



What is the social contract?



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The role of the CSJ

In 2002, the leader of the Conservative party toured the Easterhouse estate on the outskirts of Glasgow. Accompanied by a Baptist minister, he witnessed extremes of poverty and dependence that changed how he saw politics, and inspired him to found the Centre for Social Justice. The central insight that has founded and shaped the CSJ is that poverty is far more complex and deep-seated than just a lack of funds. This problem was given its fullest articulation in 2007 as the “five pathways of poverty” — family breakdown, educational failure, worklessness, addiction and crime, and problem debt and housing. The lack of social capital, of learning, of paying work, and the dangers of addiction, criminality, debt and homelessness together form a deadly trap that leach agency and control of their lives from the poorest.

In this context, welfare, far from being a solution, can be another part of the problem, preventing the worst destitution, but offering no hope of transforming the circumstances of poverty and dependence on the state. Perverse incentives can reward family breakdown, disincentivise work and learning, and enable criminal, self-destructive and anti-social behaviours.

The CSJ’s insights were not new. When Sir Iain Duncan Smith contemplated the failures of the welfare system in Glasgow, he was walking in the footsteps of social reformers like the Reverend Thomas Chalmers. Working in a desperately impoverished Glasgow parish, Chalmers railed against the evils of the poor laws which had

punitively rendered “every approximation of an alms-house to a gaol, of a house of charity to a house of correction”, and created an “artificial system” that had dissolved “the ties and feelings of relationship” and led to the “cruel abandonment of parents, by their own offspring, to the cold and reluctant hand of public charity.”¹

From the outset, following in a long tradition of social reform, the CSJ has looked to the question of how to empower and mobilise individuals, communities and civil society to address the deeper questions of loneliness, addiction, fractured relationships, and chaotic lifestyles that direct state action often struggles to adequately answer. This holistic approach, centred on the idea of justice as social as well as individual, has always been directed towards the question of a broken social contract, and how it might be renewed and reimaged.

A clear picture of the problems of the social contract was first painted in the 2006 report *Breakdown Britain*, with the emergent social vulnerabilities brought about by “families who cannot offer certain core needs to their offspring: secure attachment; protection; realistic

limits and self control; freedom to express valid emotions; autonomy, competence and a sense of identity, spontaneity and play.” Also clearly identified was the central significance of families to a “social ecology” comprising “the family, the community and the country”.²

1 Thomas Chalmers, *Problems of Poverty*

2 *Breakdown Britain* (2006)

In the same report different elements of society were identified by their role in a greater whole. The education system is a “social escalator”, the third sector builds “social capital”, employment produces “family stability”. Yet, as the report noted, even in the boom times of the 2000s, the crucial buttresses of employment, education, family and civil society were in trouble. Britain had a “tax credit economy” with employment offering “little prospect of advancement and independence, but where the worst-paying employers receive a multi-billion pound subsidy from

the taxpayer.” Education was getting more cash, but the most disadvantaged children were failing to benefit, because of deeper issues of behavioural problems, chaotic home lives and a lack of leadership and role models, especially for boys. Family breakdown was rendering poverty hereditary and intractable. Although the government professed enthusiasm for the third sector, in practice it would “completely forget” what made it exceptional in the first place, crushing its independence and creativity.

This report would lay out a path and a set of themes that would be pursued ever since. One of the most important elements was the centrality of mobilising individuals, families and communities, not just the state in the fight against poverty. Addressing itself directly to the British public, calling for them to “be helped not just to better appreciate the centrality of combating poverty in creating a better and fairer society – but also how through increased volunteering and philanthropy they can help win this battle.”

It is at once depressing and salutary to consider how sharply relevant these critiques remain, taking on a fresh urgency at a time of straitened circumstances for state and individual household alike. In the intervening decades, this vision has helped shape epochal reforms, like the rationalisation of welfare through the introduction of Universal Credit.³ It says something about the pace of change in British politics that it was only

completed in March of this year, 16 years after it was embarked upon. The impact of UC is still much debated, but it has unquestionably removed the huge marginal tax penalties under the previous regime, and simplified a once labyrinthine system.

If it has taken a long time to get Universal Credit off the ground, its significance and potential could also be realised on a larger timeframe. By simplifying and rationalising much of the benefits system, UC lays the foundations for more radical and wide-ranging reform. Moves towards a contributory or social insurance mode, and a greater mutualisation of the system, would now be considerably easier to implement under the new regime.

But beside major policy interventions, the CSJ has been consistent in following its original vision of social mobilisation. Another historic intervention, the report *It Happens Here*, on human trafficking, may have produced a law — the 2015 Modern Slavery Act — but it was no less striking for the way it directly addressed the business community, calling on them to actively support the fight against trafficking, and to eliminate forced labour from their supply chains.⁴

This whole society approach was given further form and coherence in the 2014 *Community Capital* report, which called for social contributions to have “parity of esteem” with economic contribution, and to return to Beveridge’s vision of “fruitful co-operation between public authorities and voluntary agencies”.⁵ Coming in the wake of the failures of the Big Society, it was a visionary report, which uncompromisingly highlighted the failures of “tokenistic policies which did not mark the fundamental shift necessary to genuinely empower and enable communities to make a difference, apart from the state”.

This was also the first time that the CSJ came to talk specifically of a “new social contract”, citing “the Wigan deal”, whereby local residents would be routinely consulted and directly involved in decisionmaking. Forged in the context of dire necessity and at the height of austerity, with Wigan

3 Dynamic Benefits (2009)

4 *It Happens Here* (2013)

5 *Community Capital* (2014)

Council losing £160 million, “Wigan established ‘The Deal’”, a social contract between Wigan and local residents where Wigan asked, in exchange for measures such as freezing council tax, that residents participate in activities such as looking out for neighbours who might be vulnerable, staying healthy through diet and exercise, volunteering and supporting local business.”

As Britain’s economic woes worsened, the question of a socially just economy, and of an economic social contract, have become a growing area of interest for the CSJ. The 2017 report, *The Great British Breakthrough*, addressed the productivity crisis and the skills gap, recommending regional investment, and a pivot to technical and scientific education tied more closely to employment and employable skills.⁶

2023 saw a wide-ranging and ambitious report, *Two Nations*, on the state of poverty in Britain, providing a decisive diagnosis of our “fraying social contract”.⁷ A picture of the country that had emerged from Covid was emerging, and it was not a pretty one. Society had not returned to normal, and children and families in particular had suffered deeply from the withdrawal of in person services and sociability.

Norms and expectations that had seemed basic and unquestionable have ceased to be so. Children arrive at primary school unable to use a toilet. Young children are having to have emergency dentistry because parents don’t make them brush their teeth. The government has been sucked into the void of neglect and social breakdown, and as SEND enrollment rockets upwards, schools are inadequately trying to provide the support and care that used to come from parents or community.

This picture has been concretised by recent polling conducted into the state of the social contract, asking respondents to assign responsibility for a range of social duties to different areas of society, from the state, to local government, to the private sector, charities, local communities or the individual family or household. What emerged was a division

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of society into state and individual, with little space in between. This “missing middle” of intermediate institutions, what we generally call civil society, is not seen as having primary responsibility for any significant collective duties. The space of voluntary action and association has dangerously narrowed.

As Labour came back into office in 2024, Chief Executive Andy Cook issued a challenge to the incoming Prime Minister, calling for a new social contract: “government needs a new contract with the people, one that helps people help themselves from falling into poverty, and gives them every chance of escaping it if they do”. Following this, in 2025, the CSJ called for a new intergenerational contract, both between parents and schools, and between pensioners and young workers.

In 2026 the CSJ formally initiated a new area of research, looking directly at the question of the British social contract. In many respects this is a logical culmination of its original purpose. The role of this research will be to apply a long held holistic, civil society led approach at a systems level, looking at everything from hyper-local “deals” (like Wigan) to society wide questions of generational and geographic justice.

⁶ The Great British Breakthrough (2017)

⁷ Two Nations (2023)



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Introduction

In 2024, Britain passed a crucial milestone. That year, more than half of Britons were net recipients, rather than net contributors towards welfare.⁸ Over half of income tax comes from the top fifth of households according to wealth.⁹ These same households earn 12 times more than the poorest fifth before this great redistribution, yet only just over three times as much after it.¹⁰

On both sides of the equation, there is a feeling of fundamental unfairness. High earners feel they are paying far more than their fair share, whilst those on low or middle incomes are frustrated by years of stagnating wages and rising costs pushing them slowly down the social scale.

Beneath this broader picture of societal unfairness, there rests a more intimate portrait of unmet obligations and social breakdown. Children turn up to school hungry, with unbrushed teeth, and without toilet training.¹¹ Patients wait months for vitally needed procedures and operations. Young people struggle to afford housing, or start a family. Older people enjoy “triple-locked” pensions funded from taxation, but are also on the hard edge of a collapsing health and social care system, and many suffer deeply from loneliness and neglect.

*There is a widespread feeling
that society is no longer doing its
job*

There is a widespread feeling that society is no longer doing its job. That some basic collective deal — that you work hard and get on in life — has been broken. That there is a “social contract” whose terms have been voided.

But what is a social contract? Is there a peculiarly British social contract? And if it has been broken, what should the new “deal” look like?

8 <https://www.telegraph.co.uk/business/2024/12/19/more-than-half-of-britain-receives-more-in-benefits/>

9 <https://www.telegraph.co.uk/business/2025/02/12/richest-households-shoulder-more-than-half-of-britain/>

10 <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/theeffectsoftaxesandbenefitsonhouseholdincome/2024>

11 <https://kindredsquared.org.uk/wp-content/uploads/2026/01/School-Readiness-Survey-January-2026-Kindred-Squared.pdf>

Non est potestas Super Terram quae Comparetur ei Job. 41. 24



	LEVIATHAN	
	<i>Or</i>	
	THE MATTER, FORME	
	<i>and POWER of A COMMON:</i>	
	WEALTH ECCLESIASTICALL	
	<i>and CIVIL.</i>	
	<i>By THOMAS HOBBS</i>	
	<i>of MALMESBVRY.</i>	
	<i>London</i>	
	<i>Printed for Andrew Crooke</i>	
	<i>1651.</i>	

The social contract in theory

What is a social contract?

In political philosophy, the idea of a social contract is rooted in modern and early modern ideas about how to legitimate political authority, locate the origins of property rights, and define justice and fairness at a societal level. Different authors have different approaches. Hobbes introduces the idea of an original “state of nature”, a hypothetical pre-political realm in which there is a “war of all against all”.¹² Those existing in such anarchy, in which might makes right, would, Hobbes suggests, gladly submit to a strong ruler who could produce law and order. This, he argues, is the basis for the legitimacy of kings and princes over their subjects. This is a kind of implicit “contract” that exists without ever having actually been signed or drafted. You obey the King and his law because the alternative is anarchy.

Locke, by contrast, is more concerned with the issue of natural rights, especially that of the individual to hold property. He argues that free people, in order to better secure the right of property, which they acquire through labour, would rationally assent to surrender some portion of their liberty to secure their rights.¹³ Locke’s

approach is especially consequential for American constitutional thinking, in which a kind of “social contract” is given actual formal substance in the constitution and bill of rights.

If Hobbes is fairly autocratic, and Locke republican, then Rousseau is democratic in his thinking. Whilst Hobbes imagines man in the state of nature as brutalised, and Locke thinks of him as imperilled, Rousseau suggests that this “primitive” state is one of freedom and pleasure — “Man is born free, and everywhere is in chains”.¹⁴ On this assumption, the *only* just basis for authority for Rousseau is the *direct* consent of the governed, expressed as the “general will”.

All of these traditions have had profound influences on the shaping of complex modern societies, but it was the interpretation offered by Rawls that has predominated in the English-speaking world in modern times. Broadly speaking, Rawls followed Rousseau’s more social justice oriented and democratic approach, but imbued it with the rationalism and contractualism of Locke.

¹² Hobbes, *Leviathan*

¹³ Locke, *Two Treatises of Government*

¹⁴ Rousseau, *The Social Contract*

To create a just society, according to Rawls, we should each imagine ourselves behind a “veil of ignorance”.¹⁵ Rather than a primordial pre-political society, we conceive of how we would design society if we had no way of knowing who we would be. Not knowing what class, sex or race we would be, we would seek to design a society that was as fair and equal as possible. Given that we might end up occupying the lowest position in society, the most “rational” choice would be a society in which even the very worst off live a decent life.

All these thought experiments and theories may seem abstract, but not only do they shape policy making to this day, but they speak to widespread intuitions and ways of thinking about policy that ordinary members of the public regularly express and refer to. You don’t need to read Hobbes to argue that we should follow the law otherwise there would be chaos, to be a Lockean to point to civil and property rights, or to follow Rawls to note that we might all of us end up at the bottom of the social heap via catastrophe or misfortune.

These ideas and intuitions are more than just idle thoughts. Without having actively reasoned it out, we all share an implicit assumption that by walking about and living in society, that we are parties to some sort of shared understanding, an unwritten contract. When politicians misuse money, or public services don’t deliver for us, we complain that we’ve paid our taxes, that we’ve fulfilled our half of the social bargain. Likewise, we feel personally wronged if a criminal sentence is unfair, debating such matters in the press and the pub.

But it goes further than matters of state. If you see litter on the street, how likely are you to pick it up? What if it’s the street you live on? What if it’s on your doorstep? The answer to those questions are the effective delimitations of a social contract. Whilst utilitarian measurements and mechanisms of economic and social value often dominate our thinking, we tend to neglect the significance of identity, belonging and psychology for how policy works, and how it wins and retains public trust and support.

If you see litter on the street, how likely are you to pick it up?

Yet policies live and die by such factors. Whilst we sometimes like to think of significant political change as coming about through dramatic shifts brought about by reformers, it very often comes about through the building up or decline of public trust. Without anyone making a conscious individual choice, the terms of the social “deal” change over time. Whilst the “free at the point of use” NHS feels like an unshakeable plank of the British social contract, in practice major parts of healthcare, like social care and dentistry, have long since ceased being free or universal services. Whilst nobody is formally refused care or dentistry, they are rationed to such a degree that those with the means soon self-select into private provision. Trust in the healthcare system has plummeted since Covid, yet there is little appetite for the tax rises or cuts to other services that would be needed to cover shortfalls in the current regime. No politician could run on a platform of privatising the NHS, yet a shifting social contract is slowly tipping us towards that outcome by default.

15 Rawls, *A Theory of Justice*

The limits of social contractualism

Social contract theory began in Britain itself, and this is perhaps no coincidence. At what point do you need to define a new, rationalistic basis for social cooperation and trust? At the point, perhaps, at which those things are in danger or have been lost entirely. Thus social contractualism is one kind of response to the collapse of an earlier social order. Hobbes, who laid out the first version of modern social contract theory in *Leviathan*, was in no small part motivated by his experience of Europe's first revolution — the English Civil War.

Leviathan's early secularism — rooting political legitimacy in pragmatism rather than divine sanction — reflected Hobbes' fears of the ferocious religious passions that had ripped through English society during the war. The struggle between the Anglican establishment, Puritans, Catholic recusants, and still more radical protestant factions like the Diggers and Levellers, saw nearly every central institution of society thrown into question, from the untouchability of the monarch, to the status of private property, to the bonds between family members. Not only did England lose its monarch, but also its parliament, in our first and last experience of dictatorship under the "Lord Protector" Oliver Cromwell.

Yet if a deep pessimism about human nature, born out of the horrors of civil war, gave rise to the first social contract theory, then it was an extreme optimism that helped bring about a new kind of contractualism in France, and the first coining of the term social contract, in the work of Rousseau. Writing in opposition to Hobbes and Locke, Rousseau proposed that man is originally perfectly good in his state of nature, and is ruined by the unfairnesses of society, and the failures of education. If the fear of anarchy *forces* humanity to embrace a social contract with the state for Hobbes, then for Rousseau the inherent and natural liberty of man means that political authority must be legitimated by a social contract with the people. Rousseau, whose career spans the burgeoning intellectual freedoms of an intellectual elite in pre-Revolutionary France, had no society destroying trauma in the back of his mind, and indeed saw in the fixed patterns of the *ancien régime* a society whose very stability was oppressive and founded on irrationality and exploitation.



REVOLUTIONISTS.

If social contract first emerged as a *response* to a king-killing, society-shattering revolution, then it became, in the hands of Rousseau's admirers Saint-Just and Maximilian Robespierre, the instrument of revolutionary terror.

Contractualism emerges ambiguously as at once a pragmatic response — “society has broken down, let's make a deal” — but also an ideal of democratic governance — “we are all free people, who can only be ruled by consenting to a social contract”.

The problem with such theories, as David Hume identified at the time, is that it is very hard to establish the actual consent of the governed, and very easy to invoke it to justify whatever people in power want to do for their own personal or factional ends. This is only too relevant to the contemporary era of political polarisation, in which a highly partisan political party will take power with a narrow majority, or on a low turn out, then take radical action on behalf of “the will of the people”.

This was all too evident in the damage done to trust and unity by the handling of the Brexit referendum. 52% of Britons voted to leave, but in a democratic society, far more have to give their ongoing consent and trust to the process of leaving than supported it in the first place. Instead of this taking place, both sides proceeded to demonise the other. Opponents became “enemies of the people”, or “ignorant bigots”, a polarised pattern of politics that has only intensified since Brexit. The carefully stitched together fabric of modern liberal democracy, in which freedom and democracy, rationalism and individualism, equality and meritocracy all cohere, is coming apart at the seams.

Just as it was in vogue in the 1640s, social contract theory has come back into fashion in late modernity as the certainties of the post-war order steadily erode. Rawls has long dominated Anglo-American political theory, precisely because he offers an apparent guide for legitimating political authority in an age of fragmentation, cynicism and identity politics. Published in 1971, *A Theory of Justice*

arrived at the height of the Vietnam War, and in the wake of May 68'.¹⁶ It married the old ideas of classical liberalism with an emerging progressive politics.

The post-war welfare systems of the West were struck by two irresistible new forces. On the one hand, as explored above, there was a steady drumbeat of demands for social change, new civil rights, freer social norms, and a more radically egalitarian culture. Individuals felt themselves to be entitled to express themselves without restriction and restraint, and, in many cases, to make unilateral demands of society. This new culture of individual expression and entitlement, often framed in egalitarian and socialist terms, coincided with the rise of free market thinking and ideology across the West. Rawls' allying of classically liberal ideas with a progressive idea of social justice proved prophetic in ways he could not have predicted. The transatlantic neoliberal economic revolution ushered in by Thatcher and Reagan, and completed by Blair and Clinton, would ultimately see these agendas ambiguously converge, though tensions and contradictions would remain considerable and intense. An egalitarian culture became dominant at precisely the moment that economic inequality began once again to rise.

The social contract looks set to shatter, if it has not been effectively broken already

In Britain, the gap between rich and poor has returned to Edwardian levels in this period. Yet in Edwardian society the welfare state was vestigial, with the poor relying on forms of mutual aid, social insurance and parochial charity. This system was imperfect, and, for good and ill, often highly moralistic. Yet it was deeply rooted in geographic

16 Rawls, *A Theory of Justice*

communities and class-based social networks, setting the stage for the rise of trade unions and mass democracy, and creating the sense of social solidarity which was a necessary precondition to the welfare state.

Now the situation is very different. Society is unequal, yet there is little social deference and a widely held expectation that everyone has a right to a comfortable standard of living. That demand is met, also imperfectly, by a system of state redistribution and welfare which increasingly struggles to fund an adequate standard of public services, especially as the economy stagnates. Should this system fail, the “communitarian safety net” of mutual aid and charity is far less considerable or well-established than that which existed a century previously. By the same token, the strong class- and place-based solidarities that underwrote that system, and helped lead to the creation of state welfare, have greatly decayed, meaning that any renegotiation of social insurance and the social contract has a weakened foundation to build upon. As the population ages, the economy continues to struggle, global instability strikes, inequality persists, and as social trust decays further, the social contract looks set to shatter, if it has not been effectively broken already.

Social contractualism is no longer an adequate response. During the economic expansion of earlier decades, it seemed plausible to think that social problems could be solved via economic transfers. At first it was thought a paternalistic state could manage the economy and engineer society. Later, it was imagined that capitalism could be unleashed to create growth, with government redistributing enough of the ensuing proceeds to produce a fair bargain.

These answers are no longer adequate. Even if growth can be restored, it will mean trade-offs and new kinds of coordination that will rest on society’s ability to organise and mobilise itself. Something beyond contractualism is needed.

What are the limits of a contractualist approach? It assumes a self interested logic, then seeks to recruit the rationally self-interested agent into social obligation. This is true of every social contractarian,

from Hobbes to Rousseau. Whilst Rawls labours strongly to link self interest to a model of social justice, the fundamental logic remains. This is why he must invoke the original position. Only by abstracting the individual from their identity and station in his life can he imagine a just society. Whilst this is a thought experiment, it models an actual logic at work in contemporary welfare systems. A young healthy adult in employment may not need welfare benefits, social care, medical support or a pension at this moment, but he can see that at a point in the future he may become disabled, frail, lose his job, or otherwise need to rely on society to support him. Thus he has a self-interested motive in supporting others in distress.

Perceiving that we might suffer as another does is of course a first step in engaging with others morally and socially, but if it is a poor basis for creating social solidarity on its own.

Here we start to hit on the central limitation of contractual thinking in the social sphere. A contract exists to proscribe clear limits on our obligations to one another, fully and formally defining them. It is premised on a logic of commercial exchange. I exchange as little as I can get away with in return for as much as I can manage. If I sign a contract to work a certain number of hours for a certain amount of cash, I expect to be paid every penny. I also don’t do more than I’m paid to, and if I do, I expect to be paid overtime, or hope for a bonus or promotion. The problem with purely transactional logic is that I am continually rationally calculating my own self interest. I may see the sense of paying taxes or helping others, but this requires certain abstract structures that either don’t apply or quickly break down in real world situations.

The veil of ignorance is really a kind of game theoretic exercise. By making the player of the game ignorant of their status in society, it makes the most logical move designing society such that even the worst position in society is still acceptable. Yet this exact same logic, if applied once the veil is removed, quickly acts to immoral ends. The classic game theory problem with which people may be familiar is the prisoner’s dilemma. Two prisoners are offered a deal to turn on the other. If neither prisoner talks, they will both serve only a year. But

if one of them makes a deal, the unlucky prisoner will serve 8 years, and the snitch goes free. If both prisoners turn on the other, they both get 5 years. Whilst the best outcome for both prisoners taken together is not to snitch — a total of only two years served, as against a possible collective 10 years, that isn't the situation we actually find ourselves in. We're sitting in the cell, and there are two possibilities — either the other guy snitched, or stayed silent. That means that you are looking at a possible 8 years if he's snitched and you stay silent, or one year at best if he hasn't and you both stay quiet. But if you snitch, you will either go free, or at worst get 5 years. From a self interested perspective, you should always snitch.

This same scenario shows the limitations of the veil of ignorance. Whilst it's always better for the prisoners as a collective if both stay silent, even if you don't know which prisoner you'll be beforehand, it will *still* make sense to snitch if you can't control the choice of the other prisoner. In scenarios where game theory falls on the side of altruism, you'll contribute. But what if it's a matter of whether you pay to get on the tube or jump a barrier? The chances of being fined will always be smaller than the savings made by not paying. At a collective level, it's better if everyone pays, improving the quality of the service and keeping prices lower overall. But for an individual, it always makes sense to avoid paying.

This same prisoner's dilemma problem extends to everything from fly-tipping to tax evasion. Even if it can be justified in terms of pure rational self interest that it would be better if everyone did the right thing, the person who does the wrong thing always benefits in relative terms. If the other person also does wrong, he isn't positionally worse (i.e. by being the schmuck paying the rising tube fare), and if the other person does the right thing, the wrongdoer benefits at his expense.

The only way round the prisoner's dilemma problem is to pierce the veil of ignorance. We don't simply need to know *which* prisoner we will be, we need to know and have a relationship with the other prisoner. Suppose the prisoner is your best friend, your wife, your child. Not only are you liable to trust that the other person will make the

best choice for both of you, if you value the good of the other person as much, or more than your own good, the dilemma flips. Whatever the other person picks, if you don't talk, they will either go free, or only spend one year in prison. Relationality can create trust, and in its strongest forms, produce altruism and self-sacrifice.

In other words, to have a good society, people must pursue the moral self interest of the collective, rather than just their own. To make this leap, society must appeal to more than just rational calculation. It has to invoke shame and sentiment, and create emotional and spiritual bonds between people, as well as with institutions, places and principles.

Is there such a thing as society?

Modern social contract theory can be a “synthetic” account of society, as in Locke and Rawls, or an “artificial or feigned” corporate person as for Hobbes. This voluntaristic and nominalistic logic is also at work in Rousseau, for whom the body politic ceases to exist when the social contract is breached. Strikingly the one thing modern social contract thinking does *not* countenance is an organic social body that exists and emerges naturally, and has a real corporate personality, as is typical in the classical conceptions of the polity in Aristotle, Plato or Cicero.

Whilst social contractualists varied to both extremes on their optimism about human nature, there is a relative consensus on the synthetic or even fictional nature of society itself. Social contractualism can, in this context, be seen as a retrieval or concretisation of a social order whose existence is at best ghostly and symbolic. Freerider problems emerge precisely because of a moral imaginary in which the individual self interest is always more real than, and epistemically prior to, society.

Of course the contractualists themselves were far from ignorant of the problems and limits of social contractualism, yet further problems often emerged from their proposed solutions. Rousseau foresees the prisoner’s dilemma in *The Social Contract*, imagining a selfish citizen reasoning to himself “So what I am said to ‘owe’ to the common cause—i.e. to the body politic or sovereign whose existence is in that way dependent on the conduct of its members—is really a gift, a hand-out; if I withhold it, that won’t harm anyone else as much as it will benefit me.”¹⁷

He can see that in time this would “destroy the body politic”. How to solve it? “To protect the social compact from being a mere empty formula, therefore, it silently includes the undertaking that anyone who refuses to obey the general will is to be compelled to do so by the whole body. This

single item in the compact can give power to all the other items. It means nothing less than that each individual **will be forced to be free**”. The answer, in short, is coercion.

Thus the monarchic and democratic social contractarians ultimately converge on the same problems and the same solutions. Just as it is impossible to impute wrong or illegitimate actions to a legitimate sovereign, the popular sovereignty of the general will cannot coherently be imagined to err: “Now, because the sovereign is made out of nothing but its constituent individuals, it doesn’t and can’t have any interest contrary to theirs; so there’s no need for it to provide its subjects with guarantee of treating them well, because the body can’t possibly wish to hurt all its members, and—as we’ll see later on—it can’t hurt any individual one of them either. The sovereign, merely by virtue of what it is, is always what it ought to be.”

It is very hard for later audiences to read this passage of the *Social Contract* endorsing the unerring authority of the collective will without thinking of the horrors of the guillotine and the gas chamber — of the horrific license of a popular sovereignty to whom submission is freedom.

When society is conceived in synthetic terms immediate problems arise. Very quickly it either becomes an extremely weak concept — society exists when individual interests are aligned — or a potentially oppressive one — in which society is experienced as an external imposition. In either case it is an *unstable* and *intermittent* structure. If transactional, then it flickers out of existence when individual interests diverge. If highly idealistic, it ceases to be when it falls short of those ideals.

If this feels like a purely conceptual question, we can quickly put it into everyday terms. One can think of it this way. Although the average citizen is not reflecting on political philosophy as he goes about his day, he is intensely aware, at a conscious or unconscious level, of the “thickness”

17 Rousseau, *The Social Contract*

or “thinness” of society in different contexts and places. At the level of populations, we can see that if people think of society very idealistically, they may be very disappointed, or antagonistic to those who refuse to conform to authority. Yet if they view society in more realist and conditional terms, they may be disinclined to act except where their own interests are engaged. These problems are very visible today, in both the phenomenon of totalitarian societies like Iran or North Korea, and in the social breakdown and loss of trust in institutions at work in many Western democracies, including our own.

This balancing of pragmatism and principle, of society as functional system versus shining ideal, is a natural tension and an inherent feature of political life. Yet what makes it steadily more intractable and liable to veering between opposing extremes is due in large part to the synthetic nature of modern societies. Whilst this has a theoretical underpinning in modern political theory and social contractualism, it is just as much the product of wider elements including the nature of the contemporary economy, emergent technology, and globalisation. The scale and complexity of advanced industrial economies, along with the technocratic and managerial systems we have developed to build and run such economies, militates against thicker and more organic conceptions of social organisation and self-perception.

Advanced industrial societies, by employing automation and impersonal administration, can effectively eliminate once powerful dependencies on other individuals or communities. The ancient norms of hospitality towards strangers, for example, were once basic necessities for trade and travel. Now, goods and individuals can move seamlessly through vast anonymous systems, and we can pay for the costs with a wave of a plastic card. Companies like Amazon, Uber, Deliveroo or Airbnb obviate the need for any number of social interactions, or for social trust. It is now possible, if one wishes, to consume goods and travel the world whilst speaking barely a word to another person in the process.

This balancing of pragmatism and principle..

...is a natural tension and an inherent feature of political life

Yet the tremendous impersonal ease of such systems is not without costs, and can serve to mislead us. Not only do they displace social infrastructure, and anonymise once in-person interactions, they don't actually eliminate the ultimate structural need for social trust and solidarity. Even and perhaps *especially* if you want to govern a prosperous market economy with a strong social safety net, you are going to need people to trust shared structures and institutions, and do their part to sustain them. The miraculous convenience of Amazon delivering everything you need to your doorstep quickly evaporates if there are 50-50 odds of your neighbours nicking it.

Yet even in contexts where we are in close and frequent proximity to other people, modernity has many ways to pull us apart. Digital technology has seen face to face communication shifted to screens via zoom calls and email servers, even when colleagues are inches apart, a tendency no less obvious in families and friendship groups where social activity has shifted online. Quite apart from this virtualisation of social life via technology, a world of Human Resources, managerialism and optimisation has rendered many in person interactions as mere procedures subordinated to an abstract system. Even dating has become systematised through apps and algorithms.

In this context we struggle to recognise the inherent and non-quantifiable value of many elements of our shared lives. Such value is often lost in the rush to quantify and optimise it, or simply devalued and neglected altogether.

Beyond contractualism

These tensions and divisions at the level of idea and concept are representations of tensions that exist in day to day life, and at the most practical and material level of organisation. At an emotional and psychological level, how we think about different kinds of belonging and different spheres of society, stretching from the intimacy of the family to the entire nation, will have a decisive role on how institutions work, and how policy functions.

Constitutional questions in their classical form were seen as a natural outflowing of the character of those who governed society, whether a monarch, an assembly, a self-governing people, or a combination of the above. Different regimes would be characterised by the virtues and vices of the rulers. The constitution of a society was an extension of the constitution of individual persons.

At this smaller and more foundational stage of civic life, trust and psychological unity were the basis of the political order. Whilst Hobbes' original position is a war of all against all, classical equivalents are more complex. The notion of a pragmatic submission to a strongman for survival or protection may feature in thinkers from Aristotle to Polybius, but it differs in two vital respects. First of all, unlike materialists like Hobbes, classical thinkers tend not to give primacy to the earliest or simplest stage of development, but instead to the final or ultimate one. This form of thinking, often called "teleological", defines the function and nature of something by its end rather than its beginning, or by its overall form rather than by its elements. Thus for Aristotle:

The partnership finally composed of several villages is the city-state; it has at last attained the limit of virtually complete self-sufficiency, and thus, while it comes into existence for the sake of life, it exists for the good life. Hence every city-state exists by nature, inasmuch as the first partnerships so exist; for the city-state is the end of the other partnerships, and nature is an end, since that which each thing is when its growth is completed we speak of as being the nature of each thing, for instance of a man, a horse, a household. Again, the object for which a thing exists, its end, is its chief good¹⁸

Secondly, the desire for justice and order, whilst originating in pragmatic self interest, is always imagined as evolving and developing into a full fledged sense of justice. This psychological progression is imagined by the political philosopher Polybius in the following terms:

Again when a man who has been helped or succoured when in danger by another does not show gratitude to his preserver, but even goes to the length of attempting to do him injury, it is clear that those who become aware of it will naturally be displeased and offended by such conduct, sharing the resentment of their injured neighbour and imagining themselves in the same situation. From all this there arises in everyone a notion of the meaning and theory of duty, which is the beginning and end of justice. Similarly, again, when any man is foremost in defending his fellows from danger, and braves and awaits the onslaught of the most powerful beasts, it is natural that he should receive marks of favour and honour from the people, while the man who acts in the opposite manner will meet with reprobation and dislike. From this again some idea of what is base and what is noble and of what constitutes the difference is likely to arise among the people; and noble conduct will be admired and imitated because it is advantageous, while base conduct will be avoided. Now when the leading and most powerful man among the people always throws the weight of his authority on the side of the notions on such matters which generally prevail, and when in the opinion of his subjects he apportions rewards and penalties according to desert, they yield obedience to him no longer because they fear his force, but rather because their judgement approves him; and they join in maintaining his rule even if he is quite enfeebled by age, defending him with one consent and battling against those who conspire to overthrow his rule. Thus by insensible degrees the monarch becomes a king, ferocity and force having yielded the supremacy to reason.¹⁹

¹⁸ Aristotle, *Politics*

¹⁹ Polybius, *Histories*

These ideas tend to follow on from a classical natural law tradition, which differs from both Rousseau and Hobbes alike in important respects. We have already seen how it is at odds with Hobbes' materialism. But Rousseau's notion of man's natural goodness ruined by the influence of civilisation is just as excluded.

For classical political theory, man has a natural *capacity* for goodness, and nature itself will shape and direct him towards it. Moreover, this capacity is oriented towards social and civic life, he is as Aristotle puts it, a "political animal". Society then is built in the image of the natural order, rather than understood as an antagonistic oppressor. This natural law tradition informed some of the social contractualists, especially Locke and the founding fathers of the American revolution, but it was also part of a divergent, non contractualist strain in the enlightenment and counterenlightenment.

Why is this significant? For one thing, it will shape how you see coercive power. If humanity has some natural, emergent tenancy to social organisation, it follows that persuasion is going to have a greater role than coercion, differing from the approach of Hobbes or Rousseau.

This "emergent" theory of the social and political order rooted in natural law is especially prominent in the works of Vico, whose ideas are a significant influence on radical 19th century thinkers like the anarcho-syndicalist George Sorel.

Though theoretical and abstract, how we think of and model society directly impacts policy and society. We've already discussed the subtle effect of contractualist theory on contemporary society. So what might a more organic, emergent theory of social contract lead to?

In taking such an approach, our governing assumptions would be that relying on others creates trust and a sense of duty, that these in turn lead us to empathetic and sympathetic psychological relations to others, and that this ultimately orients individuals and societies to a sense of justice and fairness. Rather than appealing to raw self interest, we would look to policy to build trust and reciprocity. We would see both hand outs and extractive taxation as potentially morally hazardous, because they untether give and take, and substitute for interpersonal relationships of support and dependence.

What does this mean? Let's say the government is giving you about £1000 in benefits this month whilst you're out of work and caring for a relative. In the same period, a friend who notices you seem depressed takes you out for dinner. Who are you more grateful to? Who do you feel most urgently like you need to repay? For most of us it's our friend. But what if the financial help came from your friend? Or from a local church you attend? The sense of obligation would likely be much greater still.

Society is by its nature more abstract and less embodied than a single friend, or your immediate local community. But it is real. The young professionals struggling to make rent even as they pay for the housing benefits and care costs of people living in social housing down the road are real people. But much of the cash passes behind a veil of ignorance called HMRC. Whilst contractualist approaches imagine that self-interest must be manipulated or directed, abstracting us away from individualistic privation or group-based prejudices, this example is a small demonstration of where such thinking breaks down. Human psychology, affection and sense of duty will always be heterogenous, variegated, clouded by individual preference and prejudice, and messily distributed. But without recruiting it to social ends, it will be turned against society — a phenomenon already visible in the affective polarisation of culture war politics, in which distrust is weaponised against the structures of society.

In other words, policy works better when it directly connects those who contribute and benefit from it, and when there is a concrete link between benefits and contribution. This is not, however, the same thing as a simple contract in terms of like for like, or even just the notion of a fair deal. Importantly, such an abstract by-the-numbers social contract can't fully work — there will always be those who can't contribute, or those who are called upon to contribute more than others — and even when fair on paper, isn't experienced as just in practice. Even if you can show someone a sheet of paper that demonstrates they get more than they put in through tax back through roads, healthcare, education, pensions and so on, if the policy itself doesn't communicate that relationship, it won't be experienced in those terms emotionally. Whatever the justice of inheritance tax, the experience of being taxed on the accumulated assets of a lifetime,

at the point at which a beloved family member has died, is often deeply negative. Likewise, because taxes are untethered from benefits, the veil of ignorance acts to proliferate mistrust. If we can't see where our money is going, or know who it is going to, the veil acts to destroy faith in the system, and breed cynicism and resentment.

If my pension contributions go up, I know it will increase the security and size of my pension in the future. But if my taxes go up to pay for higher pensions today, I will rightly worry it means I pay more now, but will get less later. Similarly, needs based welfare means that the more you contribute in tax, the less you get back. If you get in trouble in your life, but are married, live with your partner, one of you is still in employment, and put a roof over your children's heads, you will potentially get a worse deal than someone who has made much poorer choices.

There is no perfectly squaring the circle here. You will always need to invest more resources in those who make the worst choices, and will always have to rely on the diligence and responsibility of a majority to sustain a good society. But fairness isn't necessarily about like for like. Let's go back to the example of the kind friend who was buying us dinner earlier. Let's say he's always been there for us, and later in life, you're well off again. Your friend loses his job, goes underwater on his mortgage, is in deep trouble. What level of help would we be willing to give him? In material terms, he may have given us at most a few thousand quid over the decades. But in his hour of need, we'd quite probably loan him as much as he needed — you might well let him live with you till he got back on his feet, you might get him a job at your place of business.

What merits this apparently disproportionate repayment? Social obligation at its purest level is putting yourself at the service of another out of love. At its most basic level this gift of the self is unlimited — theoretically infinite. When it comes to our closest friends and family, we say we would do "anything". We don't tally up how much they have given us. What do we exchange? How do we merit love? By giving it. When we recognise an abounding willingness to serve and to love, when we see another person would go the extra mile for us, we feel like we would do the same for them. We give, and we do not count the cost.

This non-transactional logic, even in its more limited forms, is the basic building stuff of social trust. Even when a relationship is seemingly highly commercial, or trivially causal, this sense of unbounded obligation and reciprocity can be highly important. Business deals and partnerships run on trust. The hospitality industry offers just this — actual hospitality. It may be cheaper to buy a ready meal and a bottle of wine from the supermarket, but a restaurant can make us feel special, taken care of, recognised, and at ease. Social niceties and everyday civility are more than empty forms of words; they act to create a script for reciprocal social duties between strangers or recent acquaintances. Duty and obligation begins with a moment of eye contact, a handshake, the exchange of names.

All this tells us something about policy. Can something like a national welfare system learn from the psychological and emotional norms of interpersonal communion? I believe it can. In the first instance, you can create concrete national insurance funds, so that there is a real "pot" into which money is paid. Likewise, support for spending is aided if every contributor benefits at least to some degree. This means a prejudice in favour of universally available services or benefits, like pensions or free education, but also speaks to the virtue of tapering means tested benefits to a non-zero level. The point is to create a sense of inclusion in the moral community, and to perpetually remind those who contribute that it is in their ultimate interest to be involved. If this seems like a return to a self-interested contractual model, one should remember the evolutionary and emergent nature of social solidarity and social justice. First you recruit pragmatic self interest, then rise by degrees to something deeper.

In the same way, the more that public and private spending happens locally, the more that trust and sociability flows in tandem with goods and currency. Not only is there a social contract basis for localising all sorts of provision, but there is a wider case for how we understand, think about and frame policy in relation to our particular history and geography.

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The Social Contract in Practice

The origins of the British social contract

On a broader, organically-derived definition, the classical theory of “constitution” is a kind of social contract, a dynamic equilibrium constituted by the relations between classes, and the web of obligations that sustains society.

In Britain, this contract is very old and deep rooted. The English monarchy itself is coterminous with English nationhood, and founded on an idea of mutual obligation that would have been as familiar to Polybius as it was to Hobbes seven centuries onwards. When Alfred drafted one of the first English law codes, he laid out a kind of social compact, “Judge thou very evenly: judge thou not one doom to the rich, another to the poor; nor one to thy friend, another to thy foe, judge thou.”²⁰ This, and the other principles of old English social and political order, is rooted in both Biblical and Germanic conceptions of the law. The notion of equality before the law without concern for rank can be found in the Mosaic law, but it carries a particular significance in the context of Germanic kingship.

As we see in texts like *Beowulf*, Saxon kings could not rely on the divine right of kings or enlightened self interest to sustain their legitimacy, but rather had to be good “ring-givers”; showering gifts

and favours on their followers. This system of patronage was about more than cash, it involved the distribution of honours and status, and a demonstration not just of wealth and power, but also of wisdom in rewarding merit, and integrity in keeping promises and oaths. As we saw in Polybius, what begins with the gift giving of a warlord evolves into the giving of justice to an entire people. English kingship in the hands of pious rulers like Alfred sees lawgiving gain priority over giftgiving — though it does not displace it entirely. This conception of the king as bound by oaths and laws as much as the people he rules is very different from the Roman, continental tradition of law and kingship, and is reflected to this day in coronation oaths to uphold the law that are in many respects little changed from the middle ages.

The idea of a common law before which every person is equal, from King to pauper, is perhaps the oldest and most deepseated social contract in Britain. A still older element of the social contract is Christianity itself, and the role of the Church, which continues after the Reformation in a number of denominational forms, driving both unity and desperate divisions.

20 *Ancient Laws and Institutes of England*, Ed. Benjamin Thorpe

An important element of this English legal order is the idea of a “legal fiction”. Notions like corporate personhood (which as we saw will prove central to social contract thinking), or the idea of the “crown” as separate from the monarch, have a vital role to play in how society worked. Essentially, the law would treat abstract notions and institutions as persons holding rights and duties, subject to legal judgment and review. As with much about social contract and compact, this may sound abstract, but its impact is direct and far reaching. The notion of corporate legal liability — the idea that a corporation is morally and legally responsible if it pollutes your water, poisons your food, or sells you a faulty product, relies directly on this idea of legal personhood.

It also has a vital role for that notion of the rule of law so embedded in English theories of sovereignty. Whereas French political theories treated sovereignty and sovereign as entirely unified — “L’État, c’est moi” as Louis XIV is reputed to have said — English monarchy had the notion of the “King’s two bodies”.²¹ In both cases there is a theological element. Whilst the unity of sovereign power and sovereign reflect a Christological model going back to Eusebius’s sacerdotal rendering of Constantine as God’s “vice-regent”, the two bodies model is rooted in the idea of the mystical marriage of Christ and the Church.

This matters, because it means that the King’s “second” body is a *corporate* body. As a man, he is a private individual with flaws and foibles. As king, he is the “body politic”, representing the entire “commonwealth” in a model that goes back to classical political theory — in his own person he is the *res publica*, the “public thing”. By identifying with a corporate person, and embodying that personhood in places, individuals or symbols, we concretise the moral universe into ideas and stories that we can grasp and live by. Loyalty to the state is an abstraction, but an oath to a king is intimately personal.

“According to both human and divine law a temporal tyrant is to be destroyed”

This idea of corporate personhood is hugely important because it gives scope to individual liberty and makes possible collective endeavors that perpetuate themselves across the generations. Our earliest ideas of rights and duties emerge from precedents and habits. Law and ownership come about through custom and tradition, rather than the fiat of an absolute sovereign. Rights like *habeas corpus*, or attached to particular bodies like the City of London, are legally recognised as having existed since “time immemorial”, which in legal terms extends to the hazy precedents before 1189. Indeed, the City of London is a corporate person older than the English state itself. Bodies like the universities and colleges of Oxford and Cambridge are simply the grandest survivals of a teeming world medieval guilds and lay associations.

Such associations, as we will explore further on, often acted as social safety nets for members, so that guilds would care for the widows and orphans of members on a reciprocal basis, as well as doing charitable works in general. Importantly, going back to ancient republican ideas, as well as drawing on Christian theological notions, there was an idea that members were aligned in their habits, sentiments and beliefs. The corporate person was more than a contractual entity, but was rather a real being that came into existence through the shared thoughts, efforts and imaginations of its constituent members. Long before the era of mass democracy, such bodies conducted votes, and were governed by elected representatives.

The 12th century English philosopher John of Salisbury not only wrote of society as a body — “a certain body which is endowed with life by the benefit of divine favor, which acts at the prompting of the highest equity” — but equated the life of this

21 Ernst Kantorowicz, *The King’s Two Bodies*

body to liberty, and to tyranny, death: “for slavery is as it were the image of death, and liberty is the assured certainty of life”. Indeed, John wrote of tyrants that “according to both human and divine law a temporal tyrant is to be destroyed”.²²

For John, as for the classical political tradition, the integrity of the body politic is constituted by liberty and justice between its members. When injustice is introduced, or when coercion is wrongly applied, that body is divided and dismembered. Trust and good faith (what the Romans named *fides*) are the day to day foundation of a shared civic life.

This organic analogy is significant because it aligns with our intuitive emotional relationships to others and shared institutions, and because it inculcates important habits in relation to them. If relationships and corporate bodies are living things — vulnerable bodies easily rent by division, discord and deception — then they must be carefully nurtured by every member. This diffusion of responsibility to everyone, and the concretisation of corporate responsibility in individual duties and bonds, is the very stuff of the social compact.

The origins of the welfare state

The basic unit of social organisation in England was determined in the wake of the Norman Conquest, as the population was organised into villages and parishes, replacing the Saxon ministers and their more scattered populations. This feudal reorganisation proved extremely enduring, with the relationships of reciprocal protection and service involved in it surviving in various forms well into the 20th century. Even today, Britain has a formal system of hereditary nobility, and aristocratic estates that own substantial amounts of land and wealth.

Over time these overlapping ecclesial and feudal institutions created a kind of social safety net. Charity as provided in the form of endowments for such things as hospitals, schools and alms houses. Many of these institutions still exist, like the Hospital of St Cross in Winchester, but a great many, most especially the many monasteries and quasi-monastic lay fraternities, did not survive the Reformation.

If the Church, which had its own courts and taxation system, as well as vast wealth through aristocratic endowments, had provided much of what we now think of as public services, from poverty relief to education to healthcare, then the effective nationalisation of the Church imposed complex

new responsibilities on the government. The Tudor state in this period created an enduring model of governance and welfare. The parish model was formalised as the basic administrative model of the entire country, with public records gathered and kept by parish churches. Under new “Poor Laws” these same parishes administered welfare, and were empowered to levy taxes, the poor rate, for the maintenance of the poor of the parish.²³

At its best, the poor law acted in conjunction with local charity and the community as a whole to identify those in need, and find employment for those who lacked it. Yet this model suffered both from the loss of the voluntary labour mobilised by the medieval Church, and by the new demands of a growing population, urbanisation, the commercialisation of land, and the rise of industry. The problem of “pauperism” saw displaced or surplus rural populations passed off as burdens from parish to parish. The problem of perceived “welfare cheats” is as old as state welfare itself.

Spiralling rates could bankrupt struggling farmers, and tensions over the rising ranks of vagrants and paupers saw often harsh responses. These include the ubiquitous use of “workhouses” for those who could not sustain themselves, with drudgery and iron rations in barrack- or prison-like buildings a

²² John of Salisbury, *Policraticus*

²³ Gareth Jones, *History of the Law of Charity 1532-1827*

norm that still gives the workhouse a baleful aura. Also increasingly common, either as a criminal penalty or as an alternative to parochial support, was transportation to the nation's growing colonies overseas.

For those who escaped the dangers and rigours of transportation, and were tired of being moved from parish to parish, the city beckoned. Economic opportunity exploded, first in London, and trading ports like Bristol, and soon enough in emergent industrial centres such as Birmingham and Manchester. Whilst wages rose seductively, life in the city often meant slums, disease, crime and anonymity. Cities also made the problems of poverty, partially concealed and ameliorated in the countryside through workhouses and transportation, hideously visible. Writers like Dickens brought the problems to the social consciousness of what had become an increasingly materialistic, commercial society.

If the medieval social contract had been voided by the Reformation, and the Tudor social contract had been broken with the rise of urbanisation and industry, then a new social contract was being born in the 19th century. Here too familiar problems emerged, and confronted would be reformers. The New Poor Law commissioners remarked on one variation of a consistent problem with needs-based welfare:

*If the pauper is always promptly attended by a skilful and well qualified medical practitioner ... if the patient be furnished with all the cordials and stimulants which may promote his recovery: it cannot be denied that his condition in these respects is better than that of the needy and industrious ratepayer who has neither the money nor the influence to secure prompt and careful attendance*²⁴

But a number of solutions were also beginning to present themselves. At one end of the spectrum, universal, state-operated public services were appearing in the form of the provision of public utilities by municipal governments, the "gas and water socialism" attributed to politicians like Joseph

Chamberlain in Birmingham. At the other end, the industrial working classes were gradually asserting themselves, building wealth and education, and pooling their resources to provide their own, grassroots services and social safety net. Friendly societies, mutual and cooperatives sprung up to provide services and a measure of social protection to their members. Trade unions took on employers to improve wages and conditions, and often provided benefits to members similar to those of friendly societies. Housing associations were formed to help people secure decent accommodation through charitable giving and the contributions of residents.

Friendly societies, mutual and cooperatives sprung up to provide services and a measure of social protection to their members

As workers grabbed a greater share of a growing economic pie, the potential for larger scale social insurance and poverty relief began to reveal itself. The history of the mid 19th to mid 20th century became one of realising the ever greater possibilities of collective action. The problems of sickness, aging and unemployment would be met by a new national insurance system. The state would act directly to provide education and run public utilities. Labour exchanges and trade boards would help determine livable wages and conditions in different areas of work.

By the mid 20th century this new social contract had reached its zenith. World War 2 had further unified British society, and seen a previously unimaginable level of state and popular mobilisation. In 1942, at the height of the conflict, and a year after the Blitz, the Beveridge Report was

24 Trevor May, *An Economic and Social History of Britain 1760–1970*

published, calling for “revolutionary” reforms.²⁵ Universal provision of healthcare, and a massively expanded social insurance system was mooted. In the darkness of total war, it was a beacon of hope for a weary but united country. An astonishing 600,000 copies were sold, and polling suggested an overwhelming majority supported the proposals.

It is the founding myth of the modern welfare state. But at the heart of this myth is a misapprehension — a deep-rooted misdirection so profound as to become, over time, a destabilising gulf between citizens and the state.

Beveridge’s report was a call for the extension and formalisation of a *pre-existing* social contract. He conceived of all of Britain becoming one big friendly society, with social insurance operating quite literally as a collective insurance system. Healthcare, pensions and unemployment support would all come from one central fund. This fusion of mutualism and municipal socialism was not only a practical extension of existing arrangements, but it was for this reason very psychologically and morally acceptable to the population at the time. Archbishop William Temple described it as “the first time anyone had set out to embody the whole spirit of the Christian ethic in an Act of Parliament”. The post-war Labour government, setting a pattern for the future, seized on this rhetoric and idea to explain and justify its own programme.

25 William Beveridge, *The Beveridge Report*



The social contract today

Whilst many of Beveridge's ends — universal welfare provision, the relief of poverty and ill health — were amply met by the measures of Attlee's government, his means were largely rejected. A "national insurance" payment levied on workers and employers gave the form and impression of the "pot" into which people were paying, but it was in actual fact a tax like any other — the revenue all went to the Exchequer whatever label was put on it.

For a youthful, economically booming country, this was initially just so much detail. The tax-funded welfare system was more redistributory and allowed more cash to be paid out up front to poor pensioners. But as time has worn on, and a greater share of the tax burden has been taken up by pensions, a burden which has fallen on a shrinking share of young workers, the system has become deeply unfair, at once socially regressive and economically depressive. Pensioners who benefit from the system plead that they have "paid in all their lives". The ghost of Beveridge haunts us still.

In many respects, history had, without anybody realising it, repeated itself. Around 400 years earlier, another English government had taken welfare out of the hands of voluntary associations and created a nationalised system. This resemblance was less obvious in the post-war era because the state had also taken hold of so much of economic life. With the government actively promoting employment, improvements in health and technology, and a rising tide of growth, the pernicious problems of the poor laws did not make themselves known immediately. But this was only a relatively short delay in the grand scheme of things. Moralism and resentment about state spending and welfare has been a problem for half a century now. Thatcherism gave first vent to such tensions, and even Blair's boomtime government had to promise a tougher regulation of the social sphere.

The moral hazard of the old poor laws was back. The poor were now again borne on the back of the ratepayer, and he in turn was desperate to get him off and whip him into work himself. Yet added to this old problem was not a simple system of

rates, or the problems of "paupers" alone. Now it was a whole series of complex interlocking systems, from an overburdened NHS, to the pensions regimes, to a mass of benefits related to housing, childcare and unemployment. There has been some rationalisation since, most notably through Universal Credit, but the basic issue of a socially divisive funding model remains. Other social divisions became magnified through the lens of welfare provision. Large-scale immigration, besides its inherent tensions and disruptions, was becoming doubly inflammatory as recent immigrants entered social housing, used the NHS, and went on benefits. Some migrants achieved rapid social mobility, but substantial numbers have fallen into the same sort of long term, cyclical poverty and dependence as sections of the white working class.

Not only were recipients drawn into a system of welfare patronage, but those paid to administer public services were increasingly in the same boat. Whereas public and private sector labour interests were relatively aligned politically, they have increasingly been put at odds. Private sector workers, even union members, are increasingly likely to vote for the right, whereas those in the public sector align to the left. Public sector workers received taxation-funded wages and pensions unlinked to the performance of the economy as a whole, even as public sector unions pushed for higher wages and shorter hours in the context of declining public services.

As demographic pressures make public services more expensive to run for the same population, funded by fewer taxpayers, we experience the seemingly intractable combination of rising taxes, rising spending and worsening quality of provision. This has hit some areas, like the NHS and care, hardest of all, whilst subtly degrading and constraining others.

New social and political developments in how people live, think, and relate have coincided with this divided and abstracted pattern of public provision. The sexual and social revolutions of the

60s and 70s remade family life, saw Christianity's role in everyday life recede, and created new, higher expectations for individual flourishing, pleasure and freedom. If the social contract on the side of the state had become confusing, even misleading, those who now navigated it were experiencing the breakdown of the more intimate social contracts of family, community, and church. The mutualist framing of state welfare, combined with a burgeoning individualism, and the rise of rights culture, meant that recipients of state spending felt they were entitled to it in ways that previous generations never had. The visibility of the dependent relationship on one's neighbours, obvious under the parochial poor laws, was multiply obscured under the 20th century equivalent, nationally administered and popularly misunderstood as it was.

We look askance at the horrors of the workhouse, in which husbands and wives, parents and children were separated, but think nothing of a scarcely less paternalistic system in which intact families are penalised in tax and welfare, and where social services regularly intrude into the lives of impoverished families. One might argue that we act out of the best of motives to protect children and society, but the Tudors would have no doubt argued much the same.

Dickensian scenes of neglect and child cruelty have been thought long-banished, but a stream of alarming stories of children parked in front of iPads, arriving at primary school unable to talk, climb stairs, or go to the toilet by themselves, speak to the revenge of history. More mundanely, parents and schools are stuck in mutual mistrust, with stories of parents who refuse to punish children who misbehave at school, and schools persecuting families because they disagree with the school's educational philosophy.

These developments should disturb us because the rise of the mutualist social contract of the 19th-20th centuries coincided almost precisely with the rise of mass democracy. Self-organisation, solidarity, mutual aid, and individual and collective responsibility were the crucial ingredients of a self-governing people. As the social fabric has degraded and the social contract has been lost,

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voting has declined, especially amongst the young. Surveys show younger generations are less attached to freedom of speech and democracy, and more willing to countenance authoritarian measures. Radical political movements of left and right treat opponents as wicked, rather than misguided, and promise coercive measures to achieve their ends.

At the worst extreme of the breakdown of the social contract, as was seen in interwar Italy, Russia and Germany, is the rise of totalitarianism. Social contractarianism in its worst Hobbesian and Rousseauian senses, as the displacement of human community with an abstract sovereign or General Will, is a matter of recent and bitter memory. Whilst the post-war welfare state was built for the best of reasons and by those who defeated fascism, the widespread admiration for authoritarian societies like the Soviet Union amongst wartime and post-war planners is a disturbing legacy that pushed the British state in more coercive and anti-humanist directions.

The statism, moralism and paternalism in its worst sense that we saw with the poor laws were far from absent in post-war planning. The infamous ravaging of historic Birmingham at the hands of Sir Herbert Manzoni embodied the worst of this dictatorial tendency. Indeed Manzoni once commented that "I have never been very certain as to the value of tangible links with the past", and what the luftwaffe left standing, Manzoni demolished in his modernist vision of a city built around industry and the automobile. The confidence that the state could plan, regulate and manage the lives of the poorest led to real social gain, but also a long-term problem of dependency, failed communities, and a fatally weakened democratic culture.

At the extremes, such systems entirely substitute for and actively undermine civil society. When the Soviet Union occupied Poland, some of its first targets were social clubs, churches and trade unions. In China today, though communism has been abandoned, a pernicious “social credit” system has displaced the old moral and religious

codes that governed Chinese society, as state and party monitor and control the individual for, as they might say, their own good. Britain may be some way off that, but we are not short on state surveillance or intrusions into individual or family life.

A new social contract

Taking responsibility for your own life is an idea that is now little understood or agreed upon. The conventional narrative of the left assigns this responsibility to society via the state, whilst the typical story of the right often invokes personal responsibility as a means of cutting people off from support. We are a long way from John of Salisbury and the old idea that we are all members of a common body. What of the idea that every member of society is responsible for themselves, and also for society as a whole? What of the notion that we might both help others *and* empower them to help themselves at the same time?

Increasing agency and ownership is often seen as a diminution of collective life, because we have put individual and society at odds. The flaw with social contractualism is that it begins with this as a premise — a new starting point might be to begin with the opposite assumption, and with an organic model of society as a single commonwealth, a unified body politic.

Where does this starting point take us? In the first instance, this model requires outlets. Whilst the entire nation can be thought of as one political body, this relationship can only be practically and psychologically real if it is mediated by more human-scale institutions. British anthropologist Robin Dunbar famously suggested that human beings are cognitively adapted to social bodies of no more than about 150 people. That’s the size of a Neolithic village, a company in the British army, or of a church congregation. With enough shared symbols and layers of mediating authority, that natural bound can be expanded up to towns, cities and entire nations worth of

people in people’s affective imagination. But the biological and intuitive limit is only analogously expanded, and always remains — without these core “little platoons” acting like the cells of society, the political body is doomed to degrade and die. In other words you can get people to identify emotionally with national level institutions, and to respond with a sense of individual duty to them too, but only if they can be transmitted and experienced in accountability structures as intimate as bodies of 150 members or less.

Imagining this body whose every part and member is animated and alive, straining to support the entire frame, and we begin to look at society differently. Rather than relying on a single part to direct and govern every other to the last detail, we might regard businesses small and large, social clubs and churches, families and schools, as all having a role in governance, welfare and public service.

When designing policy, we should be thinking in terms of how to engage individual genius and initiative, and how to build reciprocity and justice into its terms. From everything to pensions, to social care, to housing, we should be considering how we are encouraging (or discouraging) public spiritedness, if we are engaging people’s moral imaginations and affections, and if policy is justly apportioning rewards and responsibilities.

Clearly the direction of travel of such an approach points towards a return to mutualist principles and the social insurance vision of Beveridge. Public policy needs practical new solutions, but some of the biggest barriers to reform are political and behavioral. Systems work, and reform happens, only when public support exists to sustain them.

The crisis in so many areas of the state and society is not procedural, but moral. Trust has been lost, and our relationship with shared institutions has become ever more cynical and transactional.

The British welfare state needs saving, not least from itself. The return of the language of deserving and undeserving poor is an aspect of a system that is riddled with moral hazards and economic traps. By rendering those who draw upon welfare passive supplicants, they have put those who contribute in the equally invidious position of unwitting creditors. Half of society is potentially put in a position of unfriendly authority over the other.

The problem of how to create reciprocity and trust whilst managing a large and complex society, plugged into global flows of labour and capital, is far from straightforward, but it is certainly not impossible. It was precisely the problem faced by ancient republics like Rome, which placed such vast stock in public trust and virtue for this very reason. Across hundreds of miles and amidst hundreds of thousands of citizens, trust was vitally needed. Closer to our own age, the high point of mutualism, a century ago, coincided with international connectivity and the rise of the automobile and the aeroplane. Trust is not a twee village anachronism, but rather the indispensable currency of large scale systems and societies.

If anonymity erodes trust and encourages abuses, then re-humanising and personalising public life is a necessary and vital antidote. In line with the principle of subsidiarity, this often means localising decision making and public services. Where economies of scale and national systems are needed or desirable, such systems should be designed so as to maximise choice and trust, and to minimise the problem of free-riders. Where grave inequalities and unfairnesses have arisen, structural reforms should seek to realign divided groups and interests, such that a sense of the common good can once more emerge. The gulfs between the genders and the generations could start to be addressed in this way, as could regional and ethnic divisions.

In answering these problems, we are armed not only with very general principles, but also a particular national tradition of law, constitutionalism and common life. Whilst much can be learnt from other cultures and systems, there is a huge potential for a *ressourcement* – a return to core ideas and traditions too long neglected. Acting with the grain of local and national culture, and drawing on a unifying national story for inspiration and narrative, is a natural starting point for renewing a British social contract.



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