

# Decent Work for Homeworkers in Global Supply Chains Platform of Demands



*Homeworkers represent a significant share of employment in global supply chains, especially in Asia. Photo: Paula Bronstein/Getty Images Reportage*

## Homeworkers and supply chains

Homeworkers produce goods for global supply chains from within or around their own homes. The work they do can vary greatly: stitching garments and weaving textiles; stitching shoe uppers and footballs; producing craft products; processing and preparing food items; rolling incense sticks, cigarettes and cigars; assembling or packaging electronics, automobile parts, and pharmaceutical products; and more. Although they remain largely invisible, homeworkers are engaged in many branches of industry—old and new—and represent a significant share of employment in global supply chains, especially in Asia.

Many firms outsource production to homeworkers, especially women, to cut costs, maximize profits, and retain flexibility. Advances in technology have facilitated this outsourcing of production to homeworkers. Homework in its modern form is therefore driven in large part by the purchasing practices of firms and is facilitated by changes in trade and technology. Outsourcing of work to homeworkers, and the associated downloading of costs

and risks to these workers, is therefore inextricably linked to recent shifts in how global production is organized.

## How are homeworkers inserted into supply chains?

Homeworkers produce goods and services for both global and domestic supply chains from within and around their homes. Under the most common sub-contracting arrangement, the homeworkers provide the workplace, pay for utilities, and buy/rent and maintain their own equipment. The contractors provide the work orders and raw materials, specify the products to be made, and supply firms further up the chain with the finished goods. In most cases, the homemaker goes to the contractor to receive raw materials/deliver finished goods; in some cases, the contractor comes to the homemaker's home or lives/works nearby. In a few cases, the homemaker is herself a sub-contractor who splits the order and raw materials that she receives among other women in her neighbourhood. Also, some sub-contracted homeworkers work together in groups: either in one woman's home or in a common space in their neighbourhood. Whatever the arrangement,



*Homeworkers produce goods and services for both global and domestic supply chains. Photo: Leslie Vryenhoek*

many homeworkers have limited knowledge of the markets and prices for raw materials and finished goods because they do not deal in these markets.

Most homeworkers are paid by the piece and the piece-rates remain very low—much lower on average than what factory workers in the same supply chains are paid. Moreover, unlike factory workers, homeworkers have to cover many of the non-wage costs of production (workplace, equipment, utilities, transport) and absorb many of the risks of production (delayed or cancelled orders, unreliable supply of raw materials, delayed payments, rejected goods). A recent study in three Asian cities found that transport represents one third of the operating costs of home-based workers, and that one-quarter of those home-based workers who incur transport costs operate at a loss.<sup>1</sup> Also, homeworkers do not receive the worker benefits that some factory workers receive.

### **How significant are homeworkers?**

Homeworkers are a sub-set of “home-based workers”, who also include self-employed workers who buy their own raw materials and supplies and sell their own finished goods, mainly to local customers and buyers. Home-based workers represent a significant share of employment in some countries, particularly for women and especially in Asia. For instance, they represent 6 per cent of urban employment in South Africa and 18 per cent of urban employment in India. The majority of home-based workers are women (e.g. 70 per cent in Brazil, 88 per cent in Ghana, and 75 per cent in Pakistan).<sup>2</sup> However, most

available national data do not distinguish between self-employed and sub-contracted home-based workers.

HomeNet South Asia and the WIEGO network commissioned analyses of recent national data in four countries in South Asia. The data suggest that there are at least 41 million home-based workers outside agriculture in South Asia alone, representing 15 per cent of total non-agricultural employment (and 31 per cent of female non-agricultural employment) in India, and as much as 40 per cent of total non-agricultural employment (and 48 per cent of female non-agricultural employment) in Nepal. The data also suggest that homeworkers represent between 14 per cent (Bangladesh) to 33 per cent (India and Pakistan) of all home-based workers; and as high as 45 per cent (India) to 60 per cent (Pakistan) of women home-based workers. But even where such estimates of homeworkers are available, the data typically do not distinguish whether the homeworkers produce for domestic or global supply chains, or for both.

Consider what we know about home-based workers in the garment and textile sectors in India. In 2012, there were [37.4 million home-based workers](#) in India. Of these, around 45 per cent were involved in making garments or textiles, and, based on 1999 data, roughly 45 per cent of garment and textile workers were sub-contracted homeworkers. Given these figures, is it fair to say that over 5 million homeworkers are part of garment and textile supply chains in India’s domestic and global supply chains alone.



Homeworkers must be recognized as workers who contribute to the local, national, and global economy. Photo: Paula Bronstein/Getty Images Reportage

## What do homeworkers produce?

Homeworkers may produce or undertake tasks involved in the production of the following products:

- Garments and textiles (especially embellishments and finishing of factory made garments)
- Craft items
- Leather goods
- Toys and sporting goods (e.g. footballs, rackets, nets)
- Jewelry
- Bags and wallets
- Furniture
- Carpets and mats
- Shoes and other footwear
- Cigarettes and cigars
- Incense sticks and flower garlands
- Processed and cooked food items

They assemble and package:

- Electronics
- Automobile parts
- Pharmaceutical products
- Paper bags and envelopes

With the advent of Information and Communications Technology (ICT), in some countries the following tasks are also done by homeworkers:

- Word and data processing
- Invoicing
- Editing
- Translating
- Transcribing

## Legal Protection

There is a global standard—ILO Convention 177 on Home Work, 1996—which has been ratified by ten countries. Argentina, Germany, and Thailand have passed legislation specific to homeworkers. Other countries, including Brazil, Peru, and South Africa, have not ratified the Convention but have incorporated homeworkers into legislation regulating labour relations. Homeworkers have also been included through supply chain legislation. South Australia's Fair Work Act, which regulates the entire supply chain in the textile, footwear, and clothing industries, was amended in 2012 to include homeworkers. However, the implementation and enforcement of legislation to protect homeworkers is limited, even where countries have ratified Convention 177.

## Needs and Constraints

Homeworkers:

- Are invisible and isolated.
- Are unrecognized and undervalued.
- Lack effective legal and social protection.
- Are largely excluded from employment benefits.
- Face occupational health and safety risks, which are often related to working in small, cramped, unventilated houses that lack basic infrastructure services.
- Are subjected to irregular work orders and irregular supply of raw materials, both in terms of quantity and quality.
- Earn little, often below the poverty line, despite working long and unregulated hours of work.
- Face problems related to their home, which is also their workplace, such as insecure tenure, lack of space,



*Homeworkers earn little, often below the poverty line, despite working long and unregulated hours of work. Photo: Violeta Zlateva*

poor quality construction (e.g. lack of ventilation and natural light), lack of basic infrastructure services (e.g. regular supply of electricity), and are subject to evictions and relocations.

- Are mostly unorganized, although there are a growing number of home-based worker organizations and three regional networks of these organizations (HomeNet South East Asia, HomeNet South Asia and HomeNet Eastern Europe).
- Lack bargaining power and representation in collective bargaining or negotiating forums.

Homeworkers incur high costs of production as they provide the workplace, equipment, energy, as well as transport to collect and deliver their raw materials and/or finished products. Moreover, on average they are paid well below the minimum wage or poverty level in their countries. Also, their finished goods are often arbitrarily rejected, and their payments are often delayed.

## **Benefits of Homeworking**

### *For Lead Firms and Their Suppliers*

Lead firms and suppliers in global supply/value chains outsource production to homeworkers for several reasons. First, some tasks require specialized skills and intricate work, which cannot be mechanized. Second, they can minimize the risk of fluctuating demand by passing it onto the homeworkers to whom they issue work orders only when there is demand. Third, they can download most

of the non-wage costs of production, such as workplace, equipment, electricity, and transport, to the homeworker and also avoid paying for worker benefits. For this mix of reasons, lead firms and their suppliers are often unwilling to enter into contractual arrangements with the homeworkers where they would be liable for the adequate remuneration of homeworkers' skills, for covering their production costs, or would share the risk of fluctuating demand. The net result is that most homeworkers do not have contracts, are paid less than factory workers (yet absorb more costs and risks), and do not enjoy the same rights and benefits as factory workers.

### *For Homeworkers*

Some homeworkers regard working from home as beneficial compared to other working arrangements. This is particularly true for women, who comprise the majority of homeworkers, as they are better able to balance work and family responsibilities, particularly where there is no access to child-care. If they work in factories that are far away from their homes, they have to spend money and time commuting, which is particularly difficult where access to public transport is poor. Additionally, in some countries, women's mobility is restricted for cultural and social reasons, and homework is therefore their only employment option. Income derived from homework is an important source of income, in particular for poor families. In rural areas, homework contributes to household income opportunities and may help reduce the flow of migrants to urban areas.



*Homeworkers must enjoy the same rights as other workers, especially freedom of association and the right to collective bargaining. Photo: Jane Barrett*

## **Our Demands**

### **Recognition as Workers**

Homeworkers must be recognized as workers who contribute to the local, national, and global economy. Recognition of homeworkers, as workers, must include both workers' rights and workers' protections. They should be given official recognition as home-based workers through the provision of identity documents (where appropriate).

### **Representation of Homeworkers**

Homeworkers must enjoy the same rights as other workers, in particular with regard to freedom of association and the right to collective bargaining. Homeworkers must be included in all decision-making processes that concern them, such as tripartite meetings at local and national levels.

### **Freedom of Association**

Governments, suppliers/employers, and trade unions must recognize and support strong and vibrant trade unions and other membership-based organizations and networks of home-based workers.

### **Collective Bargaining Agreements**

Homeworkers must enjoy the right to collective bargaining and formal collective agreements with lead firms, suppliers and contractors, and with governments (including with local government).

### **Secure, Written, Transparent Contracts**

Homeworkers must have a right to a written contract based on the principle of their equal treatment as compared to other wage earners in the country, sector, and/or

enterprise. Model contracts, which include non-negotiable conditions, need to be developed. Lead firms in global supply chains need to ensure that labour standards are adhered to throughout the chain, including for homeworkers, and that standards include written contracts that are complied with. Homeworkers' organizations must participate in negotiations on developing model contracts, which must include provisions for dispute resolution.

### **Fair Piece Rates**

Piece-rates must be calculated in such a way as to ensure the minimum or living wage in the country but also include a premium to cover the costs of production absorbed by the homeworkers (workplace, equipment, utilities, and transport) and the lack of worker benefits for homeworkers.

### **Protection from Harmful Practices**

Homeworkers must be protected from being subjected to poor quality raw materials, hazardous raw materials, arbitrary cancellation of work orders, arbitrary rejection of goods and/or delayed payments.

### **Participation in Rule-Setting and Policymaking Processes**

Homeworkers, through their organizations, must be included in rule-setting and policymaking processes, both at national (according to ILO Convention 177, Article 3) and local levels, as appropriate.

### **Employment Benefits**

All employment benefits that are enjoyed by factory workers must be extended to the homeworkers.



*Homeworkers incur high costs of production as they provide the workplace, equipment, and energy. Photo: Laura Morillo*

## Social Protection

Social protection benefits should be extended to homeworkers, or new social protection coverage must be devised for homeworkers and access to these schemes must be simple and easy. Social protection should include affordable and accessible health care, sick leave and pay, occupational health and safety coverage, disability insurance and old-age pensions, maternity benefits, death (burial, funeral) and survivor benefits, and childcare. These benefits should reflect equal treatment of informal and formal workers.

## Occupational Health and Safety

Homeworkers must enjoy support for a healthy and safe workplace from the lead firm/supplier/intermediary including: safe equipment, protective gear, and training related to occupational health and safety.

## Security of Tenure and Basic Infrastructure Services

Since their homes are also their work places, homeworkers should have a right to secure tenure; low-cost quality housing and secure storage facilities, and basic infrastructure services. Infrastructure services should include electricity, potable water, sanitation, waste removal and management, and drainage. Communal workspaces, with good infrastructure, should be provided to reduce isolation, and encourage collective work and action.

## Transport

Homeworkers need affordable, reliable, and appropriate transport for the collection and delivery of raw materials

and finished goods. The costs of work-related transport, such as the pick-up and delivery of goods, must be incorporated into the setting of the piece rates.

## Ratification of the ILO Homework Convention 177 (1996)

Governments must ratify and implement the ILO Convention on Homework 177 (1996), as a matter of urgency, especially in countries with large concentrations of homeworkers. Governments should also follow the guidelines spelt out in the ILO Recommendation No. 184 which accompanies Convention 177.

## Laws and Regulations

National governments should pass national laws and policies that reflect the provisions of Convention 177 and extend labour laws and labour protections to homeworkers. Governments must amend existing legislation or promulgate and enforce other appropriate and supportive laws and regulations, such as supply chain legislation.

## Statistics and Information

There must be systematic collection of data on homeworkers by national governments. This means that a question on the place of work, as well as questions that determine the status of employment, need to be incorporated into national labour force surveys, including:

- Numbers of homeworkers by sex (special attention should be paid to ensuring that women are included as respondents in surveys), and
- Composition of homeworkers by sectors/products and, if possible, whether they produce for domestic or global supply chains, or both.



*Home-based workers are organizing at the local, national, and global level to voice their demands. Photo: Chris Bonner*

## Implementing and Enforcing our Demands

### Law

Countries should ratify Convention 177 and legislation should be amended to comply with ILO Core Labour Conventions and supply chain legislation so that homeworkers in supply chains are able to hold lead firms/suppliers accountable. Lead firms/suppliers must comply with the international and domestic law.

### Codes of Conducts

Lead firms in supply chains must ensure inclusion of appropriate provisions for homeworkers in their codes of conduct. They must monitor and enforce compliance with their codes of conduct throughout their supply chain by, for example, refusing to deal with sub-contractors who violate such codes. Homeworkers and their organizations (where they exist) must be included in the process. Companies must be required to disclose who their suppliers are.

### Role of Governments

Governments must adopt a coordinated approach across ministries and levels of government. They must ensure that all parties in a supply chain comply with legislation and regulations that apply to workers, including homeworkers, in particular with regard to freedom of association and the right to collective bargaining. They must have an adequate and appropriate labour inspection system that protects homeworkers and penalizes non-compliant firms. This must include ensuring that women form a substantial proportion of the labour inspectorate. Labour inspectorates need guidance to ensure that they are supportive of homeworkers, including the need to preserve and improve existing livelihoods.

Governments must put in place affordable, efficient, and accessible dispute resolution and complaint and appeal procedures for homeworkers.

## **Organized homeworkers are the most effective enforcement agents!**

Trade Unions must organize homeworkers!

Governments must support organizing and collective bargaining for homeworkers!

Lead Firms/Suppliers/Contractors must recognize and bargain with homeworkers' trade unions and their membership-based organizations!



Homeworkers, through their organizations, must be included in policymaking processes, both at national and local levels. Photo: Mohammad Hanif

## Development of this Platform of Demands

Thousands of homeworkers have contributed, directly or indirectly, to the demands contained in this Platform. The Platform draws on information gathered from home-based workers over many years, including the Delhi Declaration, adopted by over 100 delegates from 24 countries at the Global Conference on Home-based Workers, in February 2015. This has been supplemented by research and statistics produced by WIEGO.

In March 2016 affiliates of HomeNet South Asia and HomeNet South East Asia participated in formulating the demands for the final platform, which was then circulated to home-based worker and support groups in Latin America, Africa and Eastern Europe. Countries involved in this consultative process include: India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives, Bhutan, Thailand, Indonesia, Philippines, Cambodia, Bulgaria, Chile, Argentina, Brazil, Kenya, Uganda, and South Africa.

For more Information and to access the resources below, visit our C177 campaign page, <http://www.wiego.org/C177>

### Delhi Declaration of Home-Based Workers

### ILO Convention 177 on Home Work and Why It Should Be Ratified by HomeNet South Asia Trust

**Informal Economy Monitoring Study Sector Report: Home-Based Workers** by Martha Chen, WIEGO International Coordinator

**Myths and Facts on Home-based Workers** by Shalini Sinha, WIEGO Sector Specialist, Home-Based Workers

**Promoting the ILO Home Work Convention and the Rights of Homeworkers. A Manual for Workers' Educators and Facilitators** by Global Labour Institute

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<sup>1</sup> <http://wiego.org/publications/women-and-men-informal-economy-statistical-picture-2nd-edition>

<sup>2</sup> Akhtar, Sajjad and Joann Vanek. 2013. "Home-Based Workers in Pakistan: Statistics and Trends." WIEGO Statistical Brief No. 9. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Akhtar-HBW-Pakistan-WIEGO-SB9.pdf>; Mahmud, Simeen. 2014. "Home-Based Workers in Bangladesh: Statistics and Trends." WIEGO Statistical Brief No. 12. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Mahmud-HBW-Bangladesh-WIEGO-SB12.pdf>; Raveendran, Govindan, Ratna M. Sudarshan and Joann Vanek. 2013. "Home-Based Workers in India: Statistics and Trends." WIEGO Statistical Brief No. 10. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Raveendran-HBW-India-WIEGO-SB10.pdf>; Raveendran, Govindan and Joann Vanek. 2013. "Statistics on Home-Based Workers in Nepal." WIEGO Statistical Brief No. 11. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Raveendran-HBW-Nepal-WIEGO-SB11.pdf>