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# The New Social Contract for Social Justice: An African Trade Union Perspective

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## **Abstract**

This discussion paper explores the necessity of establishing a “new social contract” in Africa, aimed at redefining the relationship between workers, employers, and governments amid significant economic, social, and environmental changes. The old social contract, rooted in post-World War II agreements, has largely failed in Africa due to factors such as neoliberal policies, structural adjustment programmes, and the rise of precarious work in the informal economy. These failures have been exacerbated by technological disruptions and the climate crisis, necessitating a framework that prioritises social justice, equity, and inclusion. Globally, trade unions have six central demands for this new social contract: decent and climate-friendly jobs, universal worker rights, minimum living wages, universal social protection, equality, and inclusion. The discussion paper argues that African trade unions are uniquely positioned to advocate for these principles, leveraging their historical advocacy and strategic roles. It further recommends actionable steps for trade unions to advance this agenda, including strengthening labour rights in the informal economy, championing just transitions, and promoting inclusive growth policies. Ultimately, the establishment of a new social contract is presented as a critical path towards a fairer, more resilient future of work in Africa, emphasizing the collaborative role of trade unions, employers, and governments in fostering social justice and economic prosperity.

## Introduction

The African continent stands at a critical juncture, marked by both the promise of economic transformation and the challenges posed by global shifts in economic, social, and environmental landscapes. The rise of new technologies, the intensifying climate crisis, and the impacts of globalisation on local economies have fundamentally altered the world of work. In response to these changes, there is a growing consensus around the need to establish a “new social contract” – a conceptual framework that seeks to redefine the terms of the relationship between workers, employers, and governments, ensuring that social justice is at the heart of economic and political decision-making. This discussion paper delves into the rationale behind this new social contract from an African trade union perspective, with a particular focus on addressing the inadequacies of the old social contract, the impacts of neoliberal economic policies, and the rising need for a worker-centred approach to global economic governance.

The **new social contract** is premised on principles of fairness, equality, and inclusion, all of which are necessary to counter the failures of the previous model. In particular, the *International Trade Union Confederation (ITUC)* has identified six key demands that are central to this new framework: (1) the creation of decent and climate-friendly jobs with just transitions; (2) rights for all workers; (3) minimum living wages and equal pay; (4) universal social protection; (5) equality and non-discrimination; and (6) inclusion. This paper argues that the African trade union movement is uniquely positioned to advance these demands, harnessing its historical legacy of advocacy and its strategic role in shaping the future of work across the continent.

### The Old Social Contract: Why It Has Failed

To understand the necessity of a new social contract, it is crucial to reflect on the shortcomings of the old one. Historically, the social contract was established during the post-World War II era, predicated on an implicit agreement between workers, employers, and the state. In developed economies, this contract typically ensured full employment, social protections such as healthcare and pensions, and the right to collective bargaining (Esping-Andersen, 1990). However, in much of Africa, this contract was never fully realised, and where elements of it existed, they have largely disintegrated due to a range of factors, including economic crises, structural adjustment programmes (SAPs), and the rise of precarious work in the informal sector.

### Structural Adjustment and Neoliberalism

The collapse of the old social contract in Africa can largely be attributed to the introduction of neoliberal economic policies, particularly through the structural adjustment programmes (SAPs) of the 1980s and 1990s. Imposed by the International Monetary Fund (IMF) and the World Bank, SAPs forced African countries to adopt free-market policies, privatisation, and austerity measures in exchange for financial assistance. While these programmes were intended to stabilise economies, they often had devastating consequences for workers. Public sector jobs were slashed, wages were depressed, and social protection systems were dismantled (Mkandawire & Soludo, 1999).

In the wake of neoliberal reforms, the informal economy expanded rapidly, becoming the primary source of employment for many Africans. Yet, informal sector workers, by definition, lack the protections afforded to their formal-sector counterparts, including

access to pensions, healthcare, and unemployment insurance (ILO, 2020). Moreover, as African economies became increasingly integrated into global supply chains, labour conditions deteriorated, characterised by precarious work arrangements, wage suppression, and the erosion of workers' rights. In this context, the old social contract—rooted in the assumption of stable, formal employment with corresponding social protections—became increasingly obsolete.

### **Technological Disruption and Labour Market Fragmentation**

Technological advancements, particularly in automation, artificial intelligence (AI), and the platform economy, have further destabilised traditional labour markets. While these technologies offer new opportunities for innovation and growth, they also exacerbate inequalities by creating a dual labour market: a small, highly skilled workforce benefiting from the digital economy, and a large pool of workers relegated to low-wage, precarious jobs with little job security (Brynjolfsson & McAfee, 2014). In Africa, the platform economy has expanded rapidly, particularly in sectors like ride-hailing and delivery services. However, these jobs are often characterised by informality and the absence of social protections, leaving workers vulnerable to exploitation (De Stefano et al., 2020). Moreover, the automation of manufacturing and other industries poses a significant threat to traditional forms of employment. In sectors such as mining and agriculture, which employ a large portion of the African workforce, automation has led to job displacement, with little to no provision for retraining or reskilling (Rodrik & Sabel, 2022). Without a robust framework for managing these transitions, workers are left at the mercy of market forces, contributing to widening inequality and social unrest.

### **Climate Change and Just Transition**

The climate crisis represents another significant challenge to the existing social contract. In Africa, where many workers are employed in resource-dependent industries such as agriculture, mining, and fisheries, the impacts of climate change are particularly acute. Rising temperatures, changing rainfall patterns, and extreme weather events have disrupted livelihoods, pushing many workers into poverty (UNEP, 2021). At the same time, the global push for decarbonisation and the transition to a low-carbon economy has led to job losses in sectors such as coal mining.

The old social contract, predicated on economic growth without consideration for environmental sustainability, has proven inadequate in addressing the needs of workers affected by climate change. In this context, the concept of a “just transition” has gained prominence, advocating for policies that support workers in transitioning to greener jobs while ensuring social protection and economic security. A new social contract must incorporate these principles, ensuring that no worker is left behind in the shift towards a sustainable economy (ITUC, 2019).

### **Inclusive Growth: The Key to Social Justice**

Inclusive growth is central to the new social contract. The term refers to economic growth that is broad-based, benefiting all sections of society, particularly the most vulnerable (OECD, 2021). In many African countries, economic growth has often been concentrated in specific sectors – such as extractive industries—leading to deep inequalities in income distribution and access to opportunities. Inclusive growth seeks to address these disparities by promoting policies that distribute the benefits of growth more equitably. For social justice to be realised, economic policies must focus not only on increasing the size of the economic pie but also on ensuring that all workers – formal and informal, skilled and unskilled – share in the benefits of growth. Trade unions must play a pivotal role in advocating for inclusive growth by pushing for

labour market reforms, social protection systems, and fiscal policies that reduce inequality and promote social mobility (Rodrik & Sabel, 2022).

### ***The Need for a New Social Contract***

The failures of the old social contract have laid bare the need for a new framework that is more inclusive, equitable, and responsive to the challenges of the 21st century. A new social contract is not merely about improving wages or working conditions; it is about fundamentally rethinking the relationship between workers, employers, and the state in a way that prioritises human dignity, social justice, and environmental sustainability. The new social contract advocated by the ITUC is based on six key demands, each of which addresses the shortcomings of the old system and proposes concrete solutions for building a fairer, more resilient world of work.

#### **1. Creation of Decent and Climate-Friendly Jobs with Just Transitions**

At the heart of the new social contract is the demand for the creation of decent jobs that are both economically viable and environmentally sustainable. The transition to a low-carbon economy presents a unique opportunity to create millions of new jobs in sectors such as renewable energy, sustainable agriculture, and eco-friendly manufacturing. However, this transition must be managed in a way that ensures a “just transition” for workers in industries that are negatively impacted by the shift towards sustainability (ILO, 2018). This includes providing access to retraining programmes, social protection, and support for workers in vulnerable sectors such as mining, oil, and gas. In Africa, where many economies are still heavily reliant on extractive industries, the concept of a just transition is particularly relevant. Trade unions must play a central role in advocating for policies that promote green job creation while ensuring that workers in traditional sectors are not left behind. This includes pushing for investments in renewable energy infrastructure, as well as advocating for policies that support the development of sustainable industries such as agroforestry, eco-tourism, and sustainable fisheries (ILO, 2020).

#### **2. Rights for All Workers**

The new social contract must guarantee fundamental rights for all workers, regardless of their employment status or sector. This includes the right to fair wages, safe working conditions, and the right to organise and bargain collectively. In Africa, where the majority of workers are employed in the informal economy, extending these rights to informal workers is particularly important (ILO, 2020). Trade unions have a critical role to play in advocating for the formalisation of informal work, as well as pushing for stronger labour laws that protect workers from exploitation. This includes advocating for the recognition of platform workers, gig economy workers, and other non-standard forms of employment as employees with the same rights and protections as formal sector workers (De Stefano et al., 2020).

#### **3. Minimum Living Wages and Equal Pay**

One of the key demands of the new social contract is the establishment of minimum living wages that provide workers with a decent standard of living. In many African countries, wages have stagnated, and income inequality has widened, particularly between men and women. The principle of equal pay for equal work is central to this demand, as is the need to close the gender pay gap (OECD, 2021). Trade unions must advocate for policies that establish national minimum wage floors, as well as pushing for wage-setting mechanisms that take into account the cost of living. This is particularly important in the context of rising inflation and the increasing cost of basic goods and services across the continent (ILO, 2020).

#### **4. Universal Social Protection**

The provision of universal social protection is a cornerstone of the new social contract. In Africa, where social protection systems are often weak or non-existent, expanding access to healthcare, pensions, and unemployment benefits is crucial for reducing vulnerability and promoting social inclusion (ILO, 2020). Social protection systems must be designed to cover all workers, including those in the informal economy and non-standard forms of employment. Trade unions must push for the establishment of universal social protection floors that provide a minimum level of income security for all workers. This includes advocating for policies that extend social protection to informal workers, as well as pushing for the establishment of contributory social insurance schemes that provide pensions, healthcare, and unemployment benefits to all workers (ILO, 2018).

#### **5. Equality and Non-Discrimination**

The new social contract must be built on the principles of equality and non-discrimination, with a particular focus on addressing the structural inequalities that exist within the world of work. In Africa, women, youth, and persons with disabilities are often disproportionately represented in low-wage, precarious forms of employment. Trade unions must advocate for policies that promote gender equality, including equal pay for equal work, paid parental leave, and access to affordable childcare (OECD, 2021). In addition, trade unions must push for the inclusion of marginalised groups in decision-making processes, ensuring that their voices are heard in discussions around labour market policies and social protection systems (ILO, 2020).

#### **6. Inclusion and Participation**

Finally, the new social contract must be inclusive, ensuring that all workers have a voice in shaping the future of work. This includes promoting the active participation of workers in decision-making processes, both at the workplace level and in broader policy discussions. Trade unions must advocate for stronger collective bargaining rights, as well as pushing for the inclusion of worker representatives in national and regional policy-making bodies (ILO, 2020).

### **Recommendations for Trade Unions in Africa**

To advance the agenda of the new social contract, African trade unions must take the following key actions:

1. **Strengthen Advocacy for Labour Rights in the Informal Economy**  
Given the dominance of informal work in Africa, trade unions must prioritise the formalisation of informal employment. This includes advocating for labour laws that extend rights and protections to informal workers, as well as pushing for the inclusion of informal workers in social protection systems. The question about formalization must re-looked at. This does not mean providing formal documentation to informal approaches but rather more inclusive approach to development on a continent where the informal and formal sector run side-by-side.
2. **Champion the Just Transition Agenda**  
Trade unions must actively engage in climate policy discussions, advocating for a just transition that creates green jobs and supports workers in sectors affected by decarbonisation. This includes working with governments and employers to develop training programmes that equip workers with the skills needed for the green economy.



- 3. Promote Inclusive Growth Policies**  
Trade unions must push for economic policies that promote inclusive growth, ensuring that all workers benefit from economic development. This includes advocating for progressive tax systems, investment in public services, and policies that reduce income inequality.

### Action Areas for Adoption by Unions

1. Push for the establishment of universal social protection floors that provide healthcare, pensions, and unemployment benefits to all workers, including those in the informal economy and gig economy.
2. Advocate for national minimum wage policies based on the cost of living and close gender wage gaps through wage-setting mechanisms and collective bargaining.
3. Actively engage in climate policy discussions to ensure a fair transition to green jobs, retraining programs, and income support for workers in sectors affected by decarbonization.
4. Develop policies that extend rights and protections to informal workers, formalize informal work without undermining local economies, and support collective bargaining rights.
5. Advocate for progressive tax systems, increased investment in public services, and policies that reduce income inequality while ensuring economic opportunities are accessible to all workers.

### Conclusion

The need for a new social contract is not just a response to the failures of the old system; it is a recognition of the fundamental changes taking place in the world of work. The rise of new technologies, the impacts of climate change, and the challenges posed by globalisation all demand a new approach to economic governance—one that prioritises the needs of workers and promotes social justice. African trade unions have a critical role to play in shaping this new social contract, advocating for policies that create decent jobs, protect workers' rights, and ensure universal social protection.

The new social contract must be built on the principles of fairness, equality, and inclusion, ensuring that no worker is left behind in the transition to a new world of work. By pushing for the creation of decent, climate-friendly jobs, the extension of workers' rights to all sectors, and the establishment of universal social protection systems, trade unions can help to create a fairer, more resilient future for all workers. Ultimately, the success of the new social contract will depend on the ability of trade unions, employers, and governments to work together in pursuit of a shared vision for social justice and economic prosperity.

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