Contractarianism

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Abstract

Contractarianism and contractualism identify a range of positions in moral and political theory that is distinctive in terms of its emphasis on considerations of individualistic eligibility: social, political or moral rules, norms, or institutions are to be explicited and justified by appeal to the extent to which they would be chosen, at least by certain types of agents in certain situations. Classical contractarianism was developed by Hobbes and Locke, and by Rousseau and Kant, and a range of contemporary contractarian and contractualist positions emerged in the second half of the twentieth century to challenge utilitarian and other idealist approaches to political and moral philosophy. Classical contractarianism is often identified with an apparently false belief in a real historical contract, or with a deeply problematic relationship between a hypothetical contract and the real world. Contemporary contractarianism and contractualism are more heuristic in their use of the idea of agreement, using the notions of contract and agreement as a means of investigating social, political and moral questions. Contemporary contractarianism sits in the broadly

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Hobbesian tradition and takes individual interests as basic, seeking to explore the prospects for mutual advantage among rational individuals. Contemporary contractualism sits in the broadly Kantian tradition and emphasizes the rational contemplation of social, political or moral questions from an impartial perspective as the appropriate means of investigation. Both traditions face issues of analyzing the nature of *ex ante* agreement, the basis for *ex post* compliance, the relationships between the individual, the social, the rational, and the moral, and the connections with ideas such as individualism, democracy, and pluralism.

1 Introduction

The voluntary act of entering into a contract or agreement may be understood as the act of choosing to be involved with others in a specified joint venture or commitment. Any argument that places an idea of contract, agreement, or consent in a central role in explaining or justifying a particular joint venture or commitment might then be seen as broadly ‘contractarian’ in nature. Most prominent among the joint ventures and commitments that might be explained or justified are political, social, and legal institutions including government, and moral values. Broadly contractarian arguments are distinctive in terms of their emphasis on considerations of eligibility, so that demonstrating that a particular arrangement or commitment was, or might have been, chosen, at least by certain types of individuals in certain circumstances, carries weight in explicating and justifying that arrangement or commitment. Contemporary contractarian and contractualist arguments differ from each other along several dimensions, most obviously according to the basis of agreement or consent, the domain of the argument, the role of the idea of contract or agreement in the argument, and the specific nature of the relevant contract. These dimensions map out a space that includes many positions. Not all points in this space are tenable, but a number of them are occupied by contemporary contractarians and contractualists.
In the dimension associated with the basis of agreement or consent the most fundamental distinction is that between those who, following Hobbes, locate agreement in individual interests and mutual advantage; and those who, following Kant, locate agreement in an impartial assessment. It is this distinction that is tracked by the contemporary use of the terms ‘contractarianism’ and ‘contractualism’ respectively.

In the domain dimension, a modest contractarianism/contractualism would seek to explain or justify some particular activity, norm or other aspect of social life against a background that already includes a rich variety of social institutions and norms. By contrast, a moderately ambitious or political contractarianism or contractualism seeks to explain and justify basic social and political institutions themselves, rather than merely the activities that occur within them. Finally, a highly ambitious or moral contractarianism/contractualism seeks to provide a theory of morality itself.

In the dimension that identifies the role of agreement in any contractarian/contractualist argument we note two major possibilities: agreement might play either a shallow, indicative role or a deep, constitutive role. An indicative role might be relevant in cases where the agreement serves as a useful but inessential signal of some further and more basic property (the signal may be sufficient but not necessary for the realization of the underlying property). By contrast, agreement could play a deeper, constitutive role where the idea of contract is essential to the argument (so that the contract is both necessary and sufficient).

In the dimension that identifies the specific nature of the relevant contract, the most obvious range extends from the case of the fully explicit, actual, or historical agreement, to various specifications of tacit, implicit, or hypothetical agreements. But there is also scope for qualifying the nature of agreement in other ways. Thus, some contractarian/contractualist arguments will
emphasize the informational context of agreement, or the extent to which the agreement is
grounded in fully rational deliberation, or the extent to which agreement could be reasonably
rejected.

The basic idea or vision that unites all contractarian/contractualist thought is the conception of
society (in the case of political contractarianism) or morality (in the more ambitious case) as
human constructions, so that, for example, society is ‘a co-operative venture for mutual
advantage’ (Rawls 1971, p. 4). This places contractarianism/contractualism in a broadly
individualist setting in which society/morality is to be explained and justified by appeal to the
extent to which it responds to human needs, supports cooperation, and suppresses various forms
of conflict.

In the Hobbesian contractarian tradition the interests of individuals are taken as basic so that
agreement is seen as identifying mutuality of interest. The most basic version of such a theory
would begin in pre-social state of nature, allow individual interests to be whatever the
individuals concerned perceive them to be, and would require real, explicit, and unanimous
agreement between individuals. Such a theory is open to a range of obvious criticisms: that
agreements based on mistaken or misperceived interest cannot carry the normative weight
required by the argument; that since explicit, historical agreements of the required type are not a
common feature of the real world, the contractarian argument cannot explain or justify the actual
political or moral features of the real world; and so on. The point to be emphasized here is that,
notwithstanding the success of these criticisms against the most basic form of Hobbesian
contractarianism, more sophisticated versions of the idea of contract or agreement are important
as a means by which to investigate the prospects for mutual advantage for rational individuals.
In the Kantian contractualist tradition, attention shifts from mutual advantage to impartiality. The basic idea here is that the rational contemplation of the world from an impartial standpoint will reveal what political arrangements are just or what is moral. There is no fundamental attempt to link the contractualist idea to real, explicit agreements. The essential nature of the Kantian contractualist method is to construct a hypothetical, impartial position from which to consider what is just by asking what might be rationally chosen or agreed from that position.

2 Contract and Compliance

Although the possibility of cooperation is a hallmark of the vision of society in both the Hobbesian contractarian and Kantian contractualist approaches, it is the nature of the conflict that threatens cooperation that sets the more detailed agenda. This agenda may be illustrated by a sequence of simple games which have become staples of the literature—the pure coordination game, the mixed-motive game, and the prisoners' dilemma. In developing these illustrations, I will use the language of a simple Hobbesian, interest-based contractarian argument, where the contract is explicitly entered into.

In the pure coordination game each player has an interest in coordinating with others, and no other relevant interest. This is illustrated in the simple two-person, simultaneous-play game of Fig. 1, where the pay-offs from each combination of actions are shown in the form (payoff to row, payoff to column).

**Figure 1 Pure Coordination**

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All that matters in this game is that the two players should take the same action—both should X, or both should Y—since the interests of the two players are perfectly aligned. In this setting it is easy to see how pre-play communication between the players might allow an agreement which identifies a *convention* in the sense of Lewis (1969). So there is little difficulty in identifying the potential grounds for agreement (although there might be a minor difficulty in identifying which of the actions is to be coordinated on). It is equally easy to see that such an agreed convention will be self-enforcing in that neither player has any reason to depart unilaterally from the convention once it is established. There is no individual compliance problem here. This, then, is a model in which a simple contractarian argument promises to work well—agreement seems likely to pick out social or political conventions that are self-enforcing in the relevant population.

However, the obvious criticism is that a model of pure coordination is an inappropriate starting point for even moderately ambitious political contractarians since, although it may capture the essential features of some social and political issues, it can hardly claim to capture the fundamental nature of society where both competition and conflict must be recognized.

A move towards incorporating conflict is made in Fig. 2, which represents the mixed-motive game. The benefits of cooperation are still clear—each player still has an interest in doing what the other does—but now the two players have divergent interests concerning the action to coordinate on. Row has an interest in coordinating on X, while Column has an interest in coordinating on Y. This introduces a difficulty into the contractarian argument; the difficulty is that any pre-play agreement must now overcome an essential conflict of interests. If we are willing to assume that some agreement is reached, we might still argue that such an agreement forms a convention and is self-enforcing. Consider the case in which Row and Column agree that
both should X, Column now has good reason to suppose that Row will X and, given this belief, Column will also have good reason to X. There may be no individual compliance problem here despite the *ex ante* conflict between players.

**Figure 2 Mixed Motives**

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<td>Row</td>
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<tr>
<td>X</td>
<td>(2,1)</td>
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<td>Y</td>
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A further step in the direction of conflict is illustrated in the standard prisoners’ dilemma game of Fig. 3. Here each individual has a private reason to Y, since this is the dominant strategy. The potential and mutual gains from cooperation in this case come from shifting the behavior of *both* players from Y to X. In a sense, the problem here is the opposite of the problem in the mixed-motive game. The nature of any agreement seems clear enough, precisely because the coordinated shift from Y to X does offer mutual benefits, while no other route to mutual benefits exists. But now the existence of a severe compliance problem may undermine any agreement to X. If both agree to X in pre-play negotiations, it is not clear that either will comply with the agreement, since it will be in their individual interests to renege on the agreement regardless of whether they believe the other will keep to the agreement or not (this is just what it means to say that Y is the dominant strategy). The pre-play agreement may be dismissed as ‘cheap talk’ that does not actually impact on individual decision making. If the compliance problem is so severe as to render prior agreement ineffective, there will be no reason for individuals to waste their time in reaching ineffective contracts.
These simple illustrative games serve to identify two of the basic issues facing contractarians, and the relationship between these issues. On the one hand, the issue of the nature and content of any agreement given the likely presence of *ex ante* conflict between individuals and, on the other, the issue of compliance with any agreement given the *ex post* conflicting private incentives facing individuals.

### 3 Contemporary Contractarian Positions

We have identified two broad traditions - the Hobbesian interest-based contractarian tradition and the Kantian impartiality-based contractualist tradition; and two broad issues: the *ex ante* agreement issue and the *ex-post* compliance issue. The remainder of this article will briefly consider contemporary contractarian positions—representing both traditions and offering different approaches to the basic issues. The intention is both to sketch some salient features of contemporary debate, and to reveal some of the strengths and limitations of contractarian/contractualist argument.

#### 3.1 Hobbesian Contractarianism—Buchanan and Gauthier

Both Buchanan's and Gauthier's contractarianism are clearly and explicitly Hobbesian in nature, but an initial difference between these two contemporary contractarians lies in the scale of their
ambition. Buchanan ties his contractarian argument to political constitutionalism, so we might view Buchanan as an essentially political contractarian. Buchanan takes contractarianism as providing a justification for political and constitutional structures, rather than merely an explanation, so that he is committed to contractarianism as a means of moral enquiry; but he does not set out to derive any specific or substantive moral principles from the idea of agreement. Buchanan is certainly a moral individualist, but he may be interpreted as allowing individuals to hold whatever moral views they may happen to have (including none at all), insisting only that agreement or contract is the means by which individual moral values, as well as individual desires or preferences, must be brought together in any exercise in normative social or political theory. By contrast, Gauthier's ambition is that of a full-scale moral contractarian. Morals by Agreement sets out an argument (with many of the details revised and extended in later work) for the contractarian construction of morality. More specifically, ‘Moral principles are introduced as the objects of fully voluntary ex ante agreement among rational persons. Such agreement is hypothetical ….. But the parties to the agreement are real, determinate individuals, distinguished by their capacities, situations and concerns ….. As rational persons understanding the structure of their interaction, they recognize a place for mutual constraint, and so for a moral dimension in their affairs’ (Gauthier 1986, p. 9). These differences in ambition between Buchanan and Gauthier relate to further differences in the treatment of both ex ante agreement and ex post compliance.

A basic distinction in Buchanan's argument is that between ‘constitutional’ and ‘in-period’ choices. Constitutional choices are described as choices of rule-systems, while in-period choices are described as choices within rules. The ex ante agreement issue, for Buchanan, is then the question of why individuals who may differ markedly in their interests (and values), and in their
in-period motivations and behavior, may nevertheless agree on rules. Buchanan's approach to this issue focuses on considerations of the nature of the objects of choice rather than the choosing agents. As already noted, Buchanan does not impose on his individuals any restriction in the set of interests or values that they might have. On the contrary, Buchanan frequently insists that ‘we start from here’ and that individuals must be taken ‘as they are’, recognizing their diversity. Rather, Buchanan argues that the nature of constitutional choice itself will present alternatives in such a way as to reduce conflict between individuals, and so enhance the prospects for agreement. One key element of this argument is that constitutional provisions are ‘general’, in that they are expected to apply both across many particular in-period choice situations and across time, so that any individual contemplating the choice between rule-systems will have good reason to judge the alternative rule-systems in terms of their more general properties, rather than in terms of the implications for any particular in-period decision. Thus, for example, in choosing a voting rule to be applied to a broad class of in-period political decisions, any individual at the constitutional stage will have good reason to balance the implications of each potential voting rule across a wide range of issues, and this suggests that different individuals may judge voting rules similarly, even if their specific preferences or values are rather different. This argument seems secure; surely the move from the level of the particular in-period decision to the more abstract constitutional level will tend to suppress at least some of the potential conflict between individuals and so allow potential agreement. However, this apparent success in at least diluting the ex ante agreement problem may simply transfer the problem to the arena of compliance. The ex ante agreement problem is still more severe for Gauthier. To the extent that Gauthier simply argues for the ‘recognition of mutual constraint’ at the ex ante level, then there is no substantial difference between Gauthier and Buchanan—‘mutual constraints’ may be identified with
constitutional rules without much loss. However, Gauthier needs to go a step further to argue that individuals will come to agree on moral principles rather than just particular, institutionalized constraints or rules. To take this extra step Gauthier relies on a particular model of bargaining (although the specific theory of bargaining is an area in which Gauthier has revised his views) and a version of the Lockean proviso. The proviso is of particular interest since it seems to be a moral principle, but is not argued to arise out of agreement. It is, rather, a precondition for agreement. Essentially, the proviso states that initial bargaining between individuals should be constrained so that no individual should be worse off in the initial bargaining situation than they would be in a non-social context of no interaction. This effectively introduces a minimal set of rights into the original bargaining situation. Gauthier argues that such a proviso has to be accepted by each individual if agreement is to be possible. In one sense this proviso might be thought of as a technical device to ensure that the bargaining outcome actually realizes mutual advantages, and therefore stays true to the underlying Hobbesian idea; but in another sense it reveals a potential weakness of any bargaining model in that the outcome will reflect bargaining power relative to some baseline ‘rights’. If such power is to be viewed as illicit in some cases—and ruled out by the proviso—why should the outcome of power be granted moral status in other cases?

The basic compliance question for any Hobbesian contractarian is simply why any individual should feel him- or her-self to be bound or obligated by a prior agreement (whether on political rules or moral principles), even if that agreement was explicit and real. This question may be put in terms of the ex post motivational impact of the ex ante agreement, and whether the motivational impact is sufficient for the agreement to be self-enforcing. If interests are the currency both of ex post decision making and ex ante agreement, it would seem to place these
two activities on all-fours with each other so that the claimed priority of the \textit{ex ante} contract over the \textit{ex post} decision is threatened.

The prospects for wholly self-enforcing contracts seem to be hopeless if we are to take individual interests either as being entirely unspecified, so that any individual may have any interests at all, or if we insist on interests being modeled in terms of narrow self-interest along the lines of the standard depiction of \textit{homo economicus}. In either of these cases, the fact of the contract (if it is a fact) and the content of the contract (whatever it might be) would seem to have no independent or reliable role in determining in-period behavior in situations such as the prisoners' dilemma where in-period incentives are clear. In order to generate reliable compliance in such cases, we seem to need to assume at least some motivational relevance or status for the contract itself or the rules or principles that derive from that contract. Without such a move, the range of political and moral principles that might be explained or justified by a Hobbesian contractarian would seem to be limited to those which can be analyzed as self-enforcing conventions (see Hardin, 2003). Gauthier attempts such a move by arguing for what he terms ‘constrained maximization’ rather than straightforward maximization as the appropriate interpretation of rational decision making, where ‘A constrained maximizer has a conditional disposition to base her actions on a joint strategy, without considering whether some individual strategy would yield her greater expected utility …in other words, a constrained maximizer is ready to co-operate in ways that, if followed by all, would yield outcomes that she would find beneficial and not unfair, and she does co-operate should she expect an actual practice or activity to be beneficial’ (Gauthier 1986, p. 167). The basic point here is that Gauthier is attempting to ground his moral contractarianism in a specific interpretation of what rationality requires. The detailed claim about rationality is
clearly contentious, but without some similar claim, there would be little prospect for contractarianism that goes much beyond the securing of conventions.

A second aspect of the question of compliance relates to the possibility of enforcement. Clearly this is of much more relevance to a political contractarian than a moral contractarian since a moral contractarian must by necessity be concerned with the acceptance and internalization of moral principles but, even for a moral contractarian, it is clear that enforcement may play some role. So, can enforcement resolve the compliance problem? As usual, the answer is both yes and no. Of course, the possibility of more complex contracts which include enforcement mechanisms will extend the range of political and social situations that can be treated. Such complex contracts need raise no new issues at the *ex ante* stage. For example, if a group of individuals contract to engage in a joint venture that has the characteristics of the provision of a public good (the draining of a swamp, perhaps), it will be appropriate for them to recognize that a simple contract in which each person agrees to contribute to the in-period effort and cost may founder since each individual will face strong in-period incentives to free-ride. In such a case, a form of enforcement, perhaps raising taxes against the credible threat of some further punishment if taxes are not paid, seems both to solve the *ex post* compliance problem and be something that offers appropriate mutual advantage so that it will be eligible at the *ex ante* stage. However, this is too fast. Enforcement of the type required cannot simply be assumed to be available. Typically, enforcement requires enforcers and their motivations and decisions must be explicitly considered. Assuming that judges will virtuously apply the law, or that policemen will act regardless of their own individual interests, is not to solve the compliance problem but simply to relocate it. This is not to deny that enforcement is sometimes possible and useful, but merely to suggest that while a political or social arrangement may involve enforcement within its structure,
the structure as a whole must be seen to be self-enforcing in the sense that the behavior of all individuals—including those who act as enforcers—are seen to be consistent with their motivational characters and the incentives facing them.

3.2 Kantian Contractualism—Rawls and Scanlon

Some of the discussion of the Hobbesian positions of Buchanan and Gauthier applies with only minor modification to the Kantian positions of Rawls and Scanlon. In this section I will concentrate on rather different concerns to avoid repetition.

The Kantian nature of Rawls's contractualism is most obvious in the formulation and discussion of the original position. This position, with its relatively thick veil of ignorance, is the basic means by which Rawls attempts to overcome the potentially conflictual nature of the ex ante agreement and generate the impartial conditions under which to explore what justice requires. To (over)simplify, the original position attempts to strip away all of the distinctive and partial characteristics of specific individuals, their particular circumstances, interests, and so on, so reducing the extent of conflict between individuals. In the limit, this process reduces the idea of rational agreement among individuals in the original position to the idea of the rational choice of a single hypothetical and representative individual. This then places almost the entire burden of identifying the institutions and principles that should govern society on the idea of rationality. The danger here is that the original position must satisfy two rather conflicting conditions. On the one hand it must be sufficiently removed from the real world to satisfy the requirement of impartiality, that is, it must strip away almost all the recognizably human aspects of the individual, while on the other hand it must retain sufficient structure to allow the idea of rationality and rational choice to be meaningful and recognizable. This is no trivial task. The
standard thin theory of rationality favored by economists and seemingly endorsed by Rawls is
one in which rational choice is defined in terms of the desires and beliefs of the particular
individual; in the absence of specific desires and beliefs, it is not clear what the thin theory of
rationality entails.

Scanlon's contractualism differs from that of Rawls in several key respects—first in terms of its
ambition where Scanlon is explicitly more ambitious than Rawls in arguing for a moral rather
than a merely political contractarianism, and second in his formulation of the idea of \textit{ex ante}
agreement which makes no major use of the construction of an original position. Scanlon offers
the following definition of his account of contractarianism: ‘An act is wrong if its performance
under the circumstances would be disallowed by any system of rules for the general regulation of
behaviour which no one could reasonably reject as a basis for informed, unforced general
agreement. This is intended as a characterization of the kind of property which moral wrongness
is’ (Scanlon 1982, p. 110). Contractarianism, in this view, is concerned with providing a
distinctive basis for moral reasoning by individuals. Thus, for example, ‘A satisfactory moral
philosophy will not leave concern with morality as a simple special preference, like a fetish or a
special taste, which some people just happen to have. It must make it understandable why moral
reasons are ones that people can take seriously’ (Scanlon 1982, p. 106) and again, ‘According to
contractualism, the source of motivation that is directly triggered by the belief that an action is
wrong is the desire to be able to justify one's actions to others on grounds they could not
reasonably reject’ (Scanlon 1982, p. 116). This formulation ties together the \textit{ex ante} agreement
and \textit{ex post} compliance issues in a particular way. By formulating the idea of agreement in terms
of principles ‘which no one could reasonably reject’, Scanlon allows a degree of flexibility—
there is no argument to suggest that there exists a unique set of principles that could not be
reasonably rejected—and so weakens the requirement of agreement in Rawls' formulation. But, at the same time, the specification that the hypothetical ‘agreement’ (or non-rejection) is something that occurs in the minds of real individuals (rather than individuals in an original position) who are also motivated to justify their actions to others provides a route to compliance. It is the desire to justify action to others that drives the motivational side of the problem, and the requirement of ‘reasonableness’ in the nature of justification that bears the strain in terms of identifying particular justifying arguments. But the dangers here are clear: that the desire to justify my action to others is simply smuggled in as a ‘simple special preference like a fetish or a special taste’, which is not itself grounded in any contractarian logic; and that the idea of ‘reasonableness’ is insufficiently detailed to bear the strain placed on it.

There is a final concern that is shared by moral contractarians and contractualists, whether Hobbesian or Kantian. Even if we grant that it may be possible to parlay rational agreement, in whatever interpretation of that phrase, into moral principles, will the moral principles that emerge be recognizable as our moral principles. In particular, will the resources of contractarianism/contractualism be sufficient to ground the range of moral views that we actually have and, if not, what would be the implications of that fact? Would it point to the possibility that some of our ‘moral’ views are not really moral after all, but mere tastes or preferences? Or would it point to the possibility that there may be other means by which moral principles may be grounded, so that agreement might not be the only means of approaching moral principles? Of course, this issue only arises once substantive moral principles have been derived from the contractarian method, and there is certainly no consensus as to precisely which substantive moral principles can be so derived.
4 Finale

Contemporary contractarianism and contractualism offers approaches to political and moral theory that share as their basic commitments a form of individualism and the recognition of the central role of rationality in human affairs. In a simple sense, contractarianism is dedicated to the question of how rational people can live together. This simple and appealing structure goes a long way to explaining the continuing appeal of contractarianism. Further refinements in contractarian/contractualist thought are available. For example, Southwood (2010) offers a discussion of ‘deliberative contractualism’ which he argues overcomes at least some of the limitations of both Hobbesian contractarianism and Kantian contractualism by focusing on an account of rationality that embraces deliberation rather than either individual interests of the impartial perspective.

However, not all accept the basic vision underpinning contractarian and contractualist thought. Communitarians and others who take society as prior to the individual, for example, must object to contract thinking in all of its forms by reason of its underlying individualism. Equally, not everyone accepts that the basic idea of eligibility is compelling or even interesting. A question to all such critics of contractarianism and contractualism is how they might expect to persuade individuals (even beyond the range of philosophers and political theorists) that their preferred alternative is valid without falling into a form of contractarianism themselves. For if a particular substantive moral theory or political constitution can be justified to others, it might be presumed that it could be derived by a contractarian argument that emphasizes that mode of justification. This is simply a way of pointing to the fact that debate between contractarian/contractualist accounts and others is sometimes guilty of a mismatch between the contractarian method and particular substantive positions that might, at least in principle, be derived from that method.
Contemporary contractarianism and contractualism are engaged in the study of the relationships between the idea of rationality, the nature of individual interests and dispositions, self-interest and morality, political and social rules, and moral psychology. While there are many areas in which these relationships are still obscure, and while there are surely non-contract approaches that may prove rewarding, it seems difficult to deny the importance of these relationships, or the potential of the contractarian/contractualist enterprise to illuminate them.
Bibliography