

# Towards a 21<sup>st</sup> Century Social Contract

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## How did we get here?

A short history of 19<sup>th</sup> and 20<sup>th</sup>  
century social contracts  
in France and the UK

# Acknowledgments

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# Executive summary

## Context and problem

Like the shipwrecked sailors of 1864 who became stranded on a hostile island and were forced to rewrite a constitution to organize their new collective lives,<sup>1</sup> it seems that Western societies need to reflect in depth on their own social systems. The context is one of recurring social and political tensions in recent decades (the Yellow Vests in France, Brexit in the United Kingdom, the farmers protests in several European countries, etc.), a rise in democratic mistrust and polarization of the public debate, and a growing vote for far-right populist parties. It is becoming increasingly clear that the status quo is not a viable option. We need to understand the roots of current predicaments so that we can take action.

The hypothesis guiding this research is as follows: these tensions stem from promises and agreements that are unfulfilled for a significant part of the population. We are talking here about long-term promises and deals, anchored in our social model and our democracy, and structuring dynamics between social groups, the life paths of individuals and their relationship with society. These promises and arrangements are not written down anywhere, and no short-term political proposal can fully respond to them, as they

are intertwined in a larger scheme. We therefore think it is crucial that these promises are fully revealed. This report aims to build a framework to comprehensively account for and explain these promises and arrangements, and to mobilize this framework to describe the past trajectory up to today. Analyzing the evolution of these promises over time should help us understand that they are not immutable and identify the conditions for change.

We—IDDRI and the Hot or Cool Institute—as think tanks committed to the ecological transition, believe that this task is essential, because our role is to describe the necessary conditions for a global transformation that will make possible the emergence of societies that respect the planet's boundaries. The obligatory ecological transition seems both very difficult to achieve in the current context, while also requiring the major overhaul of existing social and political systems. We are convinced that today's social tensions and ecological crises share similar socio-economic roots.

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<sup>1</sup> We refer here to the 1864 shipwreck of the Grafton on the Auckland Islands, and how five crew members survived here for 19 months. This story provides a fascinating case study to teach the foundations of law in this book: <https://teachers.plea.org/uploads/content/Shipwrecked-2022-12-02-HB-WEB-revised.pdf>

## Our framework and approach

Like other organizations, we use the concept of the **social contract** to simultaneously understand the fragility of our current social balances and narratives and their unsuitability for the new ecological context. For the [Green Economy Coalition](#), this concept constitutes an approach to debate and negotiate new agreements to address the polycrisis and implement an environmentally-friendly economy. Workers' unions, both international ([ITUC](#)) and European ([ETUI](#)), have seized on this concept to highlight the need to discuss the "Work Pact" in light of the ecological transformation, to ensure a just transition. The European think tank [Friends of Europe](#) stresses the need for a renewal of the European social contract, at a time when the European project is at a crossroads, with many crises and facing three transitions (digital, green and demographic). We also believe that the concept of the social contract is extremely relevant in reflecting what holds our collective life together and reminding us that we can renegotiate the arrangements/trade-offs that structure society. As we shall see, this makes it possible to examine essential promises such as autonomy and security. This research aims to contribute to these collective considerations by providing an in-depth analysis and a dynamic approach, based on a historical and empirical examination of the social contract.

Based on theoretical study, our framework consists in formulating four pacts (Democratic, Consumption, Security and Work) to understand and investigate our western European social contract. Each pact represents agreements and "compromises", between society and the state, and between different social groups. Together they define social and political rules for the functioning of society. These pacts also represent master narratives that give a meaning to the lives of individuals because a social contract comes with collective promises (e.g. social mobility, recognition of work). This set of rules and deals constitutes the space in which individuals exercise their autonomy (ability to manage their own lives) and cultivate a good life.

This original framework makes it possible to go beyond the usual segmentation of these four major fields (or pacts) and to build a comprehensive vision. Historical analysis shows that it is by taking into account both the rationale of each pact and the interactions between the four of them that we can understand how society works. This social contract approach also enables us to identify the structuring aspirations of our modern society, and to understand what best reflects our collective expectations, promises and disillusionments.

## Four pacts to define rules and a space of autonomy in which individuals can achieve a good life



This infographic represents our understanding of the social contract. The space that unfolds around the four pacts is the place where we achieve autonomy and the good life. Each pact follows a similar logic: "I accept the current system for democracy, security, consumption and work, despite their disadvantages, provided that I receive enough benefits". Note that these pacts are somehow intangible and implicit and the "I" is more a theoretical subject that expresses the collective mentality, rather than a signifier of a conscious commitment by each individual. This is especially the case for the Consumption Pact: few people would acknowledge being part of this pact; consumption can seem self-evident or taken for granted. This makes their analysis all the more useful.

The **Democracy Pact** reflects the lasting tension that exists around the exchange of sovereignty, the ways in which political representation is conceived and by whom power is actually exercised within society. Originally, the **Security Pact** was summed up as follows: it held a monopoly on legitimate violence and, in exchange, ensured the physical security of goods and people. However, it has been extended to a multiplicity of spheres (health, food, social security, etc.), always with the idea that individuals accept a form of consensual exchange, notably in the form of rules and norms. The **Work Pact** is a reflection of the rights and duties of workers and more broadly represents the exchange embedded in the logic of solidarity and the welfare state that we know, for example the exchange of time and productive effort, and the recognition of a social hierarchy based on a meritocracy. The **Consumption Pact** reflects the idea that consumption is not just a right, but also an economic duty (to ensure prosperity in a model based on productivism), a social duty (to conform to a standard of living) and a promise (to belong to society and to rise within it through consumption). In practice, it therefore has its costs: the pervasive pressure of mass consumption, and the concomitant need to earn money, and the resentment of those on the lowest incomes who are left behind.

Our societies cannot be easily changed because they are built on an intricate set of implicit deals between consumers, workers, citizens and institutions. These deals have evolved over long periods of time and have strong implications for the present: they are our socio-political legacy. However, the social contract concept presupposes that we can change these agreements, that the future rests in our ability to adapt them to the challenges society now faces—both environmentally with the crossing of planetary boundaries and socially. To do this, we need to discuss the exchanges and the benefits to be shared by all actors in society. This is the essence of what we call a social contract approach.

## Method and scope (France & UK)

On the basis of theoretical work, we first sought to update the social contract concept to provide a framework suited to the questions we are asking in our project, of which the above figure is a simplified illustration. We then used this framework to carry out a historical review of the four pacts in the cases of France and the United Kingdom (or England for the Democracy Pact), over the modern period. Indeed, United Kingdom and France have shared historical and contemporary similarities, such as experiences with world wars and consumer booms: both nations have established national social security systems and cherish their healthcare services. Certainly their paths to democracy differ, with England evolving its democratic system gradually while France experienced a revolutionary introduction. Nonetheless, the narratives of both countries are shaped by prosperity in the mid-20<sup>th</sup> century, offering insights into broader European social contracts. The contribution and originality of our approach is to anchor reflection on the future social contract in an understanding of its past evolution and current perceptions, with an empirical focus on these two countries.

On the basis of our theoretical and historical work, we define the social contract as follows:

**The social contract** encompasses the rights we enjoy, the duties we agree to, the responsibilities incumbent on institutions and the narratives we believe in – our adherence presupposes, in theory at least, that we have decided on all these elements collectively, sometimes through fruitful social struggles. These pacts are likely to vary from one social group to another (benefits/compromises, specific rights and duties), while the overall pact remains the same.

**The current social contract** has, in a way, been the implicit constitution of our common life since at least the end of the 18<sup>th</sup> century, i.e. the period when we moved away from a divine conception of power towards a democratic and shared conception of power, even if this period has also included some major authoritarian episodes. It should be noted that this contract, if it appears to be a consensus, has in fact been the subject of sometimes unequal power struggles, of political choices that have not been democratically debated, of social struggles, which we wish to transcribe. This social contract is not an ‘inevitability’; it could have been quite different, and many social actors have at times tried to bring about alternative narratives, which would include different compromises between social groups.

**The social contract** of each country is made up of several historical layers. In this sense, it covers much more than the doctrine of one political camp, as well as ideologies such as neoliberalism,<sup>2</sup> even if it is influenced and modified by them. What we call the social contract is the dominant and heterogenous (criss-crossed with diverse influences and histories) form of collective organization that has prevailed for several decades, embedded in a longer history and updated by the dominant ideologies of the period.

## Main results and lessons drawn from the historical review

Firstly, this exploration has shown the relevance of seeing the social contract as promises, i.e. as something dynamic that is never attained, but also as something that is bound to change according to collective expectations (no social contract is definitive). This leads to two ways of discussing the limits of our current social contract:

### A never ending race for the Consumption and Security Pacts?

The Consumption Pact has led to significant progress in living conditions, and consumption has become an invaluable economic driver for governments, which carefully organize and maintain mass consumption and consumerism. Consumption has thus become the social activity “par excellence”, in the sense that it is now expected to fulfil the promises that were once strictly associated with emancipation through work or a deepening of democracy (contribution to common good via ethical consumption; sovereignty of individuals in a market equated with a democracy;

2 Neoliberalism, if we were to define it briefly, would consist of the affirmation of three principles: 1. society is made up of individuals who have a natural right to freedom and who seek to increase their well-being; 2. the aim of any healthy society is to increase its wealth and that of individuals through economic growth—which implies, inter alia, labour flexibility and the globalization of trade; and 3. the role of governments is to regulate markets so as to guarantee free competition. We refer in particular to the definition of the report “Beyond Neoliberalism: Rethinking Political Economy” written by the Hewlett Foundation (2018): <https://hewlett.org/wp-content/uploads/2018/04/Beyond-Neoliberalism-Public-Board-Memo.pdf>

social status in society). For all, it is a never-ending race, in which you always have to buy more, and where new services and objects constantly renew and raise consumer standards. As for low income households, the limits on their income, combined with pervasive consumption, puts them in an unbearable situation. In other words, a pact based on achieving a standard of consumption, which is constantly being raised by the functioning of a consumption-based economy, cannot be maintained in an unequal society. The Security Pact has also seen the creation of numerous institutions and rights to reinforce security in various areas of life (health, work, food, civil protection etc.), which has been an important path for social progress, but has gone hand in hand with the ever-increasing sensitivity of society to risk, which can be seen as both a good thing and as something that constantly seeks to raise the bar in terms of security, i.e. what sets the boundary between acceptable and unacceptable risk. This pact is now set to be increasingly confronted with the challenges of climate security.

### **The Democracy and Work Pacts – are they in standby mode?**

The Democracy Pact faces the constant challenge of making possible this radical project of popular sovereignty, but it is riven by power struggles and the perpetual tension between representation and the ideal of direct participation. The Work Pact has also enabled significant progress in the recognition of workers, but is caught up in the classic struggle between labour and capital to share value, and the consequences of economic competition, especially in this era of neoliberal globalization. In a way, we may wonder whether the Work and Democracy Pacts suffer from a lack of renewed promises. Have we really renewed the Fordist compromise around the promises of work and its purpose, and what is now the underlying project? These questions resonate particularly when you consider that 30% of the working population reports experiencing poor job quality at the European level (39% in France),<sup>3</sup> in the sense that the demands of a job exceed a job's resources. As for our duties as citizens, what changes in democratic life could give rise to new collective involvement and contentment? Here too, context is critical, particularly if we consider the politicization of citizens: the number of members of political parties and trade unions has fallen 5 to 10 fold over the last half-century in France and in the United Kingdom.

In addition, a lot of expectations in terms of emancipation have historically been placed on work, but this has come up against limits in the implementation of meritocracy, the valuing of key workers, the quality of working conditions, and the ability to fulfil oneself in one's work. Similarly, as touched on earlier, we today place a great deal of expectation on the Consumption Pact in terms of emancipation and integration into an affluent society, with the above-mentioned limitations. Overall, is the rationale underlying the promises of these four pacts no longer relevant?

Secondly, this analysis also leads us to the following four lessons, which are politically important because they sometimes run counter to preconceived ideas.

### **A sense of belonging to society is about experiencing and having access to the benefits of the enduring promises of our social contract**

There is a lasting legacy of the past, because pacts have become institutions, rules and collective expectations (e.g. the welfare state). For example, it was on the basis of the Consumption and Work Pacts after the Second World War that the concept of the middle class was constructed, with all that it implies in terms of representations and expectations. Moreover, by functioning as master narratives and social norms, these pacts, and particularly the Work and Consumption Pacts, have in a way determined the directions of people's lives. For example, key workers may have oriented their lives according to the attractive promise that they would enjoy social recognition in exchange for their investment: their sense of personal esteem and their social expectations have therefore been constructed in accordance with the dominant norms of the Work Pact. In this context, the gap between the social situations promised and the actual social positions, which are sometimes disappointing, is politically very sensitive. And economic indicators are not always sufficient to identify "slight" social deterioration. However, these "small" differences in terms of relative social positions can translate into major impacts in terms of people's feelings and social self-appraisal, which is not without effect on their socialization and politicization. For example, a small drop in salary can lead to the feeling that one can no longer consume like "everyone else", that one is not part of "normal" society. And questioning your sector of activity can lead to a weakening of the ability of workers to belong to society (recognition, fear of the future, insecurity). A social contract approach makes us more aware of these issues.

### **Not only freedoms to protect but also autonomy to build**

The historical review reflects an overall increase in autonomy. The last two centuries have strengthened the ability of individuals to choose their work and their role in society, to develop their lifestyles and to improve their living conditions through consumption. Individuals have benefited from institutions providing various forms of security enabling them to plan for the future and to manage one's own life, while also providing greater accountability of public decision-makers and better voting conditions. The demand for autonomy has mutated over time, and the realization of this aspiration is never complete. Promises and associated disappointments must be understood in the light of this overall movement towards greater autonomy (which also corresponds to a fundamental need according to the theories

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3 <https://www.eurofound.europa.eu/en/blog/2023/job-quality-pivotal-addressing-todays-workplace-and-societal-challenges>

of human needs). In a way, we need to think dynamically and abandon the convenient but misleading idea of equilibrium when we consider the state of society.

Autonomy, emancipation and freedom are connected concepts at the heart of our social contract, because society is both what makes freedom possible and what constrains us. Too often, freedom is perceived only as an individual reality to be protected, in opposition to a society that would limit it. Our historical analysis reminds us, on the contrary, that while freedom has been established as a fundamental right,<sup>4</sup> its actual implementation in a complex society is a collective and social process (Polanyi, 1944), accomplished through the four pacts. To speak of autonomy and emancipation therefore implies taking a close look at the institutions and the real situations and processes that condition our experience of freedom via access to consumption, democratic life, working conditions and the implementation of a protective framework. It implies, in other words, the examination of the concrete application of our social contract that is currently creating social tensions. Increasing autonomy is not therefore a natural law, nor is it a quiet, consensual process of gradual improvement, but more the result of collective actions and social conflicts. While the 'quest' for autonomy is not without its political opponents, nor without encountering obstacles or generating downsides when it is not supported by the resources and institutions that make it accessible in practice, or when the logic of individualization and responsibility goes too far, leading the most disadvantaged to a feeling of insecurity or being left behind. These lessons are crucial for thinking about the ecological transition, which itself brings its own challenges in this regard.

### More individual autonomy and more solidarity can go together

While individualism is often associated with selfishness, it is clear that autonomy and solidarity are not mutually exclusive—on the contrary. The more individuals become singularized and specialized in their professional roles (which is the trend in modern societies), the more they need each other. This can be seen in two ways. The historical review shows that it is largely through collective action—associated with technical and economic progress—that gains in individual autonomy have been achieved. Work on cultural values tends to show that the more individualistic we become, the more value we place on the individual, which translates into growing values of altruism and aspiration for solidarity.

### Security as a result of fulfilling the four pacts

A certain level of security is a prerequisite for being able to live one's life with dignity, and with a minimum of autonomy, as our historical review shows. And our framework underlines the fact that the sense of security has to be considered through all of

the four pacts, as it is clear that the social insecurities created by job conditions, the state of public services, and inequalities in consumption are cumulative in their impact on individuals. At a time when ecological crises are an important threat to our security, it is crucial that we consider employment, the organization of consumption and democratic practices in the search for a greater sense of security.

### A broken social contract for some is a broken social contract for everyone

Finally, a historical analysis of the four pacts right up to the present situation reveals signs of unfulfilled promises and a logic that has run out of steam. For a section of society, the social contract no longer seems to be (totally) fulfilled. A broken social contract for a significant part of the population means a broken social contract for society as a whole. While weakening the rules and grand narratives that we all share is far from harmless: it means a democracy at risk, a society torn apart, and an economy that can no longer deliver the shared prosperity we expect. Why? Because the social contract symbolizes the collective rules and arrangements that must be respected to make the constraints on our freedom legitimate and acceptable. Behind the pacts, there is also a form of social contract between elites (i.e. those with the most political and economic power) and the rest of the population. Taken together, these elements seem to be a good way of understanding the rise in tensions, and in particular the vote for authoritarian populist parties.

The good news is that our social contract can change, as our historical review clearly shows. No social pact is 'inevitable' or 'natural' in the sense that it is self-evident, or could not have been conceived otherwise: it is always the result of choices derived from a diversity of possible projects for society. The constant possibility of change is a powerful political lever.

## How to use this study and the next steps of our project

### A template for a new conversation

The social contract approach that we have developed and applied, with this study as a first milestone, seems usable for several purposes. 1) To gain a new perspective on pressing political issues and to better understand the present situation and challenges ahead, as illustrated in this report. 2) To provide a basis for thinking about new political narratives, which can be useful to political parties, civil society actors and the business world. It seems clear that we lack powerful political narratives that have fully integrated the new ecological situation into a renewed social and political vision. 3) To provide material for participatory democratic processes (a historical review, a lexicon specific

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4 "Men are born and remain free and equal in rights. Social distinctions can only be based on common utility", Article 1, *Declaration of the Rights of Man and of the Citizen*, 1789.



to the idea of a pact and negotiated exchanges) because the concept of the social contract implies, in one way or another, forms of democratic deliberation. Fundamentally, this constitutes a template to organize the complex discussions we need to have on how we can reconcile social progress and ecological transition, for example, by facilitating joint reflection with sectoral experts who are facing implementation difficulties, with the promoters of initiatives embodying new models of society, with civil society committed to a more equitable and sustainable society.

### Conditions and coalitions for a new social contract

The social contract approach makes it possible to formulate the question of the conditions for change in society. While this concept refers to a fictitious situation, over the course of history it has taken concrete form in institutions, promises, concepts and demands that are well established in our societies. The changes in the pacts have sometimes also been made clear through landmark events and reports.<sup>5</sup> This gives us some guidelines: are the nature and intensity of social, economic and political tensions comparable with these historical moments? Can the problems identified be resolved within the current paradigm? Do we have enough critical ideas to bring about an alternative? What coalitions will enable us to project ourselves into the future and into a balance of power favourable to a new social contract?

The social contract approach is another way of looking at the issue of how to ensure a good life for all, and how to achieve this within planetary limits, an issue of growing interest to the scientific community. Considering the subject at the intersection of these four pacts means looking at the 'good life' not just in terms of what is provided to the individual, but in terms of what links him or her to others through the four pacts, what links past promises to present achievements, what links rights and duties, and what binds social groups together. Each pact contributes to a specific definition of what a good life is, and the relative influence of pacts on social life, which says something about the appearance of society overall. Raising the question of a new social contract is also a way of addressing the social and political sources of well-being. For example, crossing a well-being threshold due to insufficient income could be interpreted as the social conditions that make it no longer possible to live in a way that is consistent with the dominant norms stemming from the Work and Consumption Pacts in particular.

### Next steps of our exploration

This first historical stage has enabled us to mobilize numerous empirical elements to bring them into dialogue with our theoretical framework. We need to continue in this direction. How do citizens perceive their society's social contract, its rights and duties? How does it relate to the direction their lives have taken and their consumption, work and democratic practices? How can we visualize our social contract more empirically? To answer these questions, we will publish a second part of our exploration based on 1) a series of focus groups of citizens organized in the UK; 2) a number of semi-structured interviews carried out in France; and 3) the construction of a dashboard of quantitative indicators representing key dimensions of our social contract. This will enable us to deepen our understanding of the current situation: is it a crisis, in the sense of a loss of landmarks and a questioning of the existing order, when tensions and failures become widely identified within the population? While we are often only aware of economic (e.g. the 2008 crisis) and, more recently, health crises, our work provides the added value of raising the question of a latent crisis at a socio-political level, whose occasional eruptions must be understood and addressed.

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5 Such as the strikes occurring in France after the victory of the Popular Front in 1936; the Beveridge Report in 1942 in the United Kingdom; and the resistance programme "Les Jours Heureux" in France that founded the welfare state; the Mont Pelerin Society created in 1947; and Reagan and Thatcher's speeches of the 1970s that framed the neoliberal project.

