy to free oneself from unwanted surveillance, gain actual ownership of digital tools, and bring back the ability to homestead and use information freely.
[17] URL: https://liberland.org/
[18] May, "Libertaria." Italics in the original.

states such as Liberland are easy to surveil and, therefore, to attack. Indeed, "the U.S. has enforced trade embargoes and blockades against many nations in the past several decades, including Cuba, North Korea, Libya, Iran, Iraq, and others. Further, the U.S. has invaded some countries – Panama is a good example – whose government it disliked. How long would a supertanker 'data haven' or libertarian regime last in such an environment?"[19] Given these issues with libertarian nations, May suggests leveraging encryption and digital distributed systems to attain privacy and freedom: banning computer-to-computer communication is basically impossible and, "despite the talk of mandatory 'trap doors' in encryption systems, encryption is fundamentally easy to do and hard to detect."[20] Whether one prefers physical libertarian communities or digital libertarian environments, the ontology of privacy, surveillance, and liberty cannot but play a significant role in any strategy for the defense of property rights. On the empirical level, there is some continuity between the physical domain and the information domain, even only for the fact that digital data needs physical hardware and minds need physical brains to exist. On the conceptual level, a rigorous analysis of the peculiar incarnations of privacy, surveillance, and property rights in different ontological domains constitutes an interesting field of research.[21] On the strategic level, theories can be applied in different ways to attain the common goal of liberty. On all these levels, the philosophy of privacy and surveillance is a necessary complement to libertarianism.

This last statement should not be taken for granted: in fact, some libertarians adopt a reductionist or eliminativist view of privacy and do not find surveillance troublesome, especially when it comes from private actors. For example, Klein, following the Rothbardian tradition, submits that "'privacy' refers to what other people know about me – it is knowledge in their heads, not mine. Information isn't property."[22] Klein reduces the notion of "privacy" to the notion of "information," which in turn falls outside the domain of property rights. He takes advantage of this view to oppose governments' regulation of online activity in the name of data protection.[23] While this objective is commendable, Klein's position has

[19] *Ibid.* Blockades, embargoes, and military invasion depend on the ability to surveil the economic and military activities of targeted nations.
[20] *Ibid.*
[21] See Togni, "The War on Privacy" for such an attempt.
[22] Klein, "Data."
[23] Positivistic laws such as the European General Data Protection Regulation (GDPR) fail to protect ordinary people's data and are exploited by governments and private players to harvest more information under the umbrella of obscure notions such as "national security" or "emergency situations" (Togni, "GDPR"). For example, egregious privacy violations during COVID such as vaccination passes were deemed as GDPR-compliant by most European pri-

the shortcoming of hiding the role of privacy in the preservation of property rights, especially in the digital realm, which encompasses an increasing share of everyday life; moreover, it does not pay much attention to the role of surveillance (the logical negation of privacy) in the unprecedented series of attacks against property that contemporary technology allows the state to carry out.[24] Importantly, privacy is not just another name for information or knowledge, it is a substantial a priori precondition for the blooming of property rights.[25] Property of ideas and information exists as long as privacy is preserved: if the theses on surveillance discussed in this paper were not published nor shared with anybody else, they would have remained my exclusive property. This means that Klein's statement that "information isn't property" is false because it is based on a flawed theory of privacy. Moreover, Klein's thesis that "[p]rivacy goods and services can be analyzed just like other economic goods" does not account for privacy's praxeological function and for hierarchical surveillance's incompatibility with property rights: this kind of surveillance, even when carried out by private actors, is not just a market process but a direct threat to property rights because it can be deployed in conjunction with the monopoly on violence.[26]

2. How the government implements surveillance to attack property rights

This section discusses how the government implements surveillance to undermine natural property rights and strengthen its power. First, it is shown that the state justifies its ever-growing surveillance apparatus with the presumption that it mitigates risk and prevents unforeseen outcomes. Second, historical and contemporary examples of surveillance are presented in the context of the welfare state, the business of war, and financial control.

---

vacy watchdogs. The government will always tend to "balance" privacy with its other interests, which are often incompatible with privacy as an a priori condition for the preservation of property rights.

[24] In the following section, some of these attacks are discussed.

[25] Togni, "Privacy as a Kantian-Misesian Condition."

[26] The fact that the government can buy surveillance technology and services from the private sector does not mean that it is a customer like others: only the state can use taxes to purchase services and the monopoly on violence is its exclusive legal privilege. The scale at which extremely effective surveillance technology developed by private companies is made available to violence monopolists is unprecedented and constitutes one of the scariest features of modern societies.

The justification of surveillance: the prevention of risk and the attempt to foresee the future

Modern nation states claim not only a monopoly on legitimate violence, but also a monopoly on trust, and a monopoly on money. Police, courts, and the military are the main tools deployed to control the market of security; the education system and mainstream media grant the state the ability to shape the dominant cultural narrative; the fiat-based monetary system allows state-sanctioned bankers to supervise money issuance and surveil financial transactions. These three monopolies rely on the ability of the state to prevent competitors from gaining market share, and the public from switching to better services. Systematic surveillance of the population makes achieving the state's goals possible. Therefore, the state needs to make surveillance look legitimate to its subjects; even better, subjects must demand widespread surveillance from the state.

Categorization of risk can be exploited to allow public surveillance apparatus to swell indefinitely. Bentham's Panopticon, extensively discussed by Foucault,[27] is a classical case in point. The Panopticon is an innovative kind of prison developed by Bentham to tackle one of the biggest societal risks: criminals. The trick of the Panopticon is that guards resides in a tower that is seen from the cells but that hides their presence (or absence). Conversely, the interior of the cells is completely visible from the tower, thus creating, in Foucault's terms, an "asymmetry of visibility," which is an asymmetry of privacy and surveillance. Given that inmates do not know whether or not they are actually observed, they must assume omniscient observation and therefore discipline themselves constantly. This is the ideal situation for the government: "inmates' behaviors are completely transparent to authorities, which in turn are not subject to public scrutiny."

Because of contemporary technology, asymmetric surveillance pervades society. According to Bogard, "in post-panoptic society, subjectivity is not produced by surveillance in the conventional sense of hierarchical observation, but by codes intended to reproduce subjects in advance. [...] The forces of verification [...] now operate more comprehensively, antecedent rather than subsequent to events."[28] The power of risk is that it is indefinite: risk is something that may or may not materialize. If it does materialize, the state pushes for more surveillance to avoid the same future outcome; if it does not materialize, the state claims that this result is evidence that surveillance works, which justifies that more is needed. It is easy for the state to leverage the fears of the population and put it under

[27] Foucault, "Discipline and Punish."
[28] Bogard, "Simulation," 35.

surveillance "for its own good." The evergreen motto of the government is that "if you do not have anything to hide, you do not have anything to fear." Potentially, every citizen can become a criminal under the right circumstances: to prevent this risk, the government must surveil everything and everyone, not only to react to crimes that already happened, but, more importantly, to prevent future, possible crimes. The mark of contemporary surveillance is that it extends to the future and not just to the past and to the present: the objective of the state is to know its subjects better than the subjects themselves, to predict behaviors, and to nudge society towards the "greater good." Future-oriented surveillance revives the totalitarian dreams of creating the New Man and of dispensing with the praxeological truth of human uncertainty.

Unfortunately, this kind of reasoning is often adopted by libertarians of the utilitarian variety. Bentham himself is a classical liberal who advocates the Panopticon because of its economic efficiency (given that inmates are forced to discipline themselves, the Panopticon requires less guards than traditional prisons), because its automatic mechanism of control frees prison managers from the oversight of judges, and because it can help prevent criminals from violating property rights.[29] However, Bentham fails to distinguish between horizontal surveillance and hierarchical surveillance. When panoptic technology is coupled with the state's monopoly on violence, surveillance is not used to defend justice, but to violate property rights of individuals who do not behave according to governments' wishes. This is not only an empirical fact but a conceptual truth: if privacy is an a priori condition for the preservation of property rights,[30] then hierarchical surveillance, which is the logical opposite of privacy, cannot but be exploited to assault them.

Historical and contemporary examples of state surveillance

The history of the state is the history of surveillance-based discrimination and violence. The lantern laws illustrate the point vividly.[31] These laws were passed in New York City during the XVIII century to compel black and Indian slaves to carry a lantern or a lit candle from one hour after sunset. The government distinguished between risky people, such as black and Indian slaves, and non-risky people such as whites: given that authorities "have to do something" against "risk" and that slaves that "have nothing to hide have nothing to fear," it seemed logical to force

[29] Elmer, "Panopticon," 24.
[30] Togni, "Privacy as a Kantian-Misesian Condition."
[31] Browne, "Race," 72-3.

groups of individuals to be visible by default, and more easily surveilled. The net result was the reification of racial boundaries by means of "useful" legislation.[32]

Most of the time, surveillance schemes are ineffective in attaining their stated goal of combating and preventing crime. One of the most egregious contemporary examples regards CCTV cameras. A meta-study, discussed by Norris, shows that "CCTV caused a small (16%), but significant, decrease in crime in experimental areas compared with controlled areas. However, this overall result was largely driven by the effectiveness of CCTV schemes in car parks, which caused a 51% decrease in crime. Schemes in most other settings had small and non-significant effects on crime."[33] In some cases, an increase in crime in surveilled areas was registered. In the end, "apart from the limited domain of car parks the best available evidence suggests that CCTV is at best an unproven technology for reducing crime and at worst an ineffective and costly distraction from finding more suitable strategies."[34] However, CCTV cameras are very effective in normalizing surveillance of everyday life. As usual, utilitarians are at a loss to explain why the government should prioritize fighting crime effectively over the surveillance of citizens: after all, the existence of crime is useful to legitimize the existence of law enforcement agencies, and the surveillance of citizens is useful to control them.

Surveillance is intrinsic to every activity of modern bureaucracy, including welfare, warfare, and the financial system. The welfare apparatus allows the government to take wealth from the economy and redistribute it according to its own objectives. According to Webster, surveillance lays the foundations for redistributive policy: "Not only has public administration played a critical role in the emergence of contemporary surveillance society, it can also be argued that public administration has always been concerned with surveillance, through the necessity of controlling access to scarce resources in society and in its role in ensuring accountability for resource use. [Surveillance is] central to identifying individuals' rights of access to services."[35] Of course, these "rights" do not stem from natural law, but are arbitrary privileges granted by authorities through

[32] A similar example of "useful" surveillance is the slave pass: to prevent unwanted and risky movements of slaves, they were required to carry a pass and show it to slave patrols on demand, thus producing a "compulsory visibility of the racial subject" (Browne, "Race," 73). The crux of libertarian utilitarianism is that it cannot provide solid arguments against this kind of measures: if utilitarians try to show the uselessness of the slave pass, they would still need to explain *why* their understanding of "useful" matters more than the government's. The state is always more utilitarian than unprincipled utilitarians.

[33] Norris, "The Success of Failure," 255.

[34] *Ibid.*

[35] Webster, "Public Administration," 314.

positivistic legislation. The basic activity of the welfare state is the coercive exchange of citizens' personal information for public services. Ruppert points out that statistical analysis of personal information is deployed to redistribute resources and to "manage, regulate and maximize the potential of a population."[36] This implies the dehumanization of individuals, who are treated not as such, but "as members of governable populations."[37] Statistics allows the government to disguise the arbitrariness of its decisions as "science." According to Gandy Jr.,

> The actionable intelligence that is derived from the statistical analyses of data is used primarily to place individuals within a dynamic multidimensional matrix or identities. The character of these identities reflects the interests of the institutional actors seeking to influence how individuals understand and respond to the options that are set before them. The strategic presentation is set to maximize the benefits and minimize the risks that are associated with managing the behaviors of these individuals.[38]

Governments' use of statistics to manage populations has, at least, two shortcomings. First, the state claims to use past data to predict future behavior, but in doing so presumes that human action can be scientifically understood in the same way as natural phenomena, which is false. Second, "data about individuals are necessarily abstract and simplified representations of the complexity that defines human beings and the circumstances in which they make their lives;" moreover, they are affected by "biases inherent in the selection of measures and the standards used to characterize differences between them as meaningful."[39] Statistic's nickname is "the science of the state" because it allows to disguise arbitrary political choices as the outcome of objective calculus. Of course, from the perspective of the government the arbitrariness of statistical sorting is a feature and not a bug because it can be exploited to seize the power to decide how to allocate economic resources for "the greater good" of society.

After 9/11, the surveillance-industrial complex has grown exponentially and is now worth hundreds of billions of dollars in government contracts per year. This sector and the military-industrial complex are plagued by the same issues, such as the existence of revolving doors between private and public institutions and cronies' lobbying practices. Sure enough, the notions of risk and security play a crucial role in its parabolic rise. Wilson points out that the distinction between internal secu-

---

[36] Ruppert, "Seeing Population," 213.
[37] *Ibid.*
[38] Gandy Jr., "Statistical Surveillance," 125.
[39] *Ibid.*, 129.

rity and external defense has been blurred and that military surveillance techniques are increasingly applied to civilian use.[40] According to Hayes,

> The concept of 'security' has become so broad as to encapsulate the entire policy spectrum of the coercive state apparatus, including any government policy or practice that could conceivably prevent something bad from happening, from policing and counter-terrorism to critical infrastructure protection and crisis management. [...] Non-coercive elements of public policy such as food, energy, transport, information and communications technologies, health and the environment are also being 'securitized' and recast into new paradigms of food security, energy security, transport security and so on.[41]

In the end, the state cannot but be tempted to treat every area of life as a matter of national security that deserves its benign scrutiny, and intervention.

Surveillance plays a crucial role also for the existence of the contemporary fiat monetary system. Libertarians and Austrians have explained the mechanics of the transition from the classical gold standard to paper money in great detail, and have shown the intrinsic injustice of economic measures such as legal tender laws, fractional reserve banking, and inflation.[42] However, given that it is fairly uncontroversial to state that on a long enough timeline all fiat monies collapse, it remains to be explained why the contemporary fiat system has dominated for more than half a century, while previous instantiations have not. Certainly, factors such as propaganda, the influence of government-backed intellectuals, and worldwide US dominance are relevant. But an even more crucial element is that the contemporary fiat system is backed by surveillance capabilities unmatched in previous eras. Not coincidentally, the Bank Secrecy Act (BSA) was passed in the US in 1970,[43] the year before Nixon departed from the gold standard. BSA proponents leveraged the risk of illicit use of foreign bank accounts by American citizens, to impose a system of surveillance on all domestic accounts. The BSA forces financial institutions to become law enforcement agents, to record the identities and financial activities of all customers, and to report any suspicious transactions to the mandated authorities. In 2015, financial institutions submitted 55000 suspicious activity reports (SARs) per day; in 2019, 2.3 million SARs were reported to financial regulators.[44] Not surprisingly, basic cost and benefit

[40] Wilson, "Military Surveillance."
[41] Hayes, "The Surveillance-Industrial Complex," 168-9.
[42] See for example Rothbard, *Money*, Hoppe, "Banking," and Hulsmann, *Ethics*.
[43] Since then, the BSA has been the basis for anti-money laundering legislation not only in the US, but in most Western countries.
[44] Michel and Schulp, "Bank Secrecy Act," 10-1.

analysis does not justify such ubiquitous hierarchical surveillance: "Using IRS-initiated money laundering sentences, and assuming (generously) that all such sentences would not have occurred but for the AML [Anti-Money Laundering] statutes, the per-conviction cost is at least $7 million. Using, instead, the FBI's money laundering conviction totals, the per conviction cost is between $107 million and $178 million."[45] Nonetheless, from the perspective of the state, financial surveillance is extremely effective in shifting the burden of the proof from law enforcement agencies to common individuals and, in turn, makes it very difficult to opt out of the fiat system. For example, financial authorities are open in stating that they want to limit cash transactions because they cannot be surveilled; infamously, Canadian authorities have frozen bank accounts of citizens who donated to truckers protesting measures adopted by the government during the COVID pandemic; customers are routinely "asked" by banks why they want to withdraw their own money, or why they initiated specific transactions. Individuals are blackmailed into answering such invasive questions because otherwise they lose access to their own money, which most cannot afford. Exiting the traditional banking system, and avoiding its surveillance mechanisms, is viewed by regulators, at least, as a moral and social guilt, at worst, as a crime. The purpose of AML and Know Your Customer (KYC) legislation is to strip individuals of their invisibility by default (privacy) and to impose a system of surveillance by default: regulators treat whoever transacts anonymously as a potential criminal, who poses an existential threat to "society." More generally, the government claims the exclusive power to issue official identities: without state-sanctioned identity documents, it is *de facto* impossible to access the basic services, and live a normal life. Additionally, technological advancements allow the state to not only punish past behaviors, but also pretend to foresee future, dangerous, behaviors. Systematic surveillance grants government agents the tools to control the lives of individuals, from the cradle to the grave, eliminating any space for liberty.[46]

3. Surveillance as social disorder

According to Hoppe,

---

[45] *Ibid*., 11.

[46] Libertarians define liberty as the ability to make use of property without asking permission to anyone, not even politicians, bureaucrats, or the surveillance-industrial complex. This article shows that it is impossible to defend liberty and property rights when hierarchical surveillance is the norm; privacy is a logical precondition for a free and just society.

> Regulations through which states either compel or prohibit certain exchanges between two or more private persons as well as acts of taxation are invasions of private property rights. [...] However, while by no means less destructive of productive output than taxation, regulations gave the peculiar characteristic of requiring the state's control over economic resources in order to become enforceable without simultaneously increasing the resources at its disposal. In practice, this is to say that regulations require the state's command over and expenditure of taxes, yet regulations produce no monetary income for the state but only income in the form of the satisfaction of pure power lust.[47]

What is true for regulations in general is also true for regulations regarding surveillance. The peculiar danger of surveillance norms is that they imply a violation of privacy, which is an a priori condition for the preservation of property rights: therefore, they disincentivize peers from exchanging goods, services, and money away from the prying eyes of unwanted intermediaries,[48] disseminate mistrust and suspicion,[49] create friction costs felt more heavily by lower classes, and shift the burden of the proof from law enforcement agents to individuals.[50] Surveillance by default enables the effective imposition of taxes and other regulations: taxes are meaningless if individuals are able to hide their wealth from the taxman; regulations are meaningless if the state cannot see what regulated subjects do. Moreover, surveillance is a key feature of low-trust societies, where citizens are not treated as equals, but as potential criminals whose behavior must be restricted, or as children who need to be guided by a paternalistic government. Hierarchical surveillance affords tyranny: not coincidentally, Tolkien's Sauron is an all-seeing eye, and the defining feature of Orwell's Big Brother is its ability to watch everybody at any time. The historically high levels of taxation and the enormous amount of regulations of contemporary Western societies can be explained, at least in part, by the fact that governments can now leverage increasingly powerful surveillance technology, not available even a few decades ago. Stripping people of their privacy leads to more taxes, more regulations, and more systematic and pervasive violations of property rights. Surveillance by default makes

---

[47] Hoppe, "Taxation," 73.

[48] Surveillance strengthens the role of intermediaries that are required to verify that transactions abide with the law. For example, cash payments are heavily disincentivized because no financial institution is able to KYC the peers executing the exchange. On the other hand, the surveillance-industrial complex prospers thanks to AML/KYC legislation that makes their identification "services" a legal requisite.

[49] For example, individuals knowing that their messaging chats are (or may be) surveilled against their will tend to avoid expressing their views openly because of the chilling effect.

[50] If individuals try to hide their activities from three-letter agencies, they may be required to explain why they intend to do so: the "rationale" is that only criminals who did something wrong need to conceal their actions.

it easier for institutions to repress dissent and to exercise their monopoly on legal violence against "traitors." It also implies the dehumanization of individuals, whose existence becomes a statistic and is only understood in the context of whatever authorities deem to be "the greater good" of society. Systematic surveillance allows the state to define personal identity not in terms of human actions but in terms of bureaucratic documents that grant, or deny, access to bureaucratically-defined activities. The ultimate objective is to create a fully-planned society where the all-seeing eye of the government supervises and dictates every human action, and where the praxeological truths of risk and uncertainty are eliminated, so that totalitarian control over the past, present, and future is established.[51]

It should also be noted that not all surveillance is bad. Horizontal surveillance can be deployed to protect property rights. For example, the development of gated communities helps people in Latin America fight violent crime:

> In 'secure zones' distinct surveillance devices are used which control access to and movement around residential areas, corporate buildings, public offices, banks, commercial centers, financial districts and avenues or streets that have high levels of movement of people, automobiles and merchandise. Surveillance in these spaces is not only directed towards guaranteeing security, but also towards enabling the population to 'feel protected.' Outside these 'secure zones' are spaces where high levels of marginalization and poverty occur together with high rates of violent crime and with inter-family violence.[52]

As shown by whistle-blowers such as Snowden and publishers such as Assange, privacy and surveillance techniques can also be exploited against the state. One of Wikileaks' mottoes is "we open governments," meaning that the publication of classified information is necessary to make governments more transparent and accountable to the public. Surveillance against state apparatuses is deployed also by smaller but effective organizations. For example, the Open Observatory of Network Interference (OONI) "is a non-profit free software project that aims to empower decentralized efforts in documenting internet censorship around the world."[53] Everyone can download the OONI app and find out whether public authorities are blocking access to content online; the data is used to publish reports on governments' interference and censorship on the

---

[51] Libertarians and Austrians are right in stating that the only possible outcome of planned societies is chaos, but this awareness alone will not steer the state towards the respect of property rights and liberty.
[52] Botello, "Latin America," 259.
[53] URL: https://ooni.org/about/

internet. It is also possible to take advantage of government surveillance to gain more privacy. Van Der Ploeg points out that "with our bodies gradually becoming entities consisting of information – the body as data – the boundary between the body *itself* and information *about* that body cannot be taken for granted anymore."[54] The consequence is that every individual can create potentially infinite identities, injecting redundancy and confusion in the surveillance apparatus; the proliferation of data doubles can make it more difficult for the state to trap individuals into a unique, bureaucratically-defined identity.

Surveillance is coherent with the preservation of property rights only when it is not deployed in conjunction with the monopoly on violence. For example, if analyzed in isolation, the collection of users' data by big tech platforms to sell advertisements is a normal market process;[55] CCTV cameras may help make buildings and areas more secure; and so on. However, when hierarchical surveillance is invoked, the collection of information becomes the precursor to the use of violence by public institutions and their cronies. Laws that force services to harvest data are dangerous because databases can be exploited by violence monopolists.[56] Lawfare is often waged against citizens to make them reveal as much information as possible, so that their lives can be tracked, and therefore taxed and regulated, more closely. Surveillance by private sector companies is dangerous because they are centralized points of failure that can be forced by law enforcement and government agencies to harvest, or release, user data.[57] Given the distinction between public bureaucracies and private governmentalities is becoming thinner, it is naive to submit that private sector surveillance is legitimate just because it stems from private actors, and not from the government. Widespread surveillance by public, and private, actors in the name of security, risk avoidance, and customer protection is a Trojan horse that threatens the preservation of natural property rights. The government enjoys a monopoly on legal violence thanks to the military, the police, and state-controlled courts; it also enjoys a *de facto* monopoly on trust thanks to its pervasive control over the education system and the media; the fiat monetary system grants it a monopoly on money issuance, and the ability to oversee financial transactions. The growth of systematic surveillance and of the surveillance-industrial complex allows the state to strengthen these three monopolies, impose more taxes and regulations, create a culture of suspect, fear and mistrust, and

[54] Van Der Ploeg, "Body as Data," 179. Italics in the original.
[55] Klein, "Data."
[56] In addition, databases are honeypots for hackers and all kinds of malicious actors: the more data is collected, the bigger the danger for common users.
[57] The discussion in the second section of this article demonstrates the point.

control more and more aspects of individuals' lives. The ultimate purpose is not only to track behaviors, but to define personal identities in terms of arbitrary and bureaucratic categories and to make individuals forget the praxeological truth that they are acting men.

Argumentation ethics can be used to show the centrality of privacy and the dangers of systematic surveillance for the preservation of property rights. According to Hoppe,

> To recognize that argumentation is a form of action and does not consist of free-floating sounds implies the recognition of the fact that all argumentation requires that a person have exclusive control over the scarce resource of his body. [...] Such a property right in one's own body must be said to be justified a priori, for anyone who would try to justify any norm whatsoever would already have to presuppose the exclusive right to control over his body as a valid norm simply in order to say 'I propose such and such.' Further, any person who tried to dispute the property right in his body would become caught in a practical contradiction since arguing in this way would already imply acceptance of the very norm which he was disputing. He would not even open his mouth if he were right.[58]

Hoppe's reasoning is sound. However, a consideration should be added: argumentation is an action but so is the *refusal* to argue. If A does not want to talk to B, it may be because she wants to use violence against B or because she wants to be left alone. The first case would be a violation of the non-aggression principle (NAP). The second case is perfectly legitimate from a libertarian perspective: free argumentation presupposes property rights over the body, which accepts the ability to non-violently subtract oneself from argumentation. Actually, forcing A to talk would be a violation of the NAP and of A's property rights over her body. This means that privacy is an a priori condition for non-violent argumentation: argumentation is free if, and only if, property rights over the body are respected, and the ability to decide whether *or not* to share one's thoughts is preserved. In contrast, systematic surveillance is the logical negation of privacy. The government wants subjects to show themselves constantly because visibility makes them more controllable and the gathered information can be exploited against them. The state wants to make the refusal to talk to institutions a crime: if A does not explain why she made this or that financial transaction, her bank account can be frozen; during COVID, the refusal to disclose one's vaccination status had legal consequences; children may be taken from their parents if information about their education path is not disclosed; soon, it may become illegal to access the internet

[58] Hoppe, "Justice," 335.

anonymously because "hate speech is an intolerable societal risk;" and so on. The state wants individuals to argue with it, recognizing its existence, while libertarians want to be left alone and enjoy their lives outside of government reach. In principle, and in practice, this last outcome is achievable only by preserving privacy: violence monopolists who can extract information regarding individuals' private property will expend as much resources as needed to steal and assault it.[59] The most appropriate defense is to avoid any interaction with public or private sector entities that collect data which can be legally accessed by agents of the government. On the contrary, services, businesses, and open-source software that respect privacy, reject surveillance, and make it possible to share information voluntarily must be encouraged. As shown by Hoppe, property rights are a precondition for free argumentation; as shown in this article, privacy is a prerequisite for the ability to choose whether or not to argue with others, and a precondition for the defense of property rights from eavesdroppers (both public and private) who work for the state. Hierarchical surveillance is antithetical to free and voluntary argumentation and lays the ground for the violation of property rights exactly because it is the logical negation of privacy.

In conclusion, surveillance brings violence while privacy brings freedom. If it is true that privacy is an a priori condition for the preservation of property rights, then surveillance, which is its logical negation, is not compatible with a free and just society. History shows that governments inevitably tend to exploit surveillance in order to violate property rights; nowadays, the exponential improvement of surveillance technology allows them to control the population more efficiently, and effectively. Libertarians have to rise to the challenge: only by safeguarding privacy can the government induced social disorder be unraveled, and the natural social order, based on property rights, bloom.

References

Bogard, William. "Simulation and Post-Panopticism." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 30-7, 2014.

Botello, Nelson Arteaga. "Surveillance and Urban Violence in Latin America." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie

[59] As argued in Togni, "Privacy as a Kantian-Misesian Condition," an effective defense of property is categorically unconceivable without the ability to make it invisible by default and visible only by choice.

Ball, Kevin Haggarty and David Lyon. New York: Routledge: 259-66, 2014.

Browne, Simone. "Race and Surveillance." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 72-9, 2014.

Elmer, Greg. "Panopticon – Discipline – Control." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 21-9, 2014.

Foucault, Michel. "Panopticism." In *Discipline and Punish: The Birth of Prison*, 195-228. Translated by Alan Sheridan. 1975. Vancouver: Vintage Books, 1995.

Gandy Jr., Oscar. "Statistical Surveillance. Remote Sensing in the Digital Age." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 125-32, 2014.

Hayes, Ben. "The Surveillance-Industrial Complex." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 167-75, 2014.

Hoppe, Hans-Hermann. "From the Economics of Laissez Faire to the Ethics of Libertarianism." In *The Economics and Ethics of Private Property*, 305-30. 1988. Auburn, Ala.: Mises Institute, 2012.

Hoppe, Hans-Hermann. "The Justice of Economic Efficiency." In *The Economics and Ethics of Private Property*, 331-8. 1988. Auburn, Ala.: Mises Institute, 2012.

Hoppe, Hans-Hermann. "Banking, Nation States, and International Politics: A Sociological Reconstruction of the Present Economic Order." In *The Economics and Ethics of Private Property*, 77-116. 1990. Auburn, Ala.: Mises Institute, 2012.

Hoppe, Hans-Hermann. "The Economics and Sociology of Taxation." In *The Economics and Ethics of Private Property*, 33-75. 1990. Auburn, Ala.: Mises Institute, 2012.

Hulsmann, Jorg-Guido. *The Ethics of Money Production*. Auburn, Ala.: Ludwig von Mises Institute, 2008.

Kinsella, Stephan. *Against Intellectual Property*. Auburn, Ala.: Ludwig von Mises Institute, 2015.

Klein, Peter. "Who Owns My Data?" *Network Law Review*, October 18th, 2021. URL: https://www.networklawreview.org/klein-data/. Last access: 7/10/2025.

May, Timothy. "Libertaria in Cyberspace – or, Cyberspace More Hospitable to Ideas of Liberty and Crypto Anarchy." September 1st, 1992. URL: https://www.activism.net/cypherpunk/libertaria.html. Last access: 7/10/2025.

Michel, Norbert and Jennifer Schulp. "Revising the Bank Secrecy Act to Protect Privacy and Deter Criminal." *CATO Policy Analysis* 932 (2022): 1-28. https://www.cato.org/policy-analysis/revising-bank-secrecy-act-protect-privacy-deter-criminals. Last access: 7/10/2025.

Norris, Clive. "The Success of Failure. Accounting for the Global Growth of CCTV." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 251-8, 2014.

Rothbard, Murray. *What has Government Done to Our Money?* 1963. Auburn, Ala.: Ludwig von Mises Institute, 2008. https://cdn.mises.org/files/2024-08/What%20Has%20Government%20Done%20to%20Our%20Money%202024.pdf. Last access: 7/10/2025.

Ruppert, Evelyn. "Seeing Population. Census and Surveillance by Numbers." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 209-16, 2014.

Togni, Andrea. "Privacy as Invisibility (by Default): Bridging the Gap between Anarcho-Capitalists and Cypherpunks." *Journal of Libertarian Studies* 26 (1): 1–23. URL: https://jls.mises.org/article/57657-privacy-as-invisibility-by-default-bridging-the-gap-between-anarcho-capitalists-and-cypherpunks. Last access: 7/10/2025.

Togni, Andrea. "The War on Privacy – or, Privacy as a Strategy for Liberty." *Rivista Italiana di Filosofia Politica*, 3 (2022): 243–59. https://doi.org/10.36253/rifp-2025

Togni, Andrea. "The GDPR Paradox: Empowering Government in the Name of Data Protection." *Mises Wire*, June 13th, 2023. URL: https://mises.org/mises-wire/gdpr-paradox-empowering-government-name-data-protection. Last access: 7/10/2025.

Togni, Andrea. "Privacy as a Kantian-Misesian A Priori Condition for the Preservation of Property Rights." *Journal of Libertarian Studies* 28 (1): 18-36. URL: https://jls.mises.org/article/116327-privacy-as-a-kantian-misesian-a-priori-condition-for-the-preservation-of-property-rights. Last access: 7/10/2025.

Van Der Ploeg, Irma. "The Body as Data in the Age of Information." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 176-83, 2014.

Webster, William. "Public Administration as Surveillance." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 313-20, 2014.

Wilson, Dean. "Military Surveillance." In *Routledge Handbook of Surveillance Studies*. Edited by Kirstie Ball, Kevin Haggarty and David Lyon. New York: Routledge: 269-76, 2014.