

The Miracles of Human Cooperation Are Hidden in Plain Sight

Recently, my wife and I had occasion to shop at Trader Joe's just before closing time. The docks to the storage level were open, and the space inside was stacked from floor to ceiling. Workers were unloading trucks and adding to the brightly lit cornucopia.

What happens at night is invisible to the thousands of customers passing through the store daily. My wife remarked that most people have no knowledge of the market processes that their lives depend on. Until abundance is no longer there, they will take it for granted.

The boxes we saw being unloaded came from many suppliers, each doing its best to retain shelf space at Trader Joe's by delivering items at price/quality points that customers valued. Not only is Trader Joe's fully stocked, it is stocked with products that satisfy customer needs.

Recently, [Max Borders pointed us](#) to a passage by journalist Scott Shane in his book [Dismantling Utopia: How Information Ended the Soviet Union](#). Shane was curious why "some of the longest lines in Moscow were for shoes." Naturally, first, he "assumed that the inefficient Soviet economy did not produce enough shoes."

To his surprise, Shane found that "the Soviet Union was the largest producer of shoes in the world," producing "800 million pairs of shoes a year," which was enough for "more than three pairs of shoes per year for every Soviet man, woman, and child."

The shortage was of shoes people wanted to buy. Shane wrote,

“The comfort, the fit, the design, and the size mix of Soviet shoes were so out of sync with what people needed and wanted that they were willing to stand in line for hours to buy the occasional pair, usually imported, that they liked.” Soviet planners had selected a consensus shoe, and it was a shoe that met few needs.

Walking into a Soviet shoe store was like walking into a grocery store and finding the fruit section had only figs and the vegetable section only turnips.

If you glance at the items in customer carts at Trader Joe’s, there is no such thing as a consensus cart. Your tastes and needs vary greatly from other shoppers.

If a Soviet-era shoe store had a Trader-Joe’s-trained cashier who asked *did you find everything today* the customer’s answer would always have been *no*. Planners and managers never considered information about what customers valued, so it did not influence their stocking decisions. Shane explains:

At the root of the dysfunction was the state’s control of information. Prices are information— the information producers need in order to know what and how much to produce. In a market for a product as varied in material and design as footwear, shifting prices are like sensors taped to the skin of a patient in a medical experiment; they provide a constant flow of information about consumer needs and preferences.

Science fiction writer John Wyndham is best known for his book [The Day of the Triffids](#). The evening we shopped at Trader Joe’s, I had just finished reading Wyndham’s allegorical dystopian novel [The Chrysalids](#). In *The Chrysalids*, Wyndham presents a view of humanity in a future century after a nuclear war has made vast parts of Earth uninhabitable and has made human and animal mutations common.

Amid the terrible destruction and primitiveness, a “utopia”

emerged in one part of the Earth inhabited by “people who can think-together” telepathically.

Wyndham has one of the “New People” in that “utopia” describe human existence prior to nuclear war (that would be us):

They were only ingenious half-humans, little better than savages; all living shut off from one another, with only clumsy words to link them. Often they were shut off still more by different languages, and different beliefs... Emotions they could sometimes share, but they could not think collectively.

Wyndham’s New People believed that because of the absence of telepathy, humans in our time had no means of cooperation, and as the population grew, the problem of cooperation grew:

When their conditions were primitive they could get along all right, as the animals can; but the more complex they made their world, the less capable they were of dealing with it. They had no means of consensus. They learnt to co-operate constructively in small units; but only destructively in large units. They aspired greedily, and then refused to face the responsibilities they had created... There was, you see, no real communication, no understanding between them.

Wyndham lived in England and wrote *The Chrysalids* in 1955. He never saw today’s abundance, but the miracles of human cooperation were all around him. Compared to only a century before, he was already living in a utopia. There were more people, and at the same time, more fruits of cooperation. In England, ten years before Wyndham wrote his novel, F. A. Hayek, in [“The Use of Knowledge in Society,”](#) famously explained that “the price system... [is] a mechanism for communicating information.”

The cooperation Wyndham was blind to didn’t come from

consensus-building and willful coordination via telepathy; It came from decentralized decision-making. Consensus is not necessary to achieve coordination. Wyndham's artistic vision was at odds with reality, yet his misguided intuition is commonplace. As [Israel Kirzner observed](#):

To the layman untrained in economics, the market economy presents a bewildering face. It consists of numerous individuals each intent on his own goals, giving no concern to the overall social implications of his pursuits. No central coordinating agency controls or even monitors the innumerable independent production and exchange decisions made by these countless individuals. It is no wonder that the market economy seems to be nothing but a jungle of clashing, discordant individual activities.

Telepathic humans cannot concentrate knowledge and arrive at consensus any more than a central planner can. The knowledge "of which we must make use," as Hayek explained, consists of "dispersed bits of incomplete and frequently contradictory knowledge." In his telepathic utopia, Wyndham failed to realize the obvious: Minds can be joined, but reaching a consensus is unnecessary. Via decentralized decision-making, you may like turnips, and I may prefer kale, but we can both have our needs met without conflict.

Wyndham and his readers may think telepathy is a marvel, but it is nothing compared to the price system as a means of communication and cooperation. Hayek uses the word, "marvel" to shock the reader out of the complacency with which the price mechanism is taken for granted. Hayek added:

I am convinced that if it [the price system] were the result of deliberate human design, and if the people guided by the price changes understood that their decisions have significance far beyond their immediate aim, this mechanism would have been acclaimed as one of the greatest triumphs of

the human mind.

To be fair to Wyndham, humanity seems capable of destroying itself. The odds of destruction go up when people don't communicate and cooperate. The conflicts we observe coincide with disruptions in the decentralized decision-making of free markets.

The problem has already been solved; Consensus via telepathy is a maladaptive solution. Humans already cooperate and communicate in miraculous ways through the mechanism of the price system. If you believe someone must be in charge of coordinating human action, you will never notice the marvels all around you.

Be warned: When a critical mass of people believe consensus-building and willful coordination is necessary, they will soon clamor for conscious direction, and that is music to the ears of those who would take away our freedom.

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