

# CAREC INSTITUTE RESEARCH CONFERENCE

4-5 March 2021

## Session One

Digital CAREC and post-COVID-19 economic recovery

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# Some comments on Khalid & Shahnaz “Adaptability towards Work from Home Arrangements: Evidence from Pakistan”

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4 March 2021

# The paper aims to measure how much jobs could potentially be done from home in Pakistan

- Non-agricultural sector
- Main purpose is to create a binary variable 'work can be done from home = 1'
  - A popular method to do the above was developed by Dingel & Neiman (2020).
  - Generally, the rate is lower in developing countries.
  - Hasan et al. (2020) use a modified D&N method to calculate the rate for Pakistan. They find 10% of jobs can be done from home.
- Secondary purpose is to do a correlational analysis of the variable

# The main challenge is data availability

- PSLM 2018/19
  - Household survey
  - Occupation, but not location or tasks
  - Records use of computer, mobile/smartphone, internet in the past three months – but not specific question on using these for work
- PLFS 2017/18
  - Labor force survey
  - Occupation and location, but not tasks
  - No questions on computer use
- This paper combines the two datasets above
- Note that Hasan et al. (2020) use PSLM 2018/19

# Proxy for 'work can be done from home': whether workers used computer, smartphone, or internet in the past three months.

- Plus, 'work is done from home' from PLFS
- Authors note that:
  - These proxies are not ideal because there is no information on whether the ICT use is for work
  - Assume no double counting in adding numbers from PSLM & PLFS
- Findings:
  - 9.2% workers use ICT (PSLM); 5.3% workers do their work from home (PLFS). So overall, 14.5% of workers could work from home.
    - Note that Hasan et al. (2020) who only used PSLM find 10%.
  - Correlational analysis (only using PSLM): Dependent variable is “use ICT in the past 3 months = 1”.
  - The rate is positively correlated with education, white collar jobs, household consumption, married, urban, males. Negatively correlated with age.

## Comment #1: The proxy is a major concern

- Apriori, using ICT at home does not have much correlation with using ICT for work
  - Even if there is positive correlation, just because ICT is used at a job does not mean that the job can be done remotely.
- Choice of adding PLFS is puzzling, because ‘contributing family member’ occupation is dropped from PSLM. And by adding this, the results can’t be compared with other countries
  - Please explain how this strategy is better than Hasan et al. (2020)
- Some things to check:
  - Is there evidence (from any study globally) that using ICT at home is positively correlated with using ICT for work?
  - Is there a study on ICT for work in Pakistan / country with similar context? If there are correlates on using ICT for work, they can be used to predict the rate in PSLM
- Some jobs can be adapted to work from home, and this is not considered in the paper
  - When needed, individuals can learn to use computers.

## Comment #2: The correlational analysis produces puzzling results

- The analysis is on the correlates of using ICT at home. Not on ‘work can be done from home’
  - Naturally, the results show that richer, higher educated, white collar workers has a higher rate of ICT use at home.
- When the dependent variable is thought of as a proxy of whether work can be done from home, the results become hard to understand
  - “married individuals have a significantly lower likelihood of working from home compared to the reference category of unmarried”
  - “males have a higher probability of working from home compared to females”
- Even when directly looking at the occupation estimates
  - Some jobs need the ability to use computers / internet as a requirement. But that does not mean the jobs can be done from home or uses computers.



## Comment #3: Policy implications needs to be elaborated further, and perhaps address larger policy questions

- Policy relevance?
  - Employment figures have bounced back to near pre-COVID levels.
  - Most workers in Pakistan are in agriculture or informal sectors.
- Should the government implement policies to shift more jobs such that they can be done remotely?
  - Benefits/costs
  - Which jobs are these? Would they make a difference to the overall employment structure?
  - Is this the right policy question? Shouldn't the question be on how to ensure workers can return to work as normal, as quickly as possible?



Thank You

