A new social contract: achieving social justice in an era of accelerating change
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*Bureau for Workers’ Activities*
A new social contract: achieving social justice in an era of accelerating change
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The social contract of the 1940s and 1950s followed the principle that citizens contributed to the common good – whether economically, socially or culturally – on the assumption that the state would ensure a minimum standard of living, provision of essential social services and infrastructure and the protection of their basic rights. Now, however, the global socio-economic context is characterized by a persistent and pervasive joblessness, insecure employment and working poverty, growing income inequalities and inadequate social protection coverage. This paper calls for a new social contract which reduces social inequality, promotes living wages and adequate working conditions and occupational safety and health. It calls upon governments to establish universal social protection systems that are resilient, effective, inclusive, adequate and sustainable over the long term.

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Elaine Fultz and Ursula Kulke

While social protection is recognized as a basic human right by virtually all governments and international institutions, in reality most of the global population still has no social protection coverage. The ILO Social Protection Floors Recommendation, 2012 (No. 202) offers a blueprint for making social protection the centrepiece of a new social contract. This analysis takes a fresh look at Recommendation No. 202 in light of both the newly exposed weaknesses of existing social protection and recent government efforts to build social protection floors, and outlines the potential contribution of workers’ organizations to the UN/ILO Global Accelerator for Jobs and Social Protection for Just Transitions and the proposed global social protection fund.
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A new social contract: achieving social justice in an era of accelerating change in the agricultural sector

Leda Celis

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A new social contract for the social media platforms: prioritizing rights and working conditions for content creators and moderators

Jacqueline Wambui Wamai, Maureen Chadi Kalume, Monica Gachuki and Agnes Mukami

This paper describes the special challenges faced by content moderators and creators on digital labour platforms, including isolation, high workload, exposure to disturbing content, abuse and harassment and lack of job security. A new social contract should recognize the immense value of workers’ contributions, including those working in other countries for large Western corporations, and ensure fair compensation for their efforts. The paper outlines the potential contributions of governments, trade unions, employers and stakeholders.
Preface

Maria Helena André
Director of ACTRAV
In a fast-changing world, weakened by multiple crises and worsening poverty and inequality, there is an urgent need for a new social contract to regulate the rights and duties between States and their citizens more effectively.

The social contract model inherited from the post-Second World War era has become obsolete in the face of challenges such as globalization, demographic change, new technologies and the digital transformation, the challenge of climate change and the growth of inequalities and extreme poverty throughout the world. During the COVID-19 pandemic, which left the world of work particularly hard-hit, the United Nations Secretary-General, António Guterres, recalled that: “The New Social Contract, between Governments, people, civil society, business and more, must integrate employment, sustainable development and social protection, based on equal rights and opportunities for all”.

In the world of work, the ILO has been addressing the issue of social justice since its foundation in 1919. The Constitution of the ILO states in its Preamble that “universal and lasting peace can be established only if it is based upon social justice”.

The 1944 Declaration of Philadelphia, adopted in the twilight of the Second World War, reaffirmed in its Article 1 that: “labour is not a commodity” and “poverty anywhere constitutes a danger to prosperity everywhere”. In 2008, the ILO constituents unanimously adopted the Declaration on Social Justice for a Fair Globalization with four objectives to achieve decent work for all, namely, the creation of sustainable jobs; the strengthening of social protection; the promotion of social dialogue and tripartism; and the respect and implementation of fundamental principles and rights at work. The ILO Centenary Declaration for the Future of Work, adopted in 2019, proposes a human-centred approach to achieving social justice through increased investment in three areas of action: people capabilities, labour institutions and decent and sustainable work.

On this basis, in 2022, the ILO Director General, Gilbert F. Houngbo, said in his vision statement: “Progress made in last decades in terms of social justice must be preserved and protected, while the global solutions to new challenges and opportunities must be centred around human, environmental, economic and societal values. In short, a new global social contract is required.”

In November 2023, at its 349th session, the ILO Governing Body adopted a proposal to establish a Global Coalition for Social Justice. This coalition aims to reinforce global solidarity and improve policy coherence to promote and implement decent work and social justice for all.
ILO Conventions on Freedom of association and protection of the rights to organize (No. 87) and the Right to organize and collective bargaining (No. 98); enable workers and employers’ organizations to participate in the definition of social contracts.

As the largest membership-based organizations in the world and a crucial constituent of the ILO, workers’ organizations have always fought against inequality and advocated for peace, upholding human and labour rights and dignity for all. However, in the quest for social justice and decent work, what could be the role of workers’ organizations in engaging in the design and establishment of a new social contract within the multilateral system and at national level?

It is with the modest ambition to stimulate reflection on the new social contract among the labour movement that ACTRAV decided to dedicate the 2023 issue of the International Journal of Labour Research to “A new social contract: achieving social justice in an era of accelerating change”.

The publication you are about to read brings together reflections on a selection of themes to accompany the discussion on the new social contract. Thus the focus of this issue is both on what such a new social contract may entail and on what to do in terms of its implementation. These questions are raised and discussed from an analytical point of view and aim to contribute to the ensuing debate on the new social contract.

We hope that this small contribution will serve to stimulate debate within the trade union movement as part of the process of discussion of the new social contract, which will culminate in the World Social Summit in 2025.

I would like to thank all the authors and contributors to this edition. I would also like to thank my ACTRAV colleagues Michael Watt, Grayson Koyi, Khalid Maman Waziri, Hilma Mote, Ariel Castro, Ursula Kulke, Amanda Villatoro, Juan Guilarte and Mamadou Kaba Souare for their input to this issue.

I hope you enjoy reading it!

Maria Helena ANDRÉ
Director of ACTRAV
A new social contract: achieving social justice in an era of accelerating change

Executive summary
Executive summary

Introduction

For several centuries, the issue of the social contract has been at the centre of debates on the relationship between the State and its citizens. Starting from the hypothesis that, by nature, “homo homini lupus” (“man is wolf to man”), several authors including Hobbes, Grotius, Locke and Rousseau have proposed the idea of a sovereign State to which individuals delegate their power and freedoms in order to avoid chaos.

However, these social contracts are lagging behind fast-paced changes of the modern world linked to globalization, demography, new technologies and digital transformation, the challenge of climate change and the growth of inequalities and extreme poverty throughout the world. The succession of multiple crises – in particular the COVID-19 pandemic, geopolitical, financial, food and energy crises, and the pressure of climate change – has demonstrated the urgency of a new social contract to regulate the rights and duties between States and citizens more effectively.

As the largest membership-based organizations in the world and a crucial constituent of the International Labour Organization (ILO), workers’ organizations have always fought against inequalities and advocated for peace, upholding human and labour rights and dignity for all. Thus, in the quest for a new social contract that is human-centred, workers’ organizations play a central role in adapting and designing a renewed social contract and determining what it should look like to address the challenges faced by workers across the globe.

This 2023 edition of the International Journal of Labour Research (IJLR), entitled A new social contract: achieving social justice in an era of accelerating change, aims to stimulate reflection on what a new social contract might entail and more specifically the role of workers’ organizations in engaging in the design and establishment of a new social contract within the multilateral system and at national level. Thus, the focus of this issue is both on what such a new social contract may entail and on what to do in terms of its implementation. These questions are raised and discussed from an analytical point of view with the aim of contributing to the ensuing debate on the new social contract.

To this end, the first section introduces the notion of a social contract and explains its urgency from the world-of-work perspective (section A). The second section explores two examples of inequalities through the challenge of access to social protection and the implementation of the just-transition policy (section B). The third section exposes two growing sectors where a new social contract would be the centrepiece of the achievement of decent work and social justice: the agricultural sector, where millions of workers struggle for their food and livelihoods; and the digital economy, where workers are ignored in terms of social protection and decent working conditions (section C).
A. Why a new social contract and what are the implications for the world of work?

Reflections on the new social contract

Michelle Bachelet,
Former President of Chile and former United Nations High Commissioner for Human Rights

The planet and society are undergoing a series of transformations that have a direct effect on how humankind relates to its surroundings. At the environmental level, the effects of climate change are putting habitats and ecosystems under pressure. At the societal level, the increase in conflict globally has set millions of people adrift, with minimal prospects for the future and the complete violation of their fundamental human rights. The current predominant economic model has generated complex issues of inequalities that, in recent years, have widened the gaps in access to means of subsistence, forcing millions of people worldwide to leave their countries and live in poverty or extreme poverty, with limited opportunities to improve their living conditions.

The global effort to promote real change in this situation is represented by the United Nations Sustainable Development Goals and the system of international instruments of the United Nations and other organizations for the promotion and protection of rights.

On the labour front, technological development has profoundly changed the industrial relations model and generated new opportunities and significant challenges for millions of workers. Automation processes and changes in modes of production in general have created new perspectives on the future of work. In his report “Our Common Agenda”, the United Nations Secretary-General has called for “a new social contract anchored in human rights, better management of critical global commons, and global public goods that deliver equitably and sustainably for all”.

A new social contract devised in the context of the economic, social and environmental dimensions of sustainable development, such as the overarching development framework of the 2030 Agenda for Sustainable Development, must be based on the strengthening of social dialogue and on the pursuit and attainment of better labour conditions for workers, based on respect for human rights. A reform of labour governance systems is required to ensure that these systems can respond effectively to the new and varied priorities and needs in a context of rapid transformation. The new social contract must preserve the fundamental values that have given, and continue to give, life to modern democracy; it calls for an integrated vision of labour that incorporates a rights-based approach and global solidarity. The conditions must be created for the most vulnerable persons to gain access to labour markets and modes of production that are respectful of the environment in its various dimensions.
Executive summary

Why a new social contract is urgent?

Luc Triangle

*General Secretary, International Trade Union Confederation (ITUC)*

This article summarizes key aspects of the new social contract adopted by the International Trade Union Confederation (ITUC) 5th World Congress in Melbourne, Australia, in November 2022. The world needs the new social contract to replace the failing, inequitable and unsustainable economic model of today.

At its 5th World Congress, the ITUC adopted a policy and action statement that provides for action on three intersecting global challenges: climate change, public health and technology. It further defines six key workers’ demands on which the new social contract is based: jobs, rights, wages, social protection, equality and inclusion.

**Key implications for trade union policy and action**

- **Jobs:** Governments must engage with unions through social dialogue to develop national jobs plans for climate-friendly jobs with just transition, and to monitor and ensure their implementation. There should be a particular focus on public-sector-led investment in health and care and on infrastructure that contributes both to net-zero carbon and to climate resilience. Other priorities are formalization of informal jobs, effective deployment of technology to support job creation; investment in lifelong learning, and multilateral cooperation and debt relief measures to enable countries to invest in job creation.

- **Rights:** A strong and authoritative ILO, ensuring that international labour standards are ratified and respected, is central to the realization of workers’ rights and thus the new social contract. Along with this, the new social contract is built on organizing for occupational health and safety; ensuring organizing and bargaining rights for all workers and protection from discrimination and forced and child labour; working to ensure corporate supply chain accountability, including a new ILO convention to address standards and governance gaps in global supply chains; reversing the trend towards “platform work”; universal application of the protections contained in the ILO Centenary Declaration; ensuring finalization of a strong United Nations treaty on business and human rights; and ensuring that competition and related laws and regulations break up concentrated corporate power in technology-mediated and other sectors.

- **Wages:** Governments must fulfil their obligation to promote collective bargaining; ensure a living minimum wage for all workers, without exemptions; stop the imposition of exploitative sub-minimum wage rates and illegitimate unpaid internships for younger workers; support organizing, bargaining and research where unions need it; and end the use of disguised employment relationships and the abusive use of precarious employment arrangements.
Social protection: In a number of countries, demographic changes with an ageing population and workforce are placing pressure on pension systems, while youth unemployment is a growing problem, even in countries where the population is ageing. The new social contract affirms the right to social protection for all, including a global social protection fund for the least wealthy countries; social dialogue for union involvement in the oversight of social protection systems; tax reforms, proper taxation of corporate profits and other measures to ensure adequate resources for social protection; and debt relief and action by the international financial institutions to create the fiscal space necessary for less wealthy countries to establish universal social protection systems.

Equality: Trade union membership and collective bargaining are powerful means to address the gender pay gap and other forms of discrimination against women, including occupational segregation. Trade union solidarity and collective organization and action are crucial in the fight against racism, xenophobia, social exclusion and discrimination in all its forms. Unions are front-line defenders against extremism, including the extreme right wing, which is making inroads in every region. The equality agenda of the new social contract requires: campaigning, negotiation and advocacy for a gender transformation of the world of work; fighting against the rise of the extreme right and against intolerance and social and economic exclusion; specific actions to promote relevant ILO Conventions; increasing the proportion of union leadership positions held by women to 50 per cent by 2026; ensuring investment in the care economy in all countries and proper recognition of the value of care work; and fighting for the rights of migrant workers and refugees.

Inclusion: The policies of the international financial institutions and the World Trade Organization (WTO) need fundamental reform to put development and workers’ rights at the centre. Development aid flows are insufficient; the rules for tax are designed for the benefit of corporations and the wealthy; state capacity is damaged by economic restructuring imposed by conditional access to capital; and wealth is being drained from even the least wealthy countries through debt repayments and the extraction of value by multinational enterprises. The contours of colonialism still form the basis of a global system that is fundamentally flawed – unequal and unsustainable. The ITUC Melbourne Congress called for a broad series of actions for inclusion, among them: a fundamental reform of the global economic system, including the Bretton Woods institutions and the WTO, to enable development and inclusion for all; defending multilateralism, with the ILO at the centre; campaigning for the Sustainable Development Goals, in particular Goal 8 which enshrines decent work; advocating for international policies that support technology transfer, sustainable investment in less wealthy countries and industry policy that emphasizes health, care and infrastructure; building the case for economic measures other than GDP; supporting a minimum of 0.7 per cent of gross national income for development aid; and ending intellectual property barriers to development and to access to vaccines, treatments and tests for disease.
The world of work and the new social contract

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For decades, many countries had a special kind of social contract, which was established in the 1940s and 1950s after the Second World War. It followed the principle that governments delivered social and economic benefits to citizens, whereby citizens contributed to the common good – whether economically, socially or culturally – on the assumption that the State would ensure a minimum standard of living, provision of essential social services and infrastructure and the protection of their basic rights.

Employment has been a major structural element of the social contract, shaping the rights and responsibilities of workers and employers, labour and capital, and strongly influencing the distribution of resources and power in a society.

The twenty-first-century world of work has undergone profound changes, and tensions have heightened within the existing social contract, presenting both opportunities and challenges for shaping a new contract. The United Nations, the World Bank and other international institutions have called for a reinvigoration of the social contract – a call echoed by trade union organizations (ITUC) and employers (IOE) alike. The ILO Director-General, Gilbert Houngbo, has also called for a new social contract to promote social justice.

The urgency of such a new social contract is even more accentuated when we look at the world of work, and more broadly, the global socio-economic context, characterized by a persistent and pervasive joblessness and insecurity. In 2022, the global jobs gap stood at 473 million in 2022, which includes 205 million unemployed people and 268 million people who have an unmet need for employment but do not qualify as unemployed. Many of the people who have jobs face increasingly insecure employment conditions, as in 2022, about 2 billion workers worldwide worked in informal jobs, which made up 60 per cent of all employment.

Furthermore, the phenomenon of working poverty is rising. Many workers, particularly salaried employees, are excluded from the scope of wage laws and policies, which makes them incapable of guaranteeing a sufficiently decent level of remuneration.
The phenomenon of working poverty is compounded by the cost-of-living crisis and low labour productivity.

Yet, social protection coverage is still inadequate: only about 47 per cent of people worldwide are covered effectively by at least one social protection benefit, meaning that more than 4 billion people still lack any social protection in the current global socio-economic context.

All this contributes to the high levels of inequality the world has reached. While income inequalities between countries have fallen over the past two decades, thanks in particular to the economic progress made in many emerging countries, global income inequalities remain at a very high level. These growing inequalities and the deteriorating socio-economic context in many regions, in which basic needs such as food, water and access to education, training and employment are not being met, have reinforced a deterioration of social cohesion and peace, shown by the increase in global conflicts and attacks on democracy in many parts of the world.

Other factors that are influencing decent work within the current socio-economic context include climate and technological changes. Adjusting to these new realities will require major adaptation initiatives, including significant infrastructure investment. Yet these adaptation measures also present opportunities for job creation, particularly in some of the poorest areas of the world, and including Africa. At the same time, technological change, pertaining especially to new digital devices and tools such as artificial intelligence, has yet to live up to earlier optimistic projections about its potential to increase productivity growth and alleviate much of the drudgery of work, but such innovations are needed to address some upcoming labour shortages resulting from demographic shifts.

**Key implications for trade union policy and action**

- Employment insecurity and the socio-economic uncertainty it generates undermine the relationship between workers, employers and the State, with consequences for people’s trust in public institutions.
- The new social contract must be underscored by a vision which sees the reduction of inequalities at the heart of both economic and social progress. It must be based on the ILO fundamental principles and rights at work.
- The new social contract should ensure that coordinated and coherent public policies, (including pro-employment macroeconomic, sectoral, industrial, skills, employment and social protection policies), create decent jobs for all.
- The new social contract should set out to make public policymaking responsive to the needs of all workers and the community and recognize more completely the whole spectrum of work relationships and their value.
The new social contract should ensure that wage-setting mechanisms promote living wages and ensure adequate benefits, working conditions and coherent national policies on occupational safety and health.

Workers’ organizations should be recognized for the purpose of collective bargaining. Systems should be put in place for regular consultations between workers and enterprises, remediation of abuses of internationally recognized human rights and settlement of industrial disputes.

Governments should establish universal social protection systems, adapted to developments in the world of work, that are resilient, effective, inclusive, adequate and sustainable over the long term.

B. The new social contract as a remedy to reduce inequalities

Social protection as a key component of the new social contract: a leading role for trade unions

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The pandemic of coronavirus disease (COVID-19) brought enormous suffering and economic turmoil: death, long illness, business failure, job loss, recession and reversals of the poverty reduction achieved in recent years. The world is now experiencing the hottest temperatures on record, with accompanying storms, floods, droughts and fires. Both calamities are playing out in environments where the quality of life and work are on the decline: inequalities are increasing; non-standard forms of employment, including informal employment, platform work and temporary employment, are on the rise; and, in some regions, civil unrest and violence are disrupting life and work. Predictably, the most vulnerable members of society have been hit hardest, i.e. small businesses, workers with low skill levels, those in non-standard forms of employment, including platform work, those in informal employment, young people and people with disabilities. Women have been doubly disadvantaged by disproportionate job losses in service sectors coupled with an increased need for family caregiving.

These turbulent times have focused increased attention on a long-known, but unaddressed, shortcoming of public policy: while social protection is recognized as a basic human right by virtually all governments and international institutions, in reality most of the global population – more than 4 billion people – still have no coverage. That is, less than half of the world’s population is covered by one or more cash benefits. With so many people left to fend for themselves through back-to-back crises, it is not surprising that distrust in governments and public institutions, already on the rise in most countries, is becoming more widespread.
Recognizing the dangers of these trends, leaders in many realms – government, business, civil society and workers’ organizations – are calling for a new social contract between governments and citizens. While these advocates differ somewhat on the protections the contract should provide, they are in full accord on one point: the need for a guarantee of basic social protection for everyone. Such a guarantee would provide both greater help in hard times and more equal sharing of future prosperity. The ILO Social Protection Floors Recommendation, 2012 (No. 202) offers a blueprint for making social protection the centrepiece of a new social contract.

This analysis takes a fresh look at Recommendation No. 202 in light of both the newly exposed weaknesses of existing social protection and recent government efforts to build social protection floors. It focuses in particular on design decisions for social protection floors that the Recommendation leaves to national discretion. While recognizing that there is no single path to expanding coverage, it points to the advantages of particular benefit designs and strategies. This is followed by a call for trade unions to assume leadership roles in expanding social protection, as envisioned in Recommendation No. 202. The paper identifies both the challenges of doing so and the substantial benefits to be gained.

**Key implications for trade union policy and action**

The current crises, brought on by the COVID-19 pandemic, global warming and other unfavourable trends, provide unions with another opportunity to seek greater security for all, while affirming their relevance in addressing today’s problems. There are several potential axes of action that workers’ organizations can pursue.

- **Representing all workers and forming alliances:** Workers’ organizations structured around the traditional employer-employee relationship need to reorganize and form alliances with other organizations in order to engage with, and give voice to, non-members. Unions can develop innovative strategies and forms of support, e.g. advisory services, legal representation or accounting services, to attract, retain and represent all workers, including through partnerships with organizations of non-traditional workers.

- **Participating in the design and implementation of universal social protection as a key element of the new social contract:** Workers’ organizations are well placed to provide the understanding of target populations’ priorities, needs and financial capacity required to extend social protection successfully. They should engage actively in national debates on resource mobilization for financing non-contributory social protection schemes through, for example, progressive taxation policies. They can help to identify informal economy workers and workers in non-standard forms of employment who can be progressively included in social insurance, facilitate the registration of these workers and help them cope with reporting requirements.

- **Raising awareness among workers about their social protection rights and obligations:** Workers’ organizations have much to contribute to information
Participating in the governance and enforcement of social protection schemes: The participation of workers’ organizations in monitoring and evaluation is key in achieving transparency, accountability and worker confidence. It is particularly important that workers’ representatives be involved in formulating the economic assumptions used in actuarial valuations of the scheme’s future financial position. Only if workers’ representatives understand these assumptions and accept them as reasonable can unions be expected to place confidence in actuarial findings.

Ensuring that commitments made at the international level are transformed into concrete policies and financial commitments at the country level: By actively promoting the ratification, implementation and monitoring of ILO Conventions and Recommendations, particularly Convention No. 102, workers’ organizations can help ensure that the government fulfils its social security promises to both current and future workers. Workers’ organizations should actively contribute to the Global Accelerator for Jobs and Social Protection for Just Transitions, especially the current debate on new international financing mechanisms, such as the establishment of a global social protection fund. United Nations processes on sustainable development offer workers’ organizations additional space and impetus to engage in multilateral democratic decision-making.

Towards a European socio-ecological contract

Béla Galgóczi
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As environmental inequalities become embedded in social ones, we are living through a historic moment of synthesis in which environmental policies become social policies and vice versa. Inequalities in the context of the climate–environmental–social nexus are multidimensional and intertwined. The paradigm change in our economic model that is needed to put human activity back within planetary boundaries requires a reparation of entrenched existing inequalities, while it must also be ensured that the transition to net zero does not create new inequalities on top of the old ones. While the concept of just transitions is promising for delivering on this objective, real-world implementation varies in its scope and scale, and existing policies are not much more than patchwork. The post-war welfare state also fails to address the new challenges. This is why we need a socio-ecological contract with a key role for the State (as guarantor) and an active role for trade unions, civil society and employers.

By strengthening an egalitarian and ecological public sphere that protects workers’ rights and the rights of nature, just transitions can contribute to a new socio-ecological contract for both people and planet, guaranteeing full access to social rights and a viable future for all. On the other hand, as the concept of just transition has shown its limits in
terms of both scope and scale, it needs the support of a renewed welfare state backed by a new socio-ecological contract. This new contract should redefine both how humans interact with nature and how humans interact with humans.

A new socio-ecological contract could help to bring about more equitable prosperity within planetary boundaries and should be based on key principles, including stakeholder capitalism, skill development, economic security and a transition to net zero. It should also involve business, to ensure that it does not shift into corporate welfare and increase inequalities, but instead creates value for us all.

Among existing inequalities, the following need to be addressed urgently: persistent income polarization and wage stagnation, work fragility with informal work and precarious work contracts, the challenge of affordable housing, access to affordable healthcare and education, persistent gender and race gaps, growing regional disparities and vulnerability to climate change and environmental hazards. For the transition to a zero-carbon economy, differential labour-market effects (job transitions, skills development), distributional effects of climate policies (energy and transport poverty) and accessibility and affordability of low-carbon technologies should be addressed. Without proper social and labour-market policies, all pre-existing inequalities are being amplified during the transition.

What we need is an economic model based on sustainable growth that respects planetary boundaries and is powered by a socio-ecological contract: a social contract that allocates societal risks fairly (including risks arising from the green transition), by spreading them away from workers and giving a fair share of progress to all, and a contract that, in unison with the economic model, provides affordable and effective social protection and reduces inequalities, poverty and social exclusion.

**Key implications for trade union policy and action**

There is a need for a new economic model based on sustainable growth that respects planetary boundaries and is powered by a socio-ecological contract that works for all, provides affordable and effective social protection and reduces inequalities, poverty and social exclusion. Policies should:

- help the creation of climate-friendly quality jobs;
- provide a just-transition policy framework that facilitates labour-market transitions and green skills development, corrects the digressive effects of climate policies for vulnerable groups and makes low-carbon technologies affordable and accessible for all;
- guarantee equal rights for all workers, regardless of their employment arrangements;
- provide universal social protection, with the perspective of universal basic services;
- eliminate all discrimination due to race, age, gender or other factors;
- achieve fair taxation for both individuals and corporations at national and international level.
Executive summary

The main actors involved are multilateral institutions (e.g. the European Union, the United Nations and international financial institutions), States, employers, trade unions and civil society.

The State has a pivotal role in setting up a truly comprehensive and holistic policy framework where climate, economic (fiscal, taxation), industrial, labour-market and social policies build up a coherent system.

- Policy instruments also need to have a proper balance of soft-law and hard-law elements, and not in the way that often happens currently, where economic policies tend to be based on hard law while social policies are based on soft law.
- Policy tools need to have a delicate balance of regulation, market mechanisms, taxation and standard-setting. This policy mix should be backed by a socio-ecological contract, as outlined above.
- Setting up, monitoring and implementing of such a contract needs a proper social dialogue and civil society involvement.
- All participating actors need to develop new strategies and new capacities and be open to cooperation and alliances.
- Businesses need to accept that, besides the profit motive and pursuing shareholder value, they need to serve the whole of society.

Trade unions should become agents of change, actively promoting just-transition policies and managing plant-level restructuring across the value chain in a proactive way. They also need to develop new strategies to enter and organize in newly emerging sectors and activities, such as the green and digital economies. Trade unions should also look beyond their members in the spirit of social movement unionism and look for alliances with civil society organizations.

The ILO and its constituents, in particular workers’ organizations, are the ones best placed to engage in the design and establishment of a new socio-ecological contract within the multilateral system and at national level. The Global Coalition for Social Justice initiated at the 2023 International Labour Conference is a good starting point for this socio-ecological contract.

C. A new social contract to protect vulnerable groups

A new social contract: achieving social justice in an era of accelerating change in the agricultural sector

Leda Celis
Labour-market and development specialist, Philippines

Sustainable Development Goal 2 aims to end global hunger and promote sustainable agriculture. To be sustainable, agriculture must address the local challenges brought
about by changing consumer demand, rising populations, demographics and a shifting environment, including lower allocations in the national budget. Smart farming is predicted to solve the problem in food security by digitalizing to save production costs; however, by switching to the full use of technology it is displacing labour, as evidenced by several country studies. A new social contract would change the scenario to deal with the violation of workers’ rights and the lack of support from governments for sustainable smart farming. The new social contract must be one which acknowledges the gaps between traditional and modern farming and integrates employment, social protection and sustainable development.

Climate-smart agriculture uses a range of internet of things (IoT) products, smart irrigation and smart greenhouses. Among the technologies used are, first, machine learning, which predicts changes in climate, soil and water parameters, carbon content and the spread of diseases and pests. Second are smart farming sensors, which help farmers monitor the smallest changes in the environment and the field using real-time data; third are the drones and satellites which use cameras to help growers create regularly updated maps to monitor remotely without needing to go to the field in person, and, fourth, the IoT, which gives farmers the opportunity to combine all the tools and solutions into one system.

The lack of internet access and poor connections have been cited as major challenges by users, along with resistance by ageing farmers and the lack of interoperability of modern machines, including maintenance of drones. Challenges in the use of the IoT include the lack of policies for its integration in farming, as well as the issues of privacy and security of data.

**Key implications for trade union policy and action**

- The new social contract must free people from the fear of insecurity, lack of trust and a shrinking policy space. Governments must manage the large gap between changes in the world of work and enabling policies. The new social contract must integrate employment, sustainable development and social protection, based on equal rights and opportunities for all.

- The new social contract should focus on financial support for farmers in the form of loans, subsidies or guarantees and farmers’ loans from private lending institutions and on policies to entice young people to remain in agriculture. Governments can help farmers to find markets for their climate-smart products.

- The social contract should contribute to solving the wider disparity in job status and address the impact of climate change and COVID-19, taking a deliberate stand on inclusion, equity and diversity.

- The deliverables pledged by political leaders must take the form of state protection, participation, taking responsibility for failure, eradicating tensions and lessening the impact of inequalities, poverty and exclusion. The new social contract must address violations by politicians who exploit projects intended for smart farming and redirect the funds for their own benefit.
Executive summary

- Trade unions should work to safeguard the rights of workers to self-organization, ensure safety at work, promote equality, guarantee equal pay for women and men, challenge racism and ensure social protection for vulnerable workers, starting with the proposed global fund for social protection.
- Trade unions should play an active role in organizing peasants and rural working women into cooperatives for delivery of agricultural inputs, for the marketing of produce and for rural industrialization to create jobs in rural areas.
- Trade unions should play a role in fixing the statutory minimum wage and efforts to meet the demands of people in rural areas, including basic needs like potable water supplies, electricity, primary health care, education and social services.
- Trade union federations should launch educational campaigns among peasant organizations and mobilize rural people to achieve self-sufficiency in food.
- The trade union movement must cooperate with environmental organizations to make industrial development ecologically more viable and should actively involve populations in solving environmental problems nationally and globally.
- The ILO should make efforts to increase cooperation between employers and workers, to address societal challenges that disrupt work on a massive scale, and work towards policies that bring solutions to inequalities and break social contracts in the absence of corrective measures.
- The ILO should recognize the impact of technological advances that affect jobs and seek a powerful solution, through tripartite consultations, to ensure that the transition of workers from traditional jobs to those in the new world of work is well managed.
- The ILO should work towards policies where, without formal or informal discrimination, workers are accorded equal rights to self-organization, with the same privilege of forming or joining a workers’ organization for collective representation. The same attention must be given to informal employment and work under non-standard contracts.
- The ILO must consider a policy mandating governments to acknowledge not only the formal sector, but also the vulnerable workers in the informal economy, giving them platforms to voice their concerns. This must include the gig economy, which is currently considered as vulnerable and without social protection.
- Businesses should form a new contract with the workforce and stay true to their commitment to the workers, especially the trade unions.
- Workers should increase their productivity for a more harmonized employee-employer relationship, where innovation and productivity are the main goals.
A new social contract for the social media platforms: prioritizing rights and working conditions for content creators and moderators

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Technological advancement and social transformation have led to the emergence of digital labour platforms, which offer employment opportunities but also raise concerns about working conditions and lack of fundamental rights for workers. Social media moderators undertake the demanding task of filtering society’s content, exposing themselves to psychologically taxing and emotionally distressing material, all while receiving low wages. Conversely, social media content creators operate in high-pressure settings, frequently contending with issues such as hate speech, cyberbullying and discrimination, while striving to produce entertaining and informative content.

Any effort to assert any form of labour rights or even raise complaints has resulted in workers being red-listed and ultimately losing their jobs, and to being blacklisted if they ever want to work with another company in the industry. YouTubers in Germany have formed an association called FairTube, affiliated with the German trade union federation IG-Metall, which enables content moderators to join IG-Metall as self-employed persons with an independent membership.

A new social contract must recognize the immense value of workers’ contributions and ensures fair compensation for their efforts. This means acknowledging their role in generating revenue for digital platforms and involving them in revenue-sharing models that reflect their input. This can foster a more equitable digital environment that benefits both the platforms and their content creators and moderators.

It is essential to prioritize the well-being of workers in the new social contract. Their demanding tasks can lead to high stress levels, online harassment and mental health issues. Adequate support mechanisms, such as support networks, counselling services and clear guidelines for dealing with harmful content, should be established. An inclusive digital environment should also be fostered to ensure diversity and inclusivity. Platforms should actively seek out and amplify voices from marginalized communities.
Sustainability should be promoted by adopting eco-friendly practices and promoting responsible content consumption. By valuing and protecting workers’ rights in the digital world, we can ensure that workers work without fear of exploitation or neglect. Ultimately, this will lead to a more vibrant, diverse and thriving digital ecosystem that benefits everyone involved. A new social contract must incorporate a decent work agenda for workers in the digital economy beyond their employment relationship.

Key implications for trade union policy and action

- **ILO standards:** The ILO Violence and Harassment Convention, 2019 (No. 190) provides a comprehensive framework for prevention, protection and remedies against the challenges faced by social media content creators and moderators, including isolation, high workload, exposure to disturbing content and lack of job security.

- **Government oversight:** Governments can safeguard social media content moderators’ and creators’ mental and physical health by establishing policies to promote their well-being and mandating platforms to provide adequate resources for this purpose.

- **Trade union advocacy:** Trade unions can negotiate with companies, ensuring the implementation of robust wellness programmes and support structures, and lobby for policy and legal frameworks to protect and advance fundamental rights and freedoms at work.

- **Corporate responsibility:** Companies should establish personalized resilience plans for social media content moderators, providing access to resources like newsletters, webinars and personalized consultations with mental health specialists trained in identifying indicators of distress, as well as gym memberships, yoga, meditation sessions and tailored fitness initiatives that prioritize holistic wellness. Social engagement initiatives, team celebrations, community-oriented activities and sports leagues collectively foster an environment of support within the workplace. Extracurricular endeavours such as book clubs and personal finance workshops enhance moderators’ holistic well-being.

- **Stakeholder contributions:** Mental health advocates and non-governmental organizations can provide supplementary resources, tailored training and targeted support mechanisms that can address the unique challenges encountered by moderators and creators.
Reflections on the new social contract

Michelle Bachelet
Former President of Chile and former United Nations High Commissioner for Human Rights
The planet and society are undergoing a series of transformations that have a direct effect on how humankind relates to its surroundings. At the environmental level, the effects of climate change are putting habitats and ecosystems under pressure, and people are desperately seeking to understand their relationship with nature in the context of prolonged climate events that are rapidly giving rise to marked inequalities.

At the societal level, it is disturbing to note the increase in conflict globally, with millions of people being set adrift, with minimal prospects for the future and the complete violation of their fundamental human rights.

The economic model has generated, albeit with notable exceptions, complex issues of inequality that, in recent years, have widened the gaps in access to minimum subsistence needs, forcing millions of people worldwide to leave their countries, to live in poverty or extreme poverty and with limited opportunities to improve their living conditions, thereby resulting in a harmful cycle from which there is no apparent escape.

To promote real changes in the situation being faced across the globe, national and international responses are endeavouring to take measures to ensure that commitments are made in an accelerated manner and to foster the will among leaders to establish the necessary conditions for positive change. The global effort is represented by the Sustainable Development Goals, which outline the courses of action to be taken to achieve better conditions for humanity. In addition to this is the system of international instruments for the promotion and protection of rights drawn up by the United Nations and other organizations, a system that takes on special relevance in view of the pressurized conditions of today.

On the labour front, technological development has profoundly changed the industrial relations model and generated both new opportunities and significant challenges for millions of workers. Automation processes and changes in modes of production in general have created new perspectives on the future of work, an issue on which the International Labour Organization and the United Nations have identified and proposed basic support measures so that the human dimension of work is not lost.

In September 2021, in response to the request made by the General Assembly in its declaration on the commemoration of the 75th anniversary of the United Nations, the Secretary-General of the United Nations published a report entitled “Our Common Agenda”.1 The report contains an overview of the need to propose new guidelines to increase the prospects of achieving the targets of the Sustainable Development Goals and to present “a new social contract anchored in human rights, better management of critical global commons, and global public goods that deliver equitably and sustainably for all” (UN 2021).

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This holds special relevance for the world of work, since it is an area in which there has been significant regression in the realization of rights.

A new social contract devised in the context of the economic, social and environmental dimensions of sustainable development, such as the overarching development framework of the 2030 Agenda for Sustainable Development, must be based on the strengthening of social dialogue as an essential tool for achieving democratic consensus in the world of work. The pursuit and attainment of better labour conditions for workers based on respect for human rights is also required.

To achieve a new social contract, the reform of labour governance systems is essential so as to ensure that these systems can effectively respond to the new and varied priorities and needs that are emerging from and for social actors in a context of rapid transformation.

A new social contract requires a vision to save the fundamental values that have given, and continue to give, life to modern democracy and have laid the foundation for an international rights protection system that understands the need to promote opportunities for all. It calls for an integrated vision of labour that incorporates a rights-based approach and global solidarity.

To establish a new social contract, all voices promoting the plurality of ideas must be heard, in accordance with the human rights framework. In addition, the conditions must be created for the most vulnerable persons to gain access to labour markets and modes of production that are respectful of the environment in its various dimensions.

I am certain that this edition of the *International Journal of Labour Research*, which will enable further reflection on the theme “A new social contract: achieving social justice in an era of accelerating change”, will serve as a significant contribution to the required discussion on a more promising future.

**Reference**

Why a new social contract is urgent?

Luc Triangle
General Secretary, International Trade Union Confederation (ITUC)
Today, multilateralism and the vital instruments and processes that aim to ensure peace and common security are under existential threat, while the world faces converging crises – armed conflict including the current Russian aggression against Ukraine, massive inequality, climate change, erosion of democracy and threats to public health, with the prospect of unregulated technologies exacerbating division and exclusion.

Implementation of the new social contract is fundamental to addressing these challenges, to build an economy which is resilient, sustainable, equitable and humane. Without this, the situation will only worsen, undermining the possibilities for shared prosperity and for peace.

The International Trade Union Confederation (ITUC) adopted, at its 5th World Congress (Melbourne, November 2022), a policy and action statement that defines six key workers’ demands on which the new social contract is based (ITUC n.d. a). These are:

- jobs
- rights
- wages
- social protection
- equality
- inclusion.

The need for each of these demands to be met is evident.

The results of the 2022 ITUC Global Poll of adults in 17 countries (ITUC n.d. b) provided a stark insight into the challenges that working people are facing:

- 66 per cent are worried about people losing jobs;
- 55 per cent are worried about the weakening of labour laws;
- 53 per cent say rates of violence in the world of work have increased;
- 13 per cent do not have enough money for essentials like housing, food and electricity;
- 72 per cent think the minimum wage is not enough to live a decent life;
- 87 per cent support affordable access to healthcare, but 67 per cent worry about the capacity of healthcare systems to cope;
- 66 per cent are worried about inequality in earnings and opportunities between men and women;
- 69 per cent believe the economic system favours the wealthy.

These results are due to the multi-year trend of deterioration in respect for workers’ rights in every region, revealed in the ITUC Global Rights Index and highlighted again in the Index findings in 2023 (ITUC 2023).
In the Member States of the Organisation for Economic Co-operation and Development, just 40 per cent of people say they have trust in their governments while, more broadly, the United Nations (UN) points to economic insecurity as a key driver of mistrust in governments (UNDESA 2021).

Establishing trust in governments and other institutions is essential to overcoming the gulf between perceived national interests and common security which is prevalent today (Olof Palme International Center, International Peace Bureau and International Trade Union Confederation 2022).

Trust cannot be established where economic insecurity is widespread. This, along with the evident need for economic and social justice for all, was why the 5th ITUC World Congress had the new social contract as its central theme.

The overarching framework of the policy adopted at the Congress is the quest for a democratic and peaceful world. Within that, it provides for action on three intersecting global challenges: the climate emergency, public health, and technology.

**The climate emergency**

Climate change is accelerating, destroying lives and livelihoods, generating extreme weather events, annihilating habitats and creating additional risks to health. Urgent action in this area is therefore at the heart of the new social contract.

As global heating continues, deficiencies in laws and regulations governing work in hot conditions are becoming more evident, as is the need for solutions. In too many places, occupational health and safety and other applicable laws do not offer the necessary protections, and in some places they are being weakened or removed altogether.

On current trends, the world will struggle to keep the global temperature increase under 1.5°C, with devastating effects. Many countries are failing to meet their pledges under the Paris Agreement of the UN Framework Convention on Climate Change; and the least wealthy countries, home to many of the people most vulnerable to climate change, are deprived of the resources and the international solidarity needed to make and fulfil adequate commitments. Trade unions have moved the agenda with progress on just transition, negotiating the decarbonization of industries and cities while ensuring that decent jobs are created in the transformation.

Fulfilling the climate agenda within the new social contract means trade union action for just transition across a range of areas, including but not limited to:

- engaging workers and their communities in awareness-raising and action;
- holding governments to account for ambitious national action to meet global targets, to cut emissions, move to renewables and invest in mitigation, including holding governments to account internationally for loss and damage in less wealthy countries;
Why a new social contract is urgent?

- creating frameworks for just transition with social dialogue, organizing and collective bargaining to decarbonize production and services at the sectoral, enterprise and workplace levels;
- tackling energy poverty through rapid upscaling of renewables and efficient transmission grids;
- campaigning for jobs-rich action to restore biodiversity, reverse deforestation, promote recycling and address increasing water scarcity;
- challenging and overcoming the reliance by many governments on neoliberal climate and energy policies, which are tied to privatization and commodification.

Public health

The statement adopted by the 4th ITUC World Congress in Copenhagen in 2018 warned of the “omnipresent threat” of pandemics, which tragically became a reality with the emergence of the SARS-CoV-2 virus at the end of 2019. The resulting pandemic of coronavirus disease (COVID-19) took hold in a world unprepared and under-resourced. Warnings from scientists over many years were largely ignored by governments, which were focused on the short term and unwilling to reverse decades of attacks on public services, deregulation, underfunding and privatization, including corporate capture of health and care. The result has been a global catastrophe, with millions losing their lives, many more falling ill and hundreds of millions of jobs destroyed. Whole sectors of the economy have been severely impacted. The most vulnerable have been hit hardest of all, with the economic impacts falling in heavy disproportion on women.

Along with inadequate investment in health and care, legal, political and economic factors denied, and continue to deny, billions of people timely access to vaccines, tests and treatments. Millions of lives were lost which could have been saved, and crucial lessons from the initial waves of COVID-19 and from other transmissible diseases have not been acted upon.

Transmission of the virus in workplaces including – but not confined to – schools, public transport and entertainment venues remains significant, even though the World Health Organization has declared that COVID-19 is no longer a public health emergency of international concern. Some governments have recognized this by including COVID-19 as an occupational disease, and renewed focus on occupational health and safety, now classified as a fundamental right by the ILO, will have important positive consequences.

The virus remains a leading cause of an overall decline in life expectancy globally, and remains one of the top causes of death. Its long-term effects are keeping millions of people out of work and will constitute a major additional burden on health and care services which are already overstretched.
The ITUC Congress Statement sets out a series of trade union demands for public health, which form the basis for action. In summary, these are:

- investing in health and care (ITUC research shows the positive social and economic impacts of this) (ITUC n.d. c);
- removing barriers to, and ensuring investment in, the availability of vaccines, tests and treatments in less wealthy countries, as well as investment in public scientific research everywhere;
- ensuring safe and healthy work and paid sick leave, and including COVID-19 and other diseases that spread in workplaces in compensation schemes;
- countering disinformation on public health issues;
- recognizing the central importance of all six pillars of the new social contract along with the UN Sustainable Development Goals (SDGs), including those on water, sanitation and habitat, as crucial to ensuring public health.

Technology

Trade unions have long negotiated, bargained and delivered collective agreements around the introduction of new technology, maximizing benefits for workers, minimizing negative impacts and ensuring that the economic gains from technology are shared. This crucial role of unions has been steadily undermined over several years. Nowhere is this more evident than in the technology sector itself, where a small number of oligarchs have extracted colossal fortunes – much of which is untaxed. At the same time, nearly half of the world’s population does not have access to quality and affordable internet services.

Historically, technical advancement has been a net creator of employment and of huge benefit to humanity – ensuring that this remains the case in the future depends on the rules governing control of data, the right to privacy, organizing and collective bargaining rights and lifelong learning.

A just transition and digital rights for workers in managing the disruption of technological change are important today and will only increase in importance in the future. Where the introduction of technology is negotiated with unions, not only are the interests of workers protected but more efficient and effective deployment of the technology is also achieved. For technological change to serve the common good, governments must design and implement regulatory frameworks that ensure access to technology for all and reinforce fundamental ILO standards and other internationally recognized human rights in a rapidly changing world. People must have the right to own and control data about themselves, just as they must have the right to have control over their own bodies. Central to this is the distinction between people’s private data, official data such as that legitimately required for government records, and data which people choose to share with others.
With increasing provision of government services by digital means, lack of access to digital technology deprives many, in particular in the informal economy, of access to vital government services and support.

The ILO Centenary Declaration provides that “all workers should enjoy adequate protection in accordance with the Decent Work Agenda, taking into account:

i. respect for their fundamental rights;
ii. an adequate minimum wage, statutory or negotiated;
iii. maximum limits on working time; and
iv. safety and health at work”.

The application of this “labour protection floor”, as the ITUC terms it, to all workers (i.e. regardless of their employment status), provides a foundation for harnessing the positive potential of technology, avoiding negative impacts and ensuring that the economic benefits are shared equitably.

The Centenary Declaration also recognizes the centrality of lifelong learning as technological changes take place, to enable workers to develop skills and competencies as enterprises and labour markets evolve. Trade unions must be involved in the governance and, where they wish, the delivery of lifelong learning.

The increasing development and deployment of innovations such as large language models/deep learning algorithms (sometimes called “artificial intelligence”, e.g. ChatGPT) create the need for regulatory and governance standards and mechanisms that specifically address the substantial risks, as well as the potential for even greater concentration of corporate wealth and power. This requires the establishment of principles which ensure legal responsibility of those who design and deploy these models for negative impacts. These principles need to include workers’ rights to timely information and consultation, mechanisms for social dialogue, the full application of freedom of association and collective bargaining rights, and protection from discrimination, including in hiring, appraisal and dismissal.

Unions themselves need to further develop the translation of policies and principles on technology into practical guidance for union negotiators to help them obtain the best outcomes in collective bargaining and social dialogue. This needs to include scaled-up sharing of good practice and model clauses for agreements.

The challenges for unions in shaping and harnessing technology at work are multiple and will continue to change. The promise of the ILO Centenary Declaration can be turned into a reality, through campaigning, advocacy, negotiating and organizational development of unions to realize the agenda set out in the Declaration.
Why a new social contract is urgent?

Responsibilities of governments, employers and unions

The ILO’s tripartite constituents all have responsibilities in making the new social contract a reality. For trade unions, this means carrying on with their daily work of organizing, collective bargaining, advocacy and other forms of action and developing approaches to tackle emerging challenges. For employers, it means ensuring, as a minimum, respect for the fundamental rights at work throughout their value chains, in line with the UN Guiding Principles on Business and Human Rights, as well as engaging in dialogue with unions, including for just transition, and ensuring that their workplaces are free of discrimination, violence and harassment. For governments, it means ensuring that ILO standards are ratified and enforced, acting on the six key workers’ demands, and ensuring through progressive taxation that financing is available and deployed for climate action, social protection, public health and other needs identified as key to the new social contract.

For the ILO itself, it means taking a central place in the international architecture including on finance and trade. This is not only the responsibility of the International Labour Office, but also of ILO Member States, which need to fully respect their ILO obligations and to end the policy incoherence that too often results in international financial institutions’ and World Trade Organization (WTO) decisions contradicting and undermining ILO standards and processes.

Further information on each of the six key workers’ demands in the new social contract is shown below.

Jobs

The effects of the COVID-19 pandemic destroyed more than 250 million jobs worldwide and worsened the extent of underemployment in many countries. Even before the pandemic, governments were showing little commitment to full employment as a central policy objective. In order to reach full employment, 575 million new jobs need to be created.

Existing jobs are becoming more precarious, the gender jobs gap is wide and many millions of young people have no possibility of finding a decent job. Some 2 billion workers are trapped in informal employment. Formalizing these jobs must be a key objective of governments, with the support of international institutions, in particular the ILO.

To deliver on these targets, governments must engage with unions through social dialogue to develop national jobs plans for climate-friendly jobs with just transition, and to monitor and ensure their implementation. There must be a particular focus on public-sector-led investment in health and care and on infrastructure that contributes both to net-zero carbon and to climate resilience.
Public investment in employment creation and creation of decent and secure jobs in both the public and private sectors in turn generates further economic growth and more jobs. Alongside this, industry policy is returning to centre-stage in public debates and must provide a foundation for national jobs plans and development.

To achieve full employment, governments require fiscal space, with support and incentives from the international financial institutions for macroeconomic policies that generate jobs that take advantage of the newest technology.

Some governments have performed well in retaining and generating decent jobs, and the lessons from these experiences need to be analysed and applied elsewhere.

Delivering the new social contract requires governments to establish full employment as a core policy priority, with:

- development of national jobs plans, based on social dialogue, to create employment and contribute to the global target of 565 million new jobs; they should give priority to public-sector-led investment in health, care and climate-friendly infrastructure and include job retention measures with appropriate social protection;
- formalization of informal jobs;
- effective deployment of technology to support job creation, in particular to meet the global challenges which affect every country;
- investment in lifelong learning;
- provision of multilateral cooperation with debt relief and, where relevant, debt elimination, investment and cooperation on taxation to enable countries to invest in job creation.

Rights

Attacks on basic rights around the world are eroding democracy and accountability, stoking division and populism and weakening the very foundations of societies. The collective power of union organizing and solidarity are the most potent counterforce against these trends, especially where governments fail to meet their primary obligation to protect all human rights and ensure they are respected.

A strong and authoritative ILO, ensuring that international labour standards are ratified and respected, is central to the realization of workers’ rights and thus the new social contract.

Along with this, the new social contract is built on:

- ensuring organizing and bargaining rights for all workers;
- organizing for occupational health and safety as a fundamental right, along with organizing and bargaining rights and protection from discrimination and forced and child labour;
Why a new social contract is urgent?

- defending the right to strike, inherent in the ILO Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
- campaigning for other key ILO instruments including, but not limited to, those concerning violence and harassment, domestic workers and indigenous workers;
- standing up to political forces which deny and remove rights, including conservative extremism, fascism, racism and other forms of intolerance and division;
- working to ensure corporate supply chain accountability, including a new ILO convention to address standards and governance gaps in global supply chains;
- reversing the trend towards “platform work”, which allows employers to evade their responsibilities to workers;
- universal application of the protections contained in the ILO Centenary Declaration, defined by the ITUC as the “labour protection floor”;
- ensuring finalization of a strong UN treaty on business and human rights;
- ending trade and investment provisions that hinder government action to protect rights and promoting procurement and related policies that support rights;
- promoting union organizing to build workers’ power, also covering migrant workers, refugees and other marginalized workers;
- ensuring that competition and related laws and regulations break up concentrated corporate power in technology-mediated and other sectors.

Wages

Reversing the decline in labour income share and ensuring that all workers are paid decently and in line with their skills, education and responsibilities are issues of fundamental importance to the social contract. Unions around the world are campaigning for wage justice, and international solidarity in support of those struggles is vital.

The new social contract means:

- governments fulfilling their obligation to promote collective bargaining, as provided for in the ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
- ensuring a living minimum wage for all workers, without exemptions;
- closing the gender pay gap and ending the segmentation of women, migrants, indigenous people and other marginalized groups into low-paid jobs that undervalue their work;
- stopping the imposition of exploitative sub-minimum wage rates for younger workers and the illegitimate use of unpaid internships;
- supporting organizing, bargaining and research where unions need it;
- ending the use of disguised employment relationships and the abusive use of precarious employment arrangements to suppress wages and undermine collective bargaining.
Social protection

Around the world, 75 per cent of workers have inadequate or no social protection, with devastating consequences for those who are denied it, as was brutally demonstrated in the early part of the COVID-19 pandemic.

Where political choices have been taken to fund universal protection, they have provided the foundation for shared wealth. They have also shown that social protection makes a net positive contribution to the economy. The initial and ongoing investment needed is sustainable and ensures a higher degree of equality, social and economic inclusion, and has a major positive impact on public health.

In a number of countries, demographic changes with an ageing population and workforce are placing pressure on pension systems, while youth unemployment is a growing problem, even in countries where the population is ageing.

The new social contract affirms the right to social protection for all, including the following measures:

- a global social protection fund for the least wealthy countries and increased development aid for social protection;
- social dialogue for the design of and union involvement in the oversight of social protection systems;
- tax reforms to stop tax evasion, proper taxation of corporate profits and other measures to ensure adequate resources for social protection;
- debt relief and action by the international financial institutions to create the fiscal space necessary for less wealthy countries to establish universal social protection systems;
- progressive national tax systems.

Equality

Existing inequalities at work and in society and the economy have been severely exacerbated by the COVID-19 pandemic. The gender pay gap remains at over 20 per cent, gender segmentation in the workforce is substantial, women are over-represented in precarious and informal work and educational opportunities for women and girls in many countries are inadequate.

Trade union membership and collective bargaining are powerful means to address the gender pay gap and other forms of discrimination against women, including occupational segregation. Removing barriers to women’s organizing and bargaining rights, along with gender mainstreaming in union policies and activities, must be a priority.
Similarly, the situation of all who face discrimination, whether on the basis of ethnicity, origin, gender identity or orientation, disability, age or any other characteristic, improves dramatically when they have a trade union and collective bargaining rights.

Trade union solidarity and collective organization and action are crucial in the fight against racism, xenophobia, social exclusion and discrimination in all its forms. Unions are front-line defenders against extremism, including the extreme right wing, which is making inroads in every region.

The Melbourne Congress pledged that the ITUC would work for a feminist trade union movement – a movement which reflects the make-up of the workforce and society.

The equality agenda of the new social contract means:

- making the Centenary Declaration pledge of a gender transformation of the world of work a reality, through campaigning, negotiation and advocacy, with ending occupational segmentation and the gender pay gap as priorities;
- fighting against the rise of the extreme right, intolerance and social and economic exclusion;
- introducing specific actions to promote the ILO Equal Remuneration Convention, 1951 (No. 100), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Indigenous and Tribal Peoples Convention, 1989 (No. 169), the Domestic Workers Convention, 2011 (No. 189) and the Violence and Harassment Convention, 2019 (No. 190);
- meeting the target of a minimum of 40 per cent of union leadership positions held by women, rising to 50 per cent by 2026;
- ensuring investment in the care economy in all countries and proper recognition of the value of care work;
- fighting for the rights of migrant workers and refugees.

Inclusion

The rules of the global economy are heavily stacked against the poorest countries and provide insufficient policy and fiscal space for inclusive economic and social development in all except the wealthiest countries. The policies of the international financial institutions and the WTO need fundamental reform to put development and workers’ rights at the centre. The development aid flows are insufficient; the rules for tax are designed for the benefit of corporations and the wealthy; State capacity is damaged by economic restructuring imposed by conditional access to capital; and wealth is being drained from even the least wealthy countries through debt repayments and the extraction of value by multinational enterprises. The contours of colonialism still form the basis of a global system that is fundamentally flawed – unequal and unsustainable.
Fundamental reform is required to deliver the Sustainable Development Goals, the realization of which depends on Goal 8 which, thanks to the efforts of trade unions and the ILO, enshrines decent work. Real progress on all the SDGs is fundamental to an inclusive future.

At the national level, governmental accountability beyond the narrow measure of gross domestic product (GDP), along with the provision of quality public education, health and other services, is the basis on which inclusion can be achieved, along with the trust required to ensure democracy and to tackle the vulnerability of democratic systems to extremism.

Peace, common security and nuclear disarmament are also central to the new social contract; while increases in military spending, in large part due to the Russian invasion of Ukraine, take resources away from vital spending on social needs and sustainable economic development.

The ITUC Melbourne Congress committed to a broad series of actions for inclusion, as a pillar of the new social contract. These include:

- introducing a fundamental reform of the global economic system, including the Bretton Woods institutions and the WTO, to enable development and inclusion for all, and defending multilateralism with the ILO at the centre;
- campaigning for the SDGs, in particular Goal 8;
- advocating for international policies that support technology transfer, sustainable investment in less wealthy countries and industry policy that emphasizes health, care and infrastructure;
- advancing the comprehensive trade union agenda for peace, common security and nuclear disarmament;
- building the case for economic measures other than GDP;
- supporting a minimum of 0.7 per cent of gross national income for development aid;
- ending intellectual property barriers to development and to access to vaccines, treatments and tests for disease.

**Conclusion**

This article summarizes key aspects of the new social contract adopted by the ITUC Melbourne Congress. The Congress Statement provides a more elaborate and complete overview under each of the headings. The work that unions do every day contributes to the realization of that ambition, while the overarching framework adopted in Melbourne aims at linking policy and action across and between the various elements.

The world needs the new social contract to replace the failing, inequitable and unsustainable economic model of today.
Why a new social contract is urgent?

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Why a new social contract is urgent?


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The world of work and the new social contract

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Abstract

Based on a review of the literature, the article provides a thematic overview and brief historical account of the evolution of the notion of a social contract and examines the current global socio-economic context to highlight associated challenges to decent work that are reinforcing the urgency of a new social contract. It reflects on the debate and growing consensus on the need for a new social contract and implications for fostering social progress, with reference to the world of work. It aims to advance the understanding as to why there is a growing consensus on the urgency of a new social contract and provides a justification for the statement that ultimately, the new social contract must be anchored on the promotion of decent work. It therefore bears policy implications for anchoring a new social contract on the promotion of decent work. This is especially important given the disproportionate impact that the current socio-economic context has had on the world of work, which has been compounded by the COVID-19 pandemic.

Introduction

For many scholars and observers of State-society relations, the growing discontent about the post-Second-World-War notion of a social contract should not come as a surprise. For decades, many countries had a special kind of social contract, which was established in the 1940s and 1950s after the War. It mainly worked in accordance with the principle that governments delivered social and economic benefits to citizens, whereby citizens contributed to the common good – whether economically, socially or culturally – on the assumption that the State would ensure a minimum standard of living, the provision of essential social services and infrastructure and the protection of their basic rights.

Economic growth and development more broadly appear to have failed to deliver on people’s expectations for a minimum standard of living, provision of essential social services and infrastructure and the protection of their basic rights, including for social justice, security and opportunity. Today, four out of five people in China, Europe, India and the United States of America feel that the system is not working for them, and in most advanced economies parents fear that their children will be worse off than they are (Edelman 2019). The pandemic of coronavirus disease (COVID-19) has served as a great revealer, as it hit the most vulnerable – the old, the sick, women and those in precarious jobs – the hardest and exacerbated existing inequalities.

Based on a review of the literature, this article provides a thematic overview and brief historical account of the evolution of the notion of social contract and examines the current global socio-economic context to highlight associated challenges to decent work that are reinforcing the urgency of a new social contract. It reflects on the debate and growing consensus about the need for a new social contract and implications for fostering social progress, with reference to the world of work. The article aims to advance the understanding as to why there is a growing consensus on the urgency of a new social contract and provides a justification for the statement made by many, including the United Nations (UN) Secretary-General António Guterres and the Director-General
of the International Labour Organization (ILO), Gilbert F. Houngbo, that, ultimately, the new social contract must be anchored on, among other things, the promotion of decent jobs, social protection and equal opportunities for all. In this sense, it bears policy implications for anchoring a new social contract in the promotion of decent work. This is especially important given the disproportionate impact that the current post-Second-World-War social contract has had on the world of work, which has been compounded by the COVID-19 pandemic and the current poly-crises with which many regions of the world are confronted.

The article discusses (1) how the notion of the social contract has evolved over time; (2) why different international organizations and development actors are challenging the post-Second-World-War notion of social contract; (3) how the current global socio-economic context is undermining decent work, thereby reinforcing the urgency of a new social contract; and (4) how the new social contract could be shaped to provide for more stable and sustainable long-term development. This introductory article raises these questions from an analytical point of view, and thereby aims to establish a framework of reference for the other articles in this special issue, which focus on different dimensions of the social contract from a workers’ perspective.

The notion of a social contract is broadly understood as agreement between societal groups and their government on their rights and obligations towards each other (Loewe, Zintl and Houdret 2021). This approach is a powerful tool for sharpening the analytical perspective on shifts in State-society relations, and for explaining the significance of anchoring a new social contract on decent work and social justice principles and the responses in the context of the world of work or societies at large.

The following section presents a brief history and evolution of the notion of social contract. The third section underscores why employment is a major structural element of the social contract, shaping the rights and responsibilities of workers and employers, labour and capital, and strongly influencing the distribution of resources and power in society; followed by a section that elaborates on the debate and growing consensus on the reinvigoration of a social contract. The fifth section examines the current global social-economic context and how it is undermining decent work outcomes. The sixth section discusses how a new and sustainable social contract could be shaped, while the seventh section concludes the article.

**Brief history and evolution of the social contract**

Social contract is a key concept in social science literature, focusing on State-society relations. It broadly refers to the “entirety of explicit or implicit agreements between all relevant societal groups and the State (i.e. the government or any other actor in power), defining their rights and obligations towards each other” (Loewe, Zintl, and Houdret 2021). The notion of a social contract has evolved throughout history. In ancient Greece, in about the year 400 Before the Common Era (BCE), Plato’s *Crito* and *The Republic* explored the notion that a legal system exists because of a type of contract between the
individual and the State. In about the year 413 Common Era (CE), Augustine discussed what it means to be a good citizen and explored the sphere of individual autonomy (Dauphinais, David and Levering 2007).

The issue of the social contract resurged in seventeenth-century Europe, with the question of how best to organize society and the place of the individual in a monarchy. This led to great debate, notably by Thomas Hobbes (Hobbes 1651) and John Locke (Locke 1689) in England in the mid-seventeenth century and by Swiss-born philosopher Jean-Jacques Rousseau in France a century later, in his 1762 book, The Social Contract. The discussion has continued into the modern era. In 1971, in A Theory of Justice, American political philosopher John Rawls explored the principle of justice as fairness, to articulate a central idea that cooperation should be fair to all citizens, regardless of their family, ethnic or other heritage.

Broadly, social contract theory, also known as the contractual theory of society, is often associated with the liberal tradition in political theory. It presupposes the fundamental freedom and equality of all those entering a political arrangement and the associated rights (Neidleman 2012). From that starting point, often conceptualized via the metaphor of a “state of nature”, social contract theory develops an account of political legitimacy, grounded in the idea that naturally free and equal human beings have no right to exercise power over one another, except in accordance with the principle of explicit or implicit agreement (Neidleman 2012).

Distilling the central features of the social contract either in theory or in practice can be problematic, but it is possible to identify certain themes around which social contract theorists coalesce. In the words of Rodgers (2021), first, the social contract is a theory which is fundamentally centred on consensus, seeking to understand why and how people would agree to cede authority to a governing body in return for the social order and other benefits that such a body might provide.

Second, the social contract ties morality and freedom to agreement. Theories vary as to the reason for agreement, with some authors taking a very negative and isolated view of human nature, such that a contract is required to avoid the destruction of society in the name of self-preservation (Rodgers 2021). Others see a more positive view of human nature, advocating the social contract to preserve and strengthen the potential good of humanity through the general will of agreement (Betts 1999). In any event, the nature of that general will is imbued with morality, as it is an expression of humans as moral agents (Rodgers 2021). Furthermore, the outcome of that agreement has moral force not only by the fact of agreement, but also because that agreement is inevitably of a certain quality: a general will directed to the general good. That moral outcome can be viewed as expressed by the legislator, who captures the demands of the general will and codifies them (Rodgers 2021).

Beyond early philosophical debates and theorizing, the social contract itself has evolved markedly over the centuries. Often, the most radical changes to the social contract have taken place in periods of intense societal disruption for instance, through war or revolution.
At other times, the changes have coincided with and been influenced by the impacts of technological advancement. In the first half of the nineteenth century, during the first Industrial Revolution in England, real wages stagnated for roughly 50 years, from 1790 to 1840 (Wrigley 2013). During this period, first noted by economist Friedrich Engels in 1845 and since known as “Engels’ pause”, profits as a share of national income rose and the labour share of income declined (Allen, 2009; Clark 2005). Wages began to rise after the 1850s, which economic historians have attributed to improved labour productivity driven by fossil-fuel-derived energy in place of human and animal labour (Wrigley 2013).

From a social contract perspective, substantial reforms were introduced at the end of the nineteenth century that strengthened the right of individual workers in relation to their employers, following the growth in collective action of workers towards bettering their working conditions and the emergence of labour and social democratic parties to represent the priorities of working people. This development was accompanied by a significant increase in public-sector intervention. These reforms included the right to unionize, limitations on child labour, the introduction of public high schools, urban planning to improve public health, elimination of debtors’ prison, and the extension of the right to vote to landless workers (Mathias 2001). In other words, the relationship between individuals and institutions shifted significantly towards concerted efforts that ultimately reduced individual responsibility for economic outcomes (Gash 2011).

By the end of the nineteenth century, the beginnings of the modern welfare State were laid down. In Germany, for instance, Chancellor Otto von Bismarck implemented an old-age insurance programme in 1889 in part to address the political pressure of a growing Social Democratic Party founded in 1875. Germany also introduced sickness insurance and a workers’ compensation programme. This comprehensive social welfare system provided a model for Britain’s National Insurance Act of 1911 and the American New Deal legislation in the 1930s (Mommsen 2018). After the Second World War, many countries, especially in Europe, constructed or completed “cradle to grave” welfare States (Timmins 2001).

Broadly, the social contract has evolved to encompass a situation whereby citizens contribute to the common good – whether economically, socially or culturally – on the assumption that the State will ensure a minimum standard of living, provision of essential social services and infrastructure and protection of their basic rights. However, there have also been influences along the way seeking to roll back the role of the welfare State anchored on a social contract. For instance, in the 1980s, United States President Ronald Reagan and United Kingdom Prime Minister Margaret Thatcher sought to reduce the role of the State, including by eliminating regulatory restrictions on the private sector. The collapse of Soviet communism in 1991 and the accession of Eastern and Central European nations to the European Union a decade later required those countries to embrace a more market-based social contract (Cook 1993). The adoption of structural adjustment programme measures, inspired by the International Monetary Fund (IMF) and the World Bank, in most developing countries also entailed the embrace of a more market-based social contract. Notwithstanding, a foundational component of the social contract has been employment, not just in the modern era but throughout history.
The world of work and the new social contract

The social contract and the world of work

Undoubtedly, employment has been a major structural element of the social contract, shaping the rights and responsibilities of workers and employers, labour and capital, and strongly influencing the distribution of resources and power in a society. In this sense, how individuals contribute their labour, and how they are compensated for it, are themes that are indispensable in a social contract. For many individuals, the labour market is key to their satisfaction – or discontent – with life. In fact, the labour market and institutions therein are an economy’s main channel for sharing aggregate gains in the population. Within this context, a social contract between all relevant labour market actors and the State (i.e. the government or any other actor in power) defines their rights and obligations towards each other. It is also the basis of the employment relationship in the world of work (Behrendt et al. 2021). However, the social contract is not static, but evolves, even in the world of work. Its effectiveness and relevance in the world of work depends on how it can adapt itself to new economic, social and political realities to meet individuals’ expectations.

The twenty-first-century world of work has undergone profound changes and tensions have heightened within the existing social contract, presenting both opportunities and challenges for shaping a new one. Multiple transformations in the world of work, growing decent work deficits and income inequality are cases in point. The recent disruption that COVID-19 has inflicted on the world of work, and particularly on employment, is another. Overall, the economic fallout of the last few decades, compounded by the pandemic, has resulted in millions losing their jobs or having their lives upended, as work has been radically transformed and the existing social contract is no longer able to hold.

The debate and growing consensus on the reinvigoration of a social contract

It is in this context that the social contract narrative has come to dominate the policy pronouncements of many international organizations in recent years. In November 2011, as G20 leaders gathered in Cannes, France for a second day of talks over deficits, bailouts packages and the euro, the then UN Secretary-General Ban Ki-moon made a clarion call that the time had come to write “a new social contract for the 21st century”, emphasizing that the social contract must include a “Global Jobs Pact” (UN 2011). He observed that, too often, short-term financial profits had been put ahead of investing in the kind of world everyone wanted to live in.

In July 2020, the UN Secretary-General, António Guterres, made a speech entitled “Tackling the Inequality Pandemic: a New Social Contract for a New Era” (UN 2020), in which he argued that building a new social contract must form the basis of the response to the global pandemic and the widespread discontent that preceded it. Further, in his report Our Common Agenda (UN 2021), he proposed a new social contract based on rebuilding trust in institutions, inclusion, protection and participation, and rethinking the measurement of gross domestic product to reflect what matters to people and the planet.
The World Bank has also enthusiastically adopted the social contract narrative, with its *World Development Report* of 2013 centred upon the creation of “a social contract aimed at improving fairness in society” (Devarajan and Mottaghi 2015). The World Bank has argued that the social contract approach is progressive, presenting the opportunity to harness technology and globalization for the benefit of workers to foster inclusion and prosperity. The IMF has also made its pronouncement on the social contract narrative, in which it argues that social spending must be a core component of the social contract. In June 2019, the Managing Director of the IMF, Christine Lagarde, made a speech to the International Labour Conference entitled “Forging a Stronger Social Contract—the IMF’s Approach to Social Spending”, in which she argued that “social spending is a core component of the social contract needed to fulfil the missions of our respective institutions”. She added that “it is a lesson learned in the postwar era, when the three decades of strong and shared growth in the advanced economies – *les trente glorieuses* – were underpinned by an accompanying social contract with broad participation and widespread social and political support” (IMF 2019).

The call for a new social contract has also been made by the International Trade Union Confederation (ITUC). In January 2021, the then ITUC General Secretary, Sharan Burrow, argued during the World Economic Forum that “the choices made by world leaders and by business in 2021 will either heed the call of workers and civil society to reform the economic model and help create a just and sustainable future or maintain business as usual and see a model of corporate greed entrench inequality, exclusion and despair, perpetuating instability for our communities and our planet”. She emphasized that “along with the tragic loss of so many lives from the pandemic, almost 500 million jobs have been lost and two billion people are struggling in informal work, including in new internet mediated businesses” (ITUC 2021).

On this basis, she called for a new social contract that delivers recovery and resilience (ITUC 2021). Consequently, the ITUC Congress in November 2022 adopted six building blocks for a new social contract: (1) investment in decent climate-friendly jobs with just transition; (2) respect for labour rights and implementation of a labour protection floor; (3) minimum living wages and equal pay policies; (4) universal access to social protection through a global social protection fund; (5) promotion of greater levels of equality and an end to discrimination; and (6) an inclusive development model and inclusive multilateralism based on social dialogue.

Likewise, the International Organisation of Employers (IOE) has welcomed calls for a new social contract. IOE argues that “the employers support a ‘New Social Contract’ that avoids politicization and commits governments and international institutions to strengthen their efforts and impacts to improve lives and livelihoods, increase social inclusion, rebuild trust and to better meet the needs and aspirations of all segments of society through more effective and efficient public policies, services and governance and legal certainty”. According to the IOE, the new social contract should provide a consensus on the conditions needed to build individuals’ capabilities fundamental to attaining economic and social well-being, contributing to the society, and benefiting from development (IOE 2023).
On a related note, the European Trade Union Confederation (ETUC) Resolution on an Updated Proposal for a Social Progress Protocol adopted in March 2022 reiterates a longstanding call for a Social Progress Protocol. Noting that the European social model is characterized by the indissoluble link between economic performance and social progress, in which a highly competitive social market economy is not an end in itself, but should be used to serve the wellbeing of all, in accordance with the tradition of social progress rooted in the history of Europe and confirmed in the Treaties, ETUC has called for a Social Progress Protocol that should guarantee that: 1) fundamental social, workers’ and trade union rights take precedence over economic freedoms and other EU policies in the event of conflict, 2) the autonomy of social partners and well-functioning national social dialogue and industrial relations systems must always be respected, and 3) the EU and its Member States must strive to constantly improve working and living conditions, as well as the promotion and protection of the highest standards in terms of social rights, whether they flow from national, European or international law (ETUC, 2022).

The ILO Director-General, Gilbert F. Houngbo, has also called for a new social contract to promote social justice: “My vision for the ILO is anchored in the opening words of the ILO Constitution: ‘universal and lasting peace can be established only if it is based upon social justice’” (Houngbo 2021). Progress made in the last decades in terms of social justice must be preserved and protected, while the global solutions to new challenges and opportunities must be centred on human, environmental, economic and societal values. In short, a new global social contract is required.

A recurrent theme from the ensuing debate for a new social contract appears to be widespread discontent that the current system is not working for everyone. For instance, four out of five people in China, Europe, India and the United States feel that the system is not working for them, and in the most advanced economies parents fear that their children will be worse off than they are (Edelman 2019). The pandemic served as a great revealer as it hit the most vulnerable – the old, the sick, women and those in precarious jobs – the hardest, and exacerbated existing inequalities.

Most of this disaffection stems from the failure of existing social contracts to deliver on people’s expectations for social justice, security and opportunity in an environment where most countries are growing increasingly more unequal and insecure. Old arrangements have been broken by varied forces, including those whose overall impact on society has been positive, as well as those which posed challenges. These include technological change, which is revolutionizing work while its regulation is lagging behind, or the modest gains of past years on gender equality and increased entrance of women into the labour market, which have since seen a reverse in many countries during the COVID-19 pandemic. Looking ahead, population ageing in some regions means that society will need to find new ways to support the elderly while, in others, an increasingly younger population presents challenges due to an oversupply of labour. Furthermore, climate change compels society to work even harder to make the world environmentally sustainable.
As outlined above, a new consensus is that a new social contract is needed and that it is possible for this to satisfy people’s expectations for a life that they value, while also addressing the challenges that affect society, accelerated by the poly-crisis in many regions.

**The global socio-economic context and decent work**

To situate the call and consensus on a new social contract, it is important to understand the underlying causes of the existing discontent and dissatisfaction. This section addresses that question. It examines the global socio-economic context to highlight challenges to decent work that are reinforcing a growing consensus on the urgency of reinvigorating a social contract.

The importance of labour market outcomes in assessing the functioning of the social contract stems from the fact that the labour market is the cornerstone on which the well-being of the whole of society rests, including justice in society. This is because the labour market has a decisive role in shaping and conditioning all kinds of social outcomes, starting with inequalities in society and the possibilities for workers and their families to satisfy their needs (people’s capabilities). Indeed, alongside quality and accessible public services, including health, education and social protection floors, decent employment would enable people to increase, or even guarantee, their ability to feed themselves, care for themselves, educate themselves and better integrate socially, while also improving their participation in the political life of the nation, as well as their access to freedom of expression, association, and the other numerous freedoms that contribute to their well-being (Sen 2001).

All these opportunities offered by decent employment make it a powerful and effective means of achieving all the sustainable development goals of the 2030 Agenda for Sustainable Development. For this reason, it is essential that public policies, including macroeconomic policies, all work coherently towards the massive creation of decent employment opportunities for all, while taking care to adapt to a changing world. However, the figures show that we are still a long way from achieving this.

**Growing jobs gap**

The global socio-economic context is characterized by a persistent and pervasive joblessness and insecurity which could explain the growing discontent and dissatisfaction. The ILO report *World Employment and Social Outlook: Trends 2023* (ILO 2023) observes that the global jobs gap stood at 473 million people in 2022, corresponding to a jobs gap rate of 12.3 per cent. The global jobs gap is a new measure of the unmet need for employment in the world. It consists of the 205 million unemployed – corresponding to an unemployment rate of 5.8 per cent – and 268 million people who have an unmet need for employment but are outside the labour force because they do not satisfy the criteria to be considered unemployed. This is particularly evident for low-income and lower-middle-income countries, with present job gap rates of 20 per cent and 13 per cent, respectively, whereas upper-middle-income countries show a gap of around 11 per cent and high-income countries register a gap of only 8 per cent (ILO 2023).
Looking at trends over the last two decades (figure 1), it is quite concerning to see that the jobs gap is gradually, albeit slowly, increasing for lower-income countries, where it was already relatively high, well above that of other groups, suggesting that public policies in these countries have not been sufficiently effective in creating decent jobs over the last two decades. For other income groups, efforts to create jobs also remain insufficient, with only very slight improvements observed between 2005 and 2022.

Source: ILOSTAT (n.d.).
The jobs gap is particularly large for women and in developing countries. Although men and women currently face similar global unemployment rates, the jobs gap for women is 15.0 per cent, compared with 10.5 per cent for men (ILO 2023). Personal and family responsibilities (including unpaid care work), discouragement owing to the lack of decent employment opportunities, and scarcity of possibilities for (re)training can prevent many women from seeking employment or limit their availability to work at short notice. This also explains that globally, the labour force participation rate of women stood at 47.4 per cent in 2022, compared with 72.3 per cent for men (ILO 2023). The gap of 24.9 percentage points means that for every economically inactive man there are two such women (ILO 2023). Other vulnerable groups, including young people, migrant workers, persons with disabilities and other minority groups, also face severe and disproportionate difficulties in accessing employment, let alone securing decent employment. For instance, young people (aged 15–24) face an unemployment rate which is three times as high as that of adults (aged 25 or more) (jobs gap estimates are missing by age group) (ILO 2023).

**Growing incidence of insecure employment**

ILO estimates (see ILOSTAT n.d.) show that, despite a slight decline in the incidence of informal employment (a decline of 5 percentage points between 2004 and 2019), there were still globally around 2 billion workers in informal employment in 2022, around 60 per cent of all jobs (ILO 2023). Note that such trends hide huge disparities between income groups, as informal employment decreased by around 12 percentage points in upper-middle-income countries, while the decrease was considerably smaller in lower-middle-income countries (around 4 percentage points). The incidence of informal employment remained almost stable in low- and high-income countries, while the high prevalence of informal employment in lower-income countries calls for major efforts to reduce it significantly – around 89 per cent of jobs were informal in lower-income countries, compared with just 16 per cent in high-income countries in 2022. Yet, the recovery following the COVID-19 crisis has been driven by informal employment, mostly in low-income countries, where such jobs were already highly prevalent, which shows an “informalization” of jobs for the first time in 15 years, thereby exacerbating decent work deficits. This is the consequence of insufficient or ineffective measures to support a strong recovery focused on decent job creation, including the impacts of a tightening of monetary policy in the phase of recovery (ILO 2022a).
Incidence of working poverty

The phenomenon of working poverty is rising. As at 2022, an estimated 214 million workers were living in extreme poverty (earning less than US$1.90 per day per person in purchasing power parity terms), corresponding to around 6.4 per cent of employed people (ILO 2023). While low-income countries are estimated to have the same rate of extreme working poverty as in 2019, the number of the working poor has risen. This is due to the fact that many workers, particularly salaried employees, are excluded from the scope of wage laws and policies (those in informal employment, agricultural and domestic workers), or to the inadequacy of these laws and policies, which makes them incapable of guaranteeing a sufficiently decent level of remuneration. Without significant measures to break this stagnation, the achievement of Sustainable Development Goal (SDG) 1 – the eradication of poverty in all its forms – will be impossible.

The fact that there are so many workers in extreme poverty and the high levels of informality in the world suggest that there is still a long way to go before every job can offer a good, or at least decent, standard of living, along with adequate job protection. One of the main bottlenecks is labour productivity. Indeed, many workers occupy low-productivity jobs, particularly in lower-income countries that suffer from a lack of job-rich structural transformation and are characterized by a high prevalence of informality. Only high-productivity activities can provide people with productive jobs, which in turn means higher incomes, and thus improved living conditions. Here too, efforts don’t seem to be enough, as labour productivity growth seems to have slowed down in recent years (ILO 2023).
Rising cost of living

The phenomenon of working poverty is compounded by the rising cost of living. The ILO report *World Employment and Social Outlook: Trends 2023* (ILO 2023) finds that a series of supply shocks, predominantly in food and commodities markets, have raised producer prices, causing spikes in consumer price inflation over the last two years. As a result, an acute cost-of-living crisis has emerged since the beginning of 2022, with deteriorating real wage growth, which was negative in 2022 for the first time in this century, with a consequent drastic fall in the purchasing power of workers, in particular that of the lowest-paid workers (ILO 2022b).

Declining labour income share

It can be observed that labour income share has been in a downward trend over the last decades (see figure 3). In advanced economies, long trends going back to the 1970s show that labour income share has progressively declined from around 55 per cent in 1970 to 51 per cent in 2015. In emerging markets and developing economies, data from 1993 show a similar scenario of decline in labour income share, although the estimated share was already much lower than in advanced economies, which is a matter for great concern.

Inadequate social protection coverage

The World Social Protection Report 2020–22 (ILO 2021) estimates that only about 47 per cent of people worldwide are effectively covered by at least one social protection benefit, meaning that more than 4 billion people still lack any social protection in the current global socio-economic context. Panel (a) of figure 4 shows that only one worker in five is protected by unemployment insurance, while fewer than 30 per cent of vulnerable persons are covered by social assistance. In panel (b) of figure 4, important disparities are observed from one region to another. In Africa, where the worst coverages are observed, only 17 per cent of the population are protected by at least one social protection benefit.

High global income inequality

Significant deficits in decent work worldwide, together with the progressive decline in the share of income from employment, indicate that the labour market is not functioning well enough to advance social justice and bring well-being to all. Serious gaps in social protection further complicate the situation. All this explains the high levels of inequality the world has reached. Comparing the average income of the richest 10 per cent of people with that of the poorest 50 per cent, estimates from the World Inequality Report (Chancel et al. 2021) suggest a widening of the gap between the two groups: while the average income of the richest 10 per cent of people was 8.5 times that of the poorest 50 per cent two decades ago, it has now doubled to almost 15 times. Inequalities have therefore increased within most countries, threatening social cohesion and peace.

Furthermore, while income inequalities between countries have fallen over the past two decades, thanks in particular to the economic progress made in many emerging countries, global income inequalities remain at a very high level (see figure 5, panel (a)), similar to that at the beginning of the twentieth century. What is more, while the share of labour income has tended to decline, there has been an acceleration in the growth of the wealth of the world’s richest 1 per cent. Indeed, while the poorest 50 per cent have only been able to benefit from 2 per cent of global wealth growth over the last three decades, the richest 1 per cent have captured almost 40 per cent (see figure 5, panel (b)).

Source: Chancel et al. (2021).
The world of work and the new social contract

Social tension, peace and serious deprivations in access to basic needs

The growing inequalities and deteriorating socio-economic context in many regions provides ample evidence of the inability of the current social contract to provide people with adequate protection. Too many are not adequately covered by public policies or social security provisions, and therefore the present social contract is unable to guarantee social progress and social justice for all. This situation has been reinforcing a deterioration of social cohesion and peace, the first effects of which have already begun to be felt in recent years (see figure 6).

Figure 6 shows three indicators that provide some overview of a breakdown in social cohesion. Panel (a) shows the evolution of the number of forcibly displaced people, including internally displaced people, over the last three decades. This is a fairly effective measure for assessing social tensions around the world as many of these displacements are the consequence of persecution, conflict, violence, human rights violations or other serious events. Panel (b) showcases a rise in global conflict, with the Global Peace Index rising since 2017 (an increase is synonymous with a deterioration in global peacefulness). This goes hand in hand with the state of democracy, which seems to be deteriorating in all parts of the world, with the exception of Europe and Oceania (see panel (c) of figure 6).
Notes: In panel (b), the Global Peace Index is an index that measures the peacefullness of countries, covering 99.7 per cent of the world's population. The higher the index, the less peacefulness there is. In panel (a), the Democracy Index measures the level of democracy in the world looking at five dimensions of democracy: electoral process and pluralism, civil liberties, functioning of government, political participation, and political culture. The higher the index, the more democracy there is.

Source: Authors’ own calculations based on data from the Office of the UN High Commissioner for Refugees, the Vision of Humanity (GPI) and the Economist Intelligence Unit Democracy Index 2022 (Economist Intelligence Unit 2022).
Figure 6 shows that a greater precarization of work and the inability of public policy to protect all people in society is mutually reinforcing trends in conflict and displacement in many regions.

This has led in part to the existence of serious deprivations in several basic needs that many populations face. For instance, today, 710 million people worldwide suffer from hunger (an estimate as of 21 September 2023, see WFP n.d.). Although access to safe water is defined as a human right, 2 billion people were lacking access to safely managed drinking water services in 2020 (around one fourth of the global population), while almost half of the world’s population do not have access to safely managed sanitation services (UN-Water 2021). Another striking example is the proliferation of young people not in employment, education or training (the so-called NEETs), who represent more than one in five young people (23.5 per cent), both due to lack of employment opportunities and to the lack of access to quality education. Although not the sole cause, deficits in decent jobs and the many examples of deprivations mentioned above also contribute to the fact that 160 million children are engaged in child labour and 28 million workers are in forced labour in 2023 (ILO 2023).

In sum, the Sustainable Development Report 2023 suggests that huge efforts still need to be made to achieve the Sustainable Development Goals by 2030 (only around 18 per cent of the targets are on track to be met) (UN 2023, UN n.d.).

**Climate and technological changes**

Other factors that are influencing decent work within the current socio-economic context include climate and technological changes (ILO 2023). Adjusting to these new realities will require major adaptation initiatives, including significant infrastructure investment. Yet these adaptation measures also present opportunities for job creation, particularly in some of the poorest areas of the world, including Africa. At the same time, technological change, pertaining especially to new digital devices and tools such as artificial intelligence, has yet to live up to earlier optimistic projections about its potential to increase productivity growth and alleviate much of the drudgery of work. But such innovations are needed to address some upcoming labour shortages resulting from demographic shifts.

Addressing these threats to decent work and well-being, including widespread poverty, informality and lack of safe and secure workplaces, will require a coordinated and coherent set of public policies, all having as their “raison d’être” the creation of decent jobs for all, including investment, innovation and the diffusion of technological progress. A new social contract anchored on decent work could provide a basis for restoring trust in public institutions and establishing social cohesion and peace.

**Proposals towards a new social contract**

The world is in the process of assessing its common ambition to promote a strong and inclusive development agenda through the Sustainable Development Goals. The
ambition of the multilateral system, as outlined by the UN Secretary-General, is to create a new social contract. As in earlier contexts, the social contract must assume that all human beings are equal, and that the only justified authority is based on agreements or covenants with the entire society.

The new and invigorated social contract should set out to make public policymaking responsive to the needs of all workers and the community, to forge the integration of economic and social policies and to recognize more completely the whole spectrum of work relationships and their value. Owing to the centrality of the world of work, such a new social contract must be anchored on the achievement of social justice and decent work. The danger of continuing with the post-Second-World-War notion of a social contract is that the integration of human, environmental, economic and societal values into social and economic policy occurs only as a secondary concern; policies remain tied to narrow economic programming models and the formal economy, which respect the sanctum of free market enterprise, but fail to be truly transformative towards all workers, especially those in vulnerable situations.

Indeed, public policymaking must be involved in the ambitious renewal of the global social contract. This social contract must reject narrow economic programming models, which can only lead to widening social and economic inequalities and a lack of social justice for workers. Instead, the global social contract must be underscored by a vision which sees the reduction of social inequality at the heart of both economic and social progress. Moreover, that vision should recognize and underscore the centrality of collectivity as central to both human experience and social progress.

In terms of rethinking or redesigning the social contract, it is important to consider three policy principles that, considered jointly, could help to level the playing field and establish a sustainable social contract. Essentially, the reoriented social-economic context must focus more on the consequences of the current context on dimensions of decent work based on jobs and social security, conditions of work and life, and industrial relations and social dialogue.

**Jobs and social security**

- **Employment promotion**: The new social contract should ensure that policy coherence between macroeconomic and employment policies increases decent employment opportunities and standards, taking into account the employment policies and objectives of governments, as well as security of employment and the long-term development of the enterprise. Business organizations are expected to consult workers’ organizations in order to keep their employment plans in harmony with national social development policies. Multinational enterprises should give priority to the employment, occupational development, promotion and advancement of nationals of the host country at all levels in cooperation, as appropriate, with representatives of the workers employed by them or of the organizations of these workers and governmental authorities. The new social contract should also discuss
how multinational enterprises use technology to generate employment, both directly and indirectly.

**Social security:** It is imperative to establish universal social protection systems, adapted to developments in the world of work, that are resilient, effective, inclusive, adequate and sustainable over the long term.

**Conditions of work and life**

**Wages, benefits and conditions of work:** The new social contract should ensure that wages are adequate and that wage-setting mechanisms promote living wages, benefits and conditions of work. According to the ILO Minimum Wage Fixing Convention, No. 131 (1970), elements to be taken into consideration should include: (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups; and (b) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. Where the employer provides workers with basic amenities such as housing, medical care or food, these amenities should be of a good standard. The European Union Convention on Adequate Minimum Wages in the EU provides a useful example. Pursuant to the ILO Minimum Wage Fixing Convention No 131 (1970), the European Union Parliament and Council directive of October 2022 (Directive 2022/2041) urges member states to ensure adequate minimum wages in the European Union that provide for a decent standard of living and thus meet a threshold of decency that can contribute to the reduction of poverty at national level and to sustaining domestic demand and purchasing power, strengthen incentives to work, reduce wage inequalities, the gender pay gap and in-work poverty, and limit the fall in income during economic downturns.

**Safety and health:** The social contract should prioritize coherent national policies on occupational safety and health. This includes obligations for enterprises to maintain the highest standards of safety and health, in conformity with national requirements and international labour standards, including any knowledge of special hazards. They should also make available to workers’ representatives the safety and health standards relevant to their local operations that the enterprise complies with in other countries. Multinational enterprises should cooperate in the work of international organizations concerned with the preparation and adoption of international safety and health standards. They should cooperate fully with the competent safety and health authorities, representatives of the workers and their organizations and established safety and health organizations.

**Industrial relations and social dialogue**

The new social contract must be based on the ILO fundamental principles and rights at work, especially those governing industrial relations and social dialogue at local, national and international levels. They include the following.
Freedom of association and the right to organize: Workers should, without any distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. They should also enjoy adequate protection against acts of anti-union discrimination in respect of their employment. The enterprises should support representative employers’ organizations.

Collective bargaining: Workers should have the right, in accordance with national law and practice, to have representative organizations of their own choosing recognized for the purpose of collective bargaining. The enterprises should provide workers’ representatives with the facilities necessary to assist in the development of effective collective agreements.

Information and consultation: Enterprises should ensure that there are systems devised by mutual agreement for regular consultation on matters of mutual concern. Such consultation should not be a substitute for collective bargaining.

Access to remedies and examination of grievances: Enterprises should use their leverage to encourage their business partners to provide effective means of enabling remediation for abuses of internationally recognized human rights.

Settlement of industrial disputes: Enterprises, jointly with the representatives and organizations of the workers whom they employ, should seek to establish voluntary conciliation mechanisms.

Conclusions

Employment insecurity and the socio-economic uncertainty and risks for democracy it generates undermine the relationship between workers, employers and the State, with consequences for people’s trust in public institutions that cover fewer and fewer workers owing to an increase in the informalization of work. Indeed, trust in governments remains low in many developing countries and has declined in many developed countries over the last few decades as a result of deficits in decent work, economic insecurity and widespread dissatisfaction with the quality of public services. Low trust, in turn, leads to a general disengagement with public mandates, foregone tax revenues and therefore less fiscal space to make those public investments that would build trust and ultimately help achieve the SDGs – investments to improve the quality and reach of public services, renew infrastructure, expand social protection and implement far-reaching employment policies. Low trust also poses a danger to democracy and affects compliance with laws and public recommendations and therefore challenges the capacity of the State to meet the expectations of society.

In the current socio-economic context, it appears urgent to develop an effective and sustainable social contract which reflects changing realities. A reinvigorated social contract has the potential to make public policymaking responsive to the needs of workers, to forge the integration of economic and social policies and to recognize more completely the whole spectrum of work relationships and their value.
The danger of continuing with a post-Second-World-War notion of a social contract is that the integration of human, environmental, economic and societal values into social and economic policy occurs only as a secondary concern, and policies remain tied to narrow economic and financial programming models which respect the sanctum of free market enterprise, but which fail to be truly transformative towards workers. By contrast, the adoption of a new social contract with decent work as its cornerstone will inevitably expand the boundaries of public policymaking and enable the creation of policies for social progress which will be sustainable well into the future.

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Social protection as a key component of the new social contract: a leading role for trade unions

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Overview

The pandemic of coronavirus disease (COVID-19) brought enormous suffering and economic turmoil: death, long illness, business failure, job loss, recession and reversals of the poverty reduction achieved in recent years. On the heels of the pandemic, the world is now experiencing the hottest temperatures on record, with accompanying storms, floods, droughts and fires. Both calamities are playing out in environments where the quality of life and work are on the decline: inequality is increasing; non-standard forms of employment, including informal employment, platform work and temporary employment, are on the rise; and, in some regions, civil unrest and violence are disrupting life and work. Predictably, the most vulnerable members of society have been hit hardest – i.e. small businesses; workers with low skill levels; those in non-standard forms of employment, including platform work; those in informal employment; young people; and people with disabilities. Women have been doubly disadvantaged by disproportionate job losses in service sectors coupled with an increased need for family caregiving.

These turbulent times have focused increased attention on a long-known, but unaddressed, shortcoming of public policy: While social protection is recognized as a basic human right by virtually all governments and international institutions, in reality most of the global population – more than 4 billion people – still have no coverage. That is, less than half of the world’s population (46.9 per cent) is covered by one or more cash benefits. With so many people left to fend for themselves through back-to-back crises, it is not surprising that distrust in governments and public institutions, already on the rise in most countries, is becoming more widespread (UN DESA 2021).

Recognizing the dangers of these trends, leaders in many realms – government, business, civil society and workers’ organizations – are calling for a new social contract between governments and citizens. While these advocates differ somewhat on the protections the contract should provide, they are in full accord on one point: the need for a guarantee of basic social protection for everyone. Such a guarantee would provide both greater help in hard times and more equal sharing of future prosperity. The International Labour Organization (ILO) Social Protection Floors Recommendation, 2012 (No. 202) offers a blueprint for making social protection as a key component of the new social contract.

This analysis takes a fresh look at Recommendation No. 202 in light of both the newly exposed weaknesses of existing social protection and recent government efforts to build social protection floors. It focuses in particular on design decisions for social protection floors that Recommendation No. 202 leaves to national discretion. While recognizing that there is no single path to expanding coverage, it points to the advantages of particular benefit designs and strategies. This is followed by a call for trade unions to assume leadership roles in expanding social protection, as envisioned in Recommendation No. 202. The paper identifies both the challenges of doing so and the substantial benefits to be gained.
Why social protection is important for the new social contract

Social contracts constitute implicit promises to share economic risks and resources in a manner society regards as fair. Because market forces alone cannot be relied on to achieve fair distributions, virtually all societies have created public systems of social protection. These systems aim to replace lost earnings for those who cannot work, to ensure basic income for families with children and to provide universal access to basic healthcare.

The central role of social protection in social contracts is laid out in two United Nations (UN) documents: the Universal Declaration of Human Rights of 1948 (UN n.d.), and the International Covenant on Economic, Social and Cultural Rights of 1966 (OHCHR n.d. a, n.d. b). Social protection is also a key policy tool for achieving the UN’s 2030 Agenda for Sustainable Development, most notably the Sustainable Development Goal (SDG) targets on social protection (target 1.3) and universal health coverage (target 3.8).

However, the model of social protection that is prevalent in the world today falls far short of achieving the principles that these international agreements establish. That model consists of contributory social insurance schemes for those in formal employment and non-contributory programmes targeted at the poorest members of society, often implemented on a discretionary basis. Globally, most of those who work in informal employment are excluded from both schemes. That is, their earnings are not covered by social insurance, and stringent means tests and income tests render them ineligible for social assistance.

In developing countries, this “missing middle” group is often the majority of workers, and their exclusion is fuelling disillusionment with governments and public institutions. Despite State commitments to reach out to the excluded, and some noteworthy success cases (Alliance 8.7 2023), progress on the whole has been limited. In the 2020s, public trust has been further eroded by the back-to-back crises of COVID-19 and global warming that left millions without help.

Thus, the current discourse on a new social contract presents a kind of “benefit of crisis” – a new opportunity to address a long-standing problem. A good step to rebuild trust is to make social protection the cornerstone of the new social contract. ILO standards for social protection and social dialogue, and in particular Recommendation No. 202, provide a roadmap for such an effort, including options for achieving sustainable financing. This latter aspect – finding “fiscal space” by which to fund universal social protection – is a prerequisite for long-term success.

A new social contract with strong social protection guarantees could be a game changer in rebuilding trust, increasing social cohesion and signalling that every member of the nation State is valued (Development Pathways 2020).
Charting the path to universal coverage under a new social contract

Blueprint for social protection guarantees in a new social contract

Recommendation No. 202, adopted in 2012, provides a blueprint for a social protection floor to form the core of a new social contract. It calls for four social protection guarantees:

1. Essential healthcare, including for maternity and childbirth;
2. Basic income security for children, adequate to ensure their access to nutrition, education and care
3. A basic income for people of working age who cannot find work or earn enough to satisfy their needs, especially in cases of sickness, unemployment, maternity and disability
4. Basic income security for older persons.

Recommendation No. 202 lays out a strategy for establishing these guarantees incrementally. It calls for the progressive building of floors, relying on a combination of contributory social insurance and non-contributory programmes (universal payments, conditional payments and means-tested benefits). Schemes must adhere to the basic social security principles laid out in ILO minimum standards: i.e. benefits must be guaranteed in law and financed collectively, and governments must take responsibility for their delivery and sound administration. Beyond this, the Recommendation leaves national governments broad discretion. However, their policy choices must be grounded in evidence-based research and developed via inclusive social dialogue.

Each component of this approach rests on a solid justification rooted in ILO social security standards and international experience.

▸ **Progressive, incremental action:** Achieving universal coverage is a major challenge for all countries, even those with developed social insurance systems. While investments in social protection have been shown to produce high yields in a short time, the upfront costs of expanded coverage still have to be covered. This will require creating fiscal space in national budgets that have already been stressed by the COVID-19 pandemic and climate emergencies. Incrementalism is also warranted because overly ambitious, complex scheme designs can get bogged down. Chances of success are enhanced when governments start with simple and manageable coverage extensions, make them work well, learn from the effort and expand step by step.

▸ **Terms defined in law:** To ensure that a social protection floor is solid and endures over time, the benefit package must be defined in law, along with all parties’ rights and responsibilities.

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1 In fact, the additional spending required to ensure at least minimal social protection for all has increased by approximately 30% since the inception of the COVID-19 pandemic.
Evidence-based decision-making: Successful extension of coverage depends on understanding all dimensions of the challenge, including the size of specific target groups, their needs and priorities for social protection, their ability to pay contributions and the cost of covering those who cannot pay contributions through non-contributory schemes.

Adherence to minimum standards: While Recommendation No. 202 envisions nationally defined social protection floors, it also calls on governments to observe minimum standards. These are embodied in the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). Recommendation No. 202 and Convention are complementary in that the Recommendation calls on ILO Member States to ratify the Convention No. 102 as soon as possible. It also urges that, in building floors, governments aim for the level and range of benefits set out in the Convention. These minimum standards are well known, having served as a benchmark for planning, developing and evaluating social protection for 70 years (ILO 1952).

State responsibility: Under both ILO instruments, governments must assume responsibility for the proper administration of social protection and the due provision of benefits. While they are free to subcontract for particular functions or services, the ultimate responsibility to honour benefit promises to workers, and to deliver benefits in an efficient manner, is the government’s alone – these duties cannot be delegated. At the same time, effective scheme administration requires wide collaboration, both across government and with scheme constituents. Workers’ organizations are of particular importance. To ensure that capable, representative and independent workers’ organizations are available, governments must recognize and ensure all workers’ fundamental rights to freedom of association and collective bargaining.

Inclusive social dialogue: System stability is enhanced when constituent groups feel broad ownership. This feeling arises and grows when constituents are directly involved in scheme design, governance and oversight. Importantly, representative organizations of workers and employers must participate and be engaged, while other relevant and representative organizations of concerned persons must be consulted, including those without union membership. Workers’ organizations that take on the role of assisting and representing non-members can not only provide them with valuable help but they can also increase their own influence and membership. The section “Key recommendations for workers’ organizations” provides recommendations for workers’ organizations seeking to play the leading role in extending the coverage envisioned in Recommendation No. 202 and Convention No. 102.
Government discretion and promising approaches

Within the parameters just described, Recommendation No. 202 gives governments considerable discretion to design social protection floors based on national needs, values and experiences. This discretion extends to each of the following:

1. The mix between contributory and non-contributory schemes
2. Choice of financing mechanisms
3. Setting priorities for progressive extension of protection
4. Scheme administration.

Recent experience with all four of these parameters points to promising practices.

**1. Usefulness of social insurance affirmed:** Recommendation No. 202 reflects a shift in international policy advice on establishing universal social protection. In the decades prior to its approval, social insurance was often considered the optimal initial step in developing social protection. Even though rates of formal employment in developing countries were tiny, it was expected that, with the passage of time, economic development would bring in new members and eventually the entire workforce, or nearly all, would be covered.

The failure of this scenario to occur created, understandably, some disillusion with social insurance as a development tool. Policy interest shifted to other forms of social protection, such as social assistance – cash transfers, conditional or unconditional – and universal benefits.

Recent experience, however, provides a reminder that social insurance schemes have strengths in extending protection that justify giving them a central, though not exclusive, role. Their advantages include, first, that they exist. Most countries have at least one scheme, and it is usually easier to build on or adapt what exists than to start from scratch. Social insurance also demonstrated high adaptability during the pandemic: Governments were able to scale up these schemes rapidly by liberalizing eligibility requirements and increasing the amount and/or duration of benefits. Because social insurance is funded by worker and employer contributions, workers earn benefits as a right. This promotes “ownership” by scheme constituents, which gives social insurance relatively high political stability. Importantly, because social insurance is earnings-related, it reinforces incentives to work. If benefit formulas are progressive, such schemes can create an attractive incentive for informal workers to declare their earnings and participate, thus helping to formalize employment. Finally, social insurance schemes are especially beneficial for women, who can earn rights independent of marital status, including maternity protection.

Just as the advantages of social insurance have been appreciated anew in recent years, so have the disadvantages of social assistance. Namely, means-testing stigmatizes applicants and beneficiaries, who must present evidence of their poverty and deprivation.
Targeting of benefits, whether directly or by proxies (e.g. lack of a vehicle, dirt floor in a home), has been shown to result in high error rates of exclusion, especially in the “missing middle” – informal workers who are covered by neither social insurance nor social assistance. Moreover, means-tested programmes require staff time and resources to perform detailed assessments of eligibility. And because they are not popular with either participants or the general public, social assistance schemes invariably have insecure financing and, as a consequence, inadequate benefits. As the saying goes: “Programmes for the poor are poor programmes”.

A far preferable alternative is universal benefits. Rather than stigmatizing programme participants, universal schemes provide needed protection without requiring detailed personal and financial information. They also avoid the high level of exclusion errors associated with means tests, and they are far simpler for governments to administer.

Universal benefits can form the base upon which contributory social insurance is built, creating an integrated multi-tier system. As an alternative, universal benefits can be insurance-tested, that is, available to everyone except those covered by social insurance. There can be significant cost savings to the latter approach but also reasons for caution, depending on the national context (see box 1).

**Box 1. Universal versus insurance-tested benefits**

Advantages of insurance-tested benefits:

- cost savings compared to universal scheme
- administration simpler than means-testing, only requires information on the person’s insured status.

Reasons for caution:

- would not work well if national social insurance benefits are inadequate, making those who are ineligible for the universal payment worse off than recipients and, as a consequence, creating disincentives for them to work and report income
- for governments lacking budgetary and/or human resources for administration, even comparatively simple insurance-testing may result in exclusion errors.

*Source: ILO (2021a).*

Clearly, a key criterion for deciding the type of benefits that should be available alongside a national social insurance scheme is that their combination should not discourage work in the formal economy or evasion of taxes or contributions.
2. **Broad choice of financing mechanisms:** It is sometimes argued that social protection is not affordable for low-income countries, or that government expenditure cuts are inevitable during adjustment periods. But recent experience shows that there are viable financing alternatives for pursuing an incremental approach to universal coverage, even in the poorest countries or hardest times. If social protection programmes address important needs and are well managed, the broad public will support them; and there are many options for finding the needed fiscal space (see box 2).

<table>
<thead>
<tr>
<th>Box 2. Finding fiscal space for expanding social protection coverage</th>
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<tr>
<td>- Expanding social security coverage and contributory revenues</td>
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<td>- Increasing tax revenues</td>
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<td>- Eliminating illicit financial flows</td>
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<td>- Improving efficiency and reallocating public expenditure from lower priority areas</td>
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<tr>
<td>- Tapping into fiscal and foreign exchange reserves</td>
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<td>- Borrowing or restructuring debt</td>
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<tr>
<td>- Adopting a more accommodative macroeconomic framework</td>
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<td>- Increasing aid and transfers</td>
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*Source: ILO (2015).*

Each country is unique, not only in the design and implementation of social protection systems but in its optimal means of financing non-contributory benefits. Each approach has potential risks and trade-offs that need to be weighed in a national social dialogue.

Recognizing the enormity of current social protection coverage gaps, the UN, together with the ILO, launched in September 2021 the Global Accelerator for Jobs and Social Protection for Just Transitions. This global project is supporting countries to create at least 400 million jobs, focusing on the green, digital and care economies. It also aims to extend social protection to the 4 billion people currently excluded. This UN-system-wide initiative seeks to achieve these bold objectives through integrated national strategies and policies, integrated domestic and international financing and enhanced multilateral cooperation (ILO n.d.).

3. **Useful initial steps:** Because there is no single correct way to extend coverage, Recommendation No. 202 defers to national priorities and preferences for charting a path. Two initial strategies are worthy of governments’ close consideration: for social insurance, targeting of those sectors with the greatest capacity to pay contributions; and for non-contributory benefits, early initiatives to cover children.
Social insurance: Informal workers differ significantly in their ability to pay contributions, as well as in the extent to which their work situations are organized to enable cost-effective collection of contributions. Thus, the probability of early success is enhanced by targeting groups that have the greatest capacity to contribute, that recognize their need for a particular type of protection (e.g. basic healthcare, employment injury), and that are organized so that the contribution requirement can be enforced cost-effectively, either directly or through intermediaries such as workers’ organizations. For example, a government may target certain professions within the broad category of self-employed persons as a first step, or it may target urban self-employed persons, whose earnings are generally higher, deferring rural self-employed persons for later action. This easy-cases-first strategy can give the new social contract high visibility and momentum, making subsequent steps to extend coverage easier to accomplish.

Non-contributory benefits: Historically, children have often been the last group to be covered by social protection. Yet recent experience points to strong advantages of starting a coverage initiative with child benefits. Globally, children are twice as likely to live in poverty as adults (ILO and UNICEF 2023), and are far less well protected than other groups. As such schemes do not require building up a large reserve, they can be up and running relatively quickly, scoring an early win in the effort to rebuild trust in government. Making eligibility contingent on a family registering its earnings can promote formalization of employment.

Moreover, a robust body of research shows that universal or near-universal child benefits are affordable, even for developing countries. Phasing in a child benefit by starting with the youngest children would require fiscal space of less than half a percentage point of gross domestic product (GDP). A child benefit costing just 1 per cent of GDP has been estimated to reduce poverty of the entire population by 20% (UNICEF and ODI 2020).

In recent years, many countries have recognized children’s enormous unmet need for social protection and the high cost of failing to address it. While universal cash benefits for children are concentrated in high-income countries, some middle-income countries – including Argentina, Brazil, Chile, Mongolia and South Africa – have expanded child benefits in ways that approach universal coverage (ILO and UNICEF 2019). Other countries – including Fiji, Ghana, India, New Zealand and the Philippines – have also taken important steps to expand social protection for children (ILO and UNICEF 2019). These initiatives also show that significant progress in combating child poverty and deprivation is possible right across the economic development spectrum.

4. Partnerships in administration: It is a truism that government agencies cannot work efficiently or effectively in isolation. Many forms of administration can work well or poorly depending on the existence, and effectiveness, of linkages with other agencies. From this vantage point, there are strong advantages to developing early and strong

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2 Today only one in four children (26.4%) receive a social protection benefit and only 45% of women with newborns receive a cash maternity benefit (International Labour Office 2021).
partnerships in extending social protection. Of special importance are cooperation between the social protection agency and the State employment agency charged with implementing active labour market policies, the national healthcare agency and the public finance agency.

Coordination with the employment agency can ensure that social protection for the able-bodied is a benefit of last resort, available only when employment options are scarce or fail to provide a basic minimum income. Coordination with the health agency can prevent work disincentives that arise if earnings cause loss of medical coverage. Coordination with the public finance agency is needed to identify fiscal space and appropriate (progressive) national resources for financing non-contributory benefits. The two agencies can also jointly develop and pursue reforms of public finance that improve tax policy and collections, simplify collection and reporting procedures for contribution-payers, adapt them to particular groups and ensure transparency through regular reporting to the public.

Approached as a joint effort, a new social contract can serve as an engine for strengthening not only the social protection agency, but also its partners.

Key recommendations for workers’ organizations

Calling for a new social contract with universal social protection as a key component is very much in line with workers’ organizations’ social activism over the decades. Recent history is replete with examples. Unions were among the first to demand that abusive child labour be outlawed; to protest against hazardous working conditions in factories and mines; and to lobby for minimum wages, shorter work-weeks and compensation for overtime, in this way achieving greater income equality within societies. Unions also worked persistently for laws guaranteeing work benefits such as health insurance, pensions and paid family leave. In many countries, comprehensive social protection schemes are the result of a long struggle and social dialogue in which workers’ organizations played a leading role (Bonilla Garcia 2000).

The current crises, brought on by the COVID-19 pandemic, global warming and other unfavourable trends, provide unions with another opportunity to seek greater security for all, while affirming their relevance in addressing today’s problems. There are several potential axes of action that workers’ organizations can pursue.

Effectively representing all workers and forming alliances

Workers’ organizations operate today in contexts characterized by declining jobs in manufacturing, the rise of non-standard forms of work, including work in the platform economy, and the persistence and growth of the informal economy, in particular in developing countries. As a result, they represent a declining portion of the national workforce in most countries. More than 60 per cent of the global workforce, 2 billion men and women, are in informal employment, and in Europe and the United States,
some 20–30 per cent of the working-age population (some 162 million people) are engaged in some kind of independent work. These workers are typically excluded from formal tripartite and bipartite negotiations.

Consequently, workers’ organizations structured around the traditional employer-employee relationship need to reorganize and/or refocus in order to engage with, and give voice to, non-members. In many countries, this process has already begun. For example, in Argentina, the Association of Digital Platform Economy Personnel (APP), the first platform workers’ union in the region, is organizing digital platform workers into a new trade union affiliated to the main Argentine trade union federations. APP is fighting for the rights of delivery workers, including for the normalisation of their employment relationships. In Denmark, the trade union 3F that aims to secure better wage and working conditions for its members, signed in April 2018 the first collective agreement with a digital work platform, covering issues such as the transition from freelance to employee status, insurance coverage, and dispute resolution. 3F has also been active in protecting food delivery riders and signed in 2021 with the Danish Chamber of Commerce (Dansk Erhverv) a nationwide collective agreement for food delivery riders in Denmark. Forming alliances with other organizations, such as self-employed, domestic workers, or seasonal agricultural workers, can also extend trade unions’ reach and influence (Ryder 2006). Unions can develop innovative strategies and forms of support, e.g. advisory services, legal representation or accounting services, to attract, retain and represent all workers, including through partnerships with organizations of non-traditional workers.3 Most recently, in the context of the COVID-19 crisis, the Georgian Trade Union Confederation (GTUC) launched a nation-wide awareness campaign in support of 10,000 self-employed and informally employed market vendors, who were eligible for financial support as compensation for the lockdown, aimed at expanding their services to hard-to-organize workers and recruiting new members (ILO 2021).

Building broad coalitions that advocate for universal social protection can be a win-win situation: it will not only advance income security and access to healthcare for all workers, but also contribute to their formalization. This in turn will strengthen the capacity of governments to increase public revenues and hence to finance sustainable social security systems through taxes and contributions (OECD 2020). Last but not least, it will help workers’ organizations to increase their representative capacity.

Effectively participating in the design and implementation of universal social protection as a key element of the new social contract

An understanding of target populations’ priorities, needs and financial capacity is vital in extending social protection successfully. Worker organizations are well placed to provide these informational inputs. However, to serve as trusted and credible

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3 In this regard, the ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) (para. 33) expressly encourages workers’ organizations to extend membership and services to workers and economic units in the informal economy.
partners in extending coverage, workers’ organizations must move beyond advocacy for preservation of their own hard-earned entitlements (McClanahan and Barrantes 2021). In line with their tradition of defending those without a voice, they must engage actively in national debates on resource mobilization for financing non-contributory social protection schemes through, for example, progressive taxation policies. Their involvement is also vital to ensure that the social protection needs of workers affected by climate change are well reflected in national policies.

Workers’ organizations that reach out to informal economy workers and those in non-standard forms of employment can be instrumental in identifying those with contributory capacity, to be progressively included in social insurance. They are also in a good position to facilitate the registration of these workers and to help them cope with reporting requirements. Many good practices already exist. For example, the Confederación Autónoma de Sindicatos Clasistas (C.A.S.C.) in the Dominican Republic, through their Mutual Association of Solidarity Services (AMUSSOL), provides access to the Dominican social security system (SDSS) to its affiliates. As the Dominican State does not guarantee access to social protection for those active in the informal economy, AMUSSOL acts as a “virtual employer to support the registration of workers to the social security system” (ILO 2022). The affiliates pay their monthly contribution to AMUSSOL, which channels it to the national treasury. Then, the affiliates become members of the SDSS and enjoy the family health and workplace accidents insurances while having access to a pension fund (Source: Amussol: informal workers have access to social security in the Dominican Republic, WSM Thematic Report Latin America, No. 2, 2016). In India, tripartite worker welfare boards, established through the Building and Other Construction Workers’ Welfare Cess Act, offer a range of social protection benefits to workers and their families through worker welfare funds (WWFs). In some states, such as Tamil Nadu, success of the WWFs is related to the strong involvement of trade unions. For example, the Construction Workers Panchayat Union counts a total of 520,000 workers, of whom 60 per cent work in the informal economy and about 20 per cent are women workers. The Union has actively engaged with the WWFs to realise the right to social security of informal workers (ILO 2021b).

**Raising awareness among workers about their social protection rights and obligations**

Successful extension of social protection depends on widespread availability of information about the advantages of the new scheme and its rules and regulations. Conversely, limited access to information can be a key constraint on efforts to cover more workers. Information campaigns should thus be an integral component of implementing new social protection laws and schemes.

Workers’ organizations have much to contribute to such campaigns: they can help ensure that both content and messaging are well geared to target groups. They can partner with the government in offering informational meetings and seminars, and they can help to disseminate promotional materials, directly and electronically. For
example, an information and awareness-campaign targeting self-employed workers in Cabo Verde collaborated with different workers’ organizations to effectively channel information to self-employed workers. The campaign also included working with children and youth to make future contributors aware of the benefits of social protection and with the perspective that they might also encourage their parents to register. During workshops, direct information on social insurance was passed on to the self-employed workers (ILO 2021b).

**Participating in the governance and enforcement of social protection schemes**

Convention No. 102 calls for social protection schemes to be administered on a tripartite basis, with regular actuarial valuations to ensure adequate and sustainable financing. Workers’ organizations have key roles to play in both these functions. Workers’ representatives on tripartite boards of directors of administering institutions should fulfil their mandate to represent not only their own organization, but all insured persons. They, together with the other board members, are “trustees” for all workers and must exercise a reasonable standard of care on their behalf, acting in accordance with the rules and laws governing the scheme and taking into account the interests of all categories of workers (ILO 2010).

The participation of workers’ organizations in monitoring and evaluation is key in achieving transparency, accountability and worker confidence. It is particularly important that worker representatives be involved in formulating the economic assumptions used in actuarial valuations of the scheme’s future financial position. Only if worker representatives understand these assumptions and accept them as reasonable can unions be expected to place confidence in actuarial findings. In the context of the extension of coverage, regular monitoring is essential to track progress and provide a solid evidence base for future policy decisions. Direct worker engagement in monitoring can help to ensure accuracy (e.g. the representativeness of sampling strategies) and to increase the credibility of findings.

**Ensuring that commitments made at the international level are transformed into concrete policies and financial commitments at the country level**

The ILO’s tripartite structure gives workers’ organizations a major role in the development and adoption of Conventions and Recommendations, as well as in the supervision of their application at national level. Once a government ratifies a Convention, it is legally bound by its provisions. This helps to ensure that rights to social protection laid down in national law are stable and enduring. By actively promoting the ratification, implementation and monitoring of ILO Conventions and Recommendations, particularly Convention No. 102, workers’ organizations can help ensure that the government fulfils its social security promises, to both current and future workers.
Furthermore, UN processes on sustainable development offer workers’ organizations additional space and impetus to engage in multilateral democratic decision-making. Trade unionists can use these forums to advance discourse on the need for universal coverage. By participating actively in the 2030 Agenda for Sustainable Development process, they can demonstrate the important role of social dialogue and social partnership for national development, especially in the field of social protection.

Workers’ organizations should actively contribute to the Global Accelerator for Jobs and Social Protection for Just Transitions, especially the current debate on new international financing mechanisms, such as the establishment of a global social protection fund. This implies making concrete proposals for investments to achieve universal social protection, advising on integrated policy approaches to provide universal social protection while using social protection as an instrument to tackle informality.

Conclusions

The back-to-back calamities of the COVID-19 pandemic and global warming, occurring in contexts where other social and employment conditions were already deteriorating, confirm the need for universal social protection. While these calamities caused great suffering, they also open new possibilities for achieving the long-discussed goal of reaching the excluded. The returns on such investments are high, both in fiscal terms and in terms of rebuilding trust in public institutions. However, a major risk is that governments will react to these developments with a return to “fiscal restraint”, in a vain effort to put their fiscal houses in order. ILO Recommendation No. 202 provides a road map for “taking the high road”, and recent experiences in implementing it reveal many good practices.

The experiences highlighted here also provide a reminder that, while social protection is a key part of decent work, it cannot replace it. Campaigns for universal social protection must be part of a larger strategy designed to support formalization. Sustainability also depends on managing the macroeconomic environment to promote productivity, growth and full employment, so as to provide fiscal space to finance the system.

Against this backdrop, workers’ organizations confront major challenges in reasserting their relevance in the rapidly changing world of work. Today’s high level of political and economic uncertainty makes their ability to change and innovate crucial to their survival and future growth. But unions also have transcendent roles and responsibilities. Their advocacy can tip the balance in favour of current efforts to extend social protection. By working towards universal social protection as a key element of the new social contract, they can take the lead in rebuilding societies that prioritize the welfare of all their members, while continuing to defend hard-won membership rights.
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Social protection as a key component of the new social contract: a leading role for trade unions
Towards a European socio-ecological contract

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We are facing a new constellation of cumulative inequalities in the climate–environment–social nexus. The vision of a “just green transition” is outlined, for instance, by the International Labour Organization (ILO) (2015) just-transition guidelines, which were endorsed by the International Labour Conference in 2023, claiming that a transition to a zero-carbon economy can be made in an equitable way and that, at the same time, entrenched inequalities should also be addressed. The process of change would move from an unequal carbon-intensive and resource-depleting economy to a more equal zero-carbon and sustainable one, making sure also that the transition itself does not create new sources of inequality. While change is inevitable, what we see in recent history is that all changes and shocks tend to generate further inequalities. This is particularly true of the dominant model of the green transition, based on the concept of green growth and driven by technology, with a key role assigned to the market. Without addressing these inequalities, the existential threat of climate change cannot be averted. This is why a new socio-ecological\(^1\) contract is necessary.

First, this article will address multiple inequalities in the context of the green transition, with a focus on labour-market transitions, distributional effects and equitable access to low-carbon technologies. From a methodological point of view, a literature review of both the academic literature and policy documents will form the backbone of the analysis, supplemented by case examples and practices based on several years of just-transition research.

The second section will critically reflect on the existing concept and practices of just transition and match these with the concept of the welfare state, pointing also to the fact that these two narratives have been disconnected from one another in academic and policy debates.

The third section will argue for a new socio-ecological contract to pursue an alignment between welfare and climate policy, between the concept of just transition and that of the welfare state. A “just (green) transition for all” needs a comprehensive and integrated policy framework to speed up green transition with a more robust social anchor. For this, we need a new socio-ecological contract with the objective of establishing a European (Eco-)Social Model 2.0 that integrates ecological and social priorities, replacing the current patchwork of policies with parallel and overlapping objectives and soft social targets. The article will conclude with a summary of the main points of such a socio-ecological contract, with corresponding policy recommendations.

Inequalities in the climate–environment–social nexus

Inequalities within the climate–environment–social nexus are complex and cumulative, with several dimensions and layers, some conflicting with one another. The main dimensions range from responsibility to exposure and vulnerability (to both climate

\(^1\) In this publication we use the term “socio-ecological”, while some authors also use the term “eco-social”.
change and pollution), adaptation capacity and mitigation policies for their employment and distributional effects (for more on this, see Galgócz and Akgüç 2021). All these dimensions are linked to inequalities in income, wealth, spatial characteristics, housing and employment, and correlate with age, gender, skills and racial (ethnic) characteristics. What makes this constellation even more challenging is that the forces driving these inequalities have different time horizons and geographical spread. Cause and effect are direct and readily identifiable in some cases, but indirect and obscure in others.

**Main dimensions**

**Carbon (footprint) inequality:** Carbon footprint (CO₂-equivalent emissions per capita) is the main indicator of responsibility (of individuals, States or companies) for causing climate change. Its distribution is extremely unequal, both within and across countries. Nearly half of global cumulative CO₂ emissions since 1850 were emitted in just 25 years, between 1990 and 2015, with the richest 10 per cent of countries responsible for 52 per cent of emissions (Gore 2020). Furthermore, the richest 1 per cent of the world population alone (around 63 million people) were responsible for 15 per cent of cumulative emissions. At the same time, the poorest 50 per cent (around 3.1 billion people) were responsible for just 7 per cent of cumulative emissions.

**Unequal impacts of climate change – exposure, vulnerability and adaptation capacity:** The differential effects of climate change and extreme weather events will be a major source of inequality. Climate models and forecasts for Europe also show that the effects will be very uneven (European Commission 2021). This, coupled with inequality of adaptation capacities, makes poorer societies and poorer households more vulnerable. Lower-income individuals also tend to have occupations that are more exposed to climate change, and their housing conditions make them more vulnerable too (for example, inner city “heat islands” versus green belts). Responsibilities and impacts often work in opposite ways, constituting a “double injustice” (Walker 2012).

**Inequality of exposure to environmental harm:** A recent analysis by the OECD (2021) shows that the impacts of environmental degradation are concentrated among vulnerable groups and households. Poorer health, limited access to good quality healthcare and less ability to invest in defensive measures increase the vulnerability of low-income households to air pollution and climate change. A report by the United Nations (UN) Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance (Achiume 2022) highlights the racially discriminatory and unjust roots and consequences of environmental degradation, including climate change.

**Inequalities during the green transition**

Climate policies will continue to have a major effect on the world of work. Millions of new jobs are being created in the transition to a net-zero-carbon economy, but millions of jobs will also disappear. The majority of jobs will go through a fundamental transformation.
Towards a European socio-ecological contract

This unprecedented wave of restructuring will have unequal effects on many fronts, including skills, gender, age, economic activity and region.

The energy and automotive sectors will be hardest hit by the decarbonization drive governed by climate and environmental regulation at European and national levels. In the coal-based power sector, most currently existing jobs will disappear in a decade.

Decarbonization and digitalization will reshape international value chains in the manufacturing industry, in particular in the automotive sector, bringing great uncertainty for the future economic viability of manufacturing locations all over the world.

Concerns about inequality in low-carbon transitions also include the inequitable distribution of benefits. Studies indicate that marginalized groups hardly benefit from job creation in the renewable energy sector in the United States of America, with low representation of women and people of colour (E2 2021).

While market mechanisms – such as the European Union (EU) Emissions Trading System – that set price signals for market actors are important in changing investment and behavioural patterns, they have significant regressive distributional effects, disproportionately affecting low-income households (Cabrita, Demetriades and Fóti 2021). Feed-in tariffs with higher electricity prices to finance investment in renewables, for example, hit low-income households hardest (Zachmann, Fredriksson and Claeys 2018). Even before the price hikes from late 2021 and the price explosion because of the war in Ukraine, energy poverty stood at an alarming level in many EU Member States. Poorer households also have less capacity to change to low- to zero-carbon options, such as electric vehicles, rooftop solar panels or heat pumps (Galgóczi and Akgüç 2021). Uneven distribution of low-carbon energy technologies and rising electricity prices raise significant concerns for environmental and energy justice (Kelly et al. 2020).

The cost-of-living crisis triggered by runaway fossil-fuel energy prices amplifies these inequalities further. Trends indicate that the effects of higher energy costs are harshest for vulnerable lower-income groups, while richer households may even increase their consumption and carbon footprints (as shown by, for example, fast-growing civil aviation and sales of sports utility vehicles; see IEA 2022). These trends indicate that the carbon footprint of the rich is less affected by the global slowdown. The apparent outcome is that while the cost-of-living crisis may bring some incremental improvement in emissions, it aggravates inequalities, with devastating social effects. We also saw this pattern in the financial crisis, as well as in the pandemic of the coronavirus disease (COVID-19).

According to Eurostat (n.d.), compared with 2021, energy poverty in the 27 Member States of the EU increased by 35 per cent in 2022, as 9.3 per cent of the total population, or 41.5 million people, could not afford to keep their homes adequately warm. Furthermore, 20.2 per cent of those at risk of poverty were unable to maintain an adequate home temperature while, in Bulgaria, Cyprus and Greece, up to 50 per cent of poorer households suffered energy poverty. Allianz Research (Allianz 2022) estimated
that the share of the population facing energy poverty could double by the end of 2022 compared with 2021.

Most EU Member States have implemented tax cuts on energy and have also introduced price reductions or control measures on retail energy prices. They have also targeted measures on vulnerable (low-income) groups, although often as an afterthought and not to any great extent. Available overviews of national policies (Sgaravatti et al. 2022; Eurelectric 2022) indicate that broad-based measures have been dominant, which does not benefit either climate and environment policy or equity objectives.

Member States have very different fiscal capacities to pursue such measures, posing a risk of widening disparities and raising important questions about European solidarity.

With regard to the multiple dimensions of inequality, in the absence of a robust social dimension we face a triple injustice: those least responsible for causing climate change and most vulnerable to its effects are likely to be most affected by necessary mitigation policies (in terms of employment and distributional effects) and can least afford low-carbon technologies to end their reliance on fossil fuels.

**Unequal access to low-carbon technology**

It is a fundamental challenge for the green transition to determine the policy mix that can achieve its climate and environmental objectives in an equitable way. Technological solutions are certainly part of the solution, but it is inherent in technological change that those who can afford new – in this case, low-carbon – technologies are likely to derive the initial benefits. Also key to the policy mix are market-based signals and incentives, from emissions trading systems to the price of energy, fuel or organic food. These also exacerbate existing inequalities. The case of technology-driven clean mobility is an important example.

By 2022, investments in electromobility became the driving force of the energy transition. The whole of society benefits by expanding renewable energy generation capacities, but investments in electromobility, while certainly essential and beneficial for CO₂ reduction, tend to benefit higher-income people and countries.

According to Bloomberg New Energy Finance (BNEF 2023), in 2022 global investment in the low-carbon energy transition totalled US$1,100 billion, up from US$755 billion in 2021. From the standpoint of broad economic sectors, the largest sector in 2022 was still renewable energy (US$495 billion) The most dramatic change, however, has been in the electrified transport sector, which showed a 54 per cent increase and came a close second after renewables, with investments of US$466 billion.

From a global perspective, the unbalanced nature of the mobility transition is striking. Global sales of passenger electric vehicles keep on climbing, and in 2022 they were expected to reach a record 10.6 million, an increase of over 60 per cent from 2021 (BNEF 2022). China and Europe accounted for 84 per cent of electric vehicle sales in this period and,
with the United States, made up 95 per cent of worldwide sales. This also shows that the bulk of the world population is still excluded from this development (BNEF 2022).

East–West divisions within the EU were also enormous; 96 per cent of fully electric vehicles were sold in the 14 Member States that were EU Members before 2004 and only 4 per cent – 17,700 vehicles – in Member States from Central and Eastern Europe (although there was a dynamic increase there as well).

**Addressing different dimensions of inequality**

The climate crisis confronts us with a unique constellation of inequalities that is genuinely different from former manifestations. Unlike previous crises, cause and effect are distant from each other in both time and space, and the link between collective and individual risk is not clearly visible. While climate change will have dramatic effects on future generations, and on vulnerable regions and people, it is not perceived as an imminent danger by those responsible for the emissions. There is no direct link between a coal mine in Australia and floods in Europe, unlike the case of local pollution (air, soil or water), where terminating the source of the pollution has an immediate effect. With climate change, only coordinated and coercive action can bring results, and only within a few decades; the effects of climate policies on jobs, by contrast, are felt here and now.

The challenge is that the much greater threat to people’s livelihoods and to equity – climate change itself – seems distant and therefore less important than the more immediate impact of climate policies.

At the same time, academic research and civil society activism have developed concepts in separate silos that do not really relate to each other (Wang and Lo 2021). This is one reason why the concept of just transition that has developed over the past 40 years is so heterogeneous, diverse, often even ambiguous and confusing.

**Interpretation of the environmental-climate and social justice space by advocacy groups**

Social movements, non-governmental organizations and trade unions have tended to focus on one particular form of inequality while neglecting others and the interlinkages between them. Some have focused on vulnerability and exposure to environmental hazards in seeking environmental justice, while others have thematized climate justice in the global context. Trade unions have focused mainly on jobs in the context of restructuring as a result of necessary decarbonization, and have contributed decisively to the emergence of the concept of just transition. In the absence of an integrated just-transition policy framework with an active role for the State, multidimensional and interlinked inequalities in the climate–environment–social nexus cannot be addressed properly. As demonstrated below, what remains is a fragmented patchwork of just-transition initiatives.
Environmental justice: From early on, the concept of environmental justice focused on various equity issues related to local population exposure to environmental hazards. Research addressing “environmental equity”, for example, claims that hazardous waste facilities are disproportionately located in minority areas. While the predominant issues of the environmental justice movement in the United States are race and environmental inequality (Mohai and Saha 2015), in Europe the focus has been on poverty, health inequalities and social exclusion (Wilkinson and Pickett 2018). A recent UN report (Achiume 2022) claims that the devastating effects of ecological crisis are borne disproportionately by racially, ethnically and nationally marginalized groups; in other words, those facing discrimination, exclusion and conditions of systemic inequality because of their race, ethnicity or national origin and who are disproportionately concentrated in global “sacrifice zones”. From the beginning, the trade union movement has had a core interest in health and safety issues in and around the workplace (Rector 2017), but its focus on local environmental hazards, with less emphasis on broader planetary dimensions, has also met some criticism (Mandelli 2022).

Climate justice: Interpretations of “climate justice” draw on the legacy of “radical environmentalism” and focused initially on the global South–North perspective (Labor Network for Sustainability 2017), recognizing the asymmetry between responsibility and vulnerability in the context of climate change (Gore 2020).

Over time the climate-justice narrative – predominantly in the global North – has been extended to the unequal effects of policies set up to control climate change, although with some inconsistency in both the literature and policy documents. Distributional effects of climate policies have been addressed in theories of climate justice and in models of burden-sharing between different actors (Koch and Fritz 2014).

There is a complex relationship between climate and environmental justice, with overlapping interpretations. They are often even used as synonyms. Environmental justice concerns and actions often act as a catalyst for climate action, as protests at coal mines (Bergfeld 2019) or actions against air pollution in cities show. The latter played a key role in sparking the “diesel scandal” that kicked off the fast-track transition to electromobility.

Social justice: Trade unions have been the main advocates of social justice, fighting for a fair share of created wealth for workers. In the early twentieth century, the welfare state was established as an institution that favours economic growth and the maintenance of income and therefore consumption. Its aim was not to change behaviour but to maintain it, with a focus on redistribution.

The critical environmentalist approach of the traditional welfare state claimed that social reconciliation between capitalists and the working class became possible based on the high level of wealth created through ever-increasing material flows and the exploitation of natural resources (Schepelmann et al. 2009).

Consequently, in an analysis of the link between the welfare state and climate change, it must be seen not only as a buffer (shock absorber), which is its stability function,
but also possibly as an enabler of change (Mandelli 2022) to make sure that transition-related risks are not disproportionately borne by workers and vulnerable groups.

**Just transition: an integrative concept to deal with inequalities in the environment–climate–social nexus?**

The concept of just transition concerns how social justice with fair burden-sharing can be applied in the context of controlling climate change, while taking climate, environmental and energy justice into account with all their dimensions. This sounds simple at the abstract and general level and is a concept commonly shared not only in the academic community but also at different policy levels (UNFCCC 2020; ILO 2015; Council of the EU 2022) where there are comprehensive policy frameworks and integrated concepts. In practical terms, however, the fragmentation of just-transition policies has actually worsened. While concrete just-transition policies are fragmented and one-dimensional, inequality challenges are multidimensional. For a detailed critical discussion and typology of just-transition policies, see Galgóczi (2022), and for a critical analysis of the current EU just-transition framework, see Akgüç, Arabadjieva and Galgóczi (2022).

While facilitating labour-market transitions is a key element of the just-transition concept, the interlinkages between the welfare state and labour-market policies are not clarified, in particular as regards active labour-market policies. More importantly, the responsibility of the (welfare) state in dealing with the labour-market effects of the green transformation is not defined.

This shortcoming became evident with the announcement of the “Fit for 55” package in July 2021. The EU now has a Just Transition Fund with limited resources, dedicated mostly to helping coal regions manage the social and employment effects of phasing out coal. This, however, only reaches only a small fraction of those affected by decarbonization. It is important to note that the only policy tool where the State explicitly acknowledges its role in actively supporting labour-market transitions is the Just Transition Fund; but since it is directed to carbon-intensive sectors (coal regions), it covers less than 0.25 per cent of EU employment (Alves Dias et al. 2021). The Social Climate Fund, starting from 2026, has a very specific target: namely, to alleviate the detrimental distributional effects of a new emissions trading system for buildings and transport (Galgóczi 2022). Based on the agreement of the Council of the European Union and the European Parliament reached in December 2022, the resources of the Fund will now be increased by around €14 billion but, given the scale of the energy crisis, this is rather symbolic. The Council Recommendation on ensuring a fair transition is a toolbox for Member States to manage the employment and social effects of the transition, but is based on tools that already exist.

While decarbonization itself is a common objective of humanity, concrete transitions are taking place in work environments that are determined by the capital-labour relationship. The resulting restructuring process – even under cooperative industrial relations – may well be conflictual. Just-transition policies have focused on certain groups
(“just transition for us”); but without considering the broader perspective of an inclusive “just transition for all”, policies cannot meet the challenges posed by multidimensional inequalities. For this to happen, the role of the State needs to be re-thought.

Conclusions by the ILO at the International Labour Conference on just transition stated that: “Urgent action to advance just transition is an imperative to achieving social justice, decent work and poverty eradication, and to tackling environmental and climate change” and pointed to the role of governments and employers’ and workers’ organizations in implementation (ILO 2023a).

**The changing role of the welfare state**

As technology plays a key role in the dominant decarbonization pathway (in Europe in particular, but also in the rest of the world), the restructuring process leading to a zero-carbon economy creates its own risks that need to be covered. To avert the climate emergency and to rein back human activity within planetary boundaries, our entire production and consumption model needs fundamental and paradigmatic change. The perspective of a “socio-ecological State” assumes such a new welfare policy framework, although it is not connected to the mainstream of academic and policy debates about the future of the welfare state. The concept of just transition, while reflecting on these issues, has not gone so far as to challenge the model of the welfare state. While one of the core mandates of the just-transition concept is managing labour-market transitions, for the welfare state the original interpretations only included income support for unemployed people in a passive manner. Not only did the concepts of the welfare state not correspond to the concept of just transition, but they are also inherently ambiguous about the role of the State in employment transitions.

The related restructuring processes will be the determining factor in the coming decades, and this cannot leave the structure of the welfare state unaffected. As discussed above, with climate change and environmental degradation, new risks are emerging in society that are not covered by the traditional welfare state.

Concerning the intrinsic goal of the welfare state, there are at least two, very different, approaches. The first, illustrated by Esping-Andersen (1990), developed the idea of “decommodification”. The aim of the welfare state is to allow people to “get out” of the market, referring to the idea that work is not a commodity (Supiot 2021). This approach puts the market and social protection in tension (see also Polanyi 1957). The second approach emphasizes the complementarity, or even the support, of the welfare state for economic growth and the reforms necessary to reinforce it (Hassel and Palier 2021). At European level, this has been translated since the end of the 1990s by the idea of the welfare state as a productive factor (European Commission 1999). This macroeconomic approach, linked to the debate on varieties of capitalism and models of production, largely leaves out the environmental question (for a critique, see Green 2022). The question then becomes: how can welfare states contribute to growth and how can they contribute to ecological transformation?
At the crossroads of these two approaches, the idea of social investment has emerged. The main argument is that social policies should not be considered as social expenditure – that is, as a cost – but rather as an investment in more productive individuals, often focusing on children and women (Carbonnier and Palier 2022). Certainly, an updated version of the social investment approach could be integrated in a radical rethinking of the welfare state as an institution to accompany ecological change and enable the development of new forms of working by the capability approach (see, for example, Dukelow 2022) that reflects on activation in a different context.

Research by Mandelli (2022) and Laurent (2021) has identified the role of a welfare state as an enabler and facilitator of the green transition, both in terms of social protection and employment policy, distinguishing four main functions: (1) a benchmarking function in policy coordination; (2) a buffer to provide social protection in the green transition; (3) social investment to manage and facilitate labour-market transitions; and (4) a participatory dimension with social dialogue and stakeholder involvement.

Towards a new socio-ecological contract

Dealing with the new complexity of intertwined inequalities while moving a transformative green restructuring of the entire economy ahead needs a new socio-ecological contract with a prominent role for the State. By combining environmental and social objectives in order to address climate change and other environmental challenges, “just transitions” have the potential to accelerate low-carbon transitions in an inclusive and equitable manner (Krause, Stevis and Morena 2022). The authors argue that by strengthening an egalitarian and ecological public sphere that protects workers’ rights and the rights of nature, just transitions can contribute to a new socio-ecological contract for both people and planet, guaranteeing full access to social rights and a viable future for all. On the other hand, as the concept of just transition has shown its limits in terms of both scope and scale, it needs the support of a renewed welfare state backed by a new socio-ecological contract. This new contract should redefine both how humans interact with nature and how humans interact with humans.

What is a social contract and why do we need a new one, this time a socio-ecological one? In its long history, a social contract has been a real or hypothetical agreement between a government and its people setting out the rights and duties of each. Rawls (1971) argued that citizens in society agree to basic standards of freedom and equality in order to guarantee a level playing field for all. All of us participate in a social contract in everyday life through mutual obligations in the family, community and place of work, and as citizens. Caring for others, paying taxes and benefiting from public services define the social contract that supports and binds a society together. Today, however, our social contract has been broken by changing gender roles, technology, new models of work, ageing and the perils of climate change.
The social contract of the twentieth century originated in the era following the First World War and is no longer fit for purpose. This social contract, backed by the post-War welfare state, was based on fossil-fuel-based economic growth and extractivism that was depleting material and natural resources and exploiting the global South. This economic model is hitting planetary boundaries and has created enormous inequalities between and within nations; it needs a fundamental overhaul.

The conclusions of the International Labour Conference in 2023 on just transition highlighted the role of quality public services in providing a foundation for a just transition and for being a catalyst for building a more sustainable and inclusive future (ILO 2023a).

As the United Nations Research Institute for Social Development UNRISD (2021) has put it, “the 20th century social contract – an implicit bargain between economic imperatives of growth and productivity, and social imperatives of redistribution and social protection – has broken down”. Around the world, persisting poverty and an unprecedented increase in inequalities, jobless growth, conflicts, crime and insecurity, as well as multiple crises including the climate crisis, were manifestations of broken and outdated social contracts less and less able to fulfil their promises. A common characteristic of most twentieth-century social contracts was their failure to guarantee respect for planetary boundaries, biodiversity and the sustainable use of natural resources (Hujo and Bangura 2020).

An International Monetary Fund finance and development policy brief (Shafik 2018) argued that a new social contract is possible, which can satisfy people’s need for security and opportunity while also addressing the challenges that affect society as a whole. This new social contract depends on three pillars: security, shared risk and opportunity.

A new socio-ecological contract could help to bring about a more equitable prosperity within planetary boundaries and should be based on key principles, including stakeholder capitalism, skill development, economic security and a transition to net zero. There have been several recent calls for a new social contract by very different actors.

The UN Secretary-General, António Guterres (2020), in his 18th Annual Nelson Mandela lecture, called for a “new social contract for a new era”, aiming to tackle the various layers of inequality. He outlined the threat to our well-being and our future by historic injustices and current trends, from colonialism and patriarchy to racism and the digital divide, and made concrete recommendations for a more equitable, just and sustainable way forward in line with the Sustainable Development Goals.

Trade unions such as the International Trade Union Confederation (ITUC) are also calling for a new social contract (ITUC 2021), one that provides decent work, access to public services and tax justice. The ITUC identified five action points for building a new social contract: (1) creation of climate-friendly jobs with a just transition to achieve net-zero carbon emissions; (2) rights for all workers, regardless of their employment arrangements; (3) universal social protection, with the establishment of a social protection fund for the least wealthy countries; (4) equality and ending all discrimination
such as that due to race or gender; and (5) inclusion, to combat the growing power of monopolies and oligarchs, to ensure that developing countries can actually develop their economies, and to build tax systems that provide the income governments need to meet the needs of people and the planet.

In a similar vein, at the G20 Leaders’ Summit in 2023, the G20 Labour group issued a statement (ITUC 2023) calling for a globally coordinated, state-led, rapid just transition to combat climate change. The international labour movement urges G20 leaders to prioritize the protection and promotion of labour rights, fair and living wages, collective bargaining, social protection and decent work as elements of a new social contract for recovery and resilience.

Social movements such as Fridays For Future, Black Lives Matter and Extinction Rebellion (Amelang and Nijhuis 2022) demand urgent climate and environmental action, intergenerational justice and gender and racial equality, as well as direct participation in decision-making, for example through citizen assemblies. They are calling for a new socio-ecological contract that is inclusive and participatory and brings in all actors under legally binding commitments in favour of social justice and the environment.

A new socio-ecological contract should also involve business, to ensure that it does not shift into corporate welfare and increase inequality, but instead creates value for us all. As proposed by the New Economics Foundation (Mang and Caddick 2023), green industrial policies and increased government spending should provide support for businesses in return for stronger social and environmental conditions, as well as public equity stakes. This will help to ensure that public policy goals are met, as well as generating inclusive prosperity and reduced inequality.

In 2014, the UN Human Rights Council established an open-ended intergovernmental working group with the task of drawing up an “international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises” which would make social and environmental standards legally enforceable. Civil society groups are pushing for States to get this instrument ready for signature and ratification by 2025 (Civicus 2023).

McKinsey Global Institute (Manyika et al. 2020) also calls for a new social contract in the twenty-first century by identifying ten key challenges of the global economy: (1) persistent income polarization and wage stagnation; (2) work fragility and transition supports; (3) affordable housing; (4) the rising expense of and growing demand for healthcare and education; (5) the growing savings and retirement problem; (6) the multiple pressures on low-income individuals; (7) a new era of challenging outcomes for the under-30 generation; (8) the persistent gender and race gaps; (9) the growing challenges of regions and local economies; and (10) the risk of unsustainable government funding. While acknowledging that some institutions – public, private and social – and individuals are starting to adapt, the authors call for concerted action.
Recognizing the scale of the challenges we face, the ILO’s tripartite partners initiated and forged a Global Coalition for Social Justice at the 2023 International Labour Conference. This signifies a global effort to reach beyond the Organization’s own means of action and will engage the multilateral system and international community more deeply and tangibly in supporting national efforts to strengthen social contracts (ILO 2023b).

Conclusions and policy recommendations

As environmental inequalities become embedded in social ones, expanding the debate on what constitutes justice, we are living through a historic moment of synthesis in which environmental policies become social policies and vice versa. As shown in the first section of this paper, inequalities in the context of the climate–environmental–social nexus are multidimensional and intertwined. The paradigm change in our economic model that is needed to put human activity back within planetary boundaries requires a reparation of entrenched existing inequalities, while it must also be ensured that the transition to net zero does not create new inequalities on top of the old ones. While the concept of just transition is promising for delivering on this objective, real-world implementation varies in its scope and scale, and existing policies are not much more than a patchwork. The ambition of having comprehensive just-transition policies that are an integral part of the overall policy framework has not been met so far. The post-War welfare state also fails to address the new challenges. This is why we need a socio-ecological contract with a key role for the State (as guarantor) and an active role for trade unions, civil society and employers.

We identified the role of a renewed welfare state as an enabler and facilitator of the green transition in terms of both social protection and employment policy. This should include four main functions: setting a benchmark for policy coordination; building a buffer to provide social protection in the green transition; managing and facilitating labour-market transitions through social investment; and featuring a strong participatory dimension with social dialogue and stakeholder involvement.

While a social contract is based on mutual commitments, guidelines and declarations are not satisfactory by themselves; they need to be underpinned by binding criteria and implementation. Current practices of just transition, due diligence and codes of conduct are useful, but are mostly based on soft law, whereas climate and economic policies are backed by hard law.

As shown above, several organizations (UN, ILO, International Monetary Fund, World Economic Forum), trade unions, civil society and employers have expressed the need for a new social contract – a socio-ecological contract – with different accents, but with a common basis.

What are the key demands, who should be the main actors and what role should they play? Based also on the demands of several organizations, as described above, we propose the following essential demands as a basis for a socio-ecological contract.
Among existing inequalities, the following need to be addressed urgently: persistent income polarization and wage stagnation; work fragility with informal work and precarious work contracts; the challenge of affordable housing; access to affordable healthcare and education; persistent gender and race gaps; growing regional disparities; and vulnerability to climate change and environmental hazards. For the transition to a zero-carbon economy, differential labour-market effects (job transitions, skills development), distributional effects of climate policies (energy and transport poverty) and accessibility and affordability of low-carbon technologies should be addressed. Without proper social and labour-market policies, all pre-existing inequalities are being amplified during the transition.

What we need is an economic model based on sustainable growth that respects planetary boundaries and is powered by a socio-ecological contract that works for all; a contract that allocates societal risks fairly (including risks arising from the green transition), by spreading them away from workers and giving a fair share of progress to all, and a contract that, in unison with the economic model, provides affordable and effective social protection and reduces inequality, poverty and social exclusion. Therefore, policies are needed that:

1. help the creation of climate-friendly quality jobs;
2. provide a just-transition policy framework that facilitates labour-market transitions, green skills development, fends off detrimental distribution effects of climate policies for vulnerable groups (correcting degressive effects) and makes low-carbon technologies affordable and accessible to all. Such a policy framework should also include regional and industrial policies;
3. guarantee equal rights for all workers, regardless of their employment arrangements;
4. provide universal social protection, with the perspective of universal basic services;
5. eliminate all discrimination due to race, age, gender or other factors;
6. achieve fair taxation for both individuals and corporations at national and international level.

The main actors involved are multilateral institutions (e.g. the EU, the UN and international financial institutions), national States, employers, trade unions and civil society. The State has a pivotal role in setting up a truly comprehensive and holistic policy framework where climate, economic (fiscal, taxation), industrial, labour-market and social policies build up a coherent system. This is what we can call an socio-ecological State. Policy instruments also need to have a proper balance of soft-law and hard-law elements, and not in the way that often happens currently, where economic policies tend to be based on hard law while social policies are based on soft law. Policy tools need to have a delicate balance regulation, market mechanisms, taxation and standard-setting. This policy mix should be backed by a socio-ecological contract, as outlined above. Setting up, monitoring and implementing such a contract needs a proper social dialogue and civil society involvement. All participating actors need to develop new strategies and
new capacities and be open to cooperation and alliances. Businesses need to accept that, besides the profit motive and pursuing shareholder value, they need to serve the whole of society. Environmental, social and governance values should be more than just a public relations exercise. Trade unions should become agents of change, actively promoting just-transition policies and managing plant-level restructuring across the value chain in a proactive way. They also need to develop new strategies to enter and organize in newly emerging sectors and activities, such as the green and digital economies. Trade unions should also look beyond their members in the spirit of social movement unionism and look for alliances with civil society organizations.

Considering the specific role of the ILO and its constituents, in particular workers’ organizations, the organization is best placed to engage in the design and establishment of a new socio-ecological contract within the multilateral system and at national level. The Global Coalition for Social Justice, initiated at the 2023 International Labour Conference, is a good starting point for this socio-ecological contract.

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A new social contract: achieving social justice in an era of accelerating change in the agricultural sector

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Abstract

Agriculture addresses Sustainable Development Goal (SDG) 2, that of ending global hunger. To be sustainable, agriculture must address the local challenges brought about by changing consumer demand, rising populations, demographics and a shifting environment, including lower allocations in the national budget. The two leading producers of rice in Asia (Thailand and Viet Nam) are not able to solve the problem of malnourishment, with their agricultural production always at risk from climate change and unsustainable farming practices. Smart farming is predicted to solve the problem in food security by digitalizing to save production costs; however, by switching to the full use of technology it is displacing labour, as evidenced by several country studies presented in the paper. A new social contract would change the scenario to deal with the violation of workers’ rights and the lack of government support for sustainable smart farming. The new social contract must be one which acknowledges the gaps between traditional and modern farming and integrates employment, social protection and sustainable development.

Introduction

A social contract was formed in the seventeenth century (Locatelli 2022) in the scholarly work of Thomas Hobbes (1588–1679) and John Locke (1632–1704) in England and Jean-Jacques Rousseau (1712–1778) in France. Under Thomas Hobbes’s conflict model, people lived in a state where there were no rulebooks and with boundless autonomy (Huntjens 2021). This model was soundly refuted by Rousseau (1762), who believed that humans are compliant but may renounce their distinct rights for political freedom. Thus, if the government assumes supremacy over the public, the social contract is broken and citizens are no longer duty-bound to obey (Duignan 2023). Thomas Hobbes referred to the social contract as the transactional relationship between the government and its citizens. It can be a formal or informal means whereby citizens, government, businesses, employees and civil society organizations operate under accepted conditions, as well as the behaviour and responsibilities of societal actors. Debatably, the power of the state can only be legitimized if it comes from the people; the government is therefore obliged to fulfil its promises and, in return, the citizens waive their freedom in exchange for security (Gaskarth 2017). If the government for any reason fails to uphold the rule of law and the cause of justice and equality, the people can always exercise their power, within the bounds of law, to ensure that the ideals of the constituents are upheld (Guinigundo 2022).

But what is the role of the government in delivering the social contract, how can it deliver and how can it build the trust of its constituents? The legitimate government must be a guarantor of public safety and order; it must ensure that laws are enforced, improve society’s welfare by addressing market failures and spend public resources on providing citizens with goods and services, including security (Naidoo 2022). Government, however, needs assistance from its citizens, including the non-actors, to create the needed change,
to regulate, to persuade, to coerce and control.¹ In essence, the social contract is an implicit agreement among the members of a society to cooperate for social benefits at the cost of sacrificing some individual freedom, which they cede to the State.

Further, the social contract defines the relative roles of employers and government as they relate to social protection, employment rules and taxation. In the seventeenth century, the social contract expanded to provide protections related to retirement pensions, healthcare, safe working conditions, working hours, vacations and family leave. Ideally, social contracts adapt to societal and economic changes to remain effective and support social and economic stability. The social contract terms of agreement may present a varied scenario depending on the context involved, but will focus on employment and security issues and opportunities and other forms of social protection to help address people’s needs (Shah 2022).

This paper discusses the basic models of social contract from various viewpoints, their application in the digitalization of Asian agriculture, the costs and benefits of smart farming, the gaps arising from implementation of such contracts and the role of government under the new social contract. Philippine agriculture is also showcased in the study and analysed from the perspective of smart agriculture, along with the gaps in its implementation. Gaps in precision agriculture have become the basis for the implementation of the new social contracts.

Status, challenges and opportunities in Asian agriculture

The current population of Asia is 4.8 billion (for 2023; United Nations estimates), which is equivalent to 59.22 per cent of the world’s population (Worldometers 2023) with a per capita gross domestic product of 8.18 per cent (International Monetary Fund 2023). The population is predicted to rise by 34 per cent by 2024, which is an important driver for the market. The middle class is projected to account for at least 65 per cent of the population by 2030, which will trigger demand for higher quality food. Indonesia, the Philippines and Viet Nam have the largest populations so far, including their middle-class populations, which drive the demand for food (Musa, Basir and Luah 2022). It is no surprise, therefore, that the way agriculture produces food to feed the world has changed tremendously because of changing environments. Asia should therefore be quick to embrace solutions to intensify productivity; it has to live up to its name as the powerhouse for production and supply of food, with the largest rice exporters (Viet Nam and Thailand), not to mention the top three exporting countries for pineapples, bananas, mangoes, sugar, coffee, cashew nuts and cassava (Kauffman 2022). Asia also hosts growing markets.

¹ In order to define its organizational legitimacy, the government may be inclined, using its formal authority, to enact policy and enforce laws as a form of coercive force to control individuals or organizations (McQuarrie, Kondra, and Lamertz 2013).
Smart farming

Climate-smart agriculture (CSA) has recently gained global popularity, as it allows for the introduction of new technologies in agricultural activities, allowing farmers to optimize their work and get better results, such as higher productivity, with lower financial costs (Sundberg 2017). CSA uses a range of internet of things (IoT) products, smart irrigation and smart greenhouses, where crop production is monitored using digital tools, which paves the way for “Agriculture 4.0”. Among the smart farming technologies used are, first, machine learning, which predicts changes in climate, soil and water parameters, carbon content and the spread of diseases and pest. Second, is smart farming sensors, which help farmers monitor the smallest changes in the environment and the field using real-time data; third, are the drones and satellites whose cameras help growers create regularly updated maps to monitor remotely without needing to go to the field in person, and, fourth, the IoT, which gives farmers the opportunity to combine all the tools and solutions into one system.

The case of the Philippines – smart farming status and challenges

Oi (2023) informs us that Philippine agriculture is the primary source of livelihood for rural Filipino families and is considered the backbone of the country’s economy. According to the latest census of agriculture and fisheries of the Philippine Statistics Authority, the Philippines has 5.56 million farms and smallholdings covering 7.19 million hectares and contributes about 18 per cent of the country’s gross domestic product. However, the industry has been facing several challenges in recent years. Agricultural productivity in the Philippines has been lagging behind its South-East Asian neighbours for many years. Reyes (2023) described Philippine agriculture as supplying 30 per cent of the country’s labour force and 9 per cent of its gross domestic product, even though the sector suffers from very low productivity, limited access to credit and insufficient infrastructure. It also faces the impact of climate change, as the country is prone to natural calamities, with an annual average of 20 typhoons and droughts, which disrupt production and cause damage to crops worth billions of pesos. With limited financial means, farmers rely on loans to raise capital for farming and the drop in production exacerbates their situation, exposing them further to high debt accumulation. Other challenges include a growing population (150 million by 2050) with changing dietary preferences and an ageing farm labour force, poor market access and information services and limited investments in agricultural research. Most farmers are old, with an average age of 57 years and a life expectancy of 70 years. In addition to the deterioration of agricultural land, the socio-economic vulnerability of farmers exacerbates the poor quality of farm-to-market roads and the lack of processing facilities. Data are often outdated or unreliable, with no access to quality technical information, including market potential, and this puts a strain on research, innovation and policies which might benefit farmers.
CSA implementation: Among the many cutting-edge smart farming technologies used in the Philippines are robots, temperature and moisture sensors, serial images and Global Positioning System technology. All of these allow for more profitable, efficient, safe and environmentally friendly farming practices. Even without human intervention, automation allows for a more consistent distribution of fertilizers, pesticides and water in the field, ensuring the success of innovating farming. Some climate farming techniques were implemented a long time ago, such as the anti-climate-change sloping agricultural land technology and the system of rice intensification to increase irrigated rice productivity. The use of information and communication technologies was extended to fisherfolk groups, and the online monitoring system was introduced to record agrofishery information and monitor reports, especially during the COVID-19 pandemic.

CSA challenges in smart farming: First, the digitalization of agriculture, which reduces the share of manual labour; second, the lack of stable internet connections, which are not available to all regions; third, the low awareness of the modern systems adopted and the lack of understanding of some its features; fourth, the lack of standardization, with many suppliers and manufacturers producing machines which are not compatible and smart farming requiring machine standardization. Another challenge is that utilization of digital technologies calls for basic literacy and computer science skills, as well as special technical skills; digitalizing the industry will change the nature of jobs and demand for labour and skills considerably. Another source of problems is political interference. The Government has made funds available for rural development, including smart farming technologies. Politicians use these projects to serve their own interests, or conduct them in areas where agricultural development is not a top priority. Even if the project is implemented, political leaders without a technical background might make decisions on purchasing machines or other technologies, resulting in technology mismatches. Another challenge is the lack of training among extension personnel, who should be technically up to date; this lack of training leads to failures in implementing CSA.

Benefits of CSA

Precision agriculture optimizes crop production and reduces the environmental impacts to increase yields, save costs and manage risks. Farmers can monitor the soil, weather and crop conditions, allowing them to apply the right number of inputs, such as water, fertilizer and pesticides, at the right time and in the right place. This reduces waste and pollution, meets the increasing demand for sustainable and responsible food production and contributes to global food security and environmental goals. Below are some Asian countries' positive and negative experiences of CSA, with their smart farming methods and achievements.

Viet Nam admitted to having low technological competence, given the complexity of smart farming methods. So far, Viet Nam has very little investment in research and development although, currently, precision agriculture is being adopted by large-scale farms with financially strong investors. Major difficulties range across access to credit,
small-scale farms, slow progress in land consolidation, poor infrastructure, lack of market information and lack of well organized distribution channels. Another is that, even when farmers are able to access the internet, there is still a lack of reliable market information providers, thus they may not be able to benefit from modern technology. Agustin, Alcaraz and Bristol (2022) reiterate the role of agriculture in providing employment and essential agricultural commodities for the citizens. Automation due to Technology 4.0 lowers the demand for labour, which poses a threat to a large percentage of low-skilled agriculturally based workers. The lack of access to the internet was traced to two major obstacles, namely the fragmentation of markets and the shortage of financially small sustainable business models supposedly attracting private investors to provide technical solutions for small-scale production. Despite modernization by members of the Association of Southeast Asian Nations (ASEAN), Viet Nam is not concerned about being left behind. De Clercq, Vats and Biel (2018) revealed that government has slowly realized the benefits of precision farming and has been the enabler of Technology 4.0 with financial incentives and infrastructure for trade promotion, including a training programme.

**Thailand** was the first South-East Asian nation to adopt agriculture biotechnology (Imson 2022). According to findings of Thai scholars, smart farming has major advantages, including smart agriculture that can help farmers to work with fewer mistakes, which helps to reduce production costs and expenses that farmers would otherwise pay unnecessarily. Smart agriculture can help to increase productivity as well as the quantity of agricultural products, which can bring better economic returns and living standards for farmers. The implementation of smart agriculture could help to reduce the number of labourers in the agricultural sector and replace them with drones, which is more profitable than hiring labourers. Accordingly, they see smart farming as a type of agriculture driven by modern technologies, innovation and knowledge, such as handy drones and laser land levelling for rice paddies. Meechoovet and Siriwato (2023) confirmed some benefits of smart agriculture, which can reduce costs while increasing productivity and help to reduce the use of labour. There was some resistance, especially with elderly farmers considering the technology costly and a lack of sufficient knowledge about technologies. Data from a 2020 study by the Food and Fertilizer Technology Center for the Asian and Pacific Region Agricultural Policy Platform on smart farming in Thailand revealed that there were several barriers to growth, namely: the ageing population of farmers, labour shortages, lack of access to proper smart technology resources, lack of funds or capital and poor implementation of national smart technology policies. Smart agriculture can be expensive to implement and has a high maintenance cost and technologies that require technical skills, precision and specific experiences to make it successful. For one thing, applying smart agriculture is a very new approach that some farmers consider complicated to use. For these reasons, ageing farmers are resisting the use of technology. To date, farmers still have to pay high interest rates on their agricultural loans. Moreover, there are still few smart agriculture service centres in Thailand and they do not cover all areas requiring attention. Thailand is currently confronted with a farming society that is ageing and has constantly been working to attract more youth. The Department of Agricultural Extension has set up “Young Smart Farmer” programmes to encourage
young people to enter the agronomic networks to replace over 50 per cent of farmers who have retired. The initiative aims to produce new agricultural “young blood” to achieve maximum agricultural capability by engaging technology to improve yields and other commercial aspects, including production capacity, management and farm marketing (Tortermvasana 2022; Bangkok Post 2023).

In order to reduce import dependency and prioritize food security, Malaysia has turned to smart farming with the use of technology or the IoT, with remote-controlled sensors and robots that can monitor for precision farming. Some aquaponic farms also create fish farms to ensure solutions to food security problems (Hazzan 2023). Self-sufficiency has been described in the Malaysian National Food Security Policy Action Plan 2021–2025, which aims to boost food production with the use of technology and economies of scale while strengthening the value chain for a sustainable food supply.

To optimize space, urban farming is also encouraged to inspire many to grow crops around their own homes and small gardens. These methods introduce many varieties of plants in a limited space compared with traditional farming. The adoption of the IoT is expected to grow considerably in Malaysia with the arrival of 5G technology. The Malaysian Communications and Multimedia Commission recognized 5G-enabled precision farming as the next smart farming platform, featuring an artificial intelligence (AI)-driven automation platform that allows predictive growth modelling, remote global monitoring and control, thus making farming possible anywhere (Sharon 2020). Online resources such as mobile applications can help with precise planning, implementation and data collection for their resources and produce. Challenges come in the form of weak imperatives, and the fact that farmers have been used to conventional methods of farming. Another challenge is the interoperability of different standards, with machines becoming more farmer-friendly (Fakhruddin 2017). There is a lack of knowledge about various technology operations (including the maintenance of drones) which eventually becomes disastrous for farmers. There is lack of good network bandwidth that, if not dealt with, will become problematic (Balafoutis et al. 2017).

Similarly, Brunei, in its bid to attract more youth into the agriculture sector, has started to adopt smart farming. With the internet, young people in Brunei are becoming better informed about modernization in agriculture; they learn approachable methods to start experimenting with small farming systems from the comfort of their own homes (Musa, Basir and Luah 2022). Aquaponic farms, for example, help to preserve environmental amenities by utilizing clean energy and recycling water, making smart farming possible, feasible and sustainable, even with limited space. Brunei also provides agricultural solutions using smart farming methods and technologies such as precision farming software, sensors and machineries. Challenges so far relate to the widespread

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2 Digital transformation in smart farming suffers from interoperability issues due to overwhelming classes of technology used such as the IoT, big data, artificial intelligence and robotics in the form of drones or sensors, which are capable of gathering large volumes of data. Farmers are not trained in how to manage these data and implement automated decision-making. Processing the data also requires tedious manual processes and analytics executions (Roussaki et al. 2023).
deployment of the IoT from the lack of policies for its integration in farming; the low rate of investment in the project, with a trade-off between technology implementation, with its high costs, and the potential for profit. Large gaps are seen between service providers and service users, including the ability of the farmers to use advanced technologies. Another issue for consideration is security and privacy, including protection of data from cyber attacks. Cloud servers can be attacked using the internet to gain control rights. On the other hand, farmers need to improve their skills to apply IoT solutions to their farm.

The situation in Cambodia is not isolated compared with that of other ASEAN members. Some challenges include imbalances between the social and economic power to move towards inclusion, transparency and accountability, especially among those who resist change, which affects the rural areas where subnational policies are narrow in scope. Small farmers, most especially, are excluded from decision-making processes, including budgets, agricultural inputs, land reforms and food distribution. Policies are still centralized.

Singapore is a small and densely populated country with a lack of natural resources, and less than 1 per cent of its land is dedicated to agriculture; thus most of its food is imported. Singapore has come up with technological innovations and ingenious new agricultural methods in its efforts to become the urban agrifood technology hub of Asia. The technology in agriculture includes IoT data analytics, which controls environmental conditions such as light and irrigation and tracks temperature, humidity and the growth of crops; automated systems such as auto-feeders and automated pump systems and shed-cleaning bots that reduce the need for manual labour; and hydroponic systems eliminating the need for pesticides and fertilizers, while optimizing the nutritional value of harvested plants (Ai Kok 2020).

Non-ASEAN countries, such as China, Japan and Sri Lanka, are also showcased here to show the diversity of CSA practices.

China, for example, has been implementing CSA to secure food security for the 1.4 billion Chinese population (Hengde 2023). Innovation in agriculture has taken the form of smart farming, and intelligent farming has become a phenomenon as agriculture has become more scientific (Gong 2023). CSA technology has now strengthened its scientific research and development, and using drones, multispectral imaging and biological control techniques have increased precision in fertilizer and pesticide applications which have improved agricultural output (Lei 2023). In the case of China, implementing CSA rests on the following principles: coping with climate change to ensure sustainable development; attaching equal importance to mitigation of and adaptation to climate change; and amending traditional production methods and consumption patterns to cope with climate change. The Government’s countermeasures against climate change are largely divided into greenhouse gas mitigation measures and adaptation measures for climate change (Kim 2021). Apart from the above-mentioned CSA practices, in highly urbanized areas indoor food plants are cultivated in a form of vertical farming and as an initiative to overcome various barriers to the adaptation of smart farming technologies.
Gong (2023) notes that Chinese farmers are able to gain access to credit to finance smart farming technologies and insurance to control the risks in farming. The Government has supported agricultural modernization for about 3–5 years to allow for full integration of technology-driven farming all over China. It has now focused on capacity-building to respond to farmers with problems in agricultural production, including the challenges of climate change.

Several issues have affected smart agriculture in China, starting with the high cost of installing new technology, the high rate of migration of agricultural workers to urban areas and, ageing. There is also the decrease in arable land from 334.1 million acres in 2012 to 316.29 million acres in 2021 (Van Wyk 2022). Other problems came in the form of rapid urbanization, environmental damage and increasing cost of the land. Wijdooge (2021) reiterates that China is still facing shortages of food due to farm degradation, water scarcity, rapid urbanization and a lack of talent and ways of selling the farmers’ produce, as only 30 per cent of modern farming producers engage in e-commerce selling (Wijdooge 2021) despite the benefits it contributes to modernized farming.

In Japan, the Government plays a crucial role in increasing technology implementation by corporations, accelerating production efficiency and using agricultural policy reforms to promote the construction of data-sharing platforms for science and technology. Japanese smart farming solutions include the use of drones and self-driving vehicles, reforms in chemical spraying and rapid and comprehensive roll-outs of the necessary infrastructure, such as the satellite system, as an agricultural data collaboration platform (Temmen and Schilling 2021). To accelerate the digital transformation of agriculture and encourage agricultural corporate ventures, the Government has also announced inclusive policies and created forums for mutual support. It is granting needs-based financial support to farmers and corporate entities to help them to adopt agricultural machinery and technology (MAFF 2022). All in all, accelerating the digital transformation of agriculture is not only a national issue; the direction that smart farming should take is being sought worldwide (Washizu and Nakano 2022). Agriculture has its local specific culture and practices, as well as specific geographical conditions, but the experience of implementation in the agribusiness system in Japan could provide lessons for other developing regions seeking further technology dissemination (Washizu and Nakano 2022).

In Sri Lanka, smart technologies are used at each step of the farming system, including crop development, land management, breeding, agrochemical usage, wholesale and distribution, processing, storing and marketing, which opens up opportunities for growth in the sector. Digitalization of agriculture is gradually occurring across a broad spectrum of activity, from low-impact solutions using mobile devices and platforms to provide management decision services to medium- and high-impact smart digital farming. In the past, nobody would have assumed that Sri Lankan farmers would adopt mobile phones in their farming operations. Today, many young and middle-aged farmers use a short messaging service, voicemails and other apps for marketing and weather alerts. The “e-agriculture” strategy has identified some of the potential applications of
information and communication technologies to improve existing agriculture system information collection, efficiency and services. Challenges take the form of research and development projects to improve the use of modern technologies in the agricultural sector, owing to the lower resource capacity of smallholder farmers, including lack of capital and other resources and poor access to markets and institutions, including extension services, which may affect them and put them at a disadvantage in reaping the benefits of technological innovations in agriculture. There is also a lack of enabling policy in the digital technologies in agriculture, as well as poor access to infrastructure connectivity and a lack of development in data collection and analysis.

The need for a new social contract

It has been established in this study that smart farming can accelerate agricultural transformation; thus CSA is not a sectoral issue, but is national in character. This is the direction of the next development agenda for lawmakers. Many national policies, especially national constitutions, promised support for constituents, especially in the development of human capital.

Obviously, violations of the social contracts exist in the form of challenges or barriers to improving farm productivity and displacing rural labour. In the many case studies presented, rural labourers are older, with less education, making it more difficult for the farmers to adopt the new technology without the support of the government. The new social contract will encourage young people to focus on smart farming, but the lack of internet connectivity is a potential barrier, preventing the young generation from engaging in agriculture, especially the Gen Z entrepreneurs who have the potential to lead in agricultural innovation.

The new social contract can focus on insightful policies which create platforms for mutual support. One area is financial support for farmers in the form of loans, subsidies or guarantees to help them adopt the new agricultural technology or farmer’s loans from private lending institutions, especially for those farmers who continuously use arable land, and especially in favourable geographical areas. The new social contract can create policies to entice young people to remain in agriculture. With the younger generation, adept with technology, smart farming will become less of a challenge and food security will be sustained.

Obstacles may also come from policy and regulatory barriers. In general, farmers may face challenges related to such barriers that make it difficult for them to implement CSA practices. For instance, there may be restrictions on the use of specific technologies or practices, or a lack of support from government agencies for funding or technical assistance. Governments, along with concerned non-government groups and communities, bear the primary responsibility for increasing the feasibility of CSA and other sustainable farming practices, especially in the unfavourable conditions of developing countries.
Another focus of the new social contract is intervention by the government to address market challenges, where farmers need help in finding markets for their CSA products, especially with the limited demand for them. It is difficult for farmers to recoup their investments in CSA practices and make the transition economically viable.

The new social contract must address violations by politicians who exploit projects intended for smart farming and redirect the funds for their own benefit. Aggravating the situation is the lack of intervention of their national government to tackle the misuse of such funds. Farmers may resist new technology but sufficient funding, incentives and technical support can change their perspective; if those things are absent, this may contribute to farmers pushing back against new farming technology.

In the Philippines, the old social contract was clearly violated, as the Government failed to intervene in the opportunity to increase the productivity of agriculture. This aim was clearly stated in article 12 of the 1987 Philippine Constitution (National Economy and Patrimony) where the goal is the more equitable distribution of opportunities, income and wealth, with a sustained increase in the amount of goods and services produced by the nation for the benefit of the people and the expansion of productivity as the key to raising the quality of life for all, especially for the underprivileged. Full employment should be based on sound agricultural development to make full and efficient use of human and natural resources (Republic of the Philippines 1987). Not supporting the smart farming endeavour as an opportunity to improve agricultural productivity and increase food security was a clear dereliction of duty by those responsible for the country’s governance. Failing to monitor the working conditions of farmers and many workers alike was a clear violation of occupational safety and health standards, with injuries and deaths through accidents occurring in the agricultural sector. The hiring of contractual workers without social protection was a clear circumvention of the law. The Bill of Rights provision of the 1987 Constitution that guarantees the participation of citizens in the political process and their right to collective bargaining was totally neglected.

The violation of the social contract occurred in the form of challenges faced by the workers. First, contractualization (five-month contracts only) is legal under the Philippine Labour Code and allows employers to circumvent the regularization of workers to avoid paying regular employee benefits. In economic zones, for example, workers continue to work for private employment agencies under fixed-term arrangements, mostly casual and temporary in nature, which hamper organizing activities of unions. Many workers complain of the inadequacy of salaries and benefits. The Department of Labour and Employment failed to inspect labour standards in this area owing to an alleged lack of funds and human resources. The private agencies continue to operate despite the lack of certificates of compliance, which poses an imminent danger to the workers. Also,

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Contractualization refers to labour-only contracting, where the contractor merely supplies or places workers to perform a specific job or work for a principal, and the elements enumerated in section 5 of the Department Order No. 174. (DOLE 2017).
union leaders are red-tagged (i.e. labelled and harassed as ‘communists’) and many are assaulted (Human Rights Watch 2021). If the agencies are ever inspected, non-compliance with wage laws was penalized by minimal fines. The enabling policy under the Philippine Development Plan, supposedly promoting inclusive growth and poverty reduction, remained a plan and promise based on inventions. The move towards multi-stakeholder participation was hampered because of the direction taken by the Government. Overall, economic growth remained the focus of the Government but workers’ welfare was left behind.

Given the above considerations, the new social contract must free people from the fear of insecurity, lack of trust and a shrinking policy space. It must recognize the large gap between changes in the world of work and enabling policies, and institutions like the government must be there to manage that gap. It must integrate employment, sustainable development and social protection, based on equal rights and opportunities for all.

The role of trade unions

Employment insecurities undermine the relationships between workers, employers and the government, with consequence of distrust for the role of the government to protect its constituents. Decent work deficits represent government failures to provide quality services to the public (Murtin et al. 2018). Evidently, technology contributes to the suffering of agricultural workers, who suffer from the fall in real wages or the serious declines in real incomes compared with purchasing power which contributed to their situation of poverty. The global issues brought about by globalization should not be imposed on workers alone, especially those working in rural areas where purchasing power and standards of living are sacrificed.

Trade unions should play an active role in organizing peasants and rural working women into cooperatives for delivery of agricultural inputs, for the marketing of produce and for rural industrialization to create jobs in rural areas, eventually eliminating unemployment and underemployment. Trade unions should play a role in fixing the statutory minimum wage, and meeting the demands of people in rural areas, including basic needs like potable water, supplies, electricity, primary health care, education and social services.

The trade union movement in general must cooperate with environmental organizations to change industrial development into ecologically more viable development, and should actively involve populations in solving environmental problems nationally and globally. It is known that agricultural workers are the lowest paid and poorest in the world, with wages, working conditions, social security, health and safety standards lagging behind those in the industrial sector. The vicious cycle of poverty reflects their conditions, with child labour on a massive scale and deprivation of the right to freedom of association. They also suffer from the effects of indiscriminate application of pesticides and herbicides and the destruction of water resources. All of these challenges require a strong trade union presence, especially when the workers are employed by transnational companies.
Trade unions at the federation level should launch educational campaigns among the peasant organizations and mobilize rural people to achieve self-sufficiency in food, and trade unions should assist this task. The organizing and bargaining agenda should be upheld at all times to safeguard the rights of workers to self-organization, ensure safety at work and continue to promote equality, guarantee equal pay for women and men, challenge racism and ensure social protection for vulnerable workers, starting with the proposed global fund for social protection.

Trade unions should be part of the new social contract, where new jobs can be created, where green jobs and infrastructure can consider hiring informal workers, where people enjoy a decent living and purchasing power is improved to help to invigorate the economy. Trade unions should ensure that, even if there is flexibility in work across all job levels, there is proactive health or provision of support for particular needs, taking a deliberate stand on inclusion, equity and diversity.

**Role of the International Labour Organization**

The role of the ILO is to promote a new social contract, as suggested here. As an international organization, it has to recognize the impact of technological advances that affect jobs. A powerful solution must be found in a series of tripartite consultations to ensure that the transition of workers from traditional jobs to jobs in the new world of work is well managed.

The ILO must have a vision of the future, where this new social contract, focused on addressing the difficulties of workers, will be strictly monitored, results shared with the constituents and solutions deliberated. The social contract should contribute to solving the wider disparity in job status and address the impact of climate change and COVID-19.

The ILO should make efforts to increase cooperation between employers and workers to address societal challenges, including Industry 4.0 (the fourth industrial revolution) which disrupts work on a massive scale. It must work towards policies that bring solutions to inequality to a new level and break social contracts in the absence of corrective measures. It should be a transformative strategy, capitalizing on technology, innovation and the drive to make vulnerable workers affluent in due course.

The ILO should work towards policies where, without discrimination (formal or informal), workers shall be accorded equal rights to self-organization, with the same privilege of forming or joining a workers’ organization for collective representation. The same attention must be given to informal employment and work under non-standard contracts.

The ILO must consider a policy mandating Member State governments to acknowledge not only the formal sector, but also the vulnerable workers in the informal economy, giving them platforms to voice their concerns. This shall include the gig economy, which is currently considered as vulnerable and without social protection.
The new social contract must involve the tripartite organizations, where workers are given assurances in terms of job security, acquiring skills and training to improve their incomes and benefiting from improved labour standards and social protection and a social dialogue moving from instability to stability, especially those organizations that provide measures from technology and climate change mitigation.

Conclusions

Agriculture plays a central role in addressing SDG 2, which aims to end global hunger by reducing food insecurity, which is a huge barrier to development in many countries, to reduce malnutrition and to promote sustainable agriculture. Agriculture in Asia is, however, facing challenges, with the three ongoing shifts in consumer demand, demographics and a shifting environment. Despite the region’s prosperity, malnourishment persists in various forms, and agricultural production is exposed to risks from climate change and unsustainable farming practices. This exposes the workers to precarious work and informality of labour, which bring more challenges for trade unions, especially in their organizing activities.

Smart farming brings in technology to increase food production, while minimizing input costs, which include labour as a factor in production. However, half the labour force is to be found in agriculture, and digitalizing the sector will mean disruption of labour. From the case studies presented on economies in Asia adapting smart farming, it is very clear that labour was sacrificed and set aside in favour of technology-driven methods that could help to increase productivity. Indeed, technology does boost output, but it also exacerbates social discomfort and raises the question whether inclusive growth has been achieved. Farmers confirmed high productivity with lower input costs.

Countries in Asia adapting smart agriculture have noted the complexity of precision farming, with only large-scale farms adopting it, given the high cost of technology. The lack of internet access and very poor connections have been cited as major challenges by users, along with resistance by ageing farmers and the lack of interoperability of modern machines, including maintenance of drones. Challenges in the use of the IoT the lack of policies for its integration in farming, as well as the issues of privacy and security of data. There is also a big gap between smart farming technology suppliers and users.

While smart farming implementation is still in its infancy, governments are convinced that smart agriculture can resolve shortages of food. Intensive studies aimed at full implementation include potential financial support for farmers and possible extension services.
Recommendations

Technology enhances productivity, and mechanization is becoming the future of agriculture. However, it has exacerbated public disgruntlement and contributed to inequality, economic slowdowns and rising unemployment, leading to greater poverty which will eventually increase populism.

Governance actors should therefore rethink their social obligations and design appropriate policies and actions in delivering public goods. Where climate change becomes the main concern, policies must focus on environmentally sustainable protection. They must also deal with the consequences of automation for the ageing population.

In terms of the new social contract, the deliverables pledged by political leaders must take the form of State protection, participation, taking responsibility for failure, eradicating tensions and lessening the impact of inequality, poverty and exclusion.

There should be a change in mindset, requiring business owners to listen to the demands of workers. Informal workers should be embedded within the dynamic circles of relationships, rights and responsibilities, which allows for a new pattern of engagement, accountability and reciprocity between the State, capital and labour. Businesses, too, can only survive in a risk-averse environment and should form a new contract with the workforce, who have the resilience to continue to thrive on the challenges. Businesses must stay true to their commitment to the workers, and especially to the trade unions. Workers should increase their productivity for a more harmonized employee-employer relationship, where innovation and productivity are the main goals.

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A new social contract: achieving social justice in an era of accelerating change in the agricultural sector


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A new social contract for the social media platforms: prioritizing rights and working conditions for content creators and moderators

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Abstract

With the rapid rise of the digital age, content creation and moderation have become pivotal components of online platforms, particularly social media. This article uses qualitative research based on interviews and review of literature to expose a complex and unsettling dynamic environment in which content moderators and creators operate. It also delves into the potential measures that can be implemented to prioritize working conditions, fundamental principles and rights at work, as well as mental health support, including access to resources, counselling services and the establishment of supportive work environments.

Further, the article emphasizes the importance of promoting fairness, diversity and inclusion in the digital space, fostering meaningful social dialogue and stakeholder engagement. It also depicts the role that trade unions can play in advocating for and ensuring the realization of this new reality for workers in the social media industry. The article recommends shaping a new social contract that addresses content creators’ and moderators’ rights and working conditions and integrates robust mental health support. It emphasizes the need for collaboration among platforms, stakeholders and workers (through trade unions) to establish an environment that safeguards the well-being and dignity of all those involved in content creation and moderation within social media.

Background

Technological advancements and social transformations have led to the emergence of digital labour platforms, which offer employment opportunities (Goger, Parco, and Vegas 2022) but also raise concerns about working conditions and lack of fundamental rights for workers. Content creation and moderation in the digital age present unique challenges and opportunities, with platforms like TikTok and YouTube revolutionizing how we consume media and offering promising career paths for content creators.

In 2022, the global content moderation solutions market exhibited a valuation of US$9,018.15 million. Over the forecast period, it is expected that it will undergo a robust growth trajectory, with a projected compound annual growth rate of 9.6 per cent. This growth trajectory is expected to lead the market to a valuation of US$15,651.92 million by the year 2028 (The Express Wire 2023). Content creation has become a burgeoning avenue for professional opportunities, particularly among Gen Z and millennials, forecasted to expand from US$250 million with 200 million content creators to a staggering US$480 billion by 2027 (Rayaprolu 2023). The TikTok content creator landscape, as of September 2022, showed a majority of women, at 55.3 per cent, while men comprised under than 45 per cent (Ceci 2023). The dominant age group in the TikTok content creator community was 18–25 years, representing nearly half of all creators, on a platform boasting over 1 billion monthly active users globally (Kemp, 2022; Ceci, 2023). TikTok has an estimated 10,000 content moderators, compared with approximately 15,000 moderators on Facebook and 1,500 on Twitter (Ceci 2023).
Although they are engaged in distinct roles, content creators and moderators on social media share intersecting challenges in their working environments. Social media content moderators undertake the demanding task of filtering society’s content, exposing themselves to psychologically taxing and emotionally distressing material, all while receiving low wages. Conversely, content creators operate in high-pressure settings, frequently contending with issues such as hate speech, cyberbullying and discrimination, while striving to produce entertaining and informative content. These professionals navigate unique but equally demanding landscapes, which underscore the need for comprehensive support and recognition of the challenges they face.

Social media content moderators offer their labour for Big Tech platforms and tools, mainly based in Silicon Valley in the United States of America but, thanks to outsourcing companies, they work in various regions of the world. Kenya, for instance, is the hub for content moderation in the sub-Saharan Africa region. These moderators moderate content for TikTok, Meta and ChatGPT. The moderators in Kenya are usually drawn from different countries: Burundi, Eritrea, Eswatini, Ethiopia, Nigeria, Somalia, South Africa, Uganda, Zimbabwe and others. This is because content from Africa comes in many different African native dialects and they need workers who understand these languages. The scope of their responsibilities includes the delicate task of identifying and removing violent content propagated by extremist groups originating from their own home countries.

An alarming facet of this situation is the palpable fear reported by social media content moderators regarding their return to their countries of origin. This stems from the grave threats levelled against them and their families by extremist entities, who perceive the moderators as traitors. The underlying threat has precipitated a situation in which returning home is often not an option. Additionally, some moderators recounted that they were facing coercion from their own governments owing to perceived bias on these platforms in favour of opposing viewpoints. Many social media content moderators initially sought employment to escape dire socio-economic circumstances or conflict zones in their native countries. Many of these workers are young, predominantly aged between 20 and 28 years. Their work permits are intrinsically tied to their content moderation roles, and should their employment be terminated, their visas undergo automatic expiration, rendering them revocable. Many content moderators are known to have lost their employment abruptly, facing an immediate three-hour time frame to leave the host country. This abrupt disruption has led to emotional distress as they grapple with uncertainty and the challenging prospect of returning to their home countries under trying circumstances.

**Prevailing working conditions**

The hiring process for content moderators as revealed during the interviews has power imbalances, whereby certain technology firms recruit moderators from underprivileged backgrounds, often residing in impoverished areas, and do not disclose the nature of their prospective duties until after the contract is signed. Moreover, content moderators are often presented with limited time for review and no room for negotiation or legal counsel.
Moreover, this category of workers are unaware of the taxing and distressing nature of their roles, which includes moderating sensitive and disturbing content. Given their already fragile social backgrounds, this exploitative practice preys further on their vulnerability, enticing them with seemingly promising job opportunities that, in reality, offer precarious working conditions and inadequate compensation. Targeting content moderators from disadvantaged backgrounds, the social media companies leverage workers’ economic hardship, potentially exposing them to exploitative employment practices. Consequently, the social media content moderators often find themselves accepting substandard working conditions owing to a lack of viable alternatives.

Additionally, content moderators are bound by stringent non-disclosure agreements that prohibit them from divulging the nature of their employment, even to family members or close associates, and even after concluding their roles. This atmosphere of secrecy fosters their apprehension in asserting labour rights and exacerbates their mental distress. They have often resorted to misrepresenting their occupation, often posing as data analysts or language interpreters, which engendered feelings of inauthenticity and led to self-imposed isolation during interactions with family and friends.

After signing contracts, social media content moderators reported to undergo a two-week induction, which, owing to the pandemic of coronavirus disease (COVID-19), mandated accommodation in hotels. This experience brought their job’s reality into stark focus. Some individuals turned to substance use to cope with the work-related challenges. This reliance on drugs continues for some, numbing their emotions and aiding sleep. During this period, certain workers engaged in unsafe sexual practices as a means of escapism, leading to exposure to sexually transmitted infections.

Social media content moderation is often categorized as a low-skilled occupation, when in fact it necessitates nuanced skills and competencies that belie this characterization. The role requires the interpretation of intricate policies and demands a profound grasp of cultural nuances, encompassing language proficiencies. Over a fortnight, content moderators undergo training to navigate their responsibilities. Nonetheless, workers perceive this duration as inadequate for acquiring comprehensive content moderation expertise. This gives rise to a desperate call for extended training periods and professionalization of the industry.

The same experience extends to social media content creators, who are involved in acquiring practical knowledge while engaged in the role. While there is no formal training, brands, agencies and platforms assess the content creators’ work. The multifaceted domain of content creation necessitates several essential proficiencies, encompassing videography, video editing, the discernment of relevant content and a comprehensive understanding of audience preferences and requirements. Content creators also have to be adept at negotiation to prevent exploitation when entering into contracts. While traditionally a task distributed among production houses, marketing agencies or advertising firms, the consolidation of these functions is often placed on a single content creator, substantially reducing operational costs by brands.
A recurring and concerning theme mentioned by social media content creators and moderators reveals the significant impact of their work on their mental health. Moderators described how exposure to disturbing content, such as violent or graphic material, took a toll on their psychological well-being. They spoke of feelings of distress, severe depression, nightmares, vivid flashbacks, insomnia, panic attacks, anxiety and helplessness, stemming from the constant flood of harmful content they review and moderate. They also experience post-traumatic stress disorder arising from continuous exposure to violent content, including live beheadings, rapes, murders, suicides, child sexual abuse and bestiality, to mention only a few examples. Many moderators are frustrated by the lack of adequate psychosocial support provided by their employers. There is a feeling of isolation and emotional strain, as they are often left to cope with the distressing content on their own. The wellness programme provided is insufficient, as it is conducted by wellness practitioners who do not have a comprehensive understanding of the specific challenges faced by content moderators in their roles. Additionally, the sessions are capped at 33 minutes daily, which is a short time and is not always available when needed.

The lack of proper psychosocial support and resources for social media content creators and moderators has profoundly affected their day-to-day lives. Many struggle to find a healthy work-life balance, and the emotional toll of their work seeps into their personal lives, affecting their relationships, sleep patterns and overall well-being. Some even share stories of how they found it difficult to move on with their lives outside work owing to the lingering impact of the distressing content they encountered.

Most experience psychological effects after quitting their jobs or when the contract is not renewed. They also complain of inconsistent treatment and the employer’s inability to offer permanent relief.

Content creators are faced with the “like effect”, whereby social media influencers, bloggers, vloggers or artists often rely on audience feedback in the form of likes, thumbs up, hearts or other reactions to gauge the reception of their content. The like effect can have several significant implications for content creators. While it can have positive implications, it can also negatively affect their well-being and work dynamics.

The like effect leads to validation-seeking, pressure to perform, a focus only on appealing content, comparison and envy, anxiety, stress and feeling worthless, short-term focus, algorithmic changes, vulnerability to trolling and negativity, influencer pressure, competition among creators, etc. Content creators admit this like effect is more of a reflex action. Sometimes the like effect is driven by brands’ expectations in the creators’ contracts, as the creators will be paid after achieving a certain number of reactions to the content they create. Sometimes, the upcoming content creators must reach a certain number of followers and engagements from their posts.

If the content attracts negative reactions from viewers, brands may ask content creators not to post anything until further notice. These adverse reactions affect the content
creators as they try to navigate the backlash from the viewers. Consequently, creators experience insomnia, stress and depression. The effect may go beyond mental and become physical, as sometimes creators will be physically abused outside their homes. Sometimes the attack may be because of their sexual orientation. Sadly, content creators cannot take a break from platforms as the algorithms may detect they are not getting high engagement when they take a break: “I have always wanted to take a break from social media, but then I know that I am under a contract and have to post no matter what. I sometimes feel so much under the weather. I feel, oh my God, I am not even in the correct headspace to shoot anything. I don’t even want to be in front of the camera ...”.

The International Labour Organization (ILO), at its 110th session in June 2022, recognized a safe and healthy environment as a fundamental principle and right at work (ILO 2022). The ILO emphasizes the concept of decent work, which involves opportunities for work that is productive, pays a fair income, provides security in the workplace and gives workers a voice at work. Therefore, recognizing occupational safety and health as a fundamental principle and right at work underscores the need to protect content creators’ and moderators’ physical and mental well-being, promote decent work and ensure that they have a safe and healthy working environment.

Certain social media content creators have encountered instances of sexual harassment while seeking professional engagements with prominent brands. Regrettably, there have been situations where women workers in the social media platforms have felt compelled to acquiesce to unwarranted sexual advances to sustain their livelihoods. In certain distressing cases, these creators have been compelled to engage with the concerned companies to address these issues. However, the potential for adverse public commentary and victim-blaming can contribute to a culture of silence among affected creators. One noteworthy aspect is that content creators typically function as independent contractors according to the terms of their contractual agreement, consequently lacking established channels to report such violations formally.

Incidences of sexual harassment also extend to content moderators, who feel obligated to comply with inappropriate demands in exchange for favourable treatment from superiors, often within the context of suboptimal working conditions, and have indeed been transferred to roles involving less graphic or violent content.

Addressing these matters necessitates a comprehensive approach involving legislative action, heightened corporate responsibility, public awareness campaigns and the cultivation of supportive and inclusive work environments. Through these efforts, the creation of safer and more equitable professional spaces for social media content creators and moderators can be actively promoted.

The ILO Violence and Harassment Convention, 2019 (No. 190) addresses the issue of violence and harassment in the workplace to ensure decent work and promote safe

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1 Personal interview with anonymous content creator, in person meeting, 12 June 2023.
and respectful workplaces. It emphasizes the need to prevent and address violence and harassment in all its forms in the world of work. Content creators and moderators work in digital environments where they face challenges such as isolation, high workload, exposure to disturbing content and lack of job security. Convention No. 190 provides a comprehensive framework for prevention, protection and remedies.

Personal security is also a concern for content creators, as some may be called in for events that start at 8 a.m. and end at 1 a.m. Sometimes they are staying a long distance from the event, but have to show up as they desperately need the “gig”. Additionally, security concerns exist on the platforms, where their accounts get hacked, but also regarding the immense amount of data collected by the platforms.

Moreover, social media content creators are subject to arbitrary suspension, which they cannot challenge, essentially leading to a cut in their income and a change to the algorithm, influencing whether they are promoted or demoted. In general, content creators are not perceived as workers. For instance, when they are working for brands through the platforms they work as independent contractors, and when they post content, they are regarded just as users even when they are financially benefiting from the platforms. Management and control is one of the principles in identifying one as a worker or an employee. However, some content creators believe they work for the platforms as they have little control over algorithmic management.

The workload for both social media content creators and moderators can be heavy. Moderators have a high workload and time constraints. For instance, they label over 500 items, such as identifying explicit content, hate speech, graphic content or other sensitive content, during a single shift. These labels are rapid, repetitive and appear on moderators’ screens when they are off-guard, demanding immediate action. Moderators are often required to meet strict performance metrics, hence the need to produce quality work in the shortest time possible. This often leads to fatigue, poor concentration, burnout and potential errors in content moderation.

“I was expected to submit over 500 jobs within an eight-hour shift, including over 200 videos that contain rape, bestiality, etc., including texts. After leaving work, I did not want to see any electronics near me or anyone, including friends and family. This also affected my concentration; I had to drop a course I registered [on] thinking I could juggle between work and studies. This has also affected my dating life; I cannot date.”

The typical workday for content moderators consists of eight hours with a one-hour break, which includes a health break. The extra time is deducted from their pay if they exceed the one-hour break. It is reported that, during one incident, a content moderator experienced high blood pressure while working and had to take a break to attend to her health. However, despite her condition, the supervisor pressured her to return to

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2 Personal telephone interview with anonymous content creator, 10 June 2023.
her desk as quickly as possible, compelling her to continue working, although it was
detrimental to her well-being.

Most content moderators were not aware of the nature of the work they were to
perform and needed more proper training to help them navigate their day-to-day work.
Most of the training offered focused on the platform’s policies rather than the nuances
of moderating diverse and potentially harmful content. As a result, most content
moderators admitted to facing ambiguity and subjectivity, needing help in recognizing
context, cultural differences, language nuances and evolving trends, leading to
inconsistent or unfair content moderation.

On the other hand, brands may require a creator to post several videos per day.
Creating content requires creativity, shooting and video editing, which may take one
or two days, but posting ten videos daily may take a toll on the worker. Some reported
working more than 12 hours daily to ensure they did not violate their contract terms.
Sometimes the creators will have their content rejected by agencies or brands, and they
will be required to re-do the content repeatedly: “It is frustrating sometimes, as creators
understand their audience better. And if the content they create does not get expected
engagements, that’s another issue altogether. A content creator is not a machine nor a
production house. They are human beings ...”

Social protection is almost non-existent for content creators; some struggle to access
quality medical care when they get sick and, to keep up with the demands of their work,
they have to continue creating content even from their sickbed so that they do not have
to stand up to the algorithm when they are well again: “Sometimes I feel like quitting
content creation and starting afresh. Start something like farming because it’s too much.
It gets to a point you are like; it’s not worth it ..."

Content moderators do not have access to professional mental wellness services and
struggle to afford a therapist. Sometimes the coverage provided by platforms is limited,
and they must fundraise to cover their medical bills.

To assert their labour rights, some workers tried to unionize, but this only resulted in
termination and non-renewal of contracts. Any effort to assert any form of labour rights
or even raise complaints has resulted in workers being red-listed and ultimately losing
their jobs, and to being blacklisted if they ever want to work with another company in
the industry.

The issue of inequality in the social media industry is evident not only through the
sourcing of cheap labour in developing countries by big technology companies, but also
through the significant wage disparities experienced by content moderators in Africa
compared with their counterparts in the United States and Europe. During our interviews,

3 Personal telephone interview with anonymous content creator, 10 June 2023.
4 Personal interview with anonymous content creator, in person meeting, 12 June 2023.
many content moderators in Africa expressed frustration and dissatisfaction with their wages, which were considerably lower than those earned by their counterparts in more developed regions for similar work. This wage discrepancy perpetuates global economic disparities and undermines the principles of fair compensation and equal treatment for workers, regardless of their location.\(^5\)

Furthermore, content moderators reported that attempts to join or form unions to bargain for their rights collectively have been resisted by the agencies they work for and the platforms. Union-busting techniques such as intimidation, discouragement and retaliation have been reported. In some instances, content moderators have faced termination or dismissal for speaking out about their work’s challenging and distressing nature: “We were not allowed to join unions, the person trying to form a union (name withheld) was fired because they do not want you to get registered to a union, and they know the union will help you”.\(^6\)

There have been attempts by content moderators to form a union but this process is still in the initial stages. However, YouTubers in Germany formed an association called Fair Tube. Even though FairTube is not a union, it is an association that has brought workers on the platforms together. It is also affiliated with IG-Metall, which provides a trade union with various forms of membership. For instance, content moderators can join IG-Metall as self-employed persons with an independent membership (Niebler and Kern 2020).

Intermediaries and outsourcing companies are the norm in the platform industry, with content creators and content moderators advocating for the abolition of these companies. This is because these workers are sometimes underpaid and need better terms when signing contracts with these companies than the platforms or brands. Some content creators mentioned some agencies not paying them, and that they would only receive their full payment after reaching out to the brands.

**Conclusions: the need for a new social contract**

Amid these developments, the existing social contract must be updated to protect the rights and well-being of those who contribute to and shape the digital world, including social media content creators and moderators. These workers play a crucial role in generating content, fostering discussion and ensuring the smooth functioning of digital platforms. However, their efforts have often been undervalued and inadequately compensated, leaving them vulnerable to financial insecurity and a lack of support.

\(^5\) The estimated base pay per month for content moderators in Kenya is about KES 30,000 per month which is about USD 300.00 (www.glassdoor.com) whilst the average hourly pay for a Facebook Moderator in the United States is USD 30.93 an hour (ziprecruiter.com).

\(^6\) Personal interview with anonymous content creator, in person meeting, 14 June 2023.
It is important to establish a new social contract that recognizes the immense value of workers’ contributions and ensures fair compensation for their efforts. This means acknowledging their role in generating revenue for digital platforms and involving them in revenue-sharing models that reflect their input. It can foster a more equitable digital environment that benefits both the platforms and their content creators and moderators.

It is essential to prioritize the well-being of workers in the new social contract. Their demanding tasks can lead to high stress levels, online harassment and mental health issues. Adequate support mechanisms should be established, such as support networks, counselling services and clear guidelines for dealing with harmful content. An inclusive digital environment should also be fostered to ensure diversity and inclusivity. Platforms should actively seek out and amplify voices from marginalized communities.

Sustainability should be promoted by adopting eco-friendly practices and promoting responsible content consumption. By valuing and protecting workers’ rights in the digital world, we can ensure that workers work without fear of exploitation or neglect. Ultimately, this will lead to a more vibrant, diverse and thriving digital ecosystem that benefits everyone involved. A new social contract must incorporate a decent work agenda for workers in the digital economy beyond their employment relationship.

As the custodian of rights in the world of work, the ILO should promulgate an explicit convention for the peculiarities and demands of the digital sector, focusing on safety. Current debates must broaden their focus to include the significant content provision and distribution system (De Stefano et al. 2021). Content moderation practices extend beyond individual platforms, including social media, gaming worlds and dating sites. Major platforms collaborate through policy teams. Moderation is experienced across multiple platforms, making it essential to have a broader understanding of its practices (De Stefano and Aloisi 2018). This can be actualized by drawing lessons and best practices from countries that have been successful in this endeavour. In Germany, there have been proposals for regulating digital work platforms (Kocher 2022). An example is the Fairwork project, established with funding from the German Government and ILO, which brings together digital work platforms, workers, trade unions, regulators and academics to develop and monitor decent work standards for digital platforms. Fairwork advocates five core principles for the platform economy for rating, ranking and certification of digital platforms. These are fair pay, fair conditions, fair contracts, fair management and fair representation.

A new social contract should focus on the mental wellness of social media content moderators and creators. This necessitates a collaborative approach encompassing governments, platforms, companies, trade unions and stakeholders. Vital to this endeavour is the establishment of synergistic partnerships with clinics, medical practitioners, nutritionists, meditation therapists, clinical counsellors and psychologists, thereby ensuring a comprehensive support structure for content moderators. Such a concerted effort creates a holistic framework to address the multifaceted aspects of moderator well-being. This could result in a comprehensive ecosystem offering the
requisite care, assistance and resources indispensable for content moderators to excel in demanding roles while nurturing their own mental and physical health.

Essential elements that bind the social contract include the following.

1. **Corporate responsibility:** Social media companies should establish personalized resilience plans for moderators, affording access to resources like newsletters, webinars and personalized consultations with mental health specialists trained in identifying distress indicators. Acknowledging the intricate interplay between mental health and physical well-being, companies should extend the provision of amenities such as gym memberships, yoga, meditation sessions and tailored fitness initiatives that prioritize holistic wellness.

2. **Government oversight:** Governments can safeguard content moderators’ and creators’ mental and physical health by establishing policies to promote their well-being while mandating platforms to furnish adequate resources to this end.

3. **Trade union advocacy:** Trade unions wield considerable influence in advocating for the rights and well-being of content moderators and creators through social dialogue. They can negotiate with companies, ensuring the implementation of robust wellness programmes and support structures. Moreover, they can lobby for policy and legal frameworks to protect and advance fundamental rights and freedoms at work.

4. **Stakeholder contributions:** Mental health advocates and non-governmental organizations can provide supplementary resources, tailored training and targeted support mechanisms that can address the unique challenges encountered by moderators and creators.

5. **Creating supportive work environments:** Social engagement initiatives, team celebrations, community-oriented activities and sports leagues collectively foster an environment of support within the workplace. Extracurricular endeavours such as book clubs and personal finance workshops enhance moderators’ holistic well-being.

Ultimately, the blueprint for a new social contract catering to content moderators’ and creators’ mental wellness demands the active engagement of diverse actors. By fostering collaboration, implementing proactive measures and affording comprehensive support, governments, platforms, companies, trade unions and stakeholders can collectively establish a nurturing ecosystem conducive to the flourishing of content moderators in their vital roles, all while safeguarding their mental and physical health.
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