



# Women in Informal Employment Globalizing and Organizing

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## The European Union's Commodification of Bulgarian Homeworkers: Regulating informal labour in global production networks

Marlese von Broembsen



# WIEGO Working Papers

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# Abstract

This paper interrogates the potential of contemporary international law instruments to realize decent work for homeworkers. It grounds the discussion with reference to data on homeworkers in Bulgaria. The paper argues that the complex labour relations of the global economy necessitates a multi-layered overlapping regulatory matrix that regulates plural jurisdictional scales, relies on plural mechanisms, and recognizes workers' plural identities. The paper shows, with reference to Bulgaria, that even if global framework agreements and international law instruments include provisions to protect homeworkers' human rights, unless representative organizations of homeworkers participate in crafting the protections, they are unlikely to be enforced. Not only are homeworkers exploited—in Bulgaria they are paid a third of the minimum wage—but not regulating homework jeopardizes efforts to protect factory workers.

## Introduction

*Anna<sup>1</sup> (not her real name) has been a homemaker for 18 years, since she was 34 years old. She makes men's pants from her home. She works for a Bulgarian owned factory that employs 70-80 factory workers. The factory delivers pre-cut fabric and she sews the pieces together, sews the hems, irons the pants and packages them. One pair takes her 40 minutes as she has learnt to work extremely fast. She is paid BGN 0.70 (€0.31)<sup>2</sup> per pair of pants.*

Homework, also known as industrial outwork, is as old as capitalism itself. Fulcher (2004) argues that homework originated in Flanders in the twelfth century and spread to Germany and Italy in the fourteenth and fifteenth centuries. Homework was prevalent in eighteenth-century England (Collins 1997) as well as in Europe. The imperative for homework was two-fold: first, particular tasks that could not be performed in the factory were sub-contracted to skilled crafters operating from home (Deakin 2004; Davis 2004). Second, homeworkers were a means by which factories could manage and re-distribute the risk of fluctuating demand. These two drivers for homework persist in contemporary relations of production.

With the ascendancy of Keynesian economics and the welfare state in the post-war 1940s, factories in the United Kingdom and Europe absorbed homeworkers, who exchanged their economic independence for social security, and the promise of an improved standard of living (Streeck 2016; Deakin 2004). In the mid-1980s, however, the process reversed. Vertically integrated firms began to “informalize” their workers (Standing 1999) and to outsource production, this time to factories in developing countries.

Global value chain and other scholars argue that factories in developing countries subcontract aspects of production to homeworkers in response to brands and retailers' purchasing practices—their tight deadlines, fluctuating demand, and pressure on their suppliers to reduce their production costs (Kaplinsky and Morris. 2001; McCormick 2001; Palpacuer 2008; Barrientos et al. 2011; Delaney et al. 2015;). There are other incentives too. Some aspects of production, such as embroidery, are too labour-intensive and require specific skills (Chen 2014). Prasad (2019) argues that homework suppresses the wages of factory workers, and moreover, capital can extract free labour power from unpaid relatives who assist homeworkers to meet their targets. Finally, Delaney et al (2015) suggests that homeworkers are attractive as a particularly compliant workforce, given the precarious nature of their employment.

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<sup>1</sup> I interviewed 30 homeworkers in Bulgaria in July and August 2018. The methods section of this paper outlines details of the research.

<sup>2</sup> On August 6, 2018, per the OANDA Currency Converter, 1 Bulgarian Lev (BGN) = 0.51129 EUR and 1 BGN = 0.59134 USD.

The literature describing homeworkers' terms and conditions of work is wide ranging, covering homework in South and Southeast Asia, China, Latin America, Canada and Australia (Carr et al. 2000; Tilly et al. 2013; Delaney et al 2015 ; Xue and Chan 2013; Chen 2014; Delaney et al 2015; Pieper and Putri 2017; Zhou 2017; Von Broembsen 2018). Sometimes homework is seasonal, but homeworkers are also often a permanent part of the workforce (Von Broembsen 2018). The literature notes long hours of work; low piece rates that are well below the statutory minimum wage; and occupational and health and safety issues. Moreover, homeworkers carry many production costs and risks (Chen 2014; Mehrotra and Sinha 2016; Von Broembsen 2018).

Most homeworkers are women, although there are men in the shoe industry in Bulgaria, and many couples in Thailand work together making leather wallets, purses and bags. The drivers for women to work from home are several. In focus discussion groups with homeworkers in Tirapur, India and in Bangkok, Thailand, homeworkers articulated a range of reasons for why homework should not be banned, and why they should enjoy the same rights as other workers, including the right to collective bargaining. Women argued that they needed to work from home to care for their children, grandchildren and sick or disabled relatives. Twelve-hour days were cited as a disincentive to work in factories because of the occupational health and safety risks associated with standing for 12 hours, and it left too little time to fulfill social and household responsibilities (Von Broembsen 2018). Thai homeworkers (a group of men and women) stated that Thai factories do not hire people over 40. In Indonesia, factory workers are forced to resign at 50 (Pieper and Putri 2017). Homework therefore constitutes the only possibility for waged-work for middle-aged workers. Further, workers argued that factories are often located far from their homes; travelling is expensive and is not always possible on a daily basis. Other studies add reasons such as the safety of women, and cultural and religious norms that prohibit women's participation in the public sphere (Zhou 2017).

For these reasons, homeworkers seek recognition, rather than absorption into factories. In the late 1990s, led by the Self-Employed Women's Association (SEWA) from India and aided by the global sector union, the IUF,<sup>3</sup> as well as other allies, homeworkers championed for a Convention on Homework. The result was Convention 177 on Homework, adopted by the International Labour Organization (ILO) in 1998, which states that homeworkers should receive equal treatment to other employees with respect to wages, occupational health and safety, training, statutory social security protection, and the right to freedom of association and collective bargaining. Seventeen years later, in 2015, members of 60 networks, associations and trade unions of home-based workers,<sup>4</sup> together with non-governmental organizations and researchers from 24 countries, met in New Delhi, India and agreed to the Delhi Declaration of Home-based Workers.<sup>5</sup> In March 2016, in preparation for the June ILO General Discussion on supply chains, homeworker representatives from 11 South and Southeast Asian countries met in Ahmedabad, India to draft a platform of demands<sup>6</sup> for decent work. Their participation at the International Labour Conference (ILC) resulted in the conference recognizing homeworkers as imbricated in supply changes, and as legitimate workers who should be protected rather than eradicated. The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (the OECD Guidance), which was agreed to in 2017, consequently included a chapter on protecting homeworkers.

The OECD Guidance encourages enterprises to identify product lines and sourcing countries where homework is most prevalent, and to prioritize assessing suppliers and product lines in these countries

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<sup>3</sup> The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations is a global union federation of trade unions with members in different industries involving food processing.

<sup>4</sup> Homeworkers are a sub-category of home-based workers. All home-based workers work from or near their homes, but whereas homeworkers are subcontracted labour for domestic or global supply chains, other home-based workers are independent contractors who access their own customers.

<sup>5</sup> See <http://www.wiego.org/sites/default/files/resources/files/Declaration-Home-Based-Workers-2015.pdf> (accessed 14 June 2019)

<sup>6</sup> See <https://www.wiego.org/sites/default/files/migrated/resources/files/WIEGO-Homeworker-Platform-Demands.pdf> (accessed 10 Jan. 2018)

to ensure that homeworkers are protected. The Guidance suggests that in order to “prevent and mitigate” violation of homeworkers’ labour rights, enterprises should include contractual provisions in their agreements with suppliers that require suppliers, intermediaries and buyers to keep a record of homeworkers; the quantity of goods that homeworkers make and how much they are paid; records of how long it takes to make items to ensure that piece rates make it possible for homeworkers to make the minimum wage; and records of any social security contributions. And they are to partner with local organizations concerned with homework.

This paper interrogates the potential of contemporary international law instruments to realize decent work for homeworkers. It grounds the discussion with reference to homeworkers in Bulgaria. Bulgaria is part of the European Union (EU) and the lead firms in Bulgaria’s garment and footwear industries are domiciled in European countries, all of which are signatories to the OECD Guidance. Bulgaria has also ratified Convention 177 and amended its Labour Code. And Bulgarian homeworkers are organized. Their organization, The Trade Union of Self-employed and Informal Workers (UNITY), a registered trade union, spearheaded Bulgaria’s ratification of Convention 177.

The remainder of the paper is structured as follows: part two presents data on Bulgarian homeworkers, including their terms and conditions of work. Part three describes Bulgarian homeworkers’ organizing strategies, and their use of the ILO’s reporting mechanisms to hold their government accountable to complying with Convention 177. Part four concludes with an analysis of the plural regulatory frameworks.

The key argument of the paper is that the complex labour relations of the global economy demand a multi-layered, overlapping regulatory matrix that regulates at different jurisdictional scales, relies on a mix of contractual and legislative mechanisms, and recognizes workers’ plural identities. Failure to invite representative organizations of homeworkers to participate in crafting provisions intended to protect them leaves part of the production network unregulated, with negative implications for workers in the entire network.

## Homework in Bulgaria: Structure of supply chains and terms and conditions of work

Recent ILO statistics (ILO 2018) show that almost 16 per cent (15.9%) of the workforce in Bulgaria works informally. Since Bulgaria’s economy is highly integrated into global supply chains, many informal workers are what is now formally defined by the ILO as “dependent contractors”. They work from home for a factory or workshop, which provides the raw materials and stipulates the time period in which the goods are to be produced. One out of every five Bulgarians works for a firm that is part of a global supply chain (ILO 2018) and the garment and footwear industries are the major employers. A third of the workforce in these sectors are either semi-formal (their labour contracts do not reflect their real working hours or wages and they have no social security) or informal, in that they work without any contracts (Clean Clothes Campaign 2014; Ivanova et al. 2014; National Statistical Institute of Bulgaria 2018).

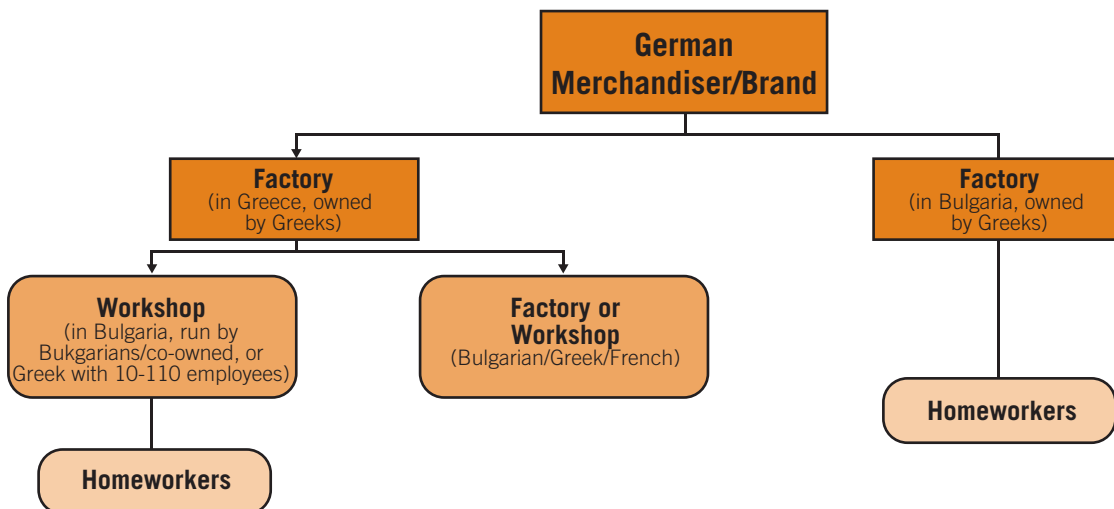
The data presented in this paper is based on: desk research; key informant interviews; semi-structured interviews; two focus groups; and a three-day workshop of 20 homeworker representatives and Trade Union of Self-Employed and Informal Workers (UNITY) Co-ordinators from Petrich, Pleven, Sofia, Varna, Rouse, Montana and Chirpan. The key informant interviews took the form of open-ended meetings from 27 June to

2 July 2018.<sup>7</sup> Thirty homeworkers were interviewed using semi-structured questionnaires between 29 June and 2 July and 15 to 18 August. All except two homeworkers come from Petrich. Most homeworkers are members of the trade union UNITY<sup>8</sup> and were identified by the Petrich Co-ordinator. Others were identified by snowballing: homeworkers identifying other homeworkers. In addition, we held two focus groups with 10 homeworkers. WIEGO and UNITY held a two-and-a-half-day workshop in Petrich from 15-17 August for UNITY Co-ordinators and homeworkers to prepare a report to the ILO on its government's implementation of C177. The findings of the interviews were tested with this group.

## Structure of the garment sector supply chains

Based on the workshop, interviews, and desk research, we know that the majority of Bulgarian homeworkers are in the garment sector and footwear sectors. Figure 1 shows how they are inserted into the garment and footwear production networks.

**Figure 1: Typical structure of garment supply chains**



More than 60 per cent of Bulgaria's apparel exports go to five countries: Germany, Italy, Greece, France and the United Kingdom, according to the World Bank's World Integrated Trade System website (WITS).<sup>9</sup> While many homeworkers do not know for certain for which country their goods are destined, others do know because they either currently or previously worked in factories that give homeworkers orders; have handled the export documentation; have seen packaging that shows the fabric came from Germany or elsewhere; or know the drivers who take products to other EU countries and to Turkey. The above diagram depicts an actual structure. The German merchandiser has Greek suppliers (for the same product). One of the Greek-owned factories is located in Greece and subcontracts to factories and workshops in Bulgaria,

<sup>7</sup> Meetings were held with: Violeta Zlateva, UNITY's overall Co-ordinator; Svetla Illieva, UNITY's Co-ordinator in Pleven; Georgi Trenchev, the Chairman of the Municipality of Petrich; Yanko Stoyomor, the Chairman of the budget commission in Petrich (who was previously a manager of a sewing company for 25 years); Ivan Neykov, President of Management Board of the Balkan Institute for Labour and Social Policy, Sofia; a fieldworker for Fair Wear (who needs to remain anonymous) from the town of Sandansky, where many homeworkers are; Plamen Dimitrov, President of the Confederation of Independent Trade Unions in Bulgaria (CITUB/KNSB); Tsvetelina Milchalieva, President of the Light Industry Trade Union Organization's Federation (FOSIL); and Anna Athansassova - Centre for Human Resource Development and Regional Initiatives in the Ministry of Labour and Social Policy (Coordinator of the Agreement between ITC and the ILO and CHRDR).

<sup>8</sup> See details at <https://www.eurofound.europa.eu/publications/article/2015/bulgaria-new-union-for-homeworkers>

<sup>9</sup> WITS website accessed 3 August 2018: See [https://wits.worldbank.org/CountryProfile/en/Country/BGR/Year/LTST/TradeFlow/Export/Partner/by-© country/Product/50-© 63\\_TextCloth#](https://wits.worldbank.org/CountryProfile/en/Country/BGR/Year/LTST/TradeFlow/Export/Partner/by-©%20country/Product/50-©%2063_TextCloth#)

which in turn subcontract to homeworkers. The other is in Bulgaria and also subcontracts aspects of production to homeworkers.

**Table 1: Size of Enterprises Involved in “Manufacture of Wearing Apparel” (2016) in Bulgaria**

	Number of Enterprises	Share of Total Enterprises
0-9 persons employed	3,027	68.4%
10-19 persons employed	447	10.1%
20-49 persons employed	538	12.1%
50-249 persons employed	368	8.3%
250 people or more	48	1.1%
<b>Total</b>	<b>4,428</b>	<b>100%</b>

**Source:** EUROSTAT, 2018, Annual enterprise statistics by size class for special aggregates of activities (NACE Rev.2)

Most enterprises in Bulgaria are very small. As shown in table 1, almost 70 per cent employ fewer than 10 people (Eurostat 2018a) . The next biggest category is 20-49 people (12.1%). Fifteen homeworkers knew the approximate size of the factory or workshop that gave them the work.

As shown in table 2, almost half the homeworkers received their orders from the 20-49 employee category. However, homeworkers receive orders from each category. Importantly, there is no significant correlation between the size of the factory and or workshop and the piece rate offered to homeworkers. If anything, smaller workshops (10 people or fewer) pay homeworkers higher piece rates than larger workshops/factories.

**Table 2: Size of factory/workshop giving homeworkers’ orders**

Size of Factory (# of workers)	Count	Proportion
0-20 workers	2	0.13
21-40 workers	7	0.47
41-60 workers	1	0.07
61-80 workers	3	0.2
81+ workers	2	0.13

**Source:** EUROSTAT, 2018, Annual enterprise statistics by size class for special aggregates of activities (NACE Rev.2)

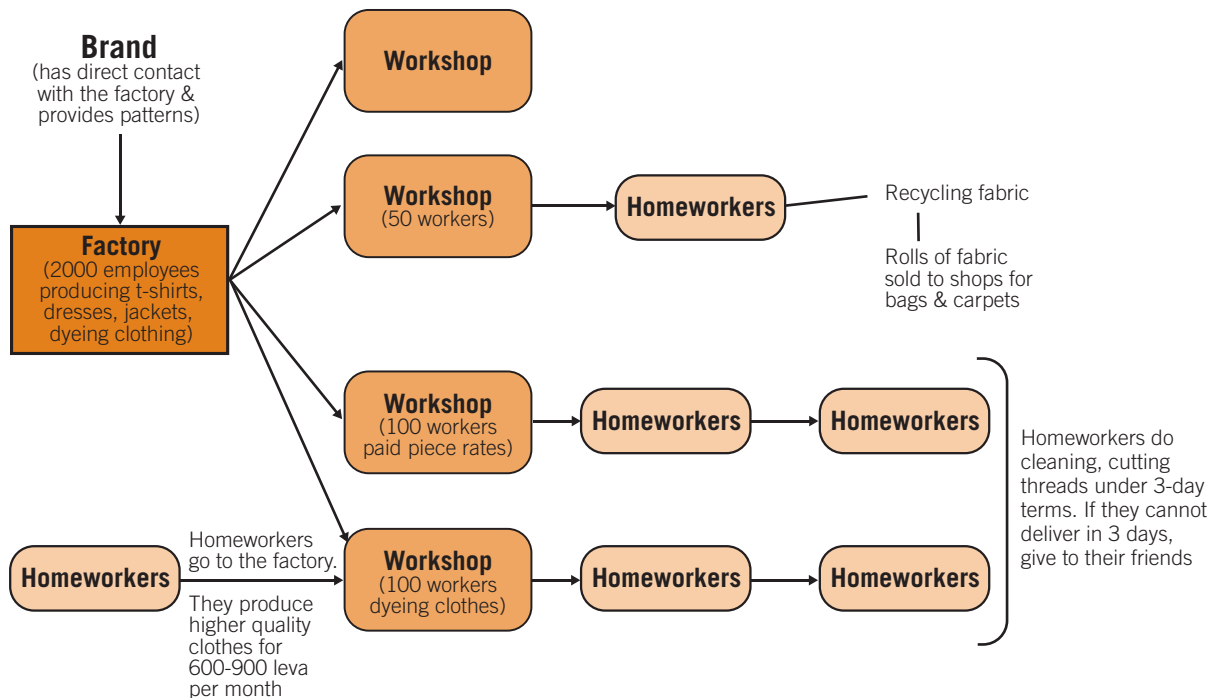
The most recent data estimate that there are 4,428 enterprises producing garments in Bulgaria (EUROSTAT 2018a),<sup>10</sup> most of which are concentrated in the southwest, south central and north central regions<sup>11</sup> (Clean Clothes 2014). Garment production tends to be located near borders with Greece, Turkey and Macedonia to be easily accessible to buyers (Clean Clothes 2014). Ivanova et al. (2014) indicate that the majority (80%) of garment companies are owned by Bulgarians and supply to Turkish, Greek and Western European companies.

<sup>10</sup>Per the NACE Rev.2 classification of economic activities, the “manufacture of wearing apparel” includes all tailoring (ready-to-wear or made-to-measure), in all materials (e.g. leather, fabric, knitted and crocheted fabrics, etc.), of all items of clothing (e.g. outerwear, underwear for men, women or children; work, city or casual clothing, etc.) and accessories. There is no distinction made between clothing for adults and clothing for children, or between modern and traditional clothing. Overall, the number of enterprises in the manufacture of wearing apparel has declined in the last eight years (from a total of 4,791 in 2008 to 4,428 enterprises in 2016).

<sup>11</sup>Based on the Nomenclature of Territorial Units for Statistics (NUTS) regions.

The homemaker leader who described the chain depicted in figure 2 worked for the factory in question and knew that the factory (which employs approximately 2,000 employees) outsources production to several workshops, many of which subcontract to homeworkers. As is the case in many countries, homeworkers sometimes outsource a part of the production that they do not want to do to other homeworkers, or they pass on overflow to others (Von Broembsen 2018). Figure two illustrates the different ways in which homeworkers are inserted into the garment sector chains in Bulgaria.

**Figure 2: Structure of a garment supply chain**



Over and over, homeworkers and key informant interviews mentioned the decline in the number of factories in Petrich and elsewhere in Bulgaria and the implications of less work available, both for factory workers and for homeworkers. According to Eurostat (2018a), while the number of enterprises employing 10 or more people has declined since 2008, the number of microenterprises (employing 0-9 people) has increased (from 2,808 in 2008 to 3,027 in 2016). Several sources (BEPA 2003; Clean Clothes 2014) suggest that official figures underestimate the number of factories/enterprises, since some may be informal. This is borne out by reports by homeworkers of workshops that seem to pop up and disappear without paying workers. In the words of one interviewee: “the employer left the country and escaped without paying. After a few months the person returns and opens a new workshop or factory. You see them in the street. The labour inspector says he cannot do anything because the company is bankrupt.” Another homemaker reported that this has happened to her four times. Key Informants confirmed this phenomenon.

## The structure of footwear production networks

Bulgaria’s footwear exports are highly concentrated with one trading partner: Italy. Over 71 per cent of Bulgaria’s footwear exports go to Italy (WITS 2018, see footnote 8). All the homeworkers interviewed are making shoes destined for Italy. In 2015, there were 370 enterprises involved in the manufacture of footwear.<sup>12</sup> Most enterprises are small: 49.2 per cent of enterprises employ 0-9 people; 20.8 per cent employ 20-49 people; 14.6 per cent employ 50-249 people; and 14.1 per cent employ 10-19 people. A very small portion (1.4%) employ 250 or more people.

<sup>12</sup>Per the NACE Rev. 2 classification of economic activities Code 15.2.



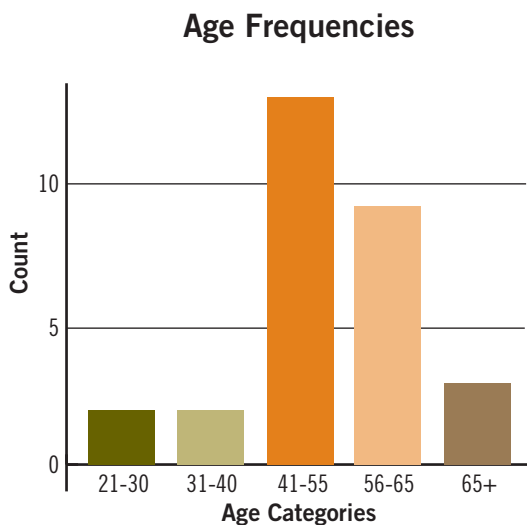
**Table 3: Size of Enterprises Involved in the Manufacture of Footwear (2015)**

	Number of Enterprises	Share of Total Enterprises
0-9 persons employed	182	49.2%
10-19 persons employed	52	14.1%
20-49 persons employed	77	20.8%
50-249 persons employed	54	14.6%
250 people or more	5	1.4%
<b>TOTAL</b>	<b>370</b>	<b>100%</b>

Source: EUROSTAT, 2018, Annual enterprise statistics by size class for special aggregates of activities (NACE Rev.2)

## Profile of homeworkers

Most homeworkers we interviewed (86%) are over 40 years old (see figure 3). This age distribution is similar in other countries. In Thailand, a focus group of 10 homeworkers noted that homework is a key pathway for people over 40 to participate in the labour market, since factories do not employ people over 40. This is borne out by a study in Indonesia, which found Indonesian factories do not employ people over 50 (Pieper and Putri 2017) and was confirmed anecdotally by the Workers' Rights Consortium to be the case globally (Von Broembsen 2018).

**Figure 3: Age distribution**

We didn't ask homeworkers about their education levels but observed that many homeworkers were educated. For example, one woman said that prior to becoming a homeworker, she had worked as a first-grade teacher. Indeed, the vast majority of homeworkers interviewed (86.2%) have more than one income source and several have professions inside or outside the factory. One third of interviewees work in a factory, often a different factory to the one outsourcing to homeworkers. Those that did homework for the factory that employs them, did different tasks in the factory to the tasks they did at home. Seven interviewees were on pensions or received disability grants; two were employed, including by the municipality, a television station, a hospital and an electronics company; and three sold other goods or services.

Among the 34 per cent of homeworkers who work in factories, many commented that although their factory jobs pay the minimum wage, it is not a living wage. For reasons of economic necessity, they take on additional employment as a homeworker, a finding which is echoed by a 2014 Clean Clothes report on garment workers in Eastern Europe. An additional 27.5 per cent of homeworkers interviewed work in a variety of other professions: for the municipality, in an electrical appliance company, as a medical orderly, as a cashier for a TV station, teaching students or selling produce or handicrafts. Both Spooner (2013) and Ivanova et al. (2014) validate this finding and note that homeworkers may do seasonal agricultural work, small-scale market gardening or combine factory work with home work to subsidize their low pay. Finally, a

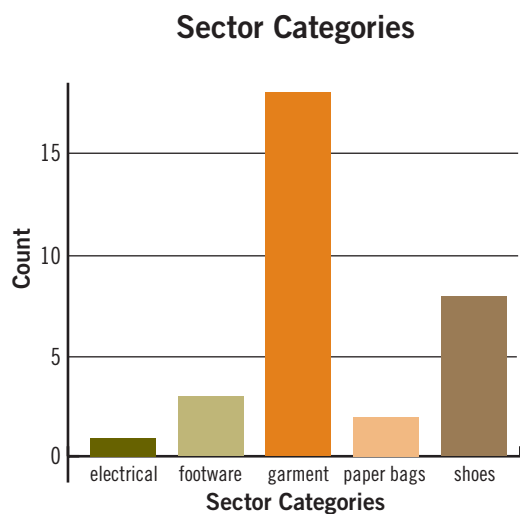
further 24.1 per cent of interviewees use home work to supplement their pension or disability grant.<sup>13</sup> For example, a widowed homemaker reports that she packs socks for 12-15 hours a day, seven days a week when working on a short deadline. Another widowed homemaker sews shoes for 7-8 hours a day, seven days per week.

Although there are variations in the length of time interviewees have been doing home work (ranging from 0.3 to 30 years), on average, interviewees have been homeworkers for 11.32 years.

## Sectors and Products

As reflected in Figure 4, the homeworkers interviewed work in five sectors: garment; footwear; packing socks (technically part of garment); making paper bags and assembling electronic parts.

**Figure 4: Homeworkers interviewed: sectors/tasks**



The majority (71%) of interviewees work for one factory only. But 17 per cent receive orders from three factories; and two homeworkers received orders from four and seven factories respectively. Both these interviewees have worked as homeworkers for over 30 years and pride themselves on their specialized skills that are sought after by the factories.

In the garment/apparel sector, homeworkers often perform more than one task, particularly if they are working for more than one factory. Tasks include sewing buttons onto shirts; cutting the loose threads off clothing once the product has been sewn together; gluing or sewing accessories onto T-shirts or blouses (such as beads, sequins, or chains); sewing on labels; using a template to trace onto a T-shirt and making an applique;

sewing men's pants together; packing socks—putting pairs together; using a piston to tie socks together; affixing a label and packaging them; embroidery (drawing templates onto shirts and then embroidering them or embroidering “stamps” on T-shirts or scarves); making scarves' fringes; and sewing collars onto blouses. All except two of the homeworkers in footwear sewed uppers and heels onto men's moccasins. The other two also sewed women's shoes.

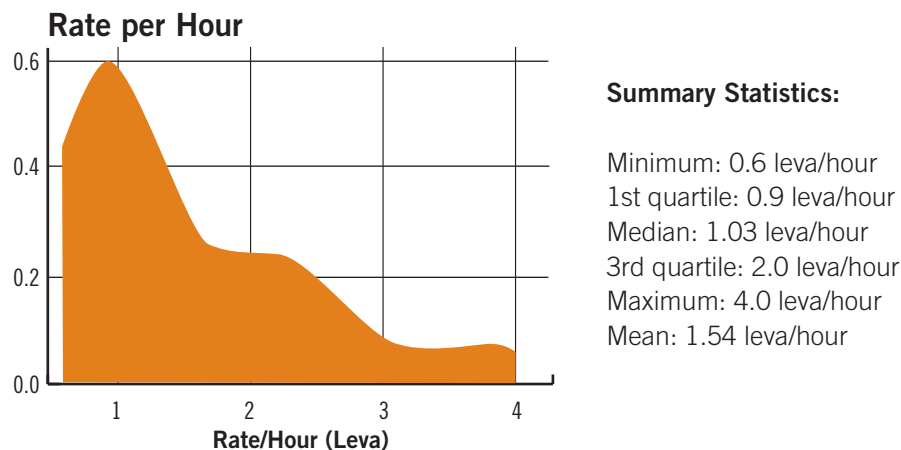
### Piece rates and working hours

The minimum wage in Bulgaria is currently BGN 510 (approximately €260.76 per month), which is the lowest minimum wage of any EU member country<sup>14</sup> (EUROSTAT 2018b). The gross average annual wage in “textile, wearing apparel, leather and related products manufacturing” was the second lowest of all economic sectors at 7,828 BGN/year (approximately €333.50/month).

Homeworkers are paid by the piece. We determined how much each homemaker was paid per task, and how long each task took. Based on this information, we computed an hourly rate. Figure 5 shows the piece rate computed as an hourly rate. The average rate per hour is equal to 1.54 Bulgarian leva (BGN).

<sup>13</sup>According to a European Union report on pension adequacy, the government of Bulgaria increased the minimum pension to 200 BNG per month in 2017. However, this figure is still less than half of the established minimum wage, which was set at BGN 510 in 2018, according to EUROSTAT (2018b).

<sup>14</sup>2018 data was unavailable for the following countries: Austria, Cyprus, Denmark, Estonia, Finland, Italy and Sweden.

**Figure 5: Piece rates computed as an hourly rate**

The homeworkers that we interviewed earn between 0.6 (€0.31) and 4 BGNs (€2.05) per hour. Only one person, who takes work from seven factories, and has specialized skills, is able to earn 4 BGN for some work. The median piece rate (if one omits outliers) per hour is BGN 1.03. This is €0.53 per hour. If one extrapolates that to 22 days per month and 8 hours per day, the average homeworker would earn BGN 8.24 (€4.21) per day and BGN 181.28 (€92.69) if they were in full time employ. Thus homeworkers are paid 35.55 per cent of the minimum wage, which in itself is not a living wage.

Homeworkers who had previously worked (or are still working) in factories report that factories pre-set prices for homeworkers to earn not more than 2.5 BGN (1.28 euros) per hour. One reported that “the factory takes five people and sees how many pieces they can make in an hour and then they take the average and decide on a piece rate to equal 2.5 leva an hour.” Another, who prides herself on her speed, stated that she was the “leader of the team” and because she was so fast, the factory used her as a benchmark. It calculated the piece rate for homeworkers by timing how long she took to do a task in the factory and applied this to homeworkers outside the factory. She works as a homeworker for other factories. A third homeworker, who has been working as a homeworker for over 30 years and currently takes orders from six or seven factories, observed that “factories form cartels” to set a ceiling on wages, but occasionally when a factory has a deadline, it offers a bit more to “attract homeworkers from another job”.

The average homeworker (of those interviewed) has worked as a homeworker for 11.3 years. Homeworkers were asked when last they enjoyed an increase in the piece rate. Only one had ever had an increase, and that was in 2008 before the financial crisis. Some homeworkers have worked up to 17 years without piece rates increasing. Moreover, three homeworkers reported that their piece rates have been reduced. One homeworker recounted that when she became more efficient and could earn more than BGN 2.5, “...the piece rate went down: if you are making more than 4 leva per hour, they cut the rate. So, working fast does not help.”

While employers provide all the raw materials, and most often the equipment needed, homeworkers cover the following production costs: space; electricity (if they work long hours at night); and in some cases, equipment, such as a sewing machine or needles.

Homeworkers were asked whether they have asked for higher piece rates from the factories and middlemen that give them the orders. These are some of their responses:

- “I ask almost every time, but the factory refuses.”
- “The factory always says, ‘yes of course you can earn more if you do more’.”
- “They say the offer is take it or leave it.”

- “The boss said that if you don’t like the price you can go” [the piece rate had been the same for 8 years].
- “It is not possible to try because they have calculated it. And if you ask, they say take it or leave it.”
- “The middleman says, ‘I am paid like this and I cannot pay you more’.”
- “I have never asked. There are enough people who would like to do the job.”
- “They said that if you won’t accept [the piece rate] we will find someone else.”

Several homeworkers reported that their payment is delayed by a month. The first month’s wages were only paid to them at the end of the second month. This means that the factory is always in arrears with paying their workers. It is not clear whether this is a mechanism to collect interest on wages or to manage cash flow, or whether it is a means of exercising power over the homeworker. Certainly, threat of with-holding payment is used to pressure homeworkers to work long hours to meet deadlines: “They tell us that if we don’t give them the full order, we will not be paid for anything.”

The average number of hours worked per day is about 5.6, and the average homeworker works at this for 6 days a week. Bear in mind that more than a third have other jobs, mostly in factories. More than 75 per cent work for more than 4.75 days a week as homeworkers.

The three biggest challenges for interviewees are: low piece rates; no contracts; and irregular work. Sixty-two per cent of interviewees complained that their work is irregular. Work is irregular for a range of reasons. Homeworkers in the shoe sector reported that work is seasonal. They work seven days a week between the months of October and February. The women who pack socks earn so little that when there is work, they work 12-15 hours a day, every day of the week. Most of these women are on pension or disability grants. Homeworkers also reported that “sometimes there is only work for factory workers, not for homeworkers”.

Several homeworkers reported that they take up different types of homework and seek orders from several different factories to minimize the risk of irregularity. But those that earn the least – such as the women packing socks – are working such long hours and they feel as if their work is so precarious, that they don’t have the wherewithal to seek additional work.

## Occupational health and safety; lack of written contracts and shame

Homeworkers expressed occupational health and safety concerns related to the strain on their bodies and hands as a result of the excessive hours of work they do simply to survive. These quotes capture the desperation that people feel:

- “They put us in extremely high stress by the time frame, especially in the final part of the period they put pressure on us. They tell us that if we don’t give them the full order, we will not be paid for anything.”
- “For the young person, no one will do this even for more because it is unprestigious [sic] and one is exposed to all sorts of risks (such as toxic glue) – physically you don’t feel yourself; physically homework is killing you. You do this because otherwise you will starve.”
- “I have health problems” [asthma and heart problems] caused by working in a pants factory that “washed the pants with toxic solutions”.
- Many reported that they have to stop for an hour or so when the pain in their hands and fingers becomes extreme. We took photos of disfigured hands punctured by needles. The pain is caused by



excessive hours of work, as a translator explained: “He has debilitating pain in his hands. After 10 pairs he has to rest. Sometimes it takes 30 minutes to an hour for the pain to subside.”

- Several reported extreme fatigue. One homeworker who was part of a focus group admitted that she feels pain and is exhausted, but she feels this is normal. “One just stops thinking to survive.” Other homeworkers in the focus group shared her feeling.

In the three-day workshop organized by UNITY and WIEGO, the issue of contracts was raised as the single most important issue for two reasons: First, without contracts, homeworkers cannot prove that they do work for factories. Second, without a written contract, they cannot claim any rights set out in Chapter 8 of Bulgaria’s Labour Code, most importantly, minimum wages and social protection. One interviewee explained the consequences of the lack of social protection like this: “You are dying if you become ill. If you have health problems or you get sick, you are finished.”

There is almost no paperwork. During interviews, we asked about records. Homeworkers who worked inside factories (or had previously worked in factories) confirmed that factories keep records of homework. But with the exception of one instance, where a factory kept records on a computer, records are informal: handwritten, in a notebook, with only a first name, number or pieces, and piece rate. Despite a statutory obligation to keep records of homework, factories do not keep official records, which enables them to evade the other statutory requirements, as they can claim that they do not outsource to homeworkers. Homeworkers showed us slips of paper on which their first name appears, the number of orders and the price. They are not asked to sign anything and the factories’ particulars, including their names, do not appear anywhere.

### Loss of Dignity/Humiliation

We were struck by the shame and humiliation experienced by homeworkers, many of whom are well educated. In the one focus group, the participants kept assuring us that they are not earning so little because they are lazy. Key informants, interviewees, workshop participants expressed an outrage that other EU countries are either enabling, or permitting, the exploitation of both factory workers and homeworkers of a fellow EU member.

### The brands for whom they are producing

Some homeworkers have seen the labels, logos or paper tags on the items, or know which brands the factory/workshop regularly produces for. All interviewees were fearful of losing their work and only disclosed the brands on condition that we did not disclose these details in the research paper. The following brands have been identified by IndustriALL and by researchers, and several of these were mentioned by homeworkers (Von Broembsen & Hughes 2018) :

- **Inditex, H&M and ASOS** have, “...sizeable sourcing from Bulgaria” (IndustriALL, 2018). IndustriALL notes that roughly 9,000 people work at Inditex suppliers in Bulgaria (at least two suppliers are located in Pleven and Pernik) (IndustriALL 2017)
- **Fanco S.A.** (one of the 30 largest knitwear companies in the world) has four manufacturing units in Bulgaria, run by Greek nationals. Pre-cut materials were imported to Bulgaria, sewn and returned to Greece with “Made in Greece” labels (Hale & Wills 2005).
- In 2005, Bulgaria was **Benetton’s** third largest supplier (after Italy and France) (Hale & Wills 2005).
- “Bulgarian companies are producing clothes for many foreign commercial brands such as **Hugo Boss, Esprit, Roy Robson, Tommy Hilfiger, Balmain, Lise Charnel, Next** and a number of others” (Dimitrova 2013).

- “The German company **Südwolle Group**, which is among the largest manufacturers of worsted yarns in the world, became the owner of the second largest textile company in Bulgaria (Safil)” (Angelova 2016).
- “The largest textile company [in Bulgaria], **Eduardo Mirollo** (Italy), has more than 2300 employees, exports products to 65 countries and sells to more than 6000 customers” (Angelova 2016).
- **Adidas** has a small, five-person “primary private tier” supplier<sup>15</sup> of accessories operating in Popovo (Adidas 2018).
- **Primark** reports sourcing from one Bulgarian factory, employing 1-100 workers in the Free Zone – Ruse near the Bulgarian border with Romania.

All of these corporations are incorporated in countries that are signatories to the 2011 OECD Guidelines for Multinational Enterprises and the 2017 OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, which incorporate the UN Guiding Principles on Business and Human Rights “protect, respect and remedy” framework.<sup>16</sup> These instruments stipulate that enterprises have a responsibility to undertake a “human rights due diligence” in their supply chains to determine whether any action, or failure to take action, by any of its suppliers might be violating the human/labour rights of workers in the supply chain. Due diligence is comprised of four steps. First, enterprises must *identify* where there might be a risk of a violation of human/labour rights. Second, where the MNE has identified a risk, it must take steps to *prevent* human rights violations. Third, where it identifies cases where rights violations have occurred, it should try to *mitigate* the impact and *remedy* any rights violations. Last, an enterprise should *account* for or report publicly on how it has dealt with labour rights “impacts”.

The Guidance deals only with supply chains in the garment and footwear sectors because it recognizes that labour rights violations in these sectors are ubiquitous, and it recognizes that the procurement practices of multinational corporations contributes to these. The Guidance identifies homeworkers as a particularly vulnerable group of workers (p. 58).

Module 12 outlines what enterprises should do to ensure that homeworkers are contracted “responsibly”. Its premise is that homeworkers are an intrinsic part of the workforce entitled to receive equal treatment. The module sets out practices for enterprises to “minimise the risk of the marginalisation of Homeworkers” and to “create economic and development opportunities” for them (p. 180).

Under the “identify” step of the due diligence framework, enterprises are encouraged to identify product lines and sourcing countries where homework is most prevalent, and to prioritize assessing suppliers and product lines in these countries to ensure that homeworkers are protected. The “prevent and mitigate” responsibility has five components. First, enterprises are encouraged to establish “internal protocols” with respect to homework and “pre-qualification systems” for intermediaries or agents that outsource work to homeworkers. Second, they should include contractual provisions in their agreements that requires suppliers, intermediaries or buyers to keep a record of homeworkers, including the quantity of goods that homeworkers make and how much they are paid; records of how long it takes to make items to ensure that piece rates make it possible for homeworkers to make the minimum wage; and records of any social security contributions. Third, they should provide intermediaries with training. Fourth, they should partner with local organizations concerned with formalizing homework. And finally, they are encouraged to engage with local or national government to provide homeworkers with rights so that they are treated equally with other workers, including with respect to social security.

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<sup>15</sup>Adidas defines primary suppliers (Tier 1) as, “...those factories where we hold a direct contractual sourcing relationship for the supply of products, whether for export or domestic market consumption.”

<sup>16</sup>The framework is grounded in international law (namely the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights and the Declaration on Fundamental Principles and Rights at Work) and establishes businesses’ responsibility to respect human/labour rights and remediate human rights abuses in their business dealings, including in their supply chains.

Finally, the Guidance states that enterprises should undertake “meaningful engagement” with “affected stakeholders” throughout their due diligence process “to understand what they deem to be material information” (p. 88). No corporation has ever tried to engage with UNITY. And there is no evidence of any of the brands requiring their suppliers to keep records of their homeworkers or complying with the responsibilities outlined in the Guidance.

Additionally, H&M and Inditex’s Global Framework Agreements with IndustriALL includes provisions on homeworkers. Neither of these have engaged with Bulgaria’s Home-Based Workers’ Association (HBWA), which was formed in 2002 and has been visibly active at the national level, engaging with government and the trade union federations.<sup>17</sup> Homeworkers who could identify these chains (and have worked in their supplier factories) can attest that the terms and conditions of work in their chains are no different to any of the other brands.

The sentiment among both homeworkers and other key informants was that it is particularly painful that Bulgaria is a member of the EU and that EU corporations are responsible for their exploitation.

In the next section, I discuss the organizing efforts of homeworkers and their admirable achievements in spearheading the campaign for the Bulgarian government to ratify ILO Convention 177 on Homework; the political set-backs, and their attempt to use the ILO reporting mechanism to pressure their government to comply with the Convention.

## Homeworkers’ response: Organizing and using C177 for legislative change

Homeworkers in Bulgaria began to organize and in 2002 they formed the Home-Based Workers’ Association (HBWA). In 2013, its paid-up members (both own account home-based and homeworkers producing for global supply chains) totalled 35,000 people from 22 provinces (Spooner 2013). The HBWA was the driving force behind Bulgaria’s ratification of ILO Convention 177 on Homework (Spooner 2013). Responding to pressure from HBWA and trade union allies, in particular the federation CITUB, the government ratified the Convention in 2009 and a “National Agreement on the Regulation of Homebased Work” was signed and the Labour Code, the statute that regulates labour relations in Bulgaria, was amended.<sup>18</sup>

In 2014, the HBWA founded the Trade Union of Self-employed and Informal Workers (UNITY).<sup>19</sup> Their status as a registered trade union meant formal recognition by the ILO. Later in the same year, UNITY sent a letter to the ILO Committee of Experts on the Applications of Conventions and Recommendations (CEACR) registering its concerns. The letter stated that despite ratification of C177 and amendments to the Labour Code, the situation of homeworkers remained unchanged. UNITY reported that it had initiated discussions with the Ministry of Labour and Social Policy government on a homemaker policy. The Ministry refused to meet, despite the provisions of Article 3 of the Convention, which stipulates that governments must formulate a policy on homework in consultation with “organization(s) that [are] concerned with homework”. The Ministry maintains, stated the letter, that homeworkers are independent contractors and

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<sup>17</sup>HBWA was the founder member of UNITY. It has ceased to exist since it is subsumed by UNITY.

<sup>18</sup>The parties to the agreement are: Confederation of Independent Trade Unions in Bulgaria; Confederation of Labour (“Podkrepa”); Association of Industrial Capital in Bulgaria, Bulgarian Industrial Association; Bulgarian Union of Private Entrepreneurs (“Vazrazhdane”); Bulgarian Chamber of Commerce and Industry; Confederation of Employers and Industrialists; Union for Economic Initiative; Association of Home Workers.

<sup>19</sup>See Eurofound at <https://www.eurofound.europa.eu/publications/article/2015/bulgaria-new-union-for-homeworkers> (last accessed on 19 November 2018).

fall outside the scope of both C177 and of the Labour Code. This is despite their receiving orders from intermediaries, workshops and factories. Finally, the letter noted that homeworkers are paid piece rates that fall well below the statutory minimum wage, in contravention of C177. The CEACR requested that the Bulgarian government respond to the letter in its next report, which was due four years later, in September 2018.

When the next reporting deadline arrived, with support from Women in Informal Employment: Globalizing and Organizing (WIEGO), UNITY submitted its own report to CEACR on the government's non-implementation of C177. UNITY argued that the National Agreement defined homework to include two categories:

“Work at home is one that meets the following conditions and shall be performed:

- (1) By an employee under an employment contract with the employer;
- (2) By a person called an outworker in his home or in another room of his choice different than the workplace of the employer”.

When the Labour Code was amended, however, a definition of homework was not included. Consequently, properly read, the rights and protections outlined in Section VIIIa “Additional Conditions for Work at Home” apply only to the first category of homeworkers who have an employment contract and exclude industrial outworkers, the very workers C177 aims to protect. Nevertheless, UNITY argued that an employment relationship is not predicated upon a written contract, but rather whether an *employment relationship* exists. It argued that labour law jurisprudence has established that there is an *employment relationship* if one person exercises *control* over another person's work. Whether or not there is a contract, it is not determinative of whether an employment relationship exists. UNITY submitted a research report by WIEGO (with the above data) to show that the homeworkers are indeed disguised employment.

UNITY paid particular attention to Article 9 of C177, “Enforcement and remedy”. Article 107(b) of Bulgaria's Labour Code states that:

- (3) Employers shall keep records of each employee working at home.
- (4) Upon request, employers shall provide the General Labour Inspectorate Executive Agency with the information referred to in Paragraph (3).

UNITY argued that in the light of the government's interpretation of the Labour Code, an employee is someone who has an employment contract, which means that employers are not required to keep a record of homeworkers in their supply chains in the absence of an employment contract. WIEGO's research found that at most, employers keep a notebook with lists of homeworkers – their first names only – and the number of items they are producing per contract. Homeworkers do not sign any document, and there is no record with their full names or details; they are, therefore, invisible and enforcement is impossible. Further, homeworkers feel that it is impossible for them to prove that they are working for employers without any documentation and fear that if they take photos of their products as proof, they will lose their work. A very real fear for homeworkers is that the labour inspectorate may inspect the homeworker's premises and in the absence of a contract of employment, fine the homeworker and confiscate the goods. Moreover there is a concern that inspection will lead to banning, rather than protecting, homework.

UNITY argued that the onus should shift to the employer to have to prove that there is not an employment relationship. Member states such as South Africa<sup>20</sup> have rebuttable presumptions that homeworkers are employees (for example if the employer provides materials, determines the price, etc.) and employers carry the onus to prove that homeworkers are not employees. UNITY concluded its report with a set of clear demands, including that the Bulgarian Tripartite Council should establish a C177 working group to identify

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<sup>20</sup>See Section 200A of the Labour Relations Act, 65 of 1995.



the legal and practical obstacles to implementation of the Convention. Unity should be part of such a working group, as C177 compels government to consult with “organizations concerned with homework.”

The CEACR used UNITY’s report and WIEGO’s research as the basis of its comments and questions to the Bulgarian government. CITUB, the trade union federation, initially supported the government position, namely that homeworkers are independent contractors unless they have employment contracts. Once the CEACR asked CITUB to respond to UNITY’s report, CITUB changed its position to support UNITY’s argument that the legislation does not reflect the national agreement that was signed in November 2018.

The CEACR’s final comments to the Bulgarian government are the following:

The Committee requests the Government to provide detailed information on specific steps taken or envisaged to ensure equality of treatment between homeworkers and other workers, including by consulting the social partners concerned with a view to identifying homeworkers in an employment relationship, within the meaning of Article 1 of the Convention, who should be benefiting from the protections afforded by the Labour Code. Further recalling that paragraph 13 of the Home Work Recommendation, 1996 (No. 184), provides that minimum rates of wage should be fixed for home work in accordance with national law and practice, the Committee asks the Government to reply in detail to the observations raised by UNITY in relation to the low level of wages earned by homeworkers.

The Committee requests the Government to provide detailed information concerning the measures adopted or envisaged to improve the situation of homeworkers, and to identify the employers’ and workers’ organizations that have been consulted with regard to the development, implementation and review of such measures.<sup>21</sup>

The CEACR’s “requests” addressed to the government are just that – merely requests – which the government may or may not address in its report in five years time. The ILO reporting mechanism is therefore very weak as a mechanism to enforce compliance with ratified conventions. It does play another role, however, which is discussed in the next section.

## **An analysis of the plural regulatory frameworks and their efficacy in protecting homeworkers.**

The homeworkers’ platform of demands (alluded to in the introduction) is a document that reflects homeworkers’ demands for decent work. Their first demand is for recognition and representation:

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.

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.

Recognition has both a social and a legal dimension (Von Broembsen 2018). For homeworkers, social recognition means recognition by the state, by enterprises, and by other workers that they are legitimate workers who contribute to the production of goods in both domestic and global supply chains and contribute to the economy. One indicator of social recognition at the national level is being counted in labour force statistics. The new international statistical category of “dependent contractor” (ICLS 2018) will surely make attaining social recognition easier.

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<sup>21</sup>The full text of the CEACR observations and requests on this matter can be found here: [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO::P13100\\_COMMENT\\_ID:3966155](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID:3966155), accessed on 20 June 2019.

Ironically, labour law makes legal recognition at the national level very difficult. It is ironic, because labour law is the most progressive legal discipline, and its foundational premise is that it enables labour to organize as a countervailing force to capital (Davis 2004). Conceptually, labour law divides employment into two binary categories: employees and independent contractors. Labour law's default position<sup>22</sup> is that unless the labour legislation (or the jurisprudence of the courts) of the particular country explicitly recognizes subcontracted workers (such as homeworkers) as employees, they are assumed to be independent contractors.

In the case of Bulgaria, for whatever reason, the definition of homework agreed to in the National Agreement was not included in the amended Labour Code. The section in the Labour Code on homework does not therefore recognize industrial outwork as disguised employment. The government's position that homeworkers without an employment contract are not covered by the legislation is therefore technically correct. If the Labour Code legislation were to be amended to recognize subcontracted homework as disguised employment, then in theory, homeworkers would be able to make claims against their employers. The data show that most often their employers are Bulgarians who own relatively small factories or workshops, and experience shows that homeworkers are unlikely to contest their terms and conditions of work for fear of losing their precarious jobs. Also, many of the employers' enterprises are small and informal and can easily disappear and reappear under a new name. At most, labour law can hold national capital to account, which in Bulgaria are the owners of small enterprises, who themselves are captive to the "lead firms" located in Germany, Italy, France, Greece, Turkey and the UK. The real capital, the brands and retailers, remain largely unregulated.

The complexity of relations in global value chains requires a complex transnational regulatory framework. I have argued elsewhere that a plural, overlapping conception of labour regulation is necessary to realize decent work in global production networks (Von Broembsen and Harvey 2018; Von Broembsen 2018; Von Broembsen, Harvey, Chen 2019). Plural in three senses: first, we should think of regulation as a matrix of regulatory regimes at *different scales*—at the global level, at the national level, and at the regional level. Second, we should think of regulation as a matrix of *different types* of regulation. For example regulation includes (a) *contracts or agreements* (including "accords", global framework agreements, and trade and investment agreements); (b) *international rights-based instruments* (including C177 and the OECD instruments); and (c) *legislation*, at both national and regional level. These regulatory frameworks are overlapping because there is no bright line that separates the jurisdictional terrain of one regulatory mechanism from another. Third, as workers' class-based identity as "labour" is fractured in the new economy, regulation can recognize workers' *plural identities*, and thereby create multiple overlapping sites for workers to mobilize as collectives. In the case of homeworkers, these plural identities include: their identity as homeowners/tenants (as their home is also their workplace); as citizens/denizens (reliant on state provisioning of infrastructure such as electricity, which is necessary for production); and as workers that participate in global production and therefore can make claims against global capital.

Dennis Davis (2004:109) rightly argues that

[One] of law's progressive possibilities is that it creates space for the possibility of political activity, and hence for the exercise of countervailing social power against the power of national capital.

This is nicely illustrated by the case of homeworkers in Bulgaria: their legal recognition by international law (in the form of C177) gave them voice at the national level, which ultimately led to the Bulgarian state ratifying the Convention. In turn, the fact that the Labour Code (national law) allowed informal workers to register their organization as a trade union meant that they were "recognized" by the CEACR as being entitled (in legal terms they enjoyed a privilege) to submit their own report to the CEACR.

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<sup>22</sup>In the absence of legislation that specifically recognizes homeworkers such as is the case in Thailand, Australia, and Uruguay.

The global labour movement is experimenting with different legal mechanisms to create spaces for exercising countervailing power. These include international instruments and different forms of contract, some of which are proving to be successful (Blasi and Blair 2019). Some of these mechanisms, such as the OECD instruments and global framework agreements (GFAs) with H&M and Inditex, include provisions to protect homeworkers. But without exception, they were crafted without the direct participation of homeworkers themselves, and as a consequence, it is unlikely that they will afford homeworkers much protection against exploitation.

The IndustriALL/H&M global framework agreement (GFA) covers homeworkers, but there is no duty on H&M to oblige its suppliers to disclose the details of its sub-contractors' arrangements, nor on sub-contractors to disclose the details of homeworkers. With no disclosure requirement, homeworkers remain invisible. Most often they do not know which brand they are supplying. The GFA between Inditex and IndustriALL provides that suppliers have to have written consent from Inditex to sub-contract and suppliers are responsible for their subcontractors' compliance with the terms of the GFA (IndustriALL 2014). In the absence of any disclosure requirements, grievance procedures and no homeworker representatives on the monitoring committees, it is difficult to see how this could be enforced effectively.

Von Broembsen and Alferts (2019) critique the OECD Guidance on the garment and footwear industry and outline ways in which it would have to be amended for it to protect homeworkers. Their suggestions include the following: first, lead firms must include provisions in their suppliers' agreements that suppliers and sub-contractors are contractually obliged to disclose the names, addresses, and contract details of any homeworkers not only to MNEs, but also to organizations and trade unions that are organizing homeworkers. This has worked in Australia. Second, *written* contracts must be concluded with homeworkers that include the name of the MNE buyer and homeworkers must be given a copy. Homeworker organizations would then be able to engage with the MNE. Third, grievance procedures must be designed with trade unions' and homeworker organizations' participation so that homeworkers are protected from losing their work if they complain. Fourth, homeworker organizations should be consulted on what the remedies for violation of their human rights should be, and how they should be operationalized.

## Conclusion

This paper has been written about homeworkers. Yet it would be foolish to ignore the implications for factory workers if homeworkers' terms and conditions of work are unregulated. As noted by Zehra Kahn, General Secretary of the Home-Based Women Workers Federation from Pakistan, in her address to the International Labour Conference plenary on behalf of homeworker organizations at the General Discussion on supply chains:

Failure to recognize ... homeworkers as part of global supply chains will simply mean that the bottom of the supply chain remains unregulated.

Rule-setting processes – whether through legal mechanisms of contract, national or international law – that exclude the participation of homeworker organizations are likely to leave part of the chain unregulated, despite good intentions. The implications for labour in general are serious: first, homeworkers' unregulated, low piece rates suppresses the wages of factory workers (Prasad 2019). Xue and Chan's (2013) analysis of the football industry in Pakistan powerfully illustrates another implication of leaving a portion of the chain unregulated:

[L]abour policies were strongly “industrial relations-centric” in the sense of concentrating on labour relations in the formal sector that closely mimicked the “West.” Industrial labour relations in the unorganized sector in contrast were largely ignored. Taking advantage of the law, Sialkot employers quickly informalized the workforce by shifting from employing factory workers to outsourcing through the use of sub-contractors who collect finished products from home workers, thereby stripping the labour force of legal protection.

Xue and Chan's observation illustrates that leaving part of the chain unregulated incentivizes enterprises to informalize factory work. Third, failure –whether *de jure* or *de facto*—to regulate subcontracted labour will not make it disappear. It will simply mean that it is unregulated. The implications are that the costs of 'social upgrading' (the global value chain literature's term for decent work gains) of factory workers is likely to be borne not by employers, but by other workers –informal homeworkers – whose terms and conditions of work will be downgraded.

This paper has argued that even if global framework agreements and international law instruments include provisions to protect homeworkers' human rights, unless representative organizations of homeworkers participate in crafting the protections, they are unlikely to have much traction. The paper has relied on data from Bulgaria because the terms and conditions of Bulgarian homeworkers is under-researched. But it could have made the same arguments based on data from India and other countries in South and South East Asia. The invisible commodification of homework is ubiquitous.

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**About WIEGO:** Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit [www.wiego.org](http://www.wiego.org).

