

A New Social Contract for the 21st Century

by Cathy Albisa

"Our democracy writ large is unquestionably in crisis. To change our future we must repair, restore, and rebuild our democracy. This requires addressing national frameworks on voting and campaign finance. But to fully repair, we must restore and rebuild democratic practices and culture from the ground up," writes Cathy Albisa in this call for a new social contract.

OUR COUNTRY'S ECONOMIC, SOCIAL, and political order had been a long slow train wreck for decades before the hate-fueled political chaos surrounding the 2016 election erupted. With that tipping point, however, we are seeing increasing polarization, with the only consensus being that something profound has to change. Calls for change are coming from unlikely quarters, including on the websites of the International Monetary Fund,¹ the World Economic Forum,² the World Bank Group,³ and elite business schools such as the MIT Sloan School of Management.⁴

But these exercises have left the underlying structural issues undressed. They do not address the deep democracy deficit, they do not speak to power relations in society, and they do

not in any way question how existing fault lines in our founding social contract led to our current crisis.

Our twentieth-century social contract was forged in the ashes of a Gilded Age economy that fostered sweatshop labor and then collapsed, leaving millions to struggle for survival in the Great Depression. In a compromise between labor and capital, the New Deal offered support for labor and farmers and a safety net for the poor, along with protection for investors by propping up banks and stabilizing the market.

However, the New Deal not only failed to change the profound racialized nature of American life, it also cemented it more deeply into policy. Social programs and protections were offered in tiers: mortgages for white families, and only public housing for

families of color; labor protections and social security for jobs typically filled by white workers, but not for domestic work and farmwork typically filled by Brown and Black workers—all while displacing communities of color through mass infrastructure projects.

In general, the New Deal created fragmented systems that kept communities of color on the periphery of society. It also assumed dependency on men by white women, who benefited but indirectly—and in some cases very little, such as when the woman was the sole breadwinner. The great civil rights movements fought for greater levels of inclusion, but the seeds of race and gender division later exploited by reactionary politics were sowed into the system. The New Deal also centralized power in the government and

corporations, while generally cutting out communities from participating in the system other than as recipients.

The backlash against both civil rights and New Deal gains began with the election of Richard Nixon in 1968, but reached its full form in the 1980s, when racist critiques claiming that social programs were being used by “undeserving” people such as “welfare queens” proliferated. The “welfare queen” trope, popularized by then-President Ronald Reagan, perpetuated the myth that predominantly Black and Brown Americans benefit from social programs, when in fact the reverse was true: white Americans represented the majority of people receiving support, and thus benefited most. Today, white Americans still represent the largest percentage of recipients—and a plurality; and they are about a third of welfare recipients, with Black Americans being about a third as well.⁵ In this context, corporate interests succeeded at shifting economic and financial policy to shrink the social role of government and undermine democratic processes.

All of this fueled the unraveling of the twentieth-century social contract, leading to our current historic levels of wealth and income inequality, which rival 1929. It is time to rethink its very foundation and begin to define a new way forward.

Community-Driven Solutions Can Seed Our New Social Contract

What if calls for a new social contract came not from elites but from communities and movements that have been on the front lines of injustice? The National Economic & Social Rights Initiative (NESRI), a movement-support organization that has been partnering with communities on the front lines for fifteen years, launched the New Social Contract

project to help answer that question.⁶

To begin, NESRI surveyed a range of community-driven solutions. In particular, we searched for exemplars of change that evidenced long-term thinking and structural interventions, and involved the people impacted by the injustice at hand. We did not look at all sectors. Instead, we focused on those that spoke to economic and social rights primarily. Overall, we found seeds—and even roots—of change that could fully transform many of our social, political, and economic arrangements if we brought these community efforts and successes to scale. Combined, they begin to add up to a compelling alternative to current arrangements.

Beyond Issues: Systems, Not Symptoms

Deeper change requires more than an issue-by-issue approach. Community- and movement-driven efforts in a range of areas recognize this reality and work to change systems, not just symptoms.

Public Goods, Services, and Infrastructure

Public systems should ensure basic democratic rights and meet human needs for all. But our systems are fragmented—from healthcare to housing to education policy and beyond—and our current approach is at best a patchwork, which hampers our ability to reach these goals.

Universal healthcare, eldercare, and childcare; tax justice; education equity; land justice; and participatory budgeting movements have all tackled this challenge from different perspectives. Of these, the universal healthcare movement—with its “everybody in and nobody out” ethos now embodied in the Medicare for All Act of 2019—has become the most visible.⁷

In the report resulting from NESRI’s

survey,⁸ we featured the Vermont Workers’ Center’s Healthcare Is a Human Right Campaign.⁹ The campaign, which involved thousands of Vermonters, aimed to meet all healthcare needs with no cost barriers, and built in obligations of transparency and participation by civil society in the 2011 legislation they secured, which committed Vermont to providing healthcare for all.

Although the Vermont effort later stalled, the Medicare for All Act of 2019 reflects many of the same principles. It sets up structures for involvement by multiple sectors of civil society, tackles profit head on, is fully universal, and centers those with the greatest needs.

Land, Housing, and Natural Resources

Our land and resources should be carefully stewarded to equitably meet the needs of all our people and protect basic rights. But in our current system, land and natural resources are primarily used based on market imperatives defined by profit. This approach has led to displacement, where land and housing speculation pushes land prices up and blight and abandonment elsewhere.

Land, housing, environmental, and climate justice movements all seek a different relationship to land and resources. A common thread is an increasing commitment to community control and shared equity. In the housing context, there is a push for community land trusts (CLTs) and shared equity models that take land out of the speculative economy and make housing permanently affordable. Homes can only be resold at a price affordable to the income bracket of the original resident. In order to expand this type of ownership and housing to all income levels, campaigns across the country have been demanding public financing for CLTs. In Baltimore, the Housing Roundtable

and Housing for All Coalition worked together to persuade the city to create a housing trust fund. The Baltimore Housing Roundtable, with the Housing for All Coalition in an advisory role, then campaigned successfully to secure an annual \$20 million commitment for the housing trust fund—primarily financed through taxing real estate sales of over \$1 million at a higher rate.¹⁰ The expectation and hope is that a significant proportion of those funds will support the creation of CLTs in the city for housing-insecure families.

Green energy democracy models, where energy is owned and governed by the community as a whole—whether through a cooperative, public utility, or other community ownership structure—operate on similar principles. In both CLTs and green energy democracy models, all gains are reinvested in host

communities with a commitment to equity and democracy.

How We Labor

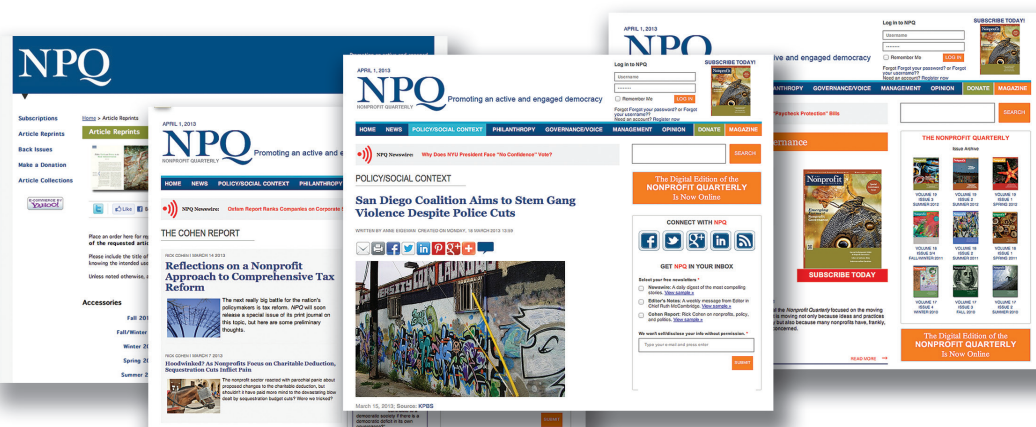
Work with dignity is a human right. Yet, wages are stagnant; leisure time is disappearing for some while others are permanently underemployed; schedules are increasingly irregular; temporary work and day labor have increased; basic labor laws are routinely ignored; and subcontracting has become so ubiquitous, that when workers are denied benefits and legal protections, they are often uncertain where to go for recourse because they literally do not know for whom they are working.

There are many essential demands to raise labor standards and protect the right to organize. But we also need to consider approaches that would restructure and realign labor relations. The

federal jobs guarantee included in the Green New Deal is one bold movement idea that would revolutionize the labor landscape.¹¹ Today, the Federal Reserve has a goal of 4.5 percent unemployment to control inflation, which means millions are intentionally made jobless through federal policy.¹² A federal jobs guarantee would ensure a public job at \$15 an hour for anyone willing and able to work. It would create a floor for employment, while enabling the country to meet its needs through job creation—such as green infrastructure or universal elder- and childcare programs.

By offering an alternative to exploitative jobs, a federal job guarantee also creates more space for other movement efforts—such as worker co-ops—to grow. Because workers themselves own worker co-ops, these businesses do not move to seek lower labor costs, and

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generally pay higher wages. Currently, finance and policy frameworks in the United States disadvantage co-ops.

Other forms of self-governance for workers—such as the Worker-Driven Social Responsibility (WSR) model for enforcement of basic rights in corporate supply chains—are also expanding.¹³ The Fair Food Program in Florida is the flagship example, where farmworkers have secured legally binding agreements with supermarkets and other companies that purchase produce to enable them to enforce basic rights. The program, overseen by farmworkers themselves, is premised on swift market consequences for violations, and has transformed the industry. This model is now moving into other localities and sectors across the country.

Any one of these models at scale would change the labor landscape significantly; together, they would ensure a supply of decent jobs, offer genuine choice for how we labor, and realign power relations in the economy.

Finance for Social Change

The flow of capital in an economy should serve social goals; yet a huge portion of capital at best adds no value and at worst directly harms families, communities, and our environment. The concentration and misuse of capital require a serious reimagining of how we, as a country and a world, ensure that both private and public financing mechanisms lead to equitable investment in the common good.

At a minimum, we must move from short-term predatory investment to long-term investments producing social value. But that in itself is not transformative. We must also recognize that the investor is hardly the only stakeholder in an investment process.

Developing community governance models for investment is crucial to

enabling those impacted by investment to have a say. This should be paired with redefining what is an allowable exchange of risk and return between investors and impacted communities, with investors agreeing to accept the costs of harms now borne by communities. Communities have begun to create some participatory community loan funds, such as the Boston Ujima Project.¹⁴ An example of a cogoverned fund is Buen Vivir, which enables communities in the global south to have a say in how investments play out.¹⁵ Additionally, public pensions and other pooled assets can be placed under greater democratic control.

The public banking movement is also challenging how our public funds are invested. Currently, cities and states hand over public money to private banks or Wall Street for investment. But public banks created for the sole purpose of holding a city or state's investment funds, as demonstrated by North Dakota's century-old public bank (Bank of North Dakota), hold the promise of changing local and state economies. Public banks with equity mandates can ensure that public funds are invested to meet public needs, and have the potential of growing community-controlled sectors that private banks eschew, such as worker co-ops and community land trusts.

Re-visioning Local Democracy

Our democracy writ large is unquestionably in crisis. To change our future we must repair, restore, and rebuild our democracy. This requires addressing national frameworks on voting and campaign finance. But to fully repair, we must restore and rebuild democratic practices and culture from the ground up.

Communities and social movements have been fighting for an authentic multiracial democracy for what may feel like an eternity for Black and Brown

communities. But if we are to succeed in our grand project of inclusive democracy, we must begin from the recognition that racial and gender justice are a cornerstone of any healthy democracy. The race-based mass criminalization that encroaches even into our schools; surveillance; the punitive culture of social welfare; and social control and punishment of sexuality—all disable our democracy while damaging millions. Movements have fought against these, and often succeeded in changing policy and practice. But in the wake of the damage, communities have also found ways of restoring and repairing.

Restorative justice models, whereby all stakeholders affected by an injustice build a dialogue to repair the harm, offer an alternative for resolving conflict and disagreement. It is an approach being used in schools and in criminal justice, among other arenas, to identify root causes and shift from a culture of punishment to one of rebuilding relationships. Some groups are calling for going beyond restorative justice to transformative justice—looking at whole systems through this lens.

Healing our democracy is fundamental, but communities are also going beyond just repair—to rebuilding through new practices. Restorative and transformative justice in schools also involves having students, parents, and educators build school norms together and cogovern. Extending this commitment to participatory democracy in all our institutions and systems is crucial to any new social contract—to ensure we become a people-centered rather than a profit-centered country.

The Emerging Alternative

When you look at these community- and movement-driven solutions as a whole, they add up to something greater than the sum of their parts. They point toward

a vision of society where rights and an inclusive multiracial democracy are deeply linked. The solutions have three elements in common: they are (1) guided by human rights and human-centered values; (2) structured as universal solutions that center those most marginalized; and (3) driven by participatory and inclusive democratic processes.

Rights and democracy are at the core of this vision. It is shaped by an understanding that we must build the public by sharing benefits and risks, while being equally committed to sharing power as broadly and democratically as we are able. It also recognizes that how we steward all of our resources—money, land, natural resources, and more—is a moral question, and must be aligned with our values. In our alienated state, where the very notion of society is currently in question, these approaches allow us to reimagine communities with meaning and purpose for our future.

NOTES

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