

Imagine someone steals your goat. In a clan society, that's not your problem — it's your family's. Your uncle, your brothers, your cousins gather, and the matter gets settled through negotiation between family groups, or in the worst case, by someone in the thief's family paying the price. Justice doesn't live in a building. It lives in bloodlines. In a rule-of-law state, it's the opposite: you report the theft to a police officer you've never met, a prosecutor you don't know argues the case, and a judge with no family ties to either party decides the matter according to a law that applies equally to everyone. To someone raised in the latter system, that sounds obvious. It isn't. For almost all of human history, the first way has been the rule, and the second the exception.

That contrast contains almost everything you need to know about why some societies are rich, stable, and predictable, and others aren't. The question isn't primarily about culture, climate, or natural resources. It's about how a society solves its most basic task: settling disputes and distributing power without ending up in chaos or oppression. There are, at bottom, three answers to that question — and it's only the third, the least natural of them, that has ever managed to create broad and lasting prosperity.

The three types

The organic society is built on kinship. The clan, the lineage, the tribe. Loyalty flows to those you share blood with; obligations are mutual within the group and non-existent outside it. A stranger has no rights until he's tied to the group through marriage, fosterage, or oath. This isn't some primitive curiosity — it's the default mode of human organisation, from Icelandic clan societies to today's Afghan tribal structures. Somalia, once it lost a functioning state, didn't fall into anarchy — it fell into clan logic, because the clan had been there all along, beneath the surface, waiting.

The hierarchical society solves the clan's limitation — that it only works at small scale — by building a pyramid on top of it. A king, an emperor, a nobility that demands loyalty upward in exchange for protection and order downward. The Egyptian kingdom, the Chinese empire, medieval Europe's feudal order. There's law here, often written, but the law is the tool of power rather than its master. Justice is what the king grants you — not what you're entitled to.

The compact society — the constitutional order, the rule-of-law state — is something else entirely. Here, obligations run horizontally rather than vertically: between citizens, not upward toward a ruler. Law stands above power, not the other way around, and that applies even to whoever currently sits on the throne or in government. Athenian democracy sensed the outline of it. The Roman Republic built it more systematically, with popular assemblies, officials with



limited terms, and a constitution no individual was allowed to stand above. It's this third option — rare, late-arriving, permanently under threat — that is the actual precondition for the prosperity we take for granted today.

Why the clan is our default

The fact that the organic society comes first and comes easiest is no coincidence. Evolutionary psychology offers a straightforward explanation: kin selection. Sacrificing something for your own genes — your children, your siblings, your cousins — makes sense from an evolutionary standpoint in a way that sacrificing something for an anonymous fellow citizen in another part of the country does not. We're built to trust those we recognise and distrust those we don't. The anthropologist Robin Dunbar has shown there's a rough cognitive limit — around 150 people — on how many stable social relationships a human being can maintain. Below that limit, personal trust works. Above it, you need something else: institutions, abstract rules, impersonal trust toward strangers you'll never meet.

That step — from personal trust to impersonal trust — is civilisation's hardest leap. The clan requires no such feat. It builds on instincts we already have. The compact society requires us to go against them.

Why compacts are rare

If the step were easy, more societies would have taken it. The political scientist Francis Fukuyama has described the path there as a sequence that has to be completed in the right order: first a state strong enough to break the clan's grip, then the rule-of-law principle that the law binds even the ruler, and finally accountability — that power can actually be removed. Miss the order, or skip a step, and the result is something unfinished: a strong state without rule of law becomes tyranny; a rule-of-law framework without a functioning state becomes powerlessness.

The economic historians Douglass North, John Wallis, and Barry Weingast have captured the same pattern in different terms. Most societies throughout history are what they call "limited access orders" — systems where a small coalition, the elite, shares a monopoly on violence and privilege precisely to keep the peace among themselves, at everyone else's expense. Only a handful of societies have ever managed to reach what they call "open access orders," where organisations, markets, and political participation are, in principle, open to everyone, regardless of family or status. The transition is rare because it requires the elite to voluntarily give up their privileges, in exchange for general rules that benefit everyone — elite included — more in the long run.

Daron Acemoglu and James Robinson describe the difference in terms of inclusive versus extractive institutions. Extractive institutions — where a small group extracts resources from the broader population — can produce short-term growth, but never lasting growth, because they never reward the ingenuity and labour of the wider society. Inclusive institutions make the opposite possible: that anyone, in principle, can start a business, own land, sue a more powerful party before an impartial court, and trust that the contract they sign will actually hold. That security — that the rules of the game are stable and equal for everyone — is exactly what makes people willing to invest in something that only pays off in ten or twenty years. The clan doesn't give you that security. The kingdom gives it to you only as a favour. Only the compact gives it to you as a right.

Fragility

The fact that the compact society is hard to build also means it's easy to lose. The Roman Republic held for roughly four hundred years before civil war and a succession of strongmen — Marius, Sulla, Caesar, finally Augustus — traded the horizontal system for a vertical empire, with the people's approval rather than against their will. The Weimar Republic, one of the interwar period's most sophisticated constitutions on paper, fell within fifteen years — not because Germans lacked democratic institutions, but because enough of them, in a time of crisis and humiliation, actively preferred order over freedom. The same pattern repeated across Europe in country after country during the 1930s: democracies that voted, or allowed themselves to be pushed, back toward hierarchy.

The pattern is striking enough to deserve its own name: when a compact society comes under enough pressure — economic crisis, war, the feeling that the state no longer protects you — the most common reaction isn't to defend the horizontal bonds more fiercely. It's to seek a return to the vertical. Toward a strong leader. Toward the group. Toward your own side, whatever "side" happens to mean in the moment. Karl Popper wrote his defence of the open society in the middle of that century's worst relapse, and his point was exactly this: the closed society — the society of tribe and authority — isn't a barbaric parenthesis before civilisation. It's the permanent temptation civilisation never fully leaves behind.

So how did it ever happen?

If the compact society goes against our biology, requires an improbable sequence of institution-building, and constantly risks falling back into clan or hierarchy — how did it ever take hold at all? A handful of societies, against most of the odds built into our own psychology, found their way from blood feud to courtroom, from royal mercy to civic right.



The compact didn't survive because it was natural. It survived because, generation after generation, enough people kept choosing to defend it over the far more comfortable alternatives on offer — the strong leader, the closed group, the certainty of one's own side. That choice was never made once and for all. It's made, or not made, again in every generation that inherits the arrangement without having had to build it.

That's worth remembering the next time a rule-of-law society is told that a return to the group, the leader, or the tribe would simply be more efficient.

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