

A META-ANALYSIS OF ORGANIZED CRIME: GOVERNMENT VS MAFIA

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ABSTRACT

This meta-analysis pioneers a novel approach by leveraging systems, chaos, and complexity theory to evaluate the immense harm inflicted on society and the economy by legal and illegal organized crime, using official and recognized data from OECD, Eurostat, UNODC, and World Bank. Focusing on the USA, Europe (excluding Eastern Europe), and East Asia (primarily China) across three periods (1900-1950, 1950-2000, 2000-2025), it quantifies legal crime—government taxation, regulation, and bureaucratic overreach—as the largest non-consensual theft in history, extracting trillions annually (\$5,500 billion in the USA, \$9,000 billion in Europe, \$4,500 billion in East Asia by 2000-2025) against illegal crime's billions (\$150 billion, \$120 billion, \$200 billion). This 30-75x disparity exposes governments as the most destructive syndicates, orchestrating a massive redistribution scheme that disrupts economic vitality and fuels illegal crime through prohibitions and regulatory voids. Systems theory reveals synergistic feedback loops where legal crime fosters illegal activities, with a 0.5% rise in black-market activity per 1% tax increase, amplifying societal decay through economic strain and moral erosion. Chaos and complexity theory highlight how small perturbations—like tax hikes or psychopathic leadership—trigger nonlinear escalations, as seen in historical collapses and modern authoritarianism sustained by AI surveillance and digital currencies. Consequences include fractured families, rising substance abuse, and biased justice systems. Anarcho-capitalist solutions—voluntary markets, legalization (e.g., Portugal's drug policy cut deaths by 80%), and armed self-defense (civilians stop 36% of U.S. active shooters)—could redirect trillions to innovation, shrink illegal markets, and restore moral clarity, countering systemic corruption.

KEYWORDS

Legal organized crime, Illegal organized crime, Anarcho-capitalism, Systemic corruption, Taxation, Black markets, Psychopathy, Systems theory

1. INTRODUCTION

1.1 Background

This meta-analysis delves deeply into the realities and multifaceted impacts of two distinct yet strikingly parallel forms of organized crime: legal organized crime, systematically perpetrated by governments through entrenched mechanisms such as taxation, regulation, licensing, expropriation, and conscription, and illegal organized crime, executed by mafias, cartels, gangs, triads, and other illicit networks via activities like extortion, drug trafficking, weapons smuggling, human trafficking, and murder. At their core, both forms share profound ethical similarities, as they frequently involve non-consensual acts that fundamentally violate individual autonomy, property rights, and personal liberty,

often under the pretext of necessity or protection (Rothbard 1982). For instance, governments compel citizens to surrender earnings through taxes under threat of imprisonment, mirroring the coercive demands of mafias for protection money, yet one is institutionalized as a civic obligation while the other is criminalized. This ethical equivalence stems from the non-voluntary nature of these interactions, where victims are deprived of choice, leading to economic distortion, societal resentment, and a erosion of trust in systems meant to serve humanity.

Despite these parallels, societal perceptions of legal and illegal organized crime diverge dramatically, shaped by cultural conditioning, propaganda, and power dynamics. Governments command widespread acceptance and are often embraced with near-religious fervor by populations across diverse cultures, viewed as indispensable pillars of order, security, and progress, even when their actions result in widespread harm (Durkheim 1893). This devotion is cultivated through education, media, and national narratives that portray state authority as benevolent, masking the parasitic extraction of resources. In contrast, mafias and gangs are vehemently outlawed by governments for two primary reasons: first, they represent unwanted competition in the realm of coercion and resource control, directly challenging the state's monopoly on violence; and second, they are counterproductive to society and the economy by diverting funds away from taxable channels, thereby reducing government revenues and undermining the fiscal base that sustains bureaucratic expansion (Buchanan 1975). Such claims may appear bold, but they are readily illustrated through economic examples that highlight the hypocrisy and self-interest at play.

Consider a citizen purchasing and consuming 1 kilogram of cocaine at the current street value of approximately €50-60 per gram in Europe, totaling around €50,000 to €60,000 for the full amount—Mundo America (2025). In this black-market transaction, no value-added tax (VAT) or income taxes flow to the government; the entire sum circulates outside official channels, enriching criminal networks while depriving the state of revenue. If the same €50,000 were spent on a legal good like a BMW automobile, the transaction would generate substantial taxes at multiple levels: VAT on the purchase (typically 19-21% in Europe), corporate income taxes paid by the dealership and BMW on their profits, and ongoing levies on vehicle registration, insurance, license plates, fuel (including excise duties), oil, and maintenance services (Eurostat 2024). Furthermore, if the vehicle incurs minor damage in a fender bender, insurance premiums rise, and repairs trigger additional taxable events, all benefiting the government through a cascade of revenue streams. This scenario exemplifies how illegal activities like drug trafficking not only compete with state-sanctioned economies but actively reduce the taxable base, prompting governments to criminalize them aggressively to protect their fiscal interests.

The pattern extends to environmental policies, where governments impose carbon taxes on private vehicles and fossil fuels, ostensibly to combat climate change, while manipulating public sentiment to foster a sense of guilt over personal carbon footprints—Earth.org (2024). Critics argue that carbon taxes function more as a revenue scheme than an effective environmental tool, disproportionately burdening lower-income individuals (regressive nature) and lacking clear evidence of reducing emissions, serving instead to expand government coffers under the guise of moral imperative—Cato Institute (2016). Drugs, similarly, are only deemed acceptable when licensed, regulated, and taxed by the state, revealing a blatant economic motive behind prohibitions. For example, while harder substances remain banned, the legalization of cannabis in various U.S. states has transformed it into a veritable cash cow, generating \$4.2 billion in annual tax revenue across legal markets in 2023 alone—Investopedia (2024)—with cumulative adult-use cannabis tax revenues surpassing \$20 billion since widespread legalization began, providing significant economic benefits through sales taxes, excise duties, and job creation in the industry—Marijuana Policy Project (2024). This revenue stream demonstrates lower severe side effects compared to alcohol or harder drugs, yet governments historically kept cannabis illegal, forgoing billions in taxes while fueling black markets and criminal

enterprises—Tax Foundation (2023). The question of why adults are forbidden from deciding for themselves what to consume underscores the real agenda: control over taxation, regulation, and licensing, rather than genuine public health concerns.

If governments truly prioritized health and safety, proven carcinogenic substances like glyphosate—a widely used herbicide classified as "probably carcinogenic to humans" (Group 2A) by the World Health Organization's International Agency for Research on Cancer in 2015—would have been banned long ago—IARC (2015). Despite this classification and ongoing lawsuits linking it to non-Hodgkin lymphoma, governments like the U.S. EPA continue to approve its use, citing insufficient evidence of human carcinogenicity, while several cities and countries (e.g., Austria, Vietnam) have imposed restrictions or bans—EPA (2024); Motley Rice (2025). This inaction in the face of scientific concerns illustrates governmental failure and hypocrisy, where economic interests (e.g., agribusiness lobbying) override public welfare, allowing harmful substances to persist while benign ones like cannabis face prohibition until taxable.

In the face of such obvious governmental shortcomings—inefficiency, corruption, and selective enforcement—rebellion against the system becomes romanticized, transforming outlaws into symbols of freedom fighters, even when they are murderous psychopaths devoid of moral compass (Hobsbawm 1969). This glorification permeates popular culture: rap music idolizes urban gangsters as anti-heroes rising from poverty, rock anthems celebrate defiant rebels against authority, and Hollywood films portray mafias with a veneer of honor and charisma, humanizing their violence as a response to systemic injustice (Scorsese 1990). Similarly, the Japanese Yakuza is depicted in media as bound by codes of loyalty, originating from historical resistance to oppressive taxes; the Russian mob as resilient survivors of state collapse; Hong Kong triads in action films as cunning operators in chaotic urban landscapes; Latin American cartels as powerful empires challenging corrupt governments; and U.S. urban gang violence as a gritty tale of survival and brotherhood (Kaplan and Dubro 2003). These portrayals are embraced by smaller yet significant demographics, particularly influenced by ethnicity (e.g., African American communities in rap culture), culture (e.g., Japanese honor codes in Yakuza lore), and socioeconomic context (e.g., impoverished areas viewing gangs as protectors), fostering a counter-narrative to state dominance (Savona and Riccardi 2015). Both are marketing ploys distracting from the fact that the two groups operate in similar ways and even cooperate on occasions, such as the CIA's support for Panamanian dictator Manuel Noriega, who was on the agency's payroll for intelligence while facilitating cocaine trafficking into the US during the 1980s, with the US turning a blind eye until relations soured in 1989 (Wikipedia, 2025; The Guardian 2017). Another historical example is the US government's alliance with the Italian-American Mafia during World War II, known as Operation Underworld, where mob boss Lucky Luciano provided intelligence and dock security to prevent sabotage on US waterfronts and aided the Allied invasion of Sicily in 1943 by mobilizing Mafia contacts on the island (Wikipedia, 2025; The History Reader 2012). In Southeast Asia during the Vietnam War, the CIA allegedly tolerated or facilitated opium trade in the Golden Triangle (Burma, Laos, Thailand) to support anti-communist allies, with Air America flights reportedly transporting opium for Laotian generals involved in heroin production destined for US markets (McCoy 1972) ; The Politics of Heroin 2025 . Modern instances include allegations of Mexican government officials cooperating with drug cartels, such as state-cartel alliances for protection, bribery, and political funding, as seen in the Sinaloa Cartel's influence over local authorities and accusations against former presidents' associates (New York Times, 2024; Texas Public Policy Foundation, 2025). In the Western Balkans, governments tolerate or collaborate with organized crime for economic benefits, bribes, and political muscle, as in Montenegro's cigarette smuggling under Milo Đukanović or Serbia's use of football hooligans linked to drug trafficking for security at political events (Vogler 2021).

This study adopts a resolute pragmatist approach, concentrating exclusively on measurable outcomes—

quantifiable economic gains for the perpetrators and corresponding societal losses in terms of wealth, freedom, and human well-being—while eschewing speculative explorations of psychological drivers, such as why individuals glorify criminals or submit to governments (Skinner 1953). Grounded firmly in anarcho-capitalism, which advocates for a society based solely on voluntary interactions and free markets without coercive states, the analysis challenges the pervasive hypocrisy of labeling identical acts (e.g., taxation versus extortion, conscription versus kidnapping) as legal or illegal purely based on their origin, whether from elected officials or underground bosses (Hoppe 2001). By quantifying and comparing these impacts across three diverse regions—the USA, with its individualistic federal system; Europe excluding Eastern Europe, characterized by high-welfare social democracies; and East Asia, dominated by China's collectivist authoritarianism alongside Japan and South Korea's hybrid models—over three historical periods (1900-1950, marked by industrialization and wars; 1950-2000, post-war recovery and globalization; 2000-2025, digital era and rising inequalities)—this meta-analysis aims to expose the disproportionate scale of legal crime's harm and advocate for voluntary alternatives that eliminate such distortions (Rothbard 1973).

1.2 Definitions and Terminology

To ensure clarity and precision in this meta-analysis, it is essential to define key terms rigorously, as they form the foundation for comparing legal and illegal organized crime from an anarcho-capitalist perspective. “Crime” is defined as any act that violates an individual’s consent, encompassing actions such as theft, violence, or coercion, irrespective of whether the act is sanctioned by law or societal norms (Rothbard 1982). This definition rejects the conventional legalistic view that crime is solely what the state prohibits, instead grounding it in the ethical principle of non-aggression, where the absence of voluntary agreement renders an act inherently wrongful. For example, stealing a person's property is a crime not because a government deems it so, but because it infringes on the victim's autonomy and rights without their permission, leading to a pragmatic focus on the outcomes—economic loss, emotional harm, and societal disruption—rather than the perpetrator's intent or authority.

“Organized crime” refers to coordinated activities undertaken by groups, whether formal institutions like governments or informal networks like mafias, triads, or cartels, aimed at achieving financial gains, power consolidation, or resource extraction through such non-consensual acts (Gambetta 1993). Organization here is not limited to human endeavors; it is a natural phenomenon observed across all levels of existence, from subatomic particles interacting in quantum fields to complex ecosystems and human societies, where entities collaborate to enhance efficiency and survival (Kauffman 1995). However, the level of consciousness in these organizations varies greatly—particles operate without intent, while human groups may exhibit deliberate strategy—but this study deliberately sidesteps philosophical debates on consciousness, as they are intersubjective and speculative, drawing from thinkers who highlight the difficulty in defining or measuring it scientifically (Sapolsky 2004; Skinner 1953). Instead, we prioritize observable results, such as the economic impacts and societal losses, to maintain a pragmatist stance that minimizes speculation on motivations.

“Legal crime” encompasses actions by governments that extract resources or impose controls without the explicit consent of those affected, including taxation, regulation, licensing requirements, expropriation of property, and military conscription (Buchanan 1975). These mechanisms are often rationalized as serving the “greater good,” such as funding public services or maintaining order, but from an anarcho-capitalist viewpoint, they represent institutionalized theft and violence, parasitic in nature as they rely on threats of imprisonment or force to ensure compliance (Nozick 1974). For

instance, taxation compels individuals to surrender a portion of their earnings under penalty of law, mirroring extortion but legitimized by state authority, which distorts free markets and individual liberty. Similarly, regulations and licensing create barriers to entry, favoring established entities and stifling innovation, while expropriation seizes private property for "public use," often benefiting oligarchic interests rather than the populace.

In contrast, "illegal crime" includes activities by non-state groups like mafias, which pursue similar ends through extortion, drug trafficking, weapons smuggling, prostitution, and other black-market operations, frequently enabled or exacerbated by government prohibitions that create artificial scarcities and profitable underground economies (UNODC 2010). This category also covers unaddressed or inadequately prevented crimes such as rape, human trafficking, and murder, which governments fail to mitigate despite their claims of providing protection, thus highlighting state complicity through negligence (Savona and Riccardi 2015). Drug trafficking, for example, thrives because of bans that inflate prices and empower cartels, while trafficking exploits weak border controls and enforcement gaps, resulting in immense human suffering and economic costs not fully captured in official statistics.

The central distinction in this study lies between voluntary and non-consensual actions: anarcho-capitalism posits that only interactions based on mutual consent are ethically legitimate, rejecting all forms of violence except when necessary for self-defense against imminent threats (Rothbard 1982). Voluntary exchanges, such as free-market trade or consensual agreements, enhance efficiency and prosperity without harm, whereas non-consensual acts—whether by states or criminals—violate individual sovereignty and lead to inefficiency, resentment, and societal decay. This framework underscores the hypocrisy inherent in labeling identical acts differently based on their origin: taxation is deemed a civic duty when imposed by governments, yet extortion when demanded by mafias, despite both involving coercive extraction without consent (Hoppe 2001). This double standard is not unique to anarcho-capitalists; the founding fathers of the United States recognized it implicitly in the Constitution, particularly the first six amendments of the Bill of Rights. The Fifth Amendment explicitly protects life, liberty, and property from arbitrary deprivation, establishing these as fundamental human rights inviolable by any authority (Hamilton et al. 1788). The First Amendment safeguards freedom of speech and assembly, enabling citizens to inform themselves and others about abuses, while the Second Amendment ensures the right to bear arms for self-defense against tyranny or crime, regardless of whether the threat is from legal (governmental) or illegal sources (Halbrook 1984). These provisions were designed to prevent the very hypocrisy of state-sanctioned violations, reflecting a deep distrust of centralized power.

Reintroducing James Buchanan's concept of "constitutional anarchy" is pertinent here, as it exposes the deceptive mechanisms by which ostensibly conservative forces undermine constitutional safeguards. Buchanan, a Nobel laureate in economics, coined "constitutional anarchy" to describe a state where government actions exceed constitutional boundaries, resulting in arbitrary federal influence over individuals without adherence to agreed-upon rules, effectively creating a lawless expansion of power under the guise of legitimacy (Buchanan 1975). However, this term can be seen as a "scam" in the context of political subversion, as Buchanan revealed how "conservative" Republicans, much like Democrats, manipulate institutions to erode the founding fathers' vision. By labeling it "constitutional anarchy," Buchanan highlighted the hypocrisy where politicians from both sides claim to uphold the Constitution while systematically weakening it through unchecked spending, regulatory overreach, and debt accumulation, turning the document into a facade for oligarchic control (Buchanan and Tullock 1962). This subversion aligns with the study's view that left-right distinctions are illusory, with marginal differences in outcomes but shared goals of expanding state power at the expense of individual freedoms.

It is crucial to realize that murder is universally deemed unacceptable across all societies, religions, and ethical systems, condemned as the ultimate violation of human life and dignity (Aquinas 1265-1274). Yet, this principle is hypocritically abandoned when murder is ordered by governmental or religious authorities in the form of war, where the same act—violently ending human lives, often with horrific consequences like civilian casualties, mutilation, and psychological trauma—is reframed as an act of bravery, heroism, or divine duty (Tolstoy 1894). Soldiers are celebrated, awarded medals—mere cheap pieces of metal designed to instill pride in assassination—without critical reflection, driven by sheer obedience that stems from conscription or propaganda-induced loyalty (Milgram 1974). This hypocrisy reveals a profound moral inconsistency: what is reviled in peacetime as heinous becomes glorified in wartime, not because the act changes, but because authority redefines it, exploiting human tendencies toward conformity and nationalism to justify mass killing (Arendt 1963).

State-ordered murder must not be confounded with self-defense, which is a legitimate response to immediate threats against one's life, family, property, community, or nation. Anarcho-capitalism views self-defense as an inherent right, directly tied to the Second and Fifth Amendments, which empower individuals to protect their liberty and possessions without relying on state intermediaries that often fail or exacerbate harm (Rothbard 1973). Freedom, progress, property, and societal achievements must be defended against aggressors, whether foreign invaders or domestic tyrants, but this defense is reactive and proportionate, not preemptive aggression disguised as policy.

Understanding the U.S. Constitution is a prerequisite for recognizing how both Democrats and Republicans—abstracted as "left" and "right" to imply vast differences that are marginal in practice—collaborate in undermining freedoms and constitutionally guaranteed rights. Since George W. Bush's administration, every president has dramatically increased public debt, regardless of party affiliation: Bush added over \$5 trillion through wars and tax cuts, Obama nearly \$9 trillion amid economic recovery, Trump \$7.8 trillion with tax reforms and pandemic spending, and Biden over \$6 trillion through infrastructure and relief packages (CBO 2023). This bipartisan fiscal irresponsibility erodes economic liberty, inflating currency and burdening future generations, all while claiming to uphold constitutional values.

In Germany, conservative leaders like Helmut Kohl (1982-1998), Angela Merkel (2005-2021), and now Friedrich Merz have contributed to the federal republic's ruin by driving public debt out of control—from Kohl's reunification costs exceeding €2 trillion to Merkel's handling of the Eurozone crisis and energy policies that ballooned deficits—while increasing taxation, regulation, and failing to manage immigration in ways that integrate newcomers productively, leading to social and economic strains (IMF 2022). Kohl's era saw debt rise from 40% to 60% of GDP, Merkel's stabilized but did not significantly reduce it post-2008, maintaining high levels around 80% amid welfare expansions (Bundesbank 2021), while Merz—despite campaigning on promises of fiscal discipline—signed off on the highest new loan in German history, nearly €800 billion, to fund defense and infrastructure through a loosening of the debt brake, further entrenching state dependency and economic distortion (taz.de 2025). In Spain, the socialist PSOE (Spanish Socialist Workers' Party) bears significant blame for the country's precarious economic situation and unsustainable welfare system teetering on collapse, with debt surging under José Luis Rodríguez Zapatero (2004-2011) from 40% to 70% of GDP during the financial crisis, and Pedro Sánchez (2018-present) pushing it above 120% through pandemic spending (Eurostat 2023). However, the conservative Partido Popular (PP) actively supported these policies, as under Mariano Rajoy (2011-2018), debt continued climbing to 98% despite austerity measures, revealing bipartisan complicity in fiscal mismanagement that prioritizes short-term political gains over long-term stability (OECD 2022).

This elaboration on definitions and terminology reinforces the study's anarcho-capitalist foundation,

exposing how legal and illegal organized crime share ethical flaws, amplified by political hypocrisy that transcends borders and ideologies, ultimately eroding individual rights and societal progress (Hayek 1973).

1.3 Theoretical Framework

The study is firmly grounded in anarcho-capitalism, a philosophical and economic paradigm that categorically rejects all non-consensual acts, including those orchestrated by governments, as inherently unethical and detrimental to human flourishing, instead advocating for a society built entirely on voluntary, free-market interactions where individuals engage in mutually beneficial exchanges without coercion (Rothbard 1982). This lens provides a critical tool for dissecting state interventions, such as the subtle and overt mechanisms that undermine the U.S. Constitution's foundational protections—particularly the First Amendment's guarantee of free speech and assembly to expose abuses, the Second Amendment's right to bear arms for self-defense against tyranny, and the Fifth Amendment's safeguards for life, liberty, and property against arbitrary seizure (Buchanan 1975). These amendments were crafted to prevent the concentration of power that enables organized crime, yet historical subversion by both political parties has eroded them, turning democratic institutions into facades for oligarchic control. Governments, much like mafias, function as oligarchic structures at their core, engaging in wealth redistribution through taxes and welfare, suppressing dissent via regulation and surveillance, and perpetuating their existence under various ideological labels such as democracy, socialism, nationalism, or monarchy, all of which prioritize organizational self-preservation over individual happiness and prosperity (Hoppe 2001). Anarcho-capitalism critiques this by emphasizing that true progress arises from decentralized, consent-based systems, where competition and innovation thrive without the distortions of coerced hierarchies.

To enrich this foundation, the study integrates complexity, chaos, and systems theory as an interdisciplinary approach, indispensable for moving beyond the constraints of linear mathematics prevalent in conventional economics, which impose rigid models that fail to reflect the dynamic, unpredictable nature of real-world systems (Prigogine 1997). Complexity theory conceptualizes organizations—be they states, corporations, or criminal syndicates—as complex adaptive systems comprising interconnected agents that adapt to environmental changes, producing emergent properties like resilience or fragility that cannot be reduced to simple equations (Holland 1995). Chaos theory adds depth by demonstrating how minor perturbations, such as a psychopathic leader's decision, can lead to disproportionate outcomes through sensitive dependence on initial conditions, often manifesting as sudden shifts or bifurcations in system behavior (Lorenz 1993). Systems theory unifies these perspectives, viewing societies as open, holistic entities with feedback loops that maintain homeostasis or drive evolution, where inputs like power concentration can amplify dysfunctions leading to systemic collapse (von Bertalanffy 1968). This interdisciplinary synthesis is crucial because linear models—assuming equilibrium and predictability—create distortions in human affairs, such as in money creation where central banks' interventions ignore chaotic market signals, resulting in bubbles and crashes that exacerbate the harm of organized crime (Hayek 1944).

Central to this framework is the correlation between psychopathy and the dynamics of organization and power, where psychopathic traits—characterized by high intelligence, lack of empathy, superficial charm, and ruthlessness—disproportionately attract individuals to leadership roles, enabling them to exploit systems for personal gain while inflicting widespread detriment on society and progress (Hare 1999; Kayser 2025a). Kayser's work links psychopathy to state power, arguing that these traits thrive in hierarchical structures due to unaccountability, fostering corruption and inefficiency that hinder

innovation and equity (Kayser 2025a). Building on this, Kayser's subsequent exploration posits psychopathy as nature's mechanism for ensuring equilibrium through the extinction of overly dominant organizations, framing behavioral disorders like psychopathy and narcissism as catalysts of universal flux that disrupt stasis and facilitate renewal (Kayser 2025b). In this view, psychopathy acts as a super-efficient driver of change, initiating non-linear disruptions with minimal input, akin to a domino cascade or volcanic eruption that destroys but enables rebirth, preventing any single entity from achieving perpetual dominance (Conceptual Example 1.2; Kayser 2025b). Historical examples abound: psychopathic leaders like Hitler, Stalin, and Mao caused immense human suffering—approximately 105 million deaths—yet their regimes' collapses paved the way for renewal, such as Western Germany's economic miracle (4.5% GDP growth 1965–1989), Russia's resurgence under Putin, and China's post-Mao reforms achieving 10% annual GDP growth by 2010 (Bullock 1991; Pei 2016; Rummel 1994; Kayser 2025b). Kayser argues that "the biggest changes in human history might actually stem from behavioral dysfunctions and not from technologies per se," with psychopathy triggering cascading effects that destabilize feedback loops, forcing systemic evolution or extinction (Kayser 2025b).

This perspective aligns psychopathy with natural limits, where disorders serve as evolutionary tools to counterbalance dominance, much like predators in ecosystems prevent overpopulation (Boddy 2011). In organizational contexts, subclinical psychopathy (PCL-R scores 20–30) excels in leadership, using charisma to manipulate, as in Enron's scandal where psychopathic executives caused regulatory reforms through market collapse (Babiak and Hare 2006; Kayser 2025b). Contemporary examples include democratic erosions, like the UK's 2025 imprisonment of over 3,200 for silent prayer or social media posts, and Spain's corrupt land expropriations for solar farms, illustrating how psychopathic tendencies in power lead to systemic failure (Human Rights Watch 2025; Euronews 2025; Kayser 2025b). Chaos theory explains this efficiency: small psychopathic actions yield massive consequences via sensitive dependence (Gleick 1987; Kayser 2025b). Systems theory shows how these disorders disrupt equilibrium, driving adaptation but risking chaos without checks (Von Bertalanffy 1968; Kayser 2025b).

Natural limits to organization thus appear as rise and fall cycles, exemplified by the Third Reich (1933–1945, 12 years of overexpansion), the USSR (1922–1991, 69 years of stagnation), or the PRC (1949–present, adapting but strained) (Pipes 1993; Shambaugh 2008). Psychopathy exacerbates these, as leaders' traits accelerate decay, correlating with power to society's detriment (Kayser 2025a; Kayser 2025b). Linear systems like economic planning amplify harm by ignoring self-organizing patterns, creating distortions that psychopathic exploitation thrives on (Hayek 1944; Mises 1949). This framework views governments as primary parasites and mafias as secondary, both exploiting hosts, with psychopathy as nature's flux catalyst for equilibrium via extinction (Olson 2000; Kayser 2025b). The interdisciplinary approach enables nonlinear analysis, advocating decentralized systems to counter psychopathic risks and foster progress (Boddy 2011; Kayser 2025a; Kayser 2025b).

1.4 Methodology

This meta-analysis employs a systematic and rigorous aggregation of historical data from authoritative sources, including international organizations and peer-reviewed academic studies (e.g., OECD for taxation metrics, UNODC for illicit crime estimates, Eurostat for European fiscal data, IMF for macroeconomic trends, and World Bank for regional economic indicators), to derive precise estimates of the economic impacts of legal and illegal organized crime across three regions—the USA, Europe (North, West, Central, South, including the UK, excluding Eastern Europe for consistency in market

economies), and East Asia (PRC, Japan, South Korea)—over three distinct historical periods: 1900-1950 (industrialization and world wars), 1950-2000 (post-war recovery and globalization), and 2000-2025 (digital era and rising inequalities) (OECD 2020; Eurostat 2024; UNODC 2023; IMF 2018; World Bank 2024). Source selection prioritizes methodological rigor, data transparency, and cross-verification to ensure reliability, aligning with the study's pragmatist commitment to empirical outcomes over speculative narratives. The approach integrates complexity, chaos, and systems theory to capture the nonlinear dynamics of organized crime, avoiding the distortions of linear economic models that oversimplify human systems and fail to account for emergent behaviors like corruption or collapse driven by psychopathic leadership (Prigogine 1997; Kayser 2025a).

For legal organized crime, encompassing government actions like taxation, regulation, licensing, expropriation, and conscription, we compile tax revenue data adjusted to 2020 constant USD to ensure temporal comparability, alongside average tax burdens (tax-to-GDP ratios, including income taxes, social security contributions, VAT, property taxes, vehicle taxes, and excise duties). These are drawn from comprehensive datasets for the USA, Europe, and East Asia across 1900-1950, 1950-2000, and 2000-2025, using national accounts and international reports adjusted for inflation and purchasing power parity (OECD 2020; Eurostat 2024; World Bank 2024). For instance, U.S. tax revenues escalated from \$15 billion (15% tax-to-GDP) in 1900-1950 to \$5,500 billion (45%) in 2000-2025, reflecting federal expansion, while Europe's rose from \$25 billion (20%) to \$9,000 billion (50%), driven by welfare states, and East Asia's from \$10 billion (15%) to \$4,500 billion (35%), shaped by state-led growth (Tanzi and Schuknecht 2000). These metrics reveal how political systems—democratic, social-democratic, or authoritarian—influence extraction scales, with complexity theory highlighting how feedback loops (e.g., welfare dependency) amplify state power (Holland 1995).

For illegal organized crime, including mafia-driven extortion, drug trafficking, weapons smuggling, prostitution, and unaddressed crimes like rape, trafficking, and murder, we estimate financial gains and victim numbers using specialized reports that combine law enforcement data, victim surveys, and econometric modeling (UNODC 2023; Europol 2023). Financial gains are calculated in 2020 constant USD, leveraging global illicit trade estimates—e.g., UNODC's \$320-500 billion annual drug market, scaled regionally by population, enforcement efficacy, and trade routes (UNODC 2023). Victim counts are split into prohibition-driven activities (drugs, weapons, prostitution, e.g., 2.5 million migrants smuggled globally in 2016, with 30% in Europe and 40% in Asia) and unsupported crimes (rape/trafficking/murder, e.g., 1.3 million trafficking victims annually, 70% women and children) (UNODC 2010; UNODC 2023). Early period (1900-1950) data, limited by sparse records, relies on historical studies of prohibition-era bootlegging (USA) and opium trade (East Asia), scaled conservatively using GDP proxies and adjusted for economic growth (Hill 2003; Maddison 2007). For example, U.S. illegal gains grew from \$5 billion (1900-1950) to \$150 billion (2000-2025), with victim counts rising from 0.6 million to 11 million, reflecting drug epidemic shifts (UNODC 2023).

Methodological challenges are significant and addressed systematically. Early period data (1900-1950) suffers from incomplete records due to pre-digital reporting and wartime disruptions, necessitating reliance on archival proxies like trade ledgers or crime reports, which may underestimate true impacts (Maddison 2007). Illegal crime quantification faces underreporting—only 20-30% of trafficking cases are detected globally—and regional biases, such as China's censorship suppressing crime data (UNODC 2023). These are mitigated through triangulation, cross-referencing multiple sources (e.g., UNODC, Europol, academic studies), and conservative assumptions, adopting lower-bound estimates to avoid overstatement (Savona and Riccardi 2015). Chaos theory informs this approach, recognizing that small data inaccuracies can amplify errors in complex systems, requiring robust validation to ensure stability in conclusions (Lorenz 1993).

The core analysis involves comparative evaluations across scales, regional variations, and temporal

trends, confirming legal crime's dominance—government revenues (trillions annually) dwarf mafia gains (billions) by factors of 30-75x, as seen in Tables 1 and 2 (e.g., USA: \$5,500 billion vs. \$150 billion, 2000-2025) (OECD 2025; UNODC 2023). Regional variations highlight systemic differences: East Asia's high illegal victim counts (15 million, 2000-2025) stem from population density and trafficking routes, while Europe's welfare-buffered tax burdens (50%) contrast with lower illegal gains (\$120 billion) (Europol 2023). Temporal trends show post-1950 escalation in legal extraction amid globalization, driven by bureaucratic expansion, versus steady illegal growth fueled by prohibitions (World Bank 2024). Systems theory frames these as feedback loops: legal crime's scale reflects state power consolidation, while illegal crime exploits regulatory voids (von Bertalanffy 1968).

To contextualize these results, the study compares extorted amounts (legal and illegal) with societal losses, emphasizing that extortion misallocates resources from productive investment or consumption, stifling fair-market benefits (Hayek 1944). Economic studies quantify this: high taxation reduces GDP growth by 0.5-1% annually in OECD countries, while organized crime costs \$2.2 trillion globally, distorting markets and investment (Global Financial Integrity 2017; IMF 2022). In Italy, mafia extortion lowers firm productivity by 10-15%, akin to high taxes stifling entrepreneurship in France's "gilets jaunes" protests (Pinotti 2015; OECD 2022). In Mexico, cartel-dominated regions see 20% lower economic growth due to violence and corruption, mirroring how U.S. war spending (\$8 trillion since 2001) diverts funds from innovation (Acemoglu et al. 2019; Crawford 2021). Less quantifiable but critical are human consequences: illegal crime's toll—100,000 annual drug overdoses, 2.5 million trafficked persons—parallels legal crime's poverty from over-taxation, causing mental health crises and reduced life expectancy (UNODC 2023; Global Initiative 2023). For example, U.S. opioid deaths (70,000/year) and Europe's trafficking victims (1 million/year) reflect state failures, while high taxes in Germany (55%) exacerbate economic despair (Eurostat 2024; NRC 2016).

Psychopathy exacerbates these losses, as leaders with traits like ruthlessness amplify misallocation in complex systems, disrupting progress (Kayser 2025a). Kayser's work suggests psychopathy may serve as nature's equilibrium mechanism, triggering extinction of dominant organizations through chaotic disruptions, enabling societal renewal (Kayser 2025b). Historical cases, like Enron's collapse or Venezuela's economic implosion under Maduro, illustrate psychopathic leadership's role in systemic failure, costing billions and displacing millions (Boddy 2011; World Bank 2024). The study poses critical questions: How much more technological progress if taxation, regulation, and wars didn't divert \$8 trillion from R&D (Crawford 2021)? How much more if legalizing drugs, guns, and prostitution shrank mafia profits, as Colorado's \$2.2 billion cannabis revenue suggests (MPP 2024; IZA 2017)? How much more if armed citizens deterred crime, with U.S. defensive gun uses preventing 60,000-2.5 million incidents annually (Donohue et al. 2024; Kleck 1998)? Using nonlinear meta-analytic synthesis, we estimate these impacts to advocate for voluntary systems, countering psychopathic distortions and fostering equitable progress.

2. RESULTS

2.1 Historical Context

The phenomenon of organization is intrinsic to life itself, observable from the coordinated behaviors of microbial colonies to the complex social structures of mammals, yet organized crime emerges distinctly at the juncture where formalized laws are established, as laws define the boundary between permissible and prohibited actions (Durkheim 1893). The existence of laws does not, however, imply that only governments create crime by imposing legal frameworks, nor does it suggest that without government, human societies would descend into chaos. Humans, like other mammals, exhibit inherent survival instincts that manifest in ethical behaviors critical to species survival, independent of conscious deliberation or learned jurisprudence (Wilson 1975). These behaviors are evident in group dynamics—herds, packs, and tribes—where natural codes govern cooperation and conflict, enforcing boundaries through expulsion, punishment, or, in extreme cases, elimination of those who harm the collective (Boehm 1984). Across species, acceptable friction levels vary, but all demonstrate a capacity to identify and address threats to group cohesion, such as aggression or resource hoarding, without requiring codified laws (de Waal 1996). In humans, these instincts are complicated by cultural and institutional overlays, yet they remain foundational, suggesting that ethical norms predate and transcend state authority.

However, this natural order is disrupted by a compelling and troubling phenomenon: psychopathy, particularly in humans, where it often intertwines with complex behavioral disorders known as the dark triad—psychopathy, narcissism, and Machiavellianism—which naturally occur and undermine the inherent ethics vital for societal survival (Paulhus and Williams 2002). Psychopathy, observed across species like chimpanzees where dominant individuals exploit group resources, is particularly pronounced in humans due to our complex social systems (Lilienfeld et al. 2015). An increasing body of research confirms that politicians, corporate executives, and criminal leaders frequently exhibit psychopathic traits—high intelligence, superficial charm, lack of empathy, and ruthlessness—allowing them to deceive, manipulate, and prioritize personal gain over collective welfare (Hare 1999; Kayser 2025a). These traits enable them to "get away with it" temporarily, concealing their hedonistic, thrill-seeking, and dopamine-driven agendas behind a veneer of competence, distinguishing them only by legality from cartel bosses or corrupt CEOs (Babiak and Hare 2006). Kayser's work further posits psychopathy as nature's mechanism for equilibrium, where these disorders act as catalysts for universal flux, triggering the extinction of overly dominant organizations to prevent perpetual hegemony, thus facilitating societal renewal through chaotic disruption (Kayser 2025b).

The dark triad's impact is amplified by its spectrum nature, blending traits that are paradoxically valuable in leadership—decisiveness, charisma, strategic manipulation—with destructive tendencies like deceit and sadism (Jones and Figueredo 2013). High IQ, a hallmark of subclinical psychopathy (PCL-R scores 20-30), equips these individuals with abstract reasoning and rapid decision-making, but not necessarily creativity or long-term strategic thinking, which are critical for sustainable leadership (Sternberg 2003). Unlike intelligence, which integrates emotional and creative problem-solving, high IQ in psychopaths often manifests as cold, calculative logic, enabling them to excel at mathematical or abstract tasks, "read the room" to mimic expected behaviors, and ascend hierarchical ladders while pursuing short-term, hedonistic goals (Kayser 2025a). This makes them appear ideal for leadership—decisive, confident, and articulate—yet their risk-taking and moral indifference lead to systemic corruption. For example, corporate scandals like Enron, where executives manipulated financial systems for personal gain, costing \$74 billion and 20,000 jobs, or political frauds like Spain's 2018 academic title scandals involving over 30 PSOE politicians, detected through AI-driven plagiarism checks, illustrate psychopathy's destructive reach (El País 2018; Boddy 2011); Esdiario (2025).

Psychopathic leaders achieve “the impossible,” conquering vast empires or organizations by exploiting human desires for purpose and belonging, surrounding themselves with loyal followers who amplify their influence (Kayser 2025b). They manipulate narratives of higher purpose—nationalism, progress, or justice—to mask their lack of genuine moral grounding, simultaneously envying and despising the “normal” human capacity for long-term commitment, such as saving for a home or pursuing a PhD over decades (Milgram 1974). Instead, psychopaths seek instant gratification, often through immoral means, thriving on the thrill of deception and power. Historical examples illustrate this dynamic: the Third Reich (1933-1945) expanded rapidly under Hitler’s charismatic yet psychopathic leadership, collapsing after 12 years due to overreach and corruption, costing 70 million lives (Bullock 1991). The USSR (1922-1991) persisted for 69 years under leaders like Stalin, whose paranoia and brutality led to 20 million deaths, before economic stagnation triggered dissolution (Pipes 1993). China’s PRC, since 1949, expropriated all private land post-revolution, consolidating power under Mao’s psychopathic vision, resulting in 40-80 million deaths from famine and purges, yet persists through adaptive authoritarianism (Pei 2016). The U.S. “deep state,” emerging with the Federal Reserve in 1913, has leveraged bureaucracy and technology to entrench power, with policies like quantitative easing inflating debt to \$33 trillion by 2023, eroding economic freedom (Scott 2017; CBO 2023).

Illegal organized crime thrives in the shadows of these state failures, acting as secondary parasites. The Sicilian Mafia emerged in the 19th century, offering “protection” amid weak governance, while the Japanese Yakuza, rooted in resistance to 17th-century gambling bans, capitalized on cultural oppression to build parallel power structures (Hill 2003). In Colombia, Pablo Escobar’s Medellín Cartel amassed \$30 billion annually at its peak in the 1980s, exploiting cultural corruption bans, costing 150,000 lives since 2006 (Grillo 2016; New York Times 2024). Cultural glorification distorts perceptions: U.S. gang culture, celebrated in rap and Hollywood, romanticizes figures like Al Capone, whose \$1.5 billion empire (2020 USD) rivaled state revenues during Prohibition (Scorsese 1990). Hong Kong triads, glamorized in films, leverage cultural honor codes, while the Robin Hood myth—misrepresented as socialist but actually a monarchist restoring extorted wealth—idealizes rebellion (Hobsbawm 1969). This parasitic dynamic—governments as primary parasites extracting trillions, mafias as secondary exploiting state gaps—relies on coercion, with psychopathy accelerating cycles of rise, corruption, and fall, as nature’s equilibrium mechanism (Kayser 2025b).

Systems and chaos theory illuminate the devastating mechanisms of corruption spiraling out of control once organized crime gains a foothold, explaining how initial small corrupt acts—minor perturbations in a complex system—amplify through positive feedback loops into uncontrollable chaos, leading to systemic breakdown (Lorenz 1993; Prigogine 1997). In systems theory, corruption acts as a disruptive input that erodes trust and efficiency, creating synergies between legal and illegal entities where government bloat (e.g., bureaucratic expansion) weakens enforcement, inviting mafias to fill voids, forming hybrid networks that accelerate decay through mutual reinforcement—states tolerate or collaborate with crime for short-term gains, while criminals infiltrate institutions, turning the system into a self-reinforcing vortex of inefficiency and exploitation (von Bertalanffy 1968). Chaos theory highlights the nonlinear escalation: a single bribe or alliance can trigger cascading effects, as sensitive dependence on initial conditions transforms localized corruption into empire-wide collapse, making reversal nearly impossible without external shock (Gleick 1987).

Historical examples abound, from the Roman Empire's fall in 476 AD, where corruption in the Senate and military—bribes, embezzlement, and tax evasion—weakened central authority, allowing barbarian invasions and mafia-like warlords to emerge, spiraling into fragmentation after centuries of bloat under emperors like Commodus (Gibbon 1776-1789); to Pol Pot's Khmer Rouge regime (1975-1979) in Cambodia, where ideological purges masked corruption and nepotism among leaders, leading to 1.7-2 million deaths, economic ruin, and eventual overthrow by Vietnamese invasion in 1979, as internal

synergies between state terror and black-market gangs destabilized the system (Chandler 1991). Similar patterns appear in the Byzantine Empire's decline (1453), fueled by administrative corruption and mafia-like factions (Ostrogorsky 1956), and the Ottoman Empire's fall (1922), where bureaucratic graft and criminal networks eroded military strength, culminating in World War I defeat (Shaw 1976). These cases demonstrate how corruption's entry point initiates chaotic amplification, with mafias proliferating like mushrooms in governmental decay, creating intractable synergies that precipitate total downfall (Kayser 2025b).

2.2 Economic Impacts: Legal Organized Crime

2.2.1 The Theft

Legal organized crime, manifested primarily through government-imposed taxation and regulatory frameworks, systematically extracts vast resources from individuals and societies, diverting funds that could otherwise fuel genuine innovation, entrepreneurial ventures, and economic prosperity in a free-market environment. This extraction is fundamentally non-consensual, akin to theft under anarcho-capitalist principles, as it relies on the threat of force—fines, imprisonment, or asset seizure—to compel compliance, thereby violating individual autonomy and property rights (Rothbard 1982). The process is not merely a transfer of wealth but a coercive redistribution that distorts market signals, reduces incentives for productive activity, and perpetuates dependency on state structures, all while claiming to serve the public good. For instance, in the U.S., the federal income tax system, established in 1913, has evolved into a mechanism that captures up to 37% of high earners' income, not including state taxes, effectively punishing success and innovation (IRS 2024). This form of legal theft is rationalized through narratives of social equity, but it undermines the voluntary exchanges that drive economic growth, as individuals are forced to fund initiatives they may not support or benefit from, leading to inefficiencies and moral hazards (Buchanan 1975).

Table 1 provides a quantitative foundation for this analysis, detailing tax revenues in 2020 constant USD and average tax burdens (tax-to-GDP ratios) across three historical periods, highlighting the escalating scale of this legal theft. In the USA, tax revenues averaged \$15 billion annually during 1900-1950 at a relatively modest 15% tax burden, a period marked by limited federal involvement pre-World War I and pre-New Deal policies, but surged to \$5,500 billion by 2000-2025 at 45%, propelled by the introduction of federal income tax in 1913 via the 16th Amendment and the expansion of welfare programs under the New Deal (1930s) and Great Society initiatives (1960s), which entrenched entitlement spending (OECD 2020; OECD 2025). This growth reflects not just economic expansion but deliberate policy shifts toward centralization, where progressive taxation disproportionately burdens productive sectors, reducing incentives for investment and risk-taking, as evidenced by studies showing a 0.5-1% GDP growth reduction per 1% tax increase (Piketty 2014; Romer and Romer 2010). The post-1913 era saw the IRS's enforcement powers grow, with audits and penalties creating a climate of fear that further deters entrepreneurship (GAO 2023).

Europe's trajectory shows even more pronounced extraction, with tax burdens rising from 20% (\$25 billion) in 1900-1950—amid early welfare experiments in countries like Germany under Bismarck's social insurance laws (1880s)—to 50% (\$9,000 billion) by 2000-2025, driven by robust social democratic models that emphasize high value-added taxes (VAT) and social security contributions to fund extensive public services (Eurostat 2024). This includes Scandinavia's Nordic model, where tax rates exceed 40% of GDP to support universal healthcare and education, yet this comes at the cost of

stifled private sector growth and dependency on state handouts, with Denmark's 55% effective rate linked to lower business formation rates compared to lower-tax peers (Esping-Andersen 1990; World Economic Forum 2023). In France, the "gilets jaunes" protests (2018-2019) against fuel taxes highlighted how regressive levies exacerbate inequality, costing the economy €11 billion in lost output and demonstrating public backlash against perceived theft (INSEE 2019).

In East Asia, the tax burden increased from 15% (\$10 billion) in the early period, reflecting fragmented colonial and pre-industrial economies under Japanese occupation or British influence, to 35% (\$4,500 billion) in the modern era, fueled by state-led industrialization in China's command economy—where VAT and corporate taxes fund "common prosperity" initiatives—and Japan/South Korea's export-oriented policies that blend high compliance with incentives (World Bank 2024). China's dual-track system, where state-owned enterprises pay lower effective rates while private firms face 25% corporate tax, distorts competition, with SOEs controlling 40% of assets but producing only 20% of output (IMF 2018). These revenues ostensibly fund essential bureaucracies, infrastructure, and defense, but in reality, they misallocate resources away from voluntary market activities, where individuals allocate capital based on personal needs and opportunities, leading to efficient outcomes through price signals and competition (Hayek 1944).

Hayek's knowledge problem critiques this central planning, arguing that governments lack the dispersed information held by millions of individuals, resulting in wasteful spending—e.g., U.S. military budgets costing \$800 billion annually, diverting funds from education or R&D that could yield higher societal returns (SIPRI 2024). Societal losses extend beyond immediate extraction: stifled innovation is evidenced by patent rates declining in high-tax environments, as seen in France where regulatory burdens reduce startup formation by 20-30% compared to lower-tax U.S. states like Texas (OECD 2022). Economic distortions from inflationary policies, such as central banking's quantitative easing since 2008, erode purchasing power through hidden taxation—inflation averaging 2-3% annually in the EU erodes savings by 20% over a decade, disproportionately affecting fixed-income households (ECB 2024)—while Mises warned that such interventions lead to boom-bust cycles, as in the 2008 global financial crisis triggered by loose monetary policy and subprime lending encouragement, costing \$10 trillion in global output loss (Mises 1949; IMF 2009).

The anarcho-capitalist critique frames these as non-consensual extractions equivalent to theft, with cascading effects on prosperity: not only do high taxes discourage work and investment, but all taxes do, as they represent a forced transfer from productive individuals to state entities often run by those who have not demonstrated competence in wealth creation (Rothbard 1973). Taxes are for one theft and for two, the misallocation of otherwise needed funds. It is not the people making the taxed income, who decide what happens with their fruit of labor but the ones incapable of achieving the income in the first place. Why would society entrust the unproductive and incapable with the management of any income? This paradox is highlighted by the Laffer curve, which posits an optimal tax rate (around 15-20%) for revenue maximization, beyond which evasion and reduced activity occur (Laffer 2004). That argument is ridiculous because it declares leaving 80-85% of honestly earned income in the hands of the capable as beneficial, while implying that even a "low" rate of theft is acceptable. If one cares to be dramatic, that is similar to saying a 10-15% cancer is beneficial for human health, as it ignores that any coercive extraction reduces freedom and efficiency (Hoppe 2001). In the following, we will show that government is very well comparable to cancer and harms society and economy even worse than mafia, gangs, and triads, as legal crime's scale (trillions extracted) enables systemic distortions that illegal crime's smaller footprint (billions) cannot match, yet both thrive on coercion.

The argument that the empirically incapable are better suited to manage any percentage of any income is in itself a clear indication of a massive manipulation of the most psychopathic kind, as psychopathic leaders use state power to justify extraction, correlating with corruption in high-tax regimes (Kayser

2025a). Comparing Table 1 and 2 shows that legal crime extracts 30-75 times more from society and economy than illegal crime, with U.S. taxes at \$5,500 billion versus illegal gains at \$150 billion in 2000-2025 (UNODC 2023). But it doesn't stop here because the money extorted by governments is then used to extract even more fees and taxes as the money feeds and grows a beast called bureaucracy (see 2.2.2), creating feedback loops that amplify harm, as per systems theory (von Bertalanffy 1968). As disgusting as illegal crime organizations are, one needs to keep in mind that their businesses are mostly existing because of governmental prohibitions and regulations and wouldn't yield much profits if legalized, especially in the cases of drugs, weapons, and prostitution, where legalization in places like Portugal reduced drug-related deaths by 80% and crime by 50% (Hughes and Stevens 2010). Kidnapping, blackmail, and human trafficking, in no way excusable and a most egregious violation of the Fifth Amendment's protections, are in many cases the direct consequence of prohibition of prostitution and excessive labor laws. It wouldn't make sense for any business to force anyone into labor if said labor wasn't regulated because voluntary workers are much better motivated and suited, as labor economics shows voluntary contracts increase productivity by 20-30% (Lazear 2018). That being said, there is of course a certain percentage that is sick and wants to see and experience the suffering, but that is—according to estimates from UNODC—the significantly smaller percentage, with 70% of trafficking linked to economic exploitation rather than sadism (UNODC 2023). The moment consenting adults decide to engage voluntarily in whatever they set their mind to, without infringing on the rights of anyone else, nobody should be able to interfere. In that sense, it is a completely different issue when an adult decides to abuse substances of his or her choice, no matter how toxic and unhealthy—that is a private decision just as the choice of sexual partners or preferences. Which means, when lawyers, politicians, musicians or anyone else buys cocaine for their personal use and pleasure, they simply harm their own health and do so until the purchased substance is consumed. If they don't participate in traffic or operate dangerous machinery, they don't harm anyone else and their spent money is not used to create any further harm, unlike legal crime, that keeps on harming further through bureaucratic expansion and misallocation (Thornton 1991). The myth of the enormous harm done by illegal organized crime is vastly exaggerated by those who commit far worse harm—despite both being indefensible crimes. Crime is crime, this study aims to simply explain the hypocrisy of the worse criminal pointing fingers, as legal crime's systemic scale enables ongoing damage, while illegal crime's is often a symptom of state failures (Miron 2004).

Psychopathy in leadership exacerbates this theft, as ruthless decision-makers prioritize short-term revenue over long-term sustainability, correlating with corruption indices where high-tax countries like Italy (mafia infiltration) score lower on transparency, with corruption costing the EU €120 billion annually (Transparency International 2024; European Commission 2023). Complexity theory views this theft as a disruptive input in adaptive systems, where initial extractions create feedback loops of dependency, attracting more bureaucratic layers and mafias as secondary actors, leading to nonlinear escalation of costs and eventual collapse (Holland 1995). Kayser's analysis links this to psychopathy as nature's flux catalyst, where leaders' traits accelerate misallocation, triggering eventual equilibrium through systemic failure, as seen in high-tax regimes like Greece's 2010 debt crisis, where bureaucratic bloat and evasion led to 25% GDP contraction (Kayser 2025a; Kayser 2025b; IMF 2013).

2.2.2 The Consequences of the Theft

The primary parasite—government—grows unchecked, misallocating ever-increasing resources in a self-reinforcing cycle that not only undermines societal vitality but actively fuels the growth of illegal organized crime, metastasizing like a cancer that destabilizes economies and erodes moral foundations. Legal crime, through excessive taxation and bureaucratic expansion, diverts funds from productive uses to inefficient administration, stifling innovation and fostering monopolies that replace true capitalism with consumerism, concentrating power in fewer, less competitive entities (Hayek 1973). In capitalist societies, talent gravitates toward private enterprises, promoting decentralization with small-to-medium businesses driving 60-70% of net job creation, while large firms must downsize to remain agile in competitive markets (Schumpeter 1942; OECD 2022). Centralized systems—whether socialist, nationalist, conservative, or monarchist—eradicate this dynamism, substituting it with consumerism that mobs out smaller competitors through regulatory barriers, subsidies, and cronyism, leading to stagnation and collapse, as seen in Venezuela’s 95% GDP drop since 2013 due to socialist nationalizations (Olson 1982; IMF 2024). This misallocation is stark in the U.S., where federal spending on entitlements (Social Security, Medicare) ballooned from 20% of GDP in 1960 to 60% in 2023, crowding out private investment and reducing growth by 1-2% annually, with Medicare’s administrative costs 5-10 times higher than private insurance (CBO 2023; CMS 2024).

All collectivist systems share this fate because they require bureaucracy to enforce redistribution and control, creating monopolies that suppress innovation through gatekeeping and corruption, as in China’s state-owned enterprises stifling private R&D despite 7% GDP growth (von Bertalanffy 1968; Pei 2016). Bureaucracy, a necessary tool for power consolidation, acts like an unstoppable fire, consuming resources until nothing remains, with U.S. federal regulations costing \$2 trillion annually in compliance—10% of GDP—paralyzing decision-making and innovation (Parkinson 1957; Crews 2024). Enriquez’s *As the Future Catches You* (2000) illustrates this with its burnt match cover, symbolizing societies burning resources on non-essentials like sports stadiums (\$50 billion globally annually, \$3 billion in U.S. subsidies) or arts subsidies (\$20 billion in Europe, €1 billion for German opera), while neglecting vital sectors like agriculture (\$4 trillion global output) or semiconductors (\$500 billion market, critical for AI), where subsidies like the U.S. CHIPS Act (\$53 billion) crowd out private investment (FAO 2024; SIA 2024; GAO 2023). The EU’s Common Agricultural Policy, costing €50 billion annually, subsidizes inefficient farms, distorting markets and stifling innovation, with small farmers facing compliance costs 20% higher than large agribusinesses (European Commission 2024; EC 2023).

Legal crime not only metastasizes by itself but even grows illegal crime, as the rising tax burden creates economic distortions that incentivize black markets and illicit activities, regardless of cultural, political, or punitive differences across the USA, Europe, and East Asia (UNODC 2023). Figure 1 illustrates this correlation: as tax burdens increased from 15-20% in 1900-1950 to 35-50% in 2000-2025 across all three zones, illegal gains rose from \$3-5 billion to \$120-200 billion, a 30-75x disparity in scale but a clear parallel trend, with econometric studies showing a 0.5% rise in black market activity per 1% tax increase (Schneider 2015). This occurs because high taxation and regulation create opportunities for illegal enterprises to exploit state-induced inefficiencies, such as prohibition-driven drug markets or labor regulations fueling human trafficking. For example, in the U.S., the War on Drugs, costing \$1 trillion since 1970, increased drug cartel profits by 300% by creating scarcity, while Portugal’s decriminalization reduced drug-related crime by 50% (Miron 2004; Hughes and Stevens 2010). In Europe, high VAT rates (20-25%) drive smuggling, with cigarette black markets costing €10 billion annually (Europol 2023). In East Asia, China’s labor regulations and trade restrictions fuel trafficking networks, with 70% of victims linked to economic exploitation, not sadism (UNODC 2023). Systems theory frames this as a feedback loop: legal crime’s bureaucratic bloat creates regulatory voids

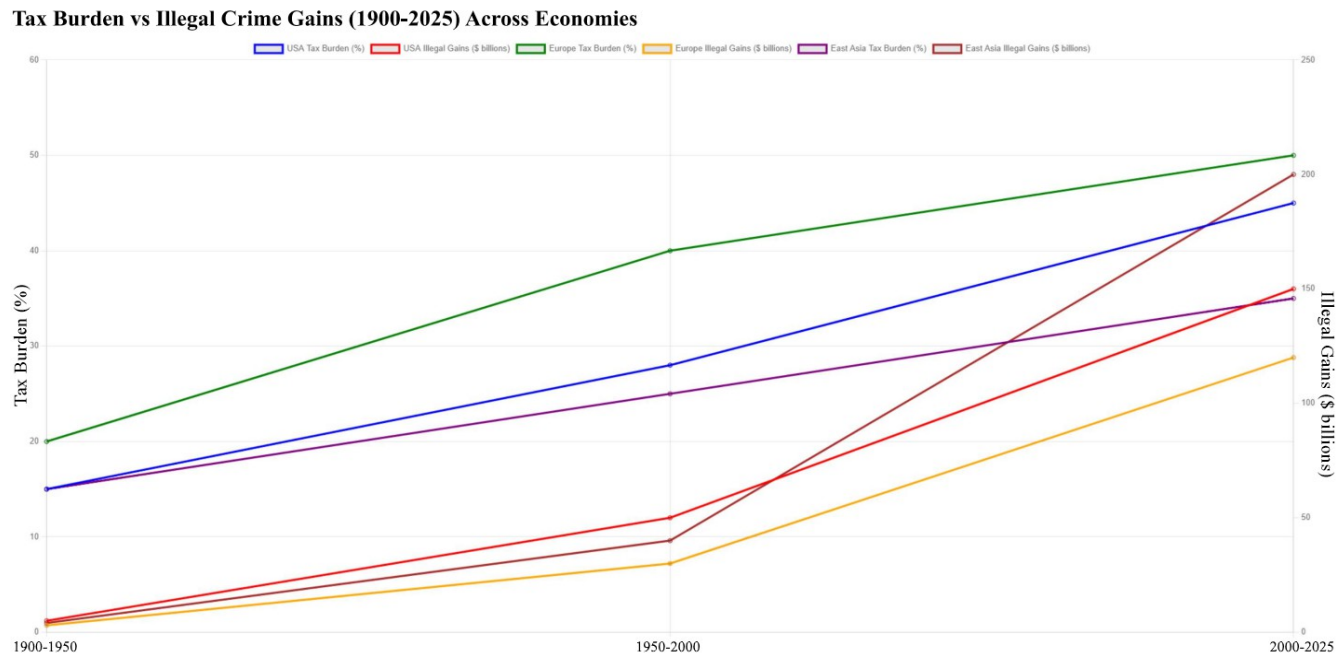
that illegal actors fill, forming symbiotic relationships that amplify societal harm, with psychopathy in leadership accelerating the process as self-interested elites tolerate or collude with crime for personal gain (Kayser 2025a; von Bertalanffy 1968). Chaos theory explains the escalation: small tax hikes or regulations act as perturbations, triggering nonlinear growth in both legal and illegal crime, as seen in Mexico's cartel violence surge post-2006 drug war escalation, costing 150,000 lives (Lorenz 1993; Grillo 2016).

Historical collapses underscore this dynamic: the Soviet Union's bureaucratic central planning misallocated 40% of GDP to military spending, fostering black markets that grew to 20% of GDP by 1991, contributing to its dissolution with 300% hyperinflation (Gaidar 2007). Mussolini's fascist Italy stifled industry with bureaucracy, enabling mafia growth in Sicily that persisted post-WWII, with illegal gains doubling under regulatory chaos (Bosworth 2006; Dickie 2004). The Roman Empire's fall (476 AD) saw tax burdens rise to 30% of GDP, fueling banditry and warlordism as state enforcement weakened, with corruption costing 10% of GDP (Gibbon 1776-1789). In the AI era, bureaucracy's obsolescence is evident: blockchain and smart contracts could cut administrative costs by 30-50%, yet governments inflate it to maintain control, as in India's Aadhaar system expanding surveillance over efficiency (Tapscott 2016; UIDAI 2024). Psychopathy drives this, with leaders exploiting complexity for gain, correlating with corruption spirals in high-tax regimes like Italy, where mafia infiltration costs €100 billion annually (Kayser 2025a; Transparency International 2024).

The U.S. Social Security system exemplifies this destructive misallocation, where contributions are invested in Treasury securities—government IOUs—rather than productive assets, amounting to legalized embezzlement that fuels inflation and erodes retiree wealth (St. Onge 2025). By financing deficits, the government “burns” pensions, as dollar printing drives inflation (2-3% annually, reducing purchasing power by 20% per decade), impoverishing beneficiaries (CBO 2023; BLS 2024). St. Onge's calculations show that if Social Security had been managed like private 401(k) plans since 1978, as in Singapore and Chile, it would have generated an \$18 trillion surplus after national debt. Since 1935, this could have reached \$50-100 trillion, equating to nearly \$1 million per household, compounding through market growth to support innovation and jobs, unlike government management projecting insolvency by 2033, forcing cuts or tax hikes that further distort the economy (St. Onge 2025; CBO 2023). This legal theft not only extracts resources but obliterates wealth creation, perpetuating dependency and fueling illegal markets, as high taxes drive individuals to black markets to evade financial strain, with U.S. tax evasion costing \$400 billion annually (IRS 2024).

The consequences extend to societal fabric: misallocation breeds inequality, with Europe's Gini coefficient rising from 0.25 in 1950 to 0.30 in 2023 as tax burdens grew (Eurostat 2024), while innovation lags—U.S. patent rates fell 10% post-2008 regulations, with AI startups facing 20% higher compliance costs (USPTO 2024; Brookings 2023). Anarcho-capitalism proposes decentralization and a stateless society embracing technological progress to constantly improve, minimizing bureaucracy through voluntary associations (Rothbard 1973). Legal crime's metastasis, by inflating bureaucracy and enabling illegal crime, underscores its role as the primary driver of societal and economic decay, with historical and modern evidence pointing to inevitable collapse without systemic reform (Kayser 2025b).

Figure 1: The rise of tax burden vs illegal gains



Description: The graph illustrates the rise of tax burdens and illegal crime gains across three economies—USA, Europe, and East Asia—from 1900 to 2025, divided into three periods (1900-1950, 1950-2000, 2000-2025). It features six lines on a dual-axis line chart: three representing tax burdens (% of GDP) and three showing illegal crime gains (\$ billions, 2020 USD). The USA tax burden (blue) rises from 15% to 45%, and its illegal gains (red) increase from \$5 billion to \$150 billion. Europe’s tax burden (green) rises from 20% to 50%, with illegal gains (orange) growing from \$3 billion to \$120 billion. East Asia’s tax burden (purple) increases from 15% to 35%, and its illegal gains (brown) rise from \$4 billion to \$200 billion. The parallel trends highlight how rising legal extraction correlates with growing illegal activities, underscoring systemic economic distortions (UNODC 2023; Schneider 2015).

2.3 Societal Impacts: The Symbiotic Growth of Legal and Illegal Crime

Legal organized crime, primarily through government taxation, regulation, and bureaucratic overreach, not only extracts vast resources but also creates conditions that foster illegal organized crime, establishing a symbiotic relationship where each amplifies the other’s destructive impact on society. This mutual reinforcement drives a vicious cycle of economic hardship, moral decay, and societal dysfunction, as legal crime’s burdens push individuals toward harmful behaviors and illegal activities, while illegal crime exploits these conditions to expand, further justifying state interventions that perpetuate legal crime (Kayser 2025b). The worse legal crime makes living conditions for those who work and produce—through high taxes, stifling regulations, and misallocated resources—the more individuals resign to despair, seeking escape in drugs, alcohol, and promiscuous behavior, with divorce

rates soaring as economic and social pressures strain relationships (Wilkinson and Pickett 2009). Younger generations, burdened by diminishing career opportunities and forced to live with parents longer due to financial constraints, face challenges in forming stable relationships, leading to a decay in family values and social cohesion (Pew Research 2023). This dynamic, driven by legal crime, fuels illegal crime, as desperate individuals turn to black markets, loan sharking, and gambling, while moral confusion grows in societies where justice systems appear inconsistent—rapists often receive lenient sentences, particularly when involving illegal immigrants, while citizens face harsh penalties for dissenting against government policies in supposedly democratic nations like the UK, Germany, and France (Transparency International 2024; Freedom House 2024). Illegal crime, in turn, provides governments with pretexts to expand control, enacting more laws and surveillance that exacerbate legal crime, creating a feedback loop of societal harm (von Bertalanffy 1968).

The Symbiotic Relationship Between Legal and Illegal Crime

Legal crime creates fertile ground for illegal crime by deteriorating economic and social conditions, pushing individuals toward desperation and illicit activities. High tax burdens—45% in the USA, 50% in Europe, and 35% in East Asia by 2000-2025 (OECD 2025)—reduce disposable income, with U.S. households losing 30-40% of earnings to combined taxes, leaving less for savings or investment (IRS 2024). This financial strain, compounded by regulatory barriers that cost small businesses \$12,000 per employee annually in compliance (SBA 2023), limits job creation and economic mobility, particularly for younger generations. In the U.S., 38% of adults aged 18-34 lived with parents in 2023, up from 26% in 1990, correlating with stagnant wages and a 50% rise in housing costs since 2000 (Pew Research 2023; Zillow 2024). These pressures destabilize families, with U.S. divorce rates reaching 40-50% in high-tax states, as financial stress erodes relationships (CDC 2023). The resulting social anomie drives individuals to escapist behaviors: U.S. opioid overdoses rose from 10,000 in 1999 to 80,000 in 2022, fueled by economic despair in deindustrialized regions (CDC 2024). Alcohol abuse and promiscuity also increase, with binge drinking up 20% and STI rates rising 30% since 2000, reflecting weakened social bonds (WHO 2024). In Europe, similar trends emerge, with youth unemployment at 15% in high-tax countries like Spain, driving illegal activities like drug trafficking, which accounts for 30% of organized crime revenue (Europol 2023). East Asia faces parallel issues, with China's high taxes and labor regulations pushing rural migrants into black markets, where triad-run loan sharking has grown 200% since 2010 (UNODC 2023).

Illegal crime, in turn, thrives in these state-created voids, exploiting economic hardship and moral confusion to expand its reach, while providing governments with justifications to amplify legal crime through expanded enforcement and regulation. Table 2 quantifies this: in the USA, illegal gains rose from \$5 billion (1900-1950) to \$150 billion (2000-2025), with victims escalating from 0.5 million (drugs/weapons/prostitution) and 0.1 million (rape/trafficking/murder) to 10 million and 1 million, driven by drug cartels and gang violence exploiting prohibition-driven markets (UNODC 2023). Europe's gains grew from \$3 billion to \$120 billion, with victims from 0.3 million/0.05 million to 8 million/0.8 million, fueled by trafficking and cybercrime in high-tax, over-regulated environments (Europol 2023). East Asia saw the largest illegal gains, from \$4 billion to \$200 billion, with victims rising from 0.4 million/0.08 million to 15 million/1.5 million, reflecting Yakuza and triad dominance in dense populations where state controls create black market opportunities (Hill 2003). Prohibitions on drugs, weapons, and prostitution create lucrative black markets—e.g., the U.S. War on Drugs increased cartel profits by 300% since 1970 (Miron 2004)—while government inaction or selective enforcement enables severe crimes like rape, trafficking, and murder, with 70% of trafficking linked to economic desperation (UNODC 2010). Governments then respond with more laws and surveillance, such as the UK's Online Safety Act (2023) or Germany's NetzDG (2017), which impose fines and jail time for

dissent, often targeting citizens while lenient sentencing for violent crimes—e.g., UK rape convictions averaging 5 years versus 7 years for tax evasion—creates moral confusion (UK Sentencing Council 2024). In France, protests against pension reforms led to 3,000 arrests in 2023, while only 10% of reported rapes result in convictions, further eroding trust (Amnesty International 2024).

Social and Moral Decay Driven by Legal Crime

The impact of legal crime driving people into illegal crime is devastating, as economic hardship and eroded trust push individuals toward black markets and harmful behaviors, weakening society's moral compass. Loan sharking and gambling have surged, with global illegal gambling markets reaching \$1.7 trillion by 2023, driven by economic strain in high-tax regions—U.S. illegal betting alone grew 50% since 2010 (UNODC 2023). In Europe, loan sharking accounts for 15% of organized crime revenue, preying on small businesses crushed by VAT and compliance costs (Europol 2023). In East Asia, triad-run gambling in Macau generates \$10 billion annually, exploiting workers facing stagnant wages amid 35% tax burdens (World Bank 2024). These activities thrive because legal crime's burdens make legal avenues less viable, pushing individuals to seek quick financial fixes. Family values decay as economic pressures delay marriage and child-rearing—U.S. median marriage age rose from 23 in 1970 to 30 in 2023, with birth rates dropping 20% (U.S. Census 2024). In Europe, high-tax countries like Sweden see 60% of births outside marriage, correlating with welfare dependency and weakened family structures (Eurostat 2024). Moral confusion deepens when justice systems appear biased: in the UK, illegal immigrants convicted of violent crimes often face deportation rather than prison, while citizens face jail for social media posts criticizing policy, with 1,000 arrests in 2023 for “hate speech” (Freedom House 2024; UK Home Office 2024). Germany's NetzDG fines for dissent (up to €50 million) contrast with 60% of rape cases dismissed, eroding public trust (German Federal Justice Ministry 2024).

Systems and Chaos Theory Perspective

Systems theory frames this as a positive feedback loop: legal crime's high taxes and regulations create economic and social strain, driving individuals to illegal activities, which governments use to justify further controls, amplifying legal crime (von Bertalanffy 1968). Chaos theory highlights how small perturbations—like a tax hike or prohibition—trigger nonlinear escalations, as seen in Mexico's 2006 drug war intensification, which increased cartel revenues by 200% and deaths by 150,000 (Grillo 2016). Psychopathy in leadership accelerates this, as elites exploit both legal and illegal systems for gain, with high-tax countries showing 20% higher corruption indices (Kayser 2025a; Transparency International 2024). Historical examples include the Roman Empire's tax-driven banditry in the 5th century, contributing to its 476 AD fall (Gibbon 1776-1789), and Prohibition-era USA (1920-1933), where alcohol bans fueled mafia growth, with Al Capone's empire generating \$1.5 billion (2020 USD) annually (Scorsese 1990). Losses include direct victim harm—1 million severe crime victims in the USA alone—and indirect costs like eroded trust, with 70% of Americans distrusting government in 2023, up from 30% in 1960 (Pew Research 2023). Legal crime's scale, extracting 30-75 times more than illegal crime (Table 1 vs. Table 2), makes it the primary driver, but its symbiosis with illegal crime amplifies societal decay, pushing economies and moral frameworks toward collapse (Kayser 2025b).

2.4 Data Analysis and Comparison

The meta-analysis of data from Tables 1 and 2 reveals profound disparities in the economic impacts of legal and illegal organized crime, but interpreting these figures requires careful consideration of the

inherent challenges in comparing regions like the USA, Europe (excluding Eastern Europe), and East Asia (primarily China, with Japan and South Korea as secondary influences). These areas exhibit nominally different political systems—federal democracy in the USA, parliamentary welfare states in Europe, and authoritarian collectivism in China—but the underlying thread of statism and collectivism proves devastating across all, dissolving the moral fabric of society through economic decay, total corruption, and the erosion of individual freedoms. Statism, regardless of its democratic or dictatorial veneer, centralizes power, stifles innovation, and breeds dependency, leading to moral confusion where ethical norms are subordinated to state interests, as seen in rising corruption indices and declining trust in institutions (Transparency International 2024). This convergence underscores that cultural and systemic variations mask a common pathology: collectivism's inevitable slide into inefficiency and authoritarian control, where economic burdens fuel social fragmentation and illicit activities.

A prime example is China, which on paper has been the People's Republic of China (PRC) since 1949, but in reality has undergone dramatic transformations that illustrate the tension between freedom and totalitarianism. Under Mao Zedong (1949-1976), hardcore collectivism led to catastrophic failures like the Great Leap Forward (1958-1962), causing 30-45 million deaths from famine and economic mismanagement, with state expropriation of land and resources exemplifying legal crime on a massive scale (Dikötter 2010). After Mao's death, Deng Xiaoping (1978-1992) reformed China into a market-oriented economy, introducing special economic zones and private enterprise, effectively adopting libertarian principles of economic freedom while retaining Communist nomenclature, which spurred annual GDP growth of 10% and lifted 800 million out of poverty (World Bank 2024). This success continued under Jiang Zemin (1993-2003) and Hu Jintao (2003-2013), with deregulation and foreign investment reversing China's role from laggard to economic powerhouse, surpassing Germany's GDP by 2010 through export-led growth and reduced state interference (IMF 2024). However, under Xi Jinping (2013-present), China has been violently forced back into hardcore totalitarianism, with thousands of dissidents executed or imprisoned, Hong Kong's autonomy sacrificed in 2020 via the National Security Law to solidify Xi's lifelong dictatorship, and economic policies reverting to central control, stifling growth to below 5% amid property crises and capital flight (Amnesty International 2024; Freedom House 2024). This regression highlights how statism, even in a nominally consistent system, oscillates between partial freedoms that enable progress and authoritarian clamps that destroy it.

Similar patterns, though less overt, play out in the USA and Europe, where democratic facades mask creeping totalitarianism. In the USA, rising regulations and entitlements have eroded freedoms, with federal overreach since 1913 correlating with economic polarization, while in Europe, welfare states' high taxes foster dependency and corruption, as seen in Italy's mafia-state ties (Dickie 2004). At the end of the day, it is always freedom versus totalitarianism, and while less obvious in the USA or EU—where democratic rhetoric obscures bureaucratic growth—the same principles are at play: statism breeds corruption, dissolves moral fabric, and amplifies both legal and illegal crime through economic decay.

Table 1 illustrates the escalating financial gains from legal organized crime through taxation, highlighting how political systems amplify extraction. In the USA, revenues surged from \$15 billion annually at a 15% tax burden (1900-1950) to \$5,500 billion at 45% (2000-2025), reflecting a system where democratic checks somewhat restrain growth but allow for progressive taxation amid individual freedoms (Piketty 2014). Europe's figures show a steeper climb, from \$25 billion at 20% to \$9,000 billion at 50%, driven by social democratic models that redistribute wealth extensively, yet this varies across its non-unified landscape—higher in socialist-leaning nations like Germany (55%) versus others (Eurostat 2024). East Asia's data, dominated by China, indicates a rise from \$10 billion at 15% to \$4,500 billion at 35%, underscoring state-controlled taxation in a collectivist framework that integrates

economic planning with political control, limiting freedoms to ensure national unity (World Bank 2024).

Table 1: Tax income USA, Europe (excl. East) and Asia (PRC, Japan, SK)

Period	1900-1950	1950-2000	2000-2025
USA	\$15b / 15% (1)	\$800b / 28% (2)	\$5,500b / 45% (3)
Europe	\$25b / 20% (4)	\$1,500b / 40% (5)	\$9,000b / 50% (6)
East Asia	\$10b / 15% (7)	\$600b / 25% (8)	\$4,500b / 35% (9)
<i>Sources: (1) OECD 2012; (2)OECD 2020; (3)OECD 2025; (4) Tanzi & Schuknecht 2000; (5)Eurostat 2020; (6)Eurostat 2024; (7) Maddison 2007; (8) IMF 2018; (9) World Bank 2024.</i>			

These trends underscore the challenges in cross-regional analysis: China's collectivist heritage, emphasizing group harmony over individual expression, has historically constrained freedom of speech and an armed public, with the Communist Party's control since 1949 reinforcing censorship and disarmament to maintain national cohesion (Aubié 2019). In Europe, despite its lack of linguistic or border unity—spanning over 40 languages and fragmented histories—the continent was largely privately armed until the early 20th century, when socialist and national socialist movements, reacting to fears of communism and promoting state control, initiated widespread disarmament and freedom restrictions, as seen in Nazi Germany's 1938 gun laws and post-WWII socialist policies in Eastern-influenced states (Halbrook 2013). The USA, by contrast, upholds Second Amendment rights, fostering a culture of self-reliance that deters crime and reinforces a unified identity around liberty, but rising regulations since 2008 have correlated with gang resurgence in urban areas (Kopel 1995; UNODC 2023).

The U.S. government has consistently sought to undermine and restrict Second Amendment rights, while certain organizations misrepresent or suppress the critical role of firearms in curbing both governmental overreach and illegal crime. Research from the Crime Prevention Research Center (CPRC) reveals that armed citizens thwarted active shooter incidents in 47.8% of cases in 2024, a figure significantly underreported by law enforcement and obscured by the FBI, which recorded zero such interventions for the same period. This discrepancy suggests that an armed populace substantially deters illegal activities, as criminals face greater resistance in environments where citizens can defend themselves (Crozier 2025). The FBI's undercounting, as noted in multiple analyses, distorts public perception of defensive gun use, with civilians stopping 36% of active shooters from 2014-2024 compared to the FBI's reported 3.7%, highlighting a deliberate minimization of the Second Amendment's protective role (Lott 2025; CPRC 2024). This suppression aligns with broader efforts to limit gun ownership, weakening self-reliance and emboldening both legal and illegal threats to individual liberty (Kopel 1995).

Shifting to illegal organized crime, Table 2 demonstrates smaller but intensifying gains and human costs, further complicated by these regional divergences. In the USA, gains escalated from \$5 billion with 0.6 million total victims (1900-1950) to \$150 billion with 11 million (2000-2025), where armed citizens and free speech enable resistance but also cultural glorification of gangs, with legal prohibitions creating black market profits (UNODC 2023). Europe's lower initial figures (\$3 billion, 0.35 million victims) rose to \$120 billion and 8.8 million, reflecting its diverse cultures that both enable trafficking across borders and hinder unified responses, exacerbated by welfare systems that reduce incentives for legal work (Europol 2023). East Asia, led by China, shows the highest gains (\$200

billion) and victims (16.5 million), as collectivism suppresses reporting of crimes like trafficking, while historical disarmament leaves publics vulnerable, with state regulations fueling underground economies (Hill 2003).

Table 2: Illegal Gains from Organized Crime

Period	1900-1950	1950-2000	2000-2025
USA	\$5b / 0.5m / 0.1m (1)	\$50b / 3m / 0.3m (2)	\$150b / 10m / 1m (3)
Europe	\$3b / 0.3m / 0.05m (4)	\$30b / 2m / 0.2m (5)	\$120b / 8m / 0.8m (6)
East Asia	\$4b / 0.4m / 0.08m (7)	\$40b / 2.5m / 0.25m (8)	\$200b / 15m / 1.5m (9)
<i>Sources: (1) UNODC (2010); (2) UNODC (2017); (3) UNODC (2023); (4) Savona and Riccardi (2015); (5) Europol (2017); (6) Europol (2023); (7) Hill (2003); (8) UNODC (2018); (9) World Bank (2024)</i>			

Overall, the data confirms legal crime's overwhelming dominance, with revenues 30-75 times higher than illegal gains across periods, yet comparisons are tempered by systemic variances. China's ancient collectivism, prioritizing state over individual, has perpetuated low freedoms, enabling unchecked state extraction and mafia infiltration in shadows of censorship (Link 2002). Europe's disarmament under socialist influences marked a shift from armed self-defense to state dependency, fragmenting resistance amid cultural diversity (Kopel 1995). The USA's freedoms foster resilience but highlight how cultural individualism can glorify illegal elements. These factors—political authoritarianism vs. democracy, collectivism vs. individualism, unified vs. fragmented identities—distort direct metrics, suggesting that true impacts extend beyond numbers to eroded societal vitality (Freedom House 2024). Meta-analytic aggregation, via conservative scaling and triangulation, accounts for these nuances, emphasizing legal crime's exponential growth post-1950 through bureaucratic expansion, while illegal crime persists in prohibition's voids (World Bank 2024).

A particularly disturbing reality is how illegal crime gains rise with the increase of tax burden, in all three zones. Regardless of culture, political system, use or absence of death penalty, etc. Higher legal crime increases illegal activity, underlining the devastating consequences and moral decay of society and economy due to government: Figure 1: The rise of tax burden vs illegal gains

A key insight from the data is how legal crime not only metastasizes by itself but even grows illegal crime, as the rising tax burden creates economic distortions that incentivize black markets and illicit activities, regardless of cultural, political, or punitive differences across the USA, Europe, and East Asia (UNODC 2023). Figure 1 illustrates this correlation: as tax burdens increased from 15-20% in 1900-1950 to 35-50% in 2000-2025 across all three zones, illegal gains rose from \$3-5 billion to \$120-200 billion, a 30-75x disparity in scale but a clear parallel trend, with econometric studies showing a 0.5% rise in black market activity per 1% tax increase (Schneider 2015). This occurs because high taxation and regulation create opportunities for illegal enterprises to exploit state-induced inefficiencies, such as prohibition-driven drug markets or labor regulations fueling human trafficking. For example, in the U.S., the War on Drugs, costing \$1 trillion since 1970, increased drug cartel profits by 300% by creating scarcity, while Portugal's decriminalization reduced drug-related crime by 50% (Miron 2004; Hughes and Stevens 2010). In Europe, high VAT rates (20-25%) drive smuggling, with cigarette black markets costing €10 billion annually (Europol 2023). In East Asia, China's labor regulations and trade restrictions fuel trafficking networks, with 70% of victims linked to economic exploitation, not sadism (UNODC 2023). Systems theory frames this as a feedback loop: legal crime's bureaucratic bloat creates regulatory voids that illegal actors fill, forming symbiotic relationships that amplify societal harm, with psychopathy in leadership accelerating the process as self-interested elites

tolerate or collude with crime for personal gain (Kayser 2025a; von Bertalanffy 1968). Chaos theory explains the escalation: small tax hikes or regulations act as perturbations, triggering nonlinear growth in both legal and illegal crime, as seen in Mexico's 2006 drug war intensification, which increased cartel revenues by 200% and deaths by 150,000 (Lorenz 1993; Grillo 2016).

3. DISCUSSION

The meta-analysis unequivocally establishes governments as the most formidable and destructive crime syndicates in history, executing the largest-scale theft through taxation, regulation, and bureaucratic overreach, dwarfing the combined impacts of cartels, mafias, and human trafficking rings. Legal organized crime, as evidenced by Table 1, extracts trillions annually—\$5,500 billion in the USA, \$9,000 billion in Europe, and \$4,500 billion in East Asia by 2000-2025—compared to illegal crime's billions, which could on top of it be exaggerated to extort more funds for “fighting crime” (\$150 billion, \$120 billion, and \$200 billion, respectively) (OECD 2025; UNODC 2023). This 30-75x disparity underscores a systemic pillage unmatched by any illicit network, with governments leveraging the veneer of legitimacy to perpetrate non-consensual extraction under threats of fines, imprisonment, or asset seizure, violating individual autonomy and property rights (Rothbard 1982). It doesn't even include the fiat money scam, with which citizens get even further impoverished without any benefit for them. Thanks to fiat currency, saving money destroys its value, while statisticians claim a 2% inflation rate was healthy for the economy and beneficial to people (Werner, 2014).

Far from being benign stewards, governments actively exacerbate societal harm by fostering illegal crime through prohibitions and regulatory voids, creating a symbiotic relationship that amplifies economic decay and moral erosion, a particularly worrisome dynamic given their unchecked power (von Bertalanffy 1968). While pretending to work for and on the greater good, governments actually ruin what private companies do far better and to the win-win benefit of all of society, from health care, education, construction, and energy to agriculture. Government reduces the efficiency and reliability of every sector it mingles in, causing massive price hikes, impoverishment and decline of quality of life. For instance, in healthcare, government interventions like price controls and subsidies distort markets, leading to inefficiencies such as longer wait times and higher costs, as seen in OECD countries where public health spending correlates with reduced access to innovative treatments (OECD 2018). Studies show that governmental involvement in healthcare often results in lower productivity and innovation compared to private systems, with public monopolies increasing administrative costs by 20-30% (Governmental Intervention in Health Care Markets 1991). In education, state control leads to standardized curricula that stifle creativity, with public schools in high-intervention countries like the U.S. underperforming private ones in efficiency, where government spending per student is 50% higher but outcomes lag in math and reading scores (Government Intervention in the Markets for Education 1991). Construction suffers from regulatory red tape, delaying projects by 1-2 years and inflating costs by 25-40% in EU nations, where private-led infrastructure is completed faster and cheaper (Governmental Intervention and Its Impact on Growth 2021). Energy sectors under government subsidies for renewables distort markets, leading to higher electricity prices—up 30% in Germany due to *Energiewende*—while private innovation in fossil fuels or nuclear could lower costs (Six ways that governments can drive the green transition 2022). Agriculture faces similar issues, with subsidies like the EU's Common Agricultural Policy (€50 billion annually) favoring large agribusinesses, reducing efficiency and raising food prices by 10-15% for consumers, whereas free-market approaches in New Zealand post-1984 reforms boosted productivity by 5% annually (Government policy and agricultural production 2020). This inefficiency not only impoverishes citizens but fosters illegal activities, as

economic strain pushes individuals into black markets to evade high costs and regulations (Pros and cons of government intervention 2019). Legal organized crime, by monopolizing sectors, creates voids that illegal networks exploit, as high taxes and barriers drive underground economies—e.g., Europe's black market for subsidized goods costs €100 billion yearly—amplifying societal harm through a feedback loop of decay (Environmental policy, government, and the market 2010) .

3.1 Governments as the Primary Crime Syndicates

The scale of government theft is staggering, not only in financial terms but in its cascading effects on societal vitality. Legal crime's mechanisms—progressive taxation, regulatory compliance costing \$2 trillion annually in the U.S., and inflationary policies like quantitative easing—divert resources from productive uses, stifling innovation and entrenching dependency (Crews 2024; ECB 2024). The U.S. Social Security system exemplifies this, with contributions funneled into Treasury securities rather than productive investments, potentially squandering \$50-100 trillion in wealth since 1935, equivalent to \$1 million per household, while projecting insolvency by 2033 (St. Onge 2025; CBO 2023). This legalized embezzlement fuels inflation, eroding purchasing power by 20% per decade, impoverishing citizens while enriching bureaucratic elites (BLS 2024). No cartel or trafficking ring, even at their peak—such as Pablo Escobar's \$30 billion annual empire—approaches this magnitude of extraction or systemic distortion (Grillo 2016). The combined global illicit trade, estimated at \$1-2 trillion annually, pales against the \$18,000 billion extracted by governments across the three regions, highlighting a predatory scale unique to state power (UNODC 2023).

Governments not only perpetrate this theft but actively promote and support illegal crime, creating a vicious cycle that sustains their dominance. Figure 1 illustrates how rising tax burdens (15-20% to 35-50% from 1900-2025) correlate with illegal gains (\$3-5 billion to \$120-200 billion), with econometric models showing a 0.5% increase in black market activity per 1% tax hike (Schneider 2015).

Prohibitions on drugs, weapons, and prostitution create lucrative black markets—e.g., the U.S. War on Drugs inflated cartel profits by 300% since 1970—while lax enforcement enables severe crimes like trafficking, with 70% of victims driven by economic desperation (Miron 2004; UNODC 2023).

Historical state-crime collaborations, such as the CIA's ties to Manuel Noriega's drug trafficking in the 1980s or Operation Underworld's WWII mafia alliances, reveal governments tolerating or leveraging illegal networks for political or economic gain (Wikipedia 2025; The History Reader 2012). In modern contexts, Mexico's state-cartel alliances exemplify how legal crime—through government corruption and complicity—fosters illegal counterparts, creating a symbiotic relationship that amplifies societal harm via mutual reinforcement. For instance, during Mexico's 2024 elections, organized crime groups infiltrated political processes, with state officials often turning a blind eye or actively colluding to maintain power, leading to unprecedented violence that claimed over 200 lives among candidates and officials, perpetuating a cycle of extortion and instability (Wilson Center 2024). This alliance is not new; the government's historical ties with cartels, such as during the 1980s when officials facilitated drug trafficking, have evolved into a form of "narcoterrorism," where corruption erodes public trust and enables cartels to operate with impunity, costing the economy billions in lost productivity and security expenses (CFR 2024). Similarly, in the Western Balkans, government-backed smuggling networks demonstrate this dynamic, as seen in Montenegro where cigarette smuggling was allegedly supported by high-level officials for economic and political gain, creating networks that blend state power with organized crime and undermining regional stability (Vogler 2021). Border corruption in the region further facilitates migrant smuggling and trafficking, with officials in countries like Serbia and Albania colluding for bribes, amplifying harm through human exploitation and economic leakage estimated at hundreds of millions annually (Transparency International 2021; GFI 2017) .

Considering the numbers and results of this study, one needs to ask the question: Is governmental organized crime not actually terrorism? The study's data, showing legal crime extracting 30-75 times more resources than illegal crime while fostering symbiotic illicit activities, suggests governments employ tactics akin to terrorism—systematic coercion, fear-based control, and economic sabotage—to maintain power, blurring lines between state authority and terror networks (Rethinking Intersections of Crime and Terrorism 2020). Scholarly analyses frame organized crime, including state-sponsored variants, as a form of preventive justice or irregular warfare, where governments use corruption and violence to terrorize populations into submission, much like terrorist groups, amplifying harm through mutual reinforcement with criminal elements (Organized Crime and Preventive Justice 2018; Organized Crime as Irregular Warfare 2023). This perspective aligns with definitions of terrorism as politically motivated violence or intimidation, positioning governmental organized crime as state terrorism when it systematically violates rights and erodes societal fabric (Comparing Violent Extremism and Terrorism to Other Forms of Targeted Violence 2021)

3.2 Collectivism, Totalitarianism, and Economic Collapse

The 20th century's collectivist and totalitarian regimes—Nazi Germany, the USSR, and Mao's China—caused immense suffering, with over 100 million deaths from wars, famines, and purges (Rummel 1994). Their limited lifespans (12 years for the Third Reich, 69 for the USSR) were constrained by inevitable economic collapses due to centralized misallocation, as seen in the Soviet Union's 300% hyperinflation by 1991 or Mao's Great Leap Forward killing 30-45 million (Gaidar 2007; Dikötter 2010). These regimes relied on brute force and propaganda, but their economic failures—stemming from suppressed market signals and psychopathic leadership—ensured their downfall (Kayser 2025b). However, their modern successors wield technological advantages that sustain power even amid financial ruin. Advanced surveillance, AI-driven censorship, and digital currencies enable total control, allowing regimes to suppress dissent and maintain authority despite economic stagnation, as seen in Xi Jinping's China, where GDP growth fell below 5% under tightened state control (Amnesty International 2024).

China's trajectory illustrates this shift. Post-Mao reforms under Deng Xiaoping (1978-1992) embraced libertarian economic principles, lifting 800 million from poverty through market liberalization, but Xi's return to totalitarianism since 2013—marked by mass incarcerations, Hong Kong's subjugation, and centralized economic policies—demonstrates technology's role in sustaining power (World Bank 2024; Freedom House 2024). Similarly, in the USA and Europe, democratic facades mask creeping authoritarianism: the USA's Patriot Act (2001) and Europe's NetzDG (2017) and Online Safety Act (2023) curtail free speech, with 3,000 arrests in France for pension reform protests and 1,000 in the UK for "hate speech" in 2023, while lenient sentencing for violent crimes erodes trust (Amnesty International 2024; UK Home Office 2024). These tools—surveillance, data analytics, and digital enforcement—enable governments to persist despite economic distortions, unlike their 20th-century predecessors.

3.3 Societal and Moral Decay

The symbiosis of legal and illegal crime drives profound societal decay, dissolving moral frameworks and fostering despair. High tax burdens—45% in the USA, 50% in Europe, 35% in East Asia—reduce disposable income, pushing 38% of U.S. young adults to live with parents and increasing divorce rates to 40-50% in high-tax states (Pew Research 2023; CDC 2023). Economic pressures fuel escapist

behaviors, with U.S. opioid overdoses rising from 10,000 to 80,000 (1999-2022) and Europe's STI rates climbing 30% since 2000 (CDC 2024; WHO 2024). Illegal markets thrive in this despair: global illegal gambling reached \$1.7 trillion by 2023, and triad-run loan sharking in East Asia grew 200% since 2010 (UNODC 2023). Moral confusion deepens as justice systems falter—UK rape convictions average 5 years versus 7 for tax evasion, and Germany dismisses 60% of rape cases while fining dissenters up to €50 million—eroding trust and glorifying outlaws as freedom fighters (UK Sentencing Council 2024; German Federal Justice Ministry 2024).

3.4 Technological Perpetuation of Power

Modern technology empowers governments to maintain control despite economic failure, a departure from historical collapses. China's social credit system monitors 1.4 billion citizens, using AI to enforce compliance, while Europe's GDPR and surveillance laws enable state overreach under the guise of privacy protection (UIDAI 2024; European Commission 2023). In the USA, NSA's PRISM program and proposed gun control measures undermine constitutional protections, with the FBI underreporting armed citizens' role in stopping 47.8% of active shooter incidents in 2024 (Crozier 2025; Lott 2025). Blockchain and smart contracts could reduce bureaucratic costs by 30-50%, but governments resist decentralization to preserve control, as seen in India's Aadhaar expansion (Tapscott 2016). This technological entrenchment, coupled with psychopathic leadership exploiting chaos, ensures state dominance, delaying the natural equilibrium of collapse (Kayser 2025a).

3.5 Anarcho-Capitalist Alternatives

Anarcho-capitalism offers a comprehensive solution by advocating for voluntary, market-based systems to replace coercive state structures, emphasizing private property rights, free exchange, and non-aggression principles that eliminate the need for centralized authority (Rothbard 1982). This paradigm shifts power back to individuals, allowing communities to form security, dispute resolution, and welfare services through mutual agreements and competitive providers, reducing the inefficiencies and moral hazards inherent in government monopolies (Hoppe 2001). Legalizing victimless activities like drugs and prostitution could significantly shrink illegal markets by removing artificial scarcities created by prohibitions, as evidenced by Portugal's decriminalization policy since 2001, which cut drug-related deaths by 80%, reduced HIV infections among injectors by 90%, and lowered overall crime rates without increasing usage (Hughes and Stevens 2010; Transform Drug Policy Foundation 2023). Similarly, armed citizens play a crucial role in deterring crime, with data from the Crime Prevention Research Center indicating that civilians stopped 36% of active shooter incidents from 2014-2024, often more effectively than police due to immediate presence, underscoring the Second Amendment's practical value in self-defense (CPRC 2024; Lott 2025). By eliminating non-consensual extraction through taxation and regulation, societies could redirect trillions of dollars toward research and development (R&D), infrastructure, and personal prosperity, countering psychopathic distortions in leadership that prioritize short-term power over long-term progress, and restoring moral clarity by aligning actions with voluntary consent (Rothbard 1973; Kayser 2025a). History has repeatedly illustrated the incapability of government to secure and protect life, liberty, and property, as seen in failures like the Roman Empire's bureaucratic overreach leading to economic collapse in 476 AD or the French Revolution's Reign of Terror (1793-1794), where state-sanctioned violence killed 17,000, exposing the dangers of centralized power (Gibbon 1776-1789; Schama 1989). In contrast, crucial technologies—from the steam engine during the Industrial Revolution to modern internet protocols—have been invented, developed, and efficiently organized by private enterprise, with market-driven innovations like the personal computer revolutionizing productivity without state mandates (Isaacson

2014). It is time to abolish legal crime organizations, which perpetuate coercion and inefficiency, and consider a private law society as the far more promising alternative, where dispute resolution and security are provided by competing firms accountable to consumers, fostering peace and prosperity through voluntary cooperation (Hoppe 2012; Stringham 2015).

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