

THE HUFFINGTON POST

[Prof. Dr. Klaus F. Zimmermann](#), 11.09.2015

What Happened to Standard Employment?

Many countries view "standard employment" as a permanent full-time job that pays a collectively agreed wage and is covered by social security. It is associated with disutility of labor incurred to secure a living. Consequently, the long-witnessed trend towards shorter working hours has been widely considered a social achievement. This was understandable at a time when physically demanding labor in construction, manufacturing and mining was predominant. Standard employment may even consist of precarious work. Many societies try to fight this notion, often in vain, by mandating a minimum wage that should enable everyone to earn their livelihood through work.

In Germany, the origins of the "standard employment contract" can be traced back to the economic boom of the 1960s. But the term Normalarbeitsverhältnis did not play a role until it entered the social policy debates of the 1980s and 1990s. Since then, the public perception has been that standard employment is increasingly crowded out - if not threatened in its very existence - by new forms of work. Part-time work, fixed-term contracts, temporary work and "mini-jobs" account for a growing share of total employment. Some refer to this as "atypical employment" while others call it "precarious work." Over the past two decades, this supposedly atypical employment has risen by more than 70 percent. Some even falsely attribute this development to labor market reforms aimed at enhancing flexibility.

Despite doomsday warnings, two-thirds of the German workforce are still on "standard" contracts. This share has not become smaller during the past decade. On the contrary, it has recently started to pick up again. "Flexible" or "dynamic" employment, as it should rather be called, has risen in absolute but not in relative terms. This is also due to the fact that the robust German labor market has at the same time created many new standard jobs. And when you look at global trends, almost half of the world's population is self-employed while only a small fraction has a "standard" job. From this perspective, our standard (or rather "static") form of work must be considered atypical.

With the decline of hard labor that actually involved disutility, other aspects of the working world are gaining more weight. After all, work is about much more than just earning a living. It creates social identity and self-fulfillment. This leads to a growing demand for more flexible working times and places. Many companies have long ago introduced flextime, working time credits or other forms of variable work schedules. Creating a better work-life balance has become a top priority for many couples and families. The demand for flexible and dynamic work therefore not only arises from employers' need to adapt to market conditions, but also from the wants of modern employees. Therefore, generalizing these flexible jobs as "precarious" is completely off the mark.

The [rise of the digital economy](#) has the potential to dissolve the standard employment relationship from the inside out. It does away with the need to work fixed hours at a fixed

workplace. There will be lots of new opportunities for self-determined freelancing or self-employment. At the same time, social interaction and integration in daily work routines will decrease, while stress and workload pressure (sometimes self-imposed) will grow. As a result, a new type of precarious work may evolve that is not just determined by pay. This is where the real challenge lies when it comes to shaping the future world of work.