

Book Review

What We Owe Each Other: A New Social Contract

by Minouche Shafik (2021)

London: The Bodley Head

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In the face of deep changes in technology and demographics which are challenging (and beginning to break) our current social systems, Minouche Shafik has thoughtfully positioned the need for a new social paradigm for policy and new social structures to support our modern, global communities. Bringing perspectives from her global economics and policy work, Shafik sees the 2020 (and ongoing) pandemic as an opportunity to re-evaluate how nationalist and international cooperative systems are working for citizens and encourages rethinking of the interdependencies between members of a local, national, and global community. While focusing on different stages across the lifespan, Shafik looks to understand what causes challenges in childhood, education, health, work, old age, and interdependencies across generations. She provides alternative ways of understanding these problems which stimulate meaningful conversation and demand new kinds of engagement—Shafik does a thorough job of positioning new ideas and perspectives for a fresh way to engage with important social issues.

The Social Contract

There are benefits to living collectively in a society—infrastructure, education, health care, and laws to govern economic and social behaviour among the people in a community. The structures in place to keep these systems working unequally impact people, leading to uneven satisfaction with current systems across participants in a society. The social contract describes the obligations people feel for their own, each other's, and the collective wellbeing and benefit of living in communities. As the demographics, participation preferences, and the formats of value-adding activities have shifted, systems and understood obligations to one another are no longer meeting the needs of the majority. We are navigating new ways to balance individual ambitions and aspirations with collective cohesion among citizens and across generations.

Shafik argues that the most severe disruptors to the social contract have been technology developments, the vastly changed role of women, improvements in health care (and then more ageing citizens), and concerns about climate change have all begun to put social systems under pressure and changed what we expect from one another. Shafik puts forward three broad principles to guide a re-imagining of the social contract through the rest of the topics:

- (1) “everyone should be guaranteed the minimum required to live a decent life (basic health care, education, benefits from work and pension to protect against poverty as people age),

(2) everyone should be expected to contribute as much as they can and be given the maximum opportunities to do so (lifespan training, later retirement ages, public support for childcare so women can participate),

(3) minimum protections around some risks (such as illness, unemployment, old age) are shared by society rather than asking individuals, families, or employers to carry” (Shafik, 2021: p26).

Children. Balancing the economic impact of having children requires thoughtful consideration of many relevant factors: individual and family choice, family bonding time (maternity/paternity leave), and availability of skilled labour for the economy (childcare for unpaid carers, mothers). Shafik’s argument is that caring for the next generation must become part of a public service infrastructure because of the substantial individual and collective benefits of flexible family, employment, and care structures to maximise economic participation and keep community-led values intact. I would argue that the family structure also needs shifting—unpaid care work still falls disproportionately to women, who then can only unevenly build their own career trajectories. Shafik is right to say that the current social contract does not meet the needs of modern families.

Education. There are known economic and social benefits to investment in education, both at individual and collective levels of societies. Shafik discusses the short- and long-term benefits to both early education (widely seen as crucial) as well as lifespan training for changing needs of an adult workforce. I would point out how very much middle ground is missed in discussions about education in general (Shafik handles this beautifully) and the urgency for societies to find balance between the amount of compulsory education and the sifting of people as they get older into practical job/craft skills training and higher education. Her most interesting discussion in this area relates to the incentives of education providers and tying profit to the degree of direct skills preparation provided to employers by their education services—an idea which makes incredible sense and brings the dynamic responses of the market into play to ensure that education providers are not only producing the content they prefer but what the economy needs from the workforce.

Health: I felt this section of the book to be the most complex and controversial because it gives an incredible dressing-down to most national healthcare systems in how it describes what most societies need but have chosen not to have. Most health care systems are a far cry from the National Health System in the UK, which provides free at point of service care from ‘cradle to grave’. There is a difficult discussion on how to control and change how societies spend on healthcare and how the benefits can be more evenly distributed, including improving competition in drug and technology development and better supporting opportunities for safe innovation in how health care is delivered (think the rapid switch to tele-health during the pandemic).

Work: An increasingly diverse workforce has demanded shifts away from the traditional full-time employment with set tax contributions and pensions to more flexible formats of working, earning, and contributing. Employment systems overall have failed to ensure that people have options for how they earn money and use skills, which results in uneven contributions and benefits of the employment system. I find Shafik’s most important idea here to be that of the issue of changing skill needs across the course of the career and where responsibility for cultivating those skills can lie.

Old Age: One of the major benefits of improved health outcomes has been a larger ageing population—with this benefit comes challenges, as traditional employment and social structures were not set to sustain people financially for as many ‘non-working’ years as we are now having. If we change expectations for number of years of working, the structures for building sustained income, and options for later career formats (part-time, contract work, flexibility with stability), we can ensure that both individuals and collective societies can continue to benefit from contributions of the ageing population.

In Summary

The most difficult change of all will be cultivating the wide belief that there is mutual benefit to ensuring that everyone has (and indeed deserves) access to fundamental services like childhood care, education, health care, employment access, and elder care. If we are to sustain change, systems must work for more people for longer, meet individual and collective priorities, distribute risk and reward more evenly, and create opportunities and options for contributions. My family has had lively discussions of these issues with the guidance of this thoughtful book—I hope you all take the opportunity to enjoy the same.