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THE SOCIAL CONTRACT: A POLITICAL AND ECONOMIC OVERVIEW

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Abstract

From its origin, the notion of social contract seems to be related to different features of the ‘collective,’ sometimes based on society and other time based on specific institutions. From Socrates’ argument about the need to obey human law to ensure the organization and functioning of society to a critical contemporary understanding of social rules as possible instruments of social control, theories about social contract have historically accompanied the philosophical and political debate about the role of the state and the making of public policy. This paper suggests that the contemporary shift in the balance of political and economic power represents an opportunity to review social contract theories from the understanding of the changing role of the state and the rise of economic power.

Introduction

From its origins, the notion of the social contract seems to be related to different features of the collective, sometimes based on society and sometimes based on specific institutions. Critiques of monarchy are often based upon the lack of a social contract: some individuals get to be the government and governmental power is granted by an external influence (God) that cannot be contested. Society is framed by that monarch. The problem is that, as John Locke would later argue, there are rights that each individual has and those rights, collectively, amount to a society that is larger than the monarch. Thus, the notion of the social contract is embedded in each of individual but the ‘nature’ of the social contract is ‘collective’ (i.e. social) not ‘individual.’ The social contract as a ‘collective’ enterprise and

as a relational/social entity, society is a ‘collective’ that requires things that are foundational and structural: i.e. public goods and the means (regulations) to ensure access to them. These foundations, embedded in the social contract, are the responsibility of the government (the sovereign). But both liberal and now new or ‘neoliberal’ approaches pared down the ‘collective’ nature of government, make even the foundations of government more ‘individual’ in their basic rights. Does this process of devolution to the private management of public affairs resemble the social contract under the unique rule of the monarch?

From Socrates’ argument about the need to obey human law to ensure the organization and functioning of society (Celeste, 2004) to critical contemporary understandings of social rules as possible instruments of social control, theories about the social contract have historically accompanied the philosophical and political debate about states and, more broadly, about the government of societies. Questions about the contractual nature of the relations between individuals and societies have been raised since ancient times. This contractual nature assumes both a moral bond between persons to act within the frameworks of the society in which they live and, more recently, a political obligation of the society to ensure the maintenance of such frameworks.

Modern social contract’s earlier proponents (such as Thomas Hobbes, John Locke and Jean-Jacques Rousseau) extended their different theoretical arguments for a social contract from a critique of monarchies to various conceptualizations of human nature that can transform the government of societies. More contemporary theorists, such as John Rawls and David Gauthier, proposed an understanding of the social contract where the relational moral frameworks are informed by self-awareness and recognition of the ‘other’ rather than by external enforcements from the society through the sovereign. More recently, social contract theories have faced criticism from more critical perspectives that question the nature of the relations of power and the larger role of the social contract in the legitimation of power as tool of social control. Even more, these critical approaches have pointed out the existence of multiple manifestations of the social contract regarding roles, positions and power relations in society.

These longstanding examinations have been informed by and, in turn, have widely informed political debates about the role of both individuals and governments in the development of societies. However, the contemporary shift or change in the balance of political and economic power suggests the opportunity to review social contract theories from an understanding of the changing role of the

supportive state in the rise of the market or economic power. In this changing political-economic context, it appears to be important to explore what the ‘social contract’ looks like today. What sort of shape is the social contract in? Are we facing a need to resurrect the social contract and if so, in whose interests? Is it the ‘collective version’ elaborated by Rousseau or, the ‘private version’ presented by Locke, or the ‘individual version’ advocated by Rawls and Gauthier, or something else, altogether, that provides a new ‘collective understanding’ of urban living?

Section 1: The rise of the modern social contract

The questioning of monarchies as adequate systems of government and consolidations into nation-states, drives various theoretical constructions of the narrative of the social contract. By a ‘social contract,’ we can begin with the formal relationship(s) between a defined region’s people in the production of a type of society that would be embedded in the notion of a ‘state.’

The social contract and the sovereign: Hobbes, Locke, and Rousseau

Hobbes, Locke, and Rousseau all proposed theories of the social contract that offered critiques of the unquestionable power of the (monarch) sovereign. **Hobbes’** understanding of the social contract was proposed from his studies on human nature which, in turn, informed his notions of morality and politics. His critiques were directed at the nature of sovereign power, either the ‘divine power’ of the king that linked political obligation to religious obligation or the ‘parliamentary power’ that linked political obligation to society. Contrariwise, he proposed that obligations should be based on individual choice. But individuals will, by choice, yield power to the sovereign in order to ensure the continued existence of society.

Hobbes also argued that social outcomes, even when they seemed to be detached from people, are the result of individual behavior. Actions, he claimed, are choices that depend on the interactions between individuals that will create a chain of cause-and-effect. In this sense, society is constructed by mechanical responses to the stimuli of the world that seem to be more a reaction than a rational action. However, Hobbes argued, these subjective choices are moral and thus, they are the reflection of individual preferences, the expression of what every individual believed to be in his/her best interests according to each individual’s moral standards, beliefs, and desires. Therefore, the pursuit of self-interest is rational, since it is a choice to maximize and make efficient the pursuit of such ends.

In this sense, Hobbes argued, therefore, that ‘rationality’ is instrumental and it is why, therefore, individuals, acting ‘rationally,’ will submit to a higher political authority. By choosing to submit to a higher authority, individuals maximize their self-interest by agreeing to a ‘social contract’ that allows men to live together without fear of death (security) and with guaranteed efficiency (development). In this way, Hobbes’ arguments provided two key elements to a theory of the social contract: (1) the recognition of equal rights and common laws, and (2) the need for enforcement mechanisms embedded in the figure of a sovereign to which individuals agree to yield this power. The social contract, Hobbes argued, is the very basis of society -- it is the individual’s agreement to live collectively under an authority which is the only possible way to ensure the maximization of self-interest collectively. And no matter how poorly or biased the management of the state can become the state is the *only* institution that can ensure order. Since Hobbes, most social contract theory has promoted the *status quo* and a hierarchical division of power. The maintenance of structures or institutions is presented, according to Hobbes, as a foundational pillar of society and means that every challenge to these structures will be condemned for putting at risk the only institution that can prevent us from the fearful state of nature.

Hobbes’ social contract is formulated from the opposition of interest and passions. It is an attempt to operationalize a countervailing strategy to define which passion becomes the ‘tamer’ of the others (Hirschmann, 1977). By presenting passions as the drivers of human actions, the reflections of individual preferences, he introduces the notion of self-interest as part of the human nature. In addition to being self-interested, or maybe because of this self-interest, humans are also ‘rational’ and therefore, for Hobbes, reason is mainly ‘instrumental’ in fulfilling one’s own passions. The advantage of a world governed by such interest is framed in its predictability since the pursuit of self-interested men will be expected to be methodical. This belief is based on the assumption of a uniform human nature, where everyone’s self-interest is essentially the same and thus self-interest can be translated into a collective or public interest where its pursuit will be predictable and thus the others will know what to expect and how to produce the possibility of mutual gain. Thus, Hobbes provides a theory of the social contract that is the result of the countervailing strategy that mediates between passions and reason. For Hobbes, sovereign power derives from the ability to assume this mediating role and consequently the collective good will be “the by-product of individuals acting predictably in accordance with their economic interest” (Hirschmann, 1977:51)

Locke's approach to the social contract also reviews the relationship between men and authority, but does so quite differently than Hobbes. Locke's 'state of nature' has mechanisms of self-control and thus, a 'perfect liberty' that exists in this state of nature. However, even with such a notion of "perfect liberty" Locke argues that this does not necessarily mean a lack of moral values. The state of nature for Locke is pre-political but not without laws that bound the relational human condition. These laws of nature are given by God which means all men have equal opportunities to pursue their self-interest but they are bound to respect all other men who are equal in their pursuits. Men are free only in how they find each other-- which means they are bound to not harm each other. Locke's pre-political 'state of nature' is, therefore, not a state of war. It can only become one when there a dispute over property and there is no other way to solve such a dispute since the state of nature lacks civil authority. This problem of unresolved dispute is the key reason why men will agree to create civil government and consequently leave the state of nature.

It is in this argument that Locke introduces 'property' as a key component of the relationships between individuals. Private property has a collective dimension since it is only through the act of communication and subsequent "consent of all mankind to make them his." (Locke, 1989: 116) With this, Locke proposes an instrumental notion where property produces a collective understanding and hence transforms the social contract. Private property originates in the labor put into things by men and it is, therefore, the origin of collective relationships. Labor over things is, at the same time, a right and an obligation. It is through labor that private property is claimed and communicated to the rest of society. Since all men begin as equal in God's eyes, then every man is entitled to the share of nature that he creates in the property he builds through his labor. Thus, the protection of private (through labor) property and the ensuring of its proper use become key elements of Locke's theory of social contract and a basis of civic government.

Thus Locke's concern for civil government leads him to create a narrative in which property becomes the central instrument with which to frame the system of symbols that determine collective interactions, recognition, acceptance and consent. However, this 'law of man' needs to be rooted in something higher which he defined as the, previously discussed, 'state of nature' which, as we said, is a state of perfect freedom for individual human action that is only bounded by the law of nature. However, the law of nature is, for Locke, relational. It depends on others and it requires an understanding of how individual freedom affects others. Locke's argument assumes a 'natural'

unevenness in society. In this fashion, pluralism is founded in difference and class relations are seen as ‘natural.’

By collectively agreeing to the need to establish frames (or laws) for individual relations, men become subject to the public interest and, therefore, to the “will of the majority.” With this agreement, men gain a political system of law that will ensure the fulfilment of the social contract between individuals and institutions with the necessary power to enforce laws. Locke’s justification of this political system is the protection of property and well-being. And men have the right to defy and resist authority when the socially created civic sovereign does not fulfill its part of the social contract. Therefore Locke’s relational view of the social contract entitles both conformity and contestation.

Rousseau’s notion of the social contract is based on the expansion of society, ‘collectively,’ but it is also understood in terms of ‘individual’ rights and needs.. For Rousseau the notion of the social contract lies in each individual having a collective identity. For him, the role of government is to secure and otherwise maintain that identity. The social contract is, therefore, a social construction, a form of social organization in which the role of the state is to assure and guarantee rights, liberties or freedoms and equality. The division of labor, time for leisure, and property constitute mechanisms found in the state of nature which turn into elements of judgement and competition and thus can become instruments of inequality. The state and its laws should be products of the ‘general will’ of the people through which individual natural rights are transformed into civic liberties (such as freedom of speech, equality, assembly, etc.) Rousseau argued that man, therefore, is born free to follow the rules of society.

In Rousseau’s view, the state existed to protect the ‘natural rights’ of the citizens and when government failed in such protection, citizens, as the source of the state, have the right to intervene themselves. He proposed, therefore, a key difference between ‘state’ and ‘government:’ the government can be overruled but not the state since it is, as the state, the civil basis of the social contract. He proposed a dynamic theory of the social contract whereby men moved from a ‘state of nature’ to a ‘modern society,’ therefore shifting from a ‘naturalized social contract’ to a ‘normative one.’ The first stage of this dynamic transformation is one of the individual and his self-interest of nature while the second stage is the move to the ‘collective’ action with which to balance competition and inequality. In this latter stage of such theorization, comparison between people is developed in public values and standards.

In this approach, ‘private property’ is an element that introduces inequality and leads to the development of social classes. In defining property, society, for Rousseau, is broken into two categories: the ones that own property and the ones that do not own property. Furthermore since property is the engine of productivity, the latter should work for the former. Using this equation, government is the result of a contract made to maintain the ‘privileges’ of the private property owners under the narrative of equality for all. Progress towards civilization made man slave of society through dependence and competition over what we are and what we have. The purpose of politics and thus of the state is to restore balance to reconcile rules and laws of ‘collectivity’. The social contract is about how we, as society, can live together, and, for Rousseau, we do so by submitting our individual will to the collective will.

Finally, in Rousseau’s view ‘collectivity’ is different than an ‘aggregation of individuals’ in that it has a ‘common ground,’ or set of standards, that defines how the ‘collective’ ought to be ruled by the ‘sovereign.’ The sovereign emerges from this ‘common ground’ that is, itself, the social contract. Submission to the ‘general will’ implies duties from both parts: (1) the sovereign is committed to each individual that helps it emerge and (2) each individual is committed to the ‘other’ that represents the whole society through the ‘sovereign.’ In the end, for Rousseau, the sovereign is in charge of mediating the relation of duties and rights established by the general will and depends on collective decisions and law.

The social contract and the individual: Rawls and Gauthier

By presenting a version of the ‘social contract’ based on the rationality and morality of the individual both John Rawls and David Gauthier effectively ‘depoliticize’ the theory of the social contract. **Rawls’** theory of the social contract was based on a Kantian understanding of human reasoning and moral judgement where a ‘moral and political’ point of view is achieved by impartiality and objectivity from the ‘general’ point of view. Thus, these elements mediate the nature of justice and what it requires from individuals and from collective institutions. Following Kantian thinking, Rawls proposed that to choose principles for a more just society, the individual social status, class, etc.) from a rational, impartial, standpoint. Only through this rationality, argues Rawls, would it be possible to control the unfairness that emerges from knowledge of social difference. Such knowledge, he says, leads to prejudice and such information, inevitably, leads to biased decision making.

However, a rational person without such knowledge of specific circumstances will, by nature, choose the logical and rational position of balance without favoring anyone in particular. Thus, the “*veil of ignorance*” (Friend, 2004) leads to a just decision since behind that veil everyone shares the same condition. In short, everyone becomes equal and, by adding no pre-conceived knowledge to rationality, everyone will reach the same logic conclusion regarding principles of justice. Rawls claims that the establishment of this notion of original position will settle “the question of justification ... by working out a problem of deliberation.” (1999:16)

Rawls proposed two principles for his ‘theory of justice:’ (1) everyone has as much liberty as he/she can grant to others and (2) social and economic advantages should be available to everyone, access to the opportunity should be a universal event under conditions of unequal distribution (which can be just). These two principles are based on distribution, first, is the distribution of liberty and, second, is distributional access to social and economic goods. The achievement of these principles is sequential; the first one needs to be satisfied before moving to the second. It is this serial order of principles that, for Rawls, expresses ‘rationality.’ For Rawls, justice itself is more fundamental as a principle than even the social contract. It is this overriding sense of ‘justice’ that defines the possibilities and limitation of the social construction of society. Justice, he claims expresses the very limitations of knowledge and the human condition. Friend (2004), in his discussion of the veil of ignorance, points out that this is *the* most abstract version of social theory that nevertheless informs democracy and state policy.

For **Gauthier**, the notion of social contract is based on an understanding of social relationships as contractual ties that originated in human rationality and a shared understanding of efficiency (in terms of maximizing utility). Rationality and shared understanding come, he says, from self-consciousness, which he understands as the “capacity of human beings to conceive themselves in relation to other humans, to human structures and institutions, and to the nonhuman or natural environment, and to act in the light of these conceived relationships.” (Gauthier, 1977:131) This self-consciousness acts as individual morality and thus, there is no need for the external enforcement mechanism of the sovereign. Gauthier argues that rationality makes men stick to their agreements since these rational agreements are made for their advantage. Contrary to the concept of self-interest he argues that by serving the interest of the ‘other’ one serves one’s own interests as well. Thus, by constraining our self to ‘others,’ the final outcome will be successful for all. The very action of

‘constraining’ can vary from doing what the ‘other’ wants to acting in order to get a response from the ‘other’. In both cases, the relation and interaction with the ‘other’ is what determines the possibility of ‘maximizing’ self-interest. When morality is internalized, there is no need for a sovereign and the ‘social contract’ for Gauthier is, therefore, based upon the relational condition of the individual and the entire collective.

The social contract and change

Up to this point in this essay, different versions of the social contract theory were constructed under the assumption of a ‘universal individual.’ In each of these theories difference is not relevant for the construction of a ‘collective’ realm. For example, Rawls explicitly claimed the need to ‘veil’ (or control) specific knowledge of difference in order to avoid prejudices. Contemporary critics of Rawls, mainly from feminist, critical theory and race approaches, question the viability of this version of the social contract and the very definition of ‘universality’ that is implied in such classic theories of social contract.

These critiques of ‘universality’ bring the concept of power to the theory of social contract by asking key questions such as: who defines the contract, how do power relations work in such a definition, and how do social and political institutions perpetuate relations of power (marriage, motherhood, etc.). From this perspective, the social contract is based on our subjugation and inequality. The first question is who is the contractor? In modern theories the contractor is assumed to be a universal and abstract individual disembodied from its particular conditions of race, sex, class, culture, etc. That abstract figure is portrayed as the representation of the ‘majority’ while in reality, this theorized figure is an idealized image of those in places of power. For these more modernist approaches, it is only the ones in power who can portray and define that universal image. The second question here is: what informs the actions of the individual? For most modern theories, the rational human is concerned with ‘maximizing’ its own individual interest. Thus, these theorists assume not only one universal contractor but also one universal and abstract interest.

These theories of social contract, based on a universal contractor with a universal interest, fail to represent the dynamic nature of human beings and society, not only in relation to differences in social place, geographies and cultures but also in terms of the very changing nature of the individuals. In short, contemporary critiques claim that social contract theories fail to represent the *fullness* of

human psychology and motivations. These critiques also question the notion of freedom that is portrayed in different versions of the social contract since humans enter into the social contract after coming from relations of dependency in the family and in society. Modern theories of social contract have defined a moral person. In so doing, they have also determined who counts as a full political being and who does not. This classification determines the ‘worthiness’ of access, defines ‘privilege’ and creates the parameters of ‘inclusion’ and ‘exclusion’ that are manifested both formally and informally. Thus, the inequalities based on difference (race, gender, class, disability, etc.) are not only a social construct but a political one, as well,-- fostered, in part, by the very notion of the social contract.

Since the contract is based on ‘privileges,’ that are the outcome of inequality, the social contract, therefore, allows for exploitation of both resources and people. It is not a hypothetical but an actual contract that society practices in everyday life that makes possible, justifying and legitimizing, a power relationship within people and between people and their environment. These critiques point out how western thinking has ‘idealized’ the social contract as the way to live together in society without questioning the underlying implications of the very idea of a contract. Therefore the social contract is a mechanism of inclusion and exclusion that represents the very structure of our current political and social systems.

Section 2: Linking the social contract to economic performance

The relationship between the rise of economic power and the social contract can be better understood by exploring the interaction between economics and politics and, further, the institutionalization of the economy as a ‘power’ that influences the actions of the state/sovereign. In an attempt to control the power of the sovereign both modern and liberal paradigms propose a modern economy as the central mechanism of control. The rationality and predictability of the modern economy made it the proper instrument to achieve individual liberty that, consequently, led to collective well-being without the risk of the forceful ‘despotism’ of the sovereign.

The shift to a more ‘liberal’ worldview impacts not only the political dimension of modern society (or the urban) but also economic and social dimensions. This interwoven relationship between economics and politics is neither natural nor unintentional but it is a process in which both can debate, question and recreate each other. The ‘liberal ideology’ of individual materialism that claims the

liberation of the individual to exercise entrepreneurial freedom is based on a strong belief in private property rights, a free market and free trade --all essentially 'free' from government interference. The role of the state within such a framework is then to create, preserve and facilitate these freeing practices. The state assumes the responsibility to guarantee the quality and integrity of the market. In the case where the market does not exist, the role of the state is to create the market. The only legitimate option for the state is to protect individuals in the full enjoyment of their private rights.

When discussing the ideological foundations of such capitalist political-economy we found Albert O. Hirschman (1977) especially useful. He looked specifically to the aspects that have ensured capitalism's success in contemporary world, particularly the ideological construction of 'self-interest.' Originally presented as a way to escape the passion of rulers that led to absolutism, self-interest argues Hirschman became the "spirit of capitalism". The initial conceptualization of 'interest' included both economic and other human motivations but the pursuit of self-interest implied the achievement of both profits and moral goals. The later isolation of the economic dimension and simplification of the concept of interest established a major transformation of the moral and ideological scene. (Hirschman, 1977)

This movement of ideas, Hirschman argues, is what has positioned economics at the center of the moral values of today's society. The idea of everybody contributing to the 'general welfare' while pursuing their own self-interest implies unintentional achievement of collective welfare. The rationality and predictability of the modern economy made it the proper instrument to achieve individual liberty and, consequently, 'collective well-being.' By looking at this relationship between economics and politics it is, therefore, possible to understand the institutionalization of the economy as a power that influences the actions of the state/sovereign.

Two key moments/events that illustrate this institutionalization of economy as a central aspect in the re-negotiation of the social contract in the United States, are Alexander Hamilton's delivery of the *report on manufactures* to the US congress in 1791 and John Maynard Keynes' essay on *the end of laissez-faire* published in 1926.

Economic policy and the foundation of a republic (Hamilton)

Hamilton's report on manufacture, communicated to the U.S. House of Representatives, December 5, 1791, is a classic document recommending economic policies aimed at stimulating the

independence of the newly-formed republic. Beyond its economic policy recommendations, the report has often been cited as a prime example of how a social contract would work for the nation and the states. Hamilton's report was intended to position manufacturing as key component in the productive scheme of the new nation. He argued that understanding the superiority of production (over agriculture) would produce better policies. Industry, he said, was portrayed as unproductive when, in reality, the opposite is true—the establishment and diffusion production would have a wide impact on labor and consequently on communities. (Hamilton, 1791) He identified 7 aspects in which development of industry would cause a more positive impact in society: (1) division of labor, (2) extension of the use of machinery, (3) additional employment for underrepresented segments, (4) promotion of immigration, (5) greater scope for diversity of talents and dispositions, (6) more ample and various field for enterprise, and (7) creation and securing of demand for the surplus.

Hamilton argued that the lack of vision in the new republic “confines their views to agriculture and refrains from manufacture” (Hamilton, 1791: 7) because of their perceived incapacity to compete equally with Europe. He also claimed that attraction of foreign capital for development of industry is a reality in other part of the world and, therefore, he argued further, why not create such policy in the new republic? However, to reach this stage domestic industrial competitiveness, he proposed a range of state regulations.

The state interventions proposed by Hamilton granted him a direct link to Rousseau's theory of social contract (Federici, 2012). “To this day, the report is often heralded as the quintessential American statement against the laissez faire doctrine of free trade and for activist government policies—including protectionist tariffs—to promote industrialization.” (Irwin, 2004: 800). However, most certainly, Hamilton's primary concerns were not with theorizing social contract but were more related to finding the mechanisms by which to ensure economic as well as political independence for the new republic. For this purpose, he decided to promote industry, instead of agriculture, as main source of the nation's wealth. He argued that left to itself industry would naturally grow in interest of the community. However, he saw the difficulties of starting up new industries, by themselves, and it is in this initiating stage that he placed the role of the government-- as a promoter and benefactor of these new manufacturing interests. Thus, public policy in the form of import duties, pecuniary bounties (subsidies), patents, and other mechanisms were meant to ensure the initial establishment of these new industries and their future, ‘natural,’ prosperity, for the industry and humans.

What is most interesting to us, here, is that Hamilton's discourse, supporting the general policy of promoting industry as a means for economic growth that will be a state regulatory part of producing the general welfare, defined the role of the federal government in the economy of the newly formed republic (Irwin, 2004). Using this foundational essay by Hamilton, we can see that, from this very early stage in American history, the intrinsic relationship between economy and politics is made evident. Here, this relationship informs the idea of social contract in the U.S. by establishing not only the role(s) of parties but also the terms of the contract –once more legitimized in the name of the general welfare.

The rise of economic power and the beginning of the social contract (Keynes)

In the twentieth century at a moment in which there is more than a few cracks in Hamilton's relationship between politics and economics, another essay, by John Maynard Keynes (1926) proposed to consciously review the institutional and relational terms of the social contract. In his essay, published in 1926, he reviewed different theories of the social contract before offering his own proposal. He started by looking at the purpose of individualism as an alternative to the question of the authority of the monarch and the church. This act, he claimed, changed the ethics that, until then, had informed the very nature of the social contract through an acceptance of an individualistic, utilitarian approach that would, later, be extended to the whole of society.

For Keynes (1926), every transition to a new theory of social contract was made in the name of equality and justified by the idea of collective good. He criticized Locke's version equality because it was defined by property, which was itself a privilege. Keynes was critical of Rousseau's version of social contract equality because it was not a starting-point, but an outcome or goal. And for Hume the utilitarian argument "the greatest happiness of the greatest number" simply homogenized the entire society. Keynes pointed out that, in all these different theories, there were important philosophical debates over the very concept of the social contract and the notion of private advantage to foster public good. This notion, for Keynes, was increasingly fundamental to the politics of the social contract. The idea of private advantage, he said, was institutionalized through the concept of *laissez-faire* which was basically portrayed as the advantages gained when governments left trade alone: *to govern better, govern less*. The main Keynes' critique was that, this notion forgot that the political was intentional and any preferred outcome required specific actions in order to achieve it. Consequently, there is no

such a thing as '*laissez-faire*' –it was/and is a fantasy. Either you leverage or you hold, or you do both and these actions, Keynes argued, are *political* actions, they are intentional, they were acts of power.

To build his argument, Keynes first reviewed many of the assumptions of economic science. For him, economists chose a hypothesis that was both simple and unreal. This hypothesis was closely related to the Darwinian notion of survival “It is a method of bringing the most successful profit-makers to the top by a ruthless struggle for survival, which selects the most efficient by the bankruptcy of the less efficient.” (Keynes, 1926, page?) This hypothesis, he argued, did not consider the process only the final result; measured in terms of progress and efficiency thereby creating a system that only allowed the ones in the better position to achieve the better outcomes. Even more, he claimed that the ‘simplicity’ of the market hypothesis and the very logic of its theory is what makes it so universal and unquestionable, therefore, making it easy to forget the ‘reality’ of the cities (that today can be characterized by being informal, contested and anchored (Perry, 2014)). The idea that independent growth will unequivocally lead to collective development was based on the notion of addition that ignored the relational, unpredictable, and organic realities of society.

A second aspect Keynes’ argument returns is the question of the role of the state in this relational and institutional context. He pointed out that defining what the state should care for and what it should leave for individual action has been “one of the finest problems in legislation.” (Keynes, 1926) He argued that only by separating aspects that are part of their agendas and aspects that are not, will allow governments to accomplish their democratic principles. To achieve this requirement Keynes proposed a series of strategies: first, that governments should reorganize into smaller semi-autonomous bodies whose foundational mission will be to ensure public good. Second, that governments should start by distinguishing between social and individual (private) services and then focus on fulfilling the “functions which fall outside the sphere of the individual, to those decisions which are made by *no one* if the State does not make them.” (Keynes, 1926)

Keynes argued that many of the economic problems of his time were due to the fact that the system allowed few to take advantage of possibilities that could affect a larger segment of the population. This he argued is a direct source of inequality. For Keynes, the solution to such inequality lay outside the individual realm, in institutions (collective?) able to make use of data to engage in appropriate actions and control (governmental laws and policies). One form of solution he claims would be for governments to define a policy to control the size of population. His proposals were

never intended to challenge capitalism, on the contrary they were advanced to (relationally) re-create a political-economy to correct its deficiencies. He wrote: “These reflections have been directed towards possible improvements in the technique of modern capitalism by the agency of collective action. There is nothing in them which is seriously incompatible with what seems to me to be the essential characteristic of capitalism.... For my part I think that capitalism, wisely managed, can probably be made more efficient for attaining economic ends than any alternative system yet in sight, but that in itself it is in many ways extremely objectionable. Our problem is to work out a social organisation which shall be as efficient as possible without offending our notions of a satisfactory way of life.” (Keynes, 1926, page ?)

Keynes’ strategy, therefore, can be seen as a way to save the market based on reproducing a set of laws for redistribution to make wider segments of society participate in the market. The answer, for Keynes, for the failure of the market was to insert more people --to reshape the role of state and ensure the effective participation of these people in the market. This new version of state was focused on the creation of laws to protect the ability of the market to function. Following this argument, it is, then, possible to challenge the notion of Keynes’ contribution as anti-marketeer and rather propose an understanding of Keynes’s pro-market approach since (1) he redefines the rules to maintain the hegemony of market, (2) he reinforces state roles in protecting the market, and (3) he seeks to create new markets and expands old ones.

In sum, the series of policy recommendations proposed by Keynes aimed to support the market after the Great Depression and the only institution able to perform such a role was the state. For Keynes, the state would assume the responsibility for producing the physical as well as the organizational infrastructures that society needed to transform the individual capacity of the people of a society to participate into the market. Giving the state the role of ensuring the enlargement of individual purchasing power while regulating the relationship between the “private” and the “people,” opened a space for a vast majority of the population to consume more. Just as Keynes argued that utilitarian philosophy changed the nature of the social contract, this paper argues that the Keynesian strategy of using public expenditures to overcome the market failure preceded consumerism in establishing a different version of the social contract.

The rise of financial power and the coming apart of the social contract (neoliberalism)

The modern increase in purchasing power has meant a major change in patterns of consumption and a subsequent increase in market growth due to a diversification of lifestyles. This, together with technological progress, has made possible a reduction in the prices of key goods and allowed more people access to more products and services and improvement in the material conditions of their lives. However, this exponential ‘growth’ was caused by a disruption of forms of production brought on by new patterns of consumption –all of which could only occur for a fixed period of time (Piketty, 2014). After this period of ‘growth’, a normal stabilization of the growth followed by stagnation historically has occurred causing a rearrangement of the interaction between state, markets and society. After the Keynesian stimulants, therefore there has been a new round of the more conservative notions of expanded markets without rewarding failure. The shift from ‘demand’ to ‘supply’ has meant a realignment of the institutional relations of political economy such that the ‘supply side’ is now considered to be ‘the best’ policy way to ensure an increase in productivity. The reward to the supply side was mainly achieved at the expense of the benefits to individual demanders, more specifically of labor. The result, argues Piketty, (2014) is enhanced productivity because there is more labor available at less cost.

This shift from Keynesianism to this ‘new’, more ‘productive,’ liberalism or “Neoliberalism” may be the factor that, today, most influences another redefinition of the social contract. From the Keynesian approach that considered the irregularities and weaknesses of the market and proposed a strong and clear role for the government to the recycled notion of ‘*laissez-faire*’ where the state again retreated to let the market grow essentially unimpeded there has been a serious rearrangement of both the rights of individuals and the functions of the state. To illustrate this newest shift in the economic paradigm informing policy, political economist Thomas Palley (2004) has examined the differences between the different Keynesian ‘schools’ in the USA and the UK. He argued that in terms of income distribution, the former, in the USA and known as the ‘neo-Keynesians’ align more closely to ‘neoliberal’ principles while the latter in the UK, better known as post- Keynesians, who consider the significance of institutional factors, including bargaining power of different actors, to be important economic factors. Explicitly involving an understanding of power relationships moves the debate to the political sphere rather than the purely economic one. “For the 35 years after World War II (1945-1980), Keynesianism constituted the dominant paradigm for understanding the determination of

economic activity. This was the era in which modern tools of monetary policy (control of interest rates) and fiscal policy (control of government spending and taxes) were developed. It was also a period in which union coverage rose to historical highs and “New Deal” style institutions of social protection and regulation were expanded.” (Palley, 2004, page ??)

This ‘new deal’ did indeed change the structure of inequality, argues Piketty (2014). But in general he finds, that the richest 10% of population still owns 60% of the world’s total wealth on average while the bottom 50% owns only around 2%. The redistribution of income and wealth that affected the middle 40% and top 10%, allowing the emergence of a patrimonial model of class, hardly impacted the bottom 50%. The question now is: to what extent has the emergence of this middle class changed the power structures and consequently institutional arrangements in the world? In historical terms the emergence of a middle class redefined not only the social landscape but also the political one. And the rise of the middle class implied the appearance of alternative lifestyles and alternative ideas of social values and democratic demands. The appearance of a middle class has transformed the reality of social mobility, allowing a segment of the population to improve their social rank based on skills and education rather than only on inherent wealth. This transformation in the social structure originated a change of perception about values for social development and the terms of the social contract.

Returning for a moment to the mid-1970s we can see a broad set of questions about the sustainability of the Keynesian approach rising once again, leading to a new incantation about the virtues of the free market and deregulation, this time they were joined with a new narrative about the middle-class advantages of ‘managerial and entrepreneurial approaches’ (Harvey, 1989) that favored efficiency and growth. However, this approach was basically rooted in criticizing excessive state intervention and social protectionism. During the Keynesian era, the social contract was clearly related to employment and the security that came with it. The neoliberal turn, directly condemned the Keynesian notion of ‘full-employment’ by expanding its implications for monetary and fiscal policies and consequently for general growth. The argument suggested that ‘full employment’ could jeopardize opportunities for flexibility and entrepreneurial opportunity. In practice, this has meant that, today, labor policy has consistently promoted ‘deregulation’ which has the potential to lead to higher inequalities, not only in terms of income but also in terms of quality of life. “For neoliberals, this is

because the market is now paying people what they are worth; for post-Keynesians, it is because the balance of power in labor markets has tilted in favor of business.” (Palley, 2004, page?)

Section 3: The changing nature of the social contract

Theories of social contract have been an important aspect of the debate about the state, its nature and scope. How much should a state intervene in the construction and transformation of society? How far should it go in mediating the relationships between individuals and the collective? And more important, how widely should the scope of its involvement in economy be in order to ensure growth and development? These questions have been constantly revisited in every re-creation of an active theory of the social contract. How they are answered and acted upon can have serious practical effects and almost certainly inform public policy. Frequently, the debate about the social contract has focused on policies directed at labor, employment, and income which emphasize the economic dimension in the relationship society and state. At present, the policy-view is somewhat economic-
-commodifying a political-economic relationship that now seems to be mediated by the market. Nonetheless, there are several dimensions that actually affect the relationship of market and state, some of relationships are, at the same time, ‘individual’ and ‘collective,’ such as health and education, while others are actually quite ‘collective’ in nature such as environment, energy, and in general public infrastructure. What all these dimensions share is their ‘social nature’ which inevitably attaches them to the public realm. The rest of this section will generally propose some aspects that could help link issues of health, environment, and energy to the current debate about a social contract.

Health

Besides its individual dimension, health holds a collective dimension that affects social development. This implies a double consideration when discussing the relationship that defines the terms of the social contract and health. Traditionally considered a social service, health has been part of the responsibilities of the state, however, recent shifts in economic and political paradigms have led to a reinterpretation of the role of state that seems to be moving from that of ‘provider’ to that of ‘regulator.’ The right to health was included in article 25¹ of The Universal Declaration of Human

¹ (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the

Rights adopted by the UN General Assembly on December 10, 1948. The Declaration was designed, as portrayed by the UN, to be one of the outcomes of the Second World War-- an international commitment to avoid the dramatic experiences of the war. The declaration was set up as a map all nations were meant to follow in order to “guarantee the rights of every individual everywhere.” (UN, 1948) The World Health Organization (WHO) was established during the same era and its Constitution was also adopted in 1948. The principles put forth in these two documents seem even more relevant in the current context of globalization and economic (neoliberal) policies in which gaps and inequalities within and between countries have broadened.

The topic here involves more than the actual condition physical and mental health, it involves the right to a condition of well-being that would ensure that every person could fully participate in social activities such as work, schooling, recreation, etc. The ‘right to health,’ so declared here, also includes ‘the right to an adequate standard of living.’ When the 1948 UN declaration was first adopted economic, social, cultural, and civil and political rights were supposed to have the same importance. However in the aftermath of the cold war, human rights and emphasis on certain rights following political worldviews led to key governmental dislocations. While western world powers prioritized that civil and political rights and described economic and social rights as aspirations, Eastern world powers maintained the opposite. This difference in approach preceded the implementation, in 1966, of two new agreements: the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR). (Nygren-Krug, 2008)

The ‘right to health’ in the ICESCR agreement referred to the right of all peoples to substantial elements of health such as (i) medical care, (ii) access to health and well-being and (iii) adequate infrastructure (ICESCR, 1996) The ICESCR ‘right to health’ also contained freedoms and entitlements such as (i) equality of access and provision (without any discrimination), (ii) the right to disease prevention, treatment and control, and (iii) the right to participate in health-related decision-

event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

making at both national and community levels. However, the ICESCR agreement is also clear to say that the ‘right to health’ is NOT the same as the ‘right to be healthy,’ since health is also influenced by factors that lay outside the control of the state. Thus, the state can only do as much as possible to ensure the best possibilities according to its capacity and within its available resources.

The fact that the ‘right to health’ is subject to available resources made it a progressive realization thereby imposing the regulatory need for continuous monitoring and evaluation. The progressive realization of standards to check the evaluative implementation of the ‘right to health’ range from: (1) health facilities, goods and services on a non-discriminatory basis, (2) a minimum of essential food and safe drinking water, (3) shelter, housing and sanitation, and (4) equitable distribution of health facilities, goods and services. The state’s obligations to protect this ‘right to health’ is, as we said, ‘progressively realized;’ maintained, in reality, as these obligations are met by the capacity of the state. The question about the extent to which other actors in society have responsibilities with regard to the achievement of the ‘right to health’ emerged in the 1980s with the advent of the HIV/AIDS crisis. This fact brought to the fore the interdependence and indivisibility of health with human rights. From this view, public health is just that—a public (‘collective’) policy for everyone. In this context health is presented as an integral dimension that includes not only social rights but also civil and political rights such as freedom from stigma and discrimination and the rights to privacy, participation and information (UN-WHO, 2008).

The decade of the 1990s marked another new era for the promotion and the protection of human rights. The World Conference on Human Rights in 1993 led the UN Secretary-General to establish a full UN reform program to face the challenges of the new millennium. In 2000, the UN Committee on Economic, Social and Cultural Rights expanded the interpretation of the right to health to include all the “underlying determinants of health:” safe drinking water and adequate sanitation, safe food, adequate nutrition and housing, healthy working and environmental conditions, health-related education and information including information about sexual and reproductive health, and gender equality. That same year at the United Nations Millennium Development Summit, 189 countries committed to engage in actions to fight against extreme poverty, hunger, and controllable diseases such as AIDS and malaria by 2015. These commitments constituted the eight Millennium Development Goals (MDGs). Although all of them are interrelated and would impact the right to health, there are three of them that specifically state ‘health problem:’ MDG 4 posits that child

mortality should be sharply reduced; MDG 5 state that maternal mortality should be substantially reduced; and MDG 6, the spread of HIV/AIDS, malaria and other diseases, should be stopped.

Today, in 2015, we are supposed to check our progress toward meeting the Millennium Development Goals. What we see is a dynamic panorama where the notion and definition of what actually entails the ‘right to health’ has changed and expanded widely. There now seems to be little debate about how, to what extent, the role(s) of the world’s states and other social actors are changing. If we can say that more and more change is being progressively realized, what does it mean for the social contract?

Environment

Until just a few decades ago, the world seemed to share an approach to the relationship between men and nature that most of us would call ‘global exploitation.’ Thus, a nation’s development was founded on the maximum use of natural resources for economic growth. Following this view, under the industrialization model, the achievement of economic growth would automatically lead to improving the quality of life for a society. There was no doubt that this approach severely damaged the environment, the results of which have caused many people to seek alternative approaches to development and concomitant aspirations for quality of life in different societies. Among many approaches to environmental degradation was the approach that development could be ‘contextual’. From this perspective human development was what we were talking about and, when employing the term ‘development,’ like all humans, it ...(was)... diverse and situational and depended on each society—each supplying specific notions of quality of life and progress. (Wilches-Chaux, 1993) Two alternatives built from this view were (1) the notion of development at human scale that proposed an individual idea of development based on different dimensions of personality, materiality and the spiritual needs of individuals. (2) The second alternative was the notion of ‘sustainable development’ that initially was employed to consider and conserve the foundational natural systems of human life and quickly morphed into a more elaborate system of economic and social dimensions of human development.

Contemporary urban areas are facing complex challenges related to the rapidly changing processes of growth and urbanization. But, in the main, policy has not changed—government responses have traditionally emphasized economic approaches that aim to increase growth and

promote global competitiveness, leaving environmental and social concerns aside. However, this approach has produced an uneven urban development characterized by increasing environmental damage and social inequalities. This has led nations, more recently, to consider policies that address more broadly the effects and causes of environmental degradation.

These more recent world debates about the condition of environment have led to a shift in global paradigms about development. Concerns about environmental degradation have been widely discussed. The first United Nations Conference on the Human Environment, held in Stockholm in 1972, recognized the need to look for common principles to guide actions addressing conservation and improvement of human environments. Environmental protection and upgrading were both presented as policy dimensions that directly affected people's well being as well as their economic growth—but little to nothing happened.. It would be two decades before the notion of human development and environmental degradation would find a global platform, again. In 1992 in Rio de Janeiro a second conference was held and it would be called the 'First Earth Summit.' This conference focused on an evaluation of previous commitments regarding environment, current patterns of production and the impact of these patterns on the environment, alternative energy and water sources, and transport policies. At this summit, leaders of the attending governments committed to take actions to conserve the world's forest and biodiversity, and to combat climate change and desertification. In sum the topics became known as Agenda 21. The Agenda added certain other key 'environmental' issues including poverty, production and consumption, and sustainable management of natural resources.

With the close of the Rio summit, the pace of global action picked up. In 1997, Rio +5 was held in New York City and in 2002 the Second Earth Summit or Rio +10 was held in Johannesburg. Here world nations' governments acknowledged both their limitations in achieving the 1992 goals and the need to increase their efforts to protect the environment and implement policies towards a more sustainable development. At the Johannesburg, conference a new definition of 'development' emerged, this time considering the need to balance economic growth with social development and environmental protection. These three dimensions were presented as the pillars of a much-expanded notion of 'sustainable development.' Aspects debated in these summits were included in the MDGs (see previous section) where there was an open declaration about the need to change patterns of consumption and use of natural resources. One of the goals, MDG 7 (, again, see previous section), is

defined as the need to ensure environmental sustainability. What would be important to ask now is; in the last two decades of public debate and awareness about the need for environmental protection, what if anything, have we achieved? Has the world moved any closer to its goal of a ‘sustainable development’ that ensures increased quality of life for future generations? In short, have we impacted public policy and therefore altered the terms of social contract in any way?

Energy

Impacting the environment, could easily be re-focused as a discussion of the issue of ‘energy.’ Energy is certainly an essential element of human life and even more for contemporary urban life. Often defined as the capacity to do work, energy is what maintains life and thus any form of energy also impacts the environment. ‘Clean’ energy, in particular, has entered the debate as a key feature of ‘sustainable development’ and it has the ability to not only promote environmental protection but it can also help with job creation and economic growth. Solar and other types of ‘clean,’ alternative, energies are making great advances, not only in terms of their technological development but also in the ways they are positioned in the policy arena. Some claim that ‘clean,’ energy-efficient, technologies are changing the patterns of energy consumption in specific areas. However, the patterns of general consumption have not changed radically, and thus the energy required for goods production and labor is still immense.

Advancing renewable sources of energy such as solar, wind, and hydroelectric, has been part of the international energy debate since the Second Earth Summit in 2000. These forms of ‘clean’ energy are low in carbon emissions and are mainly produced ‘in place,’ thereby generating a relatively positive local impact. Although the transformation towards a low-carbon, in-place, economy seems technically possible (WBGU, 2011), its costs in economic and political terms are still what define the scope of its implementation. How many countries today have access to alternative sources of energy and, in those nation-states, how many people have actual access to enough ‘clean’ energy to cover even the basic activities of daily life such as cooking, lighting, and commuting. The issue, then, is how do nation-states create adequate public policies via the social contract that increase the access to clean, affordable and safe sources of energy for a vast majority of people

To address this issue, the German Advisory Council of Global Change (WBGU, 2011) recommended that world governments develop strategies for transformation towards a low-carbon

economy largely through an expansion of their renewable energies. The WBGU argued that these forms of ‘clean’ energy would have a positive impact on the mitigation of climate change. The Council also argued that alternative energies should be understood in a more complex and relational way and need to be regulated globally to ensure sustainability. They also pointed out that the need to limit energy demand, primarily in industrialized countries, in terms of production and consumption, is not an especially hard task to accomplish if all governments, markets, and societies work at it.

Put another way, reducing carbon emissions and lowering energy consumption impacts all aspects of life and, as we said earlier, it implies a new type of social contract not only between state and society but also between society and market and between market and state. The productivity and consumption dimensions of the economic transformation we have discussed may be the weakest argumentative link. Not only is there a need to build the case for the unproductive and unattractive features of climate-damage but also the argument must be built around the counter-attractiveness of renewable energies as competitive factors of capital accumulation. Today’s social contract, related to energy, requires, therefore, a global perspective that also recognizes the impacts of colonization and the consequent world segregation such colonization creates in stages of development. Although today developing countries account for most of the energy demand (WBGU, 2011)-- this is the result of centuries of development (in ‘developed’ countries) and the emergence of developed country dominance in production processes of restructuring and transformation. The council, for one, argues that such dominance requires that the developed countries should now share in the global responsibility for long-term climate degradation...

In terms of energy demand and energy transformation it seems that, if the current social contract, that one observer (Jennings, 2009) calls “the social contract of consumption” in which individual and collective well being are determined by economic growth continues, then the current course increasing energy consumption and environmental degradation will collide. If such a collision is to be avoided, then change in patterns of energy consumption will demand not only new technologies that use renewable sources of “clean’ energy but also a decisive new commitment from both state and market to make clean energy sources available and affordable in everyday life. Solving the issues of energy, environment, and ultimately health, will require a new ‘social contract.’

Section 4: Social contract and the balance of political and economic power

In sum, different arrangements of the social contract have been proposed at different times and under different relations between state, market and society. From Hobbes to the present-day Neoliberal critical perspectives (Harvey, 2005, Hackworth, 2006), the social contract has been at the center of debates about social development. The social contract seems to be the structure, the scaffolding of society as collective enterprise. The notion of the ‘collective’ has been central to the definition of government -- from the establishment of civil government (where are rules and directionalities) the ‘collective’ framework has been defined by the notion of social contract. Each early theorist framed it a bit differently, but they all had a view on the ‘collective.’ From Rousseau’s starting point on the collective nature of the social contract, to Locke, with his notion of society as a ‘collective’ of ‘individuals,’ to Smith’s view of best government as the one that provides the least amount of regulation, the social contract has been institutionalized through the relational condition of government as the mediating institution between market and individuals.

The social contract has been debated mostly over the relationship between freedom and rights of individuals. However, each of the early theorists, suggest that these two attributes can only be constructed collectively since they depend on some overarching structure that ensures their delivery and maintenance. This structure is provided by the state which depends on interests and paradigms that have proposed different arrangements for the relationship among freedoms, rights and equality.

A newer version of the arrangement was proposed from an understanding of a more organic relationship between the individual and social growth. This concept of ‘natural equilibrium’ was promoted by Adam Smith. The equilibrating character of supply and demand could be attributed to ‘the invisible hand’ that is present in the market place. This natural harmony will work the greatest good for the greatest number. Thus, the social contract, for Smith, was rearranged to ensure that the government should not intervene in the market because its intervention would destroy the organic relationship and the natural balance.

Again moving rapidly into the twentieth century, rather than stimulate ‘supply’ (a la Hamilton or Smith), John Maynard Keynes proposed to stimulate demand by radically transforming the notion of ‘consumption’ and establishing it as a strategy to get rid of over production. By altering patterns of consumption, Keynes embarked upon a strategy to save the failure of the market. The subsequent response from the supply side of the equation expanded production globally as well as

consumption. By defining this new form of achieving the primary role of state of serving the market, Keynesians suggested that they had generated a new shift in the relationship between individuals and the market and individuals and states, therefore impacting the notion of the social contract.

In the main, these arrangements of the social contract have focused on individual liberty and limiting the role of government to ensure the achievement of this liberty. This focus on individuals has an impact on the way we understand the social contract, introducing it as a key structural element of negotiation in the relationship between the market and society. Here the role of state vis-a-vis the market becomes very important. Today it is not possible to separate the discourse between the market and the state. Locke and Hume, as well as Smith's *laissez faire* economics, essentially defend the idea that the market can ensure balance on its own and that the best role of the state is not to interfere, or only do it to prevent market failure. After the dramatic economic recession and then the outright market depression, Keynes proposed to 'save the market' by moving the institutional policy relationship from supply to demand. By ensuring against all out market failure and socializing losses, the state was able to influence the purchasing power of the 'collective' and increase collective dependency on consumerism. Later proposals by Von Hayeck and Freidman went back to the notion that the market can be expanded without rewarding failure and they therefore shifted once again from the 'demand side' to a the 'supply side,' in order to ensure an increase in productivity out of less labor at less cost per worker. Understanding the social contract in these relational terms--between individual and collective and market and state, the question remains- what does the next version of the social contract look like? Under which parameters and in the service of whose interests will a new arrangement emerge?

Social contract theories have most often focused on debates about the responsibilities of individuals in society. However, today under contemporary conditions it seems that we need to move toward a more 'collective' understanding of the contract. In the remains of the financial crash of 2008, the current conditions of environmental degradation and the increase of social inequality, the principles of the social contract need to be revisited in light of current economic and market principles for human development. What would the alternative theory be then? Is it time for governments to step in and, more fully, assume their role as 'regulators' in order to make the market more accountable for their effects on society and environment? Would it be the time for civic society to engage in a new strategy of growth that overcomes the excessive emphasis on economic and individual dominance and

advantage? Would it be time for scholars to question the effectiveness of the credit and financial systems that have replaced the welfare state (Skidelsky, 2010) And, in conclusion, what are the bases of the next version of the social contract?

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