A SYNERGETIC VIEW OF INSTITUTIONS

ABSTRACT. In this paper we attempt to demonstrate how, in the course of human cooperation, compulsions and forces come into existence which compel individuals into regularities of behavior. These behavioral regularities are labelled institutions; the approach selected is called synergetic, since it considers institutions to be the result of combined human actions. The compulsions and forces which emerge from human cooperation are generated by the individuals' dependencies, struggles for independence, and preferences. Whereas individuals act freely as subjects, they become objects under the compulsions and forces of compressed social interdependence.

Keywords: Conventions, social interdependence, field of forces.

0. INTRODUCTORY REMARKS

"Description of man: Dependence, desire for independence, preferences."

B. Pascal, from Pensées, 126

While markets coordinate human behavior in that individuals compensate one another for effort but otherwise choose their behavior freely, institutions coordinate human cooperation in that certain actions are made obligatory and freedom of choice is limited. In both cases, a certain degree of security of order and orientation is achieved: in market coordination, nothing is done against the will of any individual; in coordination through institutions, certain actions are much more probable than others. Therefore, mutual compensation among individuals is decisive in market coordination; compulsion toward certain actions is decisive in coordination via institutions.

In the following we will attempt to demonstrate how, in the course of human cooperation, compulsions and forces come into existence which compel individuals into regularities of behavior. These behavioral regularities will be labelled institutions; the approach selected will
be called synergetic, since it considers institutions to be the result of combined human actions. The compulsions and forces which emerge from human cooperation are generated by the individuals' dependencies, struggles for independence, and preferences. Whereas individuals act freely as subjects, they become objects under the compulsions and forces of compressed social interdependence.

1. INSTITUTIONS AND ORDER

According to the *Oxford English Dictionary*, an institution is defined as "established law, custom, usage, practice, organization, or other element in the political or social life of a people; a regulative principle of convention subservient to the needs of an organized community... a well-established or familiar practice or object" (1961, 351). A theory of institutions would accordingly be a theory of the emergence and functioning of these regulative principles, conventions, and practices. This definition, however, says little more than that an institution is an establishment which permanently structures human relationships. Institutions would then be firms, work groups, families, clubs, and so on. A theory, intended to be applicable to this variety of institutions, must necessarily be abstract without becoming trivial. However, it also does not appear very promising to develop a theory of the firm, of the work group, of the family etc. quasi ad hoc, without the aid of general concepts.

Institutions are establishments which structure human activities with relative permanence. Starting with this tentative definition we wish to develop the outline of a theory of institutions which is appropriately universal but can also be applied to specific cases. We will first attempt to express that which is common to all institutions more precisely than is achieved in the tentative definition.

An ordering or structuring is externally perceptible as a regularity in the network of behavior. However, not all regularities are in actuality manifestations of order:

One can only speak of institutions in a meaningful way when courses of behavior are statistically regular but need not be. The individual must have the opportunity to behave in other ways. An institution can only bring about order if a lack thereof is possible. Courses of