

## **DRAFT NATIONAL POLICY FOR HOME-BASED WORKERS IN INDIA**

**(Version 4 – Prepared by HNSA after incorporating the suggestions received at the HNSA – WIEGO workshop on 7<sup>th</sup> & 8<sup>th</sup> March, 2017)**

### **1. INTRODUCTION**

- 1.1 The Government of India is committed to inclusive growth, where the benefits of development also reach the last person in the remotest village or most inaccessible informal urban habitation of India. Economic development of the country is to be measured not only through the rate of growth of Gross National Product but also by its impact on the growth of per capita income of the lowest income group. Poverty and insecurity haunt a large number of our population. In addition to low income; illiteracy, ill health, gender inequality, and environmental degradation are all aspects of being poor. In order to address the multi dimensional nature of poverty and to reach the human development goals to all, the informal economy, of which home-based workers are an integral part, can not be ignored.
- 1.2 The Constitution of India provides a strong mandate as the basis of this Policy. Article 14 of the Constitution provides all citizens equality before law, while Article 19 guarantees freedom of speech, expression, association and the right to practice any profession, trade or business, as fundamental rights. The Directive Principles of State Policy provide for creation of a social order for the promotion of welfare of the people. Article 39 provides for certain principles of policy to be followed by the State with regard to (a) equality of men and women in so far as right to adequate means of livelihood is concerned; (b) ownership and control of the material resources of the community to be so distributed so as to subserve the common good; (c) it seeks to ensure that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment; (d) that there is equal pay for equal work for men and women; (e) that the health and strength of workers, men and women and the tender age of children is not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength. Article 41 requires the State to create conditions for the right to work, to education and to public assistance in certain cases. This is given further strength through Article 42 which provides for just and humane conditions of work and maternity relief. Article 43 requires the State to endeavour to secure by suitable legislation or economic organization or any other way, to all workers, agricultural, industrial or otherwise, work, a living wage and conditions of work ensuring citizens a decent standard of life and also to promote cottage industries on an individual or cooperative basis in rural areas.
- 1.3 The Government of India is a signatory to a number of international conventions of the United Nations, like Convention on Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action, and forty-seven ILO Conventions (of which 38 are in force) and one Protocol.

Further details on these conventions can be found on the ILO website, [here](#).

Government of India's endorsement of the 2030 Sustainable Development Goals further reinforces its commitment to, amongst other things, addressing poverty & hunger, gender equality, decent work & economic growth, good health & well being and quality education. International Labour Organisation's Convention 177 on Home Work will be reviewed and considered for ratification.

## 2. THE CONTEXT

- 2.1 Home-based work in India: The unorganized sector workers of the informal economy are the largest section of workers in our country at 93%. Within this sector, home based worker refers to the general category of workers who are involved in the production of goods or services directly for the market, or for an employer, in his/her own home or other premises of his/her choice other than the workplace of the employer, for remuneration, irrespective of whether or not the employer provides the equipment, materials or other inputs<sup>1</sup>. With 37.4 million<sup>2</sup> home-based workers in India (2011-12), home-based workers are a substantial and stable segment of the large informal economy in India. The number of home-based workers increased significantly, from 23.3 million in 1999-00 to 31.0 million in 2004-05 and 37.4 million in 2011-12<sup>3</sup>. Home-based workers are thus a significant and increasing part of the Indian labour force. Though the number of home-based workers is on the rise, the days of work available and its regularity are decreasing. Though there are more men than women home-based workers, home-based work is an especially important source of employment for women; as 36.7 per cent of all women non-agricultural workers are women home-based workers<sup>4</sup>.
- 2.2 Home-based work is diverse and is found across industrial sectors, ranging from traditional embroidery, weaving and tailoring to electronic and telework. Home-based workers may work in the new economy (eg. assembling micro-electronics or automobile parts) or the old (eg. weaving, carpet making, *beedi* rolling). They are involved in a variety of work like basket / mat weaving, spinning and weaving, tailoring, embroidery and embellishment of garments, shoe making, *beedi* (small cigarettes) rolling, iron chain making, packaging of products, *agarbatti* (incense stick) rolling, making of chemical cleaning agents and soap, candle making, bangle making, football stitching, food processing, electronic assembly, jewelry making, traditional painting, production of handicrafts etc.
- 2.3 There are two types of home-based workers: Piece-rate / subcontracted workers and Self Employed / Own-account workers. Piece-rate /subcontracted workers, also called home workers receive work from subcontractors or intermediaries, an employer, a trader or a firm and are paid a piece rate, according to the items produced. These workers do not have any direct contact with the markets for the goods they produce. With globalization and an increase

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<sup>1</sup> Derived from definition given by Independent Group on home-based workers, set up in Ministry of Statistics and Programme Implementation, Government of India, in 2009

<sup>2</sup> National Sample Survey Organisation, India 20011-12.

<sup>3</sup> National Sample Survey Organisation, India 1999-2000, 2004-05 & 20011-12

<sup>4</sup> National Sample Survey Organisation, India 2004-05

in the informal sector, these workers are fast increasing. Self Employed / own-account workers are workers who are generally in direct contact with the market and they buy their own raw materials and sell their own products.

They face competition from larger corporate houses and often do not have access to credit, except at exorbitant rates of interests. It is often difficult to make a sharp distinction between the two types of home-based workers as many own-account workers are economically dependent on outside forces, while many women do both kinds of work depending on what is available.

2.4 Each category of home-based workers has specific challenges that need different types of services and policy support: (1) The sub-contracted homeworkers are more vulnerable to harassment and exploitation by suppliers and contractors/employers and often lack skills to bargain for and negotiate regular work orders, higher piece rates, and regular payments for work done without unfair and arbitrary cuts in wages. They are also paid much less than their factory counterparts and production costs on transport, electricity, raw materials and equipment are often downloaded on them. (2) The self-employed or own account workers face specific challenges in accessing credit and marketing their products as they lack market intelligence, capacities to do costing of products and compete in product markets and also need to procure their own raw materials.

2.5 Some characteristics of home-based workers are:

- Home-based workers contribute significantly to their family income and also to the global and national economies and are linked to the formal economy through value chains, and local markets.
- They are not generally incorporated into national and global data collection systems or into development agendas and programmes and, thus, both their work and their contribution remains invisible and unrecognized and also their needs and concerns often remain unaddressed.
- Home-based work is an important source of employment, especially for economically and socially disadvantaged women, who work within the home, partly for cultural reasons: partly because they can combine work and family responsibilities and often because they can not find work in formal settings, outside the home.
- A majority of home-based workers, especially the women workers, are isolated, marginalised, discriminated against, voiceless and denied their rights as workers.
- They have limited access to social security, skill development opportunities, credit and markets.
- Their work is always undervalued and they are most often exploited and receive poor remuneration for their work.
- Home workers are often exploited and victims of irregular or cancelled work orders and wages, an unreliable supply of raw materials, delayed payments and unfairly rejected goods.
- For home-based workers, their homes are also their workplaces. But they are often of poor quality, small & cramped and lack basic infrastructure services (such as water, sanitation, drainage and electricity).

- Though they work from home, they are not home-bound as they have to travel to buy supplies and sell or deliver goods, and therefore incur expenses due to lack of affordable public transport services.
- Since the majority of home-based workers are women, they also have other domestic responsibilities, like of child and elderly care, cooking, washing, cleaning, collecting of fuel and water etc.

### **3. GOAL AND OBJECTIVES**

3.1 The goal of this policy is to empower home-based workers and especially women home-based workers to obtain decent work and lead a life of dignity, free of poverty and all forms of discrimination and exploitation, within the context of work.

3.2 The specific objectives of this policy are:

- To recognize home-based workers as ‘workers’ which will entitle them to be covered by all labour legislations and regulations, in force in the country, at any given time.
- To recognize the contribution of home-based workers to their families, community and economy of the country.
- To improve the earnings and working conditions, including social security of home-based workers
- To facilitate formation and sustainability of their own organisations / associations
- To improve their homes and environment, as these are also their work places
- To facilitate the transition of home based work from the informal to the formal economy.
- To create and manage tripartite mechanisms between employers/contractors, government and workers for addressing issues of home workers

### **4. POLICY PRESCRIPTIONS:**

#### ***4.1 Recognition of home-based workers as ‘workers’:***

- The Government recognizes that ‘home-based worker’ refers to the general category of workers who are involved in the production of goods or services directly for the market, or for an employer, in his/her own home or other premises of his/her choice other than the workplace of the employer, for remuneration, irrespective of whether or not the employer provides the equipment, materials or other inputs. Further that there are two basic categories of home-based workers: those who are self-employed / own account workers and those who are sub-contracted / piece rate workers (called homeworkers) and that the majority of home-based workers are women. It is further recognized that all home-based workers are ‘workers’ which will entitle them to be covered by all labour legislations and regulations, in force in the country, at any given time.

#### ***4.2 Recognition and prioritisation of home-based workers, in poverty reduction and women’s empowerment strategies:***

The Government recognizes that poor home-based workers contribute significantly to their family income security as well as to local and national economies. Therefore, home-based workers will be prioritized within poverty reduction and women's empowerment initiatives and programmes of governments.

### ***4.3 Visibility and Statistics of home-based workers:***

- 4.3.1 In order to facilitate evidence based policy and programme formulation and acknowledging the maxim, 'If you don't get counted, you don't count'; it will be ensured that statistics of home based workers will be collected (a) on a regular basis and not as a one off National Sample Survey module (b) by adopting the official international statistical definition / Expert Group of Ministry of Statistics (2008) definition of 'home-based workers' (c) ensuring that national surveys include a question on 'place of work' and 'source of work (contractor/firm or self)' so that the distinction between self-employed own account home-based workers and subcontracted home workers becomes clear and (d) promoting efforts to measure HBW's contribution to the local economy (cities and villages) as well as national economy and exports.
- 4.3.2 In order to recognize home-based workers as workers and provide them an identity as workers, so that they have a claim to labour rights, home-based workers will be registered at the sub-national level, with the appropriate authority, by obtaining a Unorganised Worker's Identification number (UWIN card), / Artisan card / Bidi Workers ID card or any other appropriate identification.

### ***4.4 Organizing home-based workers and giving them agency:***

- 4.4.1 As home-based workers work from home, they are poorly organised and hence lack bargaining power. For harnessing the productive capabilities of this vast labour force of home-based workers, it is essential that they are organized.
- 4.4.2 There are many different types of organizations that work with and for home-based workers. The trade unions have great potential, despite the fact that the trade union movement in India does not really cover the informal sector. The trade unions find it difficult to organize home-based workers due to lack of clear 'employer-employee' relationship or a continuous 'employer-employee' relationship. Additionally, regulatory issues make it difficult to register trade unions of informal sector workers. Despite these challenges, there are some trade unions that work exclusively with the informal sector, including home-based workers. Another form of organization of home-based workers is that of a cooperative. There are a large number of co-operatives of home-based workers in the country. Co-operatives are people's organizations, which promote and generate women's employment for those who do not have bargaining power in the labour market and are placed at a lower level in the economic hierarchy. Trusts and Societies too sometimes function with the 'spirit of cooperatives', though not registered as cooperatives. Self Help Groups (SHGs), many of them with women home-based workers who are involved in micro-finance are another form of organisations. Facilitating the organizing home-based workers into membership-based organizations is

most challenging due to the nature of home-based work. Even though home-based workers are organizing in different forms of organizations, their movement lacks visibility and voice.

- 4.4.3 In light of the above, Government will encourage and support the setting up of membership-based organisations of home-based workers, especially trade unions, cooperatives, federations and associations. Registration and organizational development (particularly in the initial phases) will be fostered.
- 4.4.4 Home-based workers will have the right to establish and/or join organisations of their choice and participate in their activities They will also have the right to collective bargaining.
- 4.4.5 In order to promote the agency of home-based workers, organizations of home-based workers will be given representation at the policy making and planning stages, especially at local (rural and urban) level. This will help to mainstream their concerns and engage them in planning, implementation and monitoring of programmes/activities that concern them.

#### ***4.5 Capacity Building and reaching skills and technology to home-based workers:***

4.5.1 Most artisans have unique skills that have been passed down over the centuries. The tools used by these workers are usually also traditional ones, which have not had the benefit of modern technology. With rapidly changing markets they need to build on their traditional skills and incorporate modern techniques and technology. Today there exist many new machines and tools, which at a small cost will greatly enhance the productivity of these home-based producers. At the same time changing markets require that the producers upgrade their skills and adapt them to the new markets. For example, garment making for export markets requires a range of sophisticated cutting and sewing machines. Most small units in the unorganised sector operate with simple sewing machines capable of doing mainly one or at most two kinds of stitches. This reduces the productivity and also limits the nature of markets to which the sector can cater. Reaching skills and new technologies to home-based workers and enhancing their capacities to manage their time and work will be given priority and encouraged both in the government as well as non-governmental sectors.

4.5.2 In order to facilitate the process of reaching these skills and technology to the home-based workers, the following are some of the **strategies /actions** that will be encouraged and taken:

- i. Identification of clusters where a large number of home-based workers of one type of trade live.
- ii. Surveys of the numbers and levels of skills and technologies of these workers, with a special attention to women workers.
- iii. Needs assessment of skills and technology required by these workers.
- iv. Special schemes for reaching modern technology/machines to these producers.
- v. Training on design development, product diversification, display, quality control.
- vi. Setting up and running of technical training schools, close to those who need it.
- vii. Setting up and running entrepreneurial training schools
- viii. Introduction of new market oriented skill development courses in Industrial Training Institutes and at the secondary-school level.
- ix. Developing market information centres for the clusters.
- x. Employers/companies to invest in skills trainings and access to technology for home-based workers.
- xi. Capacity building of home-based workers for organizing, leadership, negotiating/collective bargaining.
- xii. Research and development will be promoted to create an evidence-base for better policies and conditions of work for home-based worker

#### ***4.6 Home as a workplace:***

4.6.1. For a home-based worker her home is her workplace. Their homes are most often small, cramped, badly lit and badly ventilated and lack basic civic amenities. Shelter deficiencies often exert huge pressures on home-based workers. Frequent evictions and insecurity of tenure adds to their vulnerability; and overcrowded housing means reorganizing space for different activities and limiting her work opportunities. Upgrading her home and provision of civic amenities like electricity, water supply, sanitation and waste management will lead to increased productivity and increased earnings.

4.6.2 Improving housing and civic amenities for the home-based worker is therefore critical for her as a producer. Some of the **strategies and actions** that will be taken, in consultation with home-based workers and with their active participation, to ensure their concerns are addressed are given in the box below:

#### 4.6.3

- i. In situ upgradation of slums will be preferred rather than relocation, as eviction and relocation destroys livelihoods for home-based workers. However, when relocation is inevitable, home-based workers will be involved in designing of the houses, which match their livelihoods needs. In-situ development in smaller cities and towns will be horizontal rather than vertical with multi-level buildings.
- ii. Affordable housing for economically weaker sections will be designed keeping the livelihood needs of home-based workers, eg: pottery workers, cane weavers and incense stick rollers would need more open spaces and storage space for their activities. In multi-level building, basements could be developed as workspace for home-based workers.
- iii. Promoting formation of housing clusters for home-based workers, wherever possible.
- iv. Promoting community workspaces for home-based workers along with child care centers (day care and not only anganwadis), where there is a concentration of home-based workers.
- v. Specialized/focused and subsidized provision of basic infrastructural facilities like water, sanitation, drainage and electricity for home-based workers.
- vi. Basic infrastructure will be individual and not shared, eg: individual water taps and individual toilets, as far as possible.
- vii. Introduction and strengthening of subsidy schemes for providing/upgrading housing as well as basic infrastructure for home-based workers. Housing subsidy will be increased to INR 1.5 lakhs for women home-based workers under Prime Minister Awas Yojana.
- viii. Provision of new/better loan products allowing for housing purchase/construction or upgrading for home-based workers, including through HUDCO, HDFC, etc.
- ix. Housing finance for poor home-based workers will not be linked to proof of land ownership.
- x. Urban planning and zoning will be sensitive to and allow for residential zones to also be used for small-scale production / trade carried out by home-based workers. (Studies have shown that over 40% of all houses in poor areas are also production centres). Mixed zoning will be promoted, wherever possible.
- xi. Government will encourage and promote energy audits, training for workspace management and for clean and safe houses to manage higher productivity and output.



- xii. The government will promote NGOs/ trade unions/ cooperatives of home-based workers in building the capacity of home-based workers to be able to access housing programmes and schemes.

#### 4.7 *Social Security*

- 4.7.1 In India, regularity of work and living wages remain the top priorities for home-based workers. Bringing home-based workers into the social security net is a way of achieving both these. While the compensatory approach is usually the norm, e.g. lump sum compensation on disability or death, the ideal situation would be when social security basket includes items that cater to the needs of women workers. The broadening of the notion of social protection to include shelter, living wages, food security, and child care concerns is seen to be a preventive and more progressive step to gendering the social protection agenda.
- 4.7.2 Typically, home-based workers in India have little or no legal and social protection, and/or minimal or no workers benefits. However, all home-based workers, whether self-employed or piece-rate sub-contracted workers need to be covered by some form of social protection and keeping in mind the circumstances in the country, the minimum coverage will be life insurance; disability benefits; maternity benefits; old age pension; health insurance/health care, housing and child care. Normally, childcare assistance is not considered essential for women who work from home. However, it is proven to increase the productivity and quality of work done by home-based workers. It also ensures that children are not forcibly exposed to their parents' work environment which can often be harmful, for example in the beedi rolling trade. From a gender lens, establishing childcare centres is a step towards creating the consciousness that childcare is a collective responsibility and not an individual task which is the responsibility of the mother alone.
- 4.7.3 The present progressive Social Security Code which recognizes home-based workers as a separate category of unorganized sector workers, will be effectively used after suitable amendments and details are worked out.

#### 4.7.4

Possible strategies will include:

- i. To start with, the details to operationalize the Social Security Code which recognizes home-based workers as a separate category of unorganized sector workers, will be worked out. The process for registration and redemption of the various benefits in the Social Security Code will be clearly spelt out. Verification by an employer or contractor will be avoided, due to the temporary and sometimes exploitative nature of both.
- ii. The strategy will be to keep welfare schemes separate from social security schemes so that intended beneficiary groups can be better targeted.

- iii. Since home-based workers are not a homogenous group, social security needs of home-based workers in different geographical areas and trades will vary, the strategy should be to create a broad and inclusive social security basket, keeping in mind their different needs.
- iv. For any social security schemes that will address the needs of women home-based workers, social and familial context becomes extremely important to ensure access. The strategy will be to recognise the gender relations between men and women at the household and community level and target transfers or services for women in order to ensure that they benefit both theoretically and practically.
- v. Difficulty in identifying the employer is a major obstacle to introducing contributory social insurance schemes. While in the case of self-employed workers there is no employer, in the case of home-workers the employer is either unknown/changes frequently. Additionally there is also the issue of the grey area between self-employed and piece-rate worker, that exists for many home-based workers. Innovative approaches to solve this will be adopted.
- vi. Critical evaluation of the existing social security funds and schemes running for various categories of informal workers as well as pilots/projects being run by NGOs will be undertaken to identify successful ones that can be used as models /templates to determine interventions for home-based workers.
- vii. Since the government machinery alone can not reach the last home-based worker, civil society organisations and NGOs will be involved as partners to ensure last mile delivery of social security to them.

#### **4.8 Occupational Health and Safety (OHS)**

4.8.1 Lack of occupational health and safety, which is concerned with protecting the safety, health and welfare of people engaged in work or employment, is a key cause for concern for home-based workers. Regardless of the nature of their work, all workers should be able to carry out their activities in a safe and secure working environment, free from hazards, which lead to injury, disease and even death. Since home-based workers work from home, in an unregulated, informal environment, they are often exposed to hazardous and toxic substances, working long hours in badly lit, badly ventilated spaces and sitting in harmful postures, without any protective gear. This not only affects their health and well being but also negatively affects their productivity.

4.8.2 In order to address OHS issues, **strategies** would include:

- i. Awareness campaigns on OHS issues will be promoted and supported both amongst home-based workers themselves as well as contractors/employers.
- ii. Contractors/employers, where they have been identified in the case of home workers, will be mandated to ensure OHS and provide protective gear.

- iii. Research and development (R&D) will be promoted and supported to improve conditions in which home-based workers work and to reduce hazards, injury, disease and death.

#### **4.9 Gender based violence:**

Gender based violence (GBV) is a global phenomena: it occurs in every country and society. It happens in public as well as private settings and home-based workers are no exception. The home is not necessarily a safer space for women. Besides women often have to travel to procure raw materials / orders and sell their products or hand in contractual work that they have done. Both women and men are subjected to GBV; though it is significantly much more prevalent against women, especially marginalised poor home-based workers. Violence is perpetuated by contractors and suppliers and also by family members. Women are already vulnerable by being isolated poor home-based workers, often with no negotiating powers and violence against them further worsens their condition. This affects their physical and mental well-being as well as their productivity as workers.

Besides the regular initiatives of government and non-government bodies, special actions and programmes will be promoted to combat gender based violence, especially against women home-based workers who may require slightly different treatment. Zero tolerance to violence against women will be the ultimate goal.

#### **4.10 Financial and Digital Inclusion for home-based workers:**

- 4.10.1 Financial inclusion can broadly be said to be the capacity and access of an individual to raise financial resources, to earn an income, to safeguard the same, to use, transfer or invest one's income for a further benefit or purpose, to protect it from risks and the like. It is the delivery of financial services at an affordable cost to hitherto unbanked environments, especially the low-income and under-privileged<sup>5</sup>. It's a universally accepted fact that affordable access to financial services helps poor households plan for routine expenses, cope with sudden external shocks, better cover unanticipated expenses and also contribute to better access to more stable and productive activities and that the financially excluded sections should be provided with products which are customized to their needs. Home-based workers, like most of the poor in the country are victims of financial exclusion. Financial inclusion has been part of the Government's agenda for some time now; and with India's efforts to move to a 'cash less' or 'less cash' economy, financial inclusion assumes even greater significance for home-based workers.

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<sup>5</sup> Financial inclusion - Building a success model in the Indian context Hema Gwalani a , Shilpa Parkhi b \* a  
ABS Nasik, Maharashtra India \*b Symbiosis Institute of Operations Management (SIOM), Symbiosis  
International University (SIU), Nashik

4.10.2 Some of the **strategies/ actions** that will be taken to promote financial inclusion include:

- i. Promotion of and support for continuous financial literacy initiatives, (keeping in mind the specific circumstances of home-based workers), which is an important tool and a first step for financial inclusion. If financial inclusion has to succeed, the banks will also have to make upfront investment in financial literacy and financial counseling, which becomes a market investment for banks in the long run.
- ii. Provision of affordable and accessible bank credit. If financial services have to be availed by home-based workers, they have to have sufficient income itself. This can be addressed by providing sufficient income opportunities and bank credit can become the source of it but only if it is seen as a business model and not as an obligation to be fulfilled. The banks should be given enough space to select the appropriate model suitable to the working conditions of the bank.
- iii. Adopting appropriate delivery models keeping in mind the needs of the poor as well as the viability of the model, is key. What is needed is a complete eco system with products/supply chain focused credit facilities and payment instruments.
- iv. Using mobile banking which has the potential of dramatically changing lives, through various hand-held mobile devices and other technologies that reduce cost and have the ability to record banking transactions and to communicate the record of such transactions using the internet.
- v. Simultaneously promoting micro-finance institutions as the potential demand for micro-loans is huge and is still largely untapped. Transparent and proper regulation of cooperatives will be strengthened as this goes a long way in furthering financial inclusion and overcoming the inherent shortfalls of cooperatives.
- vi. Encouraging and incentivising payments to be made using banking channels, which will amongst other things help to safeguard home-based workers earnings, ensure greater transparency and accountability vis-a-vis suppliers, contractors and buyers.
- vii. The Banking Correspondent (BC) Model will be encouraged and incentivised.

#### ***4.11 Housing Finance***

4.11.1 Home is the workplace and therefore it is essential to facilitate that every home-based worker has a home. Since most home-based workers come from economically weaker sections of society, housing finance becomes crucial.

#### 4.11.2 Some **strategies** in this regard would include:

- i. Finance would be extended for purchase of low-cost homes as well as home improvements. Credit Linked Subsidy Scheme (CLSS) must consider a home enhancement as a subsidy entitlement.
- ii. Patient funding, as in with longer repayment terms, at low interest rates, would be made available for home loans to home-based workers.
- iii. Home as the asset would be in the name of the woman or at least in joint names with her.
- iv. Governments need to allocate special earmarked funds so that institutions can extend credit for financing homes and/or their improvement. Moreover, since women rarely have land agreements and revenue records in their name it is hard to avail the subsidy. The cost of funding is often very burdensome for financial institutions and it not viable for them, so, special funds need to be allocated so that institutions could extend loans at lower rates of interest.

#### 4.12 ***Digital Inclusion***

4.12.1 ‘Digital inclusion’ is the ability of individuals and groups to access and use information and communication technologies<sup>6</sup>, basically the mobile phone and the internet. Digital Literacy which is the first step in this direction, is the ability to use information and communication technologies to find, evaluate, create, and communicate information, which requires both technical and cognitive skills<sup>7</sup>. The potential economic benefits of digital inclusion for home-based workers include improved basic education levels; increased employment / income earning opportunities due to greater possibilities of networking and linking with raw material suppliers, other home-based workers and their organisations, suppliers/contractors and markets (both on line and physical) and improved access to information and services related to health, social security, housing, education and grievance redressal.

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<sup>6</sup> *“Building Digital Communities: A Framework for Action”, 2011*

<sup>7</sup> *Digital Literacy Task Force of ALA, 2011*

#### 4.12.2 In the view of the above,

- i. **Strategies** for internet and technology *access* will include
  - a. Providing public access computers, at local level,
  - b. Providing free WI-FI hotspots at selected locations like panchayat ghars, and community centres.
  
- ii. **Strategies** for Technology and internet *use* will include
  - a. Digital literacy and other technology training at local level focusing on the requirements of poor home-based workers;
  - b. Organising and supporting technology fairs focused on community members sharing and teaching each other
  - c. Civic engagement training that teaches home-based workers how to engage online with government and NGOs to access information and services/schemes.

#### ***4.13 Special policy prescriptions for self employed home-based workers:***

##### ***4.13.1 Access to markets for self employed home-based workers:***

Many self employed, own account home-based workers do not have direct access to markets and often have to sell to whole sale traders. Since the producer is not able to reach the final market, she does not get a good price for her product. Furthermore, since the producer does not have a direct contact with the consumer she is unable to properly understand the needs of the market. Many home-based producers are still producing for a low-value markets. Often they may have better skills, but they are unable to utilise these skills as they have no access to the higher value markets. It is therefore important to ensure that these small producers get direct access to markets.

14.13.2 To ensure that small producers get direct / better access to markets, Government will encourage, promote and where possible take the following steps:

- i. Sponsor exhibitions and buyer-sellers meets, for small producers/home-based workers.
- ii. Provide spaces in markets and shopping centres for home-based workers.
- iii. Link small producers and large retailers.
- iv. Link home-based workers with Chambers of commerce and industry for marketing and technical support.
- v. Provide exemption in taxes and export and import duties on the products made by home-based workers.

- vi. Promote the usage of home-based workers products in Government offices.
- vii. Promote partnership with corporates to market home-based workers' products.
- viii. Liberalize trade of hand made products – by removing tariff and no-tariff barriers.
- ix. Promote collective enterprises of home-based workers.
- x. Provide access to Information Technology that will enable the home-based workers to connect to the latest developments in technology and markets and give them the opportunity to improve their competitive position.
- xi. Encourage and support online marketing of products of home-based workers.

#### **4.13.3 Access to Credit:**

Credit is often a major need for the own account workers and having no access to institutional credit, they end up paying high interest rates, and are therefore unable to expand their businesses. Presently there is a big push towards financial inclusion of the poor and marginalised sections of society towards banking and expansion of credit availability for the poor which will be continued and further strengthened.

4.13.4 The main **strategy** in this regard will be for Government to continue to encourage the growth of micro finance organisations and institutions as well as promote the mainstream banking institutions to practice “financial inclusion”. Institutions such as SIDBI and NABARD will be encouraged to expand their reach to include home-based workers.

{Also see 4.10.2}

#### **4.13.5 Raw Materials:**

Many home-based workers use raw materials which are found in forests or other lands under the control of Governments. There are often special conditions and restrictions which govern the sale of such products which include bamboo; different types of grasses, reeds, *tendu pattas* etc. which impacts home-based workers very adversely. The Government policies for such products will be reviewed with a view to provide the raw materials directly to producers at reasonable prices.

#### **4.14 Safeguarding and empowering the sub-contracted home worker:**

4.14.1 In this growing environment of globalising, opening up of the economy, and proliferation of domestic and global supply chains, it is imperative to safeguard the rights and interests of

the home workers who are the bottom of global and domestic supply chains. They face both opportunities and threats. This Policy seeks to help them to take advantage of the opportunities and minimise the threats. Possible strategies to this end are given in the box below.

**4.14.2 The ILO Convention 177 for home work, will be adopted where relevant, especially with regard to the following:**

- i. Mapping of domestic and global supply chains will be promoted in partnership with companies and home-based workers organisations.
- ii. Piece rates will be fixed for the different activities carried out by home workers, in order to ensure a living wage or at least a minimum wage by linking it to statutory minimum wages determined by state governments. While determining the living wage or minimum wage, production costs and risks of the homeworkers will be taken into account. However, Government will work towards a more equitable, living wage in the future.
- iii. Written, transparent and clear contracts, which must be mutually agreed on by the workers and the contractor/employer will be mandatory.
- iv. Record/Pass books which clearly show the dates and details of raw materials and work given by the contractor/employer to the home worker as well as the dates and details of finished products received back from the home worker and the payment made for the same along with the date of payment will be made mandatory. Reason for deductions and/or delays must also be clearly stated. All entries in the pass book must be signed by both parties.
- v. In many households, only the “head of household” usually the male member is registered with the contractor, while the rest of the members of the household - the unpaid family workers are the ones who actually do the work. All workers in a household must be registered and receive record/pass books.
- vi. Employers must undertake overall responsibility for the registration and performance of contractors and hold them accountable for ethical practices.
- vii. A dispute settlement mechanism will be set up at district level, with representatives of the workers, the employers and government in the labour department to resolve disputes.
- viii. Trade-wise, tripartite boards will be set up with fair representation from Government, employers, and workers, at the appropriate level.



## **5. Implementation Mechanisms:**

- 5.1 A number of different stakeholders will be involved in creating the right environment, operationalizing and implementing this policy, either directly or indirectly. These stakeholders include, but are not limited to, different departments of the government both at the central, state and local levels, elected representatives, organisations of home-based workers, financial institutions, training institutions, trade unions, private companies, suppliers/contractors that source from home workers, multi-lateral (UN) and bi-lateral organisations, media and NGOs.
- 5.2 There will be a continuous process of creating awareness and appreciation of home-based workers, their contribution, their concerns and their rights, amongst all the stakeholders mentioned above. Different strategies like seminars, workshops, meetings, campaigns, exposure dialogue programmes and evidence based advocacy will be adopted and supported to suit the occasion.
- 5.3 In order to facilitate the operationalization of this policy, 'Inter-sectoral Committees for Home-based Workers', chaired by the Secretary of the Ministry/Department of Labour will be set up at the centre and in each state, with membership from all the stakeholders.
- 5.4 In the first year after this policy is adopted, the Inter-sectoral Committees for Home-based Workers (in the centre and in the states) will prepare short term (upto 2 years), medium term (upto 5 years) and long term (10 year) action plans, clearly indicating targets, indicators, financial resources, organisation responsible and outcomes. Thereafter, based on this, these inter-sectoral committees will prepare annual plans of action to determine realistically what aspects of the policy can be taken up each year, both at the central and state levels. The Inter-sectoral Committees can set up sub-committees to deal with specific issues like housing, social security, statistics, wages and the like.
- 5.5 Progress of implementation of the Plan of Action will be reviewed annually by the Ministers of Labour, with the Inter-sectoral Committees for Home-based Workers at the Centre and in the States.

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