

# Does working from home work in developing countries?

## Infrastructure constraints are major obstacles for working from home in developing countries

Keywords: work from home, infrastructure and services constraints, work-life balance, productivity, income inequality

### ELEVATOR PITCH

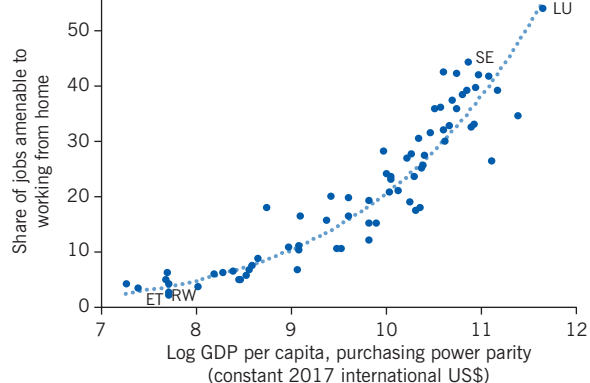
Work-from-home possibilities are lower in developing than in developed countries. Within countries, not all workers have equal chances of transitioning from the usual workplace to work-from-home. Moreover, infrastructure limitations and lack of access to certain services can limit the chances of effectively working from home. Having a home-based job can affect, positively or negatively, work-life balance, levels of job satisfaction and stress, and productivity. The differential chances of working from home may end up increasing the levels of income inequality between workers who can and those who cannot work from home.

### KEY FINDINGS

#### Pros

- ⊕ Working from home can improve workers' work-life balance through reduced work-family conflict, increased control over the timing of work, or reduced commuting time, according to evidence from developed countries.
- ⊕ Job satisfaction can increase due to working from home, in certain contexts.
- ⊕ In certain occupations, productivity can increase while working from home, for instance, because of the convenience of being at home and its relative quiet.

Work-from-home possibilities increase with income



Source: [1]

IZA  
World of Labor

#### Cons

- ⊖ Low-educated and low-paid workers have lower possibilities of working from home than high-educated and high-paid workers.
- ⊖ Infrastructure and services constraints negatively affect the chances of working from home, especially in developing countries.
- ⊖ In the longer-term, productivity may decline when working from home due to the loss of information and knowledge spillovers that would normally occur between workers when interacting face-to-face.
- ⊖ The differential chances of working from home may result in income inequality increases between workers who can and cannot work from home.

### AUTHOR'S MAIN MESSAGE

Work-from-home possibilities increase with the income level of countries and low-educated and low-paid workers have fewer chances of working from home. Moving to a more general work-from-home strategy in developing countries will require removing infrastructure constraints, such as lack of access to internet at home. Although working from home can improve workers' work-life balance and job satisfaction, negative impacts on productivity and income inequality are possible. A hybrid setting, where workers work from home a few days a week, is the more appropriate policy option because it preserves the benefits of working from home while mitigating or avoiding altogether the associated costs.