

DISKUSSIONS-  
ENTWURF

ARBEIT  
WEITER  
DENKEN

# WEISS BUCH

ARBEITEN 4.0

Executive Summary

Partial Prepublication of the full English Translation

BUNDESMINISTERIUM FÜR ARBEIT UND SOZIALES



# Summary of Results

This draft discussion document for a Work 4.0 White Paper is the result of a dialogue which the Federal Ministry of Labour and Social Affairs started in April 2015 when it published a Green Paper on the subject. "Work 4.0" is the necessary complement to the ongoing debate about the digital transformation of our economy, which in Germany goes by the name "Industry 4.0". The Federal Ministry of Labour and Social Affairs asked associations, trade unions and companies to submit comments sharing their views on Work 4.0. We have also hosted numerous workshops for experts and thematic events, commissioned academic studies and spoken directly to people in Germany to learn about their views, for example, during the "Futurale" cinema series. The main question we asked was this: How can we preserve and even strengthen our vision of "quality jobs" in times of digital and societal changes?

In the Green Paper we raised a number of specific questions. The draft discussion document is our attempt to formulate initial answers to these questions.

[Chapter 1](#) describes the major trends and the key drivers of the current changes in the world of work: the digital transformation, globalisation, demographic change, education, migration and changes in values and preferences. These are the forces at the heart of the changes we are witnessing. However, the concrete form and the extent to which certain developments will come to pass are not pre-determined.

[Chapter 2](#) therefore looks at the key areas of tension associated with Work 4.0 giving rise to the need to devise new solutions - on the part of companies, workers, the social partners from business and labour, associations, chambers, policy-makers at the federal level and in the Länder and other actors. The sub-chapters are analytical in nature. They describe the changes taking place in the world of work and look into the opportunities and risks these changes bring. There is a discussion of the six key questions which were raised during the Work 4.0 dialogue and which cover the key areas of tension between technological and economic progress on the one hand and working conditions on the other hand. First: Will the digital transformation make it possible for as many people as possible

to continue to have a job? If so, under what conditions? Second: What impact do new business models such as “digital platforms” have on the future of work? Third: How can we safeguard the legitimate right of workers to data privacy in an environment in which the collection and use of data is becoming increasingly important? Fourth: If in future humans and machines will work together even more closely, how can machines support and empower human beings in work processes? Fifth: The world of work of the future will be more flexible. But what are potential options for also boosting flexibility for employees, both with regard to time sovereignty and choosing their place of work? Sixth: What will modern companies look like in the future? In all likelihood they will not resemble traditional companies in every way, but how can they nevertheless provide for participation and social safeguards?

**Chapter 3** outlines a vision for “quality jobs in an era of digital change”, which forms the basis for the conclusions contained in chapter 4. This vision builds on the strengths of Germany’s economic and social model and aims at a socially balanced new world of work offering security *and* flexibility. In all industries, incomes that are appropriate to the job done and social security will remain fundamental criteria for quality jobs. At the same time, the integration of all citizens into quality work will continue to be a key goal. However, societies must also acknowledge that increasingly there are pluralistic expectations with regard to work and hence a need to allow for more self-determination over the course of a person’s life. The opportunities technological change brings should also be harnessed to improve how work is organised. Co-determination through representative bodies and new forms of individual participation by workers are not seen as mutually exclusive, but rather as complementary elements characterising innovative and democratic companies in innovative and democratic societies.

**Chapter 4** identifies areas for pro-active action and sets out potential solutions. Technological and economic transformations will not lead to mass automation of jobs. However, we will likely witness changes to occupations and activities and shifts between industries. The disruption created by Work 4.0 will require us to invest in skill enhancement and better career advancement prospects at an early stage.

This support must be preventive in nature and should not only kick in when persons are low-skilled, approach the end of their working lives or are at risk of losing their job. For this reason, unemployment insurance should gradually be expanded into **work insurance** allowing for more preventive support of workers. One important element of such an insurance will be the right to independent career and further-training guidance. In the long-run, the goal is to introduce a **right to further training** (-> [Chapter 4.1](#)).

The digital transformation brings with it the opportunity of more self-determination in the world of Work 4.0. However, we need to find a balance between conflicting interests and goals. Legal safeguards against a complete blurring of the boundaries between work and private life and against excessive demands are essential. Moreover, there is a growing desire for self-determination and time sovereignty. The initiative to enshrine a general right to fixed-term part-time work, laid down in the coalition agreement of the current governing coalition, will make an important contribution towards satisfying this desire. Personalised working time arrangements and flexibility compromises are becoming increasingly important. Working time arrangements are inextricably interlinked with companies' HR strategies, the criteria for measuring performance and management cultures. A concrete step forward would be an **Act on Working Time Choice**, combining greater choice for workers regarding working time and their place of work with a conditional option to deviate from certain provisions of the Working Time Act on the basis of agreements among the social partners or at firm-level. This act should initially be limited to two years and should be tried out in firm-level pilot projects (-> [Chapter 4.2](#)).

The digital revolution goes beyond Industry 4.0 and also greatly affects the services and skilled trades sectors. At issue is not only work activities themselves, but also the trend towards arranging them via platforms. There should be greater collective bargaining coverage in the services and care sectors, eventually culminating in a **universally applicable collective agreement for the social services sector**. The care sector will become ever more important. Hence, we need attractive working conditions in this sector in particular. It would make sense to publicly co-finance services for which there is a clear need in society and which are offered by private providers. A **new model of household services accounts** and their digital administration to support private households in their role as employers would be a good option in the area of household-related services (-> [Chapter 4.3](#)).

Occupational safety and health rules must not only be adapted to the digital transformation, but also to demographic change whose implications are increasingly being felt. It will be necessary to put greater emphasis not only on the physical but also on the psychological strains created by work. This is why the Federal Ministry of Labour and Social Affairs will work on modernising the occupational safety and health tools transforming them into **Occupational Safety and Health Rules 4.0**.

(-> [Chapter 4.4](#)).

As a result of ongoing technological developments, the increasing role of digital applications at work and the new European legal framework established by the European General Data Protection Regulation, which is to come into force in 2018, there is a need to take action on protecting the data of workers. Our ministry will advocate preserving section 32 of the German Data Privacy Act, which is of decisive importance for protecting workers' data, and contains provisions on collecting, processing and using data for the purpose of the employment relationship. In a second step **more comprehensive use should be made** of the **room for manoeuvre** which the **European General Data Protection Regulation** accords to national legislators for fleshing out the rules. In order to support and monitor further developments, our ministry will set up an interdisciplinary advisory council and promote the design of a **workers' data privacy index**. Based on this index, it will be possible to develop evidence-based quality criteria ([-> Chapter 4.5](#)).

The social partnership between unions and management, co-determination and democratic participation in shaping working conditions are core elements of Germany's social market economy, an anchor of stability in times of crisis and also major assets in the competition with other countries. In order to successfully cope with digital structural changes, it is necessary to **strengthen the social partners' and firm-level processes for finding compromises**. We especially need to stabilise Germany's collective agreement landscape, to create a broader basis for involving workers in the affairs of their company, to ensure adequate **rights and resources** for works and staff councils and to protect national worker representation standards, also at the European level. When drafting new legislation, the Federal Ministry of Labour and Social Affairs will therefore continue to make a greater variety of options conditional on the existence of collective agreements. We will take action aimed at fostering the establishment of staff councils, and we will make proposals on how to strengthen the capacity of staff councils to engage in effective and efficient co-determination in a digital world of work.

## Summary

This will also be in the interest of companies which have good reasons for expressing a greater need for flexibility in light of rapid market changes. (-> [Chapter 4.6](#)).

Fostering a conducive environment for self-employed persons and start-ups in Germany is an important task for economic policy-makers. Labour market and social policies can help encourage the establishment of new businesses and self-employment. The boundaries between employment and self-employment are no longer clear-cut; this trend will become even more pronounced in the digital world of work. Against this backdrop, it is fitting and appropriate to **include** not just workers but also **self-employed persons in the statutory retirement insurance scheme as a general rule**. The burden of contributions this will entail must be seen in connection with the contributions to other social insurance systems, especially the statutory health insurance scheme. Beyond retirement insurance, blanket solutions do not meet the needs of all self-employed persons. That is why law-makers should identify the vulnerability of specific types of workers and, depending on these findings, include them in the protections afforded by labour and social laws. A viable option going forward could be rules for crowd-workers inspired by the long-standing rules for home-working (-> [Chapter 4.7](#)).

An important aim in efforts to modernise our social security systems is to stabilise employability over the course of a person's life and assist people during transition periods. Applying the concept of a "social inheritance", the idea behind **personal work accounts** is to provide young workers with initial capital they can use for skills enhancement, starting their own business or career breaks. In addition, it would also be possible for workers to turn their account into a long-term account and to pay in their own contributions. In today's world, a proper re-shaping of the interplay between work and social security must take into account the European context. This is also true for the consequences of the digital transformation. This is why the Work 4.0 dialogue should be continued at the European level, too (-> [Chapter 4.8](#)).

The debate about Work 4.0 will go on. It is important to identify new trends and to experiment with new solutions in order to find out how they work in practice. [Chapter 5](#) therefore describes the way forward. We want to re-imagine work.

We need better data on how the world of work will evolve in the years ahead. This is why the Federal Ministry of Labour and Social Affairs is proposing a **new public report on the world of work** to be drawn up with input from both academia and the social partners.

As an important pre-condition for new flexibility compromises, we should look into additional incentives and instruments which can help us support **labour relations, collective bargaining coverage and the establishment of staff councils**. We should aim not only to stop the erosion of collective bargaining coverage and worker representation in companies we have been witnessing over the past few decades. Rather our goal should be to reverse this trend. We would like to see a **phase of joint learning in and from a period of transformation and experimentation with new strategies**. To make this a reality, good strategies must be put into practice at the company-level. **We need a new, inter-ministerial Work 4.0 innovation, research and transfer strategy**. This is why the existing research and knowledge transfer incentives of the Federal Government should be integrated and, if necessary, expanded. Together with the social partners we should reach agreement on the areas in which there should be scope for experimentation at the sectoral and company levels. These trials should then also be backed by academia.

Evolution instead of revolution - this is the motto not only for shaping the digital transformation of the world of work but also for questions of distribution. **Beyond the Work 4.0 dialogue, we need to reach an agreement within society on taking the welfare state and our social security systems into a new era.**