

# eWork in Germany – Contribution for Collaboration@Work 2004 Status Report

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*New data show high level of uptake compared to the rest of Europe – but strong disparities between regions*

Data which was collected in early 2003 in the context of the BISER project show that German regions compare well to the rest of the EU15 with regard to the share of multi-locational eWorkers, and also when looking at people tele-cooperating at their workplace. All five German regions covered in the survey (see figure) have above-average relative numbers of home-based teleworkers.

There are, however, considerable differences between regions inside of Germany, especially between the *Regierungsbezirke* from the former East Germany and those from the West. In the Darmstadt region (which comprises Frankfurt, the international financial centre which is also home to a large number of headquarters of multinational corporations), already one in five workers spends some paid working time at home, and more than 50% cooperate with external work contacts by means of e-mail and the Internet. In Mecklenburg-Western Pomerania, meanwhile, shares of multilocal eWorkers are only half as high.



The BISER analysis showed that this is *not* due to differences in the take-up of ICTs as such: Levels of Internet diffusion and usage in the eastern parts of Germany have nearly reached West German levels. This result has been confirmed by 2004 data published recently as part of the (N)Onliner Atlas 2004<sup>1</sup>.

Table: Spread of multi-locational eWork and tele-cooperation in German BISER regions (in %)

Region	Multi-locational eWork			Tele-cooperation	Centrality (ASPIRE) <sup>2</sup>
	Teleworking at home	Mobile teleworking	any (excluding overlaps)		
Mecklenburg-Western Pomerania	8.9	4.9	11.3	41.5	89.6
Magdeburg	9.8	2.6	10.8	38.4	158.7
Braunschweig	10.0	3.3	12.2	43.0	195.8
Stuttgart	12.0	7.4	15.7	53.5	229.0
Darmstadt	20.5	4.9	22.7	55.6	264.2
by comparison: BISER EU15 average	8.7	4.7	11.6	38.9	-

Base: all persons in paid work. Data source: BISER RPS 2003, weighted.

Regional disparities in the take-up of eWork in Germany may partly be explained by centrality, as measured by the AsPIRE project. In regions which are more central in a

<sup>1</sup> See <http://www.nonliner-atlas.de/>

<sup>2</sup> This measures accessibility by car, and regions are weighted by GDP. See [www.sac.ac.uk/AsPIRE](http://www.sac.ac.uk/AsPIRE).

geographical sense (at the EU level), eWorking is significantly more wide-spread than in more peripheral regions (see last column in table above). The same pattern was also found in the U.K., in Italy and (somewhat less clearly) in France.

The BISER surveys were conducted via CATI (computer aided telephone interviews) in 2003 in 28 EU regions, carefully selected to represent the variety of types of regions to be found in Europe<sup>3</sup>. More information is available from the authors or at [www.biser-eu.com](http://www.biser-eu.com).

### *Telework in German organisations*

Until the late 1990s, balancing employees' interests with those of business has often been the spur for introducing eWork in German companies. The opportunity to practise home-based eWork was offered either to appear as a more attractive employer on the labour market or to retain employees. While it was expected from management that costs for investments in telework equipment and maintenance would at least be covered by savings, calculations were often done in form of rough guesses only. Apart from these primarily socio-politically motivated telework projects, there have always been those which have been implemented as a result of particular circumstances. There are examples here of expanding businesses which react to an existing shortage of space by introducing multi-locational eWork combined with desk sharing. Others were able to continue employing as teleworkers those workers unwilling to move in case of business relocations.

The last years have seen a change in attitude, mainly caused by the economic downturn which has had a considerable effect on HR strategies of German businesses. Now, considerations of cost effectiveness are very much the main focus. For example, business locations have been given up in order to reduce costs and, within the framework of these reorganisations, home offices have been set up or mobile eWork introduced. The success of eWork projects is measured by whether they reclaim costs in the short rather than the medium term. Here they compete with a variety of other organisational investment projects.

Some leading companies have already achieved such a large diffusion rate that now internal expansion of eWork is stagnating. Others have only recognised the advantages of eWork relatively late and today are expanding rather rapidly. Yet others feel that their basic need for flexible work organisation forms has been satisfied by pilot projects, and shy away from extension. Reasons given are a number of other reorganisation measures which are considered more urgent, often having to do with acquisition and merger activities.

In the meantime, the public sector has caught up with eWork developments. The youngest example is the public administration in the *Bundesland* Hessen. All 150,000 persons who are employed by the *Bundesland* now have the right to apply for a home-based teleworkplace. This may only be refused if the job is considered unsuitable or business processes would be severely impeded. The agreement was reached in April 2004 between the Hessen Minister of the Interior, the public workers union and the civil servant federation, and came after a two-year pilot turned out to be successful.

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<sup>3</sup> Other regions in the survey were: Salzburg (Austria), Liège (Belgium), Fyns Amt (Denmark), Väli-Suomi (Finland), Ile de France, Bretagne, Nord-Pas-De-Calais, Languedoc-Roussillon (all France), Kentriki Makedonia (Greece), Border, Midland & Western (Ireland), Sicilia, Lazio, Toscana, Lombardia (all Italy), Friesland (Netherlands), Lisboa & Vale do Tejo (Portugal), Castilla- Leon, Cataluna (both Spain), Smaaland Med Oerna (Sweden), Berkshire, Buckinghamshire and Oxfordshire, Leicestershire, Greater Manchester, and Tees Valley and Durhams (all U.K.). It could be shown than taken together, these regions are sufficiently representative of the EU15 average, as indicated by key socio-demographic and structural economic variables.

### *How sustainable is eWork? Progress towards measurement*

A topic which, although often discussed, remains little researched is that of the sustainability of telework. Knowledge about how the sustainability of an individual eWork project can be assessed has been missing almost completely. Recently results from new research undertaken in the 5<sup>th</sup> Framework Programme of the European Commission has become available.

Building on the results of surveys and case studies, the EU project SusTel<sup>4</sup> has developed a software tool which allows the measurement of economic, ecological and social sustainability of telework in businesses. The tool is available as a web-based interactive software in four EU languages (German, English, Italian, Danish and Dutch) and is accessible for free at [www.telework-test.org/](http://www.telework-test.org/). The tool assesses if the implementation of telework is economically beneficial and if desirable social and ecological effects come along with it. Users can identify weak points of their telework project which they did not consider yet, or whose consequences they did not realise yet, and obtain suggestions for improvement. The tool is targeted, above all, at organisations – for example enterprises and public administrations – that do already practise telework. However, the tool also offers valuable hints and plenty of support material to those organisations having no experience with this type of work yet.

The application has been taken up with much enthusiasm by user organisations as well as policy-makers who want to promote eWork. Up to now, many organisations flinched from implementing telework because they could not easily determine its profitability. Scepticism prevails that benefits do not at least cover expenses. However, many enterprises have found eWork to be highly profitable even when introduced across the board and in large numbers – one example being the insurer LVM based in Münster, Germany.

Related research was also able to point out in detail, and for the first time, the conditions under which home-based eWorking is ecologically sustainable<sup>5</sup>. This means that some of the questions which have accompanied the discussion around telework from the very beginning, such as the issue of whether eWork can effectively reduce the ecological burden caused by present-day work organisation, are finally being answered.

### *Infrastructure: Rollout and usage of broadband intensify*

Germany's "Regulatory Authority for Telecommunications and Posts (RegTP)" reports accelerated migration of users from narrowband to high-speed access, which in Germany usually means DSL<sup>6</sup>. DSL traffic, measured as transmitted data volume, substantially increased in previous years, from 25 GByte in 2001 and 195 GByte in 2002 to 403 GByte in 2003. These numbers include both the traffic volumes of the alternative network operators simultaneously offering Internet access services as ISPs and the broadband volumes generated by the customers of ISPs without their own network.

### *The political environment for eWork in Germany 2003/2004*

While the implementation of multi-locational eWork appears to have slowed down as a result of the economic downturn (see above), political attempts have been undertaken to boost eWork in self-employed status. The latter has received a boost by a number of activities for the promotion of start-ups by unemployed persons. In the past years the number of start-ups supported through the "Überbrückungsgeld" (bridging allowance) has significantly increased

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<sup>4</sup> SusTel (Sustainable Teleworking), see [www.sustel.org](http://www.sustel.org).

<sup>5</sup> See Schäfer, R.A. (2004): *Ökologische Beurteilung von Telearbeit – Konzeption und Realisation eines Bewertungsmodells auf Basis einer Verhaltensbilanz*. Aachen: Shaker Verlag.

<sup>6</sup> See [www.regtp.de/imperia/md/content/en/aktuelles/jb2003e.pdf](http://www.regtp.de/imperia/md/content/en/aktuelles/jb2003e.pdf)

(in 2002 by 29%). In order to offer more unemployed persons the opportunity to become self-employed, an additional start-up allowance was introduced in January 2003. The allowance is granted to those who expect a relatively low income for the first years (up to €25,000). The government aims at supporting this target group in becoming self-employed by offering social security. By July 2003 approx. 43,000 persons (of which 40% are women) were given the start-up allowance. Every month approx. 8,000 to 9,000 new businesses are started. No data is available yet about how many of these start-ups are making use of eWork, but it can be expected that the share is significant.

The German government has also strengthened attempts to increase the compatibility of work and family life. Most labour market experts believe that the difficulty to combine both is a major reason for female employment rates in Germany remaining much below the figures in forerunner countries such as the U.K., the Netherlands and the Nordic Member States. Against this background, the German government has realised that it needs to convince employers of the advantages of offering modern ways of working which increase worker-centred flexibility.

One such activity is the Work & Family Audit of the Hertie Foundation which is a "management tool for business enterprises and organisations for the optimisation of a family-oriented employment policy". It aims at ensuring a strong balance between corporate interests and employees' concerns. In early 2004, the federal minister for family, seniors, women and the youth, Renate Schmidt, and the minister for economic affairs Wolfgang Clement took over patronage over the scheme, thereby giving it a much higher profile among German businessmen.

Other ongoing activities in this area include the "Allianz für Familie" (Alliance for Family) in which the federal government has been cooperating with the trade unions and industry federations in order to increase the availability of flexible working hours, to support business infrastructure such as child care facilities, to boost family-friendly human resources development and to make it easier to start at work after parental leave. For the first time a representative survey has been carried out in conjunction with the Deutsche Gewerkschaftsbund (Federation of German Trade Unions) among workers to find out what their expectations are with regard to a family-friendly enterprise. The Federal contest "Familienfreundlicher Betrieb 2005" (Family-friendly Business 2005) will reward those enterprises that are committed to flexible working hours and in-house child care facilities.

Unfortunately, in reality mothers (and fathers) who want to combine work and family duties still face severe barriers. One such is the lack of places in a child care facilities. Although there is a legal obligation of the State to provide a place in such a facility for every child under the age of three, the supply still is far outnumbered by demand, particularly in the old *Länder*. In addition, there is a need to set up more child care facilities for children from three until school age (shortage of all-day care facilities). Although the federal government has promised to provide approx. €2 billion in 2004 and approx. €2.5 billion annually as of 2005 for the extension of child care facilities, the current, woeful state of German public finances will make it extremely difficult to put these promises into reality.

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