Project Syndicate

A Workable Social Contract for the Climate Transition

Sep 17, 2026 ***JAYATI GHOSH*** *and* ***OWEN GAFFNEY***

NEW DELHI/STOCKHOLM—There is a paradox at the heart of climate politics. An overwhelming majority of people around the world want governments to tackle global warming. Yet in many of the largest economies, voters are backing parties that deny or downplay the climate crisis.

The climate paradox is rooted in a profound sense of economic unfairness. Earlier this year, as Elon Musk briefly became the world's first trillionaire, a survey conducted by Ipsos for Earth4All found that four in ten people across major global economies feared that their household would be unable to afford basic needs in the next 12 months. And in lower-income countries, economic insecurity is even more acute.

Behind that figure lie four decades of broken promises. The neoliberal vision of wealth trickling down has failed to materialize, while the 2008 financial crisis and subsequent global shocks laid bare a system in which profits are privatized and risks are socialized, with the poor disproportionately shouldering the costs. The result has been deepening distrust in governments. Yet those governments are now asking people to trust their assurances that the current far-reaching transformation will be fairer than the last.

The Earth4All survey highlights the scope of today's crisis of legitimacy. Conducted among 13,516 people across 17 countries—G20 members plus Sweden, excluding China, Russia, and Saudi Arabia—the survey found that 70% believe economic inequality in their country is too high, and 65% say the economic system is "rigged to benefit the rich and powerful." More than two-thirds want major changes to the economic system, compared with just 8% who disagree.

These responses, validated by lived experience, are entirely rational. In a world where wealth has become spectacularly concentrated, allowing large corporations and the ultra-wealthy to skew regulation, taxation, and public spending in their favor, the sense that the rules are written by and for the powerful is well founded. The same political and economic arrangements that generate extreme inequality also undermine governments' ability to provide affordable energy, decent jobs, public services, and resilience against climate shocks.

As a result, the mandate for climate action remains conditional. Across the countries surveyed, 54% support strong government action to reduce greenhouse-gas emissions even if it leads to higher prices. This includes the United States, despite President Donald Trump's dismantling of key climate policies. But support falls among lower-income groups and right-leaning respondents in all 17 countries.
Climate policies cannot win social and political support if they let the wealthy, who produce the most emissions, maintain business as usual. The challenge is compounded by the rapid erosion of social cohesion, with two in three respondents (67%) saying their country is more divided than it was a decade ago. Political divisions are the most pronounced: 71% see serious tensions between supporters of different political parties, well ahead of tensions between high- and low-income earners (63%), immigrants and native-born citizens (62%), and people concerned about climate change and those skeptical of it (53%).

Societies marked by such divisions struggle to make collective decisions, share costs, and pursue ambitious projects whose benefits may take years or decades to materialize. Our ability to confront the defining challenges of this century, from cutting emissions and reversing ecological breakdown to managing the disruptive effects of AI, rests on public institutions that can make long-term investments, act fairly, and command sufficient trust to withstand the inevitable backlash.

Trust, however, is in dangerously short supply these days. Fewer than one in three respondents (31%) believe their government can be trusted to make decisions that will benefit the majority of people 20 or 30 years from now.

Democracy nevertheless retains considerable support, with 68% of respondents saying that a political system in which leaders are chosen through free and fair elections is the best way to govern their country. But that legitimacy is far from assured: 40% of respondents believe their country would be better off with a strong leader unconstrained by parliament and elections; in several middle-income countries such as Indonesia, India, South Africa, and even Brazil, that figure rises above 50%.

Ultimately, democracy's survival depends on whether it improves people's lives. It is unconscionable that, even as societies have become vastly wealthier, so many people—including in the world's richest countries—remain economically insecure. Democracies must offer the least well-off a genuine stake in the future through affordable clean energy, decent wages, universal public services, and resilience to economic and climate shocks. They must also ensure that the biggest emitters pay their fair share of the climate transition's costs.

The climate mandate will endure only if the transition is demonstrably fair. When clean energy cuts household bills, public investment creates secure jobs, essential services are protected, and the wealthiest and biggest emitters pay what they owe, what is there to resist? Rather than trying to manufacture consent for climate action, governments need to forge a social contract capable of sustaining it.

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