

Rosie Collins – Economist
at Sense Partners

Dr Ed Hearnshaw Prize for Economics and the Environment

FlexiWork



A nudge proposal

90% of direct household emissions arose from transport in 2018.

Our footprint is car heavy – especially when we commute

What is the opportunity?

Why do we want more people to work remotely?

About 75% of people drive to work each day

Only 10% work from home – but the OECD says technically 40% of us could

The IEA says working remotely generally reduces net energy demand

We tried working remotely during COVID – but we went back to normal very quickly

What are the barriers to greater uptake?

Language in online resources generally emphasises the negative impacts of remote work for employers and puts the onus on employees to formally request and justify flexible work arrangements in writing.

- 1 Social stigma (workers are afraid to look difficult)
- 2 Anchoring and norms (remote work looks extreme and is unknown)
- 3 Inertia (we settle into habits quickly and like the status quo)
- 4 Sunk cost fallacies and risk aversion ("we already pay for an office and we can't manage what we can't see")

Problem definition

1 We're grappling strong social norms that prevent remote working

2 We've not used teleworking as an emissions reduction tool before

... but COVID-19 creates an opportunity to reset social norms.

What do we need in a policy?

1

To retain freedom of choice for workers and workplaces (we can't force anyone to work remotely)

2

To overcome behavioural barriers – not technical ones (another 30% of the workforce could work remotely without loss of productivity)

Flexiwork as a policy proposal

Make employers justify in writing when remote work isn't possible at least some of the time.

- Apply this to the industries/jobs suitable for remote work
- Make exemptions for nonsuitable industries or firms (e.g. hospitality, tourism etc)
- Make it cheap to avoid the nudge – the form to justify office based work only becomes another element of a job induction

= A change to default options

FlexiWork

A shifting of responsibility to put onus on employers to justify when remote work is not possible in a role at least some of the time

How?

Via regulatory changes to the Employment Relations Act

Why?

Slows down process to locate workers exclusively in an office

Why?

Switches power dynamics in workers' favour

Why?

Uses default options and inertia – action is required to avoid the nudge

Costs?

Some admin costs but the nudge is easy to avoid

What does this achieve?

Short-term: adjustment as some industries experiment with remote work

Medium-term: a period of innovation in remote working tech and policies

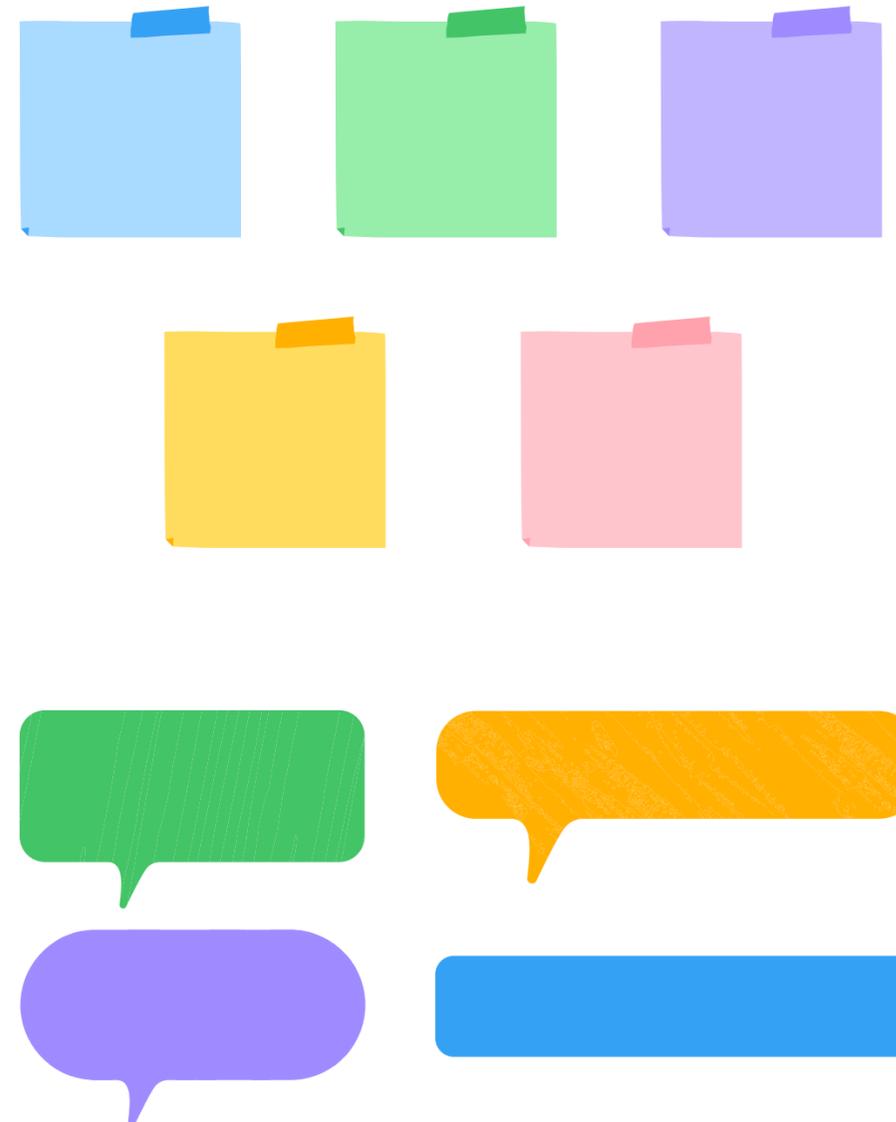
Long-term: regular semi-remote working for 20-40% of workforce

**If we get 25% of those
currently driving to work
remotely 2 days a week, we
can see:**

Around 200 kilotonnes of carbon avoided p.a.

Implementation considerations

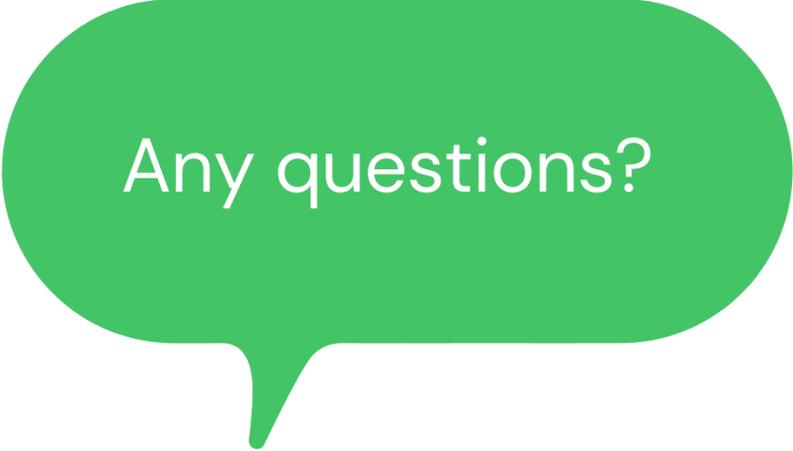
- Less congestion could lead to a switch away from public transit
- Could amplify pre-existing inequalities
- Could be hard on SMEs – but exemptions are still possible.



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Thank you!



Any questions?