

European Telework Status Report 1998: Ireland

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 Ireland are in the Ireland national page at European Telework Online - <http://www.eto.org.uk> .

Summary

Ireland presents sharp contrasts. Relative to its size and overall economic position Ireland has been the most successful country in Europe at attracting inward investment in Information Society products and services, and is a world exemplar of how telework methods can be used to generate employment in new services such as international call centres. Against this, the overall take up and use of relevant technologies by the community as a whole and in small local enterprises remains low.

Ireland has some natural advantages as a base for Information Society activities - in particular the use of English as a primary language and strong links with the United States. Telework in its wider context is now on the agenda, with the formation by Government of a National Advisory Council on Teleworking. There is considerable know how available, with a national teleworking association and a trade union providing services specifically for teleworkers. Irish participants have been highly active in European telework debate, projects, initiatives and research. The issues and barriers are well known and understood and if the Government sustains a proactive, business-oriented stance Ireland may well be poised to become an all-round leader in the successful practice of telework.

The IBM customer support centre in Blanchardstown, Co. Dublin opened in November 1997. It employs 600 people and dealt with 1.2 million calls from 29 countries last year. The company uses 11 European languages, providing technical support for IBM PC products in the US and Europe, and is open 24 hours a day, 365 days a year. Call agents can expect a gross salary of £15,000 in their first year. Jerry Judge, a helpline agent, describes his work:

"I'm working as a helpline agent on the US section. We help American customers who are having problems with their computers. They phone a local number and they get through to us. They think we're just around the corner. They get quite a buzz when they realise they're talking to someone in Ireland. A lot of them have family here and they like to chat."

"I left school at 16 but went back to education after 23 years to do a business studies degree. Before I came to IBM three months ago I was managing a hotel. "

"A friend told me about the company. I rang up, got an interview and they offered me a position on a five week training course. It's a great programme. You're given a lot of information which falls into place once you get on the job. People surprise themselves - they're amazed at what they can learn. Coming here was the best move I ever made jI played for West Ham as a schoolboy and a junior and was disciplined in the team spirit. I've missed that ever since - until I came to IBM."

Telework background and take-up of ICTs

General background:

- Ireland presents sharp contrasts in its economy and in Information Society development. Among its white collar workers Ireland is believed to have Europe's highest level of PC use, but employment in services is relatively low, and overall investment in IT is also low, so that PC usage among the population as a whole is low, as is take up of telephones. Ireland is the only country in Northern Europe whose existing ICT investment is well below the EU average:

IT per capita	PCs per 100 population	PCs per 100 white collars	Internet users per 1000	GDP per capita	% employed in services	Main phone lines per
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				population			100 population
Ireland	292	15	78	41	14880	60	39
EU highest	751	33	Ireland	152	29873	74	68
EU lowest	76	8	34	11	8216	56	Ireland

- Ireland still has a relatively high level of agricultural employment, though in recent years there has been a substantial increase in both manufacturing and services. This has been driven by a high level of success in attracting inward investment in hi-tech activities, especially computer and electronics assembly and front office (call centre) and back office services. Call centre operations in Ireland provide sales and customer support facilities for several multinationals, including services for other European countries and for North America (see panel). Recent estimates suggest that some 6,000 people are employed in call centres, predicted to rise to 10,000 by the year 2000, but this includes people who have been recruited from other European countries to supplement local language skills.
- A high proportion of the new activities are in and around Dublin, with relatively little impact in thinly populated rural areas - at 50 people per square kilometre Ireland has Europe's third lowest population density, after Finland (15) and Sweden (19). Considering that some 1.5 million of the population are concentrated in and around Dublin, the rural population density is even lower than these figures suggest. Overall employment has been relatively high but is now falling and dropped below 10% in the first half of 1998.
- Ireland has made effective use of EU funding support, and of favourable taxation for export businesses, to the extent that there are now reports of skill shortages, wage inflation and property price escalation in and around Dublin, which also suffers from severe traffic congestion. Analysts suggest a potential problem arising from Euro implementation, which is expected to result in lower interest rates than have prevailed in Ireland for some years, combined with reduction in European structural funds support, which in future will not include the Dublin area.

Driving factors:

- A Government steering committee produced the *Information Society Ireland* report, leading to the creation of an Information Society Commission, which published its report in February 1998. The Commission is increasing both Government focus and media attention and has top level support - including from the Taoiseach (Prime Minister) who has written in the national press about his personal use of ICTs.
- Telecom liberalisation is expected to drive down the currently rather high cost of internal and international phone calls; Ireland has had a derogation from the timetable of some aspects of liberalisation - notably voice telephony - but the licensing of competitors is now expected to be introduced by year end 1998, one year ahead of previous plans. Government policy is to strengthen the powers of the regulator beyond the minimum laid down in European directives.
- Traffic congestion, rising costs and skill shortages in and around Dublin are encouraging telework and there have been reports of increasing numbers working at home for an hour or two most days to avoid peak traffic periods.
- The Internet is of particular interest as a means of strengthening "links with home" for the very large Irish diaspora. Irish descendants are very numerous and high profile in the USA, providing strong links with the world's largest and most prosperous market and the lead market for telework, electronic commerce and other Information Society activities.
- There is an established network of centres supporting the European Computer Driving Licence programme.

Constraints:

- Confusion over the distinction between paid employment and self-employment has inhibited some companies from providing work to self-employed teleworkers. In common with many countries either clarification or revision of employment and tax regulations is needed to remove some barriers to telework that reflect historical rather than future needs and circumstances.

- Other legal and regulatory barriers to telework and related activities have been highlighted in the *Information Society Ireland* report or in responses to the European Green Paper. The issues include anomalies in planning rules (technically, working at home might cause the home to be regarded as business premises, attracting additional taxes and compliance requirements), and issues about VAT and copyright.
- Historically low investment in IT includes relatively low provision in schools. A *new Schools IT2000* programme was launched in 1997 but this will take time to feed through to delivering "IT- and Internet-competent" new members for the workforce. The low level of incomes in rural areas makes it unlikely that PCs will be a commonplace consumer purchase in the immediate future, though if the Government sustains a high profile Information Society programme, purchases will increase.

Telework activities and results

- Ireland has been a prominent participant in European telework activities and in bilateral work with other countries, including co-authorship with the UK TCA of a telework handbook, which has been used as a template for handbooks in other countries and languages. The English language version is now in its second edition.
- In April 1998 the Government announced the establishment of a National Advisory Council on Teleworking, with broad representation of relevant interests.
- Telework Ireland, a not for profit association, has established links with the Irish Small Firms Association, providing a focus on the links between telework and teletrade. The association operates "trans-border" in both the Republic and Northern Ireland and has appointed a full time development officer, enabled by funding from The Northern Ireland Special Support Programme for Peace and Reconciliation. It runs an annual conference and is represented on the National Advisory Council. The 1997 annual conference attracted both radio and TV coverage.
- The Communication Workers Union has established a "Virtual Branch" for teleworkers, focused on their particular needs, and maintains an online archive of telework news and information. The CWU has published a leaflet providing information about the benefits and issues of telework and organised a conference, *Teleworking: Sweatshop or Social Progress?* during Telework Week 1997. The CWU recruits and represents workers in Irish call centres, is negotiating a wide ranging telework agreement with Telecom Éireann, and provides advice to the Irish Congress of Trade Unions on teleworking issues.
- IBEC (the Irish Business and Employers Confederation) has produced telework guidelines for employers (available to members only). The CWU and IBEC activities are undertaken in collaboration with European Telework Development.
- Telework Ireland staged a Fifth Annual Conference in November 1997, with the theme: *Teleworking Your Business*.
- Ireland has substantial media coverage of telework, including in 1997 a fifteen minute peak time radio feature.
- The Irish Labour Force Survey has started to collect data on home workers. In 1998 questions about the use of computers in the home will be included in the Quarterly National Home Survey.
- The incumbent telecommunications operator, Telecom Éireann, has become proactive in promoting telework, including the publication of useful telework manuals for managers and teleworkers.

Conclusions

The Information Society in all its aspects is now high on the national agenda in Ireland. Future success depends on Ireland retaining its leadership in attracting relevant investment and balancing this with a higher level of domestic investment in infrastructure and systems, together with increased IT use and competence among local enterprises and in the workforce as a whole.

The focus and direction of the National Advisory Council, together with its effectiveness in converting ideas into action, could significantly influence the shape and extent of teleworking in Ireland for many years to come. This could be especially successful if the council takes account of the success and failure of teleworking actions in other European countries and effectively addresses barriers to local

teleworking as well as job creation opportunities. At the same time it is important that independent actors such as government departments, suppliers, employers, unions and the teleworker representative bodies sustain and increase the momentum of their own actions.