



Rethinking Multilateralism

# ***WORKERS: NEW SOCIAL CONTRACT PROPOSAL***



**IGARAPÉ INSTITUTE**  
a think and do tank



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# ***WORKERS: NEW SOCIAL CONTRACT PROPOSAL***

## ***Proposal***

A new social contract that delivers green, equitable and inclusive recovery and resilience.

## ***Goal***

A [new social contract](#) should focus on addressing underlying concerns with inequality, austerity, exploitation and impunity. The focus must be on delivering jobs, [green jobs](#), ensuring a floor of rights and protections for all workers, investing in the just transitions of workers in the context of industrial transformation, equality - through a minimum living wage, collective bargaining rights and social dialogue favouring redistribution policies and shared wealth.

In line with the SDGs, the [five key demands](#) that workers want in their social contract are:

- 1** **Jobs:** climate-friendly jobs with Just Transition.
- 2** **Rights:** the promise of the ILO Centenary Declaration for rights and protections for all workers irrespective of employment arrangements.
- 3** **Universal Social Protection:** social protection for all, with the fight for a global social protection fund for the poorest countries.

**4** **Equality:** progress has stalled, and in some nations has been set back by the pandemic. Workers demand equality of income and equality of gender and race.

**5** **Inclusion:** working people want a peaceful world and a just, rights-based development model with the promise of the SDGs.

Recovery and resilience measures must be funded by debt relief and increased public development assistance for developing countries, allowing them to manage crisis responses. Resource mobilisation efforts through progressive taxation at national level should be complemented by strengthening international cooperation in ending tax evasion and illicit financial flows, including a minimum tax floor for all corporations, a billionaires or wealth tax, and a financial transactions tax.

## ***Rationale***

The failure of the existing social contract can be seen around the world. An [ITUC global poll](#) - covering 16 countries from different continents, representing 3.1 billion people over the age of 18 - detected a deep slump in global wages. Indeed, 75 percent of respondents say their income has stagnated or declined

in recent years, and that the minimum wage is not sufficient to lead a “decent life”. Almost 50 percent say they are barely getting by and lack funds to cover their bare essentials. People are also feeling less in control in their jobs, with over a quarter saying they have less control over their own work hours. Almost 40 percent say that someone in their household has lost a job or working hours in the past two years, and fears of rising inequality and potential loss of employment are widespread. Well over 80 percent support access to basic education, healthcare, decent retirement incomes, paid maternity leave and unemployment benefits.

## Focus

Governments must work with employers and trade unions to ensure that recovery plans deliver an inclusive recovery and build resilience. The economic dimension alone cannot ensure the full achievement of the ambitions of the SDGs. We need to go [beyond GDP](#) to consider other elements that will contribute to better living standards, social protection and public services, democratic rights and freedoms, the engagement of people and respect for the environment, valuing the concept of public goods.

Repairing a broken labour market where the despair of informal and insecure work dominates can only be achieved with a floor of rights and protections for all workers irrespective of their employment arrangements. These are laid out in the ILO Centenary Agreement — the fundamental rights of freedom of association, the right to collective bargaining, freedom from discrimination and modern slavery through forced and

child labour must be accompanied by occupational health and safety, minimum living wages and maximum hours of work. This labour protection floor is a test of whether people or de-humanising exploitation sit at the centre of today’s business practices. Monopoly power and exploitation will only be eliminated if we end corporate impunity with mandated due diligence for all corporations with the elimination of corruption.

The new [2021 ITUC poll](#) shows that governments are failing to tackle jobs crises. Support for employment and livelihoods should continue to reverse the economic and social consequences of the crisis, until the pandemic is defeated. The latter implies a stringent need for universal access to testing, treatment and vaccines. Investing in jobs creation will be necessary to reverse the economic and social consequences of the crisis. Strategies and public policies must ensure the creation of decent, climate-friendly jobs, accompanied by Just Transition measures, to guarantee that no-one is left behind in industrial transformation processes. Large numbers of jobs can be created through sustainable investment in infrastructure, health, public transport, housing, repairing ecosystems and making innovative improvements to cities.

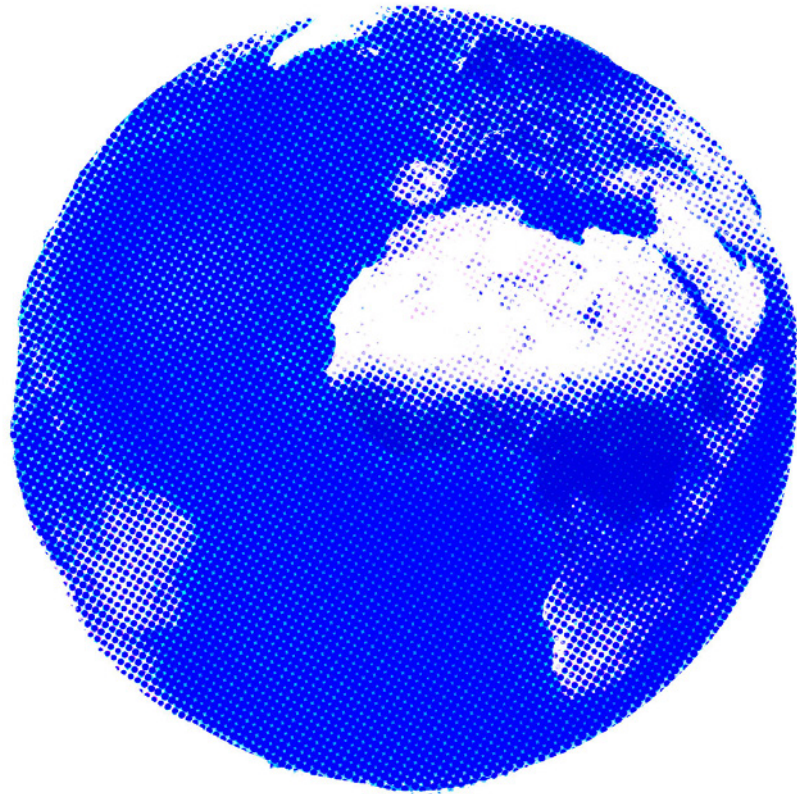
The pandemic has also thrown into sharp relief the importance of scaling up social protection. Advancing towards universal social protection systems and floors is crucial to providing free access to healthcare for all as well as income support to the most vulnerable, including informal economy workers. The proposal by the UN Special Rapporteur on extreme poverty and human rights for the establishment of a Global Social Protection Fund is crucial to upholding the implementation of social protection floors in the world’s poorest countries.

To be sustainable, crisis response measures must be built on the engagement of social partners. Social dialogue and industrial relations help to rebuild trust in institutions and assist in crafting equitable policies. This is true within countries, but also across nations. We need a new model of global governance to redress the current imbalance of power and uneven distribution of wealth at international level. A truly inclusive multilateral system where social partners are on board and have a say will make the difference and pave the way to global resilience.

## ***Recommendations***

- 1** Call for a new social contract, emphasising green, equitable and inclusive recovery and resilience, and urge commitment to its five demands in line with the SDGs.
- 2** Establish a global fund for social protection that also ensures lower-income countries receive adequate support to deliver on the social contract.
- 3** Strengthen inclusion and representation of workers, trade unions and social partners in global economic governance institutions, including the UN.





# ***Our Common Agenda***

The world is contending with multiple interconnected challenges ranging from global health threats and geopolitical tensions to massive digital transformation and accelerating climate change. These complex risks threaten to overwhelm existing multilateral institutions. New thinking is required. To this end, the Igarapé Institute is supporting the United Nations Secretary-General craft [\*Our Common Agenda\*](#). The Agenda is committed to delivering on the promise of the United Nations Charter by refocusing investment in international cooperation.

*Our Common Agenda* is intended to accelerate a new kind of multilateralism. It is mandated by a UN Member States Declaration commemorating the 75th anniversary of the United Nations. The Secretary-General was explicitly requested to report back to Member States with recommendations to address current and future challenges to the UN General Assembly before the end of the 75th session in September 2021. 1,759 participants from 147 countries.

*Our Common Agenda* is informed by consultations with Member States, thought leaders, young people, civil society, and the UN system. It is led by the Executive Office of the Secretary-General with support from the [UN Foundation](#) and [Igarapé Institute](#), along with a network of partners from around the world, including ACCORD (South Africa), [Southern Voice](#) (a network of 50 think tanks from Africa, Asia, and Latin America) and the [Lee Kuan Yew School of Public Policy](#) of the National University of Singapore.

*Our Common Agenda* proposes a series of very practical measures to advance the 12 themes set out in the [UN75 Declaration](#). Among other things, it calls for a reimagined social contract, greater solidarity across generations, reinvigorated protection of the global commons and more rapid and inclusive delivery of global public goods.

During 2020 and 2021, the Igarapé Institute helped backstop the Executive Office of the Secretary-General in its development of *Our Common Agenda*. The Institute conducted research, reviewed recommendations and coordinated a global digital consultation with support from a diverse range of partners.

**Research:** The Institute produced analytical papers on ways to accelerate inclusive and networked multilateralism and developed data visualizations of international cooperation on issues such as global vaccination, nuclear non-proliferation, and climate finance.

**Consultations:** The Institute led a global consultation involving non-governmental organizations, impact investors, philanthropists, parliamentarians, city leaders, academic institutions, and under-represented groups. The process generated 523 proposals from 1,759 participants from 147 countries.



## IGARAPÉ INSTITUTE

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The Igarapé Institute is an independent think and do tank focused on public, climate and digital security and their consequences for democracy. Its objective is to propose solutions and partnerships for global challenges through research, new technologies, communication and influence on public policymaking. The Institute works with governments, the private sector and civil society to design data-based solutions. Prospect Magazine named Igarapé Institute the best Human Rights NGO in 2018 and the best think tank on social policy in 2019.



The International Trade Union Confederation (ITUC) is the global voice of the world's working people. The ITUC's primary mission is the promotion and defence of workers' rights and interests, through international cooperation between trade unions, global campaigning and advocacy within the major global institutions. Its main areas of activity include the following: trade union and human rights; economy, society and the workplace; equality and non-discrimination; and international solidarity.

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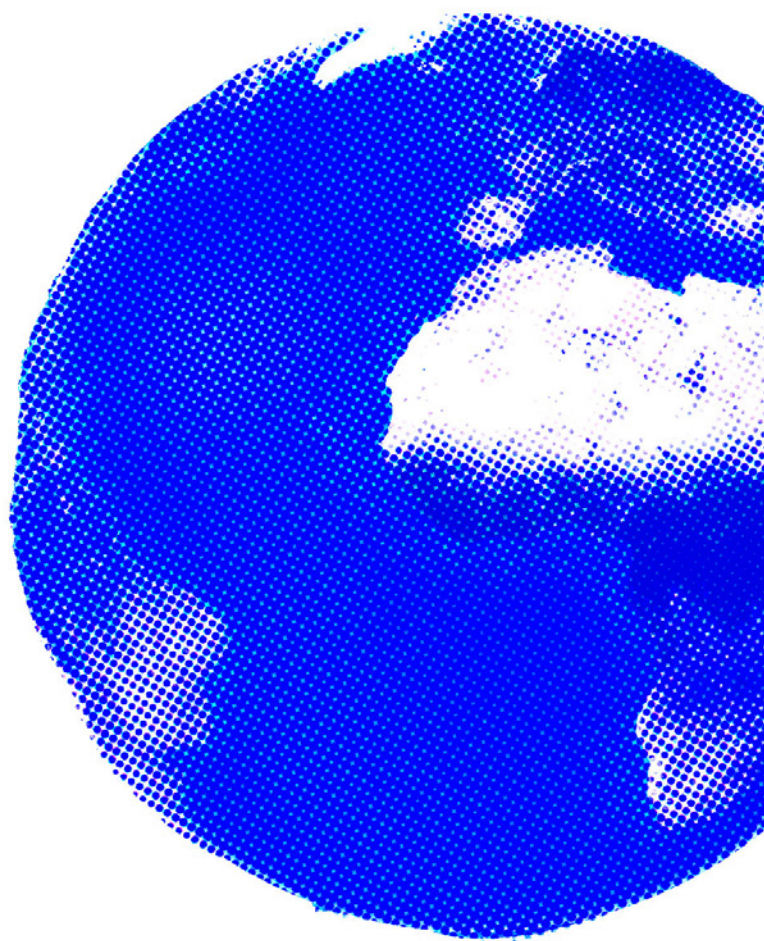
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