Telework and digitalisation in the COVID crisis

Enrique Fernández-Macías

The European Commission’s science and knowledge service
Joint Research Centre
The pandemic as an accelerator of digitalisation

- **Accelerated digitalisation in all areas of social life**
  - Need to socially distance expanded the use of digital communication and online economic activity
  - Sense of emergency reduced public and private concerns

- **Big expansion of remote work**
  - In critical periods, *almost anyone who could telework did telework.*
  - *Our estimate:* up to 37% in EU27.
    - Hard constraint: working with *hands.*
    - Soft constraint: working with *people.*
  - Reemergence of old *divide* between *manual* and *intellectual* work. During the pandemic, double benefit for intellectual workers: job security (less disruption of activity) and health (less risk of COVID).
Remote work after the pandemic - will it last?

The prevalence of telework expanded significantly everywhere (3% to 11% of regular teleworkers in EU)

But except in the most critical periods, regular telework remains far below potential (37% in EU according to our estimation)

Still a minority, but big enough to require changes in work practices. Also, probable increase in hybrid forms not captured here.
Implications for European labour markets

- The digitalisation of work started decades ago, and is already quite mature in Europe.
  - (C. Pérez) Installation phase from the 1970/80s: big investments, new infrastructures, diffusion of new tools, skills and know-how.
  - Since the turn of the Millennium, deployment phase: the real socio-economic transformation as the possibilities of the innovations and infrastructures accumulated earlier are realised.

- **3-vectors framework** for understanding impact of the Digital Revolution on work and employment
  - **Automation**: replacement of (human) labour input by machine input for some types of tasks within production and distribution processes
  - **Digitisation**: use of sensors and rendering devices to translate parts of the physical production process into digital information (and vice versa)
  - **Platformisation**: use of digital networks to coordinate transactions in an algorithmic way
Automation

- Despite the hype, it seems unlikely that COVID will accelerate automation
  - Current robots are mostly deployed in manufacturing, where the need for social distancing is not so critical (and there are not so many jobs to automate anymore)
  - Robots in services still very rare, partly for technical reasons (services not so standardised), partly for economic (relative cost) and social (awkwardness) reasons.

- But there can still be job restructuring linked to COVID-driven digitalisation
  - Changed habits (online shopping, online services) can lead to market concentration and more self-service (retail, banking).
  - But the associated employment losses are not related to automation, but increased efficiency.
Digitisation

- Big push, mostly related to telework but extending to all office work (hybrid model) and beyond (smart devices to control social distancing, etc)
  - Digital work devices become pervasive and permanently connected, blurring boundaries between work and not work.

- Relaxation of limits with respect to privacy and surveillance may be difficult to revert
  - Greater scope for data collection and monitoring (“algorithmic surveillance”)

- Even if the prevalence of telework remains low, the hybrid model requires digitising and reorganising workplaces too
  - If only one member of a team works remotely, the meetings have to use VC
Platformisation

- Also big push, and perhaps the most consequential one

- **Transition to remote work** forced the introduction of digital platforms for collaborative work (MS Teams, Slack, etc)
  - These platforms are not just spaces where people interact: they are management tools, involving some degree of algorithmic control of work processes
  - These platforms are likely to remain even after the return of normality

- Platformisation has **consequences** for work organisation and job quality:
  - Potential displacement of low-level management and supervisors
  - Increased standardisation and control of work processes, intensification of work
  - Blurs the boundaries between internal workers and subcontractors
Thanks!

Enrique.FERNANDEZ-MACIAS@ec.europa.eu