



Working environment in transition – Social Security 4.0

Food for Thought paper by the German Social Insurance from
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The German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the national associations for statutory health and long-term care insurance have come together because of their common European policy interests to form the ‘German Social Insurance – Working Group Europe e.V.’

The German Social Insurance represents its members in dealings with the bodies of the European Union and other European institutions. It also advises relevant stakeholders in the context of current legislative proposals and initiatives.

Health insurance, long-term care insurance, pension insurance and accident insurance are part of Germany’s statutory insurance system, which provides effective protection against the consequences of major life risks.

I. The digital transformation of the world of work

The world of work has gone through enormous changes in recent years. Developments are progressing at an ever-faster pace, driven by various factors such as globalisation, digitalisation, technological advances and demographic changes in society.

Digitalisation and technological advances are permanently transforming the world of work. They are opening up new possibilities for structuring our lives and, along with this, new needs and requirements. These changes not only create new opportunities, they also create new risks, for example to the health of workers, and present employers and employees with new challenges. The term ‘work’ is becoming increasingly synonymous with multifaceted forms of employment with different legal relationships between those involved, and which differ from the traditional forms of dependent employment or self-employment. New service models result in new



forms of employment that cannot be limited to one country or a single jurisdiction. These also create challenges for social security systems.

The transformation resulting from digitalisation and new technologies must be managed by stakeholders across the board, including social security systems, in order to provide solutions that allow as many people as possible to benefit from these developments. Any disadvantages that arise should be overcome or at least mitigated.

The German Social Insurance's intention for this discussion paper is to put forward some fundamental considerations which are still open for discussion and to make some policy recommendations.

II. Protection through the community of solidarity

Germany's social insurance system is a community of solidarity that offers protection against risks that would otherwise overwhelm an individual's financial capacity. The social insurance system is financed by member contributions and is geared towards traditional forms of employment. However, digitalisation and technical advancements are changing the world of work in a lasting way.

Digitalisation enables new forms of work where workers may not be able to benefit from the protection afforded by social protection systems. However, even if the world of work and employment relationships change in the traditional sense, the protection needs of people remain the same. Adequate social protection is of great importance to the financial and social security of all workers.

If more and more people move to a form of employment not covered by social insurance and they are financially unable to protect themselves through private insurance funds or voluntary contributions to social security systems, then these workers become permanently dependent on public welfare benefits. As a result, there is a danger at policy level that the financial burden will be transferred to the solidarity communities of those in social insurance.



Germany's social insurance is committed to ensuring that all workers have adequate access to the protection afforded by social security systems. However, the rights of the community of solidarity must be maintained; that is, all workers must make contributions in order to guarantee the sustainability of social security systems.

III. Ensuring access to social security – closing gaps in coverage

The German Social Insurance does not currently see any gaps in the formal coverage of workers in Germany. Should more people move into forms of work that are not covered by social insurance, and there is an increase in the number of people who are not in a financial position to protect themselves via private insurance funds or by voluntarily making contributions to social insurance systems, then this will inevitably lead to gaps in effective coverage for these workers. In the opinion of the German Social Insurance, measures to counteract this situation concern the design and financing of social security systems at national level. It is the responsibility of the Member States to close these gaps by reworking their national systems.

At the same time, the European Union is characterised by the Single Market and the right to free movement. The labour market regulations and social security provisions of one Member State can also affect other Member States. Peer reviews and the ongoing exchange of experiences are suitable measures for helping Member States to learn from one another and, where appropriate, integrate the best practices of other countries into their own social systems. This can also help Member States with implementing the recommendation found in the European Pillar of Social Rights to ensure adequate social protection for all workers, regardless of the type and duration of the employment relationship, and for self-employed workers under comparable conditions.



The German Social Insurance stands behind the European Commission's recommendation in the Pillar of Social Rights to guarantee adequate access to social protection for all workers. In terms of the Member States' responsibility to ensure adequate social protection for all workers, the German Social Insurance believes that the proposals put forward by the European Commission such as the exchange of good practices and peer reviews are the best way forward.

IV. New health risks

The changing world of work not only has an effect on ensuring adequate access to social protection, it also creates challenges in terms of maintaining current protection standards and the ability to bring protective measures to all workers.

Advancements in technology can have a positive influence on work processes. For example, technological advancements can make it possible for machines to take over work that is dangerous to human health. Digitalisation creates new work models that are more flexible in terms of time and location, which can help to improve a person's work-life balance.

However, both technological advancements and digitalisation can harbour risks that require social security systems to be adapted in order to ensure that current levels of protection can continue to be provided in the future. Spatial and temporal flexibility can result in new health risks; for example, by blurring the line between our working and private lives. Other negatives created by the digitalisation of work include work-related psychosocial stress caused by information overload and constant availability, accompanied by work interruptions and constant pressure to respond quickly to enquiries.

The German Social Insurance advocates continuing the high level of occupational safety and health and, where necessary, adapting existing safety and prevention standards to changing working conditions in order to prevent a decline in occupational safety and health.



V. Prevention 4.0 – promoting a culture of prevention

Work 4.0 is a term used to refer to the changes in the world of work caused by globalisation, digitalisation, technological advancements and demographic changes in society. These changes require a comprehensive culture of prevention that enables people to live a healthy, longer life and maintain their ability to work.

The physical distance resulting from virtual workplaces that separates employers from employees creates new challenges for both managers and workers in terms of prevention. Although employers are responsible for occupational safety and health, this situation requires workers to take on more personal responsibility. This presupposes that workers are empowered to take on this responsibility, for example by providing special training that allows them to independently design their work in a healthy way.

However, workers who are self-employed and cannot be reached by any training provided by an employer also need to be made aware of the importance of healthy work. Raising awareness at school age could help these workers to meet the demand for increased self-responsibility in the workforce through a new awareness of prevention, a changed culture of prevention and adequate 'health literacy'.

Prevention and OSH are the responsibility of society as a whole. The German Social Insurance is committed to a culture of prevention that enables people to live a healthy, longer life. This includes managers providing training and consultation to workers who have a flexible work location, as well improving the health literacy of workers with regard to taking on more personal responsibility.