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# The Market Process as Nonviolent Action

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**M**arket process theory explores the sequence through which the knowledge and expectations of economic actors lead toward coordination and cooperation (Mises [1920] 1935, [1949] 1996; Hayek 1948; Kirzner 1973, 1992, 1997; Boettke and Prychitko 1998). Nonviolent action is a broad category of behaviors that can result in change (political, economic, or social) through peaceful actions (Sharp 1973, 1994, 2005, 2013; Ackerman and Kruegler 1994; Ackerman and DuVall 2000; Chenoweth and Stephan 2011). Scholars have explored each of these areas separately, but the connection between the two has not been studied to date. This paper fills this gap by exploring the link between the market process and nonviolent action.

Market process theorists tend to focus on the market as a coordination-generating mechanism. Although this is essential to understanding market processes, they neglect how disequilibrating nonviolent action and markets are intricately entwined. Moreover, they tend to overlook the social and moral influence of markets

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toward more peaceful arrangements (one exception being Storr and Choi 2019). On the other hand, scholars of nonviolent action focus their analysis of nonviolence in nonmarket contexts—e.g., nonviolent social movements to bring about political change. In limiting their analysis to nonmarket contexts, they, too, have neglected the crucial role that markets play as venues of practicing nonviolent action and as forces of peace making both within societies and between heterogeneous societies. Moreover, they perpetuate an unfortunate legacy of nonviolent action scholarship: that it historically has had antagonistic undertones toward market processes.

In illuminating the connection between the market process and nonviolent action more clearly, we contribute to both strands of literature. We advance market process theory by bringing its interaction with nonviolent action and its peace-building potential to the forefront. We advance existing scholarship on nonviolent action by extending the insights of this research to market contexts. In doing so we highlight the unique character of nonviolent action in markets.

Scholars of nonviolent action typically frame nonviolent action in instrumental terms, whereby people purposefully choose to adopt nonviolent techniques as a means to achieve a predetermined end. For example, the use of public speeches, protests, and the displaying of symbols (e.g., flags, posters) to signal group solidarity among a resistance group are specific means aimed at a predetermined end. In market contexts, nonviolent action can also be instrumental. For instance, buyers can organize voluntary, nonviolent boycotts against certain products or sellers. Similarly, laborers can voluntarily refuse to offer their labor to employers as an intentional means to achieve their shared end.

However, there is another unique aspect of nonviolent action in markets that scholars of civil resistance neglect. Market interactions require a baseline of peace to exist but also nurture cultures of peace between participants. This necessity contributes to a broader order of *non-instrumental* nonviolence *not intended* by the individual participants. This observation is simply an extension of the logic of spontaneous order that is widely appreciated by market process theorists.

F. A. Hayek (1948, 87) referred to the “marvel” of the market, which refers to the ability of markets to generate overall order without a central planner. He discussed this marvel in the context of resource allocations. We emphasize a different, yet related, aspect of this marvel—that market interactions contribute to a broader order of nonviolence grounded in cultures of peace. *Order* refers to the coordination of activities between people pursuing their own diverse ends. Cultures of peace include “lifeways, patterns of belief, values, behavior, and accompanying institutional arrangements that promote mutual caring and well-being” (Boulding 2000, 1).

We proceed as follows: The next section discusses the theoretical connections between market process theory and nonviolent action. Section 3 presents illustrations of nonviolence in the market process. Section 4 concludes.

## The Market Process and Nonviolent Action

### *Market Process Theory*

A *market* refers to a space where exchanges between buyers and sellers occur. Markets can be physical spaces (e.g., a local farmers' market) or conceptual spaces (e.g., the financial market). Buyers and sellers enter a market with hopes and expectations. Buyers enter the market to secure goods or services from a seller. Analogously, sellers enter the market hoping to sell their goods or services to buyers. Both parties can estimate the prices they wish to pay or receive. Successful transactions, however, are not guaranteed. Buyers may be frustrated due to a failure to find someone offering the desired good or service at the desired price. Sellers may be frustrated by a failure to find willing buyers of their goods or services at the desired price. Market process theory attempts to explain how coordination emerges between people with disparate expectations and ends. Emphasis is placed on the open-ended sequence of adjustments made due to learning and discovery. This theory emphasizes four aspects of markets.

First, the market depends on the existence of property rights, which delineate how resources are used and owned. Property rights can be formal, codified in governance institutions, or informal, enforced by customary institutions. They include use rights, ensuring that property owners can decide how their property is used as long as it does not violate the property rights of others, and cash-flow rights, ensuring that the gains or losses from the asset's use accrue to the owner. Market process theorists emphasize the importance of property rights in economic calculation, which refers to the ability to gauge the expected value of resource uses among an array of technologically feasible alternatives (see Mises [1920] 1935; Hayek 1948; Vaughn 1980; Lavoie 1985; Boettke 1998).

Second, markets are shaped by the cultures they are embedded in (Storr 2013; Grube and Storr 2015). *Culture* refers to patterns of meaning historically transmitted and shared by group members (see Geertz 1973; Lavoie 1991; Chamlee-Wright 1997; Storr 2013). It is the backdrop against which people experience, process, and act in the world. Culture matters because it influences the types of formal and informal institutions feasible, both at a point in time and across time. Institutions informed by culture include formal property rights and informal institutions such as degrees of individualism, respect, trust, and other norms that underlie social relations (Granovetter 1974; Storr 2008, 2013). Culture influences markets in many ways: it delineates who can buy and sell, what items can be bought and sold, how market participants act with and toward one another, and what potential opportunities are noticed or ignored.

Third, the market process is driven by entrepreneurial discovery (Kirzner 1973) and judgment (Foss and Klein 2012). As Kirzner (1973, 73) notes, "What drives the market process is entrepreneurial boldness and imagination; what constitutes that

process is the series of discoveries generated by that entrepreneurial boldness and alertness.” Alertness entails an awareness of profit opportunities. Judgment entails reasoned action in pursuit of an opportunity in the face of uncertainty. Prices and profit and loss are central to this ongoing process. Market prices incentivize alertness to potential profit opportunities. Once a profit opportunity has been identified, the entrepreneur must pursue the conjecture by making judgments about the best way to secure and organize resources and production. The profit-and-loss mechanism tests the accuracy of a perceived profit opportunity. Prices and profit and loss provide feedback to entrepreneurs, and hard budget constraints give an incentive to act on that feedback.

Finally, the microlevel interactions between people constituting the market process generate a spontaneous order—an orderly arrangement resulting from purposive human action, but not design (Hayek 2013). In markets, each person pursues their ends and interacts with others doing the same. In doing so, they contribute to a broader order that is visible only if we step back and take a bird’s-eye view of a market at a point in time. This order emerges without any planner; however, the individual participants may be aware of their contribution to the broader order. Spontaneous order in market contexts is a unique manifestation of voluntary and peaceful social cooperation and coordination without central planning and control.

### *Nonviolent Action and the Market Process*

Nonviolent action is ubiquitous in both instrumental and non-instrumental forms throughout the market process. Property rights are at the foundation of exchange; voluntary exchange requires that the parties have rights over the traded good or service. As market process theory clarifies, these property rights facilitate coordination and the efficient use of resources. But property rights do something even more fundamental—they transform potentially violent interactions into peaceful interactions. As Armen Alchian (n.d., para. 8) noted, “The fundamental purpose of property rights, and their fundamental accomplishment, is that they eliminate destructive competition for control of economic resources. Well-defined and well-protected property rights replace competition by violence with competition by peaceful means.” In other words, property rights over one’s person and resources provide the definitional foundation for nonviolent interaction. Since markets are grounded in property rights, market interactions are inherently nonviolent.<sup>1</sup> The connection between nonviolent action and markets does not end here.

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1. Some may object that property rights are enforced through the use of violence. However, exchange that begins from an agreed-upon set of property rights is peaceful. Disputes over property rights (which include both the enforcement of property rights and the violation of property rights) are conflicts that may or may not be resolved with violence (e.g., if I don’t pay my debts, you could violently lock me in debtors prison, or you could nonviolently note on my credit rating that I failed to pay a debt, which harms my reputation and reduces my future exchange opportunities). Some types of property rights are more likely to give rise to violent enforcement than others. Self-ownership entails less violence in enforcement than slave ownership does, for example.

Because markets entail voluntary and peaceful actions by buyers and sellers, they empower each side of the market to engage or refrain from engaging in interactions with each other. Markets allow their participants to engage in instrumental nonviolent action as envisioned by many scholars of nonviolent action. Nonviolent action is purposefully adopted as a means to achieve specific ends, made possible by the baseline peace that property rights ensure.

For example, Sharp (1973) presents 198 methods of engaging in nonviolent action. The list covers numerous activities that are based on the market process's logic, particularly on economic noncooperation. One form of economic noncooperation is boycotts. Boycotts are wide ranging and include boycotts by consumers (e.g., nonconsumption of boycotted items); boycotts by workers or producers (e.g., a refusal to participate in certain economic activities); boycotts by middlemen (e.g., a refusal to supply intermediate or final goods for sale); and boycotts by business owners (e.g., lockouts). Another form of economic noncooperation is the strike. Strikes also come in many forms, such as general protest strikes, walkout strikes by select groups, or coordinated work-to-rule action.

However, economic noncooperation is not the only way market participants can make decisions in the market that engender nonviolent social change. Entrepreneurs can differentiate their products by connecting them to some social cause or purpose. To the extent that the cause resonates with consumers, such differentiation can contribute to the profitability of the entrepreneur's venture. For instance, an entrepreneur might care deeply about the environment and ensure that their product is environmentally friendly in a way existing competitors are not. Consumers might already value that same cause, or the entrepreneur might take active steps to convince consumers that it should be an essential consideration in their purchasing decisions. Either way, to the extent that consumers care, the entrepreneur can capture market share by strategically associating their product with contributing to some specific cause separate from, but related to, the good or service itself.

Beyond instrumental nonviolent action, non-instrumental nonviolence in market contexts—which entails the spontaneous perpetuation of peaceful coordination and mutually beneficial exchange beyond the baseline peace necessary for markets to exist—contributes to three outcomes. The first outcome is the perpetuation of precedents where specific individuals involved in exchange benefit through positive-sum trade without central planning. Each of us who engages in even the most basic exchanges directly experiences the benefits of nonviolence daily, even though we typically take them for granted. Our engagements with others are embedded in cultures of peace that govern how we interact with other people and their property and navigate conflicts without resorting to violence.

As an illustration, the average grocery store in America stocks tens of thousands of products on its shelves. The economic mystery is how these products arrive on the shelves without any central planner. Market process theory offers insight into the economic mechanisms at work to facilitate the coordination of millions of dispersed

people around the globe. But the neglected point is that all of the micro-exchanges that went into producing and delivering those products also represent millions of mutually beneficial nonviolent actions. The resulting peaceful order is more significant than any individual nonviolent interactions that generate the overall order.

The second outcome of non-instrumental nonviolence is that the individual, micro-level exchanges contribute to a broader order based on nonviolent social relations with diverse people. This outcome is different from the first in that it is strictly about perpetuating peaceful social relations as opposed to mutually beneficial exchanges. Mises ([1949] 1996), Buchanan (1964), and Hayek (1976) favored the term *catallaxy* as an alternative to the term *economy*. They did so to emphasize that people in a society do not possess a single set of values or a single hierarchy of ends. The term *catallaxy*, which Hayek (1976, 108–9) defined as “the order brought about by the mutual adjustment of many individual economies in a market,” emphasizes that market outcomes emerge from the interactions of people with diverse values and goals. As Buchanan (1982) put it, “Order [is] defined in the process of its emergence” and does not exist absent the process that generates it.

There is another crucial aspect to the concept of catallaxy. Hayek (1976, 108–9) noted that “the term ‘catallactics’ was derived from the Greek verb *katallattein* (or *katallassein*) which meant, significantly, not only ‘to exchange’ but also ‘to admit into the community’ and ‘to change from enemy into friend.’” From this perspective, each micro-level interaction between people not only requires some baseline level of peace but also advances peaceful social relations and a broader culture of nonviolence. The result is a dense network of mutual interdependencies grounded in peace. As the extent of the market increases, so too do these interdependencies and the foundations of peace upon which they are based; these effects cannot be separated.

A final outcome of non-instrumental nonviolence in markets is that it serves as a check on political power. Hayek (1960) argues that property rights over one’s person result in a “private sphere” free from coercion. This sphere creates space for people to pursue their interests, experiment, interact with others, and leverage their tacit knowledge of time and place without meddling by political actors. Scholars of nonviolent action often focus on instrumental nonviolence as a means of checking abuses of political power. The nonviolence inherent in market interactions serves a similar function in limiting political power. As Buchanan (1991, 216) notes, “An economy organized on market principles minimizes the size and importance of the political bureaucracy.” The effectiveness of markets in this regard is often overlooked, with emphasis placed instead on their efficiency-generating properties.

The three outcomes of non-instrumental violence occur through two mechanisms encapsulated in the “doux (gentle) commerce thesis” and the “capitalist peace thesis.” The doux commerce thesis, which originates with Montesquieu, states that market participation leads to the cultivation of peaceful virtues, potentially through preference changes. Montesquieu ([1748] 2005, 316) wrote that “commerce is a cure for the most destructive prejudices; for it is almost a general rule, that wherever we

find agreeable manners, there commerce flourishes; and that wherever there is commerce, there we meet with agreeable manners.” In a similar vein, McCloskey (2006, 413) argues that “market society works as an ethical school,” whereby people develop virtues contributing to coexistence and cooperation with others. In her telling, markets not only require certain virtues—e.g., prudence, temperance, justice, and love—but also foster these qualities. Storr (2008) argues that markets are social spaces where both economic and non-economic conversations take place between participants. Therefore, markets can operate as arenas that allow participants to revise their existing social relationships, skills, and even moral preferences and to develop new methods for navigating conflict and non-conflict situations (Storr and Choi 2019).

Comparatively, the capitalist peace theory, which originates with Immanuel Kant’s *Perpetual Peace* ([1795] 1903), states that market participation leads to economic interdependence, shifting the budget constraint for belligerence and raising the cost of violence. Trade can contribute to peace through three channels (Gartzke 2007, 171).

First, capitalist countries tend to have similar policies, which means that one capitalist country has little to gain by using force to try to change the policies of its trading partners. Second, trade allows parties to benefit from differences in resource endowments and comparative advantage. Finally, if parties anticipate future gains from peaceful exchange, they have the incentive to maintain peace; trade and capital interdependence raise the relative price of violence between trading partners, encouraging them to resort to nonviolent means to settle disputes.

Although the mechanisms associated with the *doux commerce* thesis and the capitalist peace thesis are conceptually distinct, real-world outcomes of non-instrumental nonviolence are likely to be a combination of the two. Nonetheless, as changes in moral preferences are nebulous and difficult to capture in historical record, our illustrations focus on reflecting the role of economic interdependence in peace making.

## Illustrations

Nonviolent action is ubiquitous in market settings, as illustrated by the following examples.

### *Desegregation in the United States*

The United States has a long and sordid history of racial segregation, in which African Americans were excluded from jobs, public accommodations, schools, and neighborhoods based on their race. The civil rights movement, in which activists organized to resist segregation, is one of the most famous nonviolent social movements in history. Indeed, it features prominently in Gene Sharp’s work on the subject (see Sharp 1973).

The role of nonviolent collective action in efforts to end pervasive racial segregation is well known. However, the role of the market process in nonviolent efforts for desegregation is less recognized. We highlight two ways that market processes nonviolently contributed to desegregation. First, some entrepreneurs sought greater profits by voluntarily desegregating their previously segregated business ventures. Second, some members of the civil rights movement engaged in market activity that advanced the goals of the movement.

The owners or managers of firms with segregated workforces may choose to desegregate to seek higher profits. This is especially likely when segregation results from taste-based discrimination by employers. In these cases, employers are forgoing value that the workers they are discriminating against may otherwise create (Becker 1957). This creates an incentive for entrepreneurs to seize the profit opportunities left on the table by firms that discriminate (Coyne et al. 2007).

However, segregation may be more persistent when it results from consumers' preferences, such as a bigoted preference to watch white athletes rather than black athletes. In these cases, it may be profitable to cater to consumers' discriminatory preferences. Yet this need not be the end of the story, because even prejudiced consumers have multiple preferences. For instance, racist baseball fans may have preferred their favorite team to be entirely white, *ceteris paribus*. Yet they may have preferred watching their team win the pennant even more. This desire created a set of profit opportunities for entrepreneurs, who could increase their chances of winning by integrating their teams. In turn, they set in motion a process that altered the discriminatory consumer behavior. Coyne et al. (2007, 240) empirically document how the market process drove integration in Major League Baseball: "MLB owners who were alert to the benefits of integration for increasing wins also had the effect of shifting consumer behavior by raising the cost of continuing to engage in discriminatory behavior."

Market processes can also drive integration by being useful to nonviolent movements for integration. In some cases, activists act within markets to exert pressure against segregationists. Boycotts were a major tactic used during the civil rights movement. For example, in 1957 African Americans in Tuskegee, Alabama, "boycotted white businesses to protest a plan to redraw the town boundaries that would effectively exclude all but a handful of blacks from the voter rolls" (Chong 1991, 19). This was costly for politically influential white business leaders. Reputation mechanisms within the local African American community helped reinforce the boycott. Moreover, because skin color is easily observable, white merchants could easily observe defections from the boycott. The presence of black customers, therefore, led them to expect that the boycott would fail. To address this issue of expectations, "black maids whose duties included buying groceries for their white employers began wearing their aprons to the food stores to signal that they were not willingly breaking the boycott" (Norrell 1985, 98; quoted in Chong 1991, 19). This illustrates how boycotts depend not just on the observed reality of lost revenue, but also on merchants' expectations about the future.



Market processes also assisted civil rights activists by providing selective incentives that encouraged participation in collective action. Collective action for integration generates a public good for integration proponents, which results in incentives to free-ride on others' activism (Chong 1991; Olson 1965). However, by providing selective incentives—private goods that are received only by those who participate in collective action—this problem can be overcome (Lichbach 1994, 1998). Because markets are processes in which individuals learn and discover exchange opportunities, networking with others has significant private benefits. Forming social ties that can create opportunities for mutually beneficial exchange is one selective incentive that encouraged participation in civil rights activism. Attending meetings of the NAACP “gave middle class blacks an opportunity to socialize and provided a convenient forum in which black professionals could advertise their services to prospective clients” (Chong 1991, 32).

It is well known that collective action and nonviolent struggle by civil rights activists were crucial to desegregation. Market processes were also crucial to this nonviolent struggle for justice. White business owners and managers seized profit opportunities through integration, and this encouraged prejudiced consumers to learn and adapt. In addition, civil rights activists engaged in market activity as a tactic (e.g., boycotts). Simultaneously, they pursued commercial exchanges with individuals whom they met in activist spaces, which created selective incentives to participate in collective action.

### *Virtual Private Networks*

Virtual private networks (VPNs) enable users to extend a private internet network over a public internet network, allowing the user to access the internet securely even when the public network is restricted or surveilled. Companies offer this service to customers seeking network security and an evasion of government censorship. In China, VPN is a method of civil resistance to China's “Great Firewall”—the legislation and technologies created by the Chinese Communist Party to restrict information, limit dissent, disseminate propaganda, and encourage domestic technology production influenced by the Chinese Communist Party (CCP). From 2015 to 2021, Freedom House (2021) ranked China as the least free country worldwide for internet freedom.

Given these restrictions, demand within China for uncensored internet access is growing. Many VPN providers advertise that customers may bypass all restrictions and regain their online freedom. However, companies that less explicitly announce their ideological commitments or subversive benefits still produce a product that enables citizens to access content deemed illegal by restrictive governments like China. The global market for VPNs is highly competitive, with a growing customer base. China is expected to have a \$10 billion valuation by 2027 (Global Market Insights 2022).

Aiming to offer customers superior protection and access, VPN providers compete on accessibility, encryption, data protection, speed, the number of devices allowed, secure file storage, and price. Top companies advertise anonymous web usage and not recording user internet traffic. Their reputation depends on avoiding entanglements with governments and maintaining secure web services for users. If providers fail to protect their customers, they will be driven out of the market by competitors. The profit motive ensures that VPN companies will deliver superior means of civil resistance and internet security to their customers.

VPN businesses must innovate to remain viable in China. In 2017, the CCP made selling VPNs illegal, and Apple removed VPN apps from the app store in China (Qiang 2019). Although larger firms like Apple and firms run by Chinese citizens, who are more likely to be imprisoned, usually comply, smaller foreign firms sometimes continue to sell their services. Smaller firms tend to be more willing to risk being banned from China, and they adapt better to the regulatory environment and operating system changes from firms like Apple. NordVPN advertises, “China’s firewall is like a living organism—always evolving and searching for new ways to restrict the free internet. NordVPN is constantly working to circumvent restrictions in China and provide users with the best service. . . . We at NordVPN believe that private internet access, free of any surveillance or censorship, is important” (Markuson 2022).

VPN viability in this environment requires continual investment and revenue to market to customers while evading the CCP. These companies’ physical and human capital competes directly with that of the Chinese government, other VPN firms, and other users. Therefore, internet freedom is best protected through a global marketplace. Competition ensures experimentation, global corporations can evade national laws, competition better insulates against regulatory capture, and governments may well threaten citizens instead of protecting internet freedom.

Global VPN corporations seek to minimize costs for users in order to expand their customer base while maintaining their reputation. Firms lower prices by identifying scalable innovations and employing individuals with fewer demands on their labor. Cheaper services mean a larger share of the global population may purchase the service, gaining greater internet freedom and increasing the demand for civil rights. Indeed, VPN usage in China is negatively correlated with trust in the federal government (Xu, Ye, and Zhang 2022). This growing market represents one of many technologies aimed at subverting regulations or government restrictions in countries like China.

### *Vegetarianism*

It has been argued that farming animals for their meat, milk, and eggs causes serious harm, including immense suffering for farmed animals (Huemer 2018, 2019; Singer 1975), significant environmental externalities (De Sy et al. 2015; Machovina et al.

2015; Lavaine, Macherus, and Treich 2020; Godfray et al. 2018; Poore and Nemecek 2018; Springmann et al. 2017), and negative externalities related to infectious diseases (O'Neill 2015; Rohr et al. 2019). In response to these problems, some argue for government regulation of animal agriculture (see Pejman et al. 2019; U.S. Government Accountability Office 2004), while others destroy property (see Nocella and Best 2004; Loadenthal 2013; Braddock 2015; Drake 2021). These types of actions entail political conflict between farmers and activists. However, many who oppose animal agriculture choose to express their opposition through market activity.

Vegetarians and vegans choose to boycott animal products, instead consuming a variety of plant-based substitute goods. This consumption choice creates profit opportunities for entrepreneurs. For instance, some restaurateurs add more plant-based options to their menus, while others open vegetarian or vegan restaurants. Firms begin manufacturing substitute goods such as oat milk, Beyond Meat, Impossible burgers, and Just Egg. As closer substitutes are developed, the cost for consumers of switching from animal products to plant-based alternatives declines (see Swain-Wilson 2022).

One challenge vegetarians and vegans face is discerning which restaurants offer plant-based options. But these search costs create a profit opportunity for entrepreneurs. One example is the HappyCow app or website that allows users to search for vegan or vegetarian options within a given geographical area (Savedra 2021). HappyCow sells a version of its app and makes money through advertising. In the process, it enables coordination between buyers and sellers of plant-based food (Palmer 2015).

Market process theory emphasizes that goods, including food products, result from a structure of production involving complementary heterogeneous capital goods. Currently, a large proportion of the food people consume relies on a production process that treats animals as capital goods, pieces of property whose owners have use rights over, which include killing them. But the theory of the market process also highlights that existing structures of production are not fixed. Consumers can switch to substitute goods produced in different ways. Entrepreneurs can seize profit opportunities by catering to those consumers whose preferences are unaccommodated through arbitrage or through the discovery of new products or production processes (Kirzner 1997). These entrepreneurial acts promote peaceful, dynamic adjustments to the structure of production through time. As a result, consumers and producers can peaceably strive for a world that features less animal suffering while avoiding violent conflict.

### *Uber*

Decades before the rise of Uber, Tullock (1975) proposed the “transitional gains trap,” which refers to a situation where society is locked into an inefficient status quo because holders of government privilege will compete to maintain their rents despite the absence of extranormal returns. Tullock used taxi medallions as an example.

Current holders would lobby government to maintain their privilege because they had paid for it when they bought the medallion to operate their service, the value of the privilege being capitalized into the medallion's purchase price. What Tullock did not foresee was the rise of ride-sharing innovators like Uber.

Uber launched its product without government approval, a tactic Thierer (2020) calls "evasive entrepreneurship." The company created a competitive product that allowed drivers to circumvent existing regulations while demonstrating to customers the superiority of their product through peaceful voluntary exchange.

When the mayor of New York City, Bill de Blasio, attempted to limit ride sharing, Uber deployed what the company called the DE BLASIO button. Tapping it removed drivers from the app's map to show the effects of the proposed regulation. Uber also facilitated emails from customers to the mayor's office. Nonviolent forms of protest and persuasion by Uber, customers, and drivers drove policy change in New York City.

In Austin, Texas, Uber tried a different strategy. The city government regulated ride-sharing services so heavily that Uber engaged in social noncooperation through a withdrawal of operations from the city. By refusing to provide services as dictated by the city of Austin, Uber signaled that it was willing to fight back with civil resistance and forgo potential profits. Eventually, Uber and Austin's government agreed to more limited forms of regulation, and Uber returned.

Uber used the "Greyball" tool in the Uber app to engage in ostracism in Portland, Oregon. Erich England, a Portland code enforcement inspector, used the Uber app to set up sting operations against drivers. After England was identified as a city official, the app placed him in Greyball mode. It warned drivers not to pick him up. Uber also displayed fake cars driving around the city map on England's phone. This form of ostracism not only protected drivers from penalties but generated news stories that delegitimized code enforcers.

Uber frequently used peaceful forms of civil disobedience, like breaking the law or ignoring laws granting taxicabs monopoly privileges. Congested courts struggled to keep up with the citations, and the company assisted drivers in paying legal fees. These efforts increased the cost for cities weighing the decision to continue enforcing ride-sharing regulations. Eventually, most cities determined that the expenses, including enforcement costs, outweighed the benefits of regulation. While Uber's short history contains many more instances of instrumental nonviolent action, the examples discussed here demonstrate civil resistance's relevance to Uber's success while illustrating the broader relevance of these techniques to push back against government overreach.

### *The Hanseatic League*

Evidence of the market process in nonviolence predates modernity. One example of this is the Hanseatic League (also known as the Hanse). The Hanseatic League had

neither managing officials nor a binding umbrella institution like a confederacy. It was merely a self-enforcing voluntary economic alliance of many cities that formed to secure safe and profitable routes for market exchange (Fink 2012). The purpose of the Hanseatic League was to enable its members to enjoy trade privileges in cities of foreign territories (Fink 2012; Jenks 2005, 37–40). The league was an emergent order with no date of foundation or dissolution, as it emerged without central planners designing or announcing it (Selzer 2010, 13–14). Instead, it formed because of the development of cities as centers of trade across centuries, the growing population in cities leading to an increased demand for goods, and the opening of the Baltic Sea by northern German settlers (Hammel-Kiesow et al. 2015, 34).

The instrumental use of nonviolent methods like multilateral boycotts as the primary tool against aggressive rulers and fraudulent merchants played an essential role in unleashing a dynamic of non-instrumental peaceful changes that characterized the Hanseatic League. It was, in many cases, successful in stopping aggressive rulers from abolishing granted trade privileges (Harreld 2015). It is essential to recognize that the power of boycotts assumes a baseline level of trade with the boycotted and a reliance on the boycotter for certain goods; otherwise, the boycott would not change anything. The baseline was necessary to influence the behavior of Hanseatic League member cities (insiders) to cooperate with maintaining blockades, as well as influencing the behavior of political rulers outside the league. The more the market was allowed to operate, the further entrenched the interdependence was, and the higher the cost of noncooperation for insiders and outsiders to the league. The entrenchment in economic interdependence further incentivized peaceful engagement in the market, bringing about a self-reinforcing equilibrium.

Consider the German towns' embargo on Norway in 1284, which was imposed after Norwegians attacked and pillaged a German trading ship despite granting the Hanse trade privileges. The embargo strictly prohibited the export of grain, flour, vegetables, and beer to Norway, such that the chronicler Detmar indicated that "there broke out a famine so great that [the Norwegians] were forced to make atonement" (Dollinger 1970, 49). German towns posted ships in the Danish Straits to maintain the embargo in the face of merchants' incentives to defect and sell to Norwegians (48). The Hanseatic League was particularly successful in securing its demands by utilizing economic noncooperation or embargo strategies in the fourteenth century, as with the blockade of Bruges in 1358 and blockade of Bergen in 1368 (Harreld 2015).

Besides instrumental use of economic nonviolent methods, the emergence of the Hanseatic League came with economic interdependence that reduced violence among the Hanse city-states. The reduction of violence among the Hanses and states trading with the Hanses at the Hanseatic League's peak was spontaneous and non-instrumental. While market participants did not necessarily individually plan to be more dependent on foreign cities, they effectively became so over time, and thus had an incentive to avoid aggressive behavior likely to bring forth embargos. The interdependence further

encouraged member cities to utilize nonviolent methods of resolving conflict, as evidenced by the rare engagement in warfare. The emergent interdependence and high cost associated with noncooperation with the league's interests allowed it to form a unified front against external threats and strengthened internal peace and stability, especially after the Peace of Stralsund in 1370 (Harreld 2015).

## Conclusion

Scholars focused on both the market process and nonviolent action would benefit from paying more attention to the peaceful features of markets for two reasons. First, given the baseline conditions necessary for market interactions, the market process is a means of bridging differences between people in a peaceful manner. In fact, differences between people drive the mutually beneficial market process. Wealth increases when parties can specialize according to their comparative advantages. Differences between people and competition over scarce resources are potential sources of violent conflict. But markets offer an environment where instrumental and non-instrumental nonviolence can be practiced to transform potentially violent conflict into peaceful social exchange. These interactions directly benefit those involved in exchanges while fostering broader cultures of peace that include the many ways people peacefully interact with others.

Second, markets provide a means for private people to peacefully check government power. They do so by enabling people to experiment and innovate to solve an array of problems without relying on the state. Moreover, markets empower people to resist and push back against government overreach using nonviolent methods. They enable resistance through the introduction of alternative products and services to those offered by states or by enabling people to circumvent state activities that curtail their freedoms (civil, economic, and political). From this perspective, peaceful market exchange can be seen as a form of resistance against expansions in state control over the lives of ordinary citizens, and as potential source of radical social reform.

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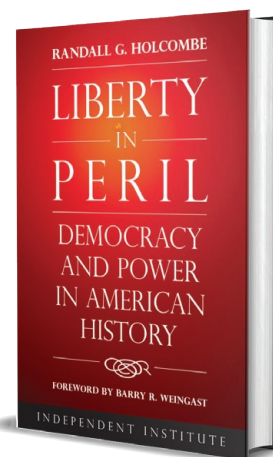
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