



Overview on European policies on TELEWORK

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Introduction

This paper is prepared according to the presentation provided during MICROPOL project partner meeting in Alborg, Denmark in March 2012 by Latvian partner Riga Technical University.

This document gives short overview on existing policies on TELEWORK in Europe. In this paper we will present following issues on TELEWORK development in Europe:

- statistical data representing development of TELEWORK in European countries,
- overview of existing EU policies;
- regulatory framework in EU level;
- forms of implementation in those MS represented in MICROPOL Project;
- conclusions.

This summary is based on findings of the Fourth European Working Conditions Survey (EWCS), conducted by Eurofound, Report on Telework in the European Union by European Foundation for the Improvement of Living and Working conditions, report by the European social partners implementation of the European framework agreement on telework, Status Report on European Telework New methods of work 1999, as well as on other Internet resources.

Definition of TELEWORK

Definition of telework in the European Framework Agreement is kept deliberately broad. While this allows for wider space to agree on definitions in the Member States, the lack of a clear definition presents a problem for measuring and comparing the incidence of telework across countries.

Article 2 of the European Framework Agreement on Telework of 2002 (hereafter the European Framework Agreement) defines that:

Telework is a form of organising and/or performing work, using information technology, in the context of an employment contract/ relationship, where work, which could also be performed at the employer's premises, is carried out away from those premises on a regular basis.



A slight deviation from the definition in the agreement appears: the EWCS measures only telework 'from home', while the European Framework Agreement covers workplaces away from the employer's premises other than home as well. However, this deviation can be considered negligible, since evidence from other national or sectoral statistics shows that home is a workplace for the large majority of teleworkers.

It should be highlighted that as definitions vary throughout Europe, no comparable national statistics on telework are yet available. Since telework is relatively new, the majority of countries have just started gathering statistics on telework; therefore, the national data do not yet have a solid foundation.

For the cross-country comparison, in this report we use definition provided by European Foundation for the Improvement of Living and Working Conditions, 2010: in order to qualify as a teleworker, the employee must work 'with a personal computer (PC)' away from the employer's premises at least a quarter of the time. This definition fulfils the criteria set out in the European Framework Agreement's definition, as it includes telework that is done slightly more than one day a week, on average. To complement the overall picture, figures are also given for the incidence of telework that is carried out 'all or almost all of the time'.

1. Statistical overview

In 1999 in European telework there were over 9 million Europeans engaged in new working practices directly involving the use of network technologies. In the 1997 and 1998 Telework Status Reports, the level of teleworking across Europe was reported as between 1.5 and 2 million and about 4.6 million respectively. In 1999 this level may have doubled¹. The results of a survey conducted across 10 of the 15 MS in 1999 represented in Status Report on European Telework showed that there were 6% workforce teleworking in EU in average at that time.

According to the data provided by European Foundation for the Improvement of Living and Working Conditions, 2010, in year 2000 situation was slightly different. The overall average proportion of employees involved in telework was about 5.3% in the 'older' 15 EU Member States (EU15) and 4.2% in the candidate countries at that time. In 2005, the overall proportion had increased to 7% for the entire EU27².

Table 1 shows statistics representing development of telework in European Union in years 1999 and 2005.

¹ Status Report on European Telework New methods of work 1999 available on-line: <http://www.eto.org.uk>

² European Foundation for the Improvement of Living and Working Conditions, 2010



Table 1 Telework in Europe 1999/2005 (%)

	1999	2005	
	Total TELEWORK (% workforce)	% involved in telework at least 'a quarter of the time' or more	% involved in telework 'almost all of the time'
Denmark	10.48	14.4	2.6
Latvia	N/A	12.2	1.8
Netherlands	14.53	12.0	1.9
Estonia	N/A	11.8	1.4
UK	7.62	8.1	2.5
Spain	2.81	6.9	1.5
Slovenia	N/A	6.7	1.9
France	2.87	5.7	1.6
Hungary	N/A	2.8	0.5
Italy	3.59	2.3	0.5

Source: Status Report on European Telework New methods of work 1999 available on-line:

<http://www.eto.org.uk>

European Foundation for the Improvement of Living and Working Conditions, 2010 available on-line:

www.eurofound.europa.eu



According to the findings of the EWCS –between those countries represented in this report – the highest percentage of employees involved in telework was observed in Denmark, where 14,4 % of employees were doing telework for a quarter of the time or more (see table1). Italy noted the lowest percentage, with only 2.3% of workers using telework in 2005.

The figures for teleworking ‘at least a quarter of the time’ significantly vary between the countries. However, the overall trend indicates that employment relationships involving ‘part-time’ telework are on average about four times more common than ‘full-time’ telework. This confirms other findings that telework is used to make employment relationships more flexible, while at the same time avoiding possible difficulties that arise when employees are constantly separated from the **working environment** at the employer’s premises.

Looking at the countries with a high prevalence of telework – that is, where telework is performed at least a quarter of the time – the following groups emerge:

- ✓ telework is used to a very high extent in Denmark and the Netherlands;
- ✓ telework is also highly prevalent in a group of Member States of the east European countries, Estonia and Latvia;

Apart from this, the picture regarding telework is quite mixed, with many countries as diverse as Slovenia, Spain and the UK having close to average figures for telework usage. One group of countries made up of eastern and southern Member States – namely, Hungary and Italy – show very low levels of telework, with a percentage of less than 3%³. However Italy, for instance has much higher than average home-based employee telework to total telework⁴. It should be noted that this summary is based on statistics from year 2005 and situation could have been changed since that time.

Despite their potential positive effects on traffic congestion and pollution in cities, the "opportunities of tele-work are not being fully exploited," according to report by the Organisation for Economic Co-operation and Development (OECD). According to the report, published ahead of an OECD ministerial meeting on the future of the Internet economy on 17-18 June in Seoul, almost one in five workers in the world's most advanced

³ European Foundation for the Improvement of Living and Working Conditions, 2010

⁴ Status Report on European Telework New methods of work 1999



economies spent at least one business day per month working from home in 2006. These figures represent an increase of 63% compared with 2004⁵.

TELEWORK across sectors of economy, occupations and educational level

In terms of different sectors of the economy, a considerably higher use of telework can be found in real estate, financial intermediation and education, where around 15% of the workforce regularly engages in telework at least a quarter of their **working time**. The figures also show that higher educated workers are more likely to use telework.

More than 10% of employees with professional, managerial and technical occupations are involved in telework.

The trend that employees with higher qualifications are more likely to use telework is confirmed by the EWCS data on educational levels: a quarter of all teleworkers have an upper secondary education, while more than half have a third-level education.

Companies equipped with a high-speed internet connection offer more tele-working opportunities than companies without broadband.⁶

Gender differences

Male employees are generally more likely to do telework than female workers: on average, about 8.1% of male employees engage in telework, while 5.8% of female employees use this form of work. Such gender differences can be at least partly explained by the distribution of telework among sectors and occupations. Sectors with a higher incidence of telework – such as real estate and financial intermediation – also tend to have a male-dominated workforce. The same tendency is true for workers in higher skilled occupations as well as technical occupations, where there are less female employees. Gender-segregated labour markets therefore seem to be one of the possible factors explaining the gender differences regarding telework⁷.

Characteristics of teleworkers in Belgium confirm overall results of the distribution of telework for the EU27. In the case of Belgium, for instance, the majority of teleworkers are men with a high educational qualification, who work in the information and

⁵ report by the Organisation for Economic Co-operation and Development (OECD), <http://www.euractiv.com/infosociety/tele-work-growth-slow-oecd/article-172522>

⁶ report by the Organisation for Economic Co-operation and Development (OECD), <http://www.euractiv.com/infosociety/tele-work-growth-slow-oecd/article-172522>

⁷ European Foundation for the Improvement of Living and Working Conditions, 2010



communication technologies (ICT) sector and occupy a management function⁸. In addition, the majority of teleworkers live in urban areas and are not willing to lose time in commuting. Women are underrepresented among teleworkers in Belgium, as fewer women work in ICT⁹.

2. Overview of EU policies

Flexible work arrangements are increasingly seen as a key in helping women and men strike a better balance between work, private and family life. In a recent Eurobarometer survey, nearly half of the Europeans said that more flexible working hours would be their favourite measure for a better work-life balance. However, only one third of all European companies offer some kind of flexible working options¹⁰.

The issue of TELEWORK started to appear on the agenda of the Commission in the mid-1990s. In 1999-2000, the promotion of teleworking opportunities was a component in the Commission's proposals for a Strategy for Jobs in the Information Society, including a recommendation to "set up framework conditions and practical arrangements to enable telework to take place on a wide scale". An ambitious deadline, the end of 2000, was proposed for the establishment of collective agreements concerning teleworking. With the Lisbon European Council in March 2000, achieving an 'Information Society for all' became a political priority for the EU¹¹.

Former Employment and Social Affairs Commissioner Vladimír Špidla called tele-work "a flexible form of work which can be reconciled with family and private life" and an "important element of flexicurity". Flexicurity is an integrated strategy for enhancing flexibility and security in the labour market.

Common principles of flexicurity are following:

- ✓ flexible and reliable contractual arrangements;
- ✓ comprehensive lifelong learning strategies;
- ✓ effective active labour market policies;
- ✓ modern social security systems.

⁸ Taskin, L. and Vendramin, P., *Le télétravail, une vague silencieuse*, Louvain-la-Neuve, Presses Universitaires de Louvain, 2004

⁹ European Foundation for the Improvement of Living and Working Conditions, 2010

¹⁰ EAF Workshop on time credit schemes and working time flexibility, November 2010

¹¹ Maarten van Klaveren, Kea Tijdens, *Teleworking Policies of Organisations – The Dutch Experience*, 2003 www.uva-aias.net/files/aias/WP07.pdf



The concept of flexicurity comprises a series of reflections on different social systems and their capacity to respond to the current challenges facing our society and economy, at European and at Member State level. What are the forces creating the need for flexicurity-type solutions? Several factors are often quoted. One principal factor is the economic challenge posed by a growing global economy that is increasingly integrated and competitive. Other factors include the demographic challenge of a rapidly ageing society and the increasing feminisation of the workforce. The increasing number of women in the workforce should prompt reflection on the use of time, both working and non-working time. It may, for example, necessitate a greater individualisation of workers' rights; women should no longer have to depend on the social security rights of a 'male breadwinner'. At a more general level, there is a need to assess which rights are individual and which rights exist at the household level¹².

The concept of TELEWORK is also reflected in the principles of more and better jobs and better working conditions implemented by European Employment Strategy, Europe 2020 strategy and Guidelines for national employment policies. Employment Strategy was formally initiated at the Luxembourg European Council in 1997, it reflected almost exclusive focus on job creation, with very little emphasis on job quality issues. But as job creation took off in the late 1990s, the European consensus shifted towards more balanced view of employment growth. After the Lisbon Council in 2000, the European Employment Strategy placed the same emphasis on the quantitative and qualitative elements of job creation. In 2002, the Barcelona Council adopted 'more and better jobs' as the motto for the European Employment Strategy¹³.

3. Regulatory framework in EU level

There are no legislative acts issued on EU level on TELEWORK. Implementation of TELEWORK is regulated by European Framework Agreement on TELEWORK (signed by European social partners on 16 July 2002). Although not incorporated into directive, it creates a contractual obligation for the affiliated organisations of the signatory parties. In the context of Article 139(2) of the EC Treaty, agreements between EU-level social partners are voluntary and autonomous in that they are not foreseen to be implemented by Council decision. The framework agreement regulates such areas – employment conditions, health and safety, training and collective rights shall be implemented in accordance with the practices and procedures specific to management and labour in the MS. The European Framework Agreement on Telework has been the first European agreement of the autonomous kind. This results in varied forms of implementation measures, and not one standard path. These agreements had previously been described as 'voluntary' agreements.

¹² Varieties of flexicurity: reflections on key elements of flexibility and security, European Foundation for the Improvement of Living and Working Conditions

¹³ ERM REPORT 2008 More and better jobs: Patterns of employment expansion in Europe



However, with the coming into effect of the new work programme for social dialogue 2006–2008 (EU0605019I), the European social partners changed the terminology for this kind of accord to ‘autonomous’ agreements¹⁴. The agreement recalls that teleworkers benefit from the same legal protection as employees working at the employer’s premises and defines a general framework for using telework at the workplace, in a way which corresponds to employers’ and workers’ needs. It concentrates on the aspects that are specific to working from a distance from the employer’s premises. When the EU framework agreement on telework was concluded, the EU had only 15 members. However, social partners from ten countries who joined the European Union in May 2004, as well as Romania and Bulgaria were invited to implement the agreement.

4. Forms of implementation in different MS

The implementation process started in all countries with the translation of the EU framework agreement, followed by dissemination activities. As described in TELEWORK implementation report once the translation was completed, a second step taken by the social partners in most countries consisted of carrying out information and dissemination activities vis-à-vis their affiliates to make the EU framework agreement known to employers and workers in their corresponding countries.

The tools and procedures of implementation chosen by social partners varied in accordance with national practices. The choice of the tools and procedures of implementation was made jointly by employers and trade unions and was often the occasion of in-depth and sometimes difficult discussions between them. The difficulty of the task was sometimes linked to issues of substance, of procedure, or of the status of the implementation tool. Following information on implementation through national legislation, collective agreements or ‘soft law’ mechanisms is provided.

- Implementation through national legislation was implemented by the group of six member states - the Czech Republic, Poland, Portugal, Slovakia, **Hungary and Slovenia**. The last two are covered by this report. Further implementation structures in these countries will be emphasised.
- Majority of the countries – Austria, Belgium, **Denmark**, Germany, Greece, **France, Italy**, Luxembourg and **Spain** are implementing EU framework agreement through collective agreements. Belgium, France and Luxembourg have the cross industry agreements remaining 6 countries – collective agreements.

¹⁴ European Foundation for the Improvement of Living and Working Conditions, 2010



- Implementation through 'soft law' mechanisms – social partner agreements is organised in Finland, Ireland, **Latvia, the Netherlands**, Sweden and the **UK**. It is carried out through means - voluntary agreements; codes of conduct or guidance.
- Bulgaria, Cyprus, **Estonia**, Lithuania, Malta and Romania don't have implementation structures of the European Framework Agreement on Telework.

Further summary of forms of implementation of the EU framework agreement and telework is presented in of 8 countries represented in the MICROPOL project, respectively Denmark, Estonia, France, Hungary, Italy, Latvia, Netherlands, Slovenia, Spain and United Kingdom¹⁵.

Denmark

- ✓ In the state sector in Denmark the EU framework agreement on telework was implemented during the general collective bargaining rounds for the state sector employees in 2005;
- ✓ In Danish private sector the social partners amended a pre-existing collective agreement in the autumn 2005;
- ✓ Although some trade union and employer organisations at confederal and sectoral levels have implemented the telework agreement, a recent study has revealed that most affiliates of the main trade union and employer confederations in Denmark have failed to transpose the telework agreement into collective agreements at sectoral and local levels.

Estonia

- ✓ No specific regulatory framework in relation to telework has been developed in Estonia, but recently definition of TELEWORK has been included in Labour Law;
- ✓ implementation of telework arrangement should be strictly voluntary for both the worker and employer.

France

- ✓ On 19 July 2005 adopted a cross-industry national collective agreement;
- ✓ French employers are more conservative than others about telecommuting.

Hungary

- ✓ Legislation appeared to be the right instrument;
- ✓ EU framework agreement was introduced into the labour code and since May 2004

¹⁵ IMPLEMENTATION OF THE EUROPEAN FRAMEWORK AGREEMENT ON TELEWORK



applies to the public and private sector;

- ✓ Legal reform has been accompanied by a public policy initiative, including subsidies for employers who want to introduce telework;
- ✓ In early 2000, government subsidy programme was launched as a means of creating new jobs for various disadvantaged groups;
- ✓ Ministry of Labour plans to double the percentage of people working from home in Hungary by 2013;
- ✓ The ministry has worked out five telecommuting programmes to boost this type of flexible employment in Hungary;
- ✓ The government plans to spend up to about 30 billion forints on such programmes using EU funding.

Italy

- ✓ On 9 June 2004 the Italian social partners agreed on the interconfederal agreement at national level;
- ✓ This agreement is binding for almost the entire private sector and for local public services in Italy;
- ✓ Elsewhere in Italy the collective agreement for the public sector regulates voluntary involvement in telework.

Latvia

- ✓ The principles of EU agreement have been implemented through a tripartite agreement that provides non-binding guidelines on the introduction of telework;
- ✓ On 12 April 2006, Latvian social partners concluded a social partner agreement;
- ✓ Employers released guidelines for implementation of the EU agreement for their members;
- ✓ Social partners negotiated with the Ministry of Welfare and members of the Latvian parliament for a set of guidelines on the implementation of telework;
- ✓ It is reported that compliance is poor in the case of employees working away from the company premises.

Netherlands

- ✓ In September 2003 issued a recommendation on the telework agreement in order to prepare for collective bargaining at sectoral and company level;
- ✓ Provides reduced social security contributions for employers using telework;
- ✓ In 2006, the Dutch parliament agreed to waive taxation on employers' payments for the use of the Internet and telephone by employees carrying out telework at home;
- ✓ Ministries of Economic Affairs and of Environment consider telework expansion as a solution for the countries traffic congestion problems and related air pollution;
- ✓ National-level soft law instruments have been supplemented by binding collective agreements at sectoral level for some branches.



Slovenia

- ✓ Implementation of EU framework agreement is under way, but not fully completed;
- ✓ Even though equal treatment is guaranteed to all employees working away from employer's premises, the use of ICT and the related peculiarities as well as possible risks of this kind of work are not sufficiently regulated.

Spain

- ✓ Since 2003 national agreements on collective bargaining have incorporated the EU framework agreement on telework into the Spanish labour relations system;

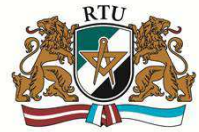
United Kingdom

- ✓ The social partners and the government have agreed on practical codes and guidance directed at companies;
- ✓ A joint guide on telework was produced by social partners in the UK in August 2003;
- ✓ The government financed the publication of the joint social partner's guide on telework;
- ✓ Measure introduced in the UK Budget 2003 – enables employers to meet some or all of the incidental household costs incurred by employees who work at home (heating, electricity, etc.) without it giving rise to a tax charge for the employees;
- ✓ Court practice - a Telewest employee and a mother of three children has been awarded compensation of £19,500 after her bosses refused to grant suitable flexible working arrangements to allow her to look after her baby, leading to an impasse which made her to resign her position from the company.

Conclusions

Conclusions of this paper could be summarised as follows:

- Lack of a clear definition – presents a problem for measuring and comparing the incidence of telework across countries;
- Reliable national statistics about the use of TELEWORK is still rare;
- Telework performed on part time basis is more common than full-time telework;
- European Framework Agreement covers employed workers only;
- Little evidence is available that local communities in the EU are developing policies for teleworking of their citizens;
- The OECD report underlines that "there are still barriers to the development of telework," in particular inflexible organisational structures and cultures, rules that do not allow tele-work and a lack of infrastructure;



- Recent Eurobarometer survey - nearly half of the Europeans said that more flexible working hours would be their favourite measure for a better work-life balance. However, only one third of all European companies offer some kind of flexible working options.

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