

Öffentliches Fachgespräch zu
Menschenwürdiger Arbeit und
Globalen Wertschöpfungsketten

50
Jahre

für Frieden,
Entwicklung und
Menschenrechte

19. bis 20.10.2017
Katholische Akademie,
Berlin

Organizing the Unorganized – Home Based Workers

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ET PAX**



Organizing the Unorganized Home Based Workers

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IN THIS PRESENTATION

- Facts on HBW
- Two categories of HBW
- Invisibility of HBW
- Kind of Work done by HBW
- Why they prefer homework
- Reasons why HBW are vulnerable
- Challenges faced
- Our experience with ETI
- Nepal Supply Chain Diagram
- Augmenting incomes

Home Based Workers



**Tripartism & NGO's
role in Social Dialogue**

- Tripartism in future times- an adequate approach for social dialogue?
- Which role is there for NGOs in Social Dialogue?



Organizing the unorganized: how does it work in the informal economy?



- New Ways of Organizing
- Another forms of Organising
- Successful Approaches
- Examples of organising
- What we need



Home Based Workers

Putting ourselves in their place...

Global Facts on HBW

- Home-based work accounts for a significant share of urban employment in some cities/countries:
 - Buenos Aires: 3 per cent
 - India: 18 per cent
 - South Africa: 6 per cent
- Most home-based workers are informally employed:
 - Buenos Aires: 60 per cent
 - South Africa: 75 per cent
- The vast majority of home-based workers most everywhere are women:
 - Brazil: 70 per cent
 - Ghana: 88 per cent

Source: WEIGO

Home Workers in India

- In 2012 there were 37.4 million HBW in India.
- Of these 45% were involved in making garments or textiles, based on 1999 data, roughly 45% of garment and textile workers were sub contracted homeworkers
- It was also estimated that over 5 million homeworkers are part of garment and textile supply chains in India's domestic and global supply chain.

National Level home based workers - 2,75,613

Only Gujarat home based workers - 67914

Two Categories of HBW

SELF-EMPLOYED HOME-BASED WORKERS

assume all the risks of being independent operators. They buy their own raw materials, supplies and equipment, and pay utility and transport costs. They sell their own finished good, mainly to local, but sometimes international, markets

SUB-CONTRACTED HOME-BASED WORKERS

(termed “**homeworkers**”) carry out paid work for firms/businesses or their intermediaries typically on a piece rate basis. The dependent homeworkers are often paid manufacturing outworkers working under subcontracting arrangements in export-oriented production as part of global supply chains.

Invisibility & Ambiguity of HBW



Invisibility

It is very difficult to identify home workers who are part of global value chains. The workers worked from home and many a times could not identify the brands that they were working for – leave alone identify whether the brands were global or Indian.

Multiple Employers

Sometimes they worked for both – local and global producers. Most homeworkers in Tirupur and Delhi also worked for the local and national market, seamlessly crossing from producing from one market to another as per the demands for their skills.

Indistinctness

Often the same contractor also procured orders from exporters as well as produced for the local market, and gave it to the same set of home workers.

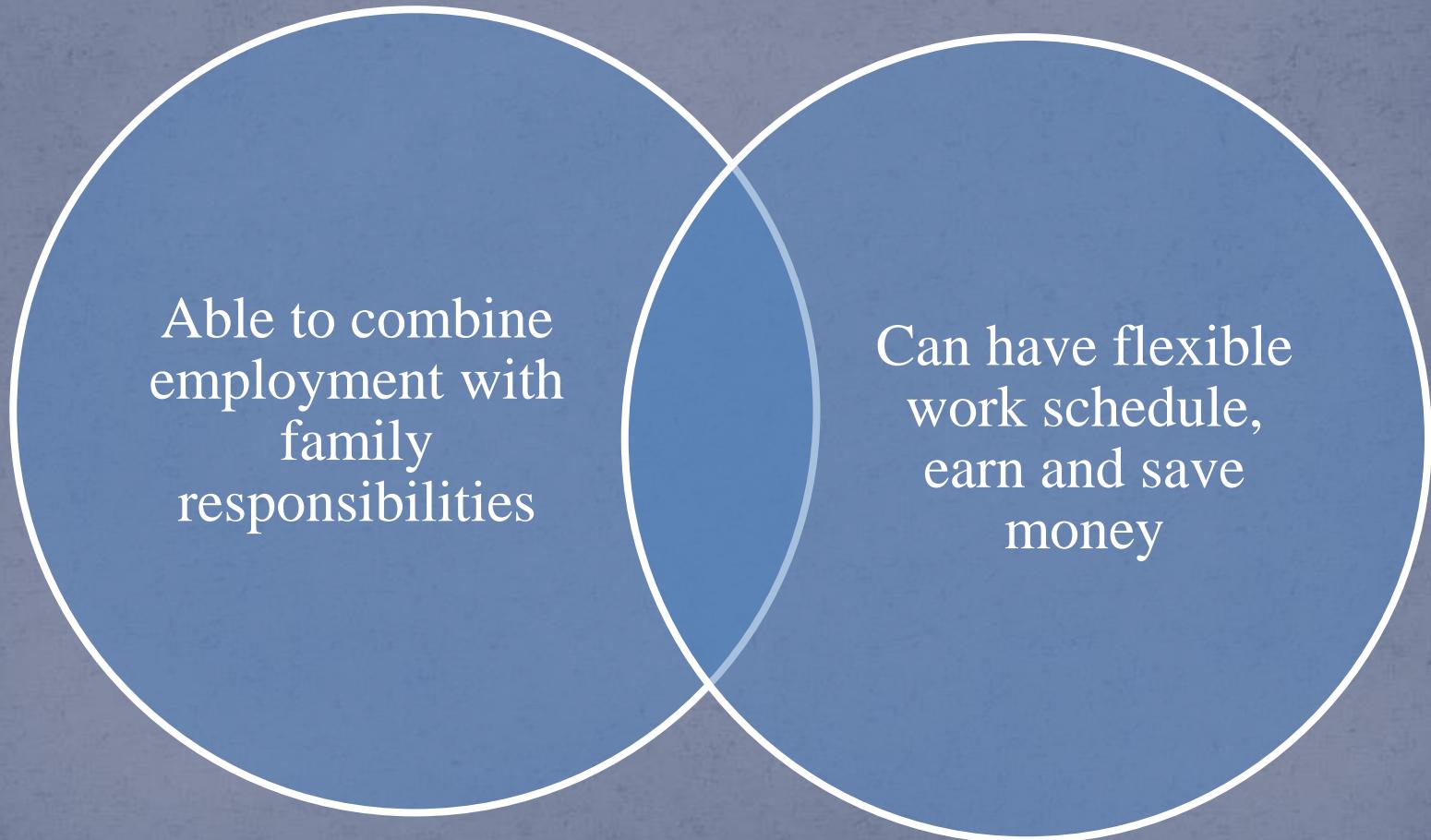
Ambiguity

There were issues of recall and reporting because a home worker worked for the international brand for a few months and for the local producer for the other months

Nature of Work Done by HBW

- Stitching buttons & Stitching parts of collar
- Trimming
- Thread joining
- Rope joining
- Knotting
- Foam removing
- Folding
- Checking
- Packing
- Embellishment embroidery
- Knitting
- Hand embroidery and embellishments
- Attaching laces
- Hand Hemming
- Crochet

Preference towards Home Work



Vulnerability Quotient of HBW

1. Home-based nature
2. Individualized situation of their work
3. They are less visible
less likely to be legally recognized as workers

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1. Don't claim social protection,
 2. Do not have access to skills upgrading opportunities
 3. Not able contacted by trade unions and benefit from the solidarity and bargaining power that comes with being organized
 4. Face gender implications

Challenges Faced

- Discrimination
- Unequal and exploitative supply chain practices and relationships,
- No bargaining power,
- No policy presence
- Limited voice and visibility outside the immediate household or neighbourhood

A blue-tinted photograph showing a woman from behind, wearing a patterned headscarf and a dark top, working at a loom. She is looking towards the camera. The scene is framed by vertical blinds in the foreground.

Tripartism in future times- an adequate approach for social dialogue?

Which role is there for NGOs in
Social Dialogue?

Tripartism Role of NGOs in social dialogue?

- Social dialogue so far has been employers workers and Governments,
- But in an international supply chain, the Brands do not actually employ the workers and yet they need to be responsible for them. Similarly there is a chain of people involved-local factories, contractors etc,
- Social dialogue can also be learnt from SEWA's experience with ETI.

SEWA's Experience with ETI

Commitments under this policy:

- **adopt a shared policy** of acceptance of home working and commitment to improving home workers' labour conditions where these do not meet those set out in international labour standards / the ETI Base Code;
- **communicate this policy** to all those in the supply chain below them, including home workers themselves;
- **identify where home working occurs** in the supply chains beneath them;
- **develop an action plan** for improving labour conditions with home workers where these are found to be below those set out in international labour standards / the ETI Base Code.

SEWA's Experience with ETI

- **Global supply chains** are a key source for economic opportunity in today's globalized economy. But the quality of - and returns from – those opportunities depends on how workers and enterprises are inserted into the supply chain.
- Within the manufacturing global supply chains, one of the ways in which the informal workers are inserted are as **industrial outworkers** for formal suppliers or lead firms, many of whom work from their own homes, called home workers.

- Home workers produce goods for global supply chains from within or around their own homes: 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.
- Under the most common sub-contracting arrangement, the **home workers 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 product/s to be made, and sell the finished goods, or supply them to firms further up the chain

SEWA's Experience with ETI

- In most cases, the **home worker goes to the contractor** to receive raw materials/deliver finished goods; in some cases, the contractor comes to the home worker's home or lives/works nearby. Some sub-contracted home workers work together in groups: either in one woman's home or in a common space within their neighbourhood.
- Whatever the arrangement, many home workers have **limited knowledge** of the markets and prices for raw materials and finished goods because they do not deal in these markets

- To cut costs and maximize profits, many firms **outsource production** to home workers, **especially women**.
- Advances in technology have facilitated this outsourcing of production to home workers.
- 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.

Case In Point: Nepal Supply Chain



Augmenting Work?

Other kind of work

- Non-available of work through out the year; and women do many **different kind of work** to augment their incomes.
- In **Nepal**, women in absence of embellishment/embroidery augment their income by **cutting the stems from cauliflower** where they would be paid as low as Rs 0.50 per kilo of the vegetable.
- In **Tirupur**, the women workers **took on waste thread removal** which paid them as less as Rs 22 per kg for color cloth pieces and Rs 30 per kg for white color cloth.
- None of the home workers had any **written contracts** with their employers or contractors. This resulted in home workers having little leverage when a contractor or trader fails to comply with verbal agreements.

Concealed Costs

- HBW absorb a wide range of costs associated with the production process,
 - They provide the workplace (their own home);
 - pay for utilities,
 - must buy and maintain equipments, like sewing machines and needles, addis and frames, scissors and trimmers.
- Associated costs don't appear in the balance sheet,
- HBW go to the trader's shop, by foot or by local transport at their own expense, to collect cloth and any other raw materials provided by the trader,

- HBW bear the transaction costs such as phone,
- HBW are invisible to the brand and vise versa,
- HBWs can't make their own production chain,
- Knowledge disparity as in Delhi and Kathmandu, most workers knew that they were producing for an international market based on the quality of skilled work required from them, the design of the product, the tight time lines and the relatively better piece rates. In Tirupur, many home workers did not realize that they were producing for international brands.



Organising the unorganised: how does it work in the informal economy?

Organizing is strength...

Basic Ways of Organising

- Need to address and adapt to the **needs** of informal workers, which are different from other workers,
- Need to **locate** homeworkers and understanding the informal **networks** of contracting and homeworking,
- Need to device **new systems** and ways of organising home workers and other informal workers as ways developed for those who work in factories or other workplaces may not be appropriate for

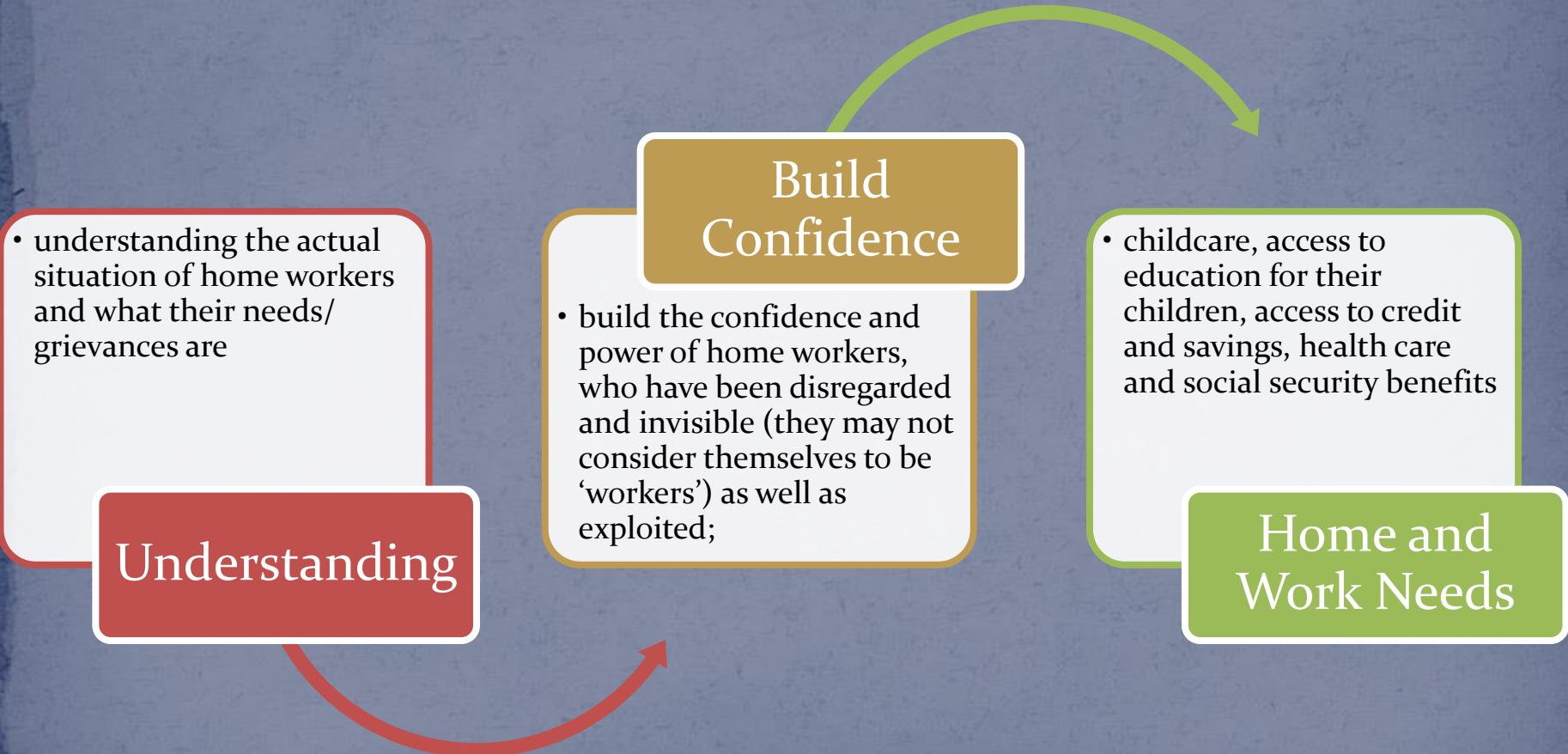
Basic Ways of Organising

- Need to organize **community-based meetings** and working with the formal or informal networks which exist among such workers,
- Need to provide **social protection services** (such as micro insurance, health care, access to markets, schemes for training and welfare) as well as negotiating with particular employers,
- The approach should be to organize '**for**' providing benefits (related to health care, credit, training, social insurance) rather than organizing 'against' an employer.

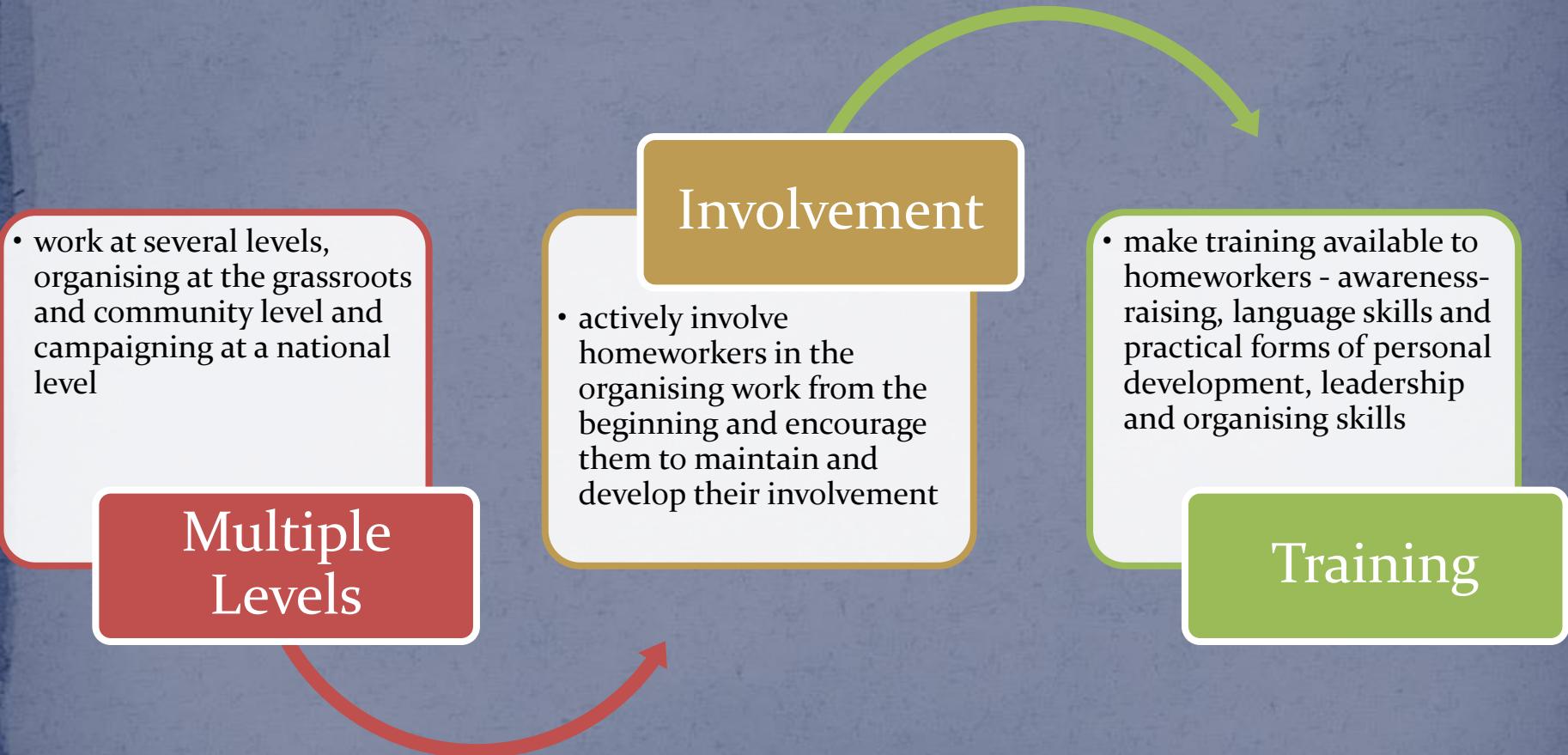
Basic Ways of Organising

- Formation of **self-help groups** which could help build the capacity of homeworkers to form and manage their own organisations, handle savings and loan activities and learn about banking procedures and building links with government schemes.
- Co-operatives can help workers to **procure work** more effectively; access raw materials more easily; undertake more effective marketing and deal directly with companies.

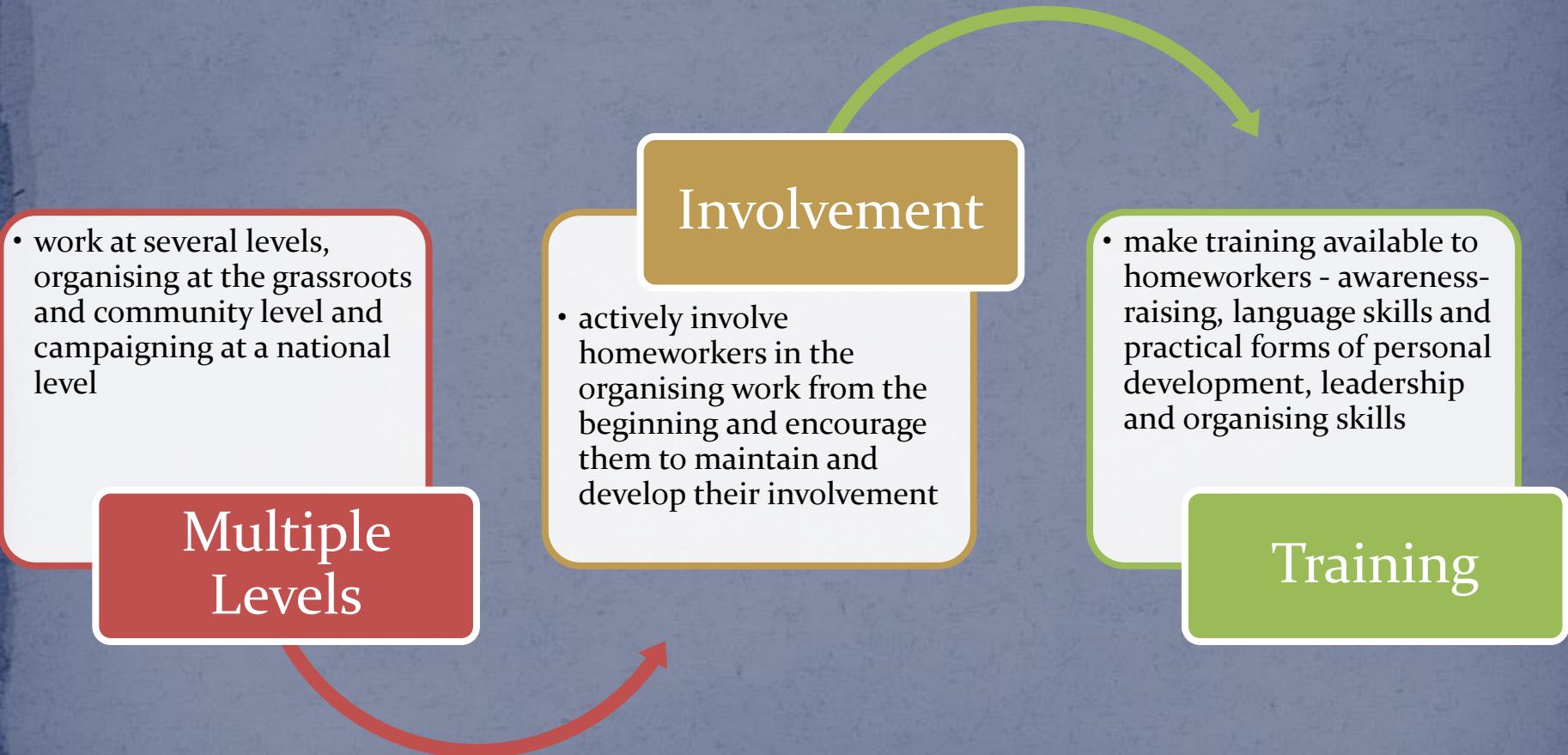
Successful Approaches



Successful Approaches



Successful Approaches



The Challenge & Target in Front

Making visible the “invisible” homeworkers and improving their working conditions and rights

- Global supply chains have proliferated as an increasingly common way of organizing cross-border production and trade in the global economy, contributing positively to economic growth, job creation,
- Poverty reduction, entrepreneurship and facilitating transition from the informal to formal economy.

- Failures at different levels within global supply chains lead to serious decent work deficits, particularly for those workers at the bottom of the supply chains.
- In increasingly complex supply chains where there are many intermediaries, workers in the lowest tiers are often not visible to the brands they produce for or to the eyes of consumers.
- The most vulnerable and marginalized tend to be the dependent outworkers, a majority of whom are women, who work in off-site facilities in their own homes or in small workshops or centres in their neighbourhood – the “homeworkers”.

What We Need

- To access workers' voices and generate evidence-based data and information on the employment relationships and working conditions of home workers in selected global supply chains,
- To strengthen the capacity of key stakeholders to promote decent work and contribute to the development of ethical and sustainable supply chains.

A blue-toned photograph of a woman with short hair and glasses, wearing a patterned dress, operating a large wooden loom. She is focused on her work, pulling threads through the loom's harness. The loom has many vertical threads and a complex wooden frame. The background shows a window with a grid pattern.

Thank You!