

A New Social Contract for the 21st Century

Article by Dirk Holemans

April 5, 2019

From the *gilet jaunes* to young climate marchers around the world, a new surge of protestors is voicing discontent and demanding a change of course to ensure a sustainable future that is fair to citizens and environment. Dirk Holemans gives his take on striking a new social contract that is fit for the challenges of the 21st century.

In certain places, those who demolish a dilapidated house in order to build an ecological one will be subsidised as to do so is more efficient than renovation. Unfortunately, as a society we are not granted such luxury, though we are living in a crumbling societal house. The end of a two-century-old cycle is nearing, at the start of which the nation-state was built on the basis of a 'social contract', with citizens acknowledging that a central power was needed in order to avoid everyone assuming the role of judge or minister. The transfer of power to the state was shaped through representative democracy, an innovation described at the time as 'the grand discovery of modern times.'

A nation-state is an imagined community. There is no need for everyone to know one another in a country for great solidarity to be achieved. As a matter of fact, a country is more than a state; as a nation it offers protection and recognition. This is intertwined with the ideal of progress: society is constantly improving with economic expansion as its financial backer. Industrialisation based on cheap labour also led to social conflict, which resulted in the economy being embedded in democracy and the development of the welfare state. Towards the end of the Second World War, seen for example in Belgium with the 1944 Social Pact,^[1] there was a key moment when employers, unions, and governments made a deal that 'growing the pie' in co-operation would mean larger slices for everyone. These Pacts were based on economic growth and the ever-increasing use of natural resources. Besides, the European Union was meant to offer the solution for countries at war with its intention to create a stronger political community through economic collaboration.

The circle is now complete, but we have arrived in a different setting. Optimism has been replaced by threats. The climate is being disrupted while humanity looks on as if it does not mind that its house is burning down. Neoliberal globalisation has led to the disembedding of the economy and the breakdown of the welfare state. This implies that our model of democracy can no longer provide answers. The decay gets worse: are countries still 'imagined communities'? How *united* are Trump's States and May's Kingdom? What about the wide gaps between generations, between the impoverished and the super-rich, between urban and rural? The success of right-wing extremist parties reveals that the problem is bigger than the sour mood of some citizens, and leads towards reflection on the importance of recognition and identity. The outburst of the *gilet jaunes* protests, beside social demands, is also a cry for attention and respect.

The respected Ghentian author Pierroo Roobjee recently said in an interview with *DS Magazine*: "It seems as if everything has reached its end". It is time for a new start, although not one which demolishes our democratic house with the hope of building a new one. A revolution is in order, however, one that the philosopher Hannah Arendt defines as

re-establishing freedom, embedding new social relations.

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Let us explore, on two levels, the contours of such a new social pact. The first level deals with three fundamental assumptions. First, there is humanity's relationship with the natural world. Modern human beings see themselves as masters and owners of nature, the result of which is now that biodiversity is decreasing in every region and ecosystems are collapsing globally. Is it not about time for a discussion on nature's position within democracy? What about the rights of nature?

The second assumption refers to the organisation of society. When the nation-state arose, we invested in the establishment of public services next to the market as an important organisational principle. This has not proved to be an unqualified success: economist Nicolas Stern described climate change as the result of 'the greatest market failure that the world has seen'. However, exclusively hanging hope on government policy does not seem to suffice either. A third and seemingly disregarded method of organisation, the commons approach, includes the way citizens organise themselves as well as that which belongs to everyone: air, ocean, and so on, but for which no one exercises stewardship. Could the commons play a crucial role in the new contract?

Third, since modernity it has been taken for granted that ever-increasing production and consumption is a job well done. That this would entail impoverishment through depletion of the richness of the earth was of marginal concern. What about creating a future which enables people to thrive in an economy that need not grow?

On the second level, the answers to these questions will provide the contours of a different social contract leading to the re-organisation of society, as illustrated below for a number of fields.

From representative to dialogic democracy

Representative democracy has met with its limits, an idea which is gaining ground, for instance in how Timothy Ash has argued for a second Brexit referendum: "it would be part of a much larger process – perhaps even a citizens' congress".^[2] Essentially, a prolonged process of political dialogue. In Belgium, this can be linked to the citizens' initiative G1000, an exercise in democratic innovation during the 2010-2011 period in which there was no official government.^[3] Today, the task is much more comprehensive, since we have realised that it is precisely with having governments that society fails to bring about solutions. To rediscover the community-building potential of politics and reconcile differences calls for a whole range of experiments involving as many citizens as possible. If people from diverse backgrounds discuss challenges, they will at least be talking about the same reality while discovering each other's perspective. Because, as Arendt writes, if

people are willing to talk in a situation of plurality about the world and how every participant looks at it, a public space emerges as an 'inter-esse', an 'in-between'. To put it simply, it is no coincidence that many great projects start out at the kitchen table, with people discovering that they want to engage themselves in a common cause. Such a common platform is now lacking, as much between Merkel and East-Germany, as between Macron and rural France.

Social justice

A new social contract will only gain support if based upon equality and fairness. Top managers earning as much within eight days as the average employee does within a whole year will offer very little in terms of living together in a society. Such a reality will witness climate storms alternate with tornadoes of social protest. The 19th and 20th-century model of progress that chooses to share the pie on the condition that it grows needs to be transformed into a 21st century equilibrium model that distributes what is available within planetary boundaries.

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And without a doubt in times of digitisation we need a different model of redistribution of welfare for those who are being excluded. The building blocks of a new system, such as a shorter working week and basic income, deserve intense debate and room for experiment.

Bold fiscal policy

An often-voiced argument is that the sustainability transition is very costly and the money for it simply is not there. This argument makes sense if private banks are and remain the key players in the monetary world. The absurdity of this is made obvious by the way in which the financial-economic crisis was resolved. States became over-indebted so banks would not collapse, and the price tag for a small country like Belgium was 100 billion euros. How did Europe address this situation? By forcing member states into the straitjacket of austerity so that they had to reduce their social provisions. At the same time, the European Central Bank created extraordinary sums of money (known as quantitative easing, or QE) which it made available to private banks without any obligation for them to invest in sustainable projects. Luckily, however, the QE method can also be applied to the new socio-ecological contract: ecological money creation, 'green QE', in which the extra money is solely invested in socio-ecological transition projects. Having rescued the banks, what about rescuing the planet?

A fair tax system

There is yet another field in great need of improved performance: the tax system, which currently taxes away what we find positive (jobs) and under-taxes what should be avoided

(overuse of the environment) [[read more on green tax alternatives](#)]. On top of this, multinationals pay hardly any taxes. It is high time for the *fiscality of the future*, which will put heavy taxes on environmental use and which will create jobs. The feasibility of the system will depend on new instruments like the eco-dividend linked to a solid carbon tax [[read more on the eco-dividend](#)]. This would in total provide a substantial amount of money to be invested in the transition towards a sustainable society while supporting citizens in their efforts. In its simplest form, for example, part of the eco-dividend is directly disbursed to citizens. Thus, diesel becomes more expensive but citizens receive funds which offer them the liberty to make ecological choices. If another part of the eco-dividend is spent on public transport, rendering the car redundant, the benefit will be doubled.

Rights for nature

Modernity made a priority of every single individual's emancipation, and rightly so. This was reflected in representative democracy, the right to vote for every citizen, and constitutional freedoms. The question is now how to introduce the representation of nature. There are various ways to do so. Sociologist Bruno Latour simulated a series of climate conferences in which students had to defend the rights of animals, plants or rivers. Why not transform the Senate into a *First House of the Planet*? Globally, a clear tendency is emerging to allocate rights to nature. [Ecuador](#) has included the rights of indigenous communities and ecosystems in its constitution, while [New Zealand](#) has given a river the status of a legal entity. When will this debate begin in Europe?

Grounding our house

Houses are always grounded so a lightning strike will be transferred to the earth. Government policy remaining what it is, there will be no such protection in case of climate-induced storms or floods. Therefore, we need to ground all of society. Disregarding the earth by simply seeing it as the background to human activity is simply no longer affordable. With temperatures rising to 50° Celcius in Australia, living life as normal becomes impossible. Latour also emphasises the growing importance of our connection to the earth. This has traditionally been a right-wing theme, linking identity policy to the protection of one's soil. A different approach is possible, however, as shown by the Bavarian Greens in Germany, who do not grant the Right the monopoly on the concept of *heimat* ('homeland') since they define their struggle against a built-up landscape not just as a struggle for nature conservation, but also for the country where one's roots are. This is not a homogeneous 'blood and soil' narrative, but rather an open approach that does justice to local differences.

Back to now

The concept of a social contract assumes that it is tacitly accepted by every new generation, while children are socialised at home and in classrooms. Today's climate marches by pupils and students cannot merely be considered as their rejection of the existing social contract, although they do question the dominant social narrative. The message of the climate youths is literally "politicians, you don't do your job". They declare that the social contract has been breached by the other party in the contract: the state, the political government. With the genie firmly out of the bottle, this moment might become a

positive point of no return in this hopeful generation's political awareness – a social tipping point that can only improve our chances of avoiding the ecological abyss.

This article was first published in De Standaard on 11 February 2019.

[1] The Social Pact, also known as the Draft Accord on Social Unity, was an unofficial political agreement secretly concluded in German-occupied Belgium in April 1944. It agreed on various social reforms to be implemented after the end of the war, including the extension of social welfare and collective bargaining.

[2] Timothy Ash, *De Standaard*, 12/1.

[3] In the midst of the 2007-2011 Belgian political crisis, the federal elections of June 2010 saw the electoral victory of the separatist and conservative New Flemish Alliance in Dutch-speaking Flanders and the pro-unity Socialist party in French-speaking Wallonia. The subsequent formation of a government took a record-breaking total of 541 days.



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Published April 5, 2019

Article in English

Translation available in French

Published in the *Green European Journal*

Downloaded from <https://www.greeneuropeanjournal.eu/a-new-social-contract-for-the-21st-century/>

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