

Causal effects of working from home in Greece during the Covid-19 pandemic

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Extended abstract

The coronavirus pandemic saw a global spike in numbers of individuals working from home (WFH). While WFH has recently slowly retracted to levels below its “teleworkability potential” seen during the 2020 Covid-19 transmission peak(s) (Dingel and Neiman, 2020), the shift to more remote work is expected to have long-term effects on work organisation, worker welfare and productivity (Baert et al., 2020; Barrero et al., 2021). Several studies examine the impact of WFH on labour market outcomes by either exploiting real-time web survey data, nationally representative surveys or case studies of specific organisations (Brynjolfsson et al., 2020; Gibbs et al, 2021). The empirical evidence on the effect of WFH is however mixed, with some highlighting large job and earnings losses among non-remote workers (Angelucci et al., 2020; Adams Prassl et al., 2020), while others stressing negative WFH effects on work hours, productivity and quality of collaboration networks (Yang et al., 2021; Gibbs et al, 2021).

We exploit the rotating panel dimension of the quarterly Greek Labour Force Survey (LFS) for the time period 2018Q4-2020Q4. Our empirical strategy utilizes the variation in a task-based measure of occupational ‘teleworkability’ (Sostero et al., 2020) derived for the pre-pandemic period to exogenously define exposed and non-exposed workers. For estimation purposes we adopt difference-in-differences (DiD) model specifications with worker-specific fixed effects. A panel event study design is also adopted to incorporate the fact that the timing of shifting into remote work may not be the same for each worker.

Our analysis highlights that while the Covid-19-induced rise in Greek WFH fell short of its potential, workers who used it experienced gains in terms of work hours and employment, but not earnings. The case of Greece is interesting, as it was an EU laggard in pre-pandemic WFH rates and overall digital readiness of Greek workers and businesses.

JEL codes: J24, J31, J81

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