

13th May 2021

PRESS RELEASE – Remote Working: Implications for Competitiveness and Productivity

Today (13 May), Dr. Frances Ruane, the Chair of the National Competitiveness and Productivity Council (NCPC), issued the Council's bulletin on remote working.

New opportunities for remote working have the potential to convey economic, social and environmental benefits and could offer a better quality of life to those living and working in Ireland. This Bulletin focuses on the impact of the shift to increased remote working on Irish enterprises and the possible implications for competitiveness and productivity.

The Council sees potential for enterprises to further benefit from remote working arrangements by gaining access to a broader pool of talent, promoting retention, and improving cost-effectiveness while engaging in more sustainable ways of working. However, some enterprises may struggle with the additional costs of setting up remote working arrangements. It is important that the benefits and cost savings for firms associated with remote working are maximised so that any potential additional costs of providing more flexible work arrangements to employees can be offset.

The extent to which remote working can improve or hamper productivity depends on multiple interrelated factors, but strong digital and management skills, along with investment in broadband infrastructure and ICT equipment are required to maximise the potential productivity gains from effective remote working and minimize any negative spillovers. Changes to work practices take time to manifest in measurable impacts on productivity at the individual or firm level and it will be important to collect data to monitor these impacts and to implement the right policies around remote working so that the economic benefits of remote working can be enjoyed by employers, employees, and the economy as a whole.

The Bulletin explains that it is essential that the quality of life and cost of living in both urban and rural locations are improved so that Ireland is in a strong position to both retain and attract investment and talent. It is essential, in a future where people can work in locations away from the traditional workplace, that Ireland's regions provide attractive places in which to live and do business.

While today's Bulletin focuses on the impact of remote working on enterprises, the NCPC will explore the wider individual and societal aspects of remote working later this year in *Ireland's Competitiveness Challenge 2021*, and, where areas for improvement are identified the Council will make recommendations to Government on the policies required to support competitiveness and productivity.

Dr Ruane said that: *"The COVID-19 pandemic has been a disruptive force across all aspects of our lives and has profoundly changed the way we work. Over the past year, we have seen how remote working opportunities could offer a better quality of life to those living and working in Ireland and there is a clear appetite to continue some form of remote working when the*

immediate public health threat has passed. It is important that the potential implications of a future blended working environment are fully considered to uphold the competitiveness and productivity of the Irish economy”.

Tánaiste Leo Varadkar said: “I welcome the publication of this Bulletin today. The Government wants to make remote and blended working a much bigger part of life after Covid. The benefits are obvious – less commuting, fewer transport emissions, better quality of life for workers but we are aware that there are challenges to manage too. We are currently implementing a Strategy on remote working with actions across the board – including a code of practice on the right to disconnect, legislating to provide employees with the right to request remote working and ensuring we have the right tax incentives in place, to make sure the move to a more permanent arrangement is a smooth one. I’d like to thank the Council for its work today.”