

**Responses to Questions Posed by the  
Portugese Telework Association  
in Conjunction with Telework '98**

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Prior to the Telework '98 Conference: 5<sup>th</sup> European Assembly on Teleworking and New Ways of Working, the Portugese Telework Association asked each of the Conference speakers to respond to a set of questions. These are my responses to those questions, based on my direct experience in California, USA.

1. Are telecommunications costs a constraint to development of telework?

Have automobile and highway costs been a constraint on traditional face-to-face work? -- No except when the pay level is not high enough to allow the employee to purchase a private automobile. Are telecommunications costs very much lower than auto and highway costs? -- Yes. Therefore, if telework decisions are rational, then telecommunications costs should not be a constraint to development of telework. Except that some accommodation should be made to those with pay below the market threshold. I call this inventing the *public transit system for the information highway*.

2. In what way has/will competition in the telecommunications markets overcome this obstacle?

Competition should stimulate innovation in telematics products, some of which will help facilitate telework. And competition can be expected to create a complex menu of prices for feature/capability-differentiated products, from very expensive to inexpensive (for example, most lap top computers today range in price from about \$1,200 to around \$4,000 depending on the features and capabilities).

However, competitive markets tend not to serve the low income market segment well. For example, there would not be slum housing, homeless people, auto-less people, or old jalopies if competitive markets could provide the low income market with adequate goods. To be poor in a market economy is to consume below standard products. So it will be in telematics markets as most people below a threshold income will not be able to participate in telework or electronic commerce. This prospect will require innovative public policy as mentioned in my response to question #1.

3. Is the take-off of telework slower than expected some years ago?

One possibility is that the incidence of telework is hard to measure. For example, should home-based free lance workers be counted as teleworkers and, if so, how should their number be accurately measured?

And, of course, the political environment that favors the automobile limits participation in telework. The automobile is subsidized – the costs of public investments such as for highway construction or street widening are not paid for by gasoline taxes or related revenues.

Telecommuting participation rates tend to jump during a short term crisis that forces private autos off the road, such as an earthquake or the Olympics games. Historically, auto use has returned to previous levels once the crisis has passed. That is because our society encourages individuals to use private automobiles.

4. Is telework the future of work? Or is it just a part of it? A small part? A big part?

Politics will decide. I live in the United States, an automobile-nation, and in Los Angeles, a decidedly automobile city. Telework will play a more significant role in our future only if some of the following policies are adopted: A much larger tax is imposed on gasoline; free parking provided by employers is charged as taxable income to employees; the government imposes congestion pricing on highway usage; low cost, flexible on-demand public transit services are introduced; small, short range electric cars are introduced; some form of universal access to broadband telematics is introduced; etc.

5. When working from home, are people's depression, overwork, or mixing up work with family life real issues?

It is unrealistic to expect the preponderance of telework to occur among isolated individuals working from home. For me, working in a central office was always a little depressing due to the impact of poor management and office socializing on work-group productivity.

6. Won't telework deepen the tendency for people not to socialize (not talking to neighbors, not making friends)? Or, on the contrary, will telework deter this growing trend?

What could be more anti-social than spending two hours a day alone in an automobile? Will telework improve or worsen social relations? It depends on how it is done. If this is a

concern, make the improvement of social relations a goal of program design and implementation.

7. What impact will telework from home have on the local social and economic institutions (shops, gyms, restaurants, etc.)?

The closer people work to home, the more likely that demand for other services and activities will also grow closer to home. This phenomenon is one of the economic development dynamics of the “Urban TeleVillage” in the telework strategy I deploy.

8. In what way should the legal labor framework be changed so to facilitate telework?

I am not an expert in this aspect of telework but I suspect that there are more telework issues that are not related to labor law than those that are.

9. Is telework leading to a progressive disappearance of traditional labor relations between employers and employees?

A significant participation rate in telework will occur only if there is also a significant increase in teleservices, teleconferencing, and teleprocessing, and significant changes in transportation policy, and land use. In other words, telework is one element of a societal transformation. In that transformation many relationships will be different, for example, the relationship between citizen and government, consumer and marketplace, household and neighborhood, and labor and management. The potential for change should engage broad segments of society in discussions about the desired outcomes, in all arenas not just the work place. In general, European society is much farther ahead of American society in conducting these discussions.