

Özlem Cihan*

What We Owe Each Other: A New Social Contract for a Better Society by Minouche Shafik

The modern age witnessed significant structural changes accompanied by technological innovations. The ordinary course of life has become more mobile and technically advanced. The triumph of democratic norms and institutions marked a distinctive achievement. Material growth generated significant gains through a globalized world economy. Therefore, this course of the order is often regarded as progress. However, the progressive aspect of material, technological, and structural changes could not generate worldwide prosperity to offer a better life for everyone. Inequalities, insecurities, and vulnerabilities, both politically and economically, have continuously been reproduced at a global scale. The miracle of modern progress almost seemed viable, except for the growing and enframing challenges it carried alongside.

Minouche Shafik's *A New Social Contract for a Better Society* captures the challenges of the 21st century through a broad spectrum. Despite visible material improvements, Shafik underlines the systemic disappointment felt by many toward having a better life and an aspiration for education, health care, and employment. She emphasizes two major challenges, technology and demography, as the most concrete pressures on the existing social contract. Technological innovations are changing employment dynamics, mainly through replacing manufacturing labour with new skills in automation and emerging software technologies. For example, women's changing role in society and the market has not yet generated sufficient emancipation since, in many countries, they continue to be considered caregivers for children and older people, even in the labour market. The recent COVID-19 pandemic has not only revealed such vulnerabilities but also exposed the deficiencies in much-required "safety nets". In this light, they also manifested that our existing economic and social models are under pressure. Therefore, what we genuinely need is a new social contract that addresses structural inequalities. The social contract, for Shafik, defines "the norms and rules of governing" to which "those collective institutions operate". To meet the growing crises generated by demographic and technological challenges, we must embrace a new approach for the contract, which considers measures for "income and subjective

* İstanbul Bilgi Üniversitesi, ozlem.cihan@bilgi.edu.tr, ORCID: 0000-0003-2552-8373.

well-being” but also for “capability, opportunity and freedom”. The novelty of the contract, therefore, brings forth proposals through a wide range of social programs. By undertaking such an approach, Shafik provides us with the possibilities to imagine and achieve a better society for all of us.

The book structures a detailed analysis to guide us in designing a new social contract and elaborates on the question of approach. Under six subjects, Shafik presents global data to reveal existing challenges and the alternative proposals to overcome them. The layout of the subjects, i.e., children, education, health, work, old age, and generations, sheds light on our systemically endangered socio-economic problems. The chapter on children calls for a balance of caring responsibilities to support women’s integration into the labour market. Through education, Shafik highlights the urgency for updated opportunities, particularly investment in early-year education to produce a cost-effective skilled labour force. With health, Shafik first displays some alarming system inequalities, which became more visible during the coronavirus pandemic. Public health benefits for every citizen must become the basis, and to ease that possibility, she argues that digital technologies could provide cost-effectiveness for home-based care. On the other hand, work suggests greater security for flexible work and the importance of minimum income. Similarly, security in old age is reemphasized. For the sustainability of pensions, three solutions are proposed: “increasing retirement ages, increasing contributions, or reducing pension promises”. Finally, as a genuine analysis, Shafik considers the social contract as an agreement for the future. With an emphasis on our environmental crisis, she undertakes an inter-generational approach to raise the voices of the youth for the benefit of future generations. As a closure, the book summarizes guiding principles in designing the contract. We need a social contract that shares risks, generates security for all to reduce concerns, and optimizes talent by investing and creating opportunities to be productive. With such an alternative, Shafik answers what we owe each other: we have mutual obligations; thus, we must contribute as much as we can. Through a new social contract, we may establish a new consensus and know what to expect from one another.

The book tackles a fundamental question with notable dimensions. A significant proportion of Shafik’s proposals seems familiar: support for childcare and early-years education; security for public health benefits, minimum wages, flexible workers; sustainability on pensions and development to prevent debts on future generations, such as the environmental crisis. Nevertheless, as the promise of global prosperity tends to neglect declining socio-economic well-being, Shafik’s undertaking in such concentric and interrelating subjects is genuine and very informative. As a notable economist, however, her arguments often follow a simplistic direction. A direction which seems to end up with the importance of market growth. Shafik writes, “greater productivity is ultimately how we make everything better: if we grow the pie, there will be more of it to share”. To that end, proposals for the betterment of childcare, education, health, work, and pensions seems to concentrate on the prospects of “greater productivity” and productivity,

in return, could achieve a better life. Hence, our guiding principles for a new social contract become the approach one could almost consider a nonpolitical betterment.

As a theoretical tradition, the social contract did not just propose prospects of a better life in material terms but also the problematization of existing political practices. The question embraced a critical standpoint with each social contract theorist on the meaning of political legitimacy as a basis for the proposed socio-political remedies. Therefore, the book falls considerably short of presenting a concrete theorization and a political critique of the new social contract. It evaluates its essence with an acceptance of economic arrangements realized in competitive markets, thus, obscuring the essence of power relations. In other words, inequalities are not analyzed in depth as ills of the body politic but are often regarded as an economic problem of growth and prosperity. In this regard, the need for theorization becomes more apparent since the book lacks a critical account of the issues to which it presents alternatives. From a different angle, although childcare presents a fundamental problem regarding gender inequality in parenting, arguments continuously direct attention to women's entry into the labour market. Equal opportunity in the labour market is a fundamental right for women; nevertheless, rather than taking a political consideration for national and regional capabilities inherent in socio-economic differences, arguments seem to focus on the growth that a productive market could provide through women's contribution. In most regions, women's unpaid labour as caregivers is revealed as representing a much more structural political problem. Women's fundamental rights and capabilities are still far from being realized. Turkey's withdrawal from the Istanbul Convention is a worrisome example, because, solely between 2019 and 2021, 1261 women were murdered by violence in Turkey. On another topic, Shafik's approach to pensions is even more reductionist. Although security and assurance are often stressed, old age must not constitute an economic burden since life expectancies have risen. This suggests increasing retirement ages or a reduction in pension promises. Ironically, France continues to witness massive protests, specifically through a concern felt by manufacturing laborers. President Macron's plan to raise the legal retirement age to 64, in fact, reflects the neoliberal mentality toward growth with a similar argument: "rising life expectancies". This leads us to think that Shafic's account has failed to carry today's world problems outside of the mere economic spectrum and kept them inside the patriarchal capitalist system.

In short, we must well understand existing risks and crises, growing pressures on social programs and elaborate on the idea of the social contract. However, tackling system-induced inequalities through systemic acceptance leads us again into the paradox of the promise of a better life, which was believed to develop through market growth but failed to achieve worldwide enhancement and distribution of prosperity. The focal point on betterment through working, developing, and producing embraces a top-down approach to the notion that market welfare is the ultimate way to a particular state of well-being. It obscures the economic foundation under the argument of productivity, which produces growing inequalities toward

“capabilities, opportunities, and freedom” in the first place. Similarly, what we owe one another stresses an important ideal; however, Shafik’s argument that our ability to care for our health as an obligation does not adequately consider the most deprived who cannot meet their basic nutritional needs. This outlook inevitably abstracts practical realities that are lived in global inequalities. In this context, the absence of an analysis of regional, class and cultural differences and deprivations through governmentality, that is, through social and political dynamics, often frames alternative solutions within classical economic paradigms. Therefore, the book structures almost a nonpolitical analysis since a better life does not have such a homogenous and linear meaning that we can directly identify with getting more from “the pie”.