**Renewing the social contract: Transforming economies and societies**

**for a safe, fair and sustainable future**

Fifty years ago in Stockholm, the world embarked on an ambitious plan to put the environment at the heart of multilateral cooperation. A half-century on, the concept of “sustainable development” has led to international treaties, the creation of hundreds of environmental ministries, and thousands of new climate and biodiversity policies.

Yet what has this proliferation of paperwork achieved? [Few countries](https://www.unep.org/resources/assessment/environmental-rule-law-first-global-report#:~:text=NAIROBI%E2%80%94%2024%20January%202019%20%E2%80%93%20The,over%20the%20last%20four%20decades.) abide by these rules, and the declining metrics on climate, biodiversity, poverty and inequality are stark. Economics and investment remains blind to our dependence on nature and to growing income and wealth inequalities. Instead of developing sustainably, the world continues to [bankroll extinction](https://portfolio.earth/campaigns/bankrolling-extinction/key-findings/), subsidising the destruction of nature and society to the tune of [$1.8 trillion](https://www.theguardian.com/environment/2022/feb/17/harmful-subsidies-why-is-the-world-still-funding-the-destruction-of-nature-aoe) every year.

This half century of failure has undermined trust in governments and institutions. Citizens have been left exposed and unprotected from the impacts of climate and environmental breakdown. Our economies are driving the accumulation of wealth for the [few](https://www.clubofrome.org/publication/earth4all-inequality-to-sustainability/), with the rest of us picking up the social and environmental costs of overextraction, pollution and exploitation.

As we celebrate the anniversary of Stockholm +50, we must ask ourselves a long-overdue question: *How can we make “sustainable development” a reality, rather than mere rhetoric?*

We propose five areas of action.

**1. Recognise that our economies are dependent on nature**

Our economies are fundamentally reliant upon a stable, healthy and resilient natural world. Without clean air and water, sufficient food and a stable climate, human society breaks down and wellbeing is impossible. The degradation of nature [impacts poor and vulnerable](https://www.oecd-ilibrary.org/environment/the-inequalities-environment-nexus_ca9d8479-en;jsessionid=P_d2S1Pz92sj9ieXbLX_yCXD.ip-10-240-5-135)communities, and the jobs of more than [1 billion workers](https://www.ilo.org/weso-greening/) depend on healthy and functioning ecosystems.

While governments, businesses and financial institutions have made progress towards accounting for carbon emissions, most economic decisions still do not account for our impact and dependencies on nature - such as healthy soil and clean water. One fifth of countries are at risk of their [ecosystems collapsing](https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-biodiversity-and-ecosystems-services.html#/)due to a decline in biodiversity and related ecosystem services.

We need to craft economic systems that recognise the [wealth of nature](https://www.greeneconomycoalition.org/assets/reports/GEC-Reports/webWealthofNature.pdf) that supports prosperity for everyone within the ecological limits of the planet. We need to put nature on the [balance sheet](https://www.washingtonpost.com/business/energy/earths-value-is-being-left-off-the-balance-sheet/2021/11/04/52908950-3d45-11ec-bd6f-da376f47304e_story.html), while reviving cultural [narratives of our interconnection with nature.](https://stories.life/about/)

**2. Adopt the principles of a green and fair economy**

Our [economies](https://www.greeneconomycoalition.org/news-and-resources/green-economy-global-barometer-2020) are no longer fit for purpose.In their current form, our economies incentivise overconsumption, degrade communal bonds, and destroy natural wealth. Even central bankers, insurers and credit rating agencies are ringing the alarm bell in recognition of the systemic risk posed by inequality, climate change and biodiversity loss.

But this is not inevitable or unavoidable; it is simply how our economies have been designed to operate. To solve these problems, new economic visions are required. Visions that address both the purpose and form of our economies.

Drawing on important precedents in international policy, the [Green Economy Coalition](https://www.greeneconomycoalition.org/) and its members have identified [five key principles](https://www.greeneconomycoalition.org/assets/reports/GEC-Reports/Principles-priorities-pathways-inclusive-green-economies-web.pdf) which together can guide economic reform in diverse contexts, including wellbeing, efficiency and sufficiency and justice. Together, these ‘living’ principles act as a guide for collective action towards inclusive green economies. They can be discerned in the diverse movements championing economic reform – from circular economy to post growth, and from wellbeing economics to integrated capitals. These principles must become central to the decisions of policymakers, business leaders, economists and ordinary citizens.

**3. Identify key interventions to deliver an inclusive green economy**

Over 194 governments have committed to tackle climate change. About 80 governments and regions have adopted green economic strategies. And triple bottom line approaches are becoming increasingly widespread in the private sector.

A new economy is possible – one that respects nature’s limits, prioritises wellbeing, and moves [money where it matters](https://www.iied.org/mobilising-money-where-it-matters). And in fact, policies and innovative solutions to achieve this already exist around the world, and are already having an impact.

The [Green Economy Tracker](https://greeneconomytracker.org/) is our tool for tracing and assessing how these policies are shaping the new green and fair economy. It is both a yardstick and a roadmap: a framework for understanding the policy and governance dimensions of new economic models, and an advocacy tool for compelling real change. Across five themes and twenty one policies, citizens can use the Tracker to explore what is working and hold their governments to account.

**4. Ensure that all voices are heard in delivering an inclusive transition**

Only [one in five people](https://www.edelman.com/sites/g/files/aatuss191/files/2019-02/2019_Edelman_Trust_Barometer_Global_Report.pdf) feel that the current economic system is working for them; seven out of ten people share a desire for change. But change requires political will. And political will stems from the mandate of people and manifests in governance systems that are accountable, transparent and inclusive.

In the shift from brown to green economies, ‘inclusion’ is not a nice to have: it is core to the transition. Participatory citizen engagement processes have accelerated and enabled a fundamental change in [green policymaking](https://www.greeneconomycoalition.org/assets/reports/GEC-Reports/GEC-Inclusion-Paper-Najma-July-2020-WEB-Final.pdf). Building this new social mandate will require governments to actively engage citizens in transition planning – not through one-off policy consultations but as a core component of how economic transitions are diagnosed, designed and delivered.

**5. Renew the social contract to spur economic transformation**

[Public demand](https://www.fightinequality.org/) is growing for a more sustainable, more resilient, and fairer world, with organisations as diverse as the [UN](https://news.un.org/en/story/2020/07/1068611), the [World Economic Forum](https://www.weforum.org/agenda/2020/06/great-reset-social-contract-john-kerry-phillip-goff/), [Black Lives Matter](https://www.centreforpublicimpact.org/broken-social-contract/), and [International Trade Union Congress](https://www.ituc-csi.org/global-poll-2020-social-contract) all calling for a “new social contract.”

A social contract is the implicit understanding and agreement between citizens and government about the mutual rights and responsibilities that uphold a just social order. These can take the form of participative constitutions, social compacts or charters. [Communitarian concepts](https://www.unrisd.org/en/library/publications/going-beyond-the-social-communitarian-imaginaries-as-inspirations-for-rethinking-the-eco-social-cont) like *ubuntu*, *buen vivir* and *ecoswaraj* also form the basis of social contracts.

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. It is also about ‘righting’ the relationship between humans and the natural world and ensuring a just transition to green and fair economies.

Citizens and communities are drawing on a wide range of institutional mechanisms to negotiate a new social contract. In Chile, an ‘[ecological constitution](https://insideclimatenews.org/news/03042022/chile-ecological-constitution/)’ that recognises the climate crisis and the rights of nature, is being debated. South Africa’s Presidential Climate Commission has called for a [social compact](https://www.climatecommission.org.za/news-and-insights/presidential-climate-commission-calls-for-a-solid-social-compact-for-south-africas-climate-change-just-transition) to integrate the interests and the voices of South Africans from all levels of society in the country’s just transition strategy.

[Climate litigation](https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-litigation-2021-snapshot/) cases globally have doubled since 2015 with an increasing number of cases challenging government inaction or lack of ambition in climate goals and commitments. The message is simple: People should be at the centre of climate and environmental action if we are to have any hope of achieving a just transition to green and fair economies.

***The Green Economy Coalition (GEC), in partnership with the United Nations Research Institute for Social Development (UNRISD) invites you to join the*** [*Global Research and Action Network for a New Eco-Social Contract (unrisd.org)*](https://www.unrisd.org/en/research/projects/global-research-and-action-network-for-a-new-eco-social-contract)*, a* ***space for dialogue, debate, co-construction and action around the meaning of a new eco-social contract, good practices for its design; and mechanisms for its application.***