

Inequalities and crisis: What Does a New Eco-Social Contract Offer?

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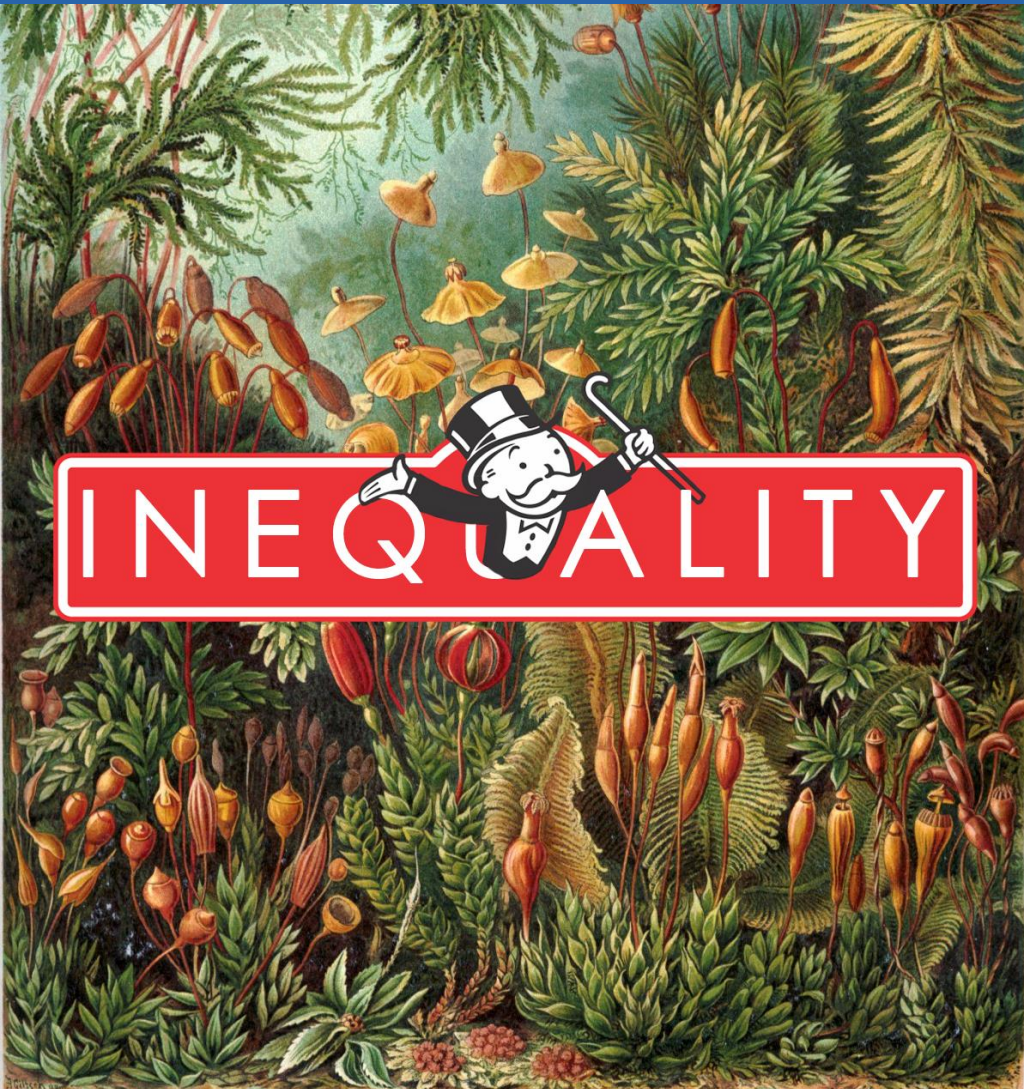
Key messages

- **The twentieth-century social contract, while delivering social progress and greater well-being for many, left many behind and ignored planetary boundaries.** A new eco-social contract for the twenty-first century needs to be fully inclusive and grapple with historical injustices such as colonialism and slavery as well as contemporary challenges, while shifting and restructuring economies and societies to halt climate change and environmental destruction.
- **There is not one social contract, but many.** As we move toward a new eco-social contract there is much to learn from the diversity of communitarian visions and country experiences in all parts of the world. Decolonizing knowledge is crucial for shifting power asymmetries.
- **Existing social contracts have often been renegotiated in times of crisis** and at critical junctures, opening a window of opportunity to build better futures. There is, however, a risk of backsliding through elite-driven and populist bargains and a backlash against equity and human rights.
- **A new eco-social contract should be created through deliberative processes at local, national, regional and global levels,** in different sectors and with different sets of stakeholders. To arrive at a shared, equitable vision and transform it into tangible results, we need normative, regulatory and policy changes and concrete objectives, commitments and accountability mechanisms tailored to local contexts.

Inequalities, crises and a broken social contract

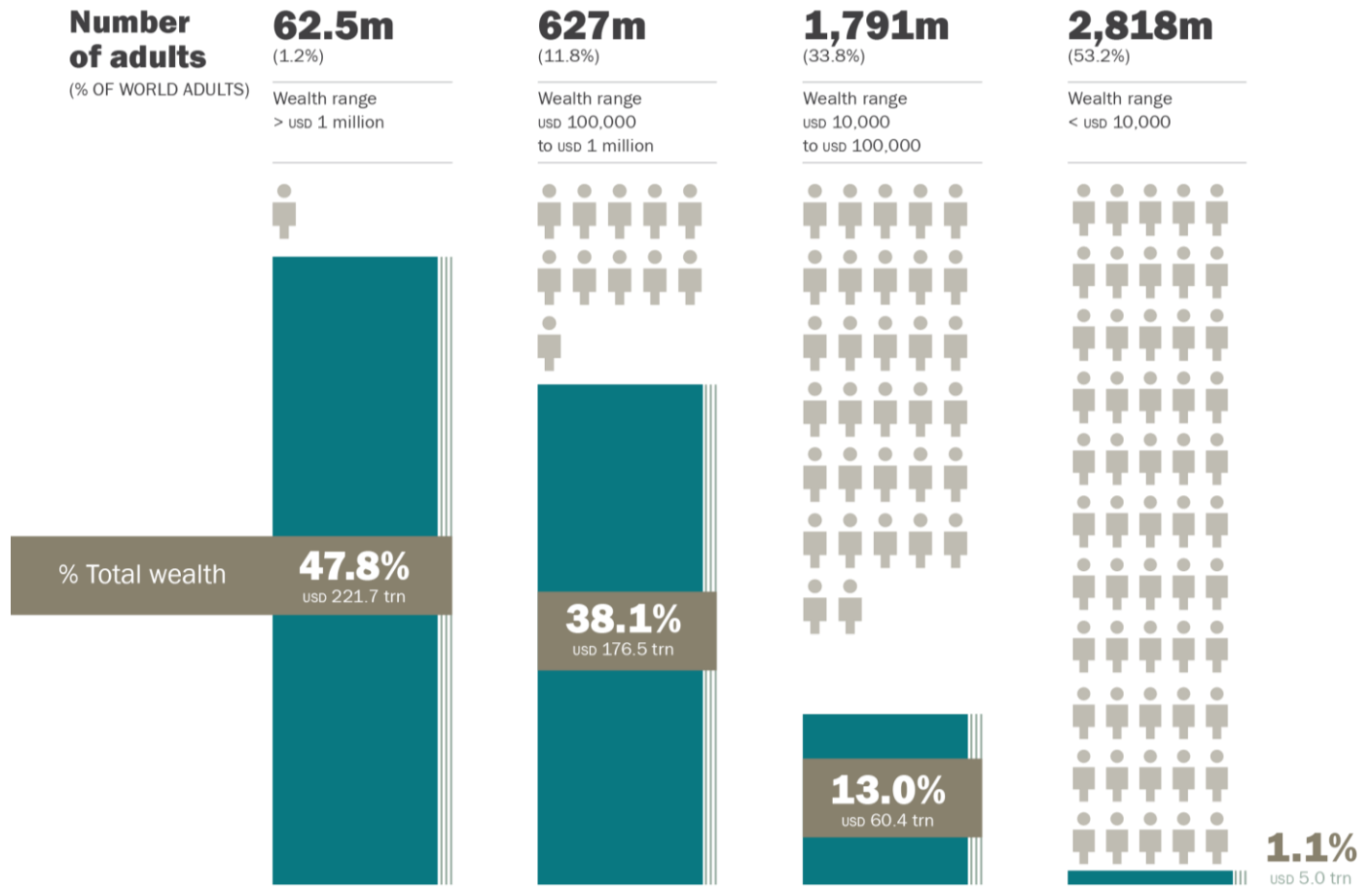
- Inequalities and crises interlinked, one driving the other; to a large extent the result of policy choices, in particular the shift towards market fundamentalism in the early 1980s
- **Economic crisis:** Inequalities (economic and social) have been identified as key crisis drivers for the financial crisis in 2008-9; as a result of economic crisis, inequalities tend to increase further
- **Care crisis:** rising demand for care, insufficient care provision; gender inequalities and state retrenchment at the heart of the current care crisis; our economic system «externalizes» social and environmental reproduction
- **Climate crisis:** The richest individuals, MNCs and countries are responsible for the majority of CO2 emissions; the most vulnerable groups/countries bear the negative consequences and do not have sufficient resources to cope, adapt and prevent
- **Political crisis:** backlash, decreasing trust, protests, geopolitical tensions and violent conflicts
- The **Covid-19 pandemic** has revealed and amplified existing inequalities

Intersecting inequalities and power



- Economic inequalities
- Social inequalities
- Political inequalities and power asymmetries

1.2% of world adults own 47.8% of total wealth in 2022



Data: Credit Suisse 2022

Intersecting inequalities create protracted forms of vulnerability and marginalization

 #CrisesOfInequality

Poverty

intersecting with

group-based discrimination

- Gender identity/sexual orientation
- Race/ethnicity/caste
- Religion
- Age
- Disability/health status
- Location
- Citizenship/migrant/employment status...



Political inequalities

The top

- Elites accumulate money, power and influence
- Elite preferences are shaped by their perceptions about what causes poverty, whether inequality is a problem, if states are effective etc.
- Power sources are money, investment, business networks, lobbying, media control
- Rich individuals and companies can shield themselves better from crisis impacts or even benefit from it (environmental crisis, Covid-19, financial crisis 2008)

The bottom

- Marginalized and vulnerable groups at bottom of power hierarchy
- Average citizens are less satisfied with system than elites
- Little improvement in advanced political capabilities for women such as decision-making (only 28% of parliamentarians are women)
- Time poverty (paid and unpaid work load) can lead to less political participation by women
- Persistent power inequalities between global North and South, and between civil society, business actors and political leaders

Toward a new eco-social contract

- Vision and principles for a new eco-social contract: Changing the narrative
- Designing a new development model for economic, social and climate justice
- From vision to action: New coalitions and alliances



Origins and definitions of social contracts

- Enlightenment Political Philosophy and beyond: Hobbes, Locke, Kant, Rousseau, Rawls
- Social contract as the moral and political obligations that free individuals accept voluntarily among themselves and vis-à-vis their government (sovereign) in order to escape the state of nature
- Principles, values and public institutions our societies are founded upon
- Explicit and implicit agreements between state and citizens defining rights and obligations to ensure legitimacy, security, rule of law and social justice

Critique of social contract concept

- Critical theory, feminist theory, decolonial approaches: Social contracts are often de facto **contracts of domination** or elite bargains and not the result of inclusive negotiations among equals.
- Feminist scholarship: social contracts are built on patriarchy and reflect gendered arrangements (Pateman, Carole. 1988. *The Sexual Contract*. Stanford: Stanford University Press; Lamas, Marta. 2022: Sexual contract or gendered arrangement. In UNRISD Flagship report)
- Critical race theory: racialist social contracts – people of colour (and women) are not only materially subordinated but seen as morally inferior (Mills, Charles W. 1997. *The Racial Contract*. Ithaca, NY: Cornell University Press.)

Different types of social contracts (real-world)

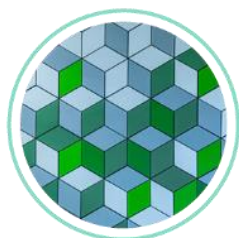
- Normative vs. empirical
 - **ideal understandings of a social contract:** the norms and values underpinning its vision and objectives, which vary according to different world views and ideologies (see original philosophical concepts from Hobbes, Locke, Kant, Rousseau)
 - **real-world experiences, non-ideal social contracts:** the actual institutions and policies that are implemented, hidden normative frameworks, and their effects (see scholarship on racial and sexual contract)
- Social contracts and economic structure
 - 20th century welfare state social contract in industrialized countries (Bismarck, Beveridge, post-war social bargain): implicit bargain between economic imperatives of **growth and productivity**, and social imperatives of **redistribution and social protection** (contributory social insurance, "social wage", collective bargaining)
 - Agrarian social pacts (land distribution, representation of farmers, universal tax-financed social policies, rural development policies)
 - Social contracts in mineral-rich countries (elite capture, distributional conflicts, expansion of social rights, contract with nature)
- Post-colonial nation-building social contracts
 - Developmental contracts
 - Adjustment contracts
- Communitarian approaches (stronger focus on horizontal social relations)
 - Ubuntu
 - Buen Vivir
 - Ecoswaraj

How Would a New Eco-Social Contract Be Different?

7 Principles for building a new eco-social contract



**Human
rights
for all**



**Progressive
fiscal
contracts**



**Transformed
economies
and societies**



**A
contract
for nature**



**Historical
injustices
addressed**



**Gender
justice**



Solidarity



Pathways toward social, economic and environmental justice: A new development approach

 #CrisesOfInequality

1

Alternative economic approaches
that centre environmental and
social justice and rebalance state-
market-society-nature relations

2

Transformative social policy
underpinned by a fair fiscal
contract

3

Reformed and strengthened
multilateralism and solidarities



Alternative Economic Approaches

- **A Green New Deal for the global North and South**
 - Just transitions
- **A new role for the state**
 - Regaining policy space
 - Green industrial policy
- **Re-embedding the economy back into society and nature**
 - Social and Solidarity Economy
 - Sustainability indicators for enterprises



Transformative Social Policies and a Fair Fiscal Contract

- **Social protection**
Beyond targeting the poor:
- HRBA, social insurance, social assistance
- **Social services**
Universal, quality public services as the high-road strategy
- **Labour market policies**
Productive employment and decent work
- labour standards, active and passive LM policies, minimum wage policies, policies for informal economy, migrants/refugees and disadvantaged groups
- policies to address wage inequality
- **Integrated care systems**
Support providers and recipients of (paid and unpaid) care
- apply cross-sectoral approach including health, education, labour market and social protection policies
- support community-based care networks
- **A fair fiscal contract**
Mobilize sufficient resources for climate action and SDG implementation and distribute the financing burden fairly within and between countries
- progressive revenue policies and domestic resource mobilization
- global redistribution, debt reduction, reform of the international financial architecture

Multilateralism and Solidarities

Reining in neoliberal hyperglobalization

- **Rules and regulations** for economic, social and climate justice (global public goods, MNCs and GVCs, migration governance)

Addressing power asymmetries in multilateral governance

- Promoting the interests of the global South (trade, finance, investment regimes, debt, voting rights, policy conditionality, donor approaches to social policy etc.)
- **Strengthening civil society's voice** in multilateralism (meaningful and qualitative participation)

Strengthening solidarities and values (at all levels, with all actors)

- Solidarity-based social and fiscal policies, social and solidarity economy
- Solidarity principles in international cooperation
- Moving towards social contracts inspired by human rights and concepts such as Buen Vivir or Ubuntu that promote harmony with nature, reciprocity and deep community ties



Join the Global Research and Action Network for a New Eco-Social Contract

In collaboration with the Green Economy Coalition to the current challenge by forming a network of (GEC), UNRISD aims to respond directly entities across sectors and countries.

- The network fosters dialogue, debate and action on a new eco-social contract to shift public discourse in support of just and green transition and recovery pathways
- [Global Research and Action Network for a New Eco-Social Contract \(unrisd.org\)](https://unrisd.org)
- Further Reading:
 - [Crises of Inequality: Shifting Power for a New Eco-Social Contract](#)
 - [Flagship Research and Policy Brief](#)

References and further reading

- [Issue Brief 11: A New Eco-Social Contract: Vital to Deliver the 2030 Agenda for Sustainable Development](#)
- [UNRISD 2022 Flagship Report: Crises of Inequalities: Shifting Power for a New Eco-Social Contract](#)
- [Chapter 4 in *Crises of Inequality: Shifting Power for a New Eco-Social Contract*. Geneva: UNRISD.](#)
- [Research and Policy Brief 39: Crises of Inequalities: Shifting Power for a New Eco-Social Contract](#)
- [Issue Brief 12: Going Beyond the Social: Communitarian Imaginaries as Inspirations for Rethinking the Eco-Social Contract?](#)
- [Issue Brief 13: Towards an Eco-Social Contract in Nepal: The Role of Rights-Based Civil Society Activism](#)
- [Issue Brief 15: Dismantling the Ecological Divide: Toward a New Eco-Social Contract](#)
- [Blog: Joining Up the Dots Between Social and Climate Justice: Time for a New Eco-Social Contract](#)

About the speaker

Katja Hujo

Katja Hujo is head of the UNRISD Bonn office and leads the Transformative Social Policy Programme. She is coordinator and lead author of the UNRISD 2022 flagship report “Crises of Inequality: Shifting Power for a New Eco-Social Contract” and of the 2016 UNRISD flagship report “Policy Innovations for Transformative Change – Implementing the 2030 Agenda for Sustainable Development”. In 2018 she organized a Call for Paper Conference on “Overcoming Inequalities in a Fractured World: Between Elite Power and Social Mobilization”.

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