

Rethinking the Promise of Digital Integration for Peripheral Labour Markets

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Abstract

The COVID-19 pandemic accelerated the adoption of remote work, leveraging evolving technological infrastructures and marking a shift in the global and Israeli labor market paradigm. While the personal, societal, and spatial implications of remote work are gradually emerging, its significance extends beyond individual well-being, carrying profound implications for socio-economic, urban, and regional planning. Remote work has the potential to enhance operational efficiency and reduce costs associated with time, space, infrastructure, and environmental impact. On the surface, it appears to offer a mechanism for narrowing spatial disparities by enabling individuals residing in peripheral regions to work for firms located in urban centers, without the need for daily physical presence.

This study investigates the potential of remote work to impact peripheral regions and their populations. Specifically, it explores how remote work may influence the longstanding challenge of peripheral development—a central concern in spatial planning discourse. In theory, remote work diminishes the relevance of geographic barriers to labor market integration. However, a preliminary sectoral analysis of the Israeli economy reveals a more complex picture: while certain roles characterized by high digital networkability are indeed conducive to remote work, the majority of peripheral residents are employed in sectors with low networkability, rendering remote work largely inaccessible to them.

The research employs a geo-regional analytical framework combined with occupational segmentation by economic sectors to examine the phenomenon. The central hypothesis posits that remote work alone is unlikely to serve as a comprehensive solution to the challenges of peripheral development. The findings are expected to provide a realistic assessment of remote work's regional development potential and to inform optimal policy strategies for integrating peripheral populations into the evolving labor market.

Sub-state regions have become key contexts of economic and social analysis. Maskell (1998:11) suggests that countries have 'become more like regions, and regions more like countries. Regions are perceived as semi-independent actors in both international and national arenas of competition for development. Cooperative learning and innovation capacities have been identified as sources of regional advantage (Morgan, 2007). The pursuit of development in a climate of increasing capital mobility informs the need for regional-level planning (Amin and Thrift, 1996). Yet states clearly retain key powers that surpass even the most devolved of regions (Cumbers, 2000) and remain central to policy intervention in addressing socio-spatial disparities of peripheral regions (Arieli, 2018). Peripherality is indeed central to regional developmental disparity. Geographic distance from national centers is amplified as "double peripherality" in political, social marginality and underdevelopment (House, 1980; Furuseth, 2014). This marginality is expressed in a comparative lack of opportunities and access to quality services (Peña, 2005, Lavee et al. 2013, 2018).

Technological innovation and globalization generate contemporary spatial reorganization and the need to rethink concepts, models, and indicators of peripherality and policies targeting regional disparities (Copus, 2001). Yet initial research on the relatively new phenomenon of remote working focuses mainly on the productivity of remote working (Choudhury et al. 2020; Kniffin 2020; Lane et al. 2020) and its potential social and psychological effects on individual and societal wellbeing (Sullivan, 2012; Muralidhar et al. 2020). Yet, realistically, more than half the workforce has few prospects for remote work due job characteristics. An analysis of 800 jobs in nine countries found that remote work potential is concentrated in a few sectors of finance, insurance, management, business services, and information technology. These sectors are characterized by a high share of workers with college degrees or higher (Lund et al, 2020). This analysis informs prospects of technologically based remote working overcoming regional peripherality, an area which has not been systematically studied.

Fiel work in research involving sensitive areas of inquiry such as employment, requires integrated strategies including snowball-sampling, proven effective in involving respondents in sensitive discussions (Cohen & Arieli, 2011).