

## European Telework Status Report 1998: Spain

This is an extract from the country summaries section of the European Commission's 1998 Status Report. The complete report is online at <http://www.eto.org.uk/twork/tw98> in a variety of formats, including Word, HTML pages and Acrobat .pdf files. Links to further information about telework in Spain are in the Spain national page at European Telework Online - <http://www.eto.org.uk> .

### Summary

Spain has particular national opportunities in the Information Society. A form of Spanish is the first language in some 28 countries and for close to 300 million people. Also, travel and tourism is one of the main sectors for early online activity and Spain has the highest tourism revenues pro rata among the larger EU economies. A large land mass with a thinly distributed population provides an incentive for early adoption of telework, especially in applications such as medical services. High unemployment provides another incentive to understand and use telework and teletrade methods.

Against these positive factors, Spain has the lowest level of investment in ICTs among the larger EU countries, and relatively low per capita GDP makes the technology look more expensive in relative terms.

AET, The Spanish Teleworker Association, is attempting to stimulate demand for 'teleworkable' jobs in SMEs in the tourism sector. Most companies are either unaware or unsure about telework, so a series of focused seminars explaining the nature and the benefits as well as the problems related to telework, followed by interviews and systematic analysis of opportunities, is being carried out.

SMEs interested in the pilot experiment receive technical and managerial support to introduce the tools and methods for teleworking. Simultaneously, members of AET are being trained to match the demand stimulated. A key feature of the project is the use of the GINGO (knowledge tree) Human Resource Database Management software from TriVium S.A., for matching demand, offer and competence building.

### Telework background and take-up of ICTs

#### General background:

- Spain is Europe's fifth largest country in population terms. The population is more sparsely distributed than in the other large economies, because of Spain's large land mass and the dispersion of some of the population on outlying islands (Canaries and Balearics). Spain is also quite highly regionalised in its administration, being divided into 17 *comunidades autonomas* (including the Canary and Balearic island groups).

	Area, sq km (thousands)	Population (millions)	Density (people per sq km)
Spain	505	39.6	78
UK	243	58.1	239
Germany	358	81.1	227
Italy	301	57.2	190
France	544	57.7	106
Finland	338	5.1	15

- The per capita GDP is much the lowest of the larger EU countries, though substantially higher than those of Greece and Portugal. This has the effect of making ICTs appear relatively expensive for consumers and small local enterprises. Spain has a low level of investment in large-scale computer systems and in PCs per head of population, but a somewhat higher level of use of PCs relative to

white-collar workers. There are significant differences in earnings levels between the main city and industrial areas and the rural hinterland.

	Per capita GDP	IT spend as % of GDP	IT investment		Internet users per 1000 population	PCs per 100 white collar workers
			Per capita (ECU)	Scaled (highest = 100)		
Spain	13,434	1.34	157	21	22	48
EU lowest country	8,216	0.86	76	10	11	34
EU highest country*	29,873	3.36	751	100	152	78
* excluding Luxembourg						

- Unemployment is the highest of any major EU country, regularly hovering around 20% in recent years. Labour laws that severely restrict flexibility have discouraged companies from hiring full time permanent employees and led to high levels of temporary or fixed term contract working. Government spending has been significantly reduced in recent years as part of successful efforts to qualify for entry to the Euro.
- Spanish is one of the world's most widely spoken languages, after Chinese and English. A form of Spanish is the main language in some 28 countries, especially focused in South America, and there are others where Spanish is the native language for large minority populations, notably in the USA.

Language	Number of first speakers (millions)	World ranking
Chinese/Mandarin	885	1
English	322	2
Spanish	266	3
Bengali	189	4
Hindi	182	5
Portuguese	170	6
Russian	170	6
Japanese	125	8
German	98	9
French	72	13
Italian	40	27

- Within Spain itself, there are quite substantial minority language populations - Castilian Spanish 74%, Catalan 17%, Galician 7%, Basque 2%.
- Tourism is an important industry. Relative to national GDP Spain has the highest tourism earnings of any country world wide:

	GDP \$US Bn	Tourist arrivals (millions)	Tourism revenues (\$, millions)	Tourism % of GDP
Spain	532	41,425	28,428	5.3
Italy	1088	35,500	27,439	2.5
France	1451	61,500	28,241	1.9
UK	1095	25,800	20,415	1.9
USA	7100	44,791	64,373	0.9
Source for tourism data: Economist Intelligence Unit				

- Relative to the other large EU economies has a higher average number of persons per household. This factor reinforces others in suggesting that telecentres rather than home based teleworking is an appropriate focus for telework activities in Spain:

Average number of persons per household	
Spain	3.3
Germany	2.2

#### Driving factors:

- Although overall Internet use is low, there is a proportionately high level of activity among users, with active Telework websites and online discussion.
- IT take up is growing quite rapidly, with 10.5% increase in purchases in 1997, compared with the overall EU average of 8%. Further growth of 11.9% is expected for 1998.
- A study by Microsoft and Telefonica found that 53% of small firms in Spain show an interest in teleworking.
- The large world population of Spanish-speakers provides early critical mass for online activities, compared with most European countries.

#### Constraints:

- A high ratio of persons per home, coupled with relatively low penetration of ICTs, means that the familiar model of home based teleworking is less attractive in Spain.
- A high proportion of "hi-tech" employment in Spain is with subsidiaries of foreign-owned multinationals; these operations have limited local autonomy and tend to follow the parent company's guidance on matters such as telework, rather than innovating.
- The cultural and political strength of individual regions, while favouring local initiatives, makes it more difficult to develop and sustain national and international activities relating to Spain as a whole or the Spanish language, so that some of the value of the large Spanish speaking opportunity is diminished.
- There are signs of progressive public policy initiatives, for example in the field of electronic signatures and trusted third parties Spain has been an active protagonist.

#### Telework activities and results

- The Telework Association (AET) is publishing a teleworking handbook during 1998, with support from Motorola and IBM
- The association supports an active website with online discussion, Frequently Asked Questions etc
- Spain was the focus for a successful initiative to create special phone cards celebrating European Telework, which in 1997 also included telephone operators in Belgium, Denmark, France, Italy and Sweden
- Regional administrations and local authorities are building telework into their economic development and training strategies, with European support through the ADAPT initiative (see Annex 2).
- Solutions to the unemployment problem have mainly been sought on a local basis; Spain has not to date established the kind of "importing" of telework opportunities that has led to employment growth in Ireland and is beginning to take off in the Benelux countries.

#### **Conclusions**

Spanish institutions and enterprises are active participants in all European Union programmes, including Information Society development, but a clear and strong national vision of how telework, teletrade and telecooperation can be applied to address economic and employment growth has yet to emerge.

Spanish people are natural communicators, and Spain has a powerful world image, reinforced by history, by the worldwide use of the language, and by its popularity as a tourism destination. There is an urgent need to develop Spain's position in telework, teletrade and telecooperation through planned approaches that capitalise on Spain's strengths.

