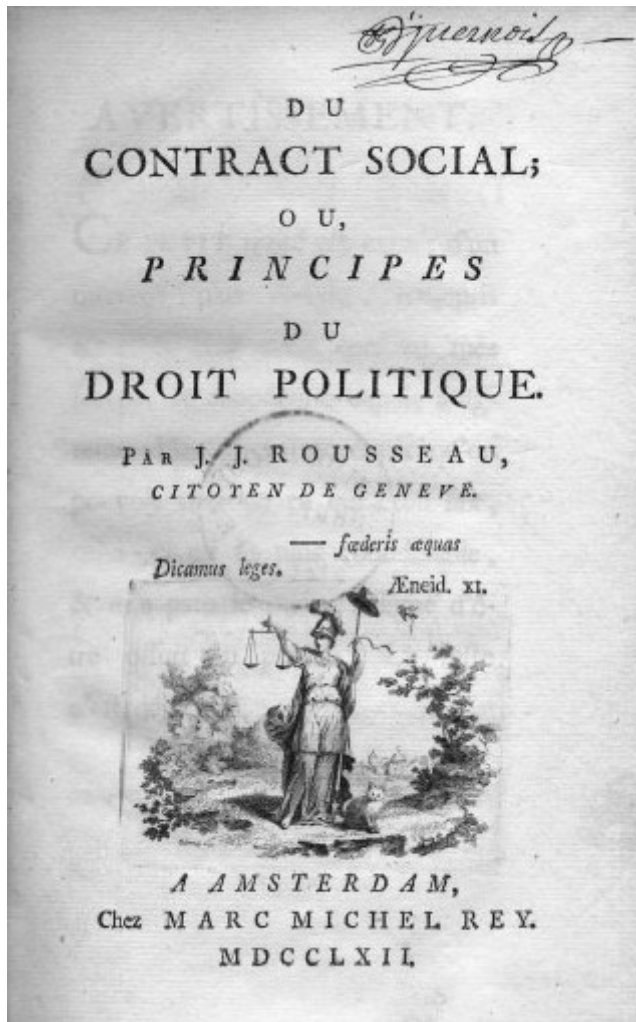


The Social Contract, Crime and Lack of Opportunity

Robert Hamill :: 2/8/2020



Social Contract by Jean-Jacques Rousseau

The basic United States social contract is work hard, obey the law, and you can succeed. That the social contract is not fully achieved can be seen in two facts. We have a crime rate that is too high and we have too much poverty.

The people who **break the law** do so for two general reasons—because they can and because they can't get what they want in any other way. **Because they can** is a form of "Might Makes Right" on an individual scale. If the criminal is bigger, stronger, more brutal, or smarter than his target (and everyone has an edge over some people), he will take advantage of the situation.

Thermometer of Socialization

When I was growing up, I saw that the amount of education was an inverse indicator of a person's reliance on Might Makes Right. If the guy stopped school before the 8th grade, that person would see taking directly from another the solution to their wants. If the person left school during high school, the person, if criminally inclined, would still take what they wanted, but it would be indirect, a nighttime break-in rather than a street robbery. As one goes further in education, if one craves more than one can earn legitimately, we enter the world of white-collar crime.

As the prior argument makes clear, there are two components that lead a person to using Might Makes Right. First is the lack of acceptance of the social convention—follow the law. The other is a self-image as unable to succeed within the society's environment.

Self-Image

A person's self-image with respect to their success is formed by familial experience and by interaction with society. With so many familial possibilities and with some clearly dysfunctional, we can unfortunately be sure that a level of damaged self-image and criminality will continue, no matter the improvements we make to the wider society.

Social Contract Delivery

What societal improvements am I talking about and how do they relate to the crime rate? We need to live up to the promise initiated in the Declaration of Independence:

“all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are life, Liberty and the Pursuit of Happiness”

and developed further in the American Dream as stated by [James Truslow Adams](#) in 1931 (bolding by me),

“life should be better and richer and fuller for everyone, with **opportunity for each** according to ability or achievement regardless of social class or circumstances of birth.”

Opportunity and Crime

How does opportunity relate to crime? For that population that is not allowed an opportunity to achieve, some portion will not be socialized to reject Might Makes Right, yet will retain their desires for what others have. They will be the criminals of tomorrow.

The social contract, more formally, according to Merriam-Webster is

“an actual or hypothetical agreement among the members of an organized society or between a community and its ruler that defines and limits the rights and duties of each.”

The ruler in the US is the ruling class—the government, leaders of social organizations, lobbyists, and opinion makers. They are responsible for creating a society that provides opportunities for each. That is their

duty according to the social contract, which in turn promises a population in compliance with law.

Range of Outcomes

I am not a person who believes equal opportunity means equal outcomes. People have different levels of skills, meaning that equal opportunity will deliver a range of outcomes.

That being said, society has not provided a normal range of outcomes in the recent past. Since the 1970s the ratio of CEO-to-full-time-worker pay has exploded in favor of CEOs. The rulers have taken 95% of all income gains since 2008 for themselves. That is far beyond the normal range of outcomes resulting from different level of skills.

Failure to Provide Opportunity

If our leaders fail to address the lack of opportunity for the poor, they must accept blame for a crime rate that they find intolerable.

Related Posts

[Flash Mob and the Social Contract](#)

[Handful of School Curriculum Changes](#)

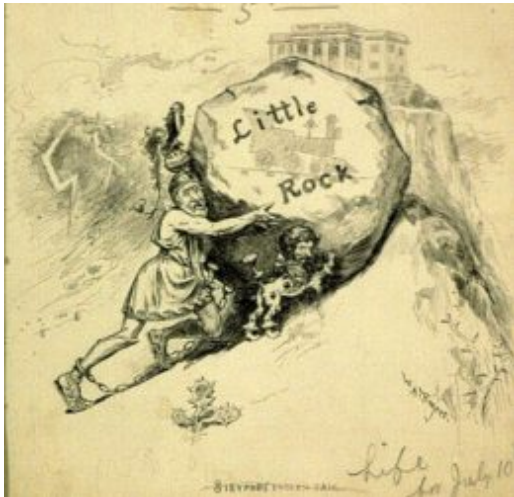
Status Quo and Political Inertia

Robert Hamill :: 1/19/2018

To more broadly support the rights to life, liberty, and the pursuit of happiness, some changes must be made to current society. Before I go into a few changes, let me note that any change is always resisted. Why? Because some people are favored by the current rules and they may lose status, money, or opportunity by changes.

Status quo is the political inertia of social sciences. To change any situation, force must be applied.

Change in Society



One must be prepared for gripes from those people who benefit from the existing status quo. It doesn't matter whether on an absolute scale they deserve their benefit or not. They have it. They're going to lose it. They're going to be pissed.

As FDR put it, "It is an unfortunate human failing that a full pocketbook often groans more loudly than an empty stomach."

It's no wonder that **calls to increase economic equality** are always met with **groans from the haves**.

Ability and Success

The likelihood for people to rise according to their own ability is measured by [changes in their economic income](#). In the United States, if you are born into the lowest income range, 42% of you will remain in that range through your life, not 20% as statistical likelihood predicts. That is, your family's income at birth is

twice as likely to affect your future possibilities as your innate ability. That is contrary to the common thought that we are promoted to the level of our abilities.

Success of Society

Nevertheless, many rules and procedures have served the population well. For instance, it would be foolhardy to change the right to a fair and speedy trial. That is a radical change that's not needed. Everyone continues to want fair and speedy, although there remain arguments over fairness.

Still, change is needed. Crime needs to come down and opportunity needs to increase. Healthcare and education need to improve (change) for those goals to be reached.

Related Posts

[Crime and Social Contract](#) Opportunity must be offered for crime to diminish.

[High School Attendance](#) A student's failure detracts from society's production and adds to crime, but it doesn't have to.

Image Citation

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Flash Mob and the Social Contract

Robert Hamill :: 1/20/2018

Perhaps you saw the recent news: [NJ Family Visiting Baltimore Haunted By Random Teen Attack At Inner Harbor](#)

It's the heart of Baltimore's tourism industry, but the Inner Harbor turned into a nightmare for a visiting family of 10 earlier this month.

Out of nowhere, they were swarmed and beaten by a large number of teenagers.

A large number of teenagers will always be able to overwhelm smaller groups of people, but they don't usually. What stops a physically powerful person from routinely taking what belongs to a weaker person? The law and penalties? That controls most situations, but only when the fabric of society is held in place by the social contract. Freddie Gray's death in 2015 confronted us with a rip on one side of the contract.

Flash Mob

About five years ago I was at Harbor Place in Baltimore. It was mid-day. All of a sudden about thirty kids—all black, probably ten to fourteen years old, waving their arms and yelling—rushed through an open-air performance area. The vocal group and many of the people in the audience gasped at the interruption, unsure what was happening and what was next.

Surprisingly, the kids continued through and continued until out of sight. Nothing more untoward happened. The flash mob came and went.

I'm sure I speak for many there when I say that the ease with which norms of social behavior were flouted made clear that more disturbance could have occurred. The reason it didn't was the whimsy of the flash mob, neither the presence of a couple of officers across the plaza nor fear of audience retaliation.

Social Contract

Social Contract

- According to Locke, the main purpose of government is to protect the natural rights of individuals.
- People agree to give up absolute rights to a government to gain protection and maintain order.
- Our Constitution is a Social Contract



The scene gave a glimpse of the thinness of civilization's veneer that protects in a communal society. That veneer is maintained by the social contract.



United States Declaration of Independence

Our Constitution is one social contract, governing law, order and promising individual rights.

American Dream

The American Dream is another contract. It is the ideal that every US citizen should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative.

If people grow up without that equal opportunity, it's not surprising they don't feel as bound by laws as we wish. That is not an excuse, but an explanation.

Equal opportunity is a demand on the haves. Abiding by laws is a demand on the have-nots.

The social contract demands and promises should be known to both haves and have-nots—through school, understood in common conversation, and used in political debate. When the social contract is met by both sides, then more of the have-nots will become haves.

Additional Information

in [Class Warfare and Status](#)

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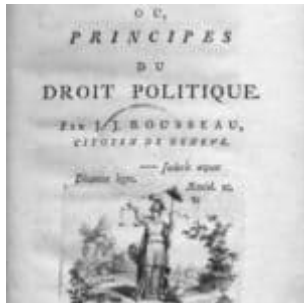
Gross Inequality and Social Contract

Robert Hamill :: 5/22/2018

Why is economic inequality such a significant problem?

Because it is half of the social contract. When opportunity is denied, don't be surprised when law and order is broken.

Social Contract



The social contract has a history back to Plato, but its modern form arose in Jean-Jacques Rousseau's book published in 1762.

1. Follow the laws of the land
2. Work hard and you can get a decent job.

Part 1 is a responsibility on the population. People who have things want the law to protect their property and life. Those who don't have things are expected to ignore the rule of Might Makes Right. They are not to hit an old person on the head and take their wallet just because they are young and can do that.

Considering the opportunities available to them, the rule of law usually prevails. But following the rule of law is only half of the social contract, the impetus to follow it flows from the rewards that a decent job provides— income, lifestyle, and respect.

Part 2 is the responsibility of society. If some of the have-nots come to believe that they are being denied the chance of a decent job, then their motivation to honor their responsibilities under the first half of the social contract is severely undercut.

The social contract is not an enacted law, but a psychological reality needed for societies to be successful, to not be overturned by riots and revolution.

Increasing Income Inequality

I won't gild the lily. According to Fortune Magazine in 2015, [Top CEOs make more than 300 times the average worker](#). That is an extreme disparity. As recently as 1965, CEO pay was twenty-one times the average worker.

A huge proportion of profits in the past fifty years have been taken by the CEOs. They have not been shared with the average worker.

Broken Social Contract

CEO pay is one indication that hard work is not being properly rewarded. If we consider minimum wage workers—those working hard trying to move up the ladder, not the teenage odd-jobber—their decline in income is noticeable to anyone knowing the history of the federal minimum wage .

From a purely selfish perspective, the haves should be concerned. If society breaks the promise of a prosperous future for hard workers, why should we expect that those left behind would follow the law?

Read [Flash Mob and the Social Contract](#) for two recent incidents testing the social contract. One where it held, the other where it broke.

Education

Every child should be taught the social contract—the relationship between opportunity and respect for law. They will be the leaders tomorrow and must understand that opportunity denied returns as less respect for the rule of law.

Honoring the responsibilities and the rights of the social contract is essential to a fair and stable society.

Related Posts

[Education changes](#)

[Flash Mob and the Social Contract](#)

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Creative Destruction and the Social Contract

Robert Hamill :: 8/23/2014

We are rightly proud of the economic achievements capitalism and hard work have brought to the US, but free market capitalism is not a flawless mechanism. I have posted elsewhere about [income inequality](#). Here I want to focus on an overlooked consequence of creative destruction.



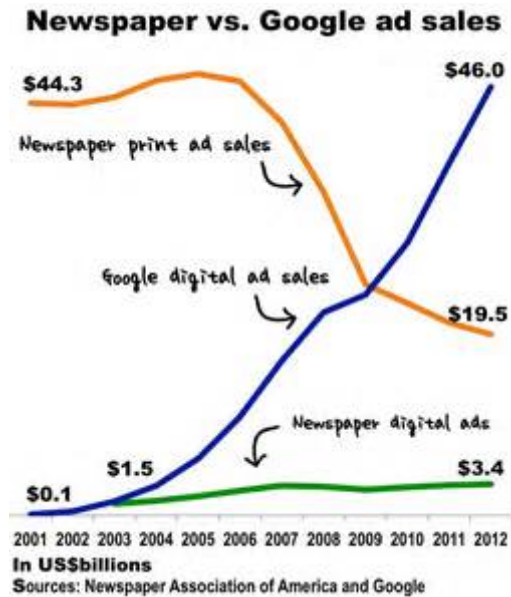
Creative Destruction quote

Here's the definition from MIT economics.

Creative destruction refers to the incessant product and process innovation mechanism by which new production units replace outdated ones. This restructuring process permeates major aspects of macroeconomic performance, not only long-run growth but also economic fluctuations, structural adjustment and the functioning of factor markets. Over the long run, the process of creative destruction accounts for over 50 per cent of productivity growth.

Here are two significant forces that lead to creative construction.

Technology



Ad revenue shift from newspapers to Google

Technology changes are unavoidable these days and in general lead to greater wealth, although some industries and their employees are hurt by the change. Let's consider the rise of the internet and one particular area with winners and losers.

The shift from reading news in physical papers (with inflexible schedules) to getting information on items of interest from an electronic device (able to display the latest stories) was a technology-driven revolution.

At first both avenues grew. Newspaper ad revenue grew (2001-2006) while the Google ad stream also grew in that time frame. Then, the ad money shifted from newspapers to Google (2007-2012) and probably continuing. The rapidity of the change to online ads is astounding. Newspapers have not died, as evidenced by the remaining \$19.5B ads in 2012. From an operational perspective, it is imperative to realize that the newspaper cost structure (salaries and fixed expenses) quickly became too large for their diminished ad revenues.

The newer, more flexible, and cheaper-to-the-end-user web-based method is a positive example of creative destruction, although to those in the newspaper business it is a bitter reality. Also, we have to consider whether the news we read or see in the Internet is based on fact.

Financial

However, creative destruction arises in businesses because of financial innovations.

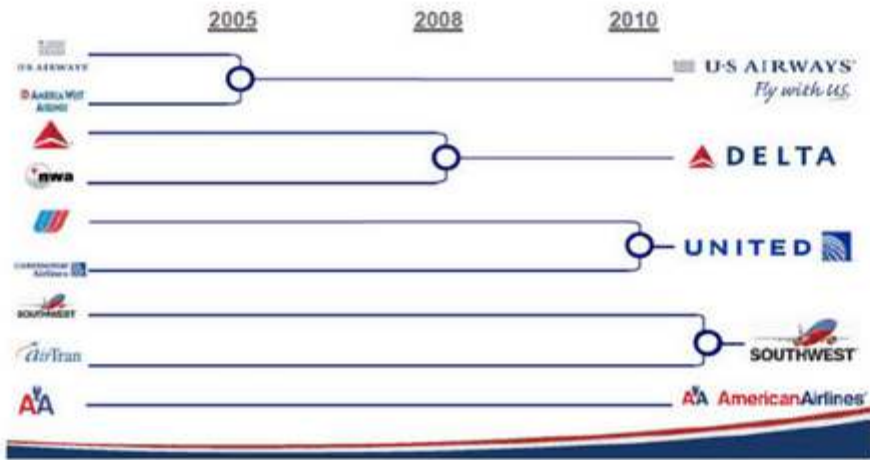
A company's viability can change dramatically under different financial conditions. In some cases, government programs encourage creative destruction.

Consider this situation. US airlines were under extreme financial pressure earlier in the decade. A number of factors are involved, but a fundamental problem is that older, more established airlines have to fund

retirement funds at a level that forces their ticket prices to be uncompetitive.

Consider the large sloughing of United's pension liability (NY Times 5/11/2005) over to the PBGC (Pension Benefit Guarantee Corp). That lowered pension benefits for many United Airlines retirees. The Airline industry consolidation chart shows the concentration occurring. [American Airlines](#) tried to push its pension liabilities to PBGC, which resisted. American Airlines then declared bankruptcy.

U.S. Airline industry consolidation since 2005



Market Realist[®]

Source: DOT

Consolidation is not creative destruction. It is the transfer of assets without pension responsibility

In the case of older companies declaring bankruptcy, they repudiate their debts, including pensions. Established companies or newly formed companies can buy up the physical stock of the old company. The purchasing companies start with a clean slate, no pension liabilities, enabling them to charge less, while providing the same service.

Business media call this creative destruction at work, getting rid of non-competitive companies. That ignores the fact that the gain in productivity is actually the breaking of the pension pledge.

The victims are people, middle-class workers and retirees of the vanished company, not the company. These people no longer have the pensions they were promised.

Financially engineered creative destruction is permitted but it is done on the backs of the working men and women. The shifting of pension liabilities to the public PGB should not be allowed in mergers or in purchases

of entire companies that have declared bankruptcy.

Many established industrial and service companies (like GM, Ford, GE, BofA, the coal industry) face a same funding calculus. Capitalism, as we practice it in the US, has an inherent, unchecked tendency to favor the bankruptcy of existing companies, even in profitable sectors.

Societal Cost

Financial engineering is not a natural, free market process. It is artificial sleight-of-hand, hiding the cost of productivity gains. This is a breach of the social contract. The social contract (follow the law and you can earn a good lifestyle) is broken.

Can society expect citizens hurt by creative destruction to follow their responsibility to the law, when their reward from honoring the social contract has been violated?