



Home-based Working Committee

Corrected oral evidence

Monday 19 May 2025

2.15 pm

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Members present: Baroness Scott of Needham Market (The Chair); Lord Farmer; Baroness Featherstone; Lord Fink; Baroness Freeman of Steventon; Lord Fuller; Baroness Manzoor; Lord Monks; Baroness Nye; Lord Parker of Minsmere.

Evidence Session No. 14

Heard in Public

Questions 138 – 148

Witnesses

[I](#): Dr Steve Pickering, Assistant Professor, Faculty of Social and Behavioural Sciences, University of Amsterdam; Dr Davide Rigo, Leverhulme Early Career Fellow, Department of Geography and Environment, London School of Economics; Dr Emma Harrington, Assistant Professor, University of Virginia.

Examination of witnesses

Dr Steve Pickering, Dr Davide Rigo and Dr Emma Harrington.

Q138 The Chair: Good afternoon, everybody. Welcome to the House of Lords Select Committee on Home-based Working. We are having a broadcast session. A transcript will be sent to our three witnesses in a few days' time for them to correct any factual errors. If you wish to provide any supplementary evidence after the meeting, you are more than welcome to do that; Dr Pickering and Dr Rigo, thank you very much for your written submissions.

I will kick off with the first question, which is a general one. Can you outline for us how levels of remote and hybrid working differ between the UK and other countries? Why do you think these differences exist?

Dr Emma Harrington: I am a professor at the University of Virginia in the United States. I will briefly walk through what remote work looks like in the UK versus in other countries.

The UK has some of the highest rates of remote working in the world; it is right behind Canada and a little ahead of the US. In general, English-speaking countries tend to have higher rates of remote work than countries in continental Europe and, in particular, countries in Asia. There are a number of reasons for that. First, the UK has a lot of white-collar jobs that can be done from home; there are a lot of advantages to that. It also has good infrastructure, which facilitates working from home.

Another factor here is cultural. There is some evidence that collectivist cultures, such as in Asia, tend to have more in-person work than the more individualistic, independent cultures of the UK, the US and other English-speaking nations.

Dr Steve Pickering: I am from the University of Amsterdam and Brunel University of London. With Yosuke Sunahara at Kobe University, I have been leading a team of researchers looking at the relationship between the post Covid-19 period and trust. As part of that, we have been fielding questions on working from home over a period of 16 months, asking exactly the same questions in both the UK and Japan to see how working from home has changed.

The comparison between the UK and Japan really chimes with what Dr Harrington just said. The rate of working from home in the UK is far higher than the rate of working from home in Japan. In both countries, we find that it is in decline. We are looking at the period from September 2022 to December 2023. In both countries, the rate is going down. However, on average, we find that, when we ask respondents, compared with the situation before Covid, "Do you find yourself working from home more or less?", in the UK, about 41% of our respondents say that they work from home more than they used to, whereas it is about 21% in Japan. The rate of working from home in the UK is about twice the rate that we find in Japan.

Dr Davide Rigo: I am a Leverhulme Fellow in the Department of Geography and Environment at the London School of Economics. Over the past few years, together with Professor Crescenzi, I have been leading a research agenda on the implications of remote work for workers, firms and regions. This has been funded by the Leverhulme Trust and the British Academy. We did some work using the Labour Force Survey to quantify the magnitude of this phenomenon.

I agree with my colleagues. We also find that, compared to the European Union, the UK is leading in terms of the adoption of working from home. We also find that there has been a slight decrease in adoption in our data going up to 2023; I thank the ONS for providing us with this data.

Usually, the key driver of working-from-home adoption is industrial composition—that is, the fact of having more or fewer white-collar workers. Therefore, we look only at the population of white-collar workers across European countries to see whether these countries are exploiting their potential for working from home. We find that, again, the UK is leading in that: 90% of white-collar workers in the UK are currently working from home either sometimes or mainly. We have tried to see what the main drivers of this are. Interestingly, in the UK, most households having a high-speed broadband internet connection is a key factor, as is the supply of graduates.

My last piece of evidence on the UK is that we look at this matter across different regions. The UK is characterised by quite marked regional disparities but, actually, in terms of working-from-home adoption, we see that most regions are exploiting most of their potential. The only exception is Northern Ireland. Why is that? Once again, it is due to the fact that the UK did a great job in providing and supplying high-speed internet connections homogeneously across UK regions. It is also because the UK is a powerhouse in creating knowledge and skilled employees.

The Chair: Thank you. Dr Harrington, I want to come back to you and ask about what we are hearing about returning to the office, which is a big media narrative here; I have also seen it reported in the US press. What are your observations on that? Is it happening as much as we are reading? Sorry—that is not very grammatical. You know what I am getting at.

Dr Emma Harrington: Totally. As some people have said, it is more exciting to talk about a controversial return to office mandate than it is to talk about business continuing as usual. In general, if you read the headlines, you will get the impression that there are bigger changes than there actually are in reality. From the data, it looks like things are levelling out and that hybrid work in particular is here to stay. That seems the most persistent. Over the past year and a half, it looks like that has really stabilised.

Q139 **Baroness Nye:** Whether there is or is not a productivity impact is a big thing. Do you have any evidence on whether there is an impact there

with remote and hybrid working internationally? Also, in some of the written evidence that you have kindly provided, you talk about remote working. Is that different from hybrid? Are you separating the two out, or does remote include hybrid? Following on from that, you talked about digital infrastructure, but are there other factors, such as the availability of different kinds of workforces?

Dr Davide Rigo: This is an area in which I have done some research in the past, using data from Italy. To insure employees against accidents at work, employers in Italy are obliged by law to declare to the Ministry of Labour whether workers are working remotely or in person. As such, we have a great availability of data documenting the adoption, at a firm level, of working from home for the whole universe of Italian remote workers.

The data shows two main things. First, looking beyond the pandemic, working from home has had no effect on productivity—neither positive nor negative. This is in line with studies from other countries.

We also saw and documented that, during the pandemic, the abrupt shift to remote working had some negative effects on firm productivity. Most importantly, looking across different types of firms, we find that this was driven by smaller, less digitalised and less skilled firms. Overall, there seems to be no effect on productivity, but, when we look at the heterogeneous responses of firms, it seems that some firms were not able to take advantage of this new way of doing business.

Dr Steve Pickering: This is something that Dr Rigo and I were talking about beforehand. Our data do not look at productivity, but we are able to look at the digital infrastructure aspect that you mentioned, specifically in the UK. It confirms what Dr Rigo was finding. First, there is large uniformity of high-speed internet across much of the country, but there is still a slight effect: the faster the download speeds are, the more people end up working from home. So there is a clear, positive relationship there. If you want people to work from home, you had better work on that digital infrastructure.

However, we also find quite a bit of regional variation in working from home. The UK is curious. We use the data from the Office for National Statistics on what is an urban area or a rural area. It divides the country into three bits: urban; town and fringe; and rural. We find no variance across those; in England, there is no difference at all. When we look at Japan, we find quite profound differences. Japan's data also has three major categories—Tokyo or designated cities; other cities; and towns and villages—but there is a massive difference. Tokyo and other big cities have the most working from home, whereas towns and villages have the lowest rate.

Where we find variance is in some of the regions. It is not surprising that London gets the highest rate of working from home in our data compared with regions such as the north-east, Yorkshire and the Humber, where you get much lower rates of working from home. Therefore, there are

other structural factors at play beyond the simple internet point and things like that.

Dr Emma Harrington: In general, the productivity effects of remote and hybrid working are a bit of a dartboard. Some studies find pretty positive effects, while some find somewhat negative effects. Generally, it looks more positive for hybrid work—something combining some in-person work with some working from home—than for fully remote arrangements, where people are working from home all the time.

That being said, it is still a bit of a smorgasbord. The way I like to organise it in my mind is by thinking specifically about the pros and cons of remote work. A big potential benefit of working from home is that it can reduce distractions. We all know about the really chatty co-workers in the office. Sometimes, you wish you could just put your headphones in and not have that interchange. Working from home allows you to do that seamlessly and not at all rudely.

At the same time, remote work could have an adverse effect. When you are at home, there are lots of potential distractions. You might have a kid who needs a snack or a dog that needs to be taken out. The studies so far suggest that the first effect dominates—that is, being at home on the net reduces distractions and so can improve productivity somewhat, but with some exceptions, such as for people who have small children.

That focuses on solo tasks. The other big disadvantage of remote work is that it reduces not only distracting interactions with co-workers, but also productive interactions with co-workers. This is really important when you are thinking about creativity, knowledge transfer within different parts of an organisation and the development of young people. Some of my own research has been about the mentorship that young software engineers get. We find that, if they are not physically with co-workers, they get about 20% less feedback on their work. This translates into reduced quality of code down the track.

To me, that is one of the bigger concerns about remote work. The intrinsic trade-off, in that remote working reduces distracting interactions with colleagues but also reduces productive interactions between colleagues, is why I think we are seeing hybrid work being what sticks. It offers some balance between those. You can have your remote time, when you do your solo tasks, and your in-person time, when you have productive interactions between colleagues—and probably some not-so-productive ones, too—but you have that mix. That is what organisations should probably be looking towards in future: facilitating hybrid work, particularly co-ordinated hybrid schedules, so that you can get some of that collaboration and some of that focus time.

Lord Fink: I have a supplementary question for any of you who has data. I was anecdotally told that, at one company where people went straight from furlough to remote working then to hybrid working, this caused issues because, when people were furloughed, they were paid by

the Government and they were not expected to do any work at home. Therefore, they found it quite difficult to switch mode back to, "We are paid to work full time from home now". Do you have any evidence on or experience of that?

Dr Emma Harrington: I have not seen anything directly on that. Something that may be tangentially related to that is that there seems to be heterogeneity in the effects of working from home depending on intrinsic motivation. People on more fun, creative tasks do a bit better with working from home than those doing dull, tedious tasks. That might be related; if people have gotten into the mode of not doing work, it may be harder to switch. Similarly, if you are being forced to do something that is not that fun, it is harder to motivate yourself when you are by yourself in your home office.

Q140 **Lord Fuller:** I have a question about people's residential choices and where they choose to live; this is for any of the witnesses, really. How have remote and hybrid working changed residential choices and the appetite for housing in other nations? We know that, here in the UK, there was an almost insatiable appetite to move to big houses in the country during Covid. Is that unwinding? We do not know. What is happening elsewhere in the world? Are there some lessons that we can learn here in the UK about how residential markets may alter in future?

Dr Steve Pickering: There was a big cliché about people moving into country houses and the like during the pandemic. We do not observe that in our data, but we do see some of the reasons why people say that they are working from home more. We find some nice commonality between the UK and Japan on that.

People say things like they are looking for a better work-life balance, they are focused on their sanity or they want more flexibility. "I like being at home", is one of the things that people say in Japan. People are concerned about their health and mental well-being, as well as about stress and having fewer interruptions. They do not want to catch diseases. Also, people are basically not wanting to commute as much. If they can commute less and have less travel time, they can spend more time doing the things they like. These are the motivators.

For others, it is not a change of home but a change of job. People are working from home more because they have changed their job or occupation. Another simple one that comes up in both the UK and Japan is people saying, "Well, I prefer it. I've got used to working at home. I don't want to go back into work. Home is more comfortable. I want to be at home". Those are some of the reasons.

On the differences that we find between the UK and Japan, I will quote one respondent who said that the reason why they work from home more is, "I can't be bothered to go in". This is something that we do not get in Japan; I would not expect it to come up in Japan. Also, in the Japanese case, people are working from home more for caring reasons—that is,

looking after elderly relatives. This reflects the different age groups in Japanese society: you need to look after elderly relatives in Japan.

There is also economic precarity, where people are working from home because they have lost a job, have retired or have been declared bankrupt. Those are some of the reasons we find when we ask people what is driving them to work from home more. One of the big factors, certainly in the UK, is, "Because my employer asked me to". That is the biggest single factor for why people work from home more in the UK: their employer has asked them to.

Dr Davide Rigo: For France, we have data for the whole population of workers and firms. We link the workers' place of residence with the location of the firms so that we can track commuting patterns of workers over time. Our analysis documents the geography of work and how it has changed since the availability of working from home. We see—it is a tangent to this question—that workers have been relocating away from expensive cities to areas with cheaper house prices and rents, as well as relocating from urban areas to rural ones.

There has been a general reshaping of the geography of work in France, with a dispersion of workers away from urban centres and towards less expensive rural areas. This has dramatic implications for the way in which we think about the economic geography of a country and for local economic development. On the one hand, these employees contribute locally to the economy. On the other hand, they are hired more and more by companies located in urban areas. I am starting to talk more about labour markets, because this research is more about that, so I will stop here. I would be happy to follow up later.

Dr Emma Harrington: What I have to say largely echoes that. In the US, you see similar phenomena. People have called it "the doughnut effect", where you see an exodus from the city centre and movement into the suburbs. In the US and in other countries, people want bigger houses when they need a home office. Some people have thought about this as a suburb-wide gentrification shock, where you have these—often wealthy—people who used to live in the city moving out into the suburbs and buying big houses. Thinking about a lot of the things that come with gentrification, there are pros and cons to that. It can then be hard for some people living in the suburbs to continue to afford to live there. They can sometimes be pushed further out into the countryside or move from being homeowners to renters. There are some inequality concerns with that movement.

Lord Fuller: I hesitate to ask an American this, but is there a limit to the size of the doughnut in physical extent or time taken? Are there comparators with people's willingness to commute one, two, three or four hours to work, either in the UK or elsewhere?

Dr Emma Harrington: In the US, the doughnut might be a little smaller. Americans are notorious for being willing to commute for a long time, but

we also do not have the infrastructure that Europe has in terms of high-speed rail. In some studies I have seen, in parts of Europe, the doughnut can be another city that is also in the doughnut because, if you have high-speed rail or some other good rail infrastructure between cities, the doughnut can be quite large. In the US, most people doing these doughnut commutes will be driving.

Q141 Baroness Freeman of Steventon: We are obviously very interested in finding good data sources for all the evidence that we are hearing about. What do you think the big gaps in the UK data are? How are they being filled, if they are, in other countries where you are familiar with the data? What could we be doing better in the UK, in terms of data collection, to find out more about the prevalence and the effects of working from home in as many different domains as those effects might stretch to, such as transport and so on? Dr Rigo, do you want to go first? You have talked about connecting employer and employee data; I am really interested to hear more about that.

Dr Davide Rigo: I can talk about my experience of using administrative data for Italy and France. Italy is a unique case. To my knowledge, no other country has such data. This is also an additional bureaucratic issue for companies; I would not recommend it as a policy unless you are really keen to monitor this phenomenon quite well.

For France, you can get a sense of how things have changed by using company tax declarations. You have information about employees and employers that can be linked to track changes over time—this relates to what I was saying before about labour markets. At the same time, the interesting thing about France is that it allows you to link this information with other surveys about firms so that you can look at the effect on productivity, on any other digital factors, and so on.

The UK has this information but, unfortunately, it is not linked. The information is provided by different statistical offices. The Department for Education has interesting data on employees, their level of education and their place of residence, but it does not have information about the location of the firm. It is not linking this data to firm-level information; there is no way to assess the impact of working from home on companies without such a link.

Given the importance of understanding the implications for the UK's economic geography—because every country has its own economic geography—I would recommend more co-operation across statistical offices to link the available data. It is not being used because these offices have different objectives.

Baroness Freeman of Steventon: Can I check something? Does that mean that no more extra data needs to be collected—that is, all the archives of data that they have could be connected?

Dr Davide Rigo: Yes. These are tax declarations that employers are obliged to make. HMRC collects the data. The ONS re-elaborates the data but it does not talk with the Department for Education.

Dr Steve Pickering: I agree completely with Dr Rigo. We in the UK need something in the way of ministerial responsibility for collating and co-ordinating these data. We have something similar in Japan: the Japanese Ministry of Land, Infrastructure, Transport and Tourism has been gathering data on working from home for quite some time now—going back to 2002, in fact, so it far pre-dates Covid.

Let us take a step back, though, and remember what we were saying at the start. The UK has far higher working-from-home rates than many other places—certainly much higher than Japan. Japan had two particular reasons for wanting to look at working from home. First, it was to deal with the problem of “karoshi”, which is literally working yourself to death. People are working 100 hours of overtime every month. The Japanese Government wanted to deal with that, clearly, and working from home was one tool with which to do that.

Secondly, Japan wanted to deal with its childbirth problem. Two weeks ago, it was announced that, for the 43rd successive year, the Japanese birth rate had declined. Working from home is a tool. In the birth rate world, it is not working, but it is a tool that is being used. It is a ministerial responsibility to organise and gather those data on levels of home working.

The other level at which I would answer your question is that there are other types of data that we should be gathering. I would like to see more data gathered on mental health. Some of the findings on mental health and the effect that working from home has on it are contradictory. I would also like to see more research on ethnicity. It is very hard to do research on ethnicity, partly because ethnic minorities are by definition a minority but also because, particularly in survey research, they are always proportionately more of a minority. I would like to see more regional data being gathered, as well as more data on work sectors and disability.

Those are the sorts of things where I would like to see more data gathered than has been done, but, ultimately, I would like to see a ministerial responsibility to co-ordinate these things.

Baroness Freeman of Steventon: Would those extra things that you recommend mainly be surveys, or is some of that administrative data?

Dr Steve Pickering: Some of this can be gleaned through administrative data that are already available, but I think that new surveys would need to be done as well.

Dr Emma Harrington: I would echo a lot of what has already been said. More merging of existing data is always a great place to start. It can be harder to deduce from administrative data alone whether people are

working in a hybrid way, since that will not necessarily show up in them living far away from their employer. That is where surveys can be a useful complement.

In the US, the census has some questions about working from home—mainly on whether people are working from home all the time, basically—but something like that could be a useful complement. You would then have broad-reaching data for all of the UK on patterns of working from home. Given the current environment, doing that in a way that also captures hybrid work would make a lot of sense.

Q142 Lord Farmer: Building on the previous question, how do digital access and skills affect remote and hybrid working in the UK? How does this compare to other countries? Dr Rigo and his colleagues said in written evidence that the UK has a reduced understanding of what enables and restricts the adoption of remote and hybrid working due to a lack of information on broadband speed, fibre-optic network coverage, digital delays and company-level IT expenditure—and that is apart from older people who do not know how to use the internet.

Dr Davide Rigo: This is the very descriptive evidence that we have found so far for the UK. As I said before, we look at three key digital enablers; obviously, other factors may affect the adoption of working from home.

What we found for the UK is quite reassuring. The UK is really exploiting its potential. From a simple correlation analysis, we see that this is mainly due to the widespread availability of broadband internet connections and the supply of skilled graduates. In terms of adoption, the figure I gave you before is 90%, so 90 out of 100 white-collar office workers engage in remote work at least a few days a week, which is quite impressive. There are ways to expand it further, obviously, but, in terms of adoption, the UK is a good reference point.

Lord Farmer: Do you find that the people who are working from home have the skills? Is there any data on the variation of skills among people working from home on the internet—that is, on their ability, as well as on their broadband availability?

Dr Davide Rigo: For the UK, we do not have any analysis of that. We do have some analysis for Italy, comparing different types of firms and trying to understand what a firm needs to adopt for efficient home working. We find that less digitalised firms, including firms that do not even have laptops or IT infrastructure—especially smaller firms that do not have much organisational capital and firms that have fewer skilled employees—struggled during the pandemic to adopt home working. It had a negative effect.

As for how these results translate to the UK, Regarding how these results translate for the UK, we find that, for Italy, in essence, small, less digitalised and less skill-intensive companies suffered during the pandemic due to the adoption of working from home. This is important

for the UK because it has a large presence of small and medium enterprises. They represent most of the companies, 60% of the employment and 50% of the turnover. There is a lesson to take away if the Government want to diffuse this way of doing business across the business population.

Dr Emma Harrington: At the individual worker level, something that we have seen in our data is that it tends to be not necessarily the oldest or youngest workers who are working from home; it is a U-shaped pattern when you think about who is working in the office. In terms of skills, you can think about digital skills, but there are also general workplace skills that are not necessarily fully developed in young workers. For them, it is important to be in the office to get some of those skills by osmosis.

Often, there are two dimensions to think about: first, does someone know how to use digital tools, as a way of thinking about whether they can work from home; and, secondly, do they know the job really well, including how they are supposed to operate in it? That is also crucial in being able to work from home effectively.

Dr Steve Pickering: Following up on Dr Harrington's point on general skills, we find that there is a strong relationship in both the UK and Japan: the higher your rate of education, the more likely you are to work from home. However, because you have such a different baseline between the two countries, we find that the highest-educated people in Japan are working from home at about the same rate as the lowest-educated people in the UK. It goes in pretty much a straight line through the two countries.

Q143 **Baroness Featherstone:** How have you seen remote and hybrid working affect labour market access in other countries, including for women and across wider geographical areas?

Dr Steve Pickering: When we look at the differences between men and women in our data in both countries, we do not find a statistically significant difference in the number of women and the number of men working from home, but we do find that they are giving different reasons for doing it. Men in both countries are saying that efficiency, productivity and technology are the drivers for them wanting to work from home. With women, it is health, long Covid, mental health, pregnancy, illness and caring responsibilities. Those are some of the factors that women are giving for why they are working from home.

Where it becomes different between the two countries is with children. We find that, if you have children, in the UK, you will be 12% less likely to be working from home, whereas, in Japan, you are going to be 16% more likely to be working from home. So there is a difference.

Baroness Featherstone: They want to get away from them.

Dr Steve Pickering: It crossed my mind.

Dr Davide Rigo: We have two studies on this: one for Italy and one for France. In Italy, looking at the relationship between working-from-home adoption since the pandemic, labour market participation and employment rates, we find a positive effect. Interestingly, these effects are stronger for women of childbearing age and in areas with limited childcare services. This indicates that, in essence, working from home has created new opportunities for caregivers and people with children, allowing them to better balance their domestic and professional responsibilities.

We also find that working from home has increased labour market participation in rural areas, pushing some individuals who were outside the job market to find a job. It seems that working from home in Italy has made the labour market more inclusive.

In France, we found similar evidence. We found that remote working has reduced the gender commuting gap. Because women often manage both domestic and professional responsibilities, they tend to live closer to their job. We are now seeing a reduction of that. Women are now able to find jobs located further away.

This is obviously very important in relaxing this friction in labour markets. A limitation of this study is that we do not know much about their wages so far. A negative effect could be that working from home does not solve cultural discrimination or the double burden that women have in terms of both domestic and professional responsibilities; that is still there. Secondly, we do not know whether women are sorting into jobs that are less well paid and have low growth. Further research is needed to understand whether this has implications for women's career progression and their wages.

Baroness Featherstone: That is something I am interested in: whether it affects your chances of promotion if you work from home and you are female.

Dr Emma Harrington: That is an interesting way to think about it. There is lots of good evidence emerging that working from home helps women to persist in the labour market, particularly after they have had children. In the US, in addition to France and Italy, it looks like the rise of remote work has been a boost in keeping some women, especially those with young children, in the workforce.

However, there is some concern as there is a lot of evidence—not specifically about women but in general—that being remote really harms promotion opportunities. It might be helping women persist in the workforce, but they are not necessarily getting ahead in their career in the way that they might if they were on-site.

Baroness Featherstone: Is there hard data on that now?

Dr Emma Harrington: Yes. In a white-collar-type setting in China, they had an experiment with remote working. In that setting, it boosted

productivity to work from home, but, none the less, conditional on your productivity, you were about half as likely to get promoted if you were remote as compared with on-site.

In my own work, in a similar setting in the US, again, we found substantially lower promotion rates among remote workers compared with on-site workers. Both of those studies were for pretty intensive remote work, with people working remotely for four to five days per week. There have been some more recent studies on hybrid work that look a little more optimistic in terms of the promotion possibilities, but it is a concern in general.

Baroness Featherstone: Did either of you find that?

Dr Davide Rigo: I have some work in progress, but I do not have any results yet.

Q144 **Lord Monks:** One of the jobs of this committee is to pinpoint any implications that there might be of these moves to working from home, including whether, with the trends that we have seen, any public policy interventions are necessary. You touched on the Italian position. We are interested in knowing whether any other countries have adopted any policy initiatives or new laws—whatever it might be—aimed at doing something in relation to encouraging or discouraging working from home. Is there any evidence that you want to bring to our attention?

Dr Davide Rigo: Based on my research, there are heterogeneous effects of working from home across different types of firms. If the UK Government's aim is to promote the diffusion of working from home across the whole business population, my recommendation would be to target small and medium enterprises in different ways.

These companies have been shown to lack certain capabilities, especially in terms of managerial skills—that is, the way they are organised and how they manage remote workers. I recommend some targeting in terms of grants to support them in the adoption of working from home through technical assistance or by providing managerial consultancy. That is the main policy recommendation that I would make, based on my research.

In terms of labour markets, the Italian Government are doing something interesting. Based on our results that working from home allows labour markets to be more inclusive and creates new opportunities for caregivers and people with childcare responsibilities, they are essentially pushing companies to prioritise employees who ask to work remotely when they have caregiving or childcare responsibilities. This has been implemented in Italy recently; it fits quite well with our research showing that this is important.

Lord Monks: Do you know anything about the situation in France and what they are doing there?

Dr Davide Rigo: No. I do not know anything about what is working there.

Dr Emma Harrington: I have a couple of points to make. My understanding is that, in the EU, there is a right to request remote work, which is specifically targeted at caregivers and parents. This could be worth considering as a way to start a conversation. It does not tell companies where that conversation needs to end up, which could make sense since organisations have differences regarding whether remote working can work for them.

The other thing to keep in mind, from a policy perspective, is thinking about ways to support in-person work as well. This massive experiment with remote work has laid bare some of the challenges of in-person working. Many people like in-person work with their colleagues but hate the commute and struggle to find affordable caregiving. There may be ways to make that more doable; to reduce some of the financial barriers to working in person; and to make the commute more enjoyable, such as more bike infrastructure or other types of public infrastructure.

Dr Steve Pickering: Echoing what Dr Harrington said, in Japan, legislation was passed last year requiring employers to offer two types of flexible working arrangement to anyone with young children. There is a slight difference in Japan: it is largely considered that the employer has a responsibility for the physical and mental health and well-being of all of their employees. This is something that would benefit the UK if it were able to implement it; it is very difficult, from a top-down governmental perspective, to encourage small to medium-based enterprises to do that, but it is something that they might welcome because, at the end of the day, if you have happy employees, they will make more money for you. There will be businesses looking for some sort of norm setting and standard around what working arrangements should be. That dialogue needs to be occurring in a way that it has not done.

Q145 **Lord Parker of Minsmere:** I thank each of the three of you for stepping up to help us with this work. After those thanks, I make a small apology, because I want to ask you something that you have not been forewarned of by the team. I wonder whether I could get each of you do a little future gazing or speculation. What do you see as the likely future landscape of home-based working? Standing amid all the work that you have done and the data that you have looked at, with your experience and expertise, what is your best guess about what the next three to five years might look like compared to today? What sorts of challenges and opportunities might we see? Do you have any particular concerns about the future? Perhaps can we start with Charlottesville—Dr Harrington?

Dr Emma Harrington: In my mind, an elephant in the room is AI. In the next three to five years, we will see a lot of disruption associated with generative AI. Interesting research shows that there are a lot of overlaps in the tasks that AI is most capable of and the tasks that are most easily done from home. I would guess that that will push for more in-person work, because the face-to-face interactions with other humans are what AI cannot currently do. Hopefully, it will not be able to do them in future either—at least, not with full fidelity. This will push for a little more in-

person work and perhaps make in-person work a little more feasible, because it will accelerate some of those tasks that were the most important and useful to be done from home.

Dr Steve Pickering: I am always reluctant to make predictions. The numbers that we have show that it was levelling off in the UK, whereas there was still a rate of decline in Japan. However, there is clear policy in Japan to get to the targeted goal of 25% working from home. Currently, 16.7% of people there are fully working from home—as in, at least five days a week—but they want to get to a situation where they are at 25%. They did achieve this during the pandemic, but that was not exactly policy driven.

My concern is one of inequality. Across different sectors, when we look at social grade, if you are a manager at higher levels or intermediate levels, in the UK, something like 52% of people are working from home more. However, when you are semi-skilled or unskilled, partly due to necessity, only about 18% of people are working from home more.

We also find, very strangely, a difference between the two countries in terms of party, ideology and—dare I say the word—Brexit. There are clear party differences in the UK in rates of working from home. Conservative voters and voters for what was the Brexit Party work from home far less than those who vote for Labour or the Lib Dems. We find no such effect in Japan. There is no statistically significant difference across the six major parties that we looked at in Japan. If you move from left to right on the political scale, again, we see a clear distinction in the UK: as you move further right, you are working from home less. We do not find that in Japan. On the Brexit thing, people who voted to remain in the European Union work from home a lot more than those who voted to leave the European Union. The inequalities are what I am concerned about, in terms of what is going to affect that landscape in future.

Dr Davide Rigo: I will avoid speculation as well. The research question that is more interesting for me regarding the near future is that, before the pandemic, we had a long-held assumption about agglomeration economies. We knew that companies and workers wanted to cluster in space and exploit labour pooling, knowledge spillovers and so on.

Those theories now need to be updated for the current situation. We do not know where things are going in terms of spatial inequalities. It could be that employees located in rural areas—or even in other big cities, such as Birmingham and Manchester—can now accept jobs in London because they can commute and work in a hybrid manner. Previously, these jobs were precluded from them. Ultimately, this could lead to the further agglomeration of companies in London to exploit knowledge spillovers and networking effects while still enjoying and exploiting the talent located in the UK countryside. This could deprive these rural areas even further of local economic activity. It is not clear where this is going—further research is needed—but it is an interesting research question.

Q146 **Baroness Freeman of Steventon:** Following up on that interesting point about the politics of this, in the UK, was that regardless of job type? Were you looking at one particular job type and found a political spectrum?

Dr Steve Pickering: It was regardless of job type.

Baroness Freeman of Steventon: Dr Harrington, have you seen that in the US?

Dr Emma Harrington: Anecdotally, yes, but I have not seen hard evidence of it. It would be very interesting to research.

Baroness Freeman of Steventon: Dr Rigo, do you have any data on this?

Dr Davide Rigo: No.

Q147 **The Chair:** Dr Harrington, as we have a moment in hand, yours is obviously a federal country. Are we seeing differences in individual states regarding policy on home working?

Dr Emma Harrington: There have been some differences. Some states are trying to do things specifically to attract remote workers to their state. Vermont has a programme—as does Tulsa in Oklahoma, although that is privately funded. Those are mainly trying to attract highly educated workers, who are typically relatively affluent, to a city or state in order to improve the local amenities and bring in more taxpayer dollars.

You also have some states offering tax credits for having a home office, so you can do write-offs of that in some states. This makes sense, since that is a financial burden that some companies are offloading to individuals. You can see that as a way of thinking about fully remote work specifically, with companies no longer having to pay for office space now that individuals are doing so. If they were self-employed, we would allow them to write it off. It should not matter that they are not self-employed; we still should let them write it off. There may be other places in the US. My knowledge is that this is something that New York does, but other places may do that as well.

In terms of the geography of remote work, you see a polarisation by politics in the way that you might imagine: the coasts are much more liberal and have much higher rates of remote work than the more interior parts of the US. I do not know how much of that is industrial composition versus politics, but it may also reflect some of these policy choices.

Q148 **Baroness Manzoor:** I think you have answered this question in one way or another, but I want to bring everything back together. Dr Rigo, you talked about economic geography and co-ordinating the various data, including making that available and the fact that it is there. Dr Pickering, you talked about inequalities in hybrid and home working. Dr Harrington, as the others did, you talked about health inequalities, particularly

between women and men, and potential career progression. Bearing all of that in mind—I am also very aware of what was said about the economic impact on small to medium businesses and the targeted approach—if you were a Minister or you had an opportunity to speak to the UK Government, what is the one recommendation that you would make and which they could take forward in relation to home working and hybrid working, bearing in mind that they are different? I ask you to be brief as I am conscious of the time.

Dr Davide Rigo: As I said before, I would avoid one-size-fits-all policies and target small and medium-sized enterprises, which seem to struggle the most due to a lack of certain capabilities. I would mirror what I said before about that.

Dr Steve Pickering: I would go for the centralisation of research on a government level. We need to have ministerial responsibility to better understand working from home, to focus on those inequalities around things like mental health and ethnicity, and to gather accurate data on those factors.

Dr Emma Harrington: I would think about ways of supporting both in-person work and working from home because I think that hybrid work is the future. When we think about ways to support hybrid work, it will look like a mixed bag: broadband internet and support for companies to do that digital transformation, but also support around childcare and public transit.

The Chair: That is great. I thank all three of you very much indeed for joining us this afternoon and helping us with our work. With that, I declare the public session closed.