

WRITTEN BY



**TIBOR LORINCZ**  
Economic Analyst  
Tatra banka, a.s.



# WORKING FROM HOME

## TELEWORKING IS VERY RARE IN SLOVAKIA

For the author of this article, a white-collar professional from Bratislava, the topic of teleworking is ubiquitous. Working from home is a permanent fixture of both job postings and office reality (or lack of it, to be more precise).

But despite all the buzz and talk, teleworking is, perhaps surprisingly, a niche aspect of the labor market. According to Eurostat, only about 12% of all employees worked from home in 2020 either usually or occasionally. This is a significant increase from 9.5% in 2019, but in the EU 14% were working from home in 2019, and this share increased to almost 21% in 2020. Not only is the level lagging behind the EU, but also the pace of change is slower.

Why is this so? The first reason is that the potential for teleworking is low: according to the OECD, only about 29% of jobs in Slovakia have the potential to be done from home, compared with the OECD average of 34%. The difference does not seem to be that large but going one level deeper provides the answers: the potential for working from home is significantly different for cities on one hand, and towns and rural areas on the other hand. In fact, in the case of cities, the Slovak potential for teleworking matches the OECD average: in Slovak cities the potential for teleworking is 41% and in OECD it is 42%. In the case of smaller towns and rural areas, Slovak potential

for teleworking drops to 29% and 23% respectively, lagging behind the OECD levels of 34% and 31%. This explains the discrepancy between the author's perception and macro data: working from home is significantly more common in Bratislava, but in Slovakia as a whole, it is rare. However, the variation in potential does not fully explain the difference: after all, the share of jobs that have the possibility of teleworking is much higher than the share of employees actually working from home. And the difference itself is larger than in the EU. The main reason may simply be that until the pandemic, it has not been properly tried.

## TELEWORKING IS HERE TO STAY

In 2014, London's underground service had a two-day strike. Economists then studied the data of commuters and found something interesting: tens of thousands of Londoners changed their commuting habits permanently. Old habits die hard and people sometimes need a strong nudge to realize their habits are wrong.

The pandemic itself may have been the shock that pushed Slovakia towards more telework. Even after the pandemic, people are spending less time at their workplaces than before. According to Google's mobility data, even when the pandemic measures were mild, people made approximately 5% less trips to their workplace than before (for Bratislava the number is around 10%).

While the increase is not very high, the reality on the job market is that telework is now a normal work option, rather than some exotic perk, and we can expect the share of telework to rise. The caveat being that this will mainly happen first in the two biggest cities: Bratislava and Košice. However, as working from home becomes more common, there is no reason it should not trickle down to smaller towns and rural areas as well.

Why has telework become more popular? Obviously, during the pandemic, it allowed mainly office employees to work while staying at home and minimizing the risk of infection. Secondly,

companies that allowed teleworking can cut office rents: the fewer employees in the office, the less office space needed. Thirdly, the feared productivity decrease (the supposed reason behind not allowing working from home before) has not materialized. Some employees swear working from home actually increased their productivity. While teleworking is not a panacea, it is also not a catastrophe and that is enough for companies to find some use for it.

## BUT OFFICES WILL STAY TOO

This does not mean that the office is dead. According to the OECD, the sweet spot for telework is mixing

telework with regular office work. Both have their pros and cons and companies will do their best to combine the best of both worlds. Constant telework deprives the company of employee interaction, which is often the most conducive to new ideas, training and onboarding new employees. Junior employees may be particularly affected. On the other hand, teleworking increases the list of potential candidates to a larger geographic area and allows for more work-life flexibility. While Slovakia will likely not be a leader in telework, the peer pressure from the EU as well as the experience from the pandemic will lead to its rise.

Now that the pandemic is (hopefully) slowly approaching its end, we can look at a paradigm shift that took place while it raged: the rise of teleworking. Is it a big deal or just a minor nuisance?

### Workplace Mobility in Slovakia

SOURCE: Google, Macrobond, Tatra Banka RESEARCH



### Share of employees who worked from home

SOURCE: Eurostat, Tatra Banka RESEARCH

