



The Next Social Contract: Renewing the Commitment to Economic Security and Opportunity

The American Social Contract

The theory of a social contract in which individuals trade unchecked freedom for the benefits of an ordered society can be traced to ancient Greece. In more modern times, the themes of philosophers like Locke and Rousseau echo throughout the Declaration of Independence and the U.S. Constitution. Most see FDR's New Deal as the foundation of America's current social contract—the complex, largely unwritten deal between workers, employers, and government that gives individuals the security they need to navigate a dynamic economy.

As with even a well-built house, 75 years have taken their toll on this version of the social contract. Its foundation remains strong, but fundamental repairs are needed. And the neighborhood has changed around it in ways that none of its framers could have imagined. These changes include an explosion in information technology, unprecedented job mobility, full-scale globalization of the trade in goods and services, major medical advances spurring increased life-expectancy, a large decrease in the number of traditional families, and a widespread recalculation of government's role in providing social goods. None of these developments is on its face negative—in fact several are abundantly positive. But each has had ramifications that affect the balance of rights and responsibilities undergirding the social contract, and the negative consequences of this imbalance abound.

Despite nearly a decade of economic expansion, the belief that hard work and the right choices will allow for a sustainable, middle-class lifestyle is under attack. Reliable pension plans are the exception, the number of Americans without health coverage is quickly approaching 50 million, and average real wages are stagnant. Meanwhile, the cost of a college education has more than doubled in the last thirty years, while the percent of disposable income spent on meeting our housing needs has increased by more than 25% since 1980. In recognition of these challenges, debate has now begun about piecemeal changes to individual government programs. But profound transformations in the U.S. and world economies require more than incremental reforms; the situation calls for a fundamental rethinking of the principles as well as the policies underlying our inherited social contract.

About the Next Social Contract Initiative

The New America Foundation has launched the Next Social Contract Initiative (NSC) to design and advance a new framework for a 21st-century social contract, along with a detailed policy agenda to support it. The fundamental premise of this initiative is that, given the unimaginable changes of the last half-century, we should think from scratch about the appropriate roles of each sector of society—government, employers, individuals, and civil society. The programs and policies of a new social contract should be designed to support entrepreneurship and risk-taking, encourage long-term growth and broadly shared prosperity, and support individuals and families not as employees, but as citizens. Perhaps most importantly, NSC operates on the belief that economic security and opportunity are not mutually exclusive alternatives.

NSC draws on the strength of existing domestic policy programs at New America including the Asset Building, Economic Growth, Education, Fiscal Policy, Health Policy and Workforce and Family programs—as well as its own staff to fulfill this mission. In the tradition of New America, NSC strives to develop innovative, principles-based solutions for a 21st Century economy and society. If individuals are to take advantage of the opportunities inherent in a dynamic economy, they will need the security provided by social insurance, individual assets, and portable benefits. In doing so, they will fulfill their own goals and bolster our collective faith in the continued vitality of the American Dream.

Recent NSC Events

“America's Changing Social Contract: The Rights & Responsibilities of Employers, Families, Government & Civil Society” (12/3/07)

“As the Economy Screams: Perspectives & Proposals from the Presidential Campaigns” (1/23/08)

“The Next Era of American Politics” (2/29/08)

“Making the Social Contract Citizen-Based” (7/20/07)

Recent NSC Publications

America's Social Contract: From Drift to Mastery, (November 2007)

The Yeoman's Return: Small Scale Ownership and the Next Progressive Era (January 2008)

“What Does ‘Post-Partisan’ Mean?” (February 2008)

“*The American Public & the Next Social Contract*” (February 2008)

For more information on the Next Social Contract Initiative including upcoming events and publications, or to join our mailing list, go to www.nextsocialcontract.org