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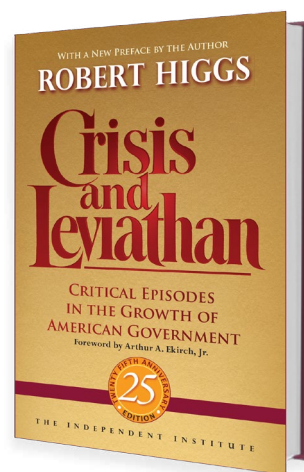
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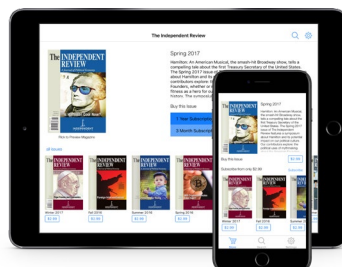
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Hayekian Spontaneous Order and the International Balance of Power

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EDWIN VAN DE HAAR

Despite work by think tanks and a few scholars, most often about a particular country's foreign policy, international relations is hardly a topic for polite classical-liberal conversation. For the past century or so, classical liberals have been rather complacent about this issue, for the most part limiting their statements to the maxim that if only free trade and globalization were increased, the world would become harmonious and peaceful. It may be seriously doubted whether this position ever made much practical sense, but it certainly no longer suffices as a statement of general principles. Global events have an ever-expanding influence on people's lives, which requires classical liberals to develop comprehensive views on international relations. We are lucky that, from David Hume and Adam Smith onward, many of the great classical-liberal forefathers put forward sophisticated views on this subject. These old ideas have been forgotten or neglected, perhaps owing to academic specialization that has led economists to focus on the economic ideas in the classical-liberal canon (for example, in the works of Smith, Ludwig von Mises, and F. A. Hayek), philosophers on the ideas of Hume, and political theorists on the domestic side of classical-liberal political thought. One result is that classical-liberal

Edwin van de Haar is a lecturer in international relations, specializing in the liberal tradition in international political theory. He has taught most recently at Leiden University in the Netherlands and at Ateneo de Manila University in the Philippines.

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thinking is for the most part absent from academic international relations, even though the classical-liberal ideas put forward on this subject still have value for current debates.

Another consequence of the lack of a “standard” classical-liberal view on international affairs is that false ideas about world politics have continued to circulate for many decades, if not centuries. In this article, I focus on a part of the heritage of nineteenth-century liberal thought. From Richard Cobden (1878, 1–21) onward, one element of international relations has had an especially bad press among classical liberals: the balance of power between states, which has been seen as a major cause of war and destruction. As I discuss, this view undeniably contains some truth. Yet the positive effects of the balance of power, in particular its capacity to stabilize international order and therefore to prevent war and misery, have been overlooked completely. Without international order, individual liberty is impossible. This fact alone requires classical liberals to pay more attention to the international balance of power than they have done in the past century and a half.

This oversight seems even more peculiar if one scrutinizes the thought of Friedrich Hayek and his intellectual forebears, such as Hume and Smith. A major element in Hayekian thought is the idea of spontaneous order, in which order emerges unintentionally. I argue that the international balance of power has all the characteristics of Hayekian spontaneous order. This link between Hayek’s ideas and the balance of power is less surprising than it might seem because the great classical-liberal thinkers, such as Hume, Smith, Mises, and Hayek, were rather power oriented in their views on international affairs. Hence, in this article, I call on classical liberals to reappraise the international balance of power, perhaps as part of a general reconsideration of their ideas about international relations.

Hayekian Spontaneous Order

Order is a precondition of any society. Without it, people would be involved in a daily struggle for survival. Conditions in Somalia and the northeast region of Congo during recent decades may serve as examples of the latter. Although some order may exist in such a situation, it is certainly not liberal order because life, liberty, and property remain under constant threat. So questions of the origin and maintenance of order are central to liberal thought. The classical-liberal founding fathers of the eighteenth century were well aware of this matter, if only because the bloody wars of the previous century remained fresh in their memory. Therefore, the perennial question is, How can both domestic and international order be achieved?

One of classical liberalism’s most defining characteristics is its belief in spontaneous order. This idea’s origins can be traced to a number of classical texts, such as Bernard Mandeville’s *The Fable of the Bees* ([1714] 1988) and its “private vices, public benefits,” Adam Smith’s *Wealth of Nations* ([1776] 1981) and the “invisible hand,” and Adam Ferguson’s *Essay on the History of Civil Society* ([1767] 1995) and the

notion of order as “the result of human action, but not of human design.” From the Scottish Enlightenment this idea found its way into the thought of writers such as Edmund Burke, Jean-Baptiste Say, David Ricardo, James Mill and John Stuart Mill, Charles Darwin, Herbert Spencer, and of course the Austrian school of economics (Hamowy 1987; C. Smith 2006, 1–7), and Hayek cited many of these thinkers in his discussions of order (Petsoulas 2001, 6).

Hayek was motivated to work on this issue as part of his overall struggle against socialism and collectivism. It was central in his efforts to show that extensive government centralization was not needed to enable the functioning of modern societies. In his view, human cooperation was possible without rational planning (Boykin 2010). In the context of his work in legal philosophy, Hayek distinguished *thesis*, the law or legislation through a top-down process driven by a sovereign’s or an elite’s narrow interests, and *nomos*, or the law of liberty, which spontaneously emerges from human interaction (Skoble 2006). *Thesis* represents deliberate design and planning, *nomos* the spontaneous forces that bring about beneficial effects no individual intended. On a broader note, but still following this line, the choice is between Cartesian rationalism and (Scottish) moral philosophy aiming at “natural liberty.” The former involves planning and government compulsion, the latter individual freedom and the undesigned results of individual action.

In Hayek’s view, spontaneous order and its institutions are the products of an evolutionary process of the elimination of less-effective alternatives. Therefore, spontaneous order is not based on a harmony of interests. It is instead the result of individuals’ pursuing their own interests without much concern for unseen external effects, although these effects may turn out to be positive in the end. Referring to the work of the founder of the Austrian school, Carl Menger, Hayek asserts that “social institutions developed in a particular way, because the coordination of the actions of the parts they secured proved more effective than the alternative institutions with which they had competed and which they had displaced” (1967, 96–101). Note that none of these thoughts excludes application to international affairs, which also involves social institutions, such as war, the balance of power, diplomacy, and international law (Bull 1995).

This applicability becomes clearer when the relation between order and equilibrium is taken into account. The essence of spontaneous order, in the words of the man who is often credited with coining the term, Michael Polanyi, is that “no constraint is applied specifically to the individual particles.” Order comes from within the parts, from internal forces, and “the resultant order represents the equilibrium between all the internal and external forces.” In society, spontaneous order is achieved by “allowing human beings to interact with each other on their own initiative, subject only to laws which uniformly apply to all of them” (1998, 189–95).

Hayek followed Menger in his assertion that social institutions—such as money, language, markets, and communities—were grown “naturally” and were unintended outcomes. As a consequence, they cannot be understood by the methods of the natural

sciences; social theorists need to develop their own tools and methods (Boettke 1990). In this context, Hayek also notes the existence of an information gap. Nobody can obtain sufficient knowledge and take conscious account of all relevant facts that enter into societal order. The fragmentation of knowledge means that each individual can have only a small fraction of the knowledge possessed by all and that each is therefore ignorant of most of the facts on which the working of society depends (Hayek 1998, 1:13–14). This condition enters into one of Hayek’s major arguments against economic planning and “rational constructivism” by a central government. Of course, there is no reason why this insight applies only to the domestic political situation.

The rules that govern human conduct evolved over time. They were observed without being known to most individuals in articulated form and were generally accepted because observance of them produced certain positively valued consequences. Yet the rules were not observed because individuals held those consequences in mind (Hayek 1998, 1:19). They resulted from a discovery procedure of trial and error under conditions of dispersed knowledge. These rules served as a solution to a coordination problem, allowing people to make the best use of their own specific knowledge without social control. Therefore, the order was dynamic; it was a process open to continual improvement (Bianchi 1994).

Hayek embraces evolution and spontaneous order as “twin ideas” that enable the complex societies of large numbers of people to survive (Caldwell 2004, 352–61). Besides the terms *thesis* and *nomos*, Hayek also uses the classical Greek distinction between *kosmos* (grown order) and *taxis* (a made order) to illustrate his arguments. The *kosmos* can have a degree of complexity much greater than the degree that one person can master. It often rests on abstract relations that are not observable in the sense that the structure of these relations remains stable, even when the constituent elements change. Because this order has not been made, it cannot legitimately be said to have a particular purpose, although people may have become aware of its importance for the achievement of their goals and therefore have sought to foster its protection. Spontaneous orders are not necessarily complex, but Hayek asserts that very complex order can be achieved only spontaneously. Thus, people have less control over this order because nobody possesses all the relevant information it employs. The same conclusion applies to the rules of conduct that govern the relations between the elements in the *kosmos*. People may or may not be aware of these rules in the sense of describing them in words because the rules follow from particular features of human nature that are not easily comprehended. Hayek states that a central question for social theory and social policy is to find out what the properties of these rules are. He notes that government interference often destroys the balance between the different elements that compose the spontaneous order. Like Polanyi, Hayek emphasizes that spontaneous order pertains to a balance between its constituent parts (1998, 1:35–51).

I have now identified the key elements of Hayek’s idea of spontaneous order: dynamics, unintended effects, equilibrium, dispersed knowledge, adaption, and evolution. This view contrasts sharply with keeping the status quo, planning,

centralization, and constructivism (Kukathas 2006). The spontaneous unintended outcome is far superior to any alternative for the organization of complex social orders because it allows the largest degree of individual liberty. It also has a great deal in common with the characteristics of the international balance of power.

The International Balance of Power

Hayek never applied his idea of spontaneous order to world politics, although the international balance of power would have been an excellent candidate for such an exercise. Like other forms of spontaneous order, such as the market and societal customs, the balance of power is an abstract interpretation of a particular order, in this case in international politics. The term *power* is used in this context in two senses: as a synonym for a country or state and as an expression of differences in military potential, geography, population, economic strength, and diplomatic capacities (Wight 1995, 168). In this section, I introduce the concept of the balance of power and compare it to the characteristics of Hayekian spontaneous order.

Many definitions of the concept of the balance of power are in use, but the one provided by international lawyer Emerich de Vattel (1714–67) is still instructive. He defined the balance of power as “a state of affairs such that no one power is in position where it is preponderant and can lay down the law to others” (qtd. in Bull 1995, 97). The balance of power is not a legal principle, but a principle of international policy (Wight 1991, 167). For a long time now, balance of power has been one of the most influential ideas in academic international-relations studies as well among foreign-policy analysts and practitioners (examples include Haas 1953, Morgenthau 1960, and Jervis 1992). Of course, this idea does not entail that world history can be equated or limited to a history of the balance of power. For long periods of time in different parts of the world, hegemons have been able to dominate (regional) relations between the main international actors of the time, such as city-states, ethnic groups, nations, and countries (Haslam 2002, 89–127; Kaufman, Little, and Wohlforth 2007, 1–21, 228–46). Yet, as James Mayall points out, the balance of power in different guises has played a major role in the development of the international society of states from the seventeenth century on (2000, 11–12; see also Osiander 2001 and Sofka 2001). This conclusion is certainly true for the past two centuries, with the nineteenth-century European big-power “concert” and the twentieth-century global Cold War being prime examples.

This concept’s prominence helps to explain why some international-relations theorists claim that the balance of power is by far the best theoretical device to explain world politics, offering all of the ingredients needed to explain the resilience of the modern international situation. They argue that states always try to prevent domination by a more powerful state because the hegemon threatens their security. An international alliance formed to counter another group of states, motivated by the same fear, is also common in international affairs. Richard Little calls this idea an

adversarial balance of power and contrasts it with an *associational* balance of power, which rests on an idea held by leaders of great powers. Besides having narrow material interests, the states in such an alliance are seen as having a collective responsibility to maintain order in the international society of states, and the balance of power is one of the main underpinnings of this international order (2007, 1–5, 10–13). This is also the predominant view of a number of important classical-liberal thinkers, to be discussed here later.

One may also characterize the different expressions of the balance of power in daily political life in other ways, for example, as simple and complex balances. The former consists of two states, such as the United States and the Soviet Union during the Cold War. The latter consists of three or more states, which might well be the outcome of the current global power shift, in which China, India, Russia, and Brazil at least appear to be trying to join the United States as global powers. There are both global and regional balances of power (the latter, for example, in the Middle East and Southeast Asia).

For Hedley Bull (1995), preservation of the balance of power fulfills three functions:

- The existence of a general balance of power throughout the international system as a whole has served to prevent the system from being transformed by conquest into a universal empire.
- The existence of local balances of power has served to protect the independence of states in particular areas from absorption or domination by a locally preponderant power.
- Both the general and local balances of power, where they have existed, have provided the conditions wherein other institutions on which international order depends (diplomacy, war, international law, great power management) have been able to operate.

Of course, as Bull notes, many people object to the idea that the balance of power can have positive effects. For a long time, it was seen as the main source of war, detrimental to the survival and interest of small states, and leading to a disregard of international law. No doubt these fears have been well justified. The balance of power has not always resulted in peace because its main function is the preservation of order. Such being the case, nations have sometimes believed that war should be waged to prevent a particular power from becoming dominant. Yet balance of power has also been a major war-prevention mechanism, protecting smaller states, and has often underpinned international legal agreements (Bull 1995, 97–105).

A major reason for the balance to develop in all of these different situations is the fundamental problem in international relations, a problem called the “security dilemma.” This dilemma rests on the insight that one cannot count on the existence of a perpetually stable international order, even though such order is at the same time

a condition for society's flourishing. In the words of British historian Herbert Butterfield, "[I]nternational order is not a thing bestowed upon by nature, but is a matter of refined thought, careful contrivance, and elaborate artifice. At best it is a precarious thing, and though it seems so abstract it requires the same kind of loyalty and the same constant attention that people give to their country or to the other private causes which only the international order enables them to follow" (1966, 147). At the same time, world politics presents an essential security dilemma, which is the "existential condition of uncertainty in human affairs" (Booth and Wheeler 2008, 1). If states want to survive, they must provide for their own security, ultimately by military means. The dilemma is that although the weapons that compose those means are essential for self-protection, they are also seen, potentially or actually, as threats to harm others. Even when state A has no intention at all to harm state B, the leaders of state B cannot be sure that such is the case. This problem underlines the importance of psychological factors in international relations. State leaders need to get "into the minds" of other decision makers, to understand their motives and intentions. Given the high stakes, potentially the state's very survival, decision makers tend to err on the side of caution. They do not know for certain that their interpretation of others' motives is accurate, and they also have to identify the best response in light of their interpretation (Booth and Wheeler 2008, 1–18). A natural response is to form alliances to counterbalance domination by other countries or groups of countries.

This security dilemma is fundamental also for the libertarians and other thinkers who favor a world without states, a situation with endless possibilities for secession, strict isolationist policies, and other ways of transcending the current world's domination by sovereign states (see, for example, Nozick 1974; Rothbard 1996, 263–94, 2000, 115–32, 2002, 189–97; Carpenter 2002; Eland 2002; Denson 2003a, xv–xvi, 2003b; Ebeling and Hornberger 2003; Hoppe 2003; Rockwell 2003; Higgs 2004, 250–51; Paul 2007). Although a discussion of all of the different proposals and arguments put forward by these writers lies beyond the scope of this article, it is clear that libertarians and others need to account for the security dilemma: an isolationist state may still be seen as a threat, even when its intentions are completely peaceful, and breaking up the current states into smaller units does not change the logic of international relations. Charged with attending to security, private insurance companies would face the same kind of challenges from competitors that states face from other states.

Should the balance of power be seen as an expression of Hayekian spontaneous order? The first important indications that suggest an affirmative answer are the self-generating and unintended outcomes associated with the balance of power. For example, in a state-dominated global situation, without an ultimate third-party judge or other overriding power, individual states are always concerned with their survival because some states always desire to dominate or conquer others. In principle, the possible reasons for this desire are unlimited. If the other states value their sovereignty, they have no other choice but to counterbalance the threat, either by themselves or in an alliance. Every leader regards this task as a normal part of statecraft.

The leaders ultimate and main concern is for their own state's survival and security, regardless of others' situation and, when facing an immediate threat, regardless of medium- or longer-term outcomes. Given an imminent threat, survival is the only concern. However, if the counterbalancing forces are roughly evenly matched, the secondary and mainly unintended effect of their balancing is international order. Needless to say, that order is often welcomed and might itself become an objective of particular states' foreign policy, but this result is subordinate to survival.

Like spontaneous orders, balance-of-power politics is not about natural harmony. Rather, it is about attempts to neutralize others' belligerent aspirations. Countries try either to build up their own power or to diminish their adversaries' power by building up their defense capabilities, seizing territories, establishing buffer zones, and on occasion dividing and conquering. Therefore, a particular balance of power is not static. Some states will not like a particular equilibrium, and they will search for ways to upset the status quo. This quest leads to perpetually changing alliances and balances. Wars are sometimes fought to sustain a balance, but other events and crises may also provoke them (Sheehan 1996, 53–75).

Hence, balancing, like other forms of spontaneous order, is a dynamic process. It does not allow for control by planning. The particular way a balance is made and maintained changes over time. This situation has all the characteristics of Hayek's *kosmos* because the balance of power evolves through adaption to changing circumstances. A famous example pertains to Richard Nixon's "ping-pong diplomacy" in the early 1970s. By opening up to the United States, the Chinese, who had long been unhappy with the disrespectful treatment they received from the Soviet Union, changed the global power balance. Although the Chinese did not join the free world outright, their change of foreign policy severely weakened the power of the Communist bloc, empowering the U.S.-led side in relative terms. The global balance between the blocs remained in place, but it took on a different configuration (Kissinger 1994, 703–32).

At first sight, the balance may not seem to be as complex as other forms of spontaneous order owing to the limited number of actors involved. Theorists of balance-of-power politics strongly deny such relative simplicity, however, and emphasize the bewildering number of factors involved, certainly over different periods of time (Niou, Ordeshook, and Rose 1989). A large amount of dispersed knowledge comes into play. Even with only about two hundred states in the world, international balancing is impossible to comprehend fully. Major determinants of power—such as country size, geography, access to resources, and military capabilities—are necessary but insufficient predictors of states' behavior. Because foreign-policy making is a form of human action, fundamental traits of human nature—such as emotions, vices, strong adherence to ethnic descent, concerns about honor—play a role (Thayer 2004; Rosen 2005).

Although current classical liberals may not have considered balance of power as having the characteristics of Hayekian spontaneous order—dynamics, unintended effects, equilibrium, dispersed knowledge, adaption, and evolution—such a view accords well with the writings of great classical-liberal writers such as Hume, Smith,

Mises, and Hayek. In his essay “On the Balance of Power,” Hume praises in a straightforward manner the balance of power’s stabilizing effect in international relations, stating that the balance is not magical, but based on common sense. No state leader can afford to neglect it. Although the balance may be fragile and imperfect, and wars sometimes must be fought to keep it in place, it prevents the outbreak of many more violent international conflicts. Therefore, it is founded “on common sense and obvious reasoning” (1987, 332–41; see also Van de Haar 2008). Adam Smith added that the balance of power is an important instrument for attaining international tranquility and peace. It also contributes to domestic order, and therefore it is the “most extensive public benevolence which can commonly be exerted with any considerable effect” by statesmen ([1759] 1982b, 230). Ludwig von Mises started out as a critic of the balance of power, although he valued alliance building as a way for smaller states to preserve their sovereignty (1983, 32, 80–85). Later in life, in making suggestions for European reconstruction after World War II, he became outright supportive. He concluded that it is “hopeless to try to abolish war in a world of nationalism” and that it been a “terrible” mistake for the Covenant of the League of Nations to look with disfavor on alliances between individual groups of nations. “In this world of ours, such alliances are the only means to prevent war” (2000, 19).

It is indeed a strange twist of fate that Hayek never applied his idea of spontaneous order to international affairs because he was a rather “hawkish” classical liberal compared to many of his peers. For example, he called for temporary restraints of individual liberty in times of war, and he publicly supported the North Atlantic Treaty Organization, President Ronald Reagan’s defense expenditures, nuclear deterrence, the boycott of the 1980 Olympics in Moscow, and the British approach in the Falklands crisis. He also strongly criticized President Jimmy Carter for hesitating to use force during the Iran hostage case in 1979–80 (Van de Haar 2009, 106). Hayek was strongly influenced by Hume and Smith, and, like the Scots, he was an adherent of the balance of power. To his own repeated regret, he never took the time to write extensively about international relations (for this regret, see Hayek 1992, 239, and 1998, 3:149), which explains why some observers still mistakenly regard him as a thinker who links peace, trade, and globalization (Ravier 2009).

Classical-Liberal Context

Although one might argue that the resemblance between spontaneous order and the balance of power in international relations is a mere coincidence, it is not. Indeed, the balance of power is a cornerstone of overall classical-liberal thinking about international relations. Therefore, in this section I put the balance of power as a form of Hayekian spontaneous order into a larger classical-liberal perspective, if only briefly (for more detail, see Van de Haar 2009).

To begin, notice that in views about international affairs we find yet another confirmation of the differences between social liberals and classical liberals. Academic

international-relations theory is dominated by American-style social liberalism, which has much in common with European social democracy. Therefore, liberalism in international affairs is often seen as a further development of the ideas of Immanuel Kant and Woodrow Wilson and is characterized by calls for a world federation expressing the brotherhood of man, cosmopolitanism, belief in all people's basic goodness and in the possibility of abolishing war, optimism about the peace-enhancing outcomes of increased intergovernmental international organization and free trade, and so forth. (The literature is huge; see, for example, Zacher and Matthew 1995; Doyle 1997; and Dunne 2005). Classical liberalism has its own views on this matter. Its political theory includes a firm belief in individualism, negative freedom, nonreligious natural law, spontaneous order, a limited state, and the rule of law (Barry 1987, 1–43; Gissurason 1987, 10–41; Conway 1995, 1–24; Gray 1995, 45–77; Higgs and Close 2006, xi–xxii). These core ideas are valid not only in domestic political situations, but also in international relations. We see such views developed clearly in the writings of four of the greatest classical-liberal thinkers: Hume, Smith, Mises, and Hayek.

For classical liberals, the individual has ultimate value, so politics must serve the greater benefit of individual people. This policy preference derives from classical liberals' view of human nature: What are individuals capable of, physically and rationally? What are their fundamental urges and natural instincts? And how do they relate to other humans? In finding answers to these questions, classical liberals take man as he is, not as he should become. They start their theorizing from a realistic assessment of man's abilities. They see man as governed by the interplay of passion and reason. Human intellectual capacities can be impressive, but they are always limited: reason is not omnipotent, particularly when processing information or attempting to predict or plan complex societal phenomena. Human reason is an important tool for individuals to use in adapting to change, but reason cannot permanently overcome certain innate natural traits (Hayek 1948, 1–32; A. Smith [1759] 1982b, 41; Mises 1996, 186). Human nature is frail, and ultimately, as Hume famously argues in *A Treatise of Human Nature*, “man is and ought to be the slave to the passions.” Human beings are not destined to do wrong in a moral sense, but they tend toward doing wrong. Only a few are always prone to unlawful behavior, but a much larger group can be “seduced from the more important but more distant interest, by the allurements of the present though often very frivolous temptations. This great weakness is incurable in man” ([1739–40] 2000, 38). The classical-liberal view of human nature is not an unfounded normative choice, easily replaced by another view. These old but crucial insights are increasingly supported by research in the fields of evolutionary biology and neuroscience, which point out that struggle, competition, the protection of honor, and tribal and ethnic conflict remain crucial elements in explaining both individual and group behavior (Pinker 2002; Thayer 2004; Rosen 2005).

Humans are not angels, James Madison famously argued in the *Federalist Papers*. One important consequence is the impossibility of rooting out the causes of friction and conflict between people. Because all state action is human action, it is also

impossible to abolish conflict and war. Depending on the circumstances, military conflict can sometimes be prevented or minimized, but its occurrence can never be completely removed from international affairs. Compare it to the best possible legal system (however defined), which cannot abolish crime in a domestic political setting. The security dilemma complicates this situation. Classical liberals argue that efforts to achieve perpetual peace are destined to end in failure, and they distance themselves from the endless stream of utopias put forward in the history of ideas (A. Smith [1776] 1981, 463–96; Mises 1983, 85–90; Hume 1987, 119; Hayek 1997a, 166, 172–73). None of the four classical liberals cited here easily endorsed war or thought lightly about engaging in a war. The costs of war were high, in both material and immaterial terms. Wars also have a negative effect on human freedom in several ways, as Robert Higgs (1987, 2006) has made abundantly clear. However, wars are also an inevitable result of human nature. Therefore, the relevant question for classical liberals is not how war can be abolished, but how it can be dealt with. The balance of power is an important part of the classical-liberal answer.

Classical liberalism's ultimate goal in international relations is the same as it is in domestic politics: to maximize individual freedom for all people. Individuals fare best when they can deal freely with life's challenges and opportunities. Classical liberals define freedom as noninterference by other individuals and the state. In their view, winning back and expanding negative freedom is one of the most important tasks, especially in the modern Western world. In a historical and international context, this call for freedom found an expression in the rejection of imperialism and colonialism. Hume and Smith strongly supported American independence, and Hayek and Mises supported the dismantling of European empires in the twentieth century (Hume 1932, number 510; Hayek 1948, 269; A. Smith [1776] 1981, 616–25, 1987, 380–85; Mises 1983, 77–78).

These views spring at least in part from classical liberalism's natural-law foundations and the related concept of natural rights. Every individual has the rights to life, liberty, and property, and respect for these rights is crucial for the maintenance of a just order in which humans, who are social beings by nature, can live together and cooperate in peace. The laws of nature are rules that preserve and protect natural rights and whose observance allows people to achieve social justice (Rasmussen and Den Uyl 1997; Van Dun 2003). Although a large literature exists in regard to natural law, the literature of international relations has not included much discussion of it. In this field, the most obvious link between natural law and classical liberalism is the latter's support for the "just-war tradition," which is associated with natural-law thinkers such as the Dutch scholar Hugo Grotius. Put briefly, the just-war tradition limits the grounds for warfare to a number of justified causes and sets rules for how to fight wars. The aim is to minimize international conflict and its horrors. Hume's writings contain many examples of his embrace of the just-war tradition; Smith ended his *Theory of Moral Sentiments* by explicitly praising Grotius. Mises was content that just causes for war were widely seen as sign of proper behavior in international politics, and Hayek applied just-war

principles in his numerous commentaries on world events. (See Hume 1932, number 453, and 1954, number 127; Mises 1981, 58–59; A. Smith 1982a, 545–47, and [1759] 1982b, 341–42; Hayek 1997a, 176; Hennecke 2000, 347).

The nation is the largest group in society that can be a meaningful object of human passion, both positive in the sense of national pride and negative in the sense of shame and humiliation. Hume noted that few men are entirely indifferent to their country. Both he and Smith underlined that humans sympathize more with people to whom they are close than with strangers or foreigners. Feelings for the nation are strong, natural motivational forces for individuals (A. Smith [1759] 1982b, 229; Hume [1739–40] 2000, 79, 317). This observation also applies to the age of modern states and nationalism. Despite the atrocities committed in the name of national glory throughout the twentieth century, Mises and Hayek never predicted or called for the end of the nation-state. Mises thought that language is the essence of nationality. With the fragmentation of the polyglot Austro-Hungarian Empire in mind, he argued that multilanguage countries are doomed to failure. His solution was an increase in possibilities for individual self-determination and group secession, but he did not make his proposals in the expectation that they would lead to a world without sovereign states (1983, 39–40, 82). Hayek saw the nation as a prime source of human bonding and individual loyalty, but, like Mises, he recognized nationalism's negative aspects. He valued the nation, but he regarded nationalism as a poison (1967, 143), not least because of the strong relation between nationalism and imperialism. It was only a small step from thinking well about one's country to trying to rule and civilize allegedly inferior others.

The nation is often politically organized as a sovereign state. For the four classical-liberal authors discussed here, such states are the most important actors in international relations. The state is an important protector of natural rights, but as history has shown, it is also the greatest abuser of these rights. The principle of the rule of law is intended to protect individuals' negative liberty. In international affairs, the classical-liberal principle of the limited state implies that states should be cautious about concluding and ratifying treaties and other forms of positive law, which are often binding commitments that are very difficult to change or to get rid of, with large possible negative effects on individual freedom. Some international agreements may be useful to smooth the working of the international society of states or to settle practical matters, but the dangers of overregulation are as real in world politics as they are in national politics. With some specific cross-border issues set aside, the classical-liberal rule of thumb is that international state action is unnecessary if there is no proper state task in domestic affairs.

Unsurprising in this light is that these classical-liberal thinkers also rejected attempts to build a better world by establishing international organizations and regimes. Mises and Hayek were strong critics of the League of Nations and its successor, the United Nations. Hayek also held negative views of the International Labor Organization. Their main concern was that these and other organizations, like overactive states in national circumstances, were taking up tasks they should not perform.

Social constructivism is bad, regardless of the level at which it is performed (Mises 1983, 90–91, 1985, 292–94; Hayek 1997a, 176). However, Mises and Hayek did not see the nation-state as the only possible form of political organization internationally. In some cases, a society of coexisting states will not come about. Mises and Hayek thought that the experiences in interwar Europe showed that exceptional measures were needed. They supported the creation of a European federation, as long as it remained a strictly limited state. They opposed a European superstate with many tasks performed at the central level. It is therefore likely that they would disapprove of the current European Union. Mises was an active member of the Pan-European movement for some time, and Hayek throughout his life supported federalization as the *ultimum remedium* in special circumstances. In the 1970s, Hayek even tried to get support from leading Israeli politicians, including Moshe Dayan and Teddy Kolek, for a plan to federalize Jerusalem (see Hayek 1985, and 1997b, 161–64; Mises 1985, 43–49).

Besides the balance of power, spontaneous order also plays other, more traditional roles in international relations according to Hayek and Mises, specifically in regard to the introduction and expansion of the free-market system. Classical liberals traditionally have strongly endorsed free trade in international economics. Their ideal is that of completely free trade without any governmental interference. Contrary to common wisdom, however, classical liberals do not expect trade to promote peace. In fact, Hume and Smith recognized a strong relation between trade and war. Trade relations are often troubled, and richer countries can spend more money on defense and belligerent action (Manzer 1996). Trade does not eliminate numerous other causes of warfare, such as conflicts over religion and geography. The 2008 war between Russia and Georgia is an example. Nor can trade overcome fundamental traits of human nature, as discussed earlier. Throughout the history of ideas, liberals have been divided on this issue, with social liberals and a number of libertarians strongly believing in a positive relation between free trade and peace, influenced by thinkers such as Kant, Montesquieu, J. S. Mill, Bastiat, and Cobden. Most classical liberals, however, have taken the opposite position (Van de Haar 2010).

Another role for spontaneous order in international relations is to stop all forms of development aid. Under the influence of the groundbreaking work of development economist Peter Bauer, Mises and Hayek rejected such aid from its inception, arguing that dependence on foreign donations is no solution for developing countries. Western countries should not feel any guilt about the sorry state in many former colonies, given most of their leaders' collectivist policies. Only a real policy change toward capitalism and liberalism can bring improvement (Mises 1985, 290–92; Hayek 1993, 322, 366–67). The experience of a number of Asian countries confirms the validity of these views.

To sum up, in contrast to the dominant American-style liberalism in mainstream international-relations theory, the classical-liberal position seeks to minimize international conflict through a combination of power politics, just war, and various expressions of spontaneous order, including the balance of power. In the classical-liberal

position, states continue to play an important role in world politics, far greater than international intergovernmental organizations or international law can. The latter institutions are often expressions of utopian planning and collectivism that endanger individual liberty, as state action does at the domestic political level.

Conclusion

Classical liberalism holds a distinct view of international relations because it applies its main ideas both within and beyond national borders. Its realistic assessment of human nature gives rise to the belief that conflict is an intrinsic feature of world politics, but that it can be limited through the workings of a number of international institutions. The balance of power is important in this process. Although it sometimes allows or even stimulates violent conflict, it generally does a great service to individual liberty by preventing war and ensuring international order. It does so in a dynamic way, allowing for changes in its underlying makeup and easily channeling the inevitably dispersed and limited knowledge of individual foreign-policy makers. The balance of power well exemplifies Hayekian spontaneous order at the international level, meshing seamlessly with other classical-liberal views on international relations.

One of the valuable aspects of thinking in terms of spontaneous order is that it helps us to focus on the right things in politics and public policy. Recognizing the balance of power as a form of spontaneous order may help current classical liberals to think more comprehensively about international relations. There is nothing wrong with analyzing and criticizing particular foreign policies and isolated phenomena in international relations, such as the production of security. Yet it must be recognized that these elements are only parts of a more complicated institutional complex for creating and maintaining international order. Classical liberals must devote attention to this bigger picture if they want to extend their worldwide appeal.

This project calls for a comprehensive research agenda, a willingness to recognize weaknesses in current ideas and positions, and, above all, the determination to think outside the orthodoxy. Our intellectual forefathers took such an approach to international relations. Let us follow them in this regard, too.

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