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# UNFULFILLED PROMISES?

The state of the social contract in the 21<sup>st</sup> century

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THE STATE OF THE SOCIAL CONTRACT IN THE 21ST CENTURY

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# INTRODUCTION

## Outline of this report

After presenting the indicators included in the dashboard, we explore the data through three lenses:

1. Absolute values – can we consider the contract to be fulfilled across Europe? This analysis is divided into country level targets (using 7 indicators) and individual level targets (25 indicators).
2. Pact-by-pact - how do the cross-country patterns vary from pact to pact (44 indicators) and are governments making progress towards the social contract over time (37 indicators)?
3. Region-by-region - how do the trends compare from region to region (37 indicators).

In this series of reports, we have focussed on France and the UK as case study countries, where we explored the historical evolution of the social contract and conducted qualitative research. This focus will continue in this report, which includes small sections exploring the state of the social contract in these two countries.

A technical annex is included at the end of the report which elaborates on the methodology.

The full data set, including the indicator data and an overall index for the social contract, and indices for each of the four pacts, is available [here](#).

The metaphor of a social contract has played an important role in understanding the relationship between government and citizens for centuries. It encompasses the rights we enjoy, the duties we agree to, the responsibilities incumbent on institutions and the narratives we believe in.

However, in recent years, there is an increasing sense, at least within Europe, that the social contract has been broken.<sup>1 2 3</sup> Promises of social mobility and state protection are not being met, living standards have stagnated and are in many ways declining, people do not feel represented by political leaders, and life is subject to increasing insecurities or perceived insecurities across a range of fields, including economic security, fear of crime and fear of geopolitical instability. To top it all, our governments are seen as not doing enough to address one of the most fundamental of global risks: life-threatening climate change.<sup>4</sup>

In [Towards a 21<sup>st</sup> Century Social Contract: How Did We Get Here?](#), we reviewed the historical development of the social contract in two countries (France and the UK). Based on this analysis, we proposed a framework built around four pacts that have emerged since the 18<sup>th</sup> century. Each pact represents agreements and “compromises”, between society and the state, and between different social groups. Together they define social and political rules for the functioning of society. These pacts also represent master narratives that give a meaning to the lives of individuals because a social contract comes with collective promises (e.g. social mobility, recognition of work). This set of rules and deals constitutes the space in which individuals exercise their autonomy (ability to manage their own lives) and cultivate a good life.

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1 <https://www.friendsofeurope.org/insights/frankly-speaking-a-sad-reflection-that-the-social-contract-in-europe-might-be-broken-or-in-urgent-need-of-repair-and-renewal/>

2 <https://www.harvardmagazine.com/2022/04/montage-open-book-broken-social-contract>

3 <https://www.ippr.org/articles/the-breakdown-of-the-social-contract-and-what-is-to-be-done>

4 For example, see the latest Global Risks Report 2025: <https://www.weforum.org/publications/global-risks-report-2025/>

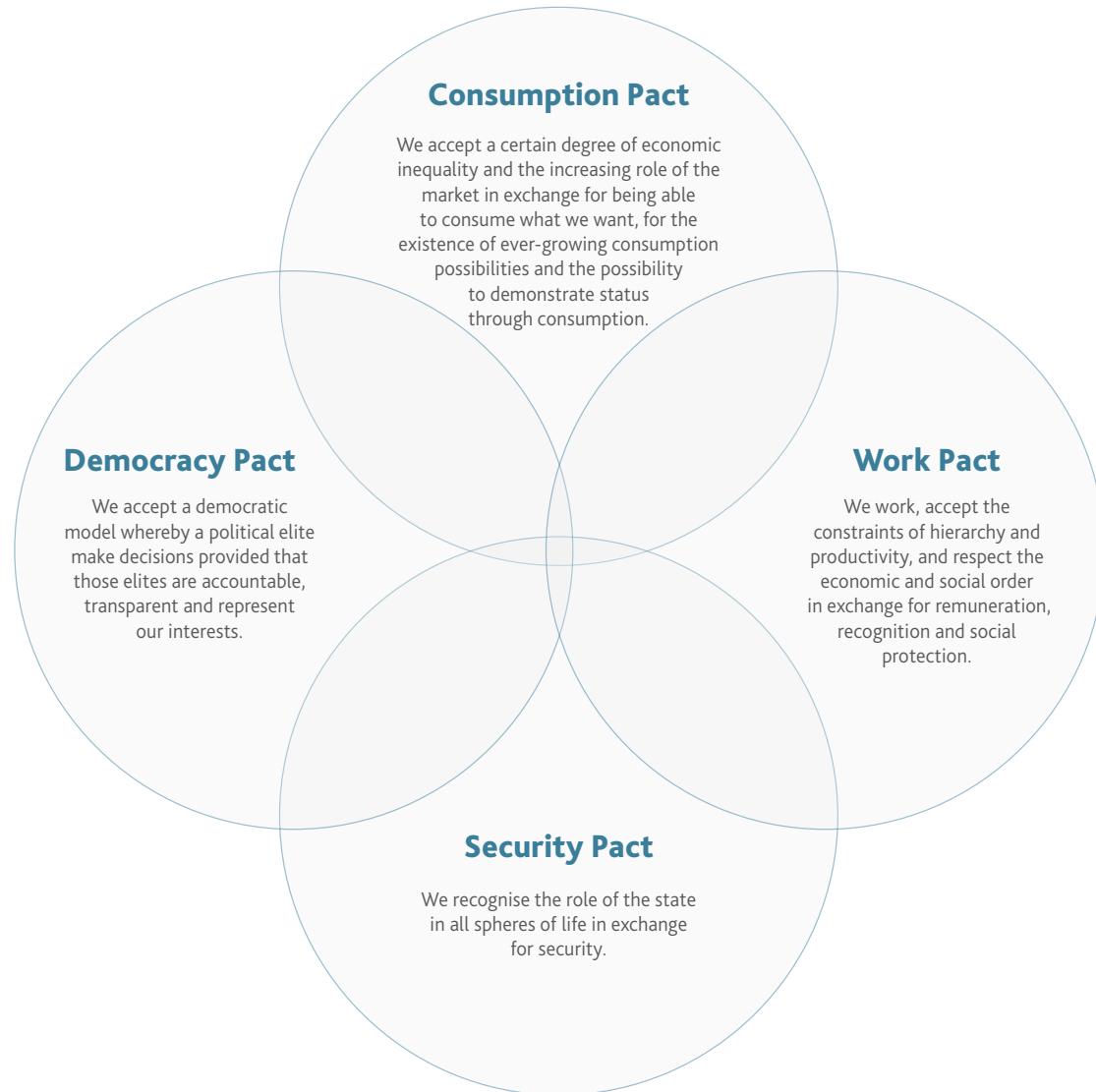
For [Inside the minds of citizens](#), we carried out interviews and focus groups with citizens in the two countries to corroborate and elaborate on the findings of the previous report. We used this empirical research to fine-tune the four pacts.

With a grounded sense of what the social contract is, we can interrogate the concept further. Is the social contract as it currently stands even realistic? Can governments ensure ever growing consumption possibilities in the context of a finite planet? Can current forms of democracy meet people's expectations in terms of representativeness?

In this report we get quantitative, and propose a comprehensive dashboard to portray the state of the current social contract across Europe based on 49 indicators, focussing on the government's 'side of the bargain'. Where is the contract being fulfilled? Where is it being neglected? Are we heading in the right direction or in reverse? In doing so we offer the first empirical assessment of the social contract in Europe, informed by citizens, and covering outcomes as well as procedural factors.<sup>5</sup>

<sup>5</sup> The German Institute of Development and Sustainability (IDOS) recently published an index to operationalise the social contract across countries globally. Our work differs in several major respects: 1) we have consulted with citizens to inform what should be included in the social contract; 2) we are focusing on high-income countries, whereas they have developed an index that is relevant for countries worldwide; and 3) they have intentionally focused on government 'inputs' e.g. expenditure on health care, whereas our index includes more outcomes (e.g. self-reported unmet need for medical examination or premature deaths due to air pollution).

## Representation of the current social contract in Western European democracies



Source: Reproduced from [Inside the minds of citizens](#).

## Headline results

- There is a clear hierarchy: the Nordic countries clearly lead the way in terms of fulfilling the social contract, followed by Western European countries, with Post-Communist and Southern Europe trailing behind.
- But there is a convergence in the overall score between the four groups of countries, with the Southern and Post-Communist groups catching up.
- Progress on social contract has stalled in Western and Northern Europe, with overall scores in 2024 no higher than they were in 2019 in Western Europe, and as far back as 2014 in Nordic countries. In particular we can see a decline starting in 2021 in both regions.
- In Southern Europe we do see improvements, although this may partly reflect a recovery since the financial crisis in 2008. Only in Post-Communist countries can we see a definite positive trend for pacts back as far as 2005.
- The most powerful countries in Europe do not fare particularly well: Germany ranks 13<sup>th</sup>, the United Kingdom 17<sup>th</sup>, and France 19<sup>th</sup> (out of 31).

Our analysis reveals important differences between the four pacts of the social contract:

- **A democratic pact on standby.**

While a large majority of Europeans consider that elections are free and fair and that the law applies equally to everyone, only a minority feel represented by the political sphere, feel they have a political voice, and trust national institutions. Three distinct groups emerge: the Nordic countries are well above the rest, the Western countries are in the middle, and the Southern and post-Communist countries are together

at the bottom. The first two groups have seen no improvement, while the third has made slight progress.

- **A Security pact that differs from that reflected in political debates.**

Few Europeans report feeling unsafe in their communities. On the contrary, many believe that foods containing chemicals are unhealthy for their health and the environment. The gaps between the four groups are small, with a slight upward trend for each of them.

- **Work-welfare pact: a pillar that is still standing but could become fragile.**

For the work-welfare pact, there is a convergence between the four groups and similar dynamics: an increase during the first two-thirds of the period, followed by a decline since 2021. Several indicators explain this decline, which coincides with the post-COVID period: autonomy at work, proportion of working poor, recognition, and satisfaction of health needs. At the same time, there have been few notable improvements in the other indicators of this pact.

- **Consumption pact: a driving force behind progress in the social contract... which is slowing down.**

There is convergence in the overall score between the four groups of countries, with the Southern and Post-Communist groups catching up. As of 2020, Western Europe has the highest average score on this pact. Many countries, including wealthier ones, struggle to keep personal debt down despite relatively high incomes.



# THE SOCIAL CONTRACT DASHBOARD

Our starting point to develop the dashboard was the work we had previously conducted on the [historical development](#) of the social contract and [current perspectives of citizens](#). Based on these, we identified a set of concepts which we sought to include in the dashboard (for example access to healthcare, or national defence).

We then reviewed a set of key measurement frameworks, including the European Commission Joint Research Centre (JRC) dashboard for sustainable and inclusive well-being, the OECD's Better Life Index, the EU Sustainable Development Goals framework and the EU Social Pillar, both to identify indicators to measure the concepts we had identified, but also to identify other potential concepts. We also reviewed leading European surveys, including the European Social Survey and European Quality of Life Survey to identify possible indicators to operationalise concepts.

We submitted the framework to two stages of review by experts (see Annex for details) – firstly to consider the concepts we wanted to include, and then to gather suggestions and comments on operationalisation.

At this point, we had a long list of 73 indicators. Where there was more than one option for a concept, we selected the best option based on data coverage, quality and similarity to the original concept. Ultimately, the 49 indicators listed in the Table overleaf were chosen.

As well as 46 indicators covering the four pacts of the social contract, we also included three indicators measuring overall perceptions of societal progress. These indicators are not included in the pact or overall social contract indices.

It is vital to note that the dashboard is *not* meant to represent *our* vision of how the social contract *should* be, but rather operationalises the *current* social contract based on how it is conventionally seen, shaped by expectations that evolve only slowly.

The dashboard does *not* measure many outcomes which we, and many organisations working on sustainability or societal and economic transformation, believe to be key responsibilities of governments - for example biodiversity, work-life balance, or subjective wellbeing. Nor does it consider gender inequality in a way which is sufficient. Ultimately, these outcomes did not emerge strongly in our historical and empirical analysis. That is not necessarily because the public do not consider them to be important (often they do), but rather that they do not seem to consider them to be part of the social contract, i.e. the core responsibility of the state.

Furthermore, we do not believe it is our role to define what a new social contract should look like. We believe that participatory deliberative engagement with citizens should inform a new social contract that reflects the social, political and ecological challenges of the 21<sup>st</sup> century.<sup>7</sup> Our work on the social contract is intended to inform this participatory work.

In terms of the operationalisation of the dashboard, we were limited very much by data availability. Some of the limitations of the dashboard are discussed in the annex.

For more details on the methodology, both in terms of identifying indicators, and processing the data, see the methodology section at the end of this report.

<sup>7</sup> For example see Abdallah S, Bengtsson M, Akenji L, Saujout M, Nasr C & Bet M (2023) *It's time for a new social contract*. <https://hotorcool.org/news/its-time-for-a-new-social-contract/>; Mohamed, N. (2023) *Building New Social Contracts: An Overview of Participatory Mechanisms for Economic Governance*. Green Economy Coalition; Willis, R. (2020). A social contract for the climate crisis. *IPPR Progressive Review*, 27(2), 156–164. <https://doi.org/10.1111/newe.12202>

## The social contract dashboard

(more details in annexe)

### Consumption pact - "being able to consume what we want, ever-growing consumption possibilities, and the possibility to demonstrate status through consumption"

Concept of social contract	Indicator (short name)	Indicator
Increasing consumption possibilities	Income	Median equivalised household net income
Sense of belonging and identity through consumption	Social consumption	Average of the percentages who report not being able to afford: a) holiday, b) 'spend small amount on oneself', c) 'regular leisure activities', d) getting together with friends/family and e) replace worn-out clothes with new ones f) replace worn-out furniture with new ones
Basic consumption needs*	Making ends meet	% reporting inability to make ends meet
Avoiding debt	Household debt	Household Debt (as ratio of household income)
Stable livelihoods	Unemployment volatility	Volatility of unemployment

\* It is worth noting a measure of poverty or inequality can be found in all four pacts. This is because the satisfaction of material needs is fundamental across the contract. It allows consumption, both basic and more socially-oriented. The state's duty to protect against poverty is part of its obligation in terms of security. Poverty within work violates the work pact, whereby paid labour is expected to provide a dignified life. And finally, managing inequalities was seen as part of a democratic state's duties.

### Democracy Pact - "elites are accountable, transparent and represent our interests"

Concept of social contract	Indicator (short name)	Indicator
Satisfaction with democracy	Democracy satisfaction	% satisfied with democracy
Political voice	Political voice	% who feel they have at least "some" say in what their governments do / on politics (average of 2 questions)
Solidarity	Interpersonal trust	% who say "that most of the time people try to be helpful"
Institutional trust	Institutional trust	Trust in political institutions: % of people that trust all 5 national institutions (politicians, political parties, country's parliament, legal system and the police)
Inequality	Income quintile ratio	Income quintile share ratio (S80/S20)
Inequality reduction	Gini reduction	Difference in Gini coefficient before and after taxes and social transfers (pensions excluded from social transfers)
Democracy in workplace	n/a	Trade Union density
Social mobility	Education inequality	Variation in performance explained by students' socio-economic status
Politics for the common interest	Elite deliberation	Quality of elite deliberation (expert assessment)
Accountability in politics	Voice & Accountability	Voice and Accountability Index, World Governance Indicators
Transparency / Honesty in politics	Corruption	Corruption Index (absence of), World Governance Indicators
Age / gender representation in politics	Age Gender representation	Age and gender distribution of politicians (index)
Gender representation in politics	Gender representation	% of female parliament members
Representation in politics	Political representation	% who respond yes to "Would you say there is any party that represents your views?"
Fair elections	Fair elections	% who say "National elections are free and fair"
Rule of law	Rule of law	% who say "The courts treat everyone the same"

### Security pact - "physical, national, social, health and environmental security"

Concept of social contract	Indicator (short name)	Indicator
Hygiene and food safety	Food safety	% that believe that "Products containing chemicals that you can buy in [country] are safe for human health and the environment"
Physical security - crime	Homicide rate	Standardised homicide Rate
Physical security - crime (perceived)	Perceived crime	% who reported that they face the problem of crime, violence or vandalism in their local area.
National economic autonomy	Trade concentration	Degree to which exports or imports are concentrated to/from specific countries (Herfindahl Index)
National economic autonomy	Material dependency	Material import dependency
Healthy local environment - air	PM2.5 Deaths	Premature deaths due to PM2.5 (rate per 100.000 capita)
Healthy local environment - water	Nitrate levels	Nitrate levels in groundwater (mg NO3/L)
Poverty reduction	AROPE	At risk of poverty or social exclusion rate (AROPE)
Safe work places	Accidents at work	Fatal accidents at work per 100 000 workers
National security	External intervention	Influence and impact of external actors in the functioning – particularly security and economic – of a state (expert assessment)
Human rights and rule of law	Human rights / Rule of law	Human Rights and Rule of Law: Relationship between the state and its population insofar as fundamental human rights are protected and freedoms are observed and respected (expert assessment)
Protection against climate change	GHG emissions	Greenhouse gases, air emissions from consumption perspective (tonnes per capita)
Protection against climate change	Climate change action	% who believe their "govt is doing enough to tackle climate change"
Protection against climate change	Climate change fatalities	Fatalities from climate extremes (per million)

### Work-Welfare pact - "remuneration, recognition and social protection"

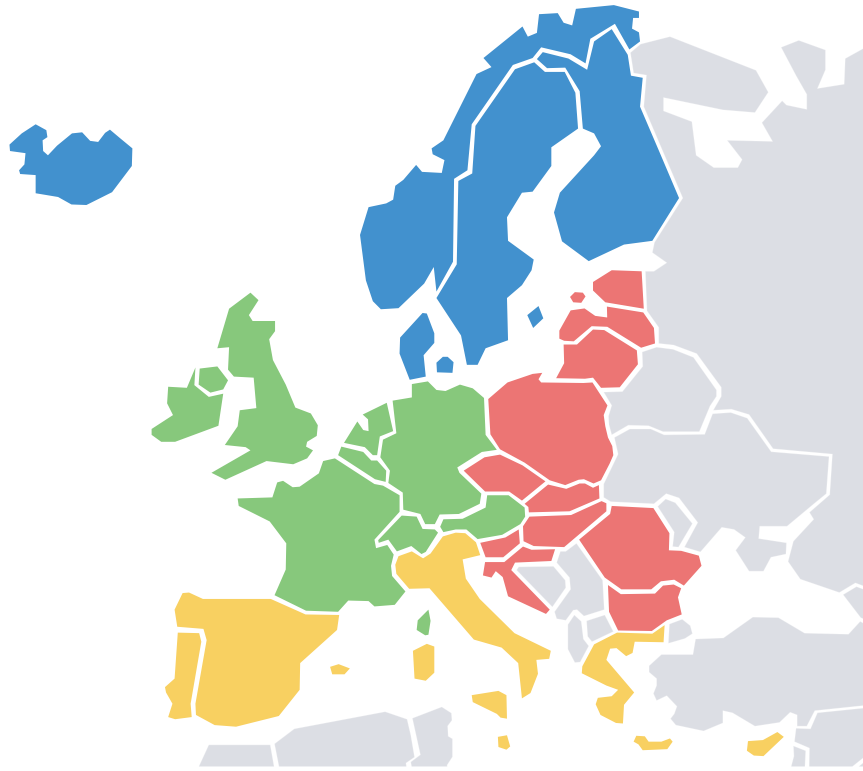
Concept of social contract	Indicator (short name)	Indicator
Job quality	Job autonomy	% who feel they <i>cannot</i> "influence decisions that are important for" their work
Job quality	Meaningful work	% who feel they are "doing useful work"
Job quality	Recognition at work	% who feel they "receive the recognition" they deserve for their work
Access to healthcare	Unmet health needs	% self-reported unmet need for medical examination and care (too expensive, too far, or waiting list)
Access to affordable housing	Housing costs	Housing cost overburden rate (% living in a household where total housing costs represent more than 40% of the total disposable household income)
Strong job market	Unemployment rate	% working age population who are either unemployed or inactive but wanting to work
Avoiding youth inactivity	NEET rate	% of people aged 15-29 not in education, employment or training
Fair taxation	Fair taxation (perceived)	% who say government should tax the rich more in order to support the poor
Access to good education	Educational underachievement	% of 15-year olds underachieving in reading, math, science (average of three percentages)
Ensuring work pays	In-work poverty	In-work at-risk-of-poverty rate
Ensuring work pays (wealth ratio)	Inherited wealth	% of wealth that is inherited

### Perceptions of societal progress

Concept of social contract	Indicator (short name)	Indicator
Societal progress	Right direction	% who believe "that, in general, things are going in the right direction" in their country
Societal progress	Concerned about future	% who are both concerned that they will not be as well-off and financially secure as their parents AND that their children (or young members of their family) will not be as well-off and financially secure as they are
Societal progress	Children better life	% who think their "children will have a better life" than themselves

## Definition of regions

We gathered data for 31 European countries – the 27 current EU members, plus Iceland, Norway, Switzerland and the UK, and divided the countries into four regions for analysis purposes.



● Nordic	Denmark, Iceland, Finland, Norway, Sweden
● Western Europe	Austria, Belgium, France, Germany, Ireland, Luxembourg, Netherlands, Switzerland, United Kingdom
● Southern Europe	Cyprus, Greece, Italy, Malta, Portugal, Spain
● Post-communist	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

# ABSOLUTE EVALUATION

## State of the social contract

In this section, we present absolute results based on 7 indicators at the country level and 25 indicators at the individual level.

## Country level targets

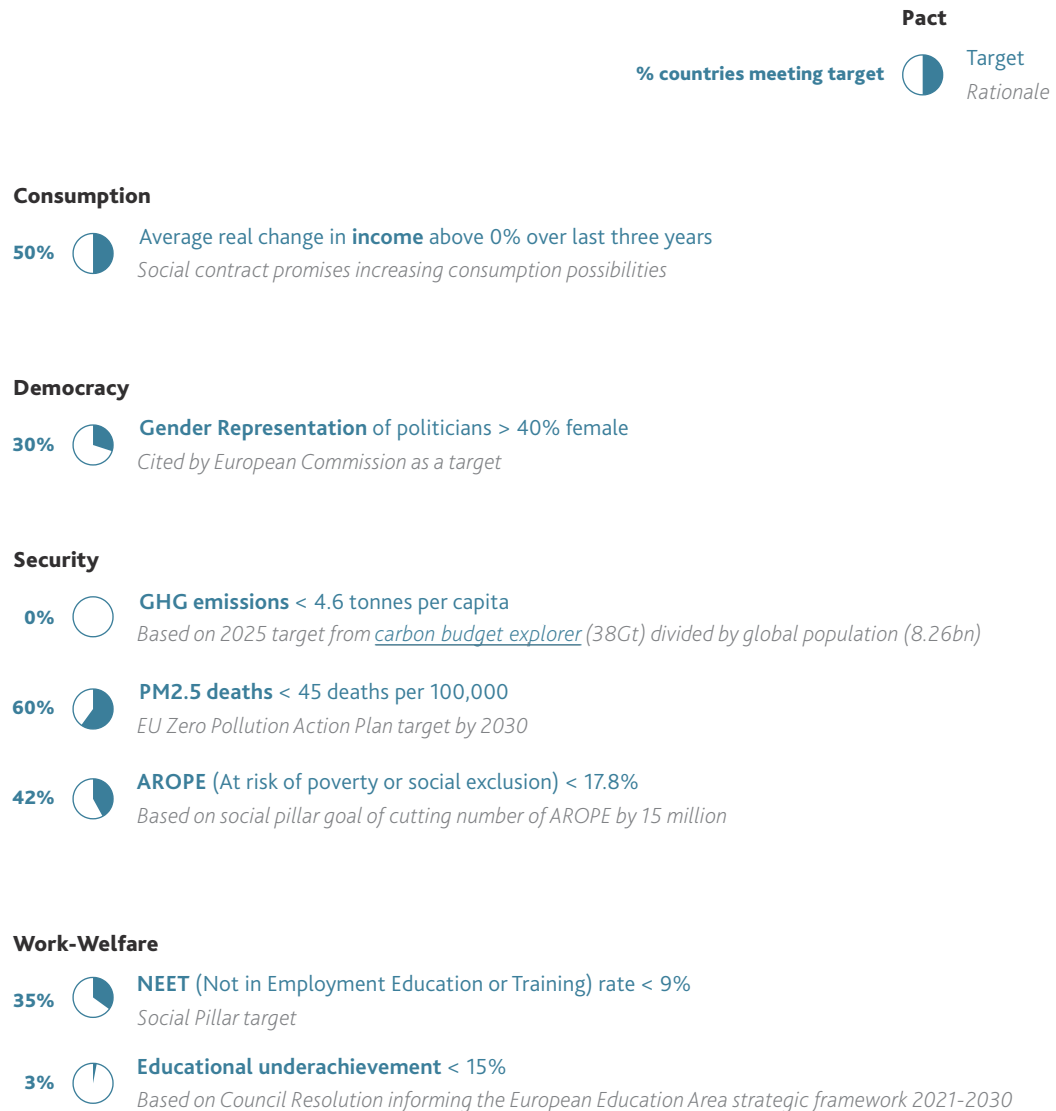
For many of the indicators in the dashboard, it is not straightforward to define a clear threshold, to say whether the social contract is being met. For example, we cannot say what level of household debt or homicide rate is too high without a public consultation, or what level of economic autonomy is sufficient without a scientific analysis.

For seven indicators, however, we can set thresholds at the country-level based on existing science or policy.

It should be noted that politically set targets are determined by a range of factors including political context, feasibility and ambition, and may not represent what the public believe to be appropriate, nor what scientists consider to be most important. Whilst some of these targets have clear dates in the future (e.g. the air pollution target for 2030), others have permanent relevance (e.g. increasing consumption possibilities).

Figure shows the percentage of the studied countries which meet the threshold for each of these seven aspects of the social contract. There are substantial differences. Whereas 60% of countries are meeting the contract in terms of air pollution, almost none of the countries meet the EU's target in terms of access to good education. No single country has GHG emissions which can be considered consistent with the GHG reduction pathway needed to stay below 1.5 degrees global warming. This pattern has remained broadly the same over the period for which we collected data, although there have been improvements in gender representation in politics, and reductions in air pollution and GHG emissions. Meanwhile, access to good education has deteriorated over the last two decades.

### Share of countries meeting country-level targets for social contract

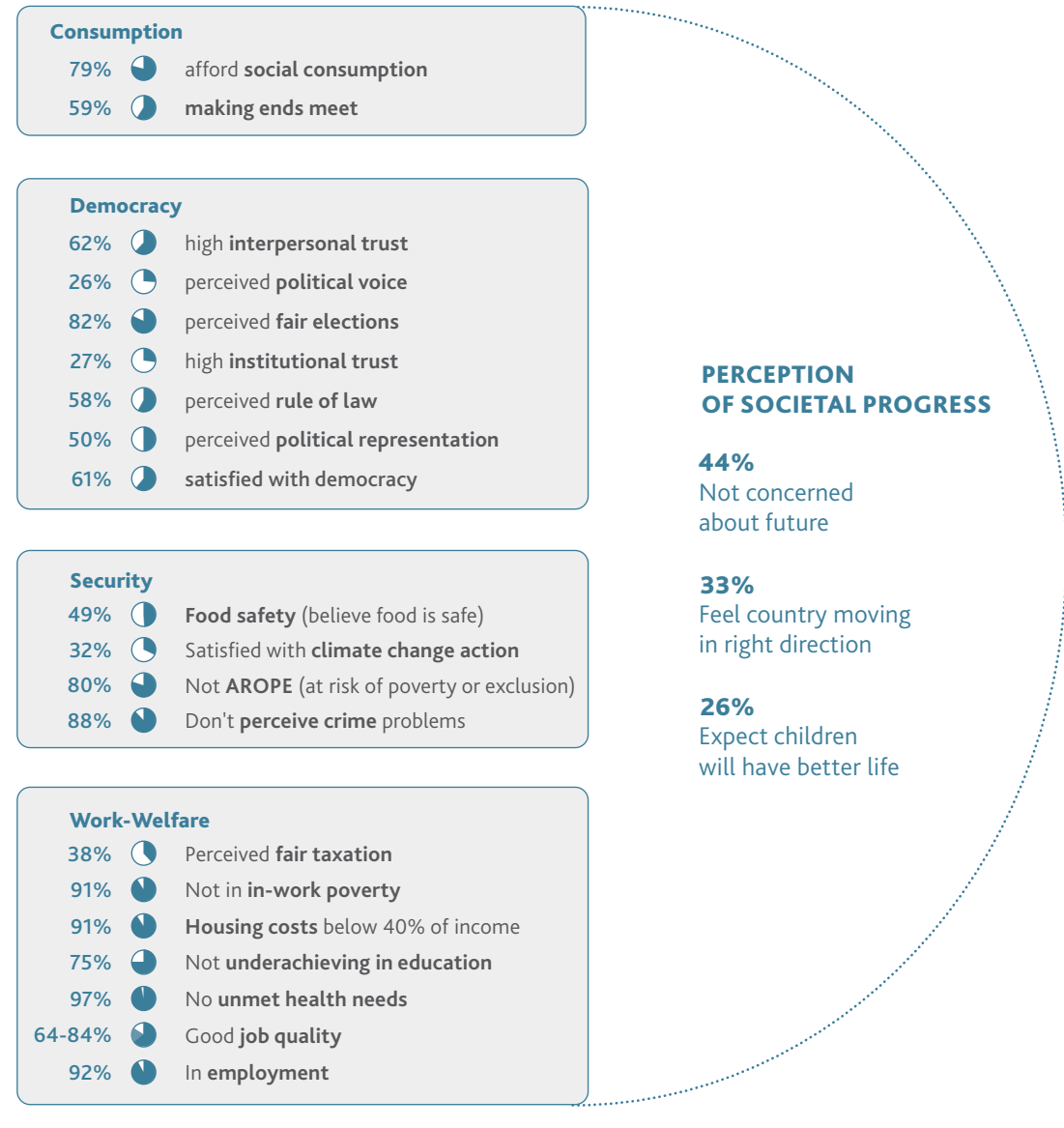


## Individual level targets

Meanwhile, for 25 indicators (including some of the above), which are based on individual responses to surveys, we can define a threshold at the individual level (i.e. a threshold at which the social contract is being met for a particular individual). This then allows us to calculate the percentage of people within a country for whom that aspect of the social contract is being met, and that percentage for which it is not being met (see methodology for thresholds used).

Percentages are high for some parts of the social contract, including self-reported health needs (97%) and perceptions of fair elections (82%). Meanwhile, there are several elements where less than half the population feels that the social contract is being met, namely: sense of political voice (26%), institutional trust (27%), satisfaction with climate change action (32%), perceived fair taxation (38%) and food safety (49%).

### Shares of European population for which different elements of pact are being met



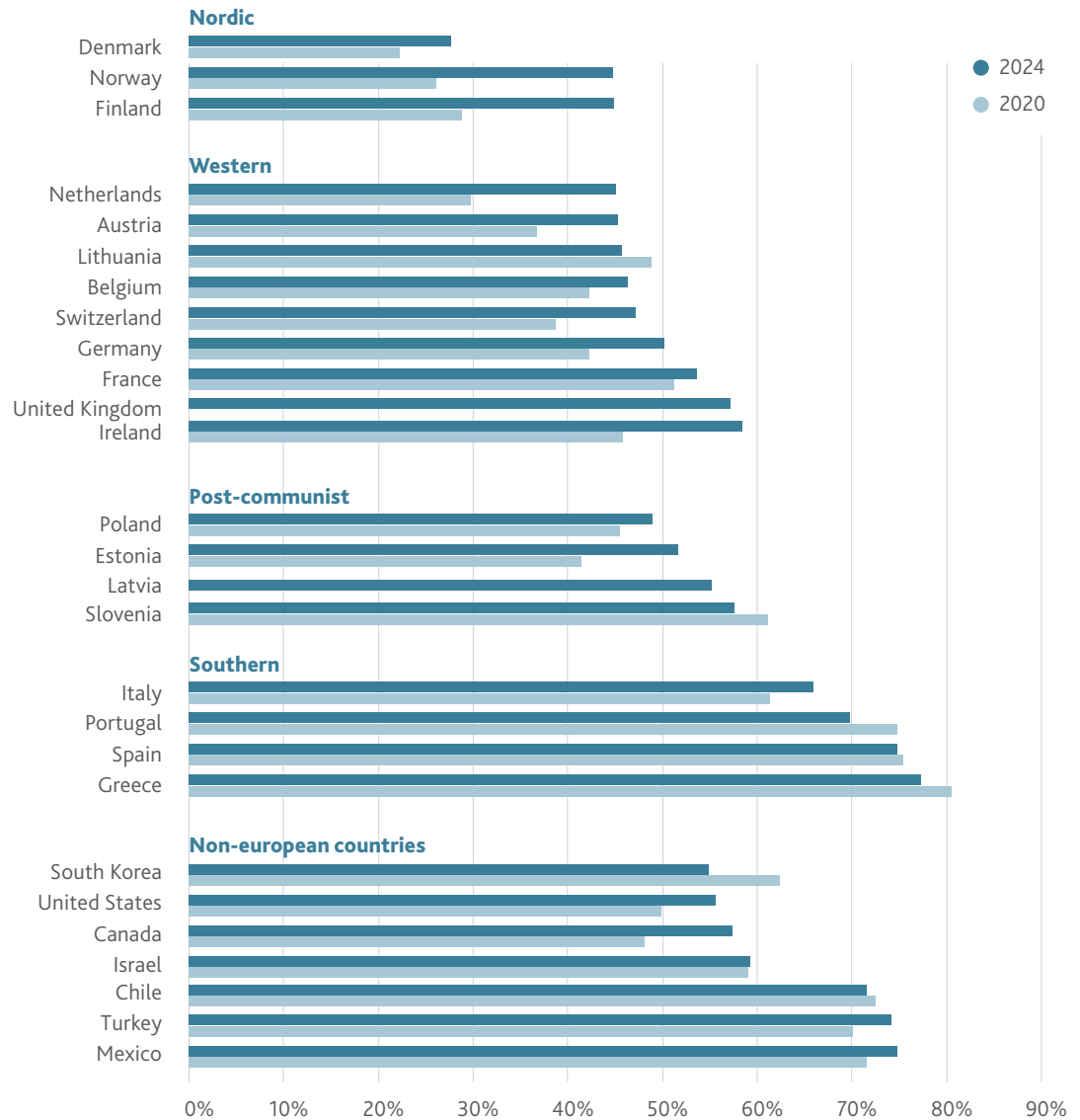
## Overall perceptions of societal progress

The dashboard includes three survey-items where respondents were asked to predict the future development of society, which can be interpreted as assessments of the social contract:

1. "At the present time, would you say that, in general, things are going in the right direction or in the wrong direction, in (OUR COUNTRY)?" (Eurobarometer, 2011 - 2023)
2. "Looking beyond the next ten years, how concerned are you about the following:
  - Not being as well-off and financially secure as your parents and/or that you had hoped to be
  - Your children (or young members of your family) not being as well-off and financially secure as you are" (both OECD Risks that Matter survey, 2020-2024)
3. "Do you think your children today will have a better, worse, or roughly the same life as you?" (Gallup, 2022)

All three overall assessments of the social contract show majorities being dissatisfied. Looking at the most recent and robust data, from the OECD Risks that Matter survey, majorities in 11 out of 20 European countries surveyed report being concerned that their children will not be as well off and that they will not be as well off as their parents. Worryingly this includes the five largest countries considered in our report - Germany, the UK, France, Italy and Spain. The seven other OECD countries covered in the survey do not fare any better.

Percentage who reported being concerned about both themselves being as well-off as their parents AND their children being as well as off they are



The Eurobarometer question allows us to explore the evolution of this overall assessment over time. We can see different patterns for the four regions. Whereas hope that the country is moving in the “right direction” has increased in Southern Europe and the Post-Communist countries between 2011 and 2023, hope has not changed much in Western Europe<sup>8</sup> and the Nordic countries. Importantly, we can see a sharp fall in hope between 2021 and 2023 for these two regions.

## France & UK

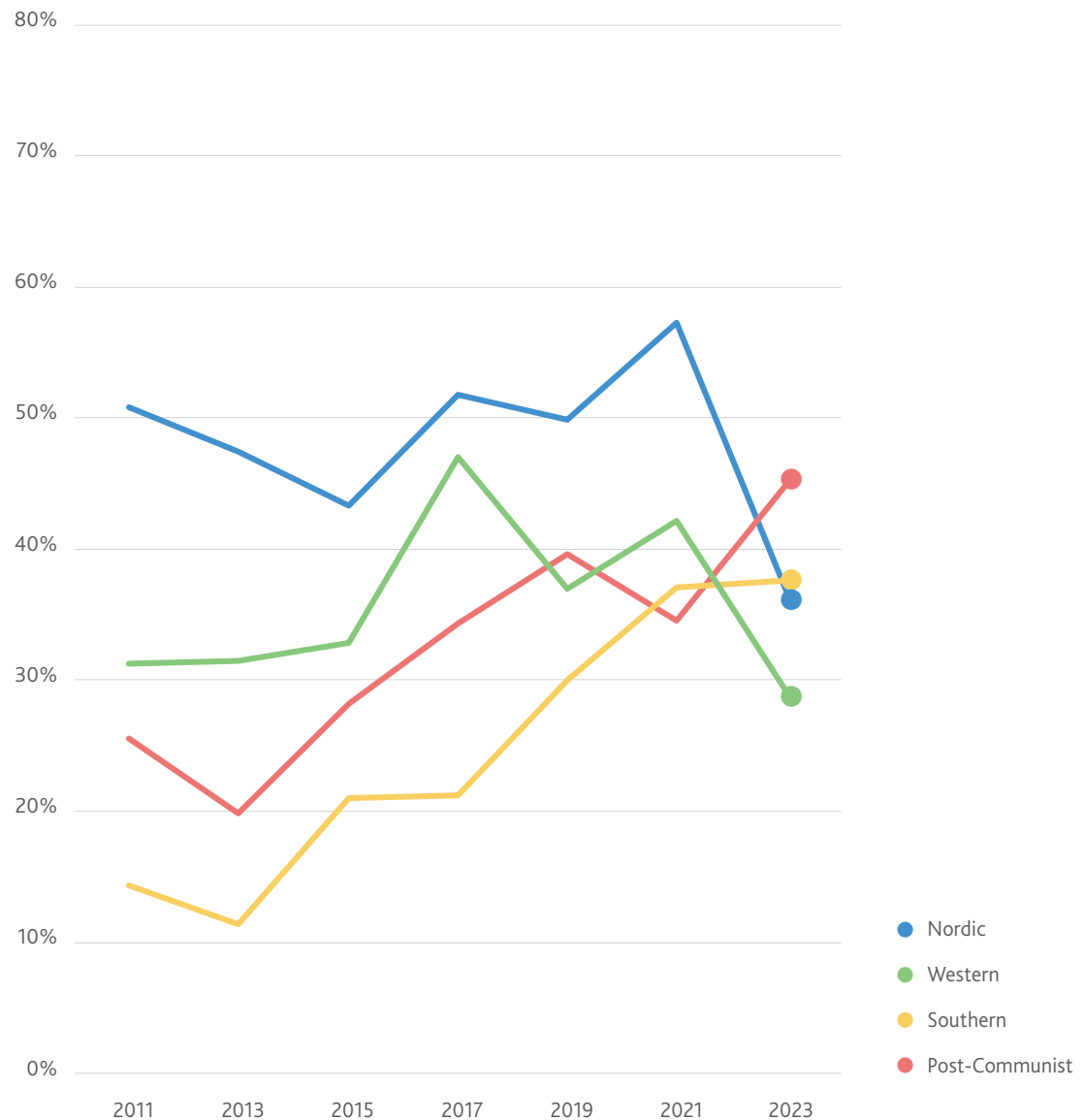
In this series of reports, we have considered France and the UK as case studies, conducting both historical and qualitative research in the two countries.

Looking at the indicators for which we have country-level thresholds, France fails on more aspects of the social contract than it succeeds in. Over the last few years, median income has declined, the share of female politicians is below 40%, GHG emissions are well above target, as is the AROPE rate, NEET rate and educational underachievement rate. Of the seven indicators, France only meets its targets in terms of air quality.

Considering the indicators for which we can calculate the percentage of individuals for whom the social contract is fulfilled, France does below average on several of these indicators including food safety (only 26% believe food to be safe compared to 49% across Europe overall), satisfaction with democracy (only 48% compared to 61% for Europe overall), and trust in institutions (22%).

<sup>8</sup> The UK is not included in this analysis as we did not have data post-Brexit.

**Percentage feeling that their country is “moving in the right direction” by region**



Looking at the indicators for which we have absolute thresholds, the UK fails for four out of six:<sup>9</sup> GHG emissions, AROPE, NEET rate and educational underachievement. As of 2024, it meets the 40% target for female representation in politics, and manages to turn the trend round for median income, to a slightly positive pattern.<sup>10</sup> If we had considered the social contract for the UK in 2023, it would have failed on all six available indicators.

In terms of the indicators for which we have individual-level targets, the UK does well above average for Europe in terms of interpersonal trust (79% compared to 62% for Europe overall), job autonomy (only 15% feeling they have no influence at work, vs. 27% across Europe) and perceptions of rule of law (73% vs. 58%). Having said that, it is amongst the worst countries in terms of perceived crime (24%, which is twice the European average) and trust in institutions (21% vs. 27%). This is consistent with a British Social Attitudes Survey question in 2024, which found that only 12% of people trusted politicians to place the needs of the nation above the interests of their party.<sup>11</sup>

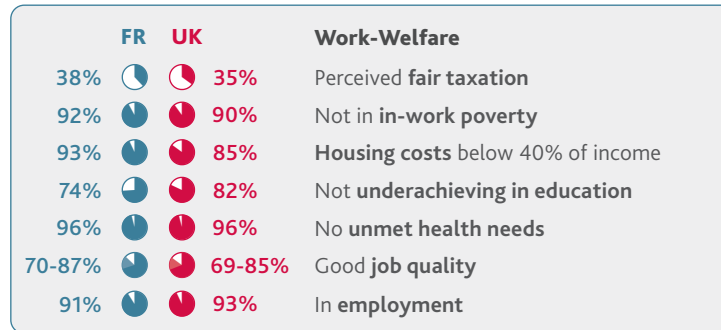
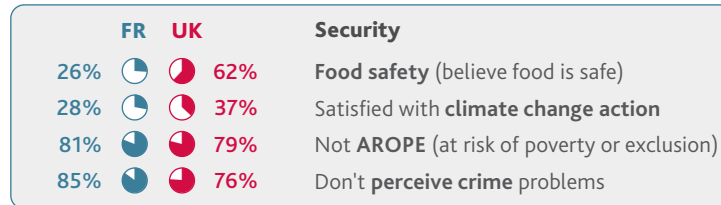
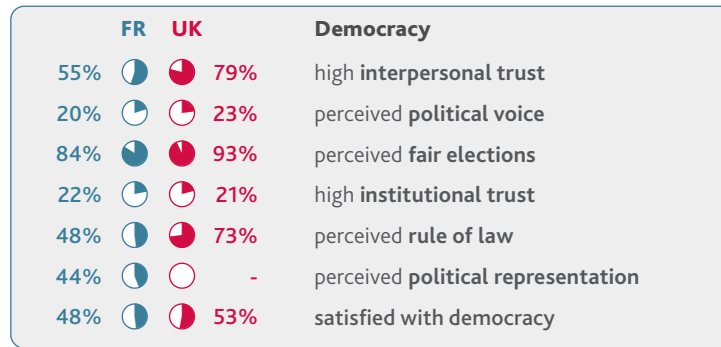
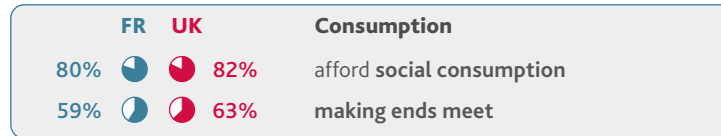
On the question of whether the country is heading in the right or wrong direction, the UK ranks the lowest across all the countries reviewed, with only 20% believing the country is heading in the right direction.

<sup>9</sup> Data on PM2.5 deaths was not available for the UK in recent years from the same or a comparable dataset.

<sup>10</sup> Note that median income was also not available for the UK from Eurostat from 2019 onwards, and so we used OECD data on real gross disposable income per capita in the UK to estimate change over time from that year onwards.

<sup>11</sup> <https://natcen.ac.uk/publications/bsa-42-britains-democracy>

### Shares of European population for which different elements of pact are being met



### PERCEPTION OF SOCIETAL PROGRESS

FR UK  
46% 43%  
Not concerned about future

FR UK  
23% 20%  
Feel country moving in right direction

FR UK  
24% no data  
Expect children will have better life

# PACT-BY-PACT

Only a few indicators allow specific thresholds to be set, defining whether the social contract is being met or not. Even when it is possible, these thresholds are not always ideal. Most indicators refer to a complex reality, simplified into a single operationalisation or survey question: the absolute level therefore necessarily has limits. As such trends over time can provide necessary additional context. Are things getting better or worse? We were able to determine trends for 37 indicators. In some cases we calculated trends as far back as the year 2000, sometimes we only had relatively short time series. Nevertheless, the set as a whole allows us to paint a picture of the development of the social contract.

We then calculated indices combining different components of each pact, and then the four pacts together (see Annex for methodology). The time series over which we were able to calculate time series varies from pact to pact (for the consumption pact only since 2013, for the democracy pact since 2005). We also had to develop solutions for dealing with missing data (see methodology).

The following section shows the evolution of each of the four pacts across the four regions. A score of 50 can be understood as the European average for that pact for the reference year (2022). Scores above 50 indicate above the reference year average, and scores below 50 are below that average.<sup>12</sup>

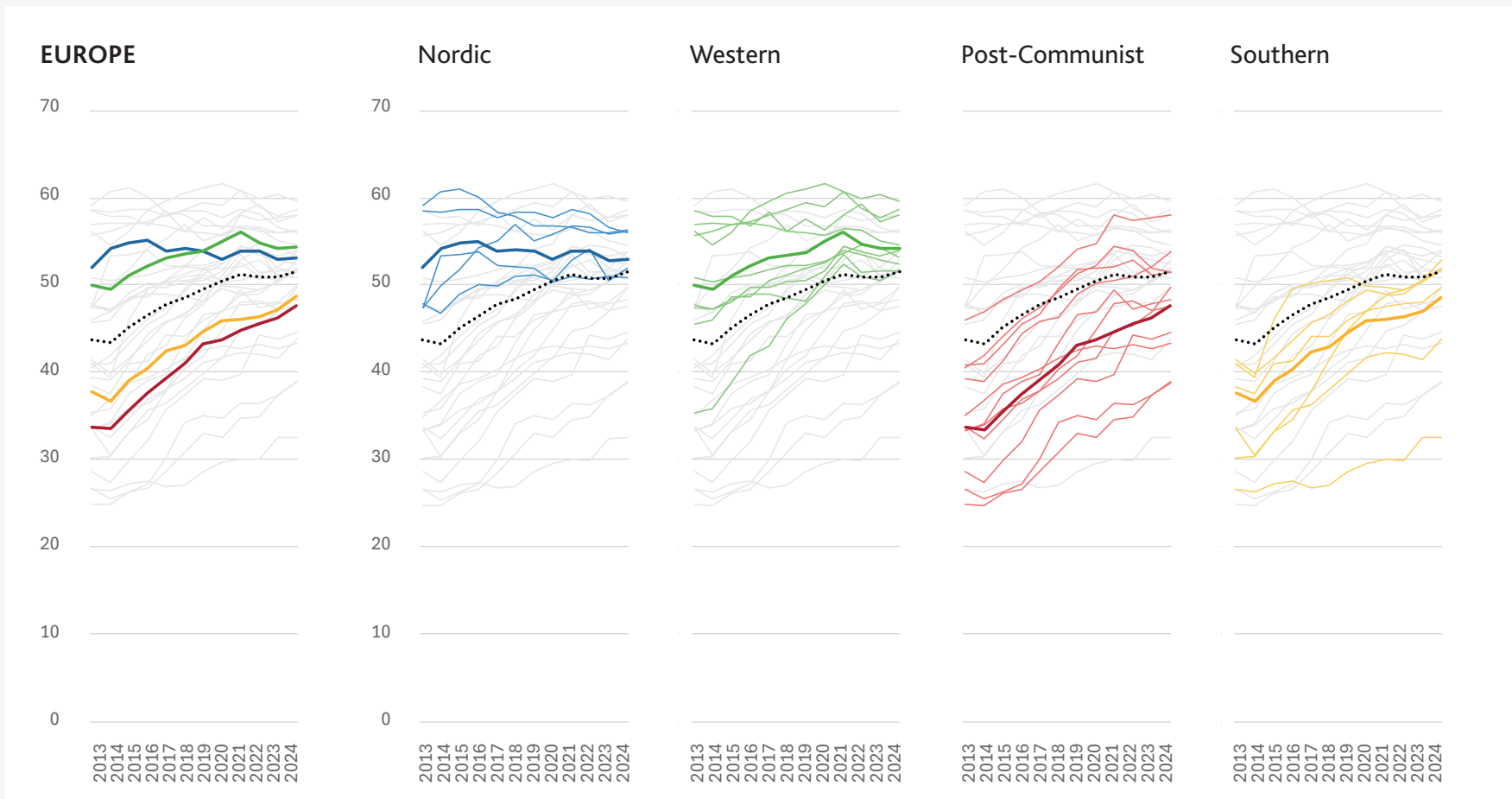
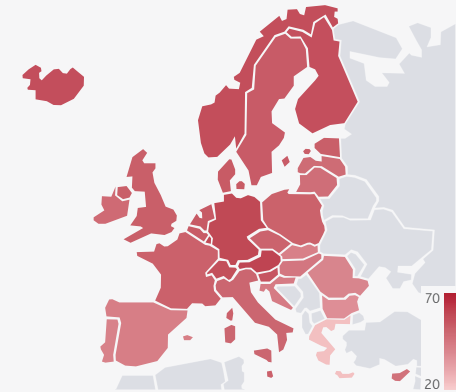
We also present maps showing index scores across Europe for each of the four pacts, and the social contract overall, using the latest available data.<sup>13</sup>

<sup>12</sup> A score of 100 would indicate that the average indicator within that pact for that country was 3.5 standard deviations above the 2022 average, a score of 0 would indicate an average that is 3.5 standard deviations *below* the 2022 average. 3.5 was taken as a threshold to ensure that no pact score for any country exceeded 100 or fell below 0. What is one standard deviation? It is the average difference between any random country selected and the mean. For example the standard deviation for median income is approximately €5000. A country whose median income was €5000 above the average for Europe, would have a z-score of 1 for this indicator (which is equivalent to a rescaled index of approximately 64. The standard deviation for unemployment rate is 2.4. Which means that a country whose unemployment rate was 2.4 percentage points above the European average, would have a z-score of -1 (equivalent to a rescaled index of 36).

<sup>13</sup> Note that the indices for the maps included indicators for which we did not have trend data. As such they are not directly comparable with the indices used for trends (see Annex).

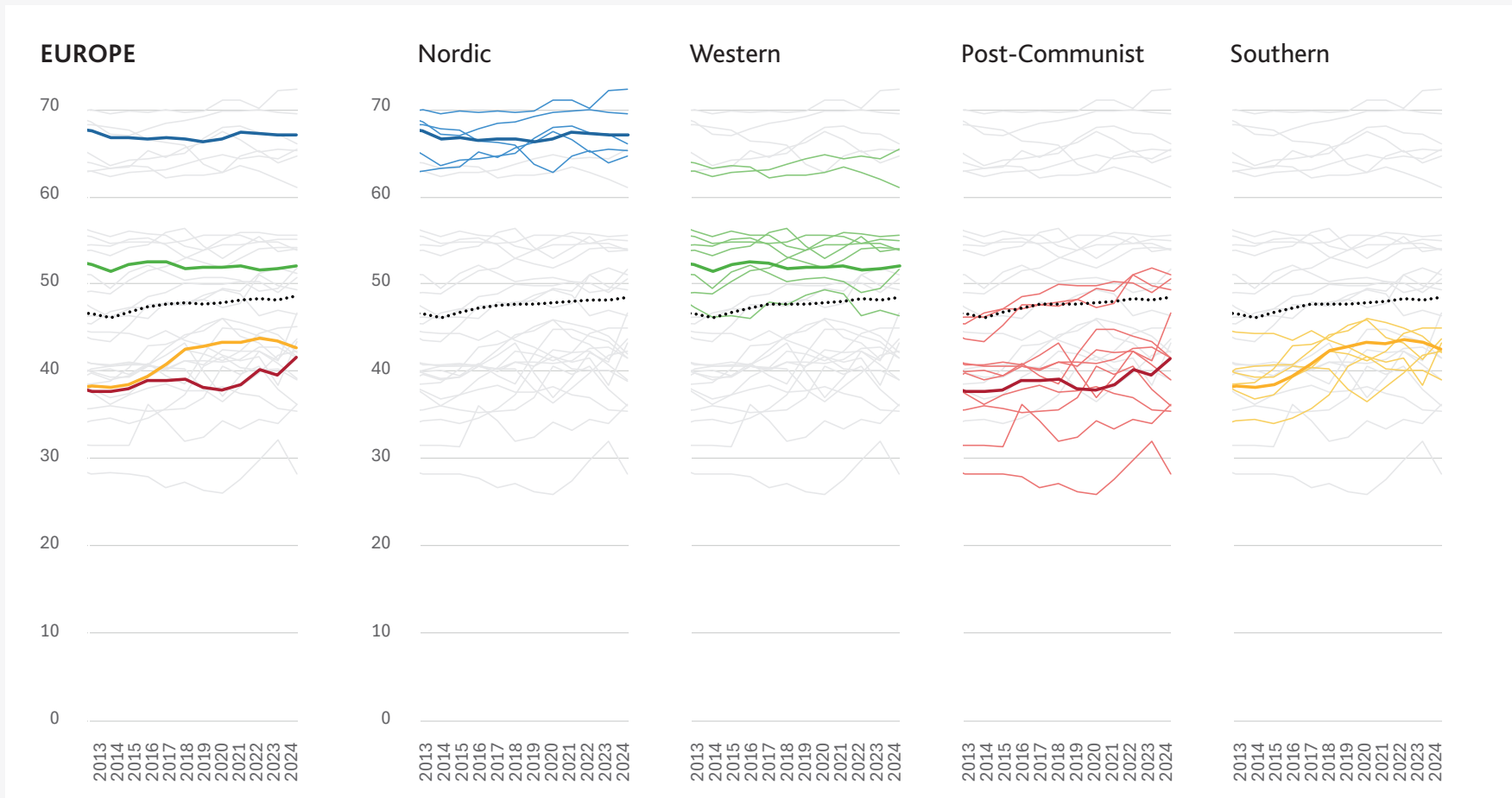
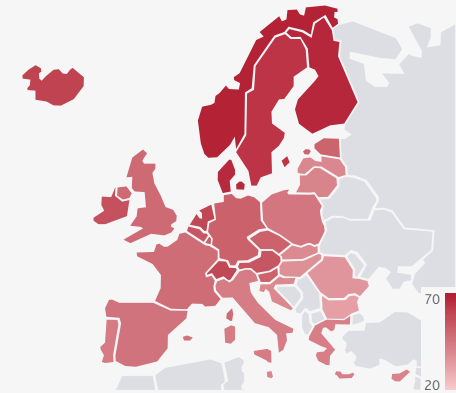
# Consumption

Overall there has been a positive trend with the **Consumption** pact. Nordic and Western countries score highest, with Post-Communist and Southern countries some way behind. Nevertheless, scores in the high scoring regions have been stagnant over the 12-year time series, particularly in the Nordic region where there has been a decrease since around 2015. In contrast, Post-Communist and Southern regions have caught up considerably. Looking at specific countries, Austria and Germany lead the way whilst Greece, Bulgaria and Romania score particularly poorly. The high scoring countries combine high income with low levels of personal debt. Greece is troubled with high levels of deprivation, low incomes and high unemployment volatility, an issue also present in Croatia, Spain and Cyprus.



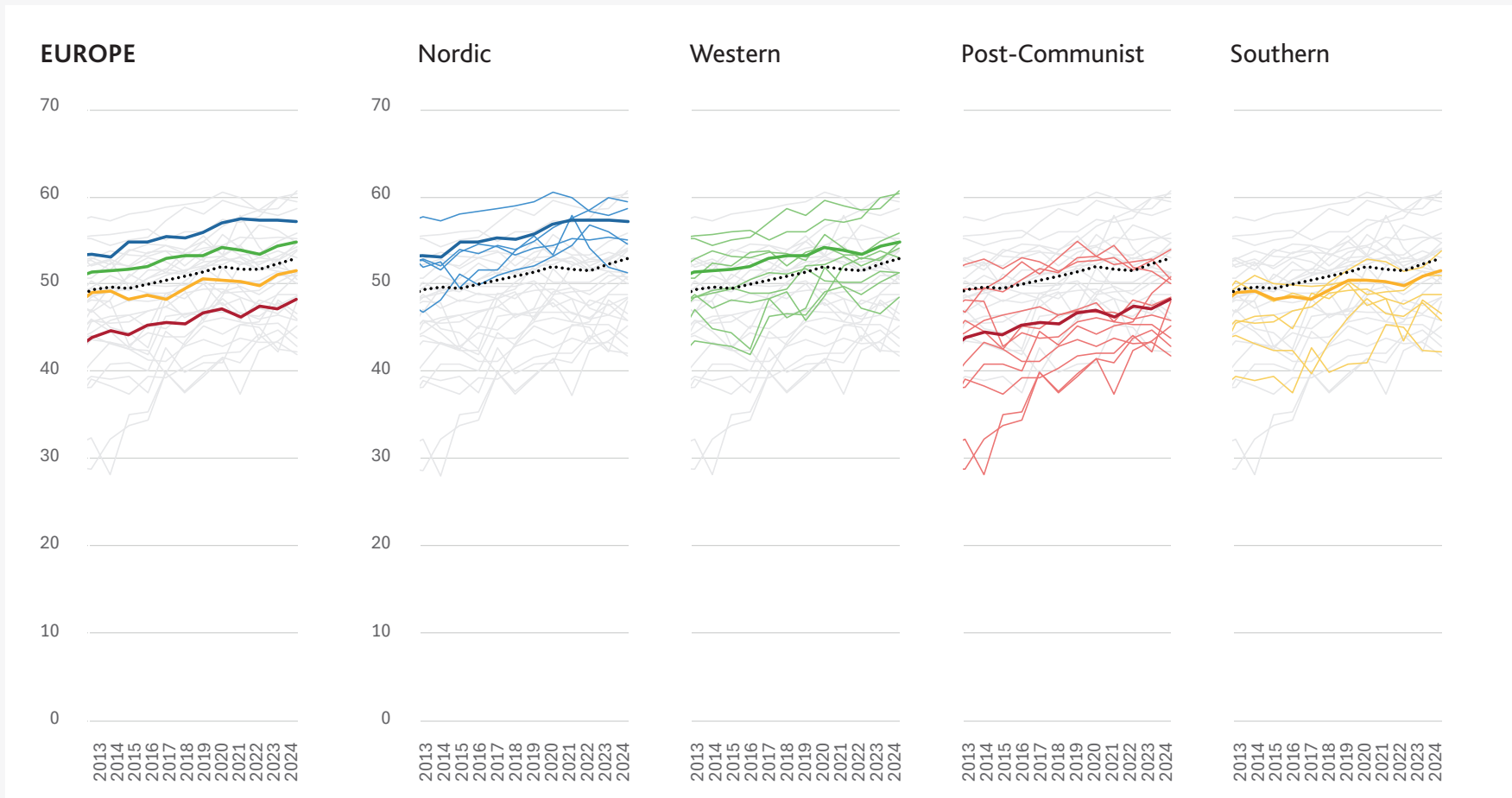
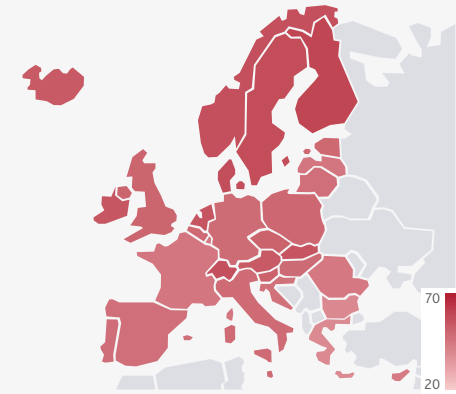
# Democracy

**Democracy** is the pact where regional patterns are starkest. Nordic countries are considerably far ahead of Western countries, with Southern and Post-Communist countries at the bottom. The low scoring regions have problems with corruption, satisfaction with democracy and confidence in institutions. In several post-communist countries, especially Slovakia, relatively few people consider that elections are fair. One indicator which reveals a different pattern is inequality reduction, which is relatively inadequate in several countries which otherwise do well on this pact, such as Switzerland. This stands in contrast to the approaches adopted by countries like Finland and France, where the tax system plays a crucial significant role in addressing economic inequality. Democracy scores have remained relatively stable over time, with only minor improvements in the lower scoring regions.



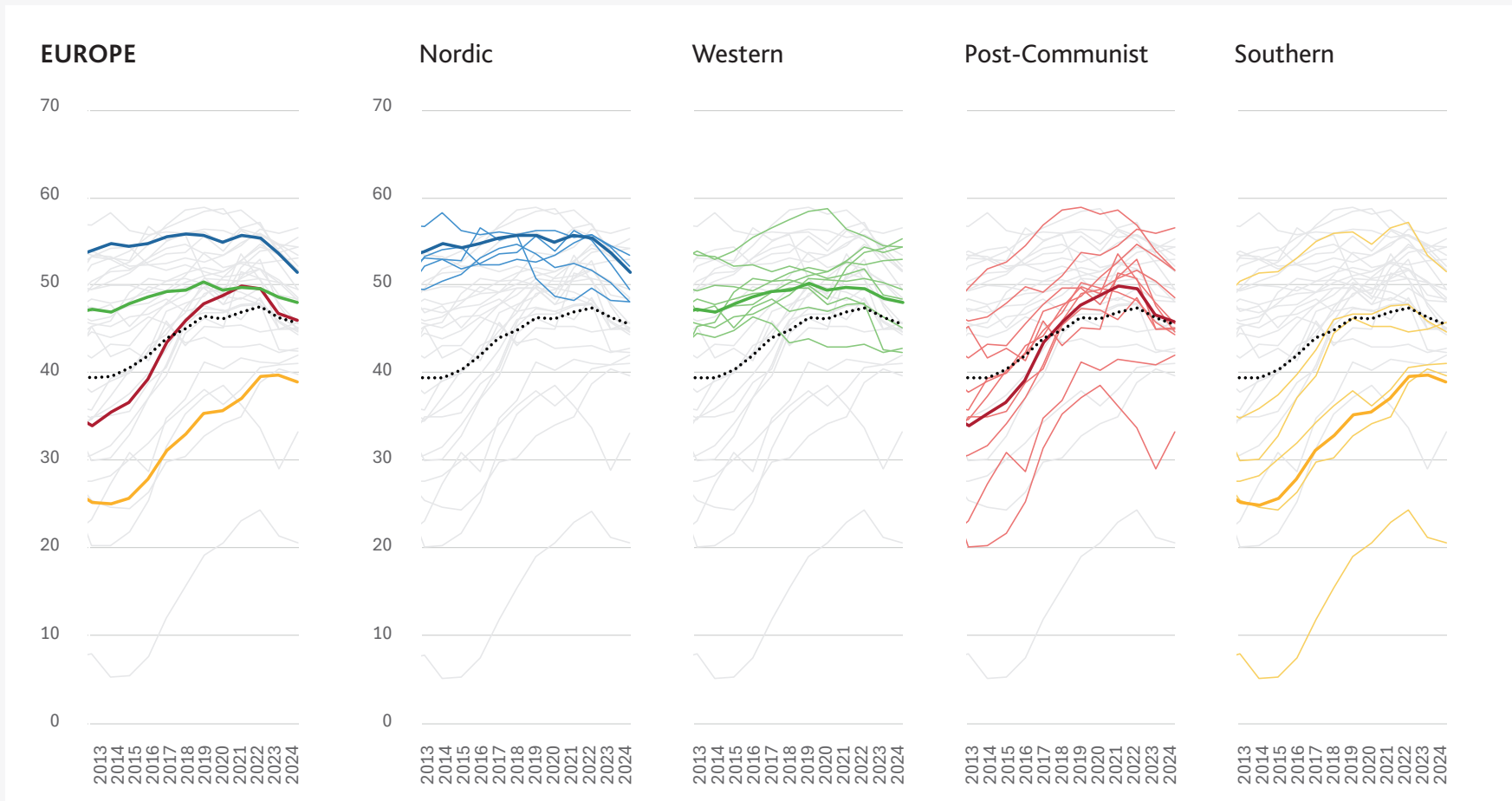
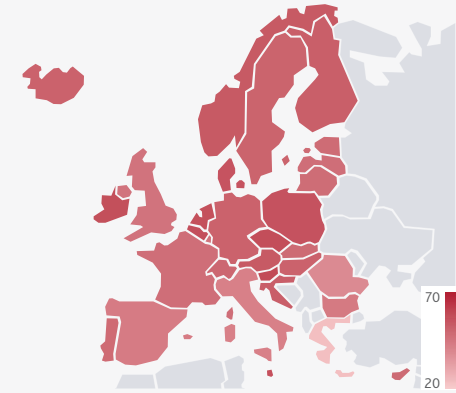
# Security

Regional differences are less clear with the **Security** pact, although the order is familiar. This is partly due to the heterogeneity of the indicators, with richer countries having better scores on indicators such as human rights and air quality, but worse scores on GHG emissions and (in some cases) economic autonomy. Southern countries have a slight upper hand over Post-Communist ones. Overall, the worst situations are in Greece, Bulgaria and Cyprus. Poor national security, high fatal accident rates and an unhealthy environment all undermine security in these countries. Surprisingly, Luxembourg also ranks poorly, due to extremely high levels of GHG emissions, low economic autonomy and a high homicide rate. Unlike the other pacts, a steady improvement can be seen, even in recent years and even in higher scoring regions.



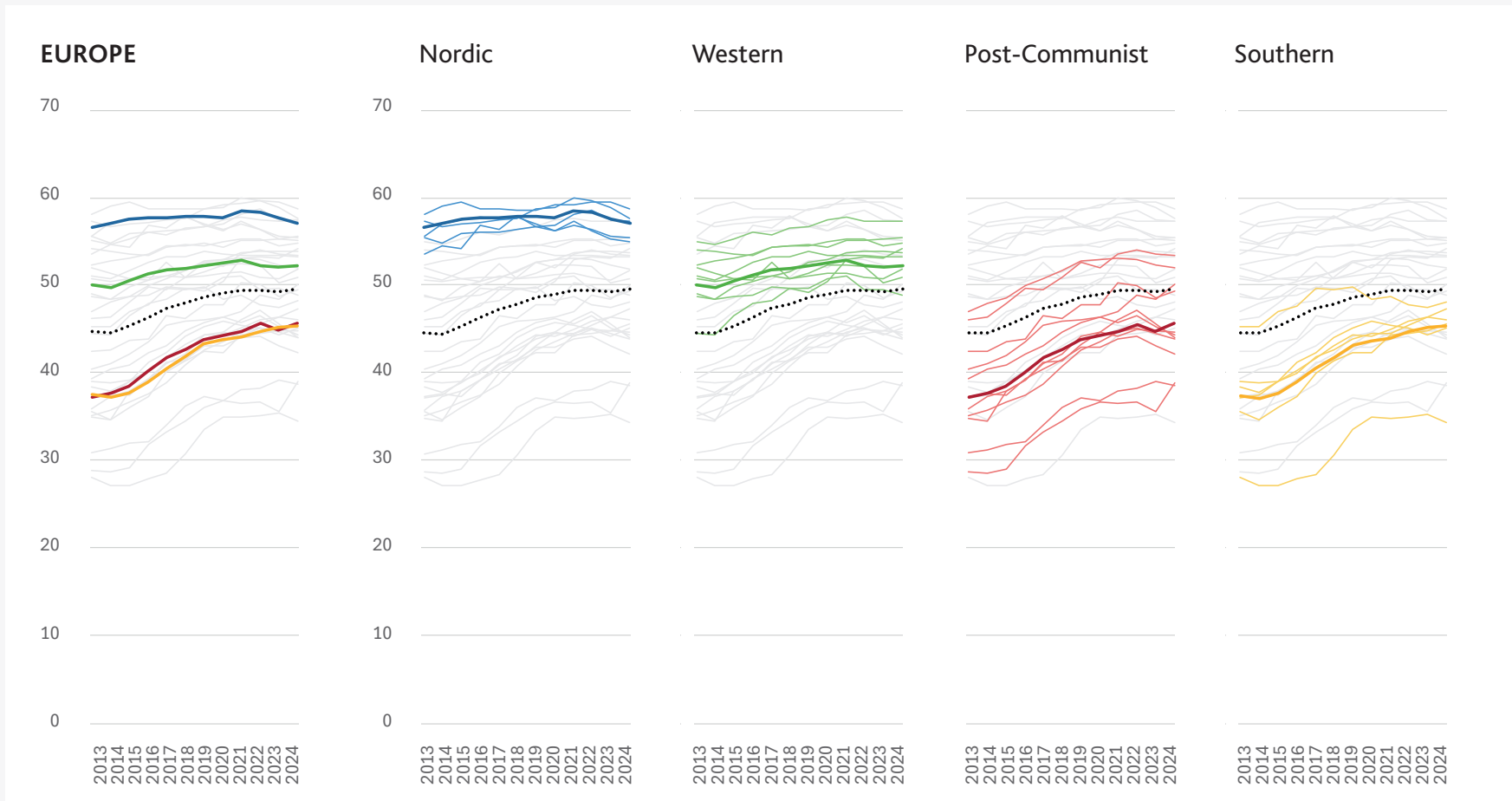
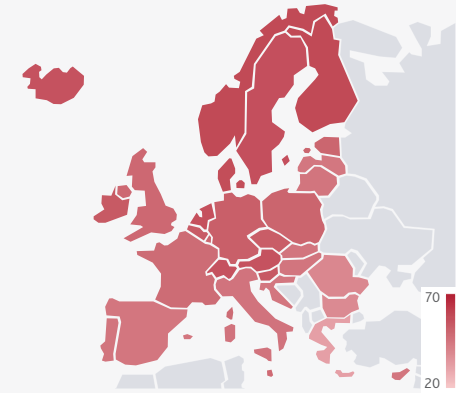
## Work-Welfare

There is a lot to say about the **Work-Welfare** pact. In terms of regional comparisons, this is the pact where the Southern region fares the worst (Greece again, followed by Italy and Spain), whilst the Post-Communist region matches Western Europe. Indeed the two highest scoring countries are Slovenia and the Czech Republic (although Romania is the second lowest scoring). There are also very diverse trends over time. There has been no improvement overall in Nordic and Western Europe, whereas the other two regions have seen rapid increases. However, all four regions have seen declines since 2021. In recent years, only two indicators related to work and welfare conditions have improved: the unemployment rate and the NEET rate. All the other indicators in the pact have declined or stagnated.



## Social Contract

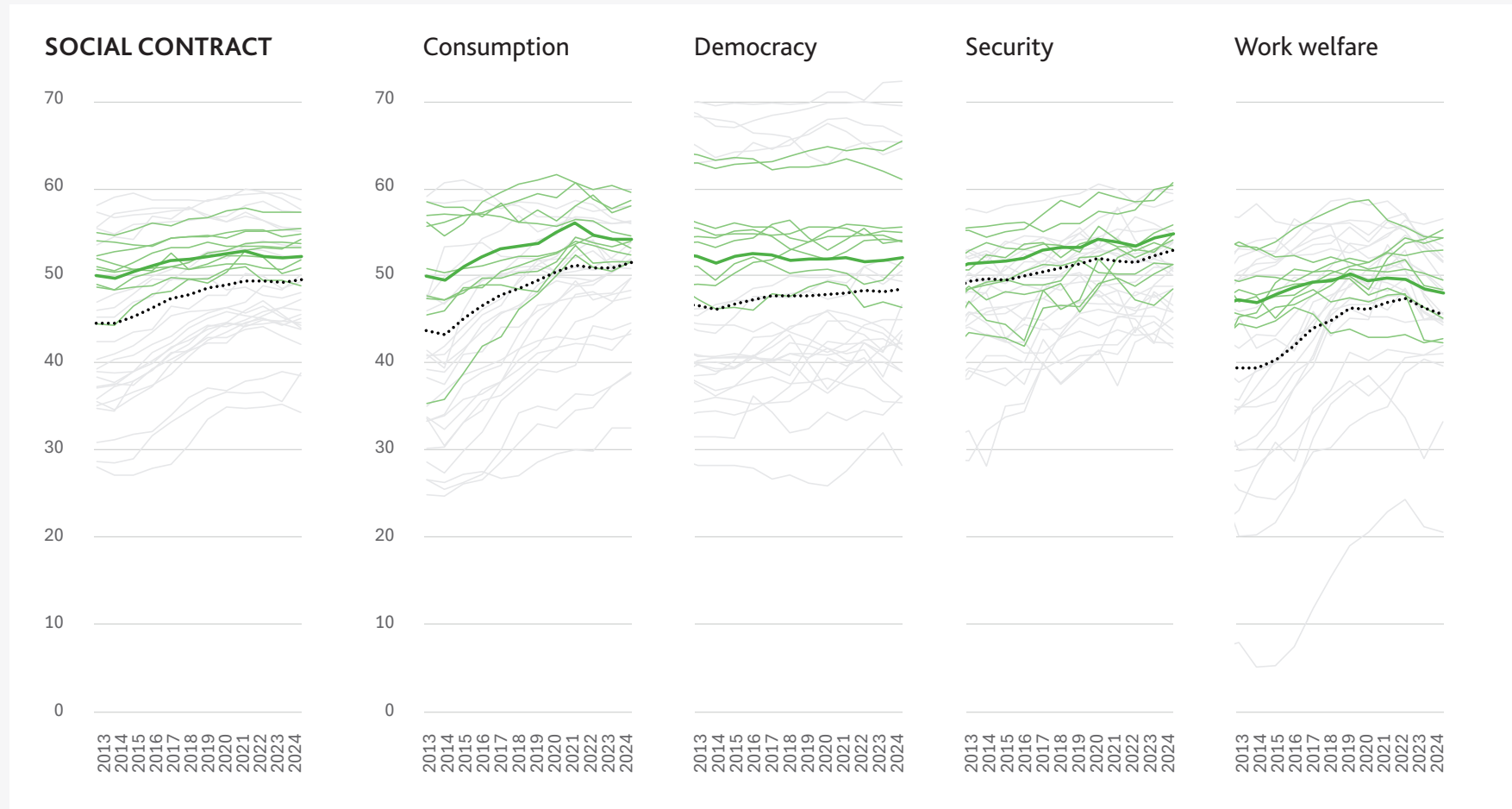
When all four pacts are combined, Nordic countries lead the way, with Norway in top position followed by Finland, Denmark and Iceland. Western European countries straddle the middle of the rankings, with the Netherlands in 5<sup>th</sup> place, Germany in 12<sup>th</sup>, and the UK and France in the bottom half of Europe (17<sup>th</sup> and 19<sup>th</sup> respectively). By contrast, all the countries in the Mediterranean region are in the bottom half, with Malta being the best of this group in fulfilling the current social contract. Greece is at the bottom of the list, scoring well below the next worst country (Bulgaria). Amongst Post-Communist countries, there is significant variation, with Bulgaria and Romania scoring poorly whilst Slovenia is in the top half of the rankings. There is also lots of between-region heterogeneity in terms of trends, which will be discussed in the next section.



# REGION-BY-REGION

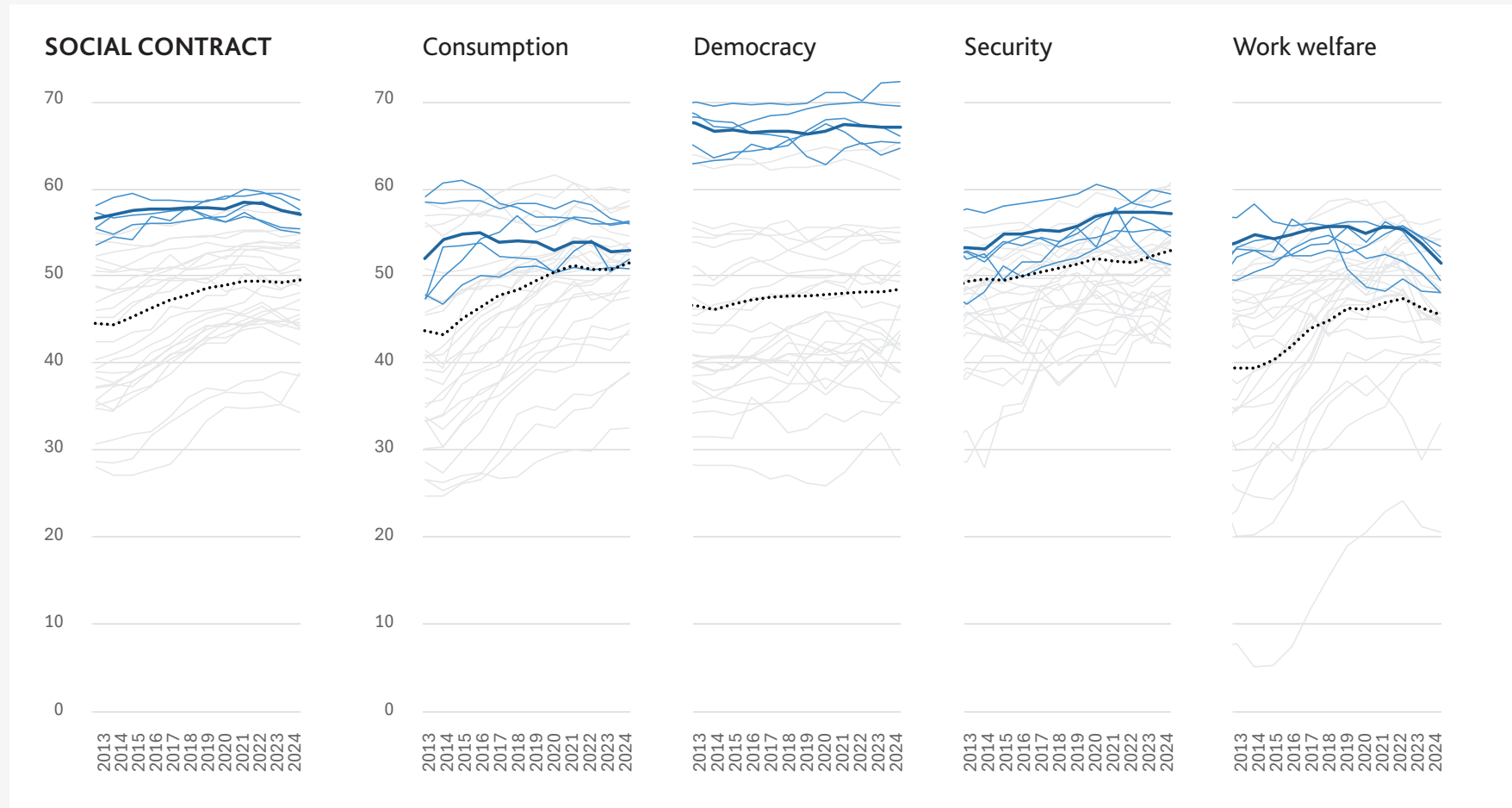
The graphs on the previous page highlight an important distinction. Whilst Post-Communist and Southern European countries have seen broad improvements in the overall Social Contract Index, Nordic and Western European countries have stagnated, even declining in the last few years. In this section, we will explore this further, looking at the pact scores region-by-region.

## Western Europe



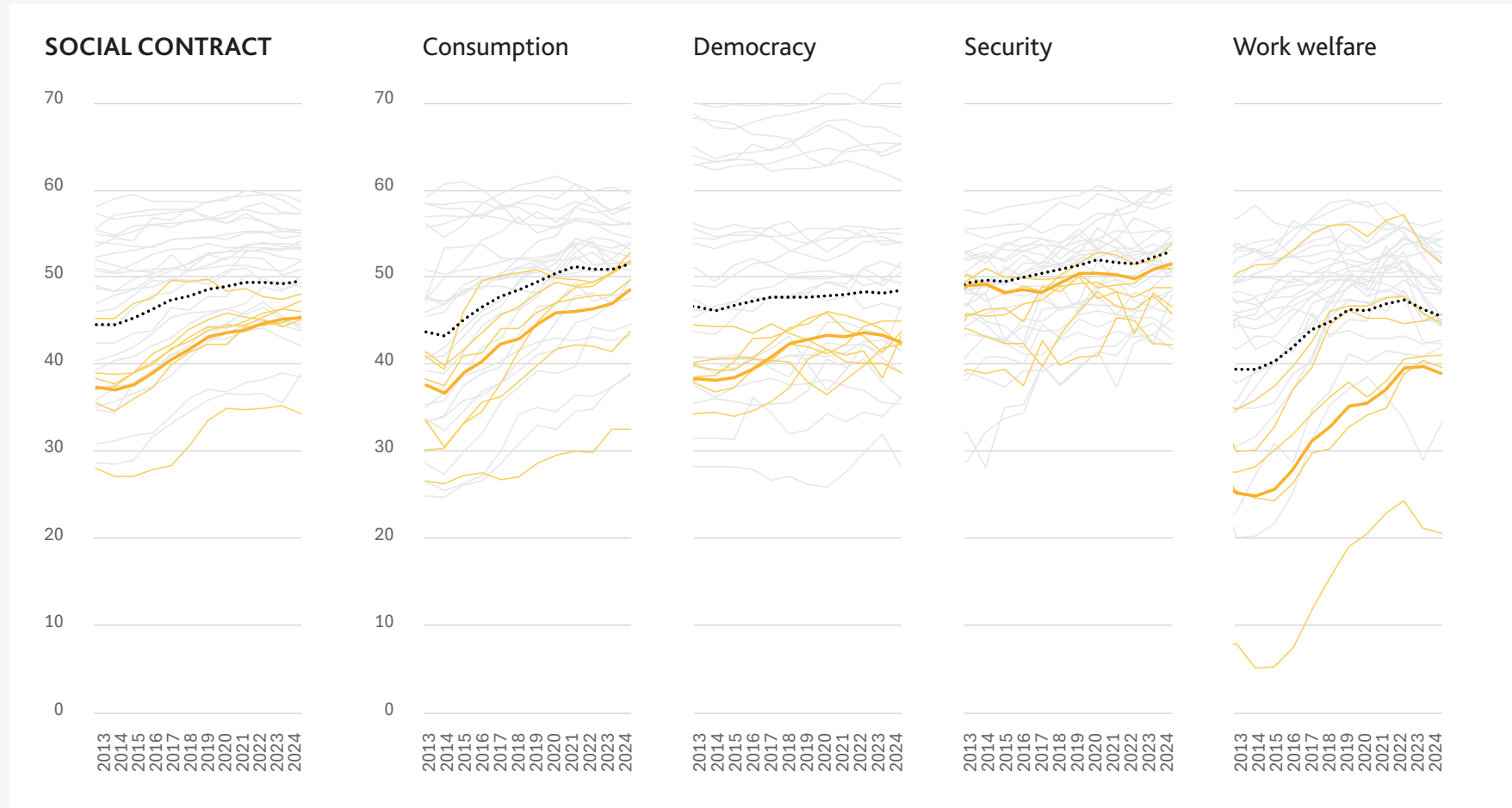
In **Western Europe**, the overall score increased from 50 in 2013 to 53 in 2021, but decreased somewhat since then. Looking across pacts, the Consumption pact saw the greatest improvement, due to increases in disposable income (particularly in countries such as Ireland, the Netherlands and the UK). However this improvement stalled in 2021. The Work-Welfare pact also improved steadily, until around 2019, and began falling since then. The only pact where there has been any improvement since 2020 is the Security pact. This group of countries has experienced clear stagnation in terms of Democracy.

# Nordic



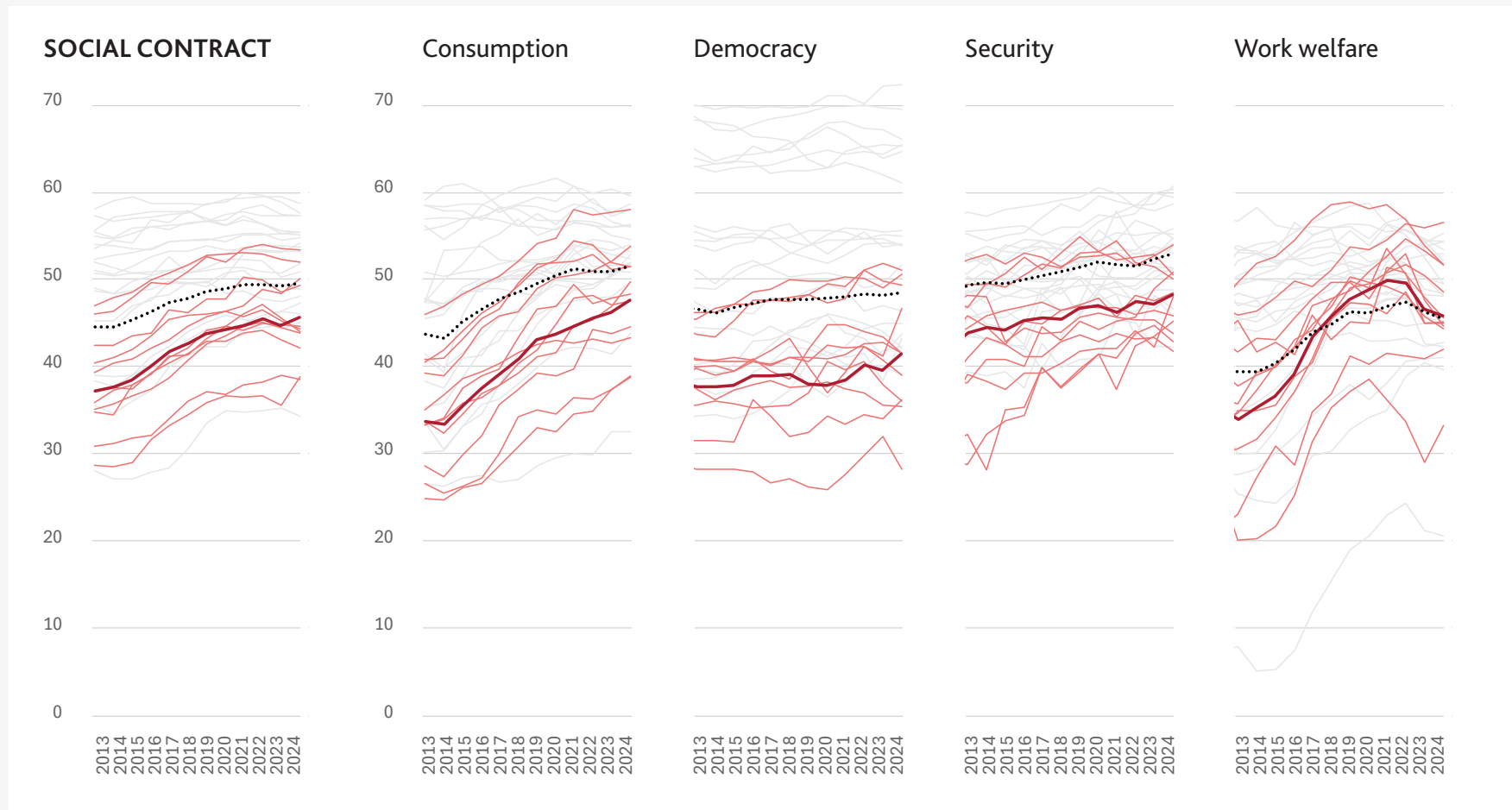
Although **Nordic** countries score above average on all pacts, there has been no increase in the overall score over a decade, and indeed a decline since 2021. The sharpest fall in this period is for the Work-Welfare pact, falling from 56 to 51 between 2018 and 2024. The only pact where the Nordic region does not have the highest score is the Consumption pact (where Western Europe scores higher). It is interesting to note that, in both regions, the only economic indicator that has shown improvement in recent years is the decline in debt. However, this is offset by a deterioration in all three other indicators (income, social consumption and making ends meet). This highlights the precarious nature of many people's living standards, with consumption needs often satisfied by accumulating household debt.

## Southern Europe



In **Southern Europe**, all pacts are below average, except for security in recent years. Data from earlier years (which can be found in the downloadable dataset) reveals the impact of the economic crisis, particularly on the Work-Welfare pact., with 2014 effectively representing a low point for the region. There has been a general improvement since then, although Democracy and Work-Welfare have decreased slightly since 2022.

## Post-communist countries



The story is similar in **post-communist** countries, with all scores below the European average, but a generally improving trend over the time series. The biggest improvements are for the Work-Welfare and Consumption pact, whilst the Democracy pact has not improved very much. Whilst the overall score for the post-communist region has continued to rise since 2021 (unlike for the other regions), the Work-Welfare pact has deteriorated.

## France & UK

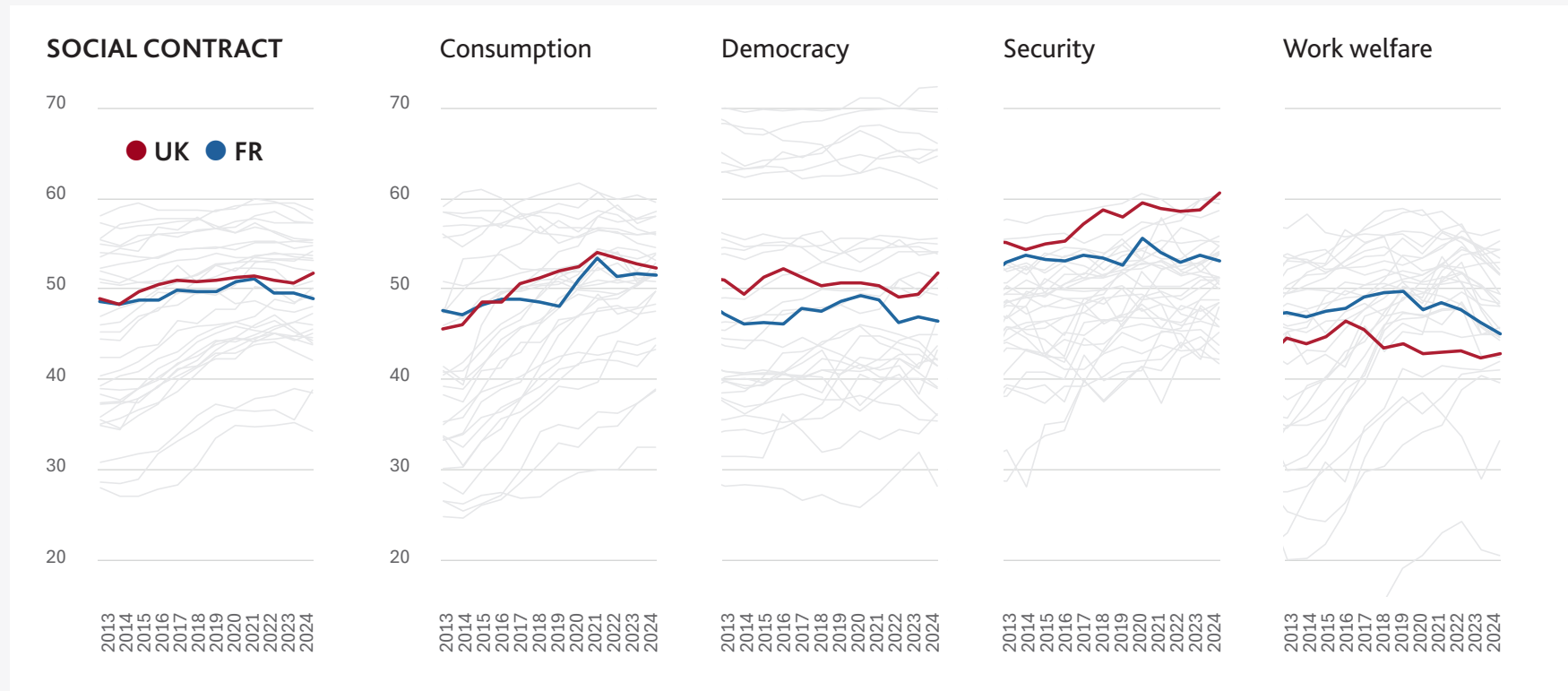


Figure shows the evolution of the four pacts for France. Over the years, France has scored around average for Europe for the overall social contract, above average for Security, but below average for the Work-Welfare pact and the Democracy pact.

2021 marked France's highest score. Since then, there has been a steady deterioration, with the strongest decline in the Work-Welfare pact. Indicators which have seen deteriorations in this period include educational underachievement, housing costs and poverty. Although it was not included in the index because of data paucity, we also note that the inherited wealth ratio has increased in France from 48% in 2010 to 55% in 2020. Considering the countries assessed in this report, France has seen the biggest decline in social contract index score over the years 2020-2024. France has the lowest percentage of people who believe that their available food is safe for human health and the environment of all the European countries.

The UK scores better than France on three out of four pacts (Consumption, Security and Democracy), but worse on the Work-Welfare pact. Scores have been stagnant over the last five years, with a slight decline in Consumption. Security and Democracy fell to lows in 2022 and 2023, but rose again in 2024. With regard to specific indicators, the UK has the worst levels of fear related to crime and violence. At the same time, it has the lowest homicide rates in Europe.

# WHERE DO WE GO FROM HERE?

Across Europe, the social contract is cracking. Some of the promises of the contract have almost never been met. Not in Education, Employment or Training (NEET) rates have been consistently above the EU's target in the majority of countries, as has educational under-attainment. GHG emissions are persistently too high across Europe, breaking state's responsibilities to protect citizens against climate threats. Meanwhile, majorities of Europeans have reported a sense that they have no political voice, distrust in political institutions, and a perception that governments are not doing their job in terms of dealing with climate change or fair taxation.

Perhaps most worryingly, since 2021, the social contract has been in decline in Western Europe and Nordic countries. Crisis after crisis appear to be taking their toll. There is insecurity regarding Europe's relationships with the USA and Russia. It is not surprising that three quarters of Europeans do not expect their children to have a better life than them.

And it is worth remembering that there are two sides to the contract. In our qualitative research in *Inside our Minds*, interviewees and focus group participants told us that they felt citizens are *also* not fulfilling their side of the contract - tax avoidance, poor environmental behaviours and failing to respect one another.

However, all is not lost. Some elements of the social contract are still, at least in 2024 in Europe, strong. Healthcare coverage is widespread in most countries, crime rates are still under control, majorities believe in the procedural functioning of our democracies in terms of fair elections and rule of law. There is still a lot to appreciate about the European social contract.

The 20<sup>th</sup> century social contract served a purpose. In so many ways, Europeans' lives are better than they were at the beginning of that century. We are almost all able to vote, for the most part, our legal system treats us all the same and our consumption possibilities have increased tremendously (of course with concomitant ecological problems<sup>14</sup>). We should not take for granted that most of Europe, including all EU countries, has enjoyed peace since 1945. Of the four pacts, it is perhaps the Work Welfare Pact that remains the most solid pillar, central to people's lives, and on which Europeans place high expectations. This may also be what makes its deterioration more politically sensitive, as seems to have been the case since 2021. However, one could argue that the cracks

<sup>14</sup> For example, see Hot or Cool Institute. 2025. A Climate for Sufficiency: 1.5-Degree Lifestyles Report - 2026 Update. Hot or Cool Institute, Berlin. <https://hotorcool.org/publications/a-climate-for-sufficiency-1-5-degree-lifestyles-report/>

that can be seen in the data in this dashboard were inevitable. Can citizens be expected to have a sense of political voice, when they only have the opportunity to vote every four years? Could we expect the proceeds of economic growth to be distributed more equally, when a tiny segment of society has so much wealth and consequently political power? Can we expect governments to take the bold decisions needed to curb climate change, when those actions are often perceived as reducing consumption possibilities? Can governments truly ensure our security, for example in the face of climate change but also economic and physical security, in the face of a globalised world?

The Work-Welfare Pact may have the fewest inherent contradictions. However, there is growing concern about the impacts of artificial intelligence on work, both in terms of the need for human labour, and the type of labour that humans will be expected to carry out. Meaning and purpose continue to be central aspirations for the work place<sup>15</sup>, and ones that might be further threatened by automation. But more fundamentally, if our labour is not needed as much or no longer contributes as much to our sense of autonomy or recognition, then what do we have to offer in exchange for the promise of a welfare state?

We are not the only organisations calling for a new social contract. This call has come from the European Trade Union Institute,<sup>16</sup> the Green Economy Coalition,<sup>17</sup> Friends of Europe,<sup>18</sup> and even from the UN<sup>19</sup> and the European Commission.<sup>20</sup> The question is: What kind of social contract do we want for the 21<sup>st</sup> century? What kind of social contract can we have? What are reasonable expectations and what are we willing to contribute in return? These are questions that government cannot and should not answer by themselves. Especially given the low levels of institutional trust that we have seen in the dashboard. We are therefore calling on them to set up large-scale representative public deliberation processes, citizens' assemblies, to answer these questions. And, most importantly, those governments need to actually *listen* to what citizens say. Before it's too late.

15 Based on data from the 2024 EWCS - <https://www.eurofound.europa.eu/en/surveys-and-data/surveys/european-working-conditions-survey/ewcs-2024>

16 <https://www.etui.org/events/towards-new-socio-ecological-contract>

17 <https://www.greeneconomycoalition.org/progress-and-projects/building-a-new-social-contract>

18 <https://www.friendsofeurope.org/initiatives/renewed-social-contract/>

19 <https://www.un.org/sustainabledevelopment/a-new-social-contract-for-a-new-era-2/>

20 [https://commission.europa.eu/strategy-and-policy/strategic-foresight/2025-strategic-foresight-report\\_en](https://commission.europa.eu/strategy-and-policy/strategic-foresight/2025-strategic-foresight-report_en)

# ANNEX – METHODOLOGY

## The social contract dashboard indicators

### Consumption pact

“being able to consume what we want, ever-growing consumption possibilities, and the possibility to demonstrate status through consumption”

Concept of social contract	Indicator (short name)	Indicator	Reverse <sup>1</sup>	Source	Latest year	Time series	Subj / Obj <sup>2</sup>
Increasing consumption possibilities	Income	Median equivalised household net income		Eurostat	2024	2007 >	O
Sense of belonging and identity through consumption	Social consumption	Average of the percentages who report not being able to afford: a) holiday, b) 'spend small amount on oneself', c) 'regular leisure activities', d) getting together with friends/family and e) replace worn-out clothes with new ones f) replace worn-out furniture with new ones	●	EU-SILC	2024	2014 >	H
Basic consumption needs <sup>3</sup>	Making ends meet	% reporting inability to make ends meet	●	Eurostat	2024	2004 >	S
Avoiding debt	Household debt	Household Debt (as ratio of household income)	●	Eurostat	2024	2013 >	O
Stable livelihoods	Unemployment volatility	Volatility of unemployment	●	ILO	2024	no	O

<sup>1</sup> For indicators marked with an '●', high numbers indicate poor performance with regards to the social contract.

<sup>2</sup> S= subjective indicator, O = objective indicator, H = hybrid indicator (e.g. when survey respondents give a subjective assessment of an 'objective' fact, e.g. whether they are able to afford a holiday), S (exp) = subjective opinion of an expert (e.g. political scientist's perspective on levels of corruption).

<sup>3</sup> It is worth noting a measure of poverty or inequality can be found in all four pacts. This is because the satisfaction of material needs is fundamental across the contract. It allows consumption, both basic and more socially-oriented. The state's duty to protect against poverty is part of its obligation in terms of security. Poverty within work violates the work pact, whereby paid labour is expected to provide a dignified life. And finally, managing inequalities was seen as part of a democratic state's duties.

## Democracy Pact

“elites are accountable, transparent and represent our interests”

Concept of social contract	Indicator (short name)	Indicator	Reverse <sup>4</sup>	Source	Latest year	Time series	Subj / Obj <sup>5</sup>
Satisfaction with democracy	Democracy satisfaction	% satisfied with democracy		ESS	2022	2002 >	S
Political voice	Political voice	% who feel they have at least “some” say in what their governments do / on politics (average of 2 questions)		ESS	2022	2016 >	S
Solidarity	Interpersonal trust	% who say “that most of the time people try to be helpful”		ESS	2022	2002 >	S
Institutional trust	Institutional trust	Trust in political institutions: % of people that trust all 5 national institutions (politicians, political parties, country’s parliament, legal system and the police)		ESS	2022	2004 >	S
Inequality	Income quintile ratio	Income quintile share ratio (S80/S20)	●	Eurostat	2024	2005 >	O
Inequality reduction	Gini reduction	Difference in Gini coefficient before and after taxes and social transfers (pensions excluded from social transfers)		OECD, IDD	2023	2010 >	O
Democracy in workplace	n/a	Trade Union density		OECD	2019	1960 >	O
Social mobility	Education inequality	Variation in performance explained by students’ socio-economic status	●	Resilience Dashboard, PISA	2022	2015 >	O
Politics for the common interest	Elite deliberation	Quality of elite deliberation (expert assessment)		V-Dem	2024	1789 >	S (exp)
Accountability in politics	Voice & Accountability	Voice and Accountability Index, World Governance Indicators		World Bank	2023	1996 >	O
Transparency / Honesty in politics	Corruption	Corruption Index (absence of), World Governance Indicators		World Bank	2023	1996 >	O
Age / gender representation in politics	Age Gender representation	Age and gender distribution of politicians (index)		WARP, WARC	2024	2000 >	O
Gender representation in politics	Gender representation	% of female parliament members		WARP, / WARC	2024	2000 >	O
Representation in politics	Political representation	% who respond yes to “Would you say there is any party that represents your views?”		CSES	2021	no	S
Fair elections	Fair elections	% who say “National elections are free and fair”		ESS	2020	no (just 2012 and 2020)	S
Rule of law	Rule of law	% who say “The courts treat everyone the same”		ESS	2020	no (just 2012 and 2020)	S

<sup>4</sup> For indicators marked with an ‘●’, high numbers indicate poor performance with regards to the social contract.

<sup>5</sup> S= subjective indicator, O = objective indicator, H = hybrid indicator (e.g. when survey respondents give a subjective assessment of an ‘objective’ fact, e.g. whether they are able to afford a holiday), S (exp) = subjective opinion of an expert (e.g. political scientist’s perspective on levels of corruption).

## Security pact

### “physical, national, social, health and environmental security”

Concept of social contract	Indicator (short name)	Indicator	Reverse <sup>6</sup>	Source	Latest year	Time series	Subj / Obj <sup>7</sup>
Hygiene and food safety	Food safety	% that believe that "Products containing chemicals that you can buy in [country] are safe for human health and the environment"		Eurobarometer	2016	no	S
Physical security - crime	Homicide rate	Standardised homicide Rate	●	Eurostat	2022	2000 >	O
Physical security - crime (perceived)	Perceived crime	% who reported that they face the problem of crime, violence or vandalism in their local area.	●	Eurostat	2023	2003 >	H
National economic autonomy	Trade concentration	Degree to which exports or imports are concentrated to/from specific countries (Herfindahl Index)	●	Eurostat	2022	2007 >	O
National economic autonomy	Material dependency	Material import dependency	●	Eurostat	2024	2000 >	O
Healthy local environment - air	PM2.5 Deaths	Premature deaths due to PM2.5 (rate per 100.000 capita)	●	Eurostat	2022	2005 >	O
Healthy local environment - water	Nitrate levels	Nitrate levels in groundwater (mg NO3/L)	●	Eurostat / EEA	2022	2000 >	O
Poverty reduction	AROPE	At risk of poverty or social exclusion rate (AROPE)	●	Eurostat	2024	2015 >	O
Safe work places	Accidents at work	Fatal accidents at work per 100 000 workers	●	Eurostat	2023	2010 >	O
National security	External intervention	Influence and impact of external actors in the functioning – particularly security and economic – of a state (expert assessment)	●	FFP Fragile States Index	2024	2006 >	S (exp)
Human rights and rule of law	Human rights / Rule of law	Human Rights and Rule of Law: Relationship between the state and its population insofar as fundamental human rights are protected and freedoms are observed and respected (expert assessment)	●	FFP Fragile States Index	2024	2006 >	S (exp)
Protection against climate change	GHG emissions	Greenhouse gases, air emissions from consumption perspective (tonnes per capita)	●	Eurostat	2023	2010 >	O
Protection against climate change	Climate change action	% who believe their "govt is doing enough to tackle climate change"		OECD (Risks that matter)	2024	no	S
Protection against climate change	Climate change fatalities	Fatalities from climate extremes (per million)	●	Resilience Dashboard / EEA	2022	2007 >	O

<sup>6</sup> For indicators marked with an '●', high numbers indicate poor performance with regards to the social contract.

<sup>7</sup> S= subjective indicator, O = objective indicator, H = hybrid indicator (e.g. when survey respondents give a subjective assessment of an 'objective' fact, e.g. whether they are able to afford a holiday), S (exp) = subjective opinion of an expert (e.g. political scientist's perspective on levels of corruption).

## Work-Welfare pact

### “remuneration, recognition and social protection”

Concept of social contract	Indicator (short name)	Indicator	Reverse <sup>8</sup>	Source	Latest year	Time series	Subj / Obj <sup>9</sup>
Job quality	Job autonomy	% who feel they <i>cannot</i> “influence decisions that are important for” their work	●	EWCS	2024	2010 >	S
Job quality	Meaningful work	% who feel they are “doing useful work”		EWCS	2024	2010 >	S
Job quality	Recognition at work	% who feel they “receive the recognition” they deserve for their work		EWCS	2024	2015 >	S
Access to healthcare	Unmet health needs	% self-reported unmet need for medical examination and care (too expensive, too far, or waiting list)	●	Eurostat	2024	2008 >	H
Access to affordable housing	Housing costs	Housing cost overburden rate (% living in a household where total housing costs represent more than 40% of the total disposable household income)	●	Eurostat	2024	2013 >	O
Strong job market	Unemployment rate	% working age population who are either unemployed or inactive but wanting to work	●	Eurostat	2024	1983 >	O
Avoiding youth inactivity	NEET rate	NEET rate	●	Eurostat	2024	2000 >	O
Fair taxation	Fair taxation (perceived)	% who say government should tax the rich more in order to support the poor	●	OECD (Risks that matter)	2024	2018 >	S
Access to good education	Educational underachievement	% of 15-year olds underachieving in reading, math, science (average of three percentages)	●	Eurostat, PISA	2024	2000 >	O
Ensuring work pays	In-work poverty	In-work at-risk-of-poverty rate	●	Eurostat	2024	2013 >	O
Ensuring work pays (wealth ratio)	Inherited wealth	% of wealth that is inherited	●	Piketty	2010	no	O

## Perceptions of societal progress

Concept of social contract	Indicator (short name)	Indicator	Reverse <sup>10</sup>	Source	Latest year	Time series	Subj / Obj <sup>11</sup>
Societal progress	Right direction	% who believe “that, in general, things are going in the right direction” in their country		Eurobarometer	2023	2011 >	S
Societal progress	Concerned about future	% who are both concerned that they will not be as well-off and financially secure as their parents AND that their children (or young members of their family) will not be as well-off and financially secure as they are	●	OECD (Risks that matter)	2024	2020 >	S
Societal progress	Children better life	% who think their “children will have a better life” than themselves	●	Gallup	2022	no	S

<sup>8</sup> For indicators marked with an ‘●’, high numbers indicate poor performance with regards to the social contract.

<sup>9</sup> S= subjective indicator, O = objective indicator, H = hybrid indicator (e.g. when survey respondents give a subjective assessment of an ‘objective’ fact, e.g. whether they are able to afford a holiday), S (exp) = subjective opinion of an expert (e.g. political scientist’s perspective on levels of corruption).

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## Selection of indicators

The four pacts of the social contract had been defined in our first report (see Introduction). In the first stage of this task, we reviewed the theoretical, historical and empirical work we had conducted to identify over 30 key outcomes which we felt reflect the social contract. We sent this list out for review, and received comments from two leading social scientists, including experts on the concept of the social contract.<sup>12</sup>

Once we had a final list of concepts that we wanted to measure, we sought to populate this with existing data. We reviewed a range of data sets (see main text) to identify possible indicators, which we then sent out for feedback. We received input from four organisations with expertise in social, economic and environmental indicators, including recommendations for alternative operationalisations or advice on which of various operationalisations we should adopt.<sup>13</sup> After this process we had 73 indicators.

The final stage involved collecting data for these indicators. In some cases we still had multiple options for some concepts – collecting the data allowed us to assess criteria such as coverage, ceiling or floor effects, and reliability. Based on the process, we selected 45 indicators which we included in this report.

## Methods for indicators which we synthesised

A few indicators needed to be synthesised or calculated:

**Income:** Median equivalised net income measured in purchasing power standards and adjusted to have constant prices for inflation using the Harmonised Index of Consumer Prices (the Euro area HICP was used, given that purchasing power standard already standardises across countries).

**Age–Gender Index:** This measure was constructed using a two-step approach. First, we calculated the Gender Index and the Age Index separately by taking the absolute differences between: a) the share of women in the population and the share of women in parliament, and b) the median age of the population and the median age of members of parliament.

Second, both indices were standardised and then averaged. Higher values indicate greater representational imbalance.

<sup>12</sup> Ian Gough, Emeritus Professor of Social Policy, LSE; and Mary Murphy, Professor of Sociology at Maynooth University in Ireland.

<sup>13</sup> OECD WISE, JRC, European Foundation for Working and Living Conditions and the Infra4NextGen Horizon Europe project.

**Volatility of unemployment:** This indicator was computed in two steps. First, we calculated, for each year from 2014 to 2024, the change in unemployment rate compared to the previous year. Second, we computed, for each country, the standard deviation of the year-to-year changes over this period. This means that a trend could not be calculated for this variable, the value represents an assessment of volatility over the entire time period.

**Unemployment rate:** This measure was calculated by adding together the unemployed population and the inactive population willing to work, and dividing this sum by the working-age population.

**Microdata-based national scores:** National scores were derived from microdata for the following variables:

- *Political representation* from CSES;
- *Climate change action, Perceived fair taxation, and Concern about future* from the OECD *Risks That Matter* survey;
- *Democracy satisfaction, Political voice, Interpersonal trust, Institutional trust, Fair elections, and Rule of law* from the ESS.

**GHG emissions:** We used new data from Eurostat which includes GHG emissions from a consumption perspective. However, this was not available for the four non-EU countries in the data set. For three of these countries (the UK, Norway and Switzerland), we used consumption-based emissions from the Global Carbon Atlas (<https://globalcarbonatlas.org/emissions/carbon-emissions/>). However, these figures are only for CO<sub>2</sub> emissions and do not include other greenhouse gases. We used another pair of Eurostat data sets (env\_ac\_co2fp and env\_ac\_ghgfp) which include consumption-based estimates for all GHGs and CO<sub>2</sub> and allow us to estimate, for the three missing countries, the additional non-CO<sub>2</sub> emissions to add to the value from the Global Carbon Atlas. We note that there are differences in the methodologies used by the Global Carbon Atlas and Eurostat, which mean that caution should be taken in comparing the results from these two sources.

## Creating the index

### *Standardisation*

The indicators included in the dashboard are all measured using different scales. To be able to create an index, it was first necessary to standardise the variables such that they all used the same scale. We used the most commonly used technique for this, which is to create z-scores for each indicator. This is done using the average of all the countries and the standard deviation between countries for each indicator, and the following formula:

$$Z_{\text{indicator}} = \text{indicator} - \text{mean}(\text{indicator}) / \text{st. dev.}(\text{indicator})$$

We used a single reference year to calculate the mean and standard deviation for each indicator (across the 31 countries in this report), and then calculated standardised scores in relation to that year. The reference year was 2022, unless data for 2022 was not available, in which case we used the nearest available. 2021 was the reference year for job quality variables (autonomy, meaningful work and recognition) and 2023 for perceived crime.

Z-scores have as a unit "standard deviations". A score of 1 is 1 standard deviation above the average, -1 is 1 standard deviation below the average and 0 would indicate a country that is exactly average for Europe. Using standardised scores means that, by definition for most indicators, the unweighted average for all European countries for 2022 would be 0. However, as we use population-weighting for most of the cross-country averages we report, this will not always be the case.

### *Averaging*

Once z-scores were calculated for all indicators, indices for each pact can be created by simply averaging the scores. We had no justification for using different weights for different concepts, so all were weighted equally. Having said that, some concepts were measured with multiple indicators, which meant that we created a score for the concept first by averaging the z-scores of the constituent indicators, before including the concept score in the average for the pact. This was the case for the following concepts and indicators:

- National economic autonomy: trade concentration and material dependency
- Healthy local environment: PM2.5 deaths and nitrate levels
- Job quality: job autonomy, meaningful work and recognition at work

In effect, this means that these specific indicators were weighted less than indicators that were included in the pact scores directly.

The overall score for the social contract was calculated by averaging the scores for the four pacts. Again an unweighted average was used.

## Rescaling

Using this method scores for the pacts ranged between -3.2 and 1.6, with 1.6 being the best score of any country on any pact (Norway's score for Democracy in 2024). These scores are somewhat difficult to interpret, so we rescaled them to a 0 to 100 scale, such that 50 would represent a z-score of 0 (the average across Europe for 2022), 100 would be a score of 3.5 (i.e. 3.5 standard deviations above the European average) and 0 would be a score of -3.5 (3.5 standard deviations below). 3.5 was chosen arbitrarily, but we wanted to avoid countries scoring negatively (i.e. below 0) for ease of communication. With this rescaling, Norway's score for Democracy in 2024 is 72.4 (out of 100), whilst the lowest score (Greece's Work-Welfare Pact in 2014) is 5.0 out of 100.

Ultimately, this rescaling does not change the patterns or results.

### *Indices for cross-country comparisons*

Seven indicators (unemployment volatility, political representation, fair elections, rule of law (subjective), Gini reduction, food safety and perceptions of climate change action) had to be excluded from the trend analysis because we did not have enough of a time series. We nevertheless wished to include them in the indices in the country-comparisons. As such, the indices used in that section were calculated separately, but using the same methodology as those indices used for the trend analysis. This means they cannot be directly compared.

## Data sources and thresholds used

Concept of social contract	Indicator name	Analysis type	Threshold	Source
<b>Consumption pact</b>				
Increasing consumption possibilities	Income	Country level targets Trends over time Cross-country comparisons		Main data: Eurostat, <a href="#">Mean and median income by age and sex</a> , PPS HICP to control for inflation: Eurostat, <a href="#">HICP - annual data</a>
Sense of belonging and identity through consumption	Social consumption	Individual level targets Trends over time Cross-country comparisons		EU-SILC: <a href="#">Database - Income and living conditions - Eurostat</a>
Basic consumption needs	Making ends meet	Individual level targets Trends over time Cross-country comparisons	% answering "With difficulty", "With some difficulty" and "With great difficulty"	Eurostat: <a href="#">Inability to make ends meet</a>
Avoiding debt	Household debt	Trends over time Cross-country comparisons		Eurostat: <a href="#">Gross debt-to-income ratio of households</a>
Stable economy	Unemployment volatility	Cross-country comparisons		ILO: <a href="#">Unemployment rate</a>
<b>Democracy pact</b>				
Satisfaction with democracy	Democracy satisfaction	Individual level targets Trends over time Cross-country comparisons		ESS: <a href="#">ESS Data Portal</a>
Political voice	Political voice	Individual level targets Trends over time Cross-country comparisons	% answering "Some" "A lot" or "A great deal"	ESS: <a href="#">ESS Data Portal</a>
Solidarity	Interpersonal trust	Individual level targets Trends over time Cross-country comparisons	5 or more on 0-10 scale	ESS: <a href="#">ESS Data Portal</a>
Institutional Trust	Institutional trust	Individual level targets Trends over time Cross-country comparisons	5 or more on 0-10 scale	ESS: <a href="#">ESS Data Portal</a>
Inequality	Income quintile ratio	Trends over time Cross-country comparisons		Eurostat: <a href="#">Income quintile share ratio (S80/S20) by sex</a>
Inequality reduction	Gini reduction	Cross-country comparisons		OECD- IDD: <a href="#">Income and wealth distribution databases</a>
Democracy in workplace	Trade unions	Trends over time Cross-country comparisons		OECD: <a href="#">Trade union density</a>
Social mobility	Education inequality	Trends over time Cross-country comparisons		Resilience Dashboard/PISA: <a href="#">Resilience Dashboards - European Commission</a>
Politics for the common interest	Elite deliberation	Trends over time Cross-country comparisons		V-Dem: <a href="#">Country-Year: V-Dem Full+Others v15</a>
Accountability in politics	Voice & Accountability	Trends over time Cross-country comparisons		World Bank: <a href="#">Voice and Accountability: Estimate   Data</a>
Transparency / Honesty in politics	Corruption	Trends over time Cross-country comparisons		World Bank: <a href="#">Control of Corruption: Estimate   Data</a>
Age / gender representation in politics	Age Gender representation	Trends over time Cross-country comparisons		WARP / WARC: <a href="#">Worldwide Age Representation in Parliaments</a>
Gender representation in politics	Gender representation	Country level targets		<a href="#">WARP / WARC: Worldwide Age Representation in Parliaments</a>
Representation in politics	Political representation	Individual level targets Cross-country comparisons	% answering "At least one party represents my views well"	CSES: <a href="#">CSES - Module 5</a>
Fair elections	Fair elections	Individual level targets Cross-country comparisons		ESS: <a href="#">ESS Data Portal</a>
Rule of law	Rule of law (subjective)	Individual level targets Cross-country comparisons	6 or more on 0-10 scale	ESS: <a href="#">ESS Data Portal</a>

Concept of social contract	Indicator name	Analysis type	Threshold	Source
<b>Security pact</b>				
Hygiene and food safety	Food safety	Individual level targets Cross-country comparisons	% answering "Yes, to some extent" or "Yes, completely"	Eurobarometer: <a href="#">Chemical safety</a> Food & You Survey (UK): <a href="#">Food and You - Secondary Analysis - Waves 1-5   Food Standards Agency</a>
Physical security - crime	Homicide rate	Trends over time Cross-country comparisons		Eurostat: <a href="#">Standardised death rate due to homicide</a>
Physical security - crime (perceived)	Perceived crime	Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">Crime, violence or vandalism in the area</a>
National economic autonomy	Trade concentration	Trends over time Cross-country comparisons		Resilience Dashboard: <a href="#">Resilience Dashboards - European Commission</a>
National economic autonomy	Material dependency	Trends over time Cross-country comparisons		Eurostat: <a href="#">Material import dependency</a>
Healthy local environment - air	PM2.5 deaths	Country level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">Premature deaths due to exposure to fine particulate matter (PM2.5)</a>
Healthy local environment - water	Nitrate levels	Trends over time Cross-country comparisons		Eurostat: <a href="#">Nitrate in groundwater</a>
Poverty reduction	AROPE	Country level targets Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">AROPE</a>
Safe work places	Accidents at work	Trends over time Cross-country comparisons		Eurostat: <a href="#">Fatal accidents at work per 100 000 workers, by sex</a>
National security	External intervention	Trends over time Cross-country comparisons		FFP Fragile States Index: <a href="#">Indicators   Fragile States Index</a>
Human rights and rule of law	Human rights / Rule of law	Trends over time Cross-country comparisons		FFP Fragile States Index: <a href="#">Indicators   Fragile States Index</a>
Protection against climate change	GHG emissions	Country level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">EU GHG emissions from consumption perspective (FIGARO)</a>
Protection against climate change	Climate change action	Individual level targets Cross-country comparisons	% answering "Enough"	OECD (Risks that matter): <a href="#">Risks that Matter data and methodology   OECD</a>
Protection against climate change	Climate change fatalities	Trends over time Cross-country comparisons		Resilience Dashboard: <a href="#">Resilience Dashboards - European Commission</a>

Concept of social contract	Indicator name	Analysis type	Threshold	Source
<b>Work-Welfare Pact</b>				
Job quality	Job autonomy	Individual level targets Trends over time Cross-country comparisons	% answering "Always", "Most of the times" or "Sometimes"	EWCS: <a href="#">European Working Conditions survey (2024)   Eurofound</a>
Job quality	Meaningful work	Individual level targets Trends over time Cross-country comparisons	% answering "Always" or "Most of the times"	EWCS: <a href="#">European Working Conditions survey (2024)   Eurofound</a>
Job quality	Recognition at work	Individual level targets Trends over time Cross-country comparisons	% answering "Strongly agree" or "Tend to agree"	EWCS: <a href="#">European Working Conditions survey (2024)   Eurofound</a>
Access to Healthcare	Unmet health needs	Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">Self-reported unmet needs for medical examination</a>
Access to affordable housing	Housing costs	Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">Housing cost overburden rate</a>
Job market	Unemployment rate	Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">Persons outside the labour force not seeking employment by willingness to work</a>
Avoiding youth inactivity	NEET rate	Country level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">NEET rate</a>
Fair taxation	Fair taxation (perceived)	Individual level targets Trends over time Cross-country comparisons	% answering "Yes" or "Definitely yes"	OECD (Risks that matter): <a href="#">Risks that Matter data and methodology   OECD</a>
Access to good education	Educational underachievement	Country level targets Individual level targets Trends over time Cross-country comparisons		Eurostat, PISA: <a href="#">Low achieving 15-year-olds in reading, mathematics or science</a>
Ensuring work pays	In-work poverty	Individual level targets Trends over time Cross-country comparisons		Eurostat: <a href="#">In-work at-risk-of-poverty rate</a>
Ensuring work pays (wealth ratio)	Inherited wealth	Trends over time (mentioned)		Piketty & Zucman (2015)
<b>Overall social progress</b>				
Societal progress	Right direction	Individual level targets	% answering "Right"	Eurobarometer: <a href="#">Surveys - Eurobarometer</a>
Societal progress	Concerned about future	Individual level targets	% answering "Somewhat concerned" or "Very concerned"	OECD (Risks that matter): <a href="#">Risks that Matter data and methodology   OECD</a>
Societal progress	Children better life	Individual level targets	% answering "Better life"	Gallup: <a href="#">Do we live better than our parents? And what about our children?</a>

## Missing data

The strategy for addressing missing data follows a clear sequence of ordered actions designed to maximize accuracy while maintaining consistency across countries and variables. First, when a gap occurs between two existing data points, we apply linear interpolation using the previous and next actual observations. Second, when the gap consists of a single missing value and comparable information is available from other countries, we extrapolate using regional trends—based on the four predefined regional groups—together with the country's own available data for the same variable. Third, in cases where a single data point is missing and no cross-country information exists, we rely on two alternative approaches depending on the structure of the data. If the variable shows a moderate or strong correlation ( $R > 0.4$ ) with another variable, we use trend-function extrapolation, with the correlated variable(s) acting as predictors. When no sufficiently correlated variables are available, we instead apply a matched-change extrapolation, filling the gap by mirroring the pattern of change observed in other variables within the same pact that have complete information. This hierarchical approach ensures that each missing value is imputed using the most reliable information available.

## Limitations

Data always has limitations. Here are some of those that should be considered when considering the data in this report. In terms of the indicators used the following should be born in mind:

1. The concepts included in the social contract were partly informed by empirical and historical review in the UK and France, meaning that they may be partly biased towards the social contract in these two countries.
2. Many aspects of the social contract needed to be dropped from the dashboard because data was not available. For example, we were unable to identify suitable indicators to measure the availability of goods for consumption, or the proportion of income that is earned through work.
3. In other cases, we had to use somewhat tenuous proxies that did not capture the full picture of a specific component of the Social Contract. For example, we assessed 'the possibility to reflect identity and sense of belonging through consumption' with indicators on social deprivation – i.e. whether people were able to afford regular leisure activities, meeting

friends and family, replacing worn-out clothes etc. This is quite a materially focussed proxy for a more psycho-social construct.

4. Similarly we sometimes had to use subjective indicators for concepts which would be best measured objectively (e.g. political voice or effective climate action). Where we used indicators from the World Bank or V-Dem, it is worth noting that these are also subjective, albeit the subjective opinions of experts.

In terms of the creation of indices, the following limitations should be born in mind:

5. The standardisation process means we are treating variation in all indicators as being equally important. This means that we are treating a 1 s.d. difference in perceptions regarding rule of law to be as important as a 1 s.d. difference in trust in institutions, even though the 1 s.d. in the case of the former indicator is a 2% difference from the mean (i.e. 98% believing that the rule of law is respected compared to the European mean of 96%), whereas for the latter indicator 1 s.d. is 16% (i.e. 43% trusting institution instead of 27%). Unfortunately, all standardisation techniques have shortcomings like this.
6. The reference set of countries used to create z-scores makes a difference. For example, if one of the variables was only available for high income countries, then the mean used to calculate z-scores for any indicator that tends to correlate with income would be higher and the standard deviation likely lower. This means that countries might appear to be doing worse on that indicator than if the whole reference set of countries had been available.
7. Many indicators were not available in 2024 (see Table). These indicators were estimated based on trends for those indicators which were available. As such the index scores for 2024 should be treated with caution. Note that, in Section X, where we refer to the actual data for individual questions, all data reported is real and not estimated.

## Acronyms

AROE	At risk of poverty or social exclusion
CO <sub>2</sub>	Carbon dioxide
CSES	Comparative Study of Electoral Systems
EEA	European Environmental Agency
ESS	European Social Survey
EU	European Union
EU-SILC	European Union Statistics on Income and Living Conditions
EWCS	European Working Conditions Survey
GHG	Greenhouse gas
IDD	Income Distribution Database
ILO	International Labour Organization
JRC	Joint Research Centre
NEET	Youth not in employment, education or training
OECD	Organization for Economic Co-operation and Development
PISA	Programme for International Student Assessment
UK	United Kingdom
UN	United Nations
V-Dem	Varieties of Democracy
WARC	Worldwide Age Representation in Cabinet
WARP	Worldwide Age Representation in Parliaments

# IDDRI

The IDDRI, Institute for Sustainable Development and International Relations, a Paris-based independent policy research institute, aims to integrate sustainable development into global relations and policies. It serves as a multi-stakeholder dialogue platform, facilitating discussions on critical shared concerns like climate change, biodiversity, food security, and urbanization.

The institute contributes to creating development paths aligned with national priorities and sustainable development goals.



Hot or Cool Institute is a public interest think tank working at the intersection of society and sustainability.

Our mission is to challenge the status quo, help people reimagine what is possible and enable systemic change towards resilient societies that thrive within ecological limits.

We translate science and research into action by providing key organisations and decision makers with tools, narratives and policy options.

We are committed to public participation and fairness as we drive systemic change to enable low-carbon nature-positive lifestyles and wellbeing for all.