MORAL DIRIGISME:

The Knowledge Problem in Ethics

by

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I. INTRODUCTION
Why are coerced decisions incapable of being virtuous? Is it because “free will” is a necessary requirement? Can virtue be a characteristic of only acts freely chosen? The most common argument against the compelling of virtue rests on affirmative answers to the latter questions. Compulsion, practically speaking, negates free will, and without freedom, decisions have no moral significance (although they may still have political or legal significance).

There is, however, another argument – one rarely recognized – that is, in our view, even more important. Freedom, in the sense of the absence of coercion, is a sine qua non of virtue because individuals must use their personal and local knowledge when making moral decisions. This knowledge helps satisfy empirical requirements in the application of general moral principles. These requirements appear in different ways in various moral systems but, in each system, knowledge of the “particular circumstances of time and place” [Hayek, 1948: 80] is critical to the choice of a specific action in fulfillment of a general rule, maxim, or principle. The argument here will be familiar to economists. It rests on an analogy with another kind of decisionmaking: “economic” or market decisionmaking. In market transactions individuals make use of personal or local knowledge in determining the prices and other terms on which they trade. It is through this process of bringing to bear, on his decisions, the agent’s knowledge of the particular circumstances of time and place, that individual knowledge is mobilized for a social purpose [Hayek, 1948]. The price system, it is argued, tends to embody a knowledge vastly superior to that of any individual to the extent that individual agents are free to act on the basis of their own knowledge. Central economic planning, on the other hand, explicitly replaces the knowledge of the individual with the allegedly superior knowledge of the social planner. In reality, however, this knowledge is not superior, but greatly inferior. So, paradoxically, a benevolent central planner is in a poorer position to attain his (or the “society’s”) ends than the myriad of local decisionmakers. Just as central planning of the economy founders on the Hayekian knowledge problem, so too the central direction of individuals’ moral choices founders on it own similar, although not identical, knowledge problem. This is our thesis. Unlike the traditional Hayekian thesis, however, the moral or ethical knowledge problem does not rest on the superior ability of the price system to communicate local knowledge. In fact, we are not here dealing with prices or markets. What will be shown is that, even outside of market decisionmaking, in certain cases, there will be a superior application of general norms when people are free to act on the basis of their own local knowledge.

The knowledge problem in ethics, as well as in economics, must be both distinguished from and related to incentive problems. The question of the accuracy of information upon which moral agents make decisions is, for information acquired as the byproduct of other activities, quite separate from the question of whether these agents have the incentive to act morally. We do not make the assumption that simply because agents are able to act upon relatively accurate specific information that they will do what is morally correct. They could, of course, be ignorant of basic moral norms or general rules. More importantly, however, it is possible for a variety of reasons, such as deficiency of incentives or weakness of will, to know the better yet do the worse. Nevertheless, knowledge of the better is clearly a prerequisite to doing the better.

On the other hand, knowledge acquired specifically for the purpose of enhancing the quality of moral decisions obviously cannot be detached from the individual’s incentives to act morally. Yet even in the case of an individual not predisposed to act morally, the local and personal character of the requisite knowledge makes it, at least a priori, highly unlikely that this knowledge can be acquired and correctly processed by an external authority seeking to override the individuals’ decisions.

PART ONE: THEORETICAL FOUNDATIONS

II. THE MEANING OF MORAL DIRIGISME

Despite his opposition to what we call “moral dirigisme,” John Stuart Mill very effectively described it as “interfering with the liberty of action of any…member of a civilized community [for]…[h]is own good either physical or moral.” The moral dirigiste believes that the individual can “rightfully be compelled to do
or forbear because it will be better for him to do so, because it would make him happier, because, in the opinion of others, to do so would be wise or even right” [1986:16]. Moral dirigisme can take several forms depending on the degree to which it sanctions the use of coercion on the moral behavior of individuals.

In its strong form, the morality or rightness of an action is *sufficient justification* to compel a person to take it. This strong version is perhaps the earliest form and was expressed by Socrates in Plato’s *Republic*:

[I]t’s better for everyone to be ruled by what is divine and wise.

Ideally he will have his own divine and wise element within himself,

but failing that it will be imposed on him from outside so that as far as possible we may all be equal, and all friends, since we are under the guidance of the same commander….It is clearly the aim…both of the law, which is the ally of all the inhabitants of the city, and of our own governance of our children. We don’t allow them to be free until we have established a regime in them, as in a city [590d,e].

As philosophers in this tradition would later argue, man’s natural end is to pursue virtue and the purpose of the state is to ensure that he does so.

A weaker form of moral dirigisme, favored by Thomas Aquinas, has a *prima facie* character. As a first approximation, the king ought “by his laws and orders, punishments and rewards…restrain the men subject to him from wickedness and induce them to virtuous deeds” [Cited in George, 1993: 31]. This, however, is to be supplemented by prudential qualifications or limitations. Human law, according to Aquinas, “does not lay upon the multitude of imperfect men the burdens of those who are already virtuous” [George, 1993: 32]. Such considerations as the futility of a prohibition or its productiveness of other, perhaps more serious, wrongs are entirely appropriate and may over-ride the *prima facie* rule. “Therefore human laws do not forbid all vices, from which the virtuous abstain, but only the more grievous vices, from which it is possible for the majority to abstain” [George, 1993: 31].

A fairly weak form of moral dirigisme has been more recently advanced by Robert P. George in *Making Men Moral* [1993] in which he recognizes the severe limitations based on the diversity of moral goods and the moral value of free choice, as well as the aforementioned prudential limitations. The state may “legitimately proscribe only the fairly small number of acts and practices that are incompatible with any morally good life” [George, 1993: 40, emphases added]. Despite the vast reduction of the domain of permissible prohibitions that this entails, George does not seem to appreciate the radical knowledge problems involved in adhering even to his limited form of moral dirigisme.
III. ETHICAL KNOWLEDGE PROBLEM: HAYEK AND SCHUMPETER

(1.) In a little-discussed passage of *The Constitution of Liberty*, F.A. Hayek outlines a knowledge problem in ethics. He argues that the sense of responsibility can be eroded by an expansion of moral claims to events beyond what actors can concretely know and for which they can feel genuine compassion. “[R]esponsibility must be so confined as to enable the individual to rely on his own *concrete* knowledge in deciding the importance of the different tasks [and] to apply his moral principles to circumstance he knows...” This is because “[w]e cannot expect the sense of responsibility for the known and familiar to be replaced by a similar feeling about the remote and theoretically known” [Hayek, 1960:84, emphasis added].

There are two arguments here. The first is that to apply moral principles to particular events requires knowledge about the characteristics of these events. We do not choose among abstract principles but among concrete actions at the margin (which may, of course, embody such principles). For example, we do not choose all acts of beneficence over all acts of honesty when (if) they come into conflict. We choose some acts in specific factual contexts over other acts in specific factual contexts. Sometimes an act of beneficence is preferred to an act of honesty and, at other times, vice versa. Further, different instantiations of beneficence—to one’s children or to starving adults in Bangladesh—will have a different ranking, in a world of scarce resources, for a given individual and across individuals in society. The second argument is based on motivation or incentives. People are unlikely to feel the same strength of motivation to mitigate evils of which they have only a “theoretical” knowledge. While obviously there is more than one factor responsible for the ease of mental representation of a given evil, the immediateness of one’s experience is clearly important [Tversky and Kahneman, 1974: 1127, 1129]. A sense of moral responsibility is likely to be effective only when it refers “to problems that, without too much strain on the imagination, [a] man can make on his own...” [Hayek, 1960: 84].

The two arguments are interrelated. The incentive to act morally enhances the incentive to acquire the relevant local knowledge. Thus those problems that are “concretely” known (for whatever reasons) are both more likely to be within an individual’s sense of responsibility and to be the subject of further knowledge-acquisition. Problems that are part of the ordinary course of an individual’s economic and social life are concrete and are more likely to be solved by informed moral choice than those which are no part of his concern.

(2.) A similar argument was made by Joseph Schumpeter that the *informed* rationality of an individual’s decision-making is greater in those areas “that directly concern himself, his family, his business dealings, his hobbies, his friends and enemies, his township or ward, his class, church, trade union... the things under his personal observation, the things which are familiar to him independently of what his newspaper...” tells him, which he can directly influence or manage and for which he develops the kind of responsibility that is induced by a direct relation to the favorable or unfavorable effects of a course of action” [1947:258-59]. In this analysis, there are two important factors: first, the problem must be within the ambit of personal concern that is “directly” known to the individual; and second, a course of action taken in response to such a problem must produce either positive or negative consequences that are substantially borne by the acting individual.

While Schumpeter’s argument goes beyond the superior “command of [relevant] facts” in such situations to the greater definiteness of “individual volition” and superior “methods of [logical] inference” [261], the implication of his argument is much the same as Hayek’s argument: Problems of a moral nature that arise naturally in the course of an individual’s daily life are more likely to be solved by informed choice than those problems which are imposed upon him by external authorities.
Thus, as we have shown above, there is behavioral interrelation between the acquisition of knowledge and motivation arising out of voluntary moral concerns or preferences. Nevertheless, these are conceptually distinct issues; and, behaviorally, it is possible for one or the other to be of primary importance in particular situations (due to the fact that not all morally relevant knowledge is deliberately acquired). For the purposes of this study, we choose to emphasize the epistemic problem largely because it is the less examined of the two. Therefore, we shall move, once again, to an examination of the ethical knowledge problem in a narrower sense.

IV. ETHICAL KNOWLEDGE PROBLEM: A RESTATEMENT

Knowledge in any complex society is decentralized. As both Hayek [1948] and Polanyi [1951] have taught us, the very heart of social-scientific problems is understanding the appropriate use and transmission of this knowledge. Knowledge is “decentralized” in a number of different senses. It can be local, that is, available only to individuals in a certain geographical location or by virtue of their specific occupational activity. This may have been deliberately acquired for current purposes or as a byproduct of other activity. It can be transient because its value can be quickly eroded by changing economic or other circumstances. It can also be personal in the sense that such knowledge involves the inner or subjective states of the individual. These kinds of knowledge (local, transient and personal) can be known in at least two different ways. They can be explicit or capable, at least in principle, of articulation to other parties. But they can often be tacit because they cannot, at least in any direct way, be communicated to others. Our actions can embody or be the result of this knowledge yet we cannot give the “input” to others so that they may perform the appropriate actions for us. The importance of tacit knowledge in moral decisionmaking was recognized by Aristotle who saw that “practical reason” required a form of deliberation that is not reducible to rules or any mechanical algorithm by which the data can be transformed into wise moral action [Broadie, 1991: 203]. This local, personal, and transient knowledge, both explicit and tacit, that is acquired deliberately and as a byproduct of social and economic activity, we call, for short, “local knowledge.”

The General Need for Local Knowledge in Moral Decisionmaking

As a species of pure decisionmaking, moral action requires spatio-temporal knowledge reflecting the contextual nature of all decisions and actions. An action aims at changing the future state of affairs relative to what it would be in the absence of the action [Mises, 1966: 100]. In a general sense, it aims at some consequence that will be affected by local circumstances. This is easily understood in the context of consequentialist ethics, but even applies in the case of deontological (duty-based) ethics. We shall see this further below. The general idea is that the “exhibiting” of a virtue or the following of a rule is affected by local circumstances insofar as these define the action. Honesty, for example, is dependent on the local meaning of words, the context of the communication, the expectations of the hearer, etc.

The acquisition of relevant knowledge, however, does not necessarily imply the determinacy of moral decisions (although this may be the case in certain forms of utilitarianism). In the Thomistic analysis of rational, voluntary human action, for example, the choices agents make are not rigorously determined by the general or abstract goods that constitute human flourishing (or the “good” for man). The specific actions that ought to be undertaken are informed by the natural law in conjunction with the knowledge of the particular circumstances of time and place. But even here this is not a deductive exercise; the decision depends on the application of practical reason – a form of reasoning that does not yield necessary truths [Bowlin, 1999:58-60]. We shall have more to say on this below.
The Specific Knowledge Problem in Ethical Systems

The manner in which local knowledge enters into ethical decisionmaking depends on the explicit or implicit framework in which the decision is embedded. To exemplify this point, we shall discuss three ethical approaches that appear to capture most of the ways in which empirical, local knowledge is relevant to individual moral decisions. The first is the rule-oriented approaches (Kantianism and rule-utilitarianism); the second is the neo-Aristotelian and the natural law ethics; and the third is the quasi-inductive method of the Scottish Enlightenment philosophers.

1. One aspect of a rule-oriented approach, especially of the Kantian variety, is to apply a rule or maxim to an individual case, or, to look at it another way, to subsume the individual case under a general rule. Then the case is “solved” in the way indicated by the rule.

Let us consider a recent case of “conjoined twins” from both Kantian and rule-utilitarian perspectives. Assume the following facts: Two female twins were born in Great Britain joined at the pelvis. In one twin (“Mary”) the brain was underdeveloped, as were her heart and lungs. The other twin (“Jodie”) had a normal brain and supported the heart and lung function of Mary. The medical authorities agreed that the stronger twin would likely (with 80 –90 percent probability) not survive more than a few months if they remained joined. Were the stronger twin to die, so too would Mary. So it was proposed at eight weeks that the twins be separated, although Mary would certainly die as a result. The parents, citing religious beliefs, objected. The matter was taken to court and, after appeal, the surgery to separate the twins was ordered.

On a plausible Kantian approach, the case might be subsumed under a rule such as, “Do not take the life of an innocent person.” To determine whether the case is correctly subsumed, we would have to know if the child known as “Mary” is actually a person in the relevant moral sense. Many would argue that the presence of a cerebral cortex is necessary for personhood because it is responsible for most of our characteristically human capabilities. If so, then we have a local knowledge problem that must be solved before the case can be decided in accordance with the moral law. In this particular case, it is possible for outside parties to make that determination, but this is likely to be feasible only in a judicial hearing. (We are putting aside, for the moment, whether there might be other required local facts not amenable to such a determination.)

On a rule-utilitarian approach, we would be interested in the consequences for “happiness” of a rule that an innocent life should be taken when, by so doing, the lives of more than one other innocent persons would be saved. Is the case of the conjoined twins properly subsumed under this rule? To answer this we need a combination of local and general knowledge. In the local category, we need to know the relevant medical facts of the case (including the feasible application of medical technology) and whether both of the twins are “sentient” within the meaning of utilitarianism. In the general category, we must have broader social-scientific and legal knowledge about the aggregate and precedential consequences of following the rule in similar cases.

While these objective consequences are critical, they are only inputs, as it were, into the production of aggregate happiness. At the level of individual cases, rule-utilitarianism appears not to concern itself with subjective states of happiness but just with the applicability of the rule. Nevertheless, this may be an illusion since the aggregate of happiness over all such cases is a weighted or unweighted sum of individual happiness. Clearly, the personal knowledge inherent in such determinations must be considerable.

2. In the neo-Aristotelian and natural law approaches, the moral agent takes general theoretical knowledge and applies it in specific actions to reach a balance of particular goods and virtues. As the agent descends from the abstract to the concrete, he must consider the context of his personal projects, talents and, in general, the way in which his flourishing (“eudaimonia”) as a human being might
be furthered. There will doubtless be considerable variation in this from person to person. In addition, virtues, such as honesty and hardwork, must be pursued prudently without foolish sacrifice of one’s interests (as in honestly telling a burglar where to look) and without physical exhaustion. Contextual judgment or practical reason is required and this, in turn, requires local knowledge. Aristotelian practical reason is based on “an intelligent grasp of particulars” and not simply on “generalities or universals”[Broadie, 1991: 247, emphasis added].

3. In the quasi-inductive approach of the Scottish Enlightenment philosophers, such as David Hume and Adam Smith, moral rules are generalizations from “sentiments” in particular cases. For example, a man feels compassion when he sees another homeless and begging in the street. From specific instances of sympathetic identification we “derive” a general moral notion of beneficence and the circumstances of its appropriateness. In this conception, the concrete, factually-dependent sentiments come first, both logically and temporally. So the relevant moral rule rests on the local facts of the constituent sentiments.

Once the moral rules have been “established” local knowledge continues to play a crucial role in two ways. First, for virtues other than justice, moral rules are simply rules of thumb that provide general guidance, that is, they point to some of the morally-relevant factors. A decision will depend on practical reason, the ability to exemplify a virtue (e.g., prudence, magnanimity, beneficence) in a specific context. Second, a rule of thumb will sometimes be modified when attempts to “apply” the rule in a specific context generate a result contrary to the sympathetic imagination of the impartial spectator. There will be movement towards a reflective equilibrium between the rule and the particular situations illuminated by the rule. But in the main, there will be a continual process of adjustment of rules through feedback from the particular circumstances of time and place.

V. NATURE OF ETHICAL EQUILIBRIUM

From the individual viewpoint, ethical actions may be characterized as having attained a full equilibrium when each of the following conditions is satisfied:

1. The agent efficiently utilizes the morally-relevant knowledge he has acquired as a byproduct of his economic and social interaction. Knowledge of the circumstances of family, friends and commercial partners is acquired in this way.

2. The agent efficiently gathers and utilizes those stable, external facts he thinks relevant to his decisions. (This is analogous to a search equilibrium in economics.)

3. The agent coordinates his expectations with those of the “patient.” Thus, for example, a donor to the poor is satisfied that his beneficiaries are making adequate progress toward self-reliance. Both he and they have the same fulfilled expectations as to the purpose of the assistance. (This is analogous to a cooperative game.)

4. The agent’s various moral decisions are in a coherent relationship to each other.

They are a “holistic effort, where the means chosen, the ends desired, and the description of the circumstances are all revised in relation to each other” and where “ends [that] are diverse and often conflict” are reconciled by the individual [Bowlin, 1999: 73-4]. For example, one may seek to strike a balance between the competing moral demands of alms-giving to the man who sits on the corner and of one’s friend who has broken his leg, sits in the hospital, and needs financial assistance.
5. When the agent is satisfied that the moral rules he putatively holds are consistent with his intuitions in specific cases. This is an important element in Adam Smith’s theory of the formation of morals [Griswold, 1999: 190-91].

(In philosophy, this is a “reflective equilibrium.”)

The goals of this study do not include the full characterization of a general equilibrium of ethical actions, much less the analysis of the equilibrating tendencies in such actions. Nevertheless, it is important to think about ethical equilibrium from the standpoint of the individual. By so doing, it is possible to see that the knowledge problem is not simply one of finding stable facts about the external world, and the social problem is not reducible to determining the more efficient finder of such facts. The idea of an ethical equilibrium is a way of visualizing the individual’s achievement of his moral goals and, especially, of their complex interrelationships. It shows the difficulties involved in outside parties determining the character of moral actions. While the second and third conditions above (search and coordinated expectations) can conceivably be more efficiently satisfied with the assistance of outside parties, it is difficult to see how the local advantages and subjective magnitudes that inhere in the first, fourth and fifth conditions (use of personal knowledge, balance and reflective equilibrium) can be ascertained by such parties. Thus, the construct of an ethical equilibrium suggests that the moral nature of an act cannot be determined in isolation from the agent’s other morally-relevant activities or from his knowledge of the circumstances of the external world, especially the actions of other moral agents.

PART TWO: SKETCH OF THE ETHICAL KNOWLEDGE PROBLEM

VI. PERFECT AND IMPERFECT DUTIES

There is an ancient distinction between perfect and imperfect duties (rights) which partly encompasses what we are calling the ethical knowledge problem. While this distinction is multi-dimensional and includes many more issues than we can usefully discuss here [Campbell, 1975: 285-94], there is one contrasting pair of characteristics to which we would like to draw attention. This is between determinate and indeterminate duties or, possibly, vague and specific duties [Schumaker, 1992: 16-20]. J.S. Mill offers definitions that are useful starting points. A determinate duty exists when there is a definite obligation to perform in a particular way at a particular time. On the other hand, an indeterminate duty is one which “though the act is obligatory, the particular occasions of performing it are left to our choice.” We may be “bound to practice [imperfect obligations], but not toward any definite person, not at any prescribed time” [1979: 48]. In fact, however, there are no purely determinate or indeterminate duties because of the impossibility of precisely defining any obligation and the meaninglessness of a duty not defined at all. These are obviously “ideal types” that focus the mind on degrees of determinateness.

The critical problem with the Millian definitions is that they suggest the performance of imperfect obligations contain a, perhaps large, irreducibly arbitrary element. Since the obligation is not precisely defined, it does not matter at all how we satisfy it, within the broad constraints of its type. Consequently, the state may transform the vagueness or indefiniteness of an imperfect moral obligation into a specific or
definite legal obligation [Campbell, 1975: 290-91]. We are to be generous with the poor, let us say, so the 
state may legitimately compel us to contribute a certain number of dollars to specific welfare programs at 
the end of each tax-year. This is alleged to be consistent with the imperfect moral obligation because of the 
large zone of indeterminacy in such moral imperatives. There may also be transaction-cost efficiencies in 
mobilizing the otherwise-random charitable giving of individuals in this way.

This is not the most intellectually coherent understanding we can have of the underdetermined 
characteristic of imperfect obligations, especially because it confuses moral freedom with the complete 
absence of moral guidance. The latter, pursued to its logical conclusion, would take the specific 
instantiation of a virtue to be outside the realm of morality. So while generosity in the abstract, for 
example, would be a moral issue, in the concrete it would not be. This would severely weaken moral theory 
as a guide to action. There are, rather, contextual reasons to prefer, from a moral perspective, one 
instantiation of generosity over another. These reasons lie in the specific circumstances of time and place 
knowable only to the man on the spot (“local knowledge”) or in the particular characteristics of the agent 
knowable only to himself or close relations (“personal knowledge”). Thus, from the point of view of the 
moral agent, there is no (or, at least, less) indeterminacy in the satisfying of so-called imperfect obligations. 
From the more limited perspective of another party, however, who does not have the local or personal 
knowledge available to the agent, it appears as if there is a zone of arbitrariness. In reality, it is not 
arbitrariness but contextuality.

IV. JUSTICE AND BENEFICENCE

It was quite common in the eighteenth and nineteenth-century moral philosophy to think of justice as a 
perfect obligation and beneficence as an imperfect one. The importance of this distinction has been 
obscured by its multi-dimensionality, to which we have previously alluded. Consider carefully the way in 
which Adam Smith distinguishes between perfect and imperfect rights in his Lectures on Jurisprudence. 
The primary focus here is on the legal enforceability of rights:

Perfect rights are those which we have a title to demand and if refused to compel an other to perform. 
What they [i.e., Pufendorf and Hutcheson] call imperfect rights are those which correspond to those 
duties which ought to be performed to us by others but which we have no title to compel them to 
perform; they having it entirely in their power to perform them or not…A beggar is an object of our 
charity and may be said to have a right to demand it; but when we use the word right in this way it is not 
in a proper but a metaphorical sense. The common way in which we understand the word right, is the 
same as what we have called a perfect right, and is that which relates to commutative justice. Imperfect 
rights, again, refer to distributive justice. The former are the rights which we are to consider, the latter 
not belonging properly to jurisprudence, but rather to a system of morals as they do not fall under the 
jurisdiction of the laws [Smith, 1982: 9].

When Smith speaks of “justice” simpliciter he always means a commutative justice, the form to which we 
have a perfect right. Commutative justice refers to the idea of simply restoring an injured individual to his 
condition prior to the commission of wrong, such as breach of contract or violation of property rights. 
Smith “recognized that he had deliberately opted for less than full justice in the Platonic sense, or justice in 
the eyes of God” [Fitzgibbons, 1995: 103] with its associations, for example, of distributive equity. 
Relative to the latter, commutative justice is quite precise:

The rules of justice are accurate in the highest degree, and admit of no exceptions…but such as may be 
ascertained as accurately as the rules themselves, and which generally, indeed flow from the very same 
principles with them…The rules of justice may be compared to the rules of grammar…[:] precise, 
accurate, and indispensable [Smith, 1976: 289-90]

On the other hand, the other virtues, including beneficence,” are loose, vague and indeterminate.” Unlike 
justice and grammar, “[t]here are no rules by the knowledge of which we can infallibly be taught to act
upon all occasions with “proper beneficence” just as “there are no rules whose observance will infallibly lead us to the attainment of eloquence and sublimity in writing” [Smith, 1976: 290].

It is tempting to associate the lack of legal enforceability of imperfect obligations and rights with their indeterminate character. (In fact, many Scottish moralists did this.) But the question of the appropriateness of legal enforcement of the obligations of justice and beneficence goes beyond the relative determinateness or indeterminateness of those obligations (although this is clearly one important factor). There are many other factors involved such as the seriousness of the act and the moral culpability of the agent [Campbell, 1975: 291-94]. Yet in the discussions of why justice is an enforceable obligation and beneficence is not, there lies a rudimentary understanding of the ethical knowledge problem.

The interesting question is why are there no rules of beneficence? Why are these duties indeterminate or, at least, apparently so? Smith gives us no direct answer. It may be possible, however, to infer from his discussion about why we may not compel beneficence at least one reason for its indefiniteness for legal purposes. Consider, for example, the conclusion of Fitzgibbons [1995: 112, emphasis added]. “Benevolence [for Smith] could not be legally enforced, because the civic obligations of citizens depended on circumstances that usually were too complex for codification.” While this argument is no doubt related to ours, “complexity” is not the same as the particularity of circumstances of time and place or the personal (perhaps unobservable) characteristics of the agent. In the first case, we are referring to a problem that could, in principle, be solved by a sufficiently large computational capacity. In the latter case, we are dealing with a question of the generation, mobilization, and use of decentralized knowledge in decision making. This knowledge problem, however, appears to be the partial focus of the eighteenth-century Welch moral philosopher, Richard Price, who posed the problem of beneficence as one in which “there are so many particulars to be considered in our own circumstances and abilities, and in the state of mankind and the world, that we cannot but be in some uncertainty” [1948: 121, emphases added].

Further steps in the recognition of a knowledge problem in ethics were taken by Herbert Spencer in *Principles of Ethics* [1978a, b]. Spencer argued that justice is a more abstract, and beneficence, a more concrete, virtue. Justice is abstract because it refers to the long-run conditions necessary for or conducive to human welfare. It does not take welfare as its immediate object. Beneficence, on the other hand, is concerned about increasing the happiness of other persons. It does make welfare its immediate object.

The conditions that conduce to happiness in the long run are those which enhance social cooperation. While the specific manifestations of these conditions will differ from society to society depending on particular environmental circumstances, there are certain general conditions that are universal. Among these Spencer finds the existence of property rights, enforcement of contracts, and the redress of civil and criminal wrongs. These are conditions largely based on agents’ external behavior and do not make direct reference to internal, psychological states. Justice, in its commutative form, concerns equity or equality in objectively measurable quantities and it begins with the manifest expectations of the parties; whereas happiness, according to Bentham, is composed of intensity, duration, certainty and proximity of feeling which are difficult, to say the least, to measure scientifically. More specifically, Spencer makes the following distinction:

…[A]s in the case of broken contract…we see that, the circumstances being specified, the injustice complained of refers to the relative amounts of actions, or products, or benefits, the natures of which are recognized only so far as needful for saying whether as much has been given, or done, or allowed, by each concerned as was implied by tacit or overt understanding [in the contract] to be an equivalent.

But when the end proposed is happiness, the circumstances remaining unspecified [i.e., the parties have no common understanding or expectations], the problem is that of estimating both quantities or qualities [of happiness], unhelpered by any such definite measures as acts of exchange imply, or as contracts imply...[1978a: 198].
While these arguments, it would seem, reinforce the Smithian view that the rules of justice are relatively precise, and that there are no specific rules of beneficence, they also subtly transform the distinction between justice and beneficence. Beneficence now has a utilitarian meaning: the increase of others’ happiness. If we, like Smith, do not accept this particularized meaning, is there still a personal or local knowledge problem in the application of beneficence? Suppose, for example, we define beneficence as furthering the objective interests of others. To the extent that these interests refer to consequences for others and not simply the sacrifice of the giver, we must know the particular circumstances of time and place in which the beneficiary finds himself.

A clear illustration of the knowledge requirements of beneficence can be found in Spencer’s analysis of poor relief [1978b: 393-409]. There are three forms: (1) public or law-established agencies through which relief is provided compulsorily by taxation; (2) spontaneously-organized, voluntarily supported organizations; and (3) private, that is, individually-administered relief in which benefactor and beneficiary are in direct contact. While there are important differences between the first and the second, the basic flaw they have in common is that much assistance goes to the “unworthy.” The flow of information to the administrators of these agencies is of poor quality. Recipients will deceive benefactors by falsifying their beliefs (e.g., appearing to be religious to religious organizations) and their characteristics (e.g., appearing to be more needy than they really are). The root of the poor information-flow is, in each case, the same: “The beneficiary is not brought in direct contact with the benefactor, but in relation with an agent appointed by a number of benefactors” [Spencer, 1978b: 398]. Individually-administered relief, on the other hand, involves direct contact. “Personal administration of relief would be guided by immediate knowledge of the recipients, and the relief would be adjusted in kind and amount to their needs and deserts” [Spencer, 1978b: 407, emphasis added]. Knowledge of the particular circumstances of time and place (that is, local and personal knowledge) are vital ingredients in the proper application of beneficence. Because this knowledge problem is best solved at an individual level, in Spencer’s view, positive beneficence, unlike justice, is generally not an appropriate function of government.
PART THREE:
THE KNOWLEDGE PROBLEM IN CLASSICAL ETHICAL SYSTEMS

VIII. CONSEQUENTIALISM

According to Pettit [1991: 230] every moral theory has two components: first, a view of what is good or valuable (i.e., a theory of the good); and, second, a view of how individuals and institutions should respond to the good (i.e., a theory of the right). While consequentialist theories do not involve unanimity of thought regarding the nature of the good, they do command agreement regarding the appropriate response to the good. This response is to promote the good generally throughout society. To see more clearly what this implies, consider the following illustration. It is allowable, or perhaps required, from a consequentialist perspective, that an individual lie if that is the only way to promote the good or designated value. The lie itself, or more generally, the dishonoring of the good by one’s actions, is not of primary importance. If the marginal product, so to speak, of a lie in producing the overall good is greater than the contribution to the good made by the agent telling the truth, then the lie is a perfectly moral act. This is to be contrasted to the anti-consequentialist view that “at least some values call to be honoured whether or not they are thereby promoted…[A]ctions [should] exemplify a designated value, even if this makes for a lesser realization of the value overall” [Pettit, 1991: 231].

It should be obvious where a knowledge problem lies in all consequentialist theories. For any designated value – say, equality – we must know whether a particular action promotes that value to a greater extent than alternative courses of action. Each of us, in our personal lives or in our capacities as members of institutions, must know the consequences for equality of the range of actions considered. This, in itself, is a kind of knowledge problem, but not the specific one about which we have been talking. The knowledge problem in ethics has to do with the importance of local or personal knowledge, and not knowledge that is, in principle, available to all. Do all consequentialist theories have this knowledge problem? It would seem that they do when the good pursued is of such a kind as to vary in its “goodness” by the specific, local context in which it is manifested. If, for example, “full-wealth” equality is defined relative to the beneficiary’s needs or circumstances then, obviously, personal or local knowledge is necessary to pursue the good effectively. These matters will become clearer as we examine a specific form of consequentialism: utilitarianism.

IX. UTILITARIANISM

Utilitarianism is the most highly developed of the modern consequentialist approaches to ethics. The literature is vast and the variations on the basic theme are considerable. Nevertheless, there are enough common themes and methods of analysis that interesting generalizations are possible. Utilitarianism specifies the good or designated-value that our broad treatment of consequentialism leaves open. The “good” that utilitarians pursue is “utility” – variously defined as “pleasure”, “preference satisfaction”, or more recently, as “welfare interests” [Goodin, 1991: 242-44]. There are important stories to tell about why utility has undergone successive reformulations. These stories are beyond our purposes here. What we seek to emphasize is the knowledge problem insofar as it manifests itself in utilitarian decisionmaking.

The utilitarian is in the convenient, but ultimately untenable, position of comparing a myriad of different goals according to a single metric. Thus the utilitarian need not decide which goods are worth pursuing; he
need not have a specific theory of the good. It suffices that individuals have goals or desire certain experiences and goods, and that the “social good” consists of an aggregation of these for individuals. The main subject of controversy has been how can the pleasures (pains), preference satisfactions, or welfare interests be aggregated across individuals? The problem of interpersonal comparisons of utility is a formidable one, but is not, in itself, the main subject of our interest.

The aggregation of individual utilities requires two kinds of knowledge. First, in order to calculate the hedonic or otherwise-cardinal utility for each individual, the moral agent must know the local and personal circumstances, as well as the bundle of commodities, that constitute the relevant alternatives. Consider that a drug (commodity) may yield more “pleasure” or “preference satisfaction” to a given individual when there is an outbreak of influenza and when the individual is in poor health (local, personal conditions) than otherwise. So, if the measurement of individual utility is possible, it is, at best, a contextual enterprise or, as economists say, it is “state dependent.” This much is admitted by utilitarians, even if not satisfactorily handled by them [e.g., Harsanyi, 1982: 50]. A second kind of “knowledge” is necessary in order to trade off these individual utilities against one another. We must know how characteristics of the potential beneficiary affect his capacity to experience pleasure or satisfaction relative to others. Since we cannot hope to know this, the analysis typically involves the acceptance of a “similarity postulate,” that is, “the assumption that, once proper allowance has been made for the empirically given differences in taste, education, etc. between me and another person, then it is reasonable to assume that our basic psychological reactions to any given alternative will be otherwise much the same” [Harsanyi, 1982: 50, emphases added]. The function of the similarity postulate is to reduce the differences among persons in their capacity to enjoy to certain objectively measurable quantities, and thereby to evade the knowledge problem.

In the final analysis, the interpersonal comparison of utilities must be reduced to intrapersonal comparisons: How would I rank experiences if I were in the same objective conditions of another person? To do the job required, the comparing individual must be able to envision himself in a variety of objective local and personal circumstances (perhaps different from what he has actually experienced) and rank his hedonic states accordingly. Assuming the meaningfulness of such rankings of the (projected) hedonic states of other individuals by a given individual, is there reason to suppose that there will be agreement across the different comparing individuals about these rankings? If there are disagreements, there is nothing in utilitarian moral theory that can settle them. We would be then left without consistent data upon which to construct a “social utility” maximum. Aside from these fundamental difficulties, however, a utilitarian would have, the very least, to recognize that simply as a matter of application of the framework, moral calculations will be more accurate the better his access to local knowledge. “It is easier to know what people nearby need, and how best we can help…” [Goodin, 1991: 246, emphasis added].

Even Jeremy Bentham in his later work perceived difficulties for the dirigiste program arising out of the limitations of local and personal knowledge. In Deontology he wrote:

What is good for another cannot be estimated by the person intending

to do the good, but by the person only to whom it is intended to be done.

The purpose of another may be to increase my happiness, but of that

happiness I alone am the keeper and the judge…

Refrain, then, from doing good to any man against his will, or even

without his consent… [Cited in Hazlitt, 1964: 89].
To the extent that the benefactor cannot know the utility of the potential beneficiary, the act in question, in Bentham’s eyes, is not truly beneficence:

If the notion of serving a man not in the way in which he wishes to be served but in the way he ought to be served or in the way it is best for him to served be carried to a certain length, this is tyranny not beneficence; an exercise of power for the satisfaction of the self-regarding affection, not an act of beneficence for the gratification of the sympathetic or social affection [Bentham, 1983: 279].

X. NATURAL LAW

To some it may appear that natural law theories of ethics are non-consequentialist, if not stridently anti-consequentialist, and therefore unlikely to require contingent local and personal knowledge for their application. This impression is fostered by (misinterpretation of) accounts of the natural law such as those in Cicero [1938]: “True law is right reason in agreement with nature; it is of universal application, unchanging and everlasting…” Nevertheless, in the context of a long tradition, natural law “was not generally understood to be a fixed unalterable set of rules which could be simply applied to human conduct or society irrespective of the circumstances” [Buckle, 1991: 166]. An important distinction was made between unalterable fundamental principles (the “formal” understanding of good acts) and their application at a particular place and time (the “material” understanding). [Aquinas, 1995: Q.2, a.4, r.13]. More specifically, it would be quite wrong to classify natural-law ethics as non-consequentialist because consequences do matter, albeit a different set of consequences than that which concerns the utilitarian, for example.

Let us begin our analysis by dividing consideration of the natural law into the principles operative at the level of individual life and those operative at the level of society as a whole. These are clearly interrelated because society is obviously composed of individuals and, as we shall see, the individual needs the rest of society for his full development.

Each individual has a natural inclination toward “happiness,” by which is meant the flourishing appropriate to himself as a rational creature. The “good” for man consists of some general goods like physical existence, wealth, health, and knowledge of the truth. These are objective goods and not the subjective goods of a utilitarian calculus of pleasure (pain) or want satisfaction. Despite their “objectivity” they are not independent of context. A good is good for someone in particular spatio-temporal circumstances. It is both “agent-relative” and dependent on local and contingent facts. It advances the truly good for an individual, but that is not determinable apart from the context of who he is and where he is. [Rasmussen, 1999: 3; 6-10]. Thus, the contents of the good are not determined by natural law with deductive certainty, but by practical reason in the uncertain circumstances in which the individual finds himself. “In the case of the practical reason…which is concerned with contingent matters such as human actions, even though there be some necessary truth in the common principles, yet the more we descend to what is proper and peculiar, the more deviations [of opinion among men] we find” [Aquinas, 1975: I-II, Q.94, a.4]. There is no algorithm by which we can combine particular circumstances with the natural law framework and get a single, determinate implication for action (which, of course, is not to say that the action is completely arbitrary). Accordingly, the individual naturally tends toward his own good, but is not compelled by the natural law to pursue, say, health in any particular way at any given time. In fact, he may not pursue it at all in a certain situation where other goods, like the pursuit of truth, may be in conflict. (Consider the great philosopher who compromises his physical health to complete his magnum opus.) The pursuit of moral goods is a “holistic” process whereby conflicts are resolved and balance is established [Bowlin, 1999: 73]. Practical deliberation, as we have seen, depends on an intelligent grasp of particulars which cannot be
superseded by rules [Broadie, 1991:203]. Accordingly, the pursuit of goods requires attention to consequences and necessarily to local knowledge.

Individual flourishing is comprised not only of certain goods, but also of the pursuit or practice of virtues. Virtues, like goods, are contextual. What does a virtue mean in a concrete situation? How is it to be traded off against other conflicting virtues? The return of goods to their owner, though generically virtuous, is not an instantiation of moral behavior when it is known that those goods, say guns, will be used for an evil purpose [Bowlin, 1999: 63; see also Jones, 1969: 262]. The single-minded pursuit of beneficence to a blind, homeless man may not be moral under altered circumstances. The requirements for companionship and financial assistance of an injured friend may, in a world of scarce time and other resources, conflict with helping a stranger [Bowlin, 1999: 71]. The resolution of these problems depends on the particular circumstances of time and place, including the personal resources, talents and projects of the moral agent.

At the level of the relevant community, the natural law affirms the idea of a social good. Consider, for example, the oft-quoted statement of Thomas Aquinas that law is “an ordinance of reason for the common good” [1975: I-II, Q.90, a.4]. But what can this “common good” be in light of the contextual nature of the good for individuals? Is there a common moral good for man on earth? There are, admittedly, two major traditions that deal with this issue. The older one, by far, is represented by such thinkers as Aristotle and Aquinas. For each of them, in different senses, the common good consists in the right actions of each and all. Accordingly, the state has an obligation to provide the appropriate institutions for the encouragement or promotion of the good and of virtue. It is “for the sake of good actions, and not for the sake of social life, that political associations must be considered to exist” [Aristotle,1946: III, 9, 1281a]. Thus there is a substantive, objective common good for all men by virtue of their generic humanity. Aristotle was clear that coercion could be used to promote this good, while Aquinas, in principle agreed, but was worried about the prudence of doing so in particular circumstances. It is against this tradition that we have been arguing.

There is second strain of thought, more modern and, we believe, consistent with the contextual nature of human flourishing. This perspective reached a high level of development in the work of the seventeenth-century philosopher, Samuel Pufendorf.

On his view, the precepts of natural law “have a clear utility” [1991: 36] directed toward the establishment of “sociality” or what we would today call, social cooperation. Human beings are not capable of developing their talents, potential, abilities, or of practicing virtue in isolation. They need both positive assistance and protection from malefactors that association with other human beings affords. But Pufendorf was aware that “the Good can only be defined intersubjectively, as the beneficial outcome of Actions affecting different Persons in society. The needs and wants of those persons change [as we consider the different persons – MJR] and therefore the morality that seeks to maximize the Good must alter itself in line with those changes” [Hochstrasser, 2000: 100]. Therefore, this assistance and protection must have the quality of a means to the different ends legitimately pursued by various individuals. We all have a common interest in sociality. In an important sense, therefore, Aristotle was wrong to say that the polis exists “for the sake of good actions, and not for the sake of social life” [Aristotle, emphasis added]. There is a deep epistemic problem in determining good actions for others, whereas sociality (social cooperation) is a means of obviating that problem.

The common good cannot be advanced directly but, through the means or structure provided by society, each individual can more effectively attain his material and moral ends. F.Uberwerg outlined the logic of Pufendorf’s argument:

His interpretation of natural law is essentially defined in relation to Grotius and Hobbes, in that he takes over from the former the principle of sociability, from the latter the interests of the individual, and unites them in the principle that sociability lies in the interest of every individual [Cited in Hochstrasser, 2000: 98].
Accordingly, Pufendorf makes the connection between natural law and the promotion of sociality quite strong:

[T]he fundamental natural law is: everyman ought to do as much as he can to cultivate and preserve sociality. Since he who wills the end wills also the means which are indispensable to achieving that end, it follows that all that necessarily and normally makes for sociality is understood to be prescribed by natural law. All that disturbs or violates sociality is understood as forbidden [Pufendorf, 1991:35-6].

This perspective reconciles the contextual, empirical nature of human flourishing and the existence of a common good for all men by virtue of their humanity. Viewed negatively, it sets “limits on the ways in which each of us could properly pursue our own personal aims” [Audi, 1995: 520]. Viewed positively or negatively, it demonstrates that natural law ethics grapples with the knowledge problem in ethical behavior not by prescribing concrete ends but, in the Pufendorf variant, by specifying the means by which individuals can potentially fulfill their natural, generic ends more effectively. The actual solution to the knowledge problem, as in the determination of concrete ends in the particular circumstances of time and place, is found by the individual, who is in possession of local knowledge and is able to cooperate with others for the most effective utilization of that knowledge.

XI. KANTIANISM

Kant’s system of ethics and the modern moral theories which emanate from it are generally understood to be non-consequentialist. In this view, Kantian ethics is a duty-based philosophy and, as such, may be thought to be without a knowledge problem. If moral agents, for example, have a duty simply to tell the truth regardless of the consequences, then the particular circumstances of time and place in which duty is satisfied would seem to have no role in ethical decisionmaking. Yet if moral agent’s actions are supposed to “honor” a certain value (e.g., truth telling) then they must know whether, in a specific context, the value is indeed exhibited by the action [Pettit, 1991: 233]. Does the “truth” mean something different when your hosts ask you if you enjoyed the dinner party and take your answer at an appropriate discount than when the police want to know where the escaped convicts are? Suppose that we have duty to be loyal or to be humble. Which acts exhibit these traits? Is the broad or narrow social context relevant? The meaning of an action is dependent on contingent facts and our local and personal knowledge of them.

Moreover, any action is defined by its actual or intended consequences. “To act is to make a difference to the course of events, and what the act is, is determined by what difference” [Hare, 1997: 164]. For example, telling a lie is not immoral because the actor “dislikes” the consequences of deceiving another person. It is
because, for Kant, lying violates the Moral Law in the form of the respect we owe all human beings as autonomous ends-in-themselves. A person is treated as mere means to someone else’s ends when he is deceived. Accordingly, the consequences of deception are essential to what the particular act of lying is. An individual would not be used against his will were he not actually deceived. Analogous arguments could also be made for the importance of consequences in such other violations of morality as theft and murder. So in Kant’s ethics consequences are not ignored. It is simply that, while consequences are important to the definition of our acts, they are not the ground of our moral obligation. “We must not judge the action to be right or wrong according as we like or dislike the consequences.

…A good man aims at consequences because of the law; he does not obey the law merely because of the consequences” [Paton, 1971:76, emphasis added].

A more comprehensive understanding of the issue can be derived from analyzing our two primary duties according to Kant: the duty to pursue (1) our own perfection and (2) the happiness of others (beneficence) [Aune, 1979: 174]. In order to fulfill these general duties, that is, to determine which specific actions are in accord with them, we must have personal and local knowledge. In the first case, the individual must know what his “faculties,” “capacities,” or “natural dispositions” are. These may not be fully known to him, but he is likely to know many things no one else does. This is knowledge of a personal kind. Furthermore, “capacities [are] for furthering ends set forth by reason” [Kant, 1996:154]. In other words, these are capacities for action and, hence, for the attainment of ends, of consequences. Since these consequences are in particular and individual lives, knowledge of local circumstances is critical.

In the second case, to promote the happiness of another person we must have particular knowledge of him at a given time and place so that we can determine what actually is in his interest. An benefactor must try to understand the concept of happiness held by the potential beneficiary and to “benefit [the latter] only in accordance with his concepts of happiness” [Kant,1996:203] although “it is open to me to refuse them many things that they think will make them happy but that I do not” [Kant,1996:151]. True beneficence makes an effort to enter into the other person’s world – his plans, his projects – not simply to give him whatever he thinks he needs, or simply wants, but actually to benefit him.

The ethical knowledge problem in Kantianism runs even more deeply. Kant struggled with the resolution of conflicts of moral obligations or, in his terms, with conflicting grounds of moral obligation. In his later work, he argued that the solution was to be found in limiting one maxim of duty by another [Gregor, 1963: 104]. The duty, for example, to help mankind in general is limited by the similar duty to one’s parents. Nevertheless, it is not a simple matter that any duty to one’s parents takes precedence over any and all duties to mankind. How exactly such a decision is to be made (and, in a world of scarce resources, it must be made) is beyond the scope of analysis here. It is, however, sufficient to say two things. First, the tradeoff between these duties is not perfectly determined by Kantian moral theory. Unlike the simpler forms of utilitarianism, there is no algorithm we can apply which, in the presence of perfect local and personal knowledge, will yield a determinate outcome. Second, although theory will not determine the result perfectly, concrete circumstances will be relevant to the resolution of ethical conflicts (and hence will partly determine the outcome). This is the case even on what Gregor [1963: 95-112] calls a “rigoristic” interpretation of Kant’s idea that agents have a certain moral “latitude” in fulfilling imperfect duties; in this interpretation, latitude is not a license for genuinely arbitrary decision. “The latitude would be present only because moral philosophy cannot admit sufficient empirical knowledge of the situation in which we find ourselves and hence cannot know how much we are capable of doing toward the end and whether an opposing ground of obligation is present which overrides the necessity of acting toward the end here and now or limits the extent to which we must act” [Gregor, 1963: 104-5, emphasis added]. Thus the use of means, efficiently adapted to the local situation, to fulfill an obligation to help our parents may enable us to satisfy the otherwise-conflicting obligation to assist a beggar in the street. Furthermore, we are permitted to weigh the grounds of different duties when they do conflict. Surely that weighing will make use of the factual details of each situation, e.g., the degree of seriousness of the needs of our parents and strangers (as well, of course, of the status relationship between those in need and us). While the seriousness of the one does not relieve us of the obligation to satisfy the other, it may relieve us of that obligation in the existing particular circumstances of time and place.
Even moral decisions that appear “arbitrary” are more correctly viewed as dependent on subjective or personal circumstances. While we do not have a “duty” to pursue our own happiness, we do have a moral right to do so and this will reduce the resources we make available to fulfill our duty to help others. Kant argues, for example, “that we have no obligation to sacrifice ‘our true needs’, those satisfactions which are essential to our happiness, in order to promote the well-being of others… And as for what constitutes our true needs, this depends largely on ‘our own way of feeling’” [Gregor, 1963: 105].

Simply put, what we are saying is that while Kantian ethics is duty-based, the application of its general maxims requires the particular knowledge of time and place.

XII. CONCLUSIONS

Moral dirigisme, or the attempt to make the actions of men moral through coercion, founders on the phenomenon of decentralized social knowledge. Moral decisions require the particular knowledge of time and place that is usually available only to the individual decisionmaker. This knowledge is often the byproduct of local economic and social relations; other times it is specifically sought after by those who have the incentive to be moral in the familiar context of their personal lives. Equally important is the ineradicably personal, but not necessarily arbitrary, reconciliation or integration of individual moral decisions. In a world of scarce resources, including the time of the agent, the good or virtuous life is one in which particular decisions form a whole that conduces to utility, flourishing or the establishment of a kingdom of rational ends. Each of the classical moral systems, in its own way, requires local and personal knowledge for the effective pursuit of morality. The unavailability of this knowledge to the dirigiste condemns his plans for the moral improvement of humankind to moral incoherence and irrationality. Central planning is no less chaotic in the moral than in the economic world.
REFERENCES


