

Spontaneous Order¹

by Nigel Ashford

“Many human institutions are the result of human action, but not of human design.”

Adam Ferguson

Order has been a central preoccupation of political thinkers and philosophers throughout the ages. It is widely understood today as a state of harmony between people, or social peace. In the premodern era, however, the concept was understood as the maintenance of a stable, hierarchical order that was pre-ordained by God or nature or both. Order can also be seen as the existence of regularity and predictability in human affairs, the absence of chaos. Although no longer associated with a rigid society ranked by privilege and power, the idea of order is still highly valued. This is because it allows people with different interests and values to live together in society without resorting to discord, conflict, or civil war. This is the modern idea of spontaneous order.

The first thinker to articulate this modern concept of spontaneous order was Bernard de Mandeville, in a book called *The Fable of the Bees* (1714). This work discussed the paradox that “private vices” such as individual self-interest could lead to “public benefits” from which the whole community benefited. He observed that the sum of individuals acting from separate motives produced a commercial society that was no part of any one person’s intention. This idea that the evolution of human institutions allowed individuals to serve others, even though their motive might be self-interest, was at the core of the Scottish Enlightenment that grew up around Adam Smith, David Hume, and Adam Ferguson. They sought to apply this idea to a whole range of human institutions, including commerce, law, language, human morality, and even mores and customs. Far from a narrow theory of economics, Smith’s *Theory of Moral Sentiments* (1759) argued that morals evolved slowly. The principles that enabled humanity to flourish and prosper were eventually accepted by the community. They stood the test of time.

Smith, Hume and Ferguson were fascinated at how these values and institutions grew up to greatly benefit mankind despite their being the product of no single mind. Adam Ferguson’s observation that human action produced a form of social order superior to that conceived by human design was to echo in the thoughts of an Austrian thinker, F.A. Hayek, two centuries later. Hayek took on the ancient idea that institutions were divided between those that are “natural” and those that are “artificial”. A third group existed, Hayek said, and these were social institutions. As these are regular and orderly, people suppose that they have been invented by humanity and can therefore be altered or restructured at will. Hayek pointed out that this notion was mistaken because the human mind and society had evolved together. Tearing down the institutions that kept society together and building anew, as socialists advocated, would destroy the order that made society work.

Order without Commands

Spontaneous order keeps the wheels of society turning without the need to issue commands from the centre. A free society is orderly not because people are told what to do but because the evolving traditions and inherited institutions of human society allow individuals to pursue their own ends and by so doing, meet the needs of others. People’s behaviour follows certain patterns because they have been accepted by society initially as they allowed the groups that adopted them to prosper. It is no accident, said Hayek, that the sharpest differences in material welfare can be seen throughout the Third World where the city meets the countryside and complex rule-guided societies meet intimate communities in which the rules are different.

¹ <http://www.freemarketfoundation.com>

The rules that allow a complex social order like a city or the global economy to function are not orders in the sense that term is usually understood. Rules that prevent individuals' injuring others or engaging in theft or fraud or breaking promises in fact give people a great deal of latitude in their behaviour. They tell people how to do things, but they do not tell them what they should do.

The moral framework for human society is not set in stone, but rather is constantly changing as new rules are discovered that allow the social order to function better. The problem is that we do not know in advance which rules will work and which will not. Our existing laws and customs show us what has worked to get us to the stage society has reached, but innovation and trial and error are required if we are to continue to discover new effective rules of which we are currently ignorant. Social institutions that keep society orderly – customs, traditions, and values – are like tools. They contain the knowledge of generations before us about how to behave and will be modified by the rising generation and then passed on to the next. Groups that adopt these rules benefit from having done so, without necessarily knowing why. The institutions that transmit information about the rules are the product of human action, but not necessarily the result of human design.

There are three categories of social rules, according to Hayek. The first consists of those that we design ourselves, such as parliamentary legislation. The second, which has been called "tacit knowledge", consists of things like a sense of fair play or injustice that we all understand but cannot put into words. Finally, there is a third group of rules of beneficial behaviour that we can observe and write down, but our attempts at codification only approximate the principles. The Anglo-Saxon system of common law is an example of this third type of rule; it evolved through and was gradually refined over centuries by different cases and judgments, and it is open to modification in the future. We learn from these rules and contribute to them even though we often cannot fully explain them. It is the second and third categories that have the power to create a complex order that uses more knowledge than can ever be known by a single human mind.

Why We Need Freedom

Complex social orders require freedom because the information and knowledge that make them work can never be amassed by a central authority. Attempting to use the first category of rules – legislation – to change the second and third categories will fail because the sum total of human knowledge has allowed people in society to live with one another and brought us to the levels of prosperity and population that we now enjoy. This was seen in the old socialist states of the Soviet empire, in which government attacked and undermined traditional morality, justice, and fair play while relying on the economies of the West to keep living standards from falling below subsistence levels. Freedom is critical to the process of achieving spontaneous order in society because we do not know in advance which rules will work, because liberty is essential to the trial-and-error process, and because the creative powers of man can only be expressed in a society in which power and knowledge are widely dispersed. To impose a pre-designed pattern on society would make society cease to function as a creative force. Progress cannot be commanded.

Essential to the progress of an orderly society is the distribution of power among its citizens, as opposed to the concentration of power in the hands of the state. This allows society to experiment in the rules and mores that govern people's behaviour. The process of trial and error limits the impact of mistakes to a small segment of society. Rules that work will be observed, imitated, and absorbed into the social framework. Risk-taking and rule-breaking are virtually impossible in small, intimate rural societies, yet these activities are essential to maintaining the large populations that live in the vast impersonal societies of modern life.

The Role of Incentives

Life in a free society can be hard because it forces individuals to adjust to the needs of others. The

free society works because it coordinates conflicting desires by creating incentives for people to satisfy their own wants by satisfying those of others. This is the opposite of a state in which one can only achieve one's aims at the expense of others. As if by an invisible hand, Adam Smith suggested, we are moved to serve the needs of others while pursuing our own self-interest.

This complex order that harmonizes and synchronizes the conflicting desires of people who are different from one another can be confusing at first. But it is essential to look beyond that initial confusion if we are to see how a free society works. When Alexis de Tocqueville first disembarked in New York in 1831, he heard what he described as "a confused hum". That great chronicler of American society wrote, "No sooner do you set foot upon American ground than you are stunned by a kind of tumult; a confused clamour is heard on every side, and a thousand simultaneous voices demand the satisfaction of their social wants". Simply trying to work out how society works by watching it and listening to it tells us little. It would be like trying to understand how a clock works by telling the time. It is how people must interact with one another that allows the clockwork of society to keep ticking.

The hum of commerce eases the path of social cooperation in a free society, in part because it offers man opportunities that are simply not available when acting alone or in a state of war of all against all. Incentives allow us to cooperate with others even though our views on political issues or our religious beliefs may radically differ. When people supply goods and services or buy them from others, they may not know with whom they deal. Protestant, Catholic, Jew and Muslim all benefit from the commercial activity of a free society without altering their fundamental beliefs. Their security and prosperity are interdependent and in free societies far surpass those of nations where conflict marks differences of faith. These differences are resolved peaceably and profitably in a free society, because the benefits of these values have been passed down through society and have become part of the moral framework. The absence of this mechanism for transmitting moral values is one of the reasons that religious strife and social discord mark societies that have never known freedom.

The Law

One key institution that makes the coordination of a free society possible is the law. In a free society, law is not the same as the arbitrary government decrees of totalitarian and autocratic societies or the legislation of Western congresses and parliaments. It is, as we have seen, a code that has evolved not at the hands of politicians but in the decisions of judges. Tocqueville in *Democracy in America* (1840) described how laws keep order in a free society. He observed that the "spirit of the law which is produced in the schools and courts of justice, gradually penetrates beyond their walls into the bosom of society, where it descends to the lowest classes, so that at last the whole people contract the habits and tastes of the judicial magistrate." The law is respected in a free society not by the use of force (although governments do reserve the right to use force to protect freedom), but because it is based on rules that have grown up and been tested in real life, and because the values and the spirit of the law are closely connected to the moral values of the civilization.

Over-government undermines that respect by imposing controls on society that do not conform to people's inherited sense of right and wrong. Freedom creates order in society. The institutions of a free society give people an interest in keeping the peace, better than any police state or concentration camp.

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