

Work 4.0: How Germany is shaping the future of work

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How to shape the future of work

In November 2016, the German Federal Ministry of Labour and Social Affairs, headed by social democrat Andrea Nahles, published the [white paper](#) “**Work 4.0**”. It’s the result of an 18-month dialogue process mapping out the challenges for the world of labour and injecting policy proposals in the political debate. The dialogue involved a wide range of stakeholders such as academia, trade unions and employer organisations, and also the general public. By coining the term “Work 4.0”, the debate was deliberately linked to the already flourishing Industry 4.0 discussion, not as a counterpart but rather a supplement.

Work 4.0 reflects a growing consensus among German policy-makers that changes to the world of work will have inevitable impacts on the welfare state and social security systems. Whereas workers in manufacturing have been experiencing digitisation for the last decade or more, a lot of white-collar professionals, for example in health or legal advice, realise only now that their current job description might change fundamentally in the years to come. For a whole generation of young people – sometimes consciously, sometimes out of necessity – working life means project-based employment, remote work and increasingly blurry lines between work and leisure.

Security v. flexibility

The outcome is a nearly 300-page strong comprehensive assessment of the future of work. It outlines a vision for ‘**good quality jobs in an era of digital change**’ that builds on the foundations of the German social and economic model, such as co-determination and participation. Whilst decent work and income remain fundamentally important, a new balance will permanently have to be struck between security and flexibility. Social security and the integration of all citizens into occupation will continue to be a key goal. However, increasingly pluralistic life and work styles call for a stronger element of self-determination and flexibility in, for example, where and when people decide to work.

Life-long learning

The predominant assumption is that the witnessed transformations will not lead to mass job losses but a **massive change in occupations and job profiles**. This makes skills development and life-long learning even more important than it already is.

In fact, a life-span perspective will have to be applied much more often – something the whitepaper acknowledges in its two central areas for **policy proposals**.

Employment insurance

Why should social security systems only kick-in when people approach the end of their working lives or risk losing their jobs? The whitepaper instead turns to an idea of preventative social policy and suggests gradually expanding the currently existing unemployment insurance into an **employment insurance**, with an individual right to independent vocational guidance and continuing education and training. This should also transform the agency managing unemployment into a more pro-active qualification agency.

Working time and flexibility

Issues that will most likely become even more relevant in coming years are around working time and flexibility. Whereas a lot of employees still prefer fixed working hours and don't want to check their emails on their weekends, more and more people value the flexibility modern forms of communication can provide and would rather leave the office early to spend time with their children and catch up on emails later in the evening. Self-determination is key for both groups, and policy-makers will have to find a balance between companies and employees' needs, health and safety regulations and protecting windows of shared free time for lively communities.

In the dialogue process of the white paper, a broad consensus emerged that working time must be organised in a way that better takes into account specific time needs over the life course, too. A proposed **Working Time Choice Act** would combine more options for workers in relation to working time and location with a conditional possibility to derogate from certain provisions of the Working Time Act, on the basis of an agreement between the social partners and at the workplace level. Already initiated is the **Act on Part-Time and Fixed-Term Employment**, to guarantee workers the right to return to full-time after part-time work.

Personal employment accounts

Suggestions also include the establishment of **long-term personal accounts** that each individual sets up at the start of their working life, equipped with a basic "capital" and then earning credits through employment or individual contributions. These credits could then be used for education, skill enhancement or career breaks.

Further thinking includes health and safety regulations, the strengthening of the structural conditions for negotiations between the social partners in the digital age and the conditions of the self-employed. To avoid gaps in social protection, it is suggested that they should be included in the statutory pension insurance system, like employees.

The manifold interventions and comments from various stakeholders throughout the Work 4.0 process centre around an underlying belief: Digitisation doesn't mean technological determinism – the future of work is something we can and have to actively shape.

Although the whitepaper is a governmental product of a ministerial process, it nonetheless carries a distinct social democratic thumbprint. The discussion around the future of work provides the opportunity and necessity for political parties on the left (the traditional parties of *labour*) all across Europe to come up with a narrative for the societies of the future.



Notes:

- *Work 4.0* was the subject of a roundtable discussion organised by [Friedrich-Ebert-Stiftung](#) London and [IPPR](#).
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