

European Telework Status Report 1998: The Netherlands

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

Summary

The Netherlands has a very successful trading economy, with per capita international trade around twice that of Germany, France or the UK; it also has the highest proportion of employment in services of any EU economy (74% by 1995). With an overall high take up of ICTs and progressive labour market policies, together with well-developed language skills, the country is among the best placed in Europe to gain from the emergence of a global networked economy. An active national Telework Forum supported by a cross section of industry is pursuing both awareness raising and policy development programmes.

Issues include a relatively low level of ICT deployment in schools and among smaller firms. There are skill shortages, especially in high-technology jobs.

Telework background and take-up of ICTs

General background:

- The Netherlands economy is characterised by a high proportion of employment in services (highest in Europe); and an overall level of use of ICTs that ranks it among Europe's highest on the main measures:

	% employment in services	IT investment		PCs usage		Internet users per 1000 pop'n
		as % of GDP	per capita (ECU)	per 100 white collars	per 100 pop'n	
First	Netherlands	Sweden	Denmark	Ireland	Denmark	Sweden
Second	Sweden	UK	Sweden	Sweden	Sweden	Finland
Third	UK	Denmark	Netherlands	Netherlands	Netherlands	Denmark
Fourth	France	Netherlands	France	Denmark	Finland	UK
Fifth	Belgium	Finland	UK	Finland	UK	Netherlands

- It is very much a trading nation, with pro rata twice as high a participation in world trade as (for example) Germany.

	Population	% of world trade	trade/population ratio
Netherlands	15.4	3.49	22.7
France	57.7	6.92	12.0
Germany	81.1	9.62	11.9
UK	58.1	6.37	11.0
Italy	57.2	4.59	8.0

- Living standards are high - Netherlands is rated the highest country in Europe in the United Nations human development index. The country has progressive labour market policies, with a strongly analytical and innovative approach to addressing labour market issues.

Interpolis is a major Dutch insurance company which has always had a keen interest in the innovation of work. When a new office was set up recently, it was decided to do so in a new way: a flexible office concept. Except for the receptionist and support staff, nobody has a permanent desk in the newly built office in Breda which provides only 1,100 desks for a staff of 1,500. As explained by a representative of the firm "the first thing our President does when he arrives at the office, is to ask for a desk."

Facilitated by portable PCs and mobile phones, the staff of Interpolis have become very flexible in where they work, whether within the office or outside it. The office itself is a combination of so-called cellular rooms and open planned spaces. Working at home, or on the road, is also now normal practice for about 100 employees, although this will soon rise to 400 people, each of them with a 'telework clause' in their work contracts.

Driving factors:

- Following some years of effort by individuals and the Netherlands Telework Forum, there is now political as well as commercial attention to telework. In the 1998 national elections three political parties referenced telework in their manifestos, focusing on transport and mobility problems and on economic development in less buoyant parties of the country.
- The Transport Ministry has a long-standing interest in telework, and it is now widely seen as part of the solution to the country's endemic road congestion problems - Netherlands has Europe's densest road network relative to size of country. As well as the social and economic costs of road congestion, there is wide and growing popular concern about environmental damage aspects.
- A new tax regulation allows employers to pay a limited tax-free sum to compensate employed teleworkers for costs associated with working at home.
- Other forms of flexible working are well accepted and there is a general consensus about the need for continuing innovation in working methods.
- A successful economy has led to skill shortages, providing the motivation for companies to embrace new methods.
- The established magazine *Telewerken* is now in its fifth year of publication.
- The Netherlands has an open and caring society and is becoming established as a centre of competence in the use of ICTs for social inclusion, notably ICT training and telework as a means of access to work opportunities for people with mobility problems.

OTTO Versand is a worldwide mail order company based in Hamburg, with OTTO B.V. as the Dutch subsidiary. Using a catalogue, customers call in to place their orders which are immediately registered in the main computer system by the 'sales person', who can also check whether the ordered goods are in stock.

One of the characteristics of the mail order business is that most customers tend to call in the late afternoon or evening. In order to be able to deal with such peaks in the most effective manner, OTTO started as long as 15 years ago to use teleworking. Today, 80 people are contracted as teleworkers from their own homes using an extra telephone line and a computer with a direct line to the company's central system in Hamburg.

In order to facilitate this, the local telephone switching centre was upgraded, which means that the geographical spread of teleworkers is currently limited to people living in one neighbourhood in Tilburg. With the support of OTTO, the teleworkers themselves started to organise coffee meetings and to encourage colleagues to participate in the company's social events.

Constraints:

- The high overall level of ICT investment conceals a variable pattern, with relatively lower ICT use in Government and in small firms.

- With a net shortage of IT skills, Year 2000 ICT preparedness and Euro implementation are inhibiting implementation of other applications such as remote access to company systems and services.
- "Working at home" is associated with older forms of home working (eg low paid piecework).
- Legislation and regulation is largely based in traditional home working and in some aspects inappropriate for modern teleworkers.
- "Being at home" is associated with sickness rather than with work. Women returning to the workforce want to be in the mainstream rather than remaining at home.
- As everywhere, management resistance and concerns are based on old-style "management by presence", with insufficient adoption of management by objectives and measurement on results.
- The positive pressure for telework generated by road traffic congestion is balanced by the Netherlands' excellent public transport infrastructure, which is being enhanced by innovative use of ICTs to optimise information and journey planning for citizens.

Telework activities and results

- The Netherlands Telework Forum (NTF) has supported more than 30 seminars addressed to both awareness raising and advice giving.
- The Ministry of Economic Affairs has published brochures about telework and other Information Society applications.
- The Transport Ministry has led pilots and programmes promoting telework for employees as a means of reducing car use and traffic congestion.
- IDC has published estimates and forecasts showing:

	1996	2000		
		unchanged environment	Growth scenario	"disaster" scenario*
Mobile workers	336,000	640,000	664,000	754,000
Teleworkers	137,400	252,000	315,000	650,000
* "Growth" assumes some additional government actions to promote or enable telework. "Disaster" assumes a much more incisive set of actions triggered by (for example) a serious and prolonged traffic gridlock. The scale of difference indicates the important placed on public policy action or inaction.				

- NTF is developing a comprehensive database of case studies, exemplars, surveys etc and has already accumulated some 250 items.
- The annual conference on telework research issues was held in Amsterdam in 1997.
- There are numbers of web sites presenting employment and contract work opportunities, including a proportion of teleworkable offers.
- The Transport Ministry has led pilots and programmes promoting telework for employees as a means of reducing car use and traffic congestion, and has recently published an up-dated "Telewerk Handboek" reflecting their eight years of hands-on experience.

Conclusions

Steady growth of telework is anticipated, but considerable acceleration could occur if all the relevant policy initiatives were to come together. Government sees itself as a "launch customer" for Information Society applications and further positive actions could bring rapid take off. All the enablers are there in Holland - pressure from traffic congestion, a flexible labour force, skill shortages and a generally high level of ICTs take up. Concerns include low use of ICTs among small firms and managerial resistance to new management approaches. Continuing promotion, information provision and policy informing is needed to capitalise on the excellent opportunities.