

Towards a new social contract: how workers' organizations can revitalize social justice and democracy

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Introduction

It is not only in historically autocratic countries that democracy is failing. Even in long-established democracies, autocratic tendencies are gaining ground. Inequality is growing and people feel left behind. People do not believe that governments are listening to them. As a result, they place all their hopes in autocratic leaders who do nothing for the people who vote for them. Their livelihoods only become less stable and more expensive. The global struggle between democracy and autocracy is the most important issue of our era. Ultimately democracies serve society better than autocracies. However democratic governments need to get better at serving *all* members of society. A new, reinvigorated social contract is called for.

In response to the challenges of the future of work, such as artificial intelligence, new forms of work, climate change, growing income inequality, gender inequality, and demographic challenges, the ILO's Global Commission on the Future of Work formulated several recommendations. One recommendation was to increase investment in the institutions governing the world of work. There is an urgent need to improve regulations and administration, employment agencies, collective agreements, national labour councils, the employment relationship, labour inspection systems and workers' councils at enterprise level.

These institutions are the building blocks of just and democratic societies. They forge pathways to formalization, reduce working poverty and secure a future of work with dignity, economic security and equality. The existence and effective functioning of these institutions depend on freedom of association, and on employers' and workers' organizations having real power and independence. This article focuses on workers' organizations and how they can respond to the challenge of growing autocracy.

Workers' organizations and economical change, technological revolutions, and the growth of the "flexible labour market"

The basic objective of workers' organizations was, is and always will be the defence of workers' interests. In the nineteenth and early twentieth century context, industrial workers were completely dependent on the employer and had no influence whatsoever on working conditions or working hours. Workers and their families had no protection against illness, unemployment or old age.

Despite opposition and persecution, workers fought for their rights. Gradually they gained recognition, most notably the establishment of the ILO in 1919, where workers' organizations gained formal, institutional power. To achieve their objectives, workers demonstrated or went on strike. Collective bargaining was enforced by industrial action and resulted in higher wages and social progress. Step by step social dialogue took shape in specialised, often statutory institutions.

When, in the second part of the last century, work was no longer only performed in industry but shifted to public services, commercial services, logistics, education and care institutions, workers' organizations adapted their work and structures. Although this transition went rather slowly, the power of organizing remained based on proximity. Even though the division of labour inspired by the so-called scientific management or Taylorism, and later by automation, made contacts more difficult, most workers were in the same building or at the same plant, and were there for equal units of time. Meetings and contacts before, during and after work were relatively easy. Workers' organizations could reach their members and vice versa. In this way, solidarity was visible and tangible.

As automation transitioned to robotization and digitization, flexibility became the motto. At first demanded by employers, workers too realized that some types of flexibility could be advantageous to their work-life balance. Consequently, negotiations on working time regulations have become increasingly important in collective bargaining, resulting in collective agreements and labour legislation on this issue. Drivers such as digitization, stronger automation, robotization and, perhaps most importantly, the increasing diversification of the economy created a lot of different types of workers that no longer neatly fit the original concept of what a worker was. Flexibility was supplemented by remote work, which peaked during COVID-19. Labour relations became more individualised, with less day-to-day interactions between colleagues, making solidarity and trade union work more difficult (Cortebeek. 2021).

In addition, digitization has offered opportunities to shop online, order meals, and offer workers employment via digital platforms, without any identifiable employer. Every platform worker is on his or her own. The business model that supposedly promoted freedom of the worker, in practice stripped the employment relationship of any social responsibility. Informalization reappeared in industrialized countries and formalization in developing countries became more challenging than it already was. Globally, more than six out of ten workers and four out of five companies operate in the informal economy. (ILO. 2025). While the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) sets out mechanisms for the transition from the informal to the formal economy, the International Labour Conferences (ILC) of 2025 and 2026 are negotiating a convention accompanied by a recommendation on the platform economy to protect a new type of worker, sitting in a vague space between employee and self-employed.

We are only at the beginning of the era of Artificial Intelligence (AI). As with any technological revolution, scientists and economists debate its impact on employment. Whatever the effect, it is certain that the world of work will change and that the transition will create winners and losers, and undoubtedly has consequences for workers' organizations. AI giants such as Meta will use personal public data to train their systems to create algorithms driven by profit motives, to which social values such as autonomy and diversity will be subordinated (Cools. 2025). It doesn't take much imagination to see how AI technology can be used to individualize labour relations even more; how it can

be used to minimize workers' autonomy; make them more dependent; and decouple them from collective labour agreements, social protection and workers' organizations.

Workers' organizations: alternately hated, tolerated, loved and believed

It is not only technological revolutions that have an impact on workers organizations. The attitude of politicians and government policy on workers' organizations and social dialogue has also changed. The Treaty of Versailles, signed in 1919, created the ILO. This gave workers' organizations an institutional mandate to negotiate for workers' interests and social justice alongside governments and employers. However, a decade later they would have to deal with Nazism and fascism, autocracies that eliminated civil society and freedom of speech in the run-up to World War II.

After the war, it was discerned that the reconstruction could only be successful if both employers and workers were involved, and their role was expanded in the Declaration of Philadelphia (1944). The social partners were given a place in developing not only social policy, but economic policy too. Increased productivity was matched by an increase in wages and the expansion of social security. From the fifties to the eighties, tripartism - government, employers and workers cooperating for mutual benefit - played an important role in the socio-economic policy of virtually all industrialised countries.

Following the collapse of communism and the end of the Cold War, workers' organizations and tripartism have been alternately extolled and dismissed. The promoters of free trade and globalization did not want to be hampered by institutions or regulation. Right-wing political parties felt that the influence of civil society, and more specifically workers' organizations, on social and economic policy was too great. They sought to restore what they called "the primacy of politics". Not only was the role of workers organizations questioned, but even the ILO itself. However, what they failed to see - blinded as they were by euphoria - was that the old problems had not gone away. Child labour, forced labour, discrimination in the workplace, lack of freedom of association still existed. There was still need for international standards and labour regulations.

At the onset of the 2008 financial crisis, the Group of 20 (G20) unanimously called for better economic and social regulation. However, a few years later when the financial crisis turned into a debt crisis, the position changed and austerity was preached. The 2015 Paris Conference of the Parties (COP) showed that climate policy without effective regulations and institutions would become a dead letter. And in 2021, the COVID-19 pandemic made it clear that states with strong health, social and labour institutions protected their citizens best. In 2025 the dismantling of United States Agency for International Development (USAID) presents a terrifying example of a new trend towards the reduction of essential governmental institutions.

“Why nations fail”

Daron Acemoglu and James Robinson, Nobel Prize Winners from 2024 outline in *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (2012) why some countries are more democratic, prosperous and stable than others. They conclude that the existence or absence of political and economic institutions that promote inclusion are key; more important than geography, presence of natural resources and culture.

More recently Martin Wolf, chief economic commentator of the Financial Times, describes in *The Crisis of Democratic Capitalism* (2023), how rentier capitalism leads to excess profits that encourage the buying of political influence, undermining both democracy and social justice. Not only do antitrust measures need to be restored and strengthened, but workers' organizations are also needed. He argues that “trade unions can protect members against arbitrary and unfair treatment by employers. Again, this is an important part of dignity at work and so of being a citizen. On balance, therefore, public policy should support the creation of responsible worker organizations, within the law”.

Both geoeconomics and geopolitics are mostly trending in the opposite direction. It is almost incomprehensible how leaders repeatedly ignore what scientists, economists and historians tell them about the likely effects their policies on society and the economy. This observation does not absolve us from the duty to defend the importance of governance institutions, including those that regulate the world of work. This includes all multilateral organizations, and in particular the ILO and its constituents: governments, employers and workers.

In 2019, the Global Commission on the Future of Work made clear that to achieve social justice and decent work, institutions governing the world of work must be re-energized. However, government administrations, inspection services, employment agencies and social dialogue bodies cannot succeed and advance social justice without employers' and workers' organizations. And it is primarily the latter that are under pressure.

“Trade unions in the balance”

One of the arguments used by employers and governments to minimize the importance of workers' organizations is their limited or diminishing representativeness. Some of the causes of this evolution are explained above. The fact that the membership numbers of workers' organizations largely surpass the membership of political parties is never mentioned. Countries where membership of workers is higher than 50 per cent were and are exceptions. This has always been the case. Trade union membership of between 15 and 25 per cent should be sufficient to be able to represent the working population. (Tapiola. 2025). Such a percentage can only be achieved in countries with full, unrestricted access to freedom of association. The 2025 International Trade Union Confederations' (ITUC) Global Rights Index reports that “workers in three out of every four countries were denied the right to freedom of association and to organise; the right to collective

bargaining was restricted in 80% of countries (121); the right to strike was violated in 87% of countries (131); authorities in 71 countries (47%) arrested and /or imprisoned workers." (ITUC. 2025).

In his Working Paper for ILO ACTRAV *Trade Unions in the Balance*, Jelle Visser outlines four possibilities when it comes to the future of workers' organizations, namely: (1) Gradual marginalization, (2) dualization: focusing on the sectors where they remain strong, (3) replacement, (4) revitalization (Visser. 2019). He does not exclude the possibility that some workers' organizations will disappear, that new ones will emerge, or that their work will partly take on other forms. The role of workers' organizations cannot and will not be taken over by governments and certainly not by employers.

Workers' organizations are member-organizations, usually with a paying membership. Although some Non-Governmental Organizations (NGOs) play an important role in standing up for different humanitarian objectives and democracy, they are not representative based on the number of members. Contrary to what was a fashionable belief in the first decades of this century, there is no evidence that some NGOs would gradually take the place of workers' organizations. Only workers' organizations can protect workers' rights. No institution can or will do it in their place.

Workers' organizations as a cornerstone of the new social contract

As outlined above, the effective functioning of governance institutions is indispensable to democracy and social cohesion, especially at a time when they are in danger of being undermined. In order to protect and maintain democracy, workers organizations and others must make full use of the rule of law at national and international level through jurisprudence and supervisory mechanisms of human and workers' rights. It is not enough to complain about worrying developments and the responsibility of others. The labour movement must ask what it can do itself. Not only does a new social contract have little or no chance of success without the commitment of workers' organizations; they must also be its cornerstone. They must dare to change some beacons (Peels and Mwamadzingo. 2022). In what follows twelve steps were set out for this to happen.

1. Knowing the workers

The dynamics of the workers' group have never been so much in flux nor the diversity within never so great. Union officials must, for example, ask themselves: To what extent does this image or film correspond with the current membership of workers' organizations? This not only transforms the focus of recruitment, but other tools must also be used. New communication techniques and social media can be particularly useful in this respect, although these are best combined with social interaction and physical meetings.

2. Knowing your members

Knowing and involving the new and young workers, fully respecting gender and diversity, welcoming workers of diverse ethnic and religious identities, and giving them a place are all essential elements. This will inevitably lead to analyses and assessments changing, and will influence the formulation of positions. For the members, the feeling of belonging to a group through the recognition of common characteristics, but at the same time being part of a broader group, is a basis for good trade union work. This sense of community remains indispensable in forging the solidarity that is essential to workers' organizations.

3. Defend current interests with a perspective on the future

People naturally focus on their current interests, they do not necessarily think about what the future holds. Inevitably, the voice of older union members carries more weight within workers' organizations. Both these issues make the formulation of collective interests a delicate task. It is not easy to strike a balance between direct advocacy for the here-and-now and the interests of members in the longer term and of young people. Workers' organizations that want to attract the younger generation and play a role in the future have no other choice. It requires permanent information sharing and dialogue with the activists and members, in which bottom-up is as important as top-down.

4. Trade unions of proposals

Advocacy often starts with decisions made by a government or a company that take little or no account of the rights or interests of workers. Workers' organizations then respond with positions, actions and, if necessary, strikes to enforce social dialogue and collective bargaining, in the hope that these will lead to solutions. Changing the balance of power is the essence of trade union work. This is best done by formulating well-founded counterproposals or by proactively making proposals themselves. For example when it concerns long-term issues such as social security, workers' organizations taking the lead and coming up with proposals can be a solid strategy as they cannot really be ignored in the social dialogue with employers and governments, particularly if the proposals are robust.

5. Service-providing unions

The combination of collective advocacy and individual service provision can be a big success in recruiting members. Some unions want to stick to collective advocacy because they consider this to be the real and pure trade union work. But legal support for individual workers experiencing problems at work or conflicts with employers is a strong and particularly useful means of illustrating the success and usefulness of workers' organizations. In addition providing career guidance, helping workers navigate the increasingly AI-driven administrative maze and the growing number of different forms of employment, and helping workers avoid the traps of informalisation are other

ways in which workers' organizations can help their members, and attract new members. Ultimately it is only trade unions that can perform these tasks.

6. Balancing voluntary activism and professionalisation

While committed activists driven by a commitment to workers' rights and social justice are essential to the trade union movement, the importance of professionals has become increasingly important. Over time, given the growing complexity of social dialogue and collective bargaining, professionalisation of the trade union movement was necessary. However, in the trade union structures that were developed, in the internal democracy, and in determining positions, the voice of professionals has come to carry increasingly more weight. This has created the risk that the interests of trade unions officials themselves would weigh in the decision-making process and could lead to conservative reflexes. The involvement and ownership of voluntary activists and members is crucial for contemporary workers' organizations. It is not an unnecessary luxury for them to occasionally consider the balance between voluntary activism and professionalism.

7. Expertise as leverage

The grip of governments on determining policies that impact upon employment conditions is clearly increasing, to the detriment of the role of the social partners. For example the restructuring government finances or expanding defence spending primarily affects workers and people who are dependent on social protection. Yet employer contributions are still being reduced, and progressive taxation on the rich is being avoided. Social dialogue is increasingly being replaced by and reduced to information about government or business decisions through the media. In addition, it is becoming clear that there is a decline in knowledge and expertise of world of work issues among politicians and governments. Populist and poorly substantiated statements and positions are gaining a hold on governments. One of the consequences is that they repeatedly misjudge, or do not properly think through the effects of policy measures they have taken. Evidence based policy is increasingly taking a back seat. That is why one of the success factors of strong unions is becoming even more important than before: expertise and solid knowledge of what has worked, can work, and will work. Social dialogue underpinned by expertise is the foundation of a strong, sustainable, socially just economy and society.

8. Being active in socio-economic institutions

Although workers' and employers' organizations continue to form the core of national socio-economic councils, workers' organizations are increasingly excluded from the governance of official employment agencies and social security institutions. However, these remain crucial bodies. The active presence of social partners is essential to make the right choices, to ensure long-term social protection, regardless of political fluctuations, and to prevent corruption.

9. Being present in the media with analysis and vision

The time when workers' and employers' organizations were asked by the media for their expertise in labour issues seems to be over. Their place has been taken by Human Resources agencies, because of their so-called neutrality. In practice, labour issues have been outsourced by companies, reducing the effectiveness of social dialogue. It is presented that only these agencies can handle the complicated subject matter. However, their analyses are far from neutral and risk to be focused uniquely on what is best for the customer or the market, with little regard to the impact on workers. In the companies themselves, this trend creates a gap that will undoubtedly lead to increasing frustration and conflict. Workers' organizations are only sought out by the media to justify themselves in social conflicts, or when strikes occur, and the media coverage is mostly negative. However, announcing positions, strongly supported by irrefutable knowledge of the subject, supported by well-placed quotes and soundbites remains crucial. Workers' organizations must familiarise themselves with the thoroughly changed world of media, changing perceptions and, most importantly on how to navigate social media.

10. Public support pays off

Internal support is vital for workers' organizations, but it is also useful to gain sympathy for the analysis, positions and actions more broadly in society. Working together with other civil society organizations can be very useful. Having public opinion on board remains of great importance for influencing political decision-making. This is especially important in the case of actions and strikes that affect the public.

11. Educate and train professionals

Negotiating in companies or sectors in regular consultation with the members, concluding and formulating collective labour agreements that are legally sound, requires, as we showed above, a high degree of professionalism. But where is this profession taught? Trade union officials often learn on the ground through trial and error. That is too limited because collective bargaining and social dialogue require specialized knowledge and skills. This also applies to the choice, planning and implementing of different and proportional forms of action, with strike as last means of action. It requires specific and ongoing training for union officials.

12. Educate and train voluntary activists

Voluntary activists - people who represent their members in companies and institutions in negotiations and social dialogue in works councils - remain the core of trade union work. Their training is therefore of the utmost importance. Social analysis and determining what position to take, knowledge of social security systems and labour relations, analysis of the specific labour situation, safety, health, the economic situation of the company, the future of employment, listening to members and properly participating in social dialogue are all crucial. A balance between ideological and technical training is essential.

This requires time and expertise of trade union officials, but also time facilities for the activists. These activists are not only entitled to a lot of respect, and support from the trade union but also deserve a real place in determining policy and strategy.

What to do in countries where the informal economy dominates?

The Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) has been around for ten years. It therefore seems timely to examine to what extent it has been and can be a support in the formalization process. The report *Innovative Approaches Taken by Workers' Organizations in Organizing, Representing and Providing Services to Workers in the Informal Economy to Drive Formalization* (ILO. 2025) reported on how workers' organizations, based on the role assigned to them in Recommendation 204, are gradually growing into their role as representatives of workers from the informal economy. The report indicates seven innovative approaches being taken by workers' organizations:

- ▶ They organize informal workers.
- ▶ They facilitate access to social protection.
- ▶ They lobby for decent work.
- ▶ They tackle formalization sector-specifically (for instance agriculture, fisheries and forestry, construction, private services such as domestic work).
- ▶ They incorporate an existing organization or movement.
- ▶ They base their actions on ILO and national labour standards.
- ▶ They facilitate access to social dialogue.

It is an immense task and responsibility, but the report concludes that workers' organizations are key actors in the formalization of the informal economy. It is not just a hypothetical approach, more and more examples from all continents speak for themselves, inspiring others on the way to a new social contract, most importantly in countries where the informal economy dominates.

Conclusion

To conclude a social contract, three partners are still indispensable: governments, employers' and workers' organizations. Where social contracts worked or works best, workers' organizations, collective bargaining and social dialogue are fully respected. A few basic principles and balances must not be ignored: "Workers recognize the importance of sustainable companies, work conscientiously and respect social dialogue and collective bargaining. Employers respect the dignity of workers, treat them fairly and respect trade unions, freedom of association and collective bargaining." (Van Gyes. 2025).

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