

Time for Social Contract 2.0?

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Amidst the rancorous climate fueling the “Occupy Wall St.” movement, one concept has emerged as a shared banner among politicians and pundits on both the Left and Right: the “social contract.”

Does this embrace signal a genuine opportunity for bridging competing views of the multiple malaises afflicting the US-- anemic job creation, growing income inequality, systemic risks embedded in a fragile banking sector? Or is the appearance of unity in fact a fleeting phenomenon built on fundamentally inconsistent definitions of what the social contract means? The answer, it turns out, is more fleeting than genuine.

Senate candidate Elizabeth Warren invokes the social contract as the moral justification for enlarging business’ contribution to government revenues. A senior executive at BP, the oil giant, observes: “Part of the bargain, the social contract, which allows companies to be as large as they are, is that they become engaged in the challenges the world faces rather than dismissing them as somebody’s else’s business.”

Conservative columnist David Brooks advocates for “a new social contract” comprising simpler taxes, reformed entitlement, more funding for human capital, growth and innovation. Meanwhile, President Obama refers to “...the basic social contract” as justification for retaining Medicare and Medicaid without major changes to the current system. The list goes on.

A gift of the great 17th and 18th century philosophers the social contract evokes what democracies hold dear: the rights of citizens to delegate authority to government for the benefit of the collective good and, further, the right to change such government when the majority believes the government fails to deliver against its contractual obligations. This malleability explains why widely divergent political views are quick to lay claim to the social contract as the foundation for opposing views government’s role in the life and livelihoods of American families and communities.

But lurking just beneath the surface are unspoken differences that explain why this consensus is illusory. The first lies in the definition of the “collective good.” For conservatives, the collective good is best achieved not through federal government activism but, instead, through unfettered markets and a narrow scope of activities limited to indisputably centralized functions such as national defense, international trade relations and airline safety.

In contrast, progressives define the collective good far more expansively to include retirement security, universal health care, and a clean environment, all deemed essential for human and ecological well-being. As Boston College law professor Kent Greenfield observes, it is difference between those (conservatives) who define true freedom as the absence of government constraints and intrusiveness (even when the common good is at stake) versus those (progressive) who define it as freedom from poverty, job insecurity, discrimination, poor health, and a hazardous environment.

The second unspoken difference pertains to how citizens exercise their right to delegate authority to government and, when needed, retract such authority when government fails to

meet expectations. Here conservatives, including Tea Partiers, look to the ballot box. Judging from the recent electoral success at the Congressional and state levels, conservatives demonstrate increasing acumen in energizing the electorate with the help of millions of untraceable and unlimited donations provided by the wealthy and by corporations enabled by a series of favorable judicial decisions, most notably, the Citizens United case.

For progressives, voting is only one among several options for expressing the citizen expectations of their government. Disenchanted with a system controlled by moneyed interests, street protests – like those of the Vietnam era—have re-emerged as an instrument for advancing the progressive view of the social contract: reducing income inequality, reining in excesses of the financial community, ensuring affordable health care. With electoral rules under fire through voter suppression, unlimited campaign contributions and extreme partisanship in Congressional redistricting, progressives seek alternative mechanisms for redemocratizing the political process and strengthening government accountability for delivering against their view of the social contract.

Last is the question of business's role in fashioning the future social contract. In a departure from the bi-lateral citizen-government compact, business over the last three decades has positioned itself as a third party in shaping the social contract. For conservatives, this development is not only tolerable, but welcome. The small government, low tax agenda is essentially indistinguishable from the post-1980 deregulatory agenda favored by most in the corporate community.

For progressives, the business seat at the social contract negotiating table—expressed through armies of lobbyists, surging campaign contributions and the growing corporate personhood movement—represents a corrosive wedge that undermines citizen-government relationship enshrined in the original social contract. For a distressed, disillusioned and disempowered citizenry, the call to pushback against business presence as a third actor becomes shriller each day.

In the coming years, which version of the social contract will prevail? Will it be the version built on small government, low taxes, and unfettered markets, with the gradual undoing of the concept of collective good and the entrenchment of business as an equal—even dominant—actor in a tripartite citizen-corporate-government relationship?

Or, alternatively, will the progressive version emerge as dominant? Such a scenario requires a progressive manifesto that: depicts the collective good as the highest purpose of a smart, accountable government; advocates campaign and corporate charter reform; positions investors (not taxpayers) as the risk takers in cases of bank failures; and that rewards business leaders who respect rather than undermine the historical citizen-government covenant.

The social contract remains the pillar of a democratic society. But all social constructs, no matter how seminal, must be subjected to periodic scrutiny and reinterpretation to remain relevant in a fast-changing world. If the goal is to secure a just and sustainable nation, it is the progressive version of the social contract—a Version 2.0-- that represents the enlightened path forward.