



## Work in the Future

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August 2015

- The experience of the global financial crisis has shown that we are by no means heading towards a new, purely service-based society. This may not even be desirable. In eleven principles describes Reiner Hoffmann, Chairman of the German Trade Union Confederation (DGB) , how decent work and the work of the future should be shaped.
- Digitization affects all areas of work and life. Unions should strive toward an intelligent regulation of digital work. We must find new forms of social security, participation and codetermination. What the work of the future requires is not further deregulation but modern labor law.
- The traditional »standard employment contracts« based on a model of continuous full-time employment (for men) no longer fits the way many people plan their lives. Today, an important issue for employees is having more sovereignty over their time. If we take the life situations of individuals better into account, we will finally come to recognize the work people do in caring for others.
- Shaping the work of the future will require a strengthened sovereignty in wage bargaining and increased collective agreement coverage. In the future, we must focus more closely on income differences between men and women. Education is the foundation for Decent Work and for the employment of the future, which must be able to withstand the pressure of increased competition in global markets.



The debate about the future of work is certainly not new but has featured in sociopolitical and trade union discourse for many decades. It has, of course, never been possible to say with any certainty how work will look in the future. Today, much depends on the so-called mega-trends such as globalization, digitization and demographic change, all of which are difficult to predict.

Yet some things are already clear: the experience of the global financial crisis has shown that we are by no means heading towards a new, purely service-based society and that this may not even be desirable. Of course, economic restructuring will have a considerable impact on the sectoral composition of the economy and sectoral structures are likely to become increasingly fluid. Moreover, production-oriented services will have a growing role to play, with the links between industry and services becoming ever closer.

Nevertheless, gainful employment will continue to depend to a large degree on value generated by industry. In Germany, industry's share of value creation stands at 25 percent – extremely high compared to the rest of Europe. Jobs in industry will continue to play a major role in the work of the future.

The following eleven principles describe how decent work and the work of the future should be shaped:

### 1. Decent Work is Work Designed for People

It takes a good deal of effort to make employment into »employment with a human face« as called for back in 1944 by the Declaration of Philadelphia, which set out the goals and purposes of the International Labour Organization (ILO). We intend to use the chances and potential offered by the work of the future to do precisely this. At the same time, work must be more geared to reduce psychological stress and pressure to perform, to strengthen qualifications, and to make working hours more flexible for the benefit of employees.

Besides advancing professional and personal development as well as raising the quality of work, special efforts are required to create healthy working conditions. Medical statistics indicate that recent years have seen a dramatic increase in work-related mental stress. Its main

drivers are increased pressure and inadequate efforts in properly structuring tasks, in providing the means to perform them and in organizing work. Social aspects of working conditions are another stress factor.

When we talk about humane working conditions, we need to look beyond Germany and Europe. The globalization of value chains has in many cases also meant the exploitation of employees in developing countries – the textile industry has recently provided particularly drastic examples. Shaping working conditions to ensure *Decent Work* in other regions of the world is also a matter of concern for German trade unions.

### 2. Decent Work Offers Opportunities for Continuing Qualification and Professional Development

Education and qualifications have been leading topics of our public debate for years now. There is a good reason for this: the level of education is a key factor determining one's place in our society. The rule of thumb is still that higher levels of educational achievement correlate with better chances for labor market participation and social inclusion. While the unemployment rate for those with tertiary education stands at 2.5 percent, semi-skilled and unskilled workers have a rate of 20 percent. And this trend is likely to intensify: new technologies, the leveling of workplace hierarchies, and the shifting of coordination tasks to the executive level – all of this demands more of employees. Therefore, educational achievement, qualifications and *Decent Work* go hand in hand. For people to live and work in dignity, a good education and training must be basic rights.

Education is the foundation for *Decent Work* and for the employment of the future, which must be able to withstand the pressure of increased competition in global markets. As the half-life of technological innovations becomes ever shorter, qualifications likewise become out-of-date ever more quickly. Therefore, we need to press ahead with expanding continued training programs that cover people's entire working lives – within the framework of wage agreements and statutory training periods. Education and education policy, however, should not be seen purely through the lens of their economic value. Decent education also enables democratic and cultural participation in society, and always has an emancipatory dimension as well.



### 3. Decent Work Means Codetermination

In combination with collective wage agreements concluded between equal partners, codetermination provides the basis for balancing individual wishes, social interests and economic success. No-one should be reduced to a number in the workplace. Economic activity is not an end in itself. Codetermination turns employees into citizens in the workplace and strengthens social equity.

Works councils and employee representation on supervisory boards make the difference. Without this legally and politically motivated transfer of civic responsibility to elected and voluntary offices, civil institutions, including places of work and companies, would not be able to function. These offices serve multiple purposes: they balance different interests, they bring conflicts to a viable solution, and they determine how people's work and environment are shaped in practice. Works councils and employee representation give our coexistence a democratic face vis-à-vis employers. That is the civilizational achievement of codetermination.

In the future, securing the occupational status quo will be less important. Rather, increased participation will be key that supports the individual during processes of change in the workplace and that defends his or her position in the labor market. In the changing world of work, the instruments of the Works Council Constitution Act must be used again to give wage agreements and wage autonomy a more prominent role.

### 4. Decent Work is Protected and Shaped by Collective Agreements

Another important factor in shaping the work of the future will be a strengthened sovereignty in wage bargaining and increased collective agreement coverage. We must put an end to a situation where employers abandon wage agreements on a daily basis. Many of them are no longer organized in employers' associations or they take out special membership status that frees them from being bound by collective agreements. This kind of membership option has to be stopped.

Reshaping bargaining policy is also crucial for adapting working conditions to different age groups, in particular older employees. The growing number of collective

agreements based on demographics, health, and qualifications illustrates the importance of this issue. These agreements deal with questions of tailoring work to employees of different age cohorts – including those approaching retirement – and of structuring personnel work based on different phases of life.

### 5. The Value of Work Belongs at the Center of the Socio-Political Debate

We call for an employment policy that is viable for the future and that reflects the profound structural changes taking place in the world of work: demographic change, rapid technological development reflected in the concepts of »Industry 4.0« and »Smart Services« as well as fundamental changes in value chains and in the division of labor being driven by increasing globalization.

Given these challenges, employment policy needs to be firmly anchored in society if we want to keep the tools for shaping the workplace of the future. To this end, policymakers must engage into a debate on the value of work, participation and a good work-life balance. They also need to develop sustainable models for the work of the future that are shared by large parts of our societies.

The low-wage sector in Germany is one of the largest in Europe. Unemployment, which still affects almost three million people (one million of them long-term unemployed), needs to be tackled, too. If we succeed in anchoring the value of labor in our socio-political debates, we will be well equipped to address these challenges.

### 6. Work in the Future Needs to Regulate Digital Work, not Fight It

Digitization affects all areas of work and life. It is not limited to traditional industry jobs, but covers nearly all services, albeit still to varying extents. There is no doubt that the strongest drivers of fundamental economic change and change in the workplace harbor great potential for abuse and undesirable developments with serious consequences. At the interface between people and machines, technological change and the digitization of work will increasingly reduce employees to performers of menial tasks in the work process and generate massive unemployment in sectors involving highly auto-



mated routine tasks, i.e. the tasks performed mainly by low- or medium-skilled workers. At the same time, the »digitally precarious« workforce – freelancers working without social insurance – will continue to grow rapidly.

A good example of advanced digitization is crowdsourcing, which is essentially a new kind of outsourcing of services from various fields of knowledge to a »crowd« – a group of people connected through the Internet. Crowdsourcing platforms (intermediaries) request services from individual freelancers worldwide and are beyond the reach of any collective bargaining or social security protection.

Trade unions face the challenge that existing rights with respect to occupational or health protections, immoral payment practices or copyright are hard to assert in a crowd. Yet employment must be regulated for crowd-workers as well. Trade unions should not simply reject crowdsourcing per se or try to resist it. Modern »Luddites« are no use to anyone. Instead, unions should strive toward an intelligent regulation of digital work. We must find new forms of social security, participation and codetermination. By shaping these processes successfully, trade unions also decide what role they will play as representatives of collective interests in the work of the future.

## 7. Work in the Future will Depend on Successful Ecological Change

Environmental and climate protection are not core functions of trade unions when representing the interests of their members. However, the work of the future also depends on the ecological modernization of industrial societies. The road to a low-carbon, knowledge society offers considerable potential for innovation. But jobs created in the field of renewable energies are generally not covered by collective agreements. That also means, there is a huge opportunity for trade unions.

We must be honest about the fact that ecologically motivated structural change comes with the risk of job losses. Structural change in the Ruhr region, for example, meant the end of coal mining – also backed by trade unions. The coal and steel industries have now been completely reorganized. Even traditional industrial sectors are much more resource efficient than they were a

few years ago, and they are justifiably called *enabling industries*. The product and process innovations in energy-intensive sectors are making a major contribution to reducing carbon emissions.

None of this means, however, that there are no conflicts between ecological and labor policy goals. These conflicts must be tackled proactively. We need conversion and modernization strategies that help ensure the success of ecological structural change and that open up new employment perspectives.

## 8. Work in the Future Needs a European Framework

Ensuring high occupational and social standards is a task that can no longer be undertaken by nation-states alone. The free movement of labor granted to citizens of the EU – in other words, the right to live and work in any EU member state – is only one precondition for a European labor market. The other is the regulation of labor markets in a way that secures jobs and qualifies people to take up new employment. What the work of the future requires is not further deregulation but modern labor law on the European level. This includes social transfers that support investment rather than consumption, effective labor administrations in member states, the expansion of European-level employment services and the systematic promotion of mobility.

European employment and health standards are not bureaucratic obstacles and are therefore not part of the EU agenda for reducing bureaucracy. Rather, these standards provide the basis for healthy working conditions and need to be updated as the working world changes. At the same time, European codetermination rights must be strengthened.

## 9. Work in the Future Needs Successful Immigration Policies

Germany is already a country of immigration, even if German society long resisted accepting this as a fact. The current debates about xenophobia, right-wing populism and hostility towards Europe demonstrate that we must be proactive in professing our support for an open Europe – a Europe of migration.



In the discussion about immigration, the fact that immigration also brings benefits for the German workforce is often overlooked. Immigrants are on average well qualified and we need them in order to mitigate the impending shortage of skilled labor. In an economy like the German one, a shortage of skilled labor reduces the chances of participation in the labor market and the implementation of *Decent Work* for everyone. For this reason alone, immigration policy is not geared towards »marginal groups« but a central pillar in our reflections on the work of the future.

## 10. Work in the Future is Gender-Balanced

The traditional »standard employment contract« based on a model of continuous full-time employment (for men) no longer fits the way many people in Germany plan their lives. The rise in female employment allows us to speak of a »feminization« of work and new family models have contributed to this development. Some key features here are: the expansion of all-day schools, a legal right to daycare, the so-called »parental allowance«, and collective agreements that have made work-life balance easier.

Some of the realities of female employment are, however, that women in Germany still earn 20 percent less than their male colleagues, that they are disproportionately represented in part-time work and that they face greater obstacles to opportunities for advancement. The current discussion about women in managerial positions – in particular on the supervisory boards of the major companies on the German Stock Index – therefore sends an important signal about treating women as equal employees.

To date, trade unions have put most of their efforts into reducing the gender wage gap. In the future they must focus more closely on *income* differences. More women – usually for family reasons – work in part-time

positions. And because they interrupt their employment more often and for longer periods than men, they on average earn less in the course of their working lives. Therefore any legal provisions or collective agreements that make it easier to combine raising a family with gainful employment will strengthen women.

## 11. Work in the Future Gives Employees More Sovereignty Over their Time

The power that trade unions have in shaping working time policies has changed radically in the course of history. And the unions' own successes played a major role in this. Today, an important issue for employees is having more sovereignty over their time. They want to have more freedom in determining when they work over the course of their working lives so as to accommodate personal needs: be it to pursue their own projects, to take care of children or aging relatives, to be politically active or to take a sabbatical. This approach is based on the idea of »having room to breathe« in one's working life, which is important in determining quality of life. The leeway employees have in scheduling their own phases of work and time off are increasingly being seen as an indicator thereof.

Smart working life policy and more flexibility for employees to decide about their schedule provide an opportunity to better adapt work to people's wishes and needs. Employees should no longer be punished for deciding not to work full-time due to family reasons or for reasons of personal development. Interruptions and career breaks should no longer give employees a »second-class« status. If we take the life situations of individuals better into account, we will finally come to recognize the work people do in caring for others. This will also help us in breaking down the traditional division between paid work and family work at home. In other words, the world of work must be more attuned to our lives.



## About the author

**Reiner Hoffmann** is Chairman of the German Trade Union Confederation (DGB).

This article is a summary of Reiner Hoffmann's contribution to the book *Arbeit der Zukunft: Möglichkeiten nutzen – Grenzen setzen*, Frankfurt/Main, Campus, 520 pp.

## Imprint

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