

Preface

The global reality of informal work today is one of both change and continuity. Where globalisation and technology bring about new activities, too often they informalise previously formal employment and enable new forms of informal work; yet in activities that continue to be dominated by precarious and low-income self-employment, such as agriculture in the poorest countries, informality remains the norm.

In most cases, therefore, the changes brought about by globalisation have not induced – within the political, economic and social configurations of low- and middle-income countries – an organic, positive change in the status of workers in the informal economy.

As a result, nearly 60% of the world's workers are excluded from the protections afforded to formal workers, but also from public services, such as healthcare, education and skills training, which are necessary to support working life.

In this context, the idea of the social contract provides a useful analytical lens for several reasons. It helps to assess the problems with the status quo: the systemic failures, blind spots, unfair relationships and unspoken assumptions which reproduce the inequalities disadvantaging workers in the informal economy. It also warns us against falling into a situation of even deeper inequality, one in which predatory forms of capitalism and punitive actions from the state are intensified.

Perhaps most importantly, however, it sets out a vision for transformation, towards a level playing field. A collective vision where workers in the informal economy are recognised as workers; laws and policies are responsive to their needs; reciprocal, productive relationships unite them, the state and capital; rights and responsibilities are fairly distributed and spaces for dialogue opened up.

On the back of its detailed portraits of informal workers, and its fresh analysis of informality within the global economy and digital platforms, this report makes a critical contribution by delineating the differences and interactions between the substantive and procedural dimensions of social contracts. It makes the case that understanding how the two interact within a particular society or context is vital to understanding where and how a social contract that is more inclusive of informal workers and their families may be established.

The conclusion that addressing informality requires the procedural dimension of the social contract to better reflect the substantive realities of a society, and that working towards this requires social dialogue between all parties, including informal workers themselves, must be taken seriously by governments at all levels, from the local to the global.

Laura Alfors

Director, Social Protection Programme

Women in Informal Employment: Globalizing and Organizing (WIEGO)



From:
Informality and Globalisation
In Search of a New Social Contract

Access the complete publication at:
<https://doi.org/10.1787/c945c24f-en>

Please cite this chapter as:

OECD (2023), "Preface", in *Informality and Globalisation: In Search of a New Social Contract*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ce92fe6c-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.