

Telework: opportunity to decrease or means to increase social inequality?

Paper for ICT, the Knowledge Society and Changes in Work
1st Bi-annual European Conference,
Hague, 9-10. June, 2005.

At present one of the main objectives of the EU – as it has been settled in the Lisbon Treaty - is the growth of employment. Partly larger employment seems to be one of the means for Europe to keep up with the US in the international economic competition. Partly it might also assist in overcoming those social problems in countries that have started to undermine the traditional solidarity based social system of Europe. And last but not least the growth of employment in all countries of the Union might solve the problem that the workforce from poorer countries overrun the labour markets of richer ones.

It is a long-held axiom in the economic literature that technological development, ICT creates more jobs. Therefore both economists and politicians have welcomed telework as a new means to enlarge the labour market.

Another important target of the Union is to guarantee the equal treatment of citizens in all walks of life. It seems plain to everybody that telework gives an opportunity to those groups of people to have some kind of disadvantages to join the global labour market. In the recent past it has become a popular argument for telework that it creates new jobs and improves social equality while:

- people living a long way from large towns without any opportunity to find a job they might find one through telework which thus tends to equalize

the chances of employment in the different regions, and increase the population preserving power in the economically passive regions as a result of a reduction in the move of manpower from them,

- the disabled and those with small children or seriously ill relatives requiring 24 hour continuous care and therefore are not able to participate in the traditionally organised work might be integrated into the global labour market as well.

Both economists and politicians also lay an emphasis on other economic and social advantages of telework, like:

- a possibility to save on social expenditure since there are several opportunities for work for handicapped people enabling them to live on their own income instead of social benefits,
- a cheap means to develop the economically backward regions,
- reduction in government expenditure on child-care institutions as parents can arrange looking after their children in their homes,
- reduction in environmental pollution resulting from the lessening of transport by those going to work,
- faster road traffic resulting from fewer vehicles and a dwindling in the number of accidents.

Consequently telework seems to be a solution to reaching both EU objectives mentioned above: the growth of employment and the equality at labour markets with all their additional positive effects. Therefore, EU countries today make enormous efforts and also invest a lot to create new workplaces through telework in the hope that the employment of disadvantaged people will increase and the social inequalities in employment might be diminished.

The question is whether it is true? Whether the ICT provided new work form, the telework does:

- create more jobs or not?
- equalize the working opportunities for the labour force or make even wider gaps among groups of workforce?

In my opinion telework creates as many new problems in the social equality of different groups of society as it cancels. The main point – as I see – is that neither new technology nor telework create new jobs, thus only redistribute the existing ones.

Since the mid' of the last century on when machines and new technology were substituted for manpower to do more and more industrial work, there has been an universal belief that new jobs in services would replace the ones in industry. However, by today the crowding-out effect has also reached the service sectors. Bankomats replace the work of cashiers, parking metres substitute for traffic wardens, automated telephone exchanges supplant operators, etc. So the general experience is that the growing knowledge of mankind or individuals renders more and more human work unnecessary.

Here I would like to refer to the works of Ulrich Beck. He drew attention to the fact that the service sector could dispense with even more human work than the industry has ever done. Therefore, he says: it is only misconception that services could absorb the workplaces lost in the industry. He mentioned the Internet services as the most important tool to dispense with workforce in the service sector.

The main point is that on the one hand it is true that ICT as a technology is labour intensive. On the other hand, since it is very productive, relatively few

people can manage the systems. Therefore one of the most important challenges faced by a knowledge-based society is to cope with the problem that has resulted at labour markets in consequence of the growing knowledge in technology replacing human work.

On the other hand telework only crowd out traditional work since it is cheaper for the employer. Employers have more advantages when they employ teleworkers as:

- running the business needs less room, therefore no big office blocks are to be built and maintained,
- the costs of equipment at workplaces, of energy and telephone decrease,
- as a result of the reduction in costs there is an increase of competitiveness,
- no absenteeism because of sick leave, of illness of child and of requests on employees' part to be off work to arrange personal affairs,
- wages are reduced as there is a large supply of cheap manpower remotely located from the central office in small settlements,
- there is a wider variety of manpower to select employees.

Coming back to inequality between teleworkers and workers employed in traditional forms my former research led me to the following results:

- teleworkers often work part-time and consequently are not eligible for certain benefits such as sick-pay, paid holidays, etc,
- difficult or bad work that people at the workplace are unwilling to perform is usually allotted to teleworkers,
- only work where performance ratings can easily be set up are allotted to teleworkers,

- every minute of the teleworker's working hours is considered as being spent in the working activity unlike those at a work place where some "neutral gear" occurs (coffee breaks, smoking cigarettes etc),
- lack of chances of promotion, work perspective is limited,
- restricted participation in company life and interest protection,

In addition to these drawbacks some further arguments might be against telework which, however, pose problems to those people employed in traditional work form:

- no regular feedback to the worker about his or her performance, likewise on the other hand the employees working in the office building may suffer from the continuous feedback from the boss,
- a reduction in the teleworker's social contacts as a result of working in isolation in the home, it is to be noted, however, that other employees would prefer some isolation mainly those working in large office rooms locked up with 20-50 others,
- interference in the life of the family caused by work in the home, yet it has to be mentioned that those working in traditional form often complain for long working hours hence they have no time for family,
- frequent psychic disorders stemming from solitude, however the others in traditional jobs have also stress in consequence of close contacts with disliked colleagues,
- workplace costs passed on to employees but on the other hand those working in the office building have more expenditure on travel, clothes, etc.

Therefore – I think - telework does not necessarily lessen social inequalities among employees it only changes the character of problems. In some respect it

might make the inequality grow between those working in traditional forms and those doing telework.

I made efforts to check my former hypothesis about telework and equality on labour markets. Since our institute, ECOSTAT had had a sample I thought the best way to test my idea was to get information about the topic from people in the sample. Therefore at the beginning of the year we carried out a survey asking the subjects of the sample about telework and their opinion on the equalizing effect of this form of work.

First I have to mention that telework is not a wide-spread form of work in Hungary. In my former research I tried to estimate the number of teleworkers in our country. Since there is several definition of telework I estimated different figures depending on the definition I used. When I applied the ILO definition that strictly limits the numbers of teleworkers to those who work in their homes with PC and have online contact with their employers I found there are only a few thousand teleworkers in Hungary.

In this survey we asked first people whether they had worked or at that time worked as teleworkers. The result was that only 3% of the sample had tried this work before. But only 1% was still teleworkers from among the respondents. The majority of those who did not work as teleworker any more had lost the job or had retired before the survey began. Not many of them had stopped being teleworkers own accord.

What is most important about 20% of the sample would have liked to do telework but the present labour market in our country fails to give them too much opportunity to be employed in this way. Most of them stressed that they

would have a better time use if they had a chance to work at home and they voiced the opinion that travel to workplace is a waist of time.

Nevertheless people think that the status of teleworkers differs from those in traditional employment. Respondents estimated that the conditions of teleworkers are disadvantageous from many aspects and therefore they set out more arguments against telework. The lack of opportunity for promotion was mentioned on the top of arguments against telework. They also listed other problems like: teleworkers are not eligible for certain social benefits like paid holiday, sick pay, etc., they miss the advantages of personal contacts of workplaces, difficult or bad work is allotted to teleworkers, they have no protection of interest and have costs otherwise covered by employer like heating, telephone, etc. The table enclosed shows of mentioned arguments

Arguments against telework in proportion of answers

(%)

| Arguments | Proportion of answers |
|--|------------------------------|
| There is no promotion | 41 |
| Teleworkers are not eligible for certain social benefits like paid holiday, sick pay, etc. | 35 |
| Teleworkers miss the advantages of personal contacts of workplaces | 32 |
| Difficult or bad work is allotted to teleworkers | 26 |
| They have no protection of interest | 18 |
| They have costs otherwise covered by employer such as heating, telephone, etc. | 15 |

On the other hand the respondents have found other inequalities in the position of teleworkers compared with traditional employment. Therefore, they think although telework has several unfavourable features it still has advantages. The people surveyed enumerated the following advantages of telework: freedom in time use, more time for family, no continuous control, opportunity for absence on official meetings.

Advantages of telework

(%)

| Arguments | Proportion of answers |
|---|------------------------------|
| Teleworkers are free in time use | 57 |
| They have more time for family | 51 |
| They are not under continuous control | 35 |
| Need not participate in meetings organised by office management | 17 |

The results of this sample survey seem to support my pre-hypothesis. But rethinking the problem I found some more problematic question. In addition to the problems mentioned above concerning inequalities between teleworkers and employees in traditional form of work I found some other factors that might increase the inequality between groups of labour force that would like to work as distant worker. For example:

- some have a fleet or a house large enough to separate a room for work, while others have too small flat or house to do the same,

- some have the knowledge necessary to do telework while the others are completely lacking it,
- the employment of some is supported by programs (like that for the disabled) and therefore employers are more interested in their employment and won't employ others that are not covered by these programs since they will not get the tax reduction or other subsidies after them,
- some have a kind of profession or trade that might be done in the form of telework (like bookkeepers, journalists, etc.) while others can not perform their job in teleworking (as physicians, waiters, miners, etc.)

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