

Building New Social Contracts:

An Overview of Participatory Mechanisms for Economic Governance

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About this paper

Our economies are no longer fit for purpose. They are driving the interlinked inequality, climate, biodiversity and democracy crises and need to be upgraded, overhauled and transformed. This will require multi-dimensional and multi-sectoral transformations, including new systems of economic governance that are accountable, transparent, collaborative, and rooted in trust.

Social demand for a different kind of world, one which is more sustainable and fairer is growing. Diverse movements are calling for a new social contract – one where people have a voice and

stake in the decisions being made in their name, and where power is held to account, leaders act with integrity and trust is restored.

This briefing paper explores the potential of participatory mechanisms as a catalyst for deepening the social mandate and boosting the movement for a new social contract for economic reform. It describes key mechanisms that could be employed to engage people in economic governance. And it considers how these mechanisms could amplify and seed a progressive alliance and movement negotiating new social contracts.

Green Economy Coalition

The Green Economy Coalition is the largest global movement for green and fair economies. Our members represent diverse constituencies but are united by our shared recognition that our economic system is no longer fit for purpose.



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Key messages

The current economic system is driving the interlinked climate, biodiversity, inequality and democracy crises. The ‘social contract’ is breaking all around the world.

- 1** Economic reform at scale is unlikely to attract broad public support unless it is shaped by the needs and concerns of ordinary people. New participatory mechanisms drawing on political traditions from around the world are needed to rebuild new social contracts, inspired by concepts including ubuntu, buen vivir and ecoswaraj.
- 2** Genuinely participatory mechanisms are key conduits to build broad public support and amplify engagement in economic reform. A wide range of innovative mechanisms are possible, tailored to varied local and national contexts. These range from citizen assemblies, to participatory budgeting, to just transition processes, and more.
- 3** A democratic and intersectional alliance, rooted in active citizen engagement and participation in economic policies and processes at multiple levels, can help drive societal demand for a just and sustainable world. It already is.

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The Broken Social Contract

For the 1.8 billion young people who will live with the social and ecological consequences of economic decisions that discount the wellbeing of future generations, the social contract is broken. It is broken for the more than 800 million people who continue to go hungry daily while the world produces enough food to feed humanity. It is broken for Indigenous peoples who steward 80% of the world's biodiversity and yet remain on the margins of decision-making processes on the protection and conservation of nature. And for many others, including the millions pushed into poverty while wealth is concentrated in the hands of the super wealthy, the social contract has always been broken. Governments have largely failed to uphold their end of the social contract: to guarantee safety, offer protection, uphold rights, fight inequality and act in the best interest of *all* people.

Amid the stranglehold of the COVID-19 pandemic, the systemic social and material inequalities that pervade our societies deepened, with already vulnerable groups hit hard. But the pandemic also brought the need for a new social contract into sharp focus, and affirmed the centrality of trust and trustworthiness for the credibility and acceptance of policies. Trust, in those with decision-making authority to take decisions in the public interest, is a determining factor in understanding whether people will comply with or reject policies.

Yet declining trust in societal institutions and social unrest is growing across the political spectrum. And citizens are challenging the fundamentals of governance systems, policies and institutions which are failing to protect *all* people. Bigger crises that will require trust in decision-making processes still lie ahead.

The science is clear on the scale and urgency of the ecological and climate crises. Climate and environment risks make up the core of the global risks the world faces in next decade – the decade in which we have a once-in-a-generation opportunity to build a fairer, sustainable and safer world.

The impacts of climate change are already being felt as heat waves, storms and droughts are both more frequent and more intense, leading to billions worth of damage and loss of lives, livelihoods and income. While our economies are fundamentally underpinned by the stability, health and resilience of ecosystems, nature is disappearing at an alarming rate. Every national priority – jobs, welfare, poverty, industry, infrastructure – will be hit as nature recedes with the most vulnerable bearing the costs of biodiversity loss, pollution and climate change.



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Inequality is growing in every country and in every economy. Over the last decade the richest 1% have amassed around half of all the new wealth created, while extreme poverty and unemployment continue to rise. Rising costs of living is affecting households across the world, with people unable to afford essential needs, such as food, water and energy.

At the same time, democracies are in decay, with the democratic institutions that form the 'scaffolding of civic space' being eroded by both the decline in democratic values and the ascent of authoritarian regimes. Trust is being lost as people are left increasingly vulnerable and unprotected, with mounting fears about economic security and their economic future. These issues cannot be tackled alone, because they all arise from the same underlying problem: how our economies are organised, ruled and managed.

Transforming our economic systems is the most ambitious and urgent transformation the world has ever known. But a transition on this scale requires broad and deep social support. Support for rapid and widespread climate actions hinges on public understanding of policy, and the support of and demand for transition policies and processes that places the wellbeing of people and the planet, above profit.

If trust is the currency of the transition, people should be at the heart of the processes where the terms of economic transitions are being negotiated. Transitions will not find the support it needs to accelerate and endure unless it can give people a stake in delivering an economy in which they feel included, listened to and rewarded. Ultimately, we need new social contracts that both give people a say in the economic decisions being made in their name and drive just economic reforms.

A New Social Contract for Economic Reform

As major deliberations on the climate and nature agenda concluded in 2022, action and ambition remained far below what is needed to get the planet out of the ‘emergency room’ and meaningfully address the required economic reforms.

All the economies of the world are off track to meet climate and biodiversity targets. Climate action needs to accelerate dramatically to limit global warming to hold global temperature rise to below 1.5°C compared to pre-industrial levels by 2030. Protecting 30 percent of the world’s terrestrial and marine habitats by 2030 will have to centre equity and justice in nature policies, yet conservation strategies have historically marginalised Indigenous peoples and local communities. Only structural economic reform that reorganizes how our economies and societies are designed and managed, makes nature visible in economic decision-making and engages with people, is a commensurate solution for the task ahead.

Calls for a fairer, sustainable, safer world – and for the systemic changes that can help humanity achieve this, are no longer radical. As UNEP’s Inger Andersen states “Only a root-and-branch transformation of our economies and societies can save us from accelerating climate disaster.” And people agree.

Only one in five people feel that the current economic system is working for them and across the population, seven out of ten people share a desire for change. 74% of people in the richest economies in the world want economic transformation, with three in four people wanting to transform economic systems to prioritise health, wellbeing and the protection of the planet over a singular focus on profit and economic growth. And a survey of the youth climate

movement reveals that over half of the surveyed groups identified a ‘system that puts profit over people and planet’ as the root cause of climate and ecological breakdown.

Economic reform needs to be anchored in restored trust and in a renewed social mandate for the transition where people demand economies in the service of all life. Mobilising people as economic reform activists means supporting (all) their routes of agency. This includes their role in negotiating new social contracts.

What is a social contract?

A social contract is the implicit and explicit agreement between key stakeholders in society about the mutual rights and responsibilities that uphold a just social order. The origins of the concept lies beyond Western political theory, it is also expressed in the visions of society as captured in communitarian concepts like ubuntu, buen vivir and ecoswaraj which have offered people a way to imagine and develop societal and economic models based on reciprocity between people and between people and nature.

At its most basic level, a social contract entails a dynamic agreement (s) between state and society on how to live together, how power is exercised and how resources are distributed. At the core of any social contract lies the responsibility of the state to be competent, accountable and transparent in protecting the welfare and dignity of all people. Social contracts can be expressed in formal agreements such as participative constitutions, laws, social compacts, accords or charters, but also offer a framework to envision a more inclusive and equitable society and world.



Box 1: What is economic reform?

In this paper, 'economic reform' refers to the process of rethinking the economic assumptions, models and institutions that govern the economy. As described above, this process should not be seen as fully open-ended; we believe that any truly inclusive and sustainable economic model must do justice to the Five Principles of Green Economy – although we recognise other priorities and principles are available.

This reform process is difficult – and often avoided – because structural economic change involves not just complex technical challenges, but also intensely contested questions of politics and power.

Policymakers and commentators can further obscure the nature of economic reform through the use of euphemistic language such as 'structural reforms'.

This is counterproductive. By refusing to honestly engage with questions of economic structure, further stress is placed on the existing social contract as societies stumble between different modes of economic governance without ever really discussing what they are doing. Acknowledging this need not detract from recognising the real trade-offs from, and international constraints on, different kinds of economic reform.

There is a growing movement engaging afresh with the social contract as a frame for new thinking about 'cultivating greater social cohesion, strengthening inclusivity, and focusing on the legitimacy and capacity of the state to deliver prosperity for all'. Some focus on fairness and identity as seen in movements championing for new social contracts that are anti-racist and gender-just and that promote decent work and inter-generational justice.

Others harness the increased awareness and understanding of the climate and ecological emergency to define a new social contract that addresses the climate crisis, the ecological divide and transitions to a low carbon and sustainable world. What these have in common is the recognition that new social contracts cannot be a repeat of the old social contract. They must fight inequality. They must restore trust. They must uphold and advance human rights. They must be responsive to the climate and ecological emergency. They must be negotiated with people and with the wellbeing of future generations in mind. And they must re-imagine the relationship between humans and nature, ensuring that people and the planet thrive together.



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Existing social contracts largely perpetuate the divide between people and nature. So, if a new social contract is to offer a framework and a process to advance visions of a just and sustainable world, it must break with the egocentric values and principles of old social contracts. For some, this new social contract should be called an eco-social contract, a green social contract or a natural social contract in which there is an existential shift in the relationship between humanity and nature. This requires the reformulation of the human–nature relationship around reciprocity, partnership and connectedness.

Why a new social contract for economic reform?

A new social contract not only requires a reconfiguration of the rights and duties of care to secure the wellbeing of people and the planet, it needs a different economy. An economy that enables all people to create and enjoy prosperity and promotes equity within and between generations, an economy that safeguards, restores and invests in nature and supports

sustainable consumption and production, and an economy guided by integrated, accountable and resilient institutions.

Box 2: What we're aiming for, and how we get there

In thinking about negotiating the social contract, it is worth distinguishing 'structural' and 'transitional' aspects of economic reform as distinct and important. The 'what' of structural measures and policies that make up a vision of economic reform are key markers around which the social contract is arranged - who owns what, and what is there to be owned. Deliberative processes can usefully engage with those policies or proposals directly through new mechanisms, helping to sort and strengthen policy proposals.

But economic reform is not just a set of policies; it is also transitional, the 'how' of moving from one set of economic arrangements to another, and the 'why' of stopping or continuing to adjust when society gets there. Participatory citizen processes are if anything even better suited to this latter, goal-setting piece of economic reform than the technical, policy-sorting piece. They can potentially provide an important forum to complement wider political and democratic processes.

The new social contract is not only about the what, but also the how. It should be catalysed by participatory mechanisms and processes that recognise and respect the values, perspectives and rights of all stakeholders. It should build societal mandate by enabling people’s participation and engagement in the design of policies, projects and investments, ensuring that

the outcomes, trade-offs, costs and benefits of interventions are distributed equitably and with transparency. And it requires an enabling environment – civic and democratic space and an engaged and informed citizenry with access to diverse participatory mechanisms to engage with and hold power to account. Section 5 expands on these themes further.

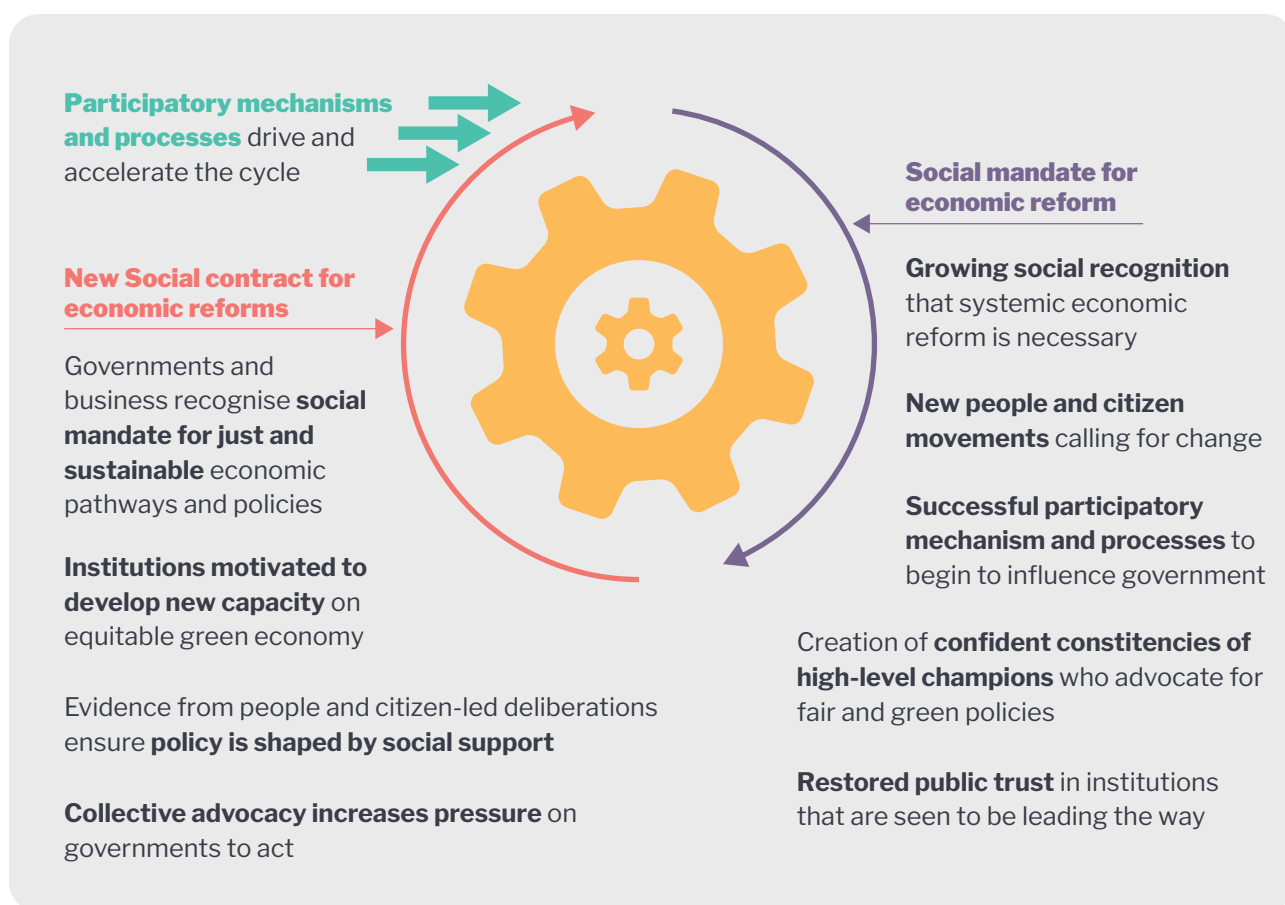


Figure 1: Building the social mandate for economic reform

Negotiating new social contracts is thus a two-step process—a goal in and of itself—and a process to centre people in driving transformative economic reforms at multiple levels. It offers a means by which people are brought into decision-making processes ensuring that their values, visions and priorities are considered.

A new social contract could help define the goals and shape of the post-COVID global economy and provide legitimacy and accountability to the

21st century transition we're now a part of. It is a tonic for declining public trust and a way for people to articulate what they want from their government. There are already examples emerging where the frame of a new social contract provides the lens to reconfigure the relationship between people and power, and where diverse mechanisms for citizen deliberation, voice and influence are catalysing economic reform.

Box 3: Green New Deals: New Social Contracts in the Making

In the last decade, the greening of economies has emerged as a policy vision, response and action plan - Green New Deals (GNDs) have become shorthand for a range of systemic public policy ideas, strategies and investments that seek to achieve economic reform. GNDs call for public policies that address climate and environmental challenges along with other social and economic aims like job creation, gender justice and industrial development. Present-day GNDs thus reflect some of the intent of the New Deal, a set of social and economic reforms undertaken by US President Franklin D. Roosevelt in response to the Great Depression of the 1940s.

More than 80 governments have put in place some form of GND – such as green growth, green economy, circular economy and low emission plans and strategies at regional, national and increasingly sub-national level. According to War on Want, a leader in the movement campaigning for global justice, GNDs have re-emerged as inspiring roadmaps for intersectional climate action in both the Global North and South. Some of the most iconic green new deals – such as the green deals forged in Europe and the US – the EU Green Deal and the Inflation Reduction Act, have been hailed as a symbol of hope, a catalyst for economic reform and the starting point of societal projects – new social contracts centred on economy, ecology and social justice.

For instance, the European Union Green Deal (EUGD), approved in 2020, is a set of policy initiatives by the European Commission with the overarching aim of making the European Union (EU) climate neutral by 2050. It has also been peddled as the EU's 'lifeline out of the COVID-19 pandemic' with a wide-ranging set of proposals to reduce net greenhouse gas emissions. Increasingly, the European Commission has instituted efforts to ensure that the EUGD is centred on a whole-of-society engagement to achieve economic transformation and a green transition in daily life. If it has any hope of delivering a real green deal, the EUGD should be 'rooted in communities, not commissions'.

While no region or country has yet fully achieved the economic and societal transformation that delivers a GND, green economic transitions are underway and gathering pace. Transition policies matter only if they reflect societies' real long-term needs and wants, if governments implement their commitment to inclusion, and if people can hold their governments to account. GNDs must give citizens, workers and communities a say in the economic decisions being made in their name by promoting active participation that moves beyond the point of mere public acceptance of policies, towards society-driven and -demanded transformations – towards real and shared green new deals.

An Overview of the Key Mechanisms to Amplify People's Participation in Economic Reform

There is a growing consensus from diverse players working on social, economic and climate justice that a new social contract fit for the challenges of the 21st century requires governance transformations that enable citizen deliberation, action and voice to be integrated in decision-making. A wide range of participatory mechanisms, *the institutions and processes to engage people in policies and processes*, are being used to shape new social contracts.

South Africa's Presidential Climate Commission is forging a social compact to integrate the interests and the voices of ordinary citizens in the country's just transition strategy. Citizens assemblies for climate change have been held across Europe to deliberate upon and help shape

and build legitimacy for climate policy. And globally, climate litigation has doubled since 2015 with an increasing number of citizens and civil society challenging government and corporate inaction on climate goals and commitments using legal mechanism. These mechanisms are not only testing the temerity of policy ambitions but helping to restore decaying democracies.

It is not only our economies, but also our democracies that are in recession. Democracy is under threat globally - from reactionary and nationalist politics, from declining public trust and loss of political legitimacy and from a shrinking democratic and civic space. In 2021, nearly 75 percent of the world's population lived in a country that faced democratic deterioration, a decline 'broad enough to be felt by those living under the cruellest dictatorships, as well as by citizens of long-standing democracies'.

The expansion of authoritarian rule, declining civic space and the brutal repression of civil liberties are hitting hard as the impacts of the cost-of-living crisis and post-Covid economic recovery push millions into hunger, poverty and unemployment. In 2022, 101 out of 198 countries saw an increase in civil unrest. This crisis of political legitimacy, the mounting disillusionment with governments and declining trust will be an obstacle to economic transitions. Reviving democracies and establishing principles of inclusive governance is a central part of one of the biggest societal projects of the 21st century: reimagining the purpose and structure of our economies.



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There have been multiple and interconnected reasons for putting people at the core of decision-making processes. Foremost among these has been the failings of representative democracy and the inability of elected representatives to adequately represent and speak for people. With the widening gap between citizens and governments, evidenced in declining trust, civil unrest and loss of political legitimacy, a deliberative wave has been growing at all government levels for more than a decade.

Among the multitude of reasons for including citizen participation, the most highly cited are: restoring public trust, opening up the decision-making process, providing information, fostering social change, including citizens, holding decision-makers to account, increasing transparency, achieving public support and restoring legitimacy and acceptance of policy decisions. An equally diverse repertoire of participatory mechanisms and arrangements exist to advance citizen participation.

Innovative citizen participation and democratic innovations address diverse policy questions, from social and environmental issues such as health, housing and climate change to envisioning and planning economic pathways and models.

But a 2020 review shows that people's participation in economic governance has received comparatively little attention in deliberative processes. If people agree that the world needs systems economic change, how do they become part of the process to find alternative means to govern and measure the economy? How can they challenge the short-termism of economic decision-making? How do they centre wellbeing in economic policymaking? How do they ensure that nature is visible in economic decisions? And how can they use existing and emerging mechanisms to hold their governments to account?

The table below, draws from the OECD's report on innovative citizen deliberation and other sources, and presents innovative mechanisms that offer the promise of boosting people's engagement in economic policies and processes.

Table 1: A Selection of Innovative Mechanisms for People's Participation in Decision-Making

Mechanism	Description	Example/s & Initiatives
Citizen assemblies	A citizens' assembly or public is a representative group of (between 50–160) citizens selected at random from the population to learn about, deliberate upon, and make recommendations in relation to a particular issue or set of issues. Assemblies are made up of three groups of people: citizens, expert witnesses and facilitators and are held at multiple levels covering a wide range of issues. Participants deliberate on a particular issue or policy and eventually provide government with a set of recommendations, supported by the reasoning and facts which informed their position. Recently, there has been an upsurge in climate-focused citizen assemblies with permanent citizens assemblies now deliberating alongside policymakers in co-determining climate policy. The overwhelming majority of citizen assemblies have been held in UK, Europe and the US.	<ul style="list-style-type: none"> • Convention Citoyenne pour le Climat, France • People's Plan for Nature, UK • Global Citizens Assembly at CoP 26
Citizens' Juries	A citizen's jury is a downscaled version of an assembly involving a broad and representative range of voices. It generally consists of 12-24 members that could call on expert witnesses to provide evidence which is then interrogated by the 'jury'. This blends the values, knowledge and lived experience of the jury with evidence to support deliberation. The deliberation delivers a highly specific outcome and has been used largely on an ad-hoc basis: to issue a verdict on a particular policy or issue. Citizens' juries have addressed issues as diverse as environmental sustainability, waste, public health and reconstruction, and have been largely held in the USA, Canada, UK, Europe and Australia with some examples of citizen juries in Africa and Asia.	<ul style="list-style-type: none"> • Citizen juries on windfarms, Scotland • Panel obywatelski, Poland • l' Espace Citoyen d'Interpellation Democratique, Mali
Participatory budgeting	Participatory budgeting is a democratic process or mechanism in which citizens participate in decision-making around the allocation of public resources. Like many other citizen deliberation processes, participatory budgeting is initiated by government to include people in decision-making processes. Outcomes and recommendations are put forward for adoption or rejection. Deliberations can centre on concrete public investments, but also take a broader view on priority setting in public expenditure, as evidence in green budgeting that assesses the environmental impacts of budgetary and fiscal policies and how they support delivery of national and international commitments. Its adoption is widespread globally and applied at multiple levels, from local to national level such as Indonesia where it has been mandatory since 2004.	<ul style="list-style-type: none"> • Green Participatory budgeting in Lisbon, Portugal • Participatory budgeting in Makueni and West Pokot Counties, Kenya • Just Transition Participatory Budgeting Fund, Scotland

<p>Citizen dialogues</p>	<p>Citizens’ dialogues are pervasive mechanism for integrating citizen deliberation globally and has been applied at all multiple levels. They can address more than one policy question and range from short to longer term processes. In some countries, policy dialogues have been institutionalised in participatory policymaking. Some learning and deliberation, such as engagement with expert panels, often sets the context for the dialogue. Dialogues are well-suited to inform citizens on policy issues and gather their broad ideas and reactions, but they can also elicit detailed policy recommendations. They have been used to engage with systemic and broad challenges, such as citizen visions for post-COVID recovery and for green economy diagnosis which could then evolve into mechanisms for broader action learning on policy needs, creating a policy feedback loop where people’s local perspectives feed into the green economy policy cycle.</p>	<ul style="list-style-type: none"> ● Citizen dialogue on Canada’s Energy Future ● Citizen-led green economy dialogues ● Citizen dialogues on the future of Europe
<p>Just transition processes</p>	<p>Just transition has evolved from an initial focus on impacted workers in clean energy transitions to a macro-economic and cross-sectoral framing and process that anchors social justice in climate policy, planning and finance. It is now a central part of transition plans of several countries and regions. For instance, citizens, communities and workers are actively engaging with government and business in priority setting and in shaping transition plans of coal regions globally. But just transition deliberations also provide a frame and a platform for meaningful, long-term engagement on the trajectory of transitions within society, enabling trust building and co-creation. Just transition deliberations employ multiple forms of engagement, such as social dialogue structures and community forums to produce negotiated agreements that integrate people’s visions in transition plans and strategies.</p>	<ul style="list-style-type: none"> ● Transition Pathway Action Plans, New Zealand ● Just Transition Agreements, Spain ● Social compact for a Just Transition, South Africa
<p>Collective bargaining</p>	<p>Collective bargaining is a mechanism – usually voluntary, whereby trade unions negotiate with employers, on behalf of their members to reach collective agreements on a wide range of issues such as work conditions, wages, working time and the rights and responsibilities of workers and employers. The level of bargaining can be at firm, sectoral or even national level. While primarily a deliberative instrument employed by trade unions, it can be a powerful instrument for workers to not only address workplace concerns, but to broaden the consultation agenda and use their mobilisation skills to galvanise public sentiment and build social solidarity around issues of universal concern. Green collective bargaining is an example of how unions are addressing environmental issues, ensuring that trade unions retain one of their functions of engaging with relevant societal challenges, such as the shift to climate resilient and just economies.</p>	<ul style="list-style-type: none"> ● Environmental bargaining, Australia ● Collective bargaining and a fairer economy, ILO ● Collective bargaining and social solidarity

<p>Climate advisory councils and commissions</p>	<p>With national climate policy frameworks in place in every nation, most governments have established independent climate advisory councils to support policymaking. Their role and mandate differ according to the governance context, but these councils essentially provide knowledge and evidence to help government's meet their climate pledges, measure progress towards climate goals and commitments, and ensure transparency in the policymaking and implementation process. They are composed of representatives from across society, including civil society and social movements, and play the role of an honest broker between people and the government, sharing their recommendations with both government e.g. parliamentarians and the public. They are increasingly playing a role in creating a social partnership around climate action and supporting governments in their legal obligation to 'educate their citizens on climate change, involve them in policymaking, and ensure they have all the necessary information'. Climate councils engage multiple stakeholders and increasingly engaging with the public – feeding people's visions, values and priorities into national climate policies.</p>	<p>International Climate Councils Network</p> <p>Presidential Climate Commission, South Africa</p> <p>Consejo Científico de Cambio Climático (4C), Costa Rica</p>
<p>Deliberative Polls or Surveys</p>	<p>A deliberative poll or survey is a process that aims to capture citizen preferences and opinion changes on a policy question before and after they have been exposed to learning and deliberation. These are often commissioned by public authorities and have been used in different contexts to address a variety of policy questions. Deliberative polls differ from ordinary polling that at best provides a snapshot of public opinion. A representative sample of participants is randomly selected and partakes in an opinion survey to measure initial attitudes towards a policy question. Participants gather for plenary sessions where they pose questions to experts and participate in moderated dialogues in smaller groups. A second opinion survey then captures citizens' opinions after they have carefully considered the policy question. Opinion changes are analysed, made public, and presented to the government authority. Deliberative polling is better suited to identify citizen opinion changes rather than produce detailed recommendations or extend decision-making influence to citizens.</p>	<p>Deliberative poll on single European currency, Denmark</p> <p>Public deliberation on nuclear energy, South Korea</p> <p>Deliberative poll on reconciliation, Australia</p>
<p>Participative constitutional reform</p>	<p>Participatory constitution-making offers several benefits that align with the participatory turn in political processes, i.e. conferring greater legitimacy, informing and engaging the public, and building a shared political identity. Globally, people have been participating in various stages of constitutional reform processes, from agenda setting to reviewing and ratifying a constitution. In many countries, constitutional commissions have been created either alongside, or as an alternative to, constituent assemblies as a mechanism for citizen consultation. In this way, citizens can engage through informed deliberation and free from political influence, including everyday issues of importance to people. Major constitution-making processes initiated in post-conflict contexts have all included public participation and consultation e.g. Uganda (1988-1995), South Africa (1994-95), Nepal (2008-2015) and more recently in Sri Lanka (2016). Climate constitutionalism, the inclusion of dedicated climate provisions and clauses, is a growing shift in constitutional reform, and could provide a conduit to link citizen climate and constitutional assemblies.</p>	<p>Towards an eco-social contract, Nepal</p> <p>Green constitutional reform, Ecuador</p> <p>Direct public participation in constitution-making, Constitution Transformation Network</p>

<p>Strategic litigation</p>	<p>Strategic litigation – also called impact litigation uses legal means to tackle injustices that have not been adequately addressed in law or politics and to review the soundness, legality and constitutionality of policies and actions. It aims to bring about broad societal impacts beyond the scope of the individual case – such as the advancement and fulfilment of social, economic, cultural and climate and environmental rights. If successful, strategic litigation can guarantee the equal rights of minorities, halt an environmentally damaging activity or hold governments and corporations to account for climate inaction. Citizens, children and youth and people’s movements are using climate litigation as a mechanism to achieve societal impact, call for transparency and hold governments and corporations to account for their climate commitments. With the recent recognition by the UN General Assembly of the right to a clean, healthy and sustainable environment as a human right, human rights arguments - such as the right to life, the right to adequate food, the right to self-determination, signals a growing area of strategic litigation will increasingly draw on the protection of human rights (and the rights of nature) as a basis for the upholding climate laws and policies.</p>	<p>The Legal Empowerment Network, Namati</p> <p>Safeguard Children and Youth from Climate Change, Australia</p> <p>Environmentalists sue governments for inaction on plastic pollution, The Philippines</p>
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Participatory mechanisms can play a catalytic role in driving and accelerating the social mandate for systemic economic reform. Citizens, acting as individuals or represented through civic associations, now voluntarily and regularly contribute to decision-making throughout policy processes, reinforcing democratic legitimacy and enabling greater transparency and accountability.

These mechanisms show how people not only engage in - but also have opportunities to shape, influence, review and monitor the purpose and substance of policies and processes. Most countries now aspire to a level of social inclusion where they seek to design 'win-win' policies that deliver economic, environmental and social outcomes.

Direct and deliberative democracy, as illustrated through the mechanisms described above, can restore trust and political legitimacy and complement existing decision-making processes. They can build public understanding and social support for policy changes ensuring that these are socially-relevant and are delivered with social mandate.

By mapping the citizen participation mechanisms and exploring their value in for negotiating new social contracts for economic reform, we can observe that these enable us to meet some critical outcomes such as (a) the construction of citizen knowledge, awareness and action on economic reform (b) the strengthening of mechanisms and practices that enable people to participate in economic reform, (c) the strengthening of responsive and accountable states and other powerful actors such as corporations in economic decision-making, (d) the development of inclusive and cohesive societies that support economic transition policies and processes, and (e) the social mandate for economic reform that builds a just and equitable world.

Increasingly, these mechanisms are moving beyond nominal, instrumental and representative participation to transformative participation where citizens have more power to negotiate and change the status quo, where 'their voices are heard *and* responded to'. They are also shifting from being top-down processes that come into being through efforts at inclusive decision-making to processes initiated at the

behest and demands of citizens and social movements. In some places, they are becoming an enduring part of political and social systems and institutions, shifting from once-off experiments and reactive responses to democratic innovations that are a permanent mechanism in the institutional landscape.

Which of these mechanisms are best-placed to enable greater engagement of people in economic reform? Mechanisms for direct public participation are being operationalised in very different ways across the world. For instance, citizen assemblies are widely adopted in Europe, the United Kingdom and United States while citizen dialogues, just transition deliberation and participatory budgeting have global application.

The following criteria have been applied to assess which of the mechanisms could boost people's participation in decision-making around economic reform: they engage in complex issues and produce broad solutions; they present extended opportunities for focused discussions at various stages of decision-making; they engage with experts and evidence; they create opportunities for alternative framings and interpretations; and they enable the devolution of power for transformational change. They should also engage a wide spectrum of the population – young and old for instance, in the deliberations.

A final criterion is that they offer the opportunity to nurture intersectional alliances, coalitions and movements for economic reform – engaging with frontline policy questions and ensuring that the agenda is amplified by civil society, people's movements, trade unions and others who champion economic and social justice. Figure 2 represents the five key mechanisms that offer a conduit for amplifying the social mandate and building a movement for a just and sustainable economy: citizen assemblies, participatory budgeting, just transition processes, citizen dialogues and climate commissions and advisory councils. While the latter is a representative, rather than deliberative mechanism, climate commissions are engaging in public deliberation,

and are key catalysts for bringing people's voices into climate and economy deliberations.

Citizen juries and deliberative polls offer the opportunity for the public to engage in focused policy discussions, are often single-issue and were not regarded as appropriate mechanisms to deliberate on economic reform questions. Strategic litigation, while itself not a deliberative process, is often rooted in citizen and people movements and could be a follow-on strategy from a deliberative process and a mechanism to ensure accountability. And collective bargaining processes are very stakeholder-focused, i.e. trade unions, but can be a key conduit particularly for trade union confederations to engage in economic policy and governance and become part of alliances for economic reform. Figure 3 maps the range of different mechanisms against the degree of policy ambition and civic space available to complete them.

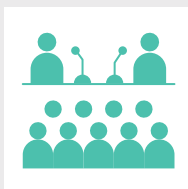
These mechanisms offer an opportunity to people to engage in negotiating and setting the terms to shape the purpose, form and structure of economic pathways, but need further exploration and testing at multiple levels.

Key steps in testing of these mechanisms include:

- a. identifying territories and regions where there is the opportunity to support participatory mechanisms that can advance people's participation in economic reform
- b. finding the entry point or signature issues to negotiate new social contracts for economic reform
- c. selecting the suitable level of deliberation (global, regional, national, local)
- d. ensuring that citizens are informed and able to engage in deliberations
- e. assessing the extent of civic space as a critical enabling factor and where constrained, identifying alternative spaces and strategies for deliberation.

Beyond participation in the deliberation mechanisms, civil society and social movements play a key role in ensuring accountability post-deliberation with recourse to wide ranging

strategies including campaigning, lobbying and advocacy, strategic litigation, protest action and building solidarity around the agenda of economic reform.



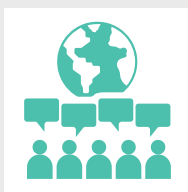
Citizen Assemblies cover a wide range of issues and can be applied to address broad societal challenges such as economic reform, biodiversity loss, and climate change at multiple levels. While current application is limited in global scope, they are becoming key mechanisms for people to co-determine policies. They are also suited to extended periods of deliberation. Broad social movement support exists for both peoples and citizen assemblies.



Participatory Budgeting enjoys uptake globally and plays a critical role in the devolution of decision-making by enabling people to influence the allocation of public resources so that it advances economic reform. By supporting priority setting in budget allocations, people can ensure that their values, visions and plans for new economic models e.g. that create green and decent work and uphold human and nature's rights for instance, are reflected in what is being financed.



Just Transition Processes employ context-specific mechanisms, such as dialogue structures, community forums and focus groups, to produce negotiated agreements that integrate people's visions in economic strategies, investments and plans. They have expanded beyond trade union-led engagement on agreements that protect the rights of impacted workers and affected communities in clean energy transitions to broader societal engagement e.g. on gender-just transitions.



Citizen Dialogues have been applied globally with countless examples of citizen-led policy dialogues leading to progressive policy changes. They have been used to address complex policy questions and lead to detailed policy recommendations and proposals, making them suitable for deliberations on economic reform. Often an iterative process, citizen dialogues have kept people connected to policymakers by partnering with broader movements to monitor policy outcomes post-deliberation.



Climate Advisory Councils and Commissions while a recent democratic innovation will become a critical conduit for holding governments to account for climate commitments. They are integrating people's visions and needs in climate policy, and supporting citizen engagement in climate - a central pillar of the Paris Agreement. And they can evolve into a critical conduit for engaging with citizens and political assemblies on the economic reforms needed to meet net zero and low carbon goals.

Figure 2: Key Participatory Mechanisms for People's Engagement in Economic Reform



Figure 3: Mapping mechanisms against civic space and ambition

Seven Insights – Broader Reflections on Innovative Citizen Participation

Participatory mechanisms give people more power to negotiate and change the status quo, but also creates opportunities to engage with structural economic reform, i.e. reforms or measures that are intended or aim to be systemic, long-lasting, and applicable in most geographic and economic contexts. This section explores some cross-cutting insights that can help ensure that citizen participation is designed and delivered in a way that it achieves transformative change.

Broaden the geographical spread of mechanisms.

Participatory mechanisms should be applied beyond countries and places that have civic space to places where people's participation in economic reform is equally, if not more critical. This includes frontline communities where climate, environmental and economic inequalities are hitting hardest e.g. citizen assemblies in the Global South, in climate vulnerable countries and region, and with informal workers and refugee communities. It should be held in fossil fuel-producing countries and regions where workers and communities need to transition to new industries and jobs. It should include more city- and place-level deliberations such as the deliberations around economic change in the Place-Based Climate Action Network, the Transition Towns Network or Global Green New Deals network at city-level.

Involve people early and often.

Inclusion of people in decision-making needs to be embedded in governance systems, with engagement from the outset of a policy or a process to ensure that they are part of the debate, the diagnosis, the decision and the monitoring and review of interventions. Highlighting society's visions, values and priorities creates a 'demand-pull' on policy that makes otherwise 'top-down' decision-making more robust, sustainable and relevant. Participatory mechanisms offer working approaches to foster meaningful inclusion through all stages in the policy and planning cycles. Citizen-led dialogues have succeeded in creating a new dynamic between local citizens, small businesses and communities, and policymakers further 'upstream', and have been effective in mainstreaming inclusion through all stages of the policy cycle.

Facilitate knowledge and exchange.

Reflecting on what works and what doesn't will be a crucial element in building understanding for change. For example, the European Knowledge Network on Climate Assemblies (KNOCA) offers a platform for sharing best practice on the design and implementation of climate assemblies. The OECD's Paris Collective on Green Budgeting works in close partnership with governments

globally to co-design practical and pragmatic approaches to green budgeting. An important feature of these networks is that they give a central role to practitioners alongside researchers, policymakers and other stakeholders ensuring that concepts and ideas are rooted in practice and real world experiences. Learning and exchange can ensure that deliberative processes are refined and built upon good practice.

Identify, engage and include all stakeholder communities.

Deliberative processes must assess who is missing from the conversation. Whose voices are not being heard? Who is not getting a seat at the table? Are young people, minority groups, informal workers, refugee communities and others engaged and brought into processes? Is the language and style of engagement inclusive and empowering? Are we rebuilding a social contract with nature? Are there opportunities for cross-stakeholder deliberations and alliances, between workers, youth, women, entrepreneurs and farmers for instance? Are complementary structures needed to engage invisible voices and perspectives? The assumption that participatory mechanism engage all voices must be challenged if these are to reflect central principles of participatory justice.

Foreground and engage with the challenge of shrinking civic space.

Globally, there is an increase in civil unrest and growing concerns that the watchdog role of civil society is being shut down. Civic space that 'allows civil society and individuals to organise, participate and communicate freely and without discrimination' enables people's participation in new social contract formulations. But in most societies, this space is constrained necessitating

engagement with and actively seeking the spaces for civil society engagement in authoritarian regimes. For instance, as Figure 3 shows, engagement in less controversial, more technical oversight processes, such as participatory budgeting or governance devolution, can offer opportunities for holding decision-makers to account. And in many places, civil protest remain a means where people can demonstrate their concerns, and thereby demand the institution of deliberative processes. For example, the citizens climate assembly in France was a direct response to the 'gilet jaune' protests against the fuel tax increases, prompting the government to bring citizens into climate policy deliberations.

Step up intersection with global economic reform agendas.

The People's Assembly – Global Call to Action Against Poverty, the Global Assembly to Address the Climate and Ecological Crisis and the People's Charter for an Eco-Social World provide examples of ways in which deliberative mechanisms can not only be run at global level, but also feed people's visions into global economic governance institutions helping to make them become more inclusive. A new global social contract requires an alignment between the array of negotiated agreements that envision the world we want, such as the Sustainable Development Goals (SDGs), Global Biodiversity Framework and Paris Agreement, amongst others. For citizens, voters and communities, the SDGs offers a way to hold decision makers to account – a framework to think strategically across a range of variables over a fifteen-year period, and a guide on reaching negotiated and agreed goals. The SDGs and other 'global social contracts' need to be assessed against the realities of economic governance as experienced by ordinary people, many of whom are impacted by global agreements, on trade and finance for instance, that need to be negotiated.

Build a movement for economic reform.

Finding meaningful common ground between civil society, social movements and others who are working in very different fields can be tricky. What unites, for example, a youth assembly on new economics, a city-level deliberation on doughnut economics, and a global organisation campaigning for global green deals? At first glance – a vision for a just and sustainable economy. The underlying concerns common to each of these initiatives, and many more besides, are that the very purpose, structure and form of our economies must be reformed. This shared diagnosis forms the basis for building a critical mass and movement for economic reform as illustrated in this extract from an essay on a transformational new social contract:

People are coming together in growing numbers in connected movements to ensure that their

wages go up, their healthcare is provided, and they are not burdened by debt; to at last break the hold of white supremacy and structural violence; and to win a Green New Deal to protect their environment, provide quality public transport and create millions of jobs. It's not just that this social contract is worth fighting for – it's that it can only be won through millions of people fighting for it.

Participatory mechanisms are a central plank in the overarching ambition of building a movement for economic reform. Inclusion in decision-making becomes part of a broader societal project for accountable and transparent economic governance. Participatory mechanisms enable people's needs to be heard and taken into consideration. It empowers people to track outcomes, hold decision-makers to account and if needed, to take recourse to justice in the face of inaction. And it is emerging as catalyst for negotiating new social contracts.

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What constitutes a social mandate for change?

Social mandate has been central to previous sections – and the importance and difficulty of securing it is a key rationale for engaging with holistic social contract thinking as part of economic reform. But what should be understood by a social mandate for change?

In simple terms it is a justification and permission structure for action – by government, filtered through legitimate political or democratic institutions, or by society at large, filtered through additional deliberative mechanisms. When the challenges of economic reform commensurate with our social and environmental problems are bigger than existing political processes can handle, a transformative agenda needs a new justificatory and permission structure – a legitimate social mandate. Legitimate, because it is right that people have a say in transformative change and can endorse or decline it. And social – from society – so that people are motivated to mobilise themselves as economic reform agents and activists to make change more effective.

As Figure 1 shows, social mandate acts can act as part of a fly-wheel of self-perpetuating momentum for economic reform – as necessity of reform leads to creation of a mandate, which builds trust and spurs action, demonstrating change is possible, unlocking yet wider avenues for economic reform.

Youth climate activists who have self-organised and catalysed greater ambition around the world are already beginning to create a mandate for economic change, now based on their position as the imminent inheritors of economic and environmental decline. They have pushed governments into greater ambition on climate and nature – and opened space for questions of structural economic transition.

This should remind us that we can think of several kinds of mandate created by social contract processes:

Push Mandate This is the kind of bottom-up mandate youth activists have successfully primed in many countries. A widely shared sense that there is the political will to raise ambition, and take action towards an action like economic reform. These mandates are created when citizens demand that their governments act to address a specific issue, and can arise unpredictably to force issues onto the political agenda. These kinds of social mandates are most common, and present a challenge to local and national governments (and international actors) to take up an agenda or ignore it.

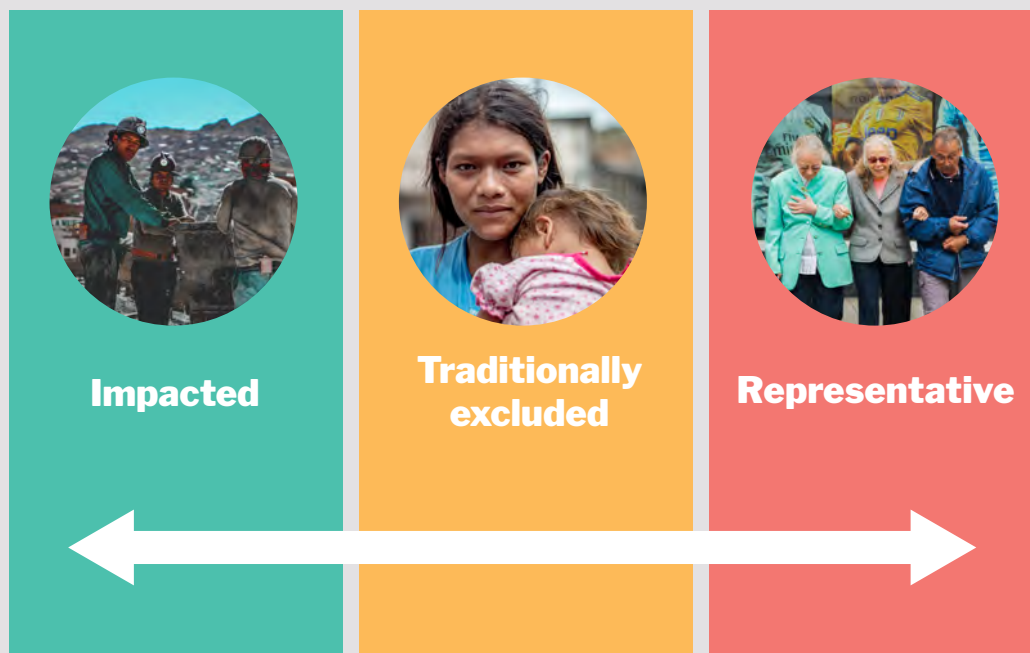
Pull Mandate Sometimes governments and authorities find themselves acting without a clear mandate. Due to external events or political choices, they find themselves beyond the direction granted by political processes and the existing social contract. They might find themselves facing a new and challenging problem – such as the climate and biodiversity crisis, and the urgency of economic reform. Effective leaders might choose this moment to actively create a mandate to act, and draw on a social consensus on what approach to take. When electoral timescales don't align, or issues require different kinds of consideration, deliberative mechanisms can usefully be deployed to take up the slack, and begin a process of creating a social mandate for action.

Creating social mandates is about legitimising change. Social contract processes do this by building societal consent for the transformative changes that are needed.

Box 4: The GEC's path towards new social contracts

Over the next several years, the GEC is expanding our work towards rebuilding a new social contract, including through the participatory processes outlined here. We will partner with different national stakeholders to prototype 24 month social contract processes – to test our conclusions and to advance transition engagement knowledge and practice. As we do this we expect to explore several open questions around cultural fit, terminology and best practice in order to best assess the suitability of different deliberative mechanisms with stakeholders.

We know that proactive citizen engagement is the best and only way to deliver citizen support for a rapid and successful green transition. Furthermore, our research so far has led us to conclude that these processes must be time-bound and outcome-focused, transparent at all stages, convened in partnership with all relevant institutional stakeholders, and – most importantly – they must make rigorous efforts to ensure wide representation with a specific attention on impacted communities and historically excluded or underrepresented communities.



To keep up to date with our work on social contracts, learn more at greeneconomycoalition.org

Photos, left to right: Pedro Henrique Santos / ia huh / Philippe Leone. All via Unsplash

Conclusion

Several aspects of the broken social contract point toward the need for negotiating just and inspiring new social contracts that spur the transformation of economies and societies. The current economic system is driving the interlinked climate, biodiversity, inequality and democracy crises. Transparent, participatory and accountable decision-making where people have a say in the economic policies and pathways that will affect their lives, should be core to economic transitions. But actions for ambitious economic transformation and the social mandate to drive just climate and environmental action remain underwhelming.

Involving people in reimagining the economies they want and contributing to economic decision making is already happening. Citizen engagement and deliberation on economic reform is among the next frontiers for expansion of the deliberative wave, boosting the agenda of engaging people in economic governance and restoring trust, credibility and legitimacy for policy and political action. But there's a cautionary side to this tale. In the same way that the trust in a legitimate, accountable and transparent state needs to be restored, trust in the knowledge, creativity and innovation of people to envision economic futures and engage in economic governance, must be a given.

Economic reform at the scale needed is unlikely to attract broad public support unless it is shaped and informed by the needs and concerns of ordinary people. Without societal mandate and demand, governments and businesses are unlikely to act with the legitimacy, ambition, transparency and accountability needed to avoid the social, economic and climate catastrophes we're heading towards.

Participatory mechanisms are key conduits for people to define and negotiate new social contracts for economic reform. They offer a means for amplifying people's engagement in formulating new and diverse pathways for economic reform shaped by varied contexts, agendas and approaches. They build and strengthen the relational aspects of a new social contract, restoring people's trust in public institutions and amplifying the social mandate for just and sustainable economic pathways and policies. And they can connect civil society organisations and social movements working on interrelated challenges such as climate, inequality, nature and democracy around a shared mission of achieving structural and transformational economic reform.

The multiple, escalating and interconnected social and ecological crises cannot be tackled alone, because they all arise from the same underlying problem: the rules that govern our economies. New social contracts for economic reform must deliver zero carbon, nature positive, fairer economies, and just societies. A democratic and intersectional alliance, rooted in active citizen engagement and participation in economic policies and processes at multiple levels, can help drive societal demand for a just and sustainable world. It already is.

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