



## CROSS-BORDER DATA TRANSFERS & REMOTE WORK

Companies in all sectors increasingly rely on **remote workplace tools and cloud-based technologies enabled by data flows**—especially those companies that compete on the basis of their ability to collaborate and innovate on a cross-border and cross-office basis. **In an era of remote work, cross-border data transfers have enabled more growth, higher productivity, faster innovation, and a stronger and more competitive market position** for these companies.

Although there remain many jobs that still must be performed on premises, companies are making increasing use of remote workplace tools where it is feasible to do so. Companies that operate internationally have long used remote work tools to facilitate cross-border workplace collaboration, online training, and the remote delivery of services. These tools—which include cloud-based libraries and databases, video-conferencing applications, and interactive collaboration platforms—help foster cross-office R&D; build workforce skills; contain costs and carbon emissions; and promote public health and safety.

Countries can build their economic resilience and productivity by maintaining policies that promote cross-border data transfers and adopting remote workplace technologies.

### Countries Oriented Toward Remote Work

Estimated Jobs That Could Be Performed Remotely Pre-COVID-19

Mexico	22.3%
Brazil	25.6%
Chile	25.7%
Philippines	25.8%
United States	41.5%
United Kingdom	43.5%
Switzerland	44.8%

**Note:** These figures are extrapolated based data from the International Labor Organization, gathered between 2015 and 2019. Based on more recent surveys indicating remote work participation rates in excess of 50 percent of the workforce, it is likely that updated 2020 data would show higher remote workforce jobs than reflected herein.

**Source:** Jonathan I. Dingel and Brent Neiman, *How Many Jobs Can Be Done at Home?* University of Chicago, Becker Friedman Institute White Paper (April 2020), [https://bfi.uchicago.edu/wp-content/uploads/BFI\\_White-Paper\\_Dingel\\_Neiman\\_3.2020.pdf](https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Dingel_Neiman_3.2020.pdf)

Remote connectivity has only become more important in today's uncertain economic and health environment. The COVID-19 crisis has placed an unprecedented strain on labor markets, with sharply increasing unemployment rates and a disproportionate impact on lower wage workers. Today, the outlook is still severe, although unemployment rates have started to recover in some regions and sectors. Where possible, remote work solutions have also helped to moderate these impacts.

**Benefits of Remote Work Policies**

- ✔ Resilience in future crises
- ✔ Superior carbon footprint
- ✔ Improved economic productivity
- ✔ Better cost profiles

Prior to the COVID-19 crisis, by some estimates, between five and fifteen percent of US employees worked remotely.<sup>1</sup> Today, studies indicate that 50 percent or more employees are working remotely,<sup>2</sup> with even higher percentages in certain regions and certain professions.<sup>3</sup> The durability of these changes may depend upon the length of the crisis; the economic sector; and different companies' initial success in integrating remote work processes into their operations.

The benefits of a well-managed and productive remote workforce are often said to include:

- Resilience in future crises—whether in times of a health-related emergency, natural disaster, political conflict, or other emergent situation;
- Superior carbon footprint—due to reduced energy consumption and air pollution; and
- Improved economic productivity and cost structures—for example, due to reduced travel, energy, real estate, and overhead costs.<sup>4</sup>

Alongside a country's economic profile, level of internet and broadband access, and level of computer literacy, a country's policy on cross-border data transfers is a critical factor in enabling these benefits. Cross-border data transfers play an important role in keeping workers and citizens productive and engaged. These transfers also support the day-to-day operations of companies with international operations and companies that access cloud-delivered virtual workplace and other software tools hosted around the world.

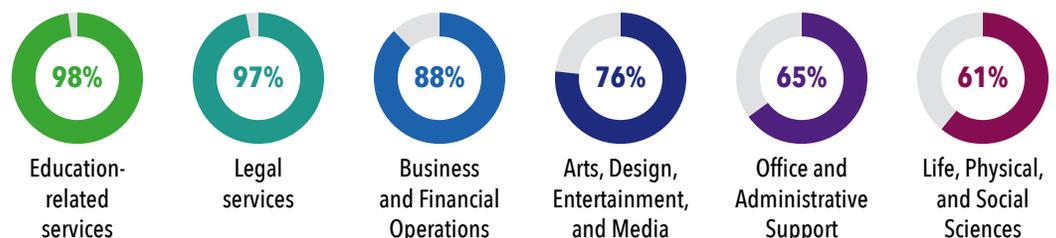
The connectivity technologies, productivity and collaboration tools, videoconferencing solutions, and databases and online document libraries are typically accessed from servers across multiple jurisdictions. Workforces today depend on access to internationally distributed cloud computing infrastructure and software tools, as well as cybersecurity services involving continual cross-border monitoring and real-time data analytics performed across countries. In short, today's economy—and the response to and recovery from the current health crisis—fundamentally depends on cross-border connectivity.<sup>5</sup>

Countries can build their economic resilience by maintaining policies that promote cross-border data transfers and adopting remote workplace technologies that enhance innovation and productivity. Staying connected across borders and computer networks is one important factor in creating and maintaining jobs, because a large share of economic activity already is, and will increasingly be, spurred by technologies that rely on data flows.

**Percentage of US Employees Working Remotely**

- ➔ Before COVID-19: 5%-15%
- ⬆ After COVID-19: 50% or more

**Share of Jobs that Can be Done Remotely**  
Occupations That Are in...



Source: Dingel and Neiman, *How Many Jobs Can Be Done at Home?*

## Endnotes

- <sup>1</sup> See US Bureau of Labor Statistics, *Workers Who Could Work at Home, Did Work at Home, and Were Paid for Work at Home, by Selected Characteristics, Averages for the Period 2017–2018*, Economic News Release (September 2019), <https://www.bls.gov/news.release/flex2.t01.htm>; and Holly Muscolino, *Remote Work in the COVID-19 Era: Are We Ready?* IDC Blog (March 2020), <https://blogs.idc.com/2020/03/16/remote-work-in-the-covid-19-era-are-we-ready/>; Clive Thompson, *What if Remote Work Goes on Forever*, NYTimes Magazine (June 2020), <https://www.nytimes.com/interactive/2020/06/09/magazine/remote-work-covid.html>.
- <sup>2</sup> See e.g., Erik Brynjolfsson et al., *COVID-19 and Remote Work: An Early Look at US Data*, MIT/Sloan (April 2020), <https://mitsloan.mit.edu/shared/ods/documents/?PublicationDocumentID=6321>, (indicating that almost half of surveyed workers were working from home in April 2020); Alexander Bick and Adam Blandin, *Real Time Labor Market Estimates During the 2020 Coronavirus Outbreak*, Arizona State University and Virginia Commonwealth University (April 2020), [https://alexibick.weebly.com/uploads/1/0/1/3/101306056/bb\\_covid.pdf](https://alexibick.weebly.com/uploads/1/0/1/3/101306056/bb_covid.pdf) (indicating that more than 60 percent of surveyed workers were working from home); Katherine Guyot and Isabel V. Sawhill, *Telecommuting Will Likely Continue Long after the Pandemic* (April 2020), <https://www.brookings.edu/blog/up-front/2020/04/06/telecommuting-will-likely-continue-long-after-the-pandemic/> (indicating that nearly 55–75 percent of workers among the top 40 percent of wage earners are working from home, while 35–40 percent of other workers did so in March 2020); PWC *Remote Work Survey* (June 2020), <https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html> (most survey respondents indicated that 60–100% of their office staff were working remotely during COVID); OECD, *Employment Outlook 2020* (July 2020), <http://www.oecd.org/employment-outlook/2020/> (indicating that 40% of workers across the OECD could work remotely in April 2020); Gil Press, *The Future of Work Post-COVID-19*, Forbes (July 2020) <https://www.forbes.com/sites/gilpress/2020/07/15/the-future-of-work-post-covid-19/#6f2e03aa4baf>; Rakesh Kochhar and Jeffrey Passel, *Telework May Save Jobs in a COVID-19 Downturn*, Pew Research (May 2020), <https://www.pewresearch.org/fact-tank/2020/05/06/telework-may-save-u-s-jobs-in-covid-19-downturn-especially-among-college-graduates/>.
- <sup>3</sup> Jonathan I. Dingel and Brent Neiman, *How Many Jobs Can Be Done at Home?* University of Chicago, Becker Friedman Institute White Paper (April 2020), [https://bfi.uchicago.edu/wp-content/uploads/BFI\\_White-Paper\\_Dingel\\_Neiman\\_3.2020.pdf](https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Dingel_Neiman_3.2020.pdf).
- <sup>4</sup> See generally, Guyot and Sawhill, *Telecommuting Will Likely Continue Long after the Pandemic* (internal citations omitted); Dave Nevogt, *Are Remote Workers More Productive?* Hubstaff (2016), <https://blog.hubstaff.com/remote-workers-more-productive/>; Laurel Farrer, *Federal Policy Retraction Will Cost Government Millions* (January 2020), <https://www.forbes.com/sites/laurelfarrer/2020/01/23/trump-versus-telework-federal-policy-retraction-will-cost-government-millions/#345e57d1114e>; US Office of Personnel Management, *Status of Telework in the Federal Government, Report to Congress FY2018* (March 2020), <https://www.telework.gov/reports-studies/reports-to-congress/2019-report-to-congress.pdf> (indicating that just over 20 percent of federal employees engage in telework, and describing benefits in terms of improved cost, retention, and recruiting outcomes, etc.); Nicholas A. Bloom, et al., *Does Working from Home Work? Evidence from a Chinese Experiment*, *Quarterly Journal of Economics* 130, no. 1 (2015): 165–218, <https://www.gsb.stanford.edu/faculty-research/publications/does-working-home-work-evidence-chinese-experiment> (observing a 13 percent improvement in workplace performance due to teleworking); Gallup, *State of the American Workplace*, Gallup Report (2017), <https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx> (observing that engaged virtual workplaces can claim 41 percent lower absenteeism, 40 percent fewer quality defects, and 21 percent higher profitability than their physical workplace peers); and Global Workplace Analytics, *Latest Work-At-Home/Telecommuting/Mobile Work/Remote Work Statistics* (2020), <https://globalworkplaceanalytics.com/telecommuting-statistics> (estimating an average savings of \$11,000 per year per part-time telecommuter and telecommuters who are 35–40 percent more productive than their office counterparts).
- <sup>5</sup> Clare Brown, *COVID-19's Impact on the Enterprise and Remote Work*, CIO IDG TechTalk Voices (April 2020) <https://www.cio.com/article/3532812/covid-19s-impact-on-the-enterprise-and-remote-work.html>.

### About the Global Data Alliance

The Global Data Alliance ([globaldataalliance.org](http://globaldataalliance.org)) is a cross-industry coalition of companies that are committed to high standards of data responsibility and that rely on the ability to transfer data around the world to innovate and create jobs. The Alliance supports policies that help instill trust in the digital economy while safeguarding the ability to transfer data across borders and refraining from imposing data localization requirements that restrict trade. Alliance members are headquartered across the globe and are active in the advanced manufacturing, aerospace, automotive, electronics, energy, financial and payment services, health, consumer goods, supply chain, and telecommunications sectors, among others. BSA | The Software Alliance administers the Global Data Alliance.