WORKING IN GARMENT SUPPLY CHAINS: A HOMEWORKER’S TOOLKIT SOUTH ASIA

Author- HomeNet South Asia (HNSA)
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List of Abbreviations

BDT - Bangladeshi Taka
C177 - Convention 177
CBO - Community Based Organisations
ESI - Employee State Insurance
HBW - Home-Based Workers
HNSA - HomeNet South Asia
HW - Homeworker
ILO - International Labour Organization
INR - Indian Rupee
LSST - Lok Swasthya SEWA Trust
NPR - Nepalese Rupee
MHT - Mahila Housing SEWA Trust
OSH - Occupational Safety and Health
PKR - Pakistani Rupee
PPE - Personal Protective Equipment
SAVE - Social Awareness and Voluntary Education
SEWA - Self Employed Women’s Association
SHG - Self Help Groups
TNC - Trans National Companies
UHC - Universal Health Coverage
WIEGO - Women in Informal Employment: Globalizing and Organizing
Definition of Key Words

**Contract**
A written agreement that is enforceable by law.

**Contractors / Intermediaries / Agents**
Contractors are individuals or small companies hired by suppliers or sub-supplier factories on a contract or piece-rate basis. They are not considered as employees. They organise part of the production process that is beyond the factory level. They may directly interact with concerned actors or hire a sub-contractor to complete certain tasks on their behalf.

**Domestic Worker**
A person who is employed to perform work in or for a household or households. Domestic workers work in other people’s homes for a wage.

**Employer**
Employers are workers who either work on their own account or with one or more partners. They hold what is considered as a ‘self-employment job’ in which their earnings are dependent on the profits derived from the sale of goods or services produced. As part of their work, they also engage labour on a continuous basis, hiring one or more persons to work for them as employees.

**Hazard**
A situation that has the potential to cause adverse health effects, injury, or damage to someone or something.

**ILO**
International Labour Organization (ILO) was established in 1919. It is headquartered in Geneva, Switzerland. The ILO is an international organisation that is part of the United Nations. It brings together governments, trade unions, employers and workers from 187 member States to set labour standards, develop policies and programmes, and promote decent work for all.
ILO Convention
ILO Conventions are international labour standards. They are legal instruments that set out the basic principles and rights at work. They are legally binding international laws created together by representatives of governments, employers and workers. Once a Convention is adopted, members of the ILO are encouraged to ratify it.

Informal Economy
The informal economy is made up of the informal sector and informal employment. It consists of a diverse set of economic activities that are taken up by workers and economic units. These activities are – in law and in practice – not covered by or are insufficiently covered by formal arrangements.

Informal Employment
It refers to all informal jobs, whether carried out in formal sector enterprises, informal sector enterprises or households.

Informal Sector
It refers to employment and production that takes place in unincorporated small or unregistered enterprises.

Legal Protection
Protection of informal workers, including homeworkers, through an official, country policy.

Sub-Contractors
A sub-contractor is hired only after a contractor has been hired by the supplier or sub-supplier. It is the contractor who engages the services of the sub-contractor and the sub-contractor works directly for the contractor and not for the supplier or the retail company. Contractors and sub-contractors are also referred to as intermediaries or agents.

Social Compliance
It is a code of conduct that intends to protect labour and environment interests. The code of conduct guides businesses to set working standards that revolve around the fair treatment of employees, their wages, working hours and conditions, and environmental laws.

Social Enterprise
It is a for-profit entity that empowers women by leveraging market forces and existing assets to provide them with work and income opportunities. The entity can take on a variety of legal forms enabling women beneficiaries to become both owners and decision makers in cooperatives, producer companies and private limited companies. Its main aim is not profit maximization but strives to create social impact.
Sub-Supplier
It refers to a supplier who provides goods and services to another supplier who then supplies to another distributor or retailer for resale.

UN Guiding Principles of Business and Human Rights
It is an authoritative global framework that seeks to prevent the adverse impacts of business on human rights. It puts down standards for both States and businesses and outlines their duties and responsibilities when it comes to tackling human rights risks that are linked to business activities.

Violence and Harassment
It refers to a range of unacceptable behaviours, practices, or threats that occur either once or repeatedly and results in physical, psychological, sexual or economic harm. It also includes any form of violence and harassment that is directed towards a person or persons due to their gender or sex.
Introduction

“I make clothes that sell in fancy stores. I am told some of the products that I make go to foreign lands. Though I don’t know. I am provided these t-shirts by a contractor, who lives five blocks away from my own home. I stitch the t-shirt sleeves and give it back to the contractor. He pays me by the piece. I get paid one rupee for every t-shirt I stitch. I don’t negotiate because I at least get work, with which I pay my children’s school fees. If I demand for anything, I may not get any work in the future. The contractor says that he himself doesn’t make enough money. I am sure it is these big factories that make all this money. Who knows?”
-Homeworker (from South Asia)

“I weave on these handlooms. I learnt it from my mother and she from hers. We used to only weave sarees but now the trends are changing and I am weaving a scarf. This scarf will go to America. I am told this by my husband, who gets work from contractors. My husband doesn’t weave, I do. He only gets the raw material and deals with the money matters. None of my children want to weave. They have all moved to the city and work as plumbers and domestic workers. There is no money in weaving. After I toil all day on the loom, my husband gets only seventy rupees. Nobody will ever know that I made this scarf, and, one day nobody will weave either.”
-Homeworker (from South Asia)

These voices of homeworkers resonate with the millions working in global and domestic garment supply chains in South Asia. They are an integral part of the garment production process. However, they remain invisible. Homeworkers are not recognised as workers, are paid extremely low piece rates, get irregular work, contribute to the cost of production, have no access to social security, face occupational safety and health issues and experience harassment and violence. Despite the challenges faced, homeworkers continue to work and many organise to achieve decent work.

This toolkit was designed in response to a demand by HNSA’s membership. It aims to offer an understanding on global and domestic garment supply chains, the issues faced within these supply chains and highlights existing legal instruments. It also presents good practices from the field and focuses on existing gaps. This toolkit is meant for trainers and organisers who are looking to train homeworkers in South Asia. This toolkit contains ten sections:

Section 1: Introduction to Homeworkers
Section 2: Key Issues Faced by Homeworkers
Section 3: Global Garment Supply Chain and Homeworkers
Section 4: Organising
Section 5: Minimum Wage
Section 6: Social Security and Social Protection
Section 7: Occupational Safety and Health
Section 8: Violence at the Workplace
Section 9: Child Labour
Section 10: Transparency and Traceability Tools
These sections can be used by trainers and organisers as resource manuals to create further training materials. During trainings, it can be used to supplement other materials on a specific issue or can even be used by itself. HNSA hopes this toolkit will be used by its member organisations for trainings as well as an organising tool. Global and domestic retail companies, governments, researchers, trade unions, multi-stakeholder organisations and other civil society organisations can use the toolkit to understand the issues faced by homeworkers and to promote a decent work agenda.

About HomeNet South Asia

HomeNet South Asia (HNSA) is a network of home-based workers’ organisations. It was initiated in the year 2000 by Self-Employed Women’s Association (SEWA), WIEGO and UNIFEM (now UNWomen). HNSA has its presence in eight South Asian countries namely, Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. It has 60 members, including, trade unions, cooperatives, producer companies and civil society organisations. HNSA aims is to build regional solidarity among home-based women workers so that they are empowered to lead a life that is free of poverty and are able to obtain decent work and social protection. HNSA’s work concentrates on 1) creating visibility for home-based workers and their issues; 2) ensuring that their livelihoods are secure; 3) assisting organising efforts in order to strengthen the collective voice of home-based workers; 4) working towards the inclusion of home-based workers in existing policies and laws as well as advocating for the implementation of national, regional and international policies pertaining to Homework; and 5) promoting home-based worker products in domestic and international markets.

For more information log onto HNSA’s website: www.hnsa.org.in
Who are Home-Based Workers?

Home-based workers are workers who produce goods and/ or provide services, from in and around their own homes\(^1\). There are approximately 100 million home-based workers across the world, of which 50 million are from South Asia\(^2\). Home-based workers are present in, both urban and rural areas. The majority of them are women workers.

There are two categories of home-based workers:

a) Self-Employed Workers:
Most self-employed home-based workers are own account operators who do not hire workers. However, they may have contributing family workers working alongside them. They buy their own raw materials and are involved in the production process from start to finish. They have direct contact with the market - making and retailing products or providing services from in and around their homes.

b) Sub-Contracted Workers:
They are also known as homeworkers or piece-rate workers. They are sub-contracted by firms, traders, organisations or their intermediaries. Homeworkers receive workers orders with specifications, are provided with raw materials, and are paid by the piece produced. They do not have direct access to the market. This means that they rarely know who their primary employer (or the retail company they produce for) is. And where the products they make are finally sold and at what price.
The table below differentiates between self-employed home-based workers, homeworkers and factory workers.

**Table 1: Type of Workers**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Home-Based Workers</th>
<th>Factory Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Self-Employed or Own Account Workers</td>
<td>Sub-Contracted or Piece-Rate Workers</td>
</tr>
<tr>
<td>Place of Work</td>
<td>Own home <em>(but sometimes they could work together in a common space, around their homes)</em></td>
<td>Own home <em>(but sometimes they could work together in a common space, around their homes)</em></td>
</tr>
<tr>
<td>Earnings</td>
<td>From sale of goods and/or services provided by the worker</td>
<td>For work done - usually on piece-rate basis</td>
</tr>
<tr>
<td>Means of Production</td>
<td>Self-acquired</td>
<td>Provided by contractor / employer</td>
</tr>
<tr>
<td>(A) Raw Material</td>
<td>Self-acquired</td>
<td>Provided by contractor / employer</td>
</tr>
<tr>
<td>(B) Workplace, Equipment, Electricity</td>
<td>Self-provided</td>
<td>Self-provided</td>
</tr>
<tr>
<td>Kind of Contract</td>
<td>No contract as self-employed</td>
<td>Usually unwritten/informal contract with contractor/middleman for work orders</td>
</tr>
<tr>
<td>Supervision</td>
<td>No supervision as self-regulated</td>
<td>Indirect supervision by contractor or no supervision</td>
</tr>
</tbody>
</table>
Home-Based Workers are not...

- Domestic Workers - domestic workers work in other people’s homes, while home-based workers work at their own homes.
- Unpaid Care Workers - Home-based work refers to remunerative work done from in and around homes, not unpaid care work.

This toolkit is designed specifically for homeworkers.

Key Trades in which Homeworkers are Present

While homeworkers work in the garment sector, they are also part of many other trades in South Asia. Find below a non-exhaustive A to Z list of trades in which homeworkers are present:

| A | Agarbatti Rollers (or Incense Stick Rollers) | F | Food Processors and Packers |
|   | Allo Weavers (or Nettle fibre weavers) |   | Football Stitching |
|   | Applique Embroiders |   | |
| B | Bidi Rollers (or Cigarette Rollers) | G | Garment Workers |
|   | Bangle Makers | Gum Makers |
|   | Block Printers | Glass Blowers |
|   | Box Makers | |
|   | Bead Workers | |
|   | Basket Weavers | |
|   | Bag Makers | |
| C | Chikankari Embroiders | H | Handloom Weavers |
|   | Cashew Roasters | Handicraft Makers |
|   | Candle Makers | |
|   | Carpet Weavers | |
|   | Chindi Quilt and Bag Makers | |
|   | Coaster Makers | |
| D | Dye Makers | I | Idol Makers |
|   | Dyers | Ironsmiths |
|   | Dung Cake Makers | Ikkat Weavers |
|   | Dhaka Weavers | |
| E | Electronics Assemblers | J | Jute Sack Makers |
|   | Embroiders | Jewellery Makers |
|   | Envelope Makers | |
| K | Kite Makers | Knitters |
| L | Leather Workers | |
|   | Lace Makers | |
|   | Large Cardamom Sorters and Roasters | |
|   | Launderers | |

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8
M
Marble Workers
Mattress Makers
Masala Packers

N
Net Makers

O
Oil Pressers

P
Papad Rollers
Paper Makers
Potters

Q
Quilt Makers

R
Rag Sorters
Rope Makers
Reed Weavers
Recycled Paper Products

S
Spice Pounders
Silk Thread Spinners

T
Toy Makers
Tie and Dyers
Tankha Painters
Tailors

U
Umbrella Makers

V
Vegetable Sorters

W
Waste Segregators

X
X-Mas Decoration Makers

Y
York Embroiders

Z
Zari Embroiders
Homeworkers in the Garment Sector

More than 60% of garment production in Asia is undertaken by homeworkers. Fast changing fashion seasons and trends have led to a demand for increased production that cannot be met by first-tier supplier factories alone. So, production is outsourced to sub-supplier factories, workshops, contractors and homeworkers. To cut down on production costs, work is also supplied to poorer countries – often in South Asia - where cheap labour is plentiful. In these countries, work is often outsourced to homeworkers for low wages and without any social security benefits. Homeworkers, in the global garment industry, remain at the bottom of supply chains and are often hidden.

In the garment sector, homeworkers take up a range of jobs. They are involved in embroidery, embellishments, stitching parts of the garment, attaching buttons and drawstrings, cutting threads, ironing, folding and packaging. They may be involved in more than one of these jobs or may stick to one, depending on work orders, availability of time and their skills. They are usually paid on a piece-rate basis by their contractors.

Homeworkers are usually contracted through a series of contractors and sub-contractors. They are generally unaware of their primary employer or the retail company for whom they are making the product. They are dependent on contractors for work and their work is often irregular, commanding low piece-rates. They are also subject to arbitrary rejection of finished goods and delayed payments.

The following chapters will discuss the different issues faced by homeworkers in more detail.
### Section 2: Key Issues faced by Homeworkers

<table>
<thead>
<tr>
<th>Lack of Recognition as Workers</th>
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<tbody>
<tr>
<td>Low Wage</td>
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<tr>
<td>Irregular Payments</td>
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<tr>
<td>Burden of Production Costs</td>
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<tr>
<td>Irregular Work Orders</td>
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<tr>
<td>Occupational Safety and Health Risks</td>
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<tr>
<td>Lack of Social Security and Social Assistance</td>
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<tr>
<td>Violence and Harassment</td>
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<tr>
<td>Lack of Legal Protection</td>
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<tr>
<td>Lack of Organisation</td>
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This section highlights the key issues faced by homeworkers. The challenges include:

1) **Lack of Recognition as Workers**

Homeworkers work from in and around their homes and therefore remain invisible to primary employers, governments and the public at large. Due to this invisibility, they are the least recognised category of workers – one of the biggest challenges faced by homeworkers in supply chains. The lack of recognition compounds other issues like:

- Lack of labour or legal protection.
- Lack of inclusion in minimum wage acts and laws of the country.
- No access to social security provided by employers, including provident fund, health and life insurance, old age pensions, and maternity benefits.
- Lack of bargaining power.
- Violence and harassment within supply chains.
2) Low Wages

Both global and domestic garment supply chains sub-contract work to homeworkers. This is done in order to reduce labour costs and also to shift some production costs onto homeworkers. Bringing in homeworkers – an added pool of labour – also increases the speed of production that meets the demands of the fast fashion industry.

To reduce labour costs, homeworkers are paid piece rates – depending on the number of pieces produced. Piece rates are determined by the contractors/ intermediaries, and in most cases do not match minimum wage stipulations. Piece rates also do not reflect the labour and other costs involved in production of the garment. While determining piece rates, contractors/ intermediaries fail to include the following:

- Time taken for pre and post production, like preparing the loom, thread cutting, etc.
- Production costs covered by the homeworker, like electricity, equipment and raw materials, that are essential to production.
- Nature of work: some tasks such as hand-embroidery require time and good lighting.
- Differences in production time by highly-skilled workers versus medium-skilled and newly inducted workers.

3) Irregular Payments

In addition to low wages, homeworkers are often subject to irregular or delayed payments. Payments are usually provided post the completion of the pieces produced. However, payments often get delayed - anywhere between 15 days to 6 months. In many cases in South Asia, contractors only settle payments during festival periods for work done throughout the year. Payments are further delayed due to poor record keeping, and arbitrary rejection of completed pieces, often due to poor raw material.
4) Burden of Production Costs

In addition to providing labour, homeworkers also cover costs associated with production. Some of the key costs covered by homeworkers are:

i. Transportation- Not all homeworkers receive orders at home. Many homeworkers travel to receive raw materials and to deliver finished products to contractors.

ii. Workspace- They work from their own homes and therefore cover costs associated with workspace and storage.

iii. Electricity- Homeworkers spend additional money while using electricity for sewing machines, lights and fans.

iv. Equipment- Homeworkers are provided pieces to work on, however they are expected to use their own equipment like sewing machines, needles, scissors, etc.

v. Raw Material- While pieces are provided by the contractors, any additional raw material required like ribbons, threads, etc. are purchased by homeworkers themselves. In few instances, homeworkers also purchase extra fabric or other inputs when the raw material provided is not sufficient.

5) Irregular Work Orders

The work available to homeworkers is irregular. In all South Asian countries, work in the garment sector is generally available for 6 to 8 months in a year (except in garment hubs like Tiruppur and Dhaka). And, within these timeframes, there are both peak and lean seasons. During peak season, work is available for almost all 30 days of the month and homeworkers are expected to work 10-14 hours a day. In lean seasons, work is usually available for 10-15 days a month. And homeworkers work for 5 to 8 hours a day.

Irregular work is also accompanied by insecurity of work. Homeworkers are completely dependent on contractors/intermediaries for work. And have experienced loss of work when they try to bargain for higher wages or try to map the supply chains that they are involved in.

When homeworkers don’t receive work that matches their skill set, within the garment sector, they take up whatever work is available. For instance, skilled, embroidery workers shift to tassel-making and thread-cutting work, despite the low piece rates. And, when homeworkers don’t receive work within the garment sector, they shift to other sectors of work within the informal economy. Homeworkers in many instances shift to domestic work.

Irregular work orders accompanied by shifting of costs of production, irregular payments, and, arbitrary rejection of completed pieces are just some of the ways through which global retail companies download risks of global competition onto homeworkers.
6) Occupation Safety and Health Risks

Homeworkers in supply chains generally live in informal settlements. Informal settlements, especially in the urban areas of South Asia, are congested and not equipped with appropriate lighting and ventilation for garment work. In many cases, the settlements also lack basic services like individual toilets, covered drains and solid waste management. All these lead to occupational safety and health (OSH) issues.

Some of the key OSH issues faced by homeworkers in garment supply chains are:

1. Backache, shoulder ache and joint pain due to poor posture.
2. Breathing issues and lung problems associated with fibre dust.
3. Eyesight problems, especially for embroidery workers who work in poor lighting conditions.
4. Recurring diarrhoea and vomiting due to sanitation issues around the house.

While OSH initiatives carried out by employers do exist, they are designed for garment workers in factories and not homeworkers.

7) Lack of Social Security and Social Assistance

Formal sector workers, across South Asia, are entitled to social security in the form of health and life insurance, maternity benefits, childcare, provident funds, gratuity, etc. However, these benefits are not extended to workers in the informal sector, including homeworkers in supply chains. While primary employers - global and domestic retailers and brands – provide social security to workers working in factories within their supply chains, homeworkers are not recognised as part of supply chains and hence are not covered by social security.

Some of the key social security needs of homeworkers are:

- Health Insurance
- Maternity Benefits
- Old Age Pensions
- Childcare

Social protection programmes for the poor (including homeworkers) do exist in many South Asian countries. For instance, there is universal health coverage in Bangladesh and social security boards for unorganised workers in India have been established. However, implementation and access remain limited.
8) Violence and Harassment

Violence and harassment at the place of work is a constant for homeworkers in supply chains. Homeworkers often face verbal abuse, non-payment of wages, physical abuse, sexual harassment and violence. They face domestic violence as well as violence at the hands of their contractors who provide them with work. For homeworkers, their place of work includes their own homes, areas around their home, and public transport that they use to travel to procure work and raw materials. Violence is also gender-based as it is often women homeworkers who are at the receiving end of harassment and violence.

In South Asia, countries do have laws in place to prevent and punish domestic violence. And homeworkers do access these, especially with the support of civil society organisations, to ensure legal justice. However, laws protecting women at the workplace are rarely relevant to homeworkers. Current laws cater to women in the formal economy and are applicable only to work spaces that are provided by employers. The ILO Convention 190 on Violence and Harassment, which was passed in 2019, is a ray of hope for many women workers in the informal economy, including homeworkers. It broadens the scope of what is considered violence and harassment, as well as what is considered as ‘place of work’. However, South Asian countries are yet to ratify the Convention and to draft laws that protect all workers, including homeworkers.

9) Lack of Legal Protection for Homeworkers

International Labour Organization (ILO) Convention 177, adopted by the tripartite International Labour Conference on 20th June 1996, is an international instrument, designed to improve working conditions for homeworkers. It aims to provide them with better remuneration, recognition, and to promote them as a vital part of the global economy. ILO Convention 177 urges governments to create national policies and laws that protect homeworkers and ensure their labour rights. Some of the salient features of ILO Convention 177 are:

1. Recognition of homeworkers as workers and recognising their contribution to national economies.
2. The right to establish or join organisations of their choice and participate in organising activities.
3. Protection against discrimination in employment and occupation.
4. Access to occupational health and safety.
5. Wage protection.
7. Access to skills training.
8. Minimum age of admission to employment or work.
9. Maternity protection.

None of the South Asian countries have ratified C177. The only South Asian country to have recognised home-based workers is Pakistan, where two of its four provinces (namely, Punjab and Sindh) have adopted a Home-Based Workers Act. The Acts contain a few of the salient features of C177 such as equality of treatment (where they are treated as employees), access to social security, and minimum wages for homeworkers.
10) Lack of Organisation

Homeworkers are extremely vulnerable and the only way for them to gain recognition and access their rights as workers is through organising. However, organising homeworkers is difficult due to the nature of their work – as they work individually from their homes. Despite this challenge, homeworkers organise into trade unions, worker associations, cooperatives, producer companies, self-help groups, community-based organisations and regional networks. They organise to advocate for policies for home-based workers, to access social security, and to push for fair wages and bonuses. They also organise to access markets, financial services (savings and loans), and basic services and housing.
Introduction to Global Garment Supply Chains and the Role of Homeworkers

ILO defines global supply chains as the “cross-border organisation of the activities required to produce goods or services and bring them to consumers through inputs and various phases of development, production and delivery." 

Global garment supply chains are widespread networks geographically. Many companies outsource their manufacturing to suppliers, factories and workers in multiple countries to increase production and to lower production costs.

A global garment supply chain consists of many people involved at different stages and functions of production. Global retail companies, or brands, often do not run factories in their home countries. They contract independent manufacturing companies in other countries to produce on their behalf. The work of these independent manufacturers is further sub-contracted to different tiers of production. The table below shows the different stakeholders and their functions in a global garment supply chain.

Table 2: Different Layers in the Global Supply Chain

<table>
<thead>
<tr>
<th>Retail/Brand Central Office</th>
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<tbody>
<tr>
<td>The key functions of the retail company or the brand are:</td>
</tr>
<tr>
<td>I. Back-End Functions</td>
</tr>
<tr>
<td>1. Designing of the Products</td>
</tr>
<tr>
<td>2. Designing of the Supply Chains</td>
</tr>
<tr>
<td>II. Front-End Functions</td>
</tr>
<tr>
<td>1. Branding</td>
</tr>
<tr>
<td>2. Marketing</td>
</tr>
</tbody>
</table>
Brand Regional Sourcing Office:

This is the official arm of the retail brand and is usually located in the country or region of production. The functions of this office include:

1. Approving designs in collaboration with the central design team of the retail company and the design team of the export house (supplier factory).
2. Finalising costs of each product with the export house, on the basis of sampling and time-motion studies.
3. Regular auditing and inspections of export house factories (as well as of any contracted downward suppliers) where garments are produced.
4. Maintaining a database of all export house factories where garments are being produced. This database is shared with the central office.

Supplier Factories (Export Houses) and Sub-Supplier Factories

The supplier or sub-supplier factories manufacture garments on behalf of retail companies and are also known as manufacturers. The manufacturing process includes procuring of raw material, cutting of fabric, sewing, embellishment (if required), finishing, quality check, ironing, folding and packaging. All of these tasks are not always conducted in-house within the factories and may be contracted out to homeworkers. This process varies depending on the product and design.

Retail companies or brands select the suppliers that offer the best deals in terms of price, quality and assurance on timely deliveries. A handful of retail companies and brands also focus on social compliance while choosing a manufacturer.

A retail company or brand designs its production according to its company strategy. They may contract the manufacturing process to one supplier or many supplier factories within the same country or different countries. The supplier companies may then further outsource the production to sub-supplier factories within the same country. For instance, H&M from Sweden has more than 100 suppliers in Bangladesh who have their own factories but still sub-contract to more than 1500 factories within the country. These factories are processing factories that undertake separate production activities such as printing, embroidery, washing, knitting, and so on. The brand contracts its production to factories in more than 25 countries. Studies also have found that many factories produce for more than one brand. For example, a factory producing for H&M could also be producing for Tesco, M&S, Primark, and Zara.
The supplier and sub-supplier factories operate within country laws and comply with the company’s codes of conduct. They are subject to regular audits and inspections by government officials of the country, external auditors hired by the retail company, external auditors hired by the supplier factories themselves (as part of legal compliance), and audit teams of the regional sourcing offices. This is done to ensure that labour laws as well as production norms are being adhered to. The workers in such factories are both permanent and hired on a contractual basis. The permanent workers are provided ID cards, written contracts of employment and employment benefits. However, contractual workers may or may not be extended these benefits.

Factories that have been formally recognised by the brand have a contractual relationship with the brand, and its employees are recognised as workers as per labour laws. However, formal contractual relationships are often missing beyond the first tier of manufacturing. Beyond that, working arrangements are often oral.

**Contractors and Sub-Contractors**

Contractors are individuals or small companies, who organise part of the production beyond the factory level. They are also known as intermediaries, middlemen or sub-contractors. There may be several tiers of contractors in a supply chain and all of them may be referred to using these terms.

They form a link between suppliers/ sub-supplier factories and workshops or homeworkers. Contractors are generally hired by supplier or/and sub-supplier factories on a contract or piece rate basis. They may also work with small workshops within their neighbourhood. Contractors may reside in the same locality or community as homeworkers or may form networks in another nearby locality. Geographical proximity is an important factor to the functioning of this layer of the supply chain. Contractors are not employees of the supplier or sub-supplier factories. Some of their key functions are:

- Distributing and collecting work from workshops or homeworkers, or,
- Sub-contracting to other middlemen or agents (often a homeworker who has gradually moved up to this level) who directly interact with homeworkers. This happens when there are larger orders and tight deadlines.
Homeworkers

Homeworkers are at the bottom of the supply chain. They are sub-contracted on a piece rate basis by contractors or through a series of contractors as explained above. Homeworkers may be contracted to sew pieces of - or an entire – product; to embroider or embellish a product; and/or to, finish, fold and package products. Usually, contractors provide homeworkers with raw materials, work orders and work instructions. They then collect finished products from homeworkers according to a pre-decided deadline. In return, homeworkers are paid wages as per the pieces produced. The lead retail companies are either unaware of or decide to ignore the presence of homeworkers in their supply chains.

The following diagram shows the different linkages between suppliers, sub-suppliers, contractors and homeworkers. Homeworkers mentioned in the diagram could be working for contractors hired by supplier or sub-factories or for small workshops, which make products for sub-factories.

Figure 1: Contracting Homeworkers in Global Supply Chains
The figure below depicts H&M’s locations in South Asia - number of suppliers and factories located in countries where production is outsourced.

![Figure 2: H&M's Supply Chains in South Asia]

Sub-supplier factories are engaged in various jobs such as cutting, sewing, tailoring, washing, knitting, embroidery, printing, weaving, spinning, etc.

H&M permits their suppliers in some countries to use homeworkers for specific parts of their production process.¹ Suppliers are required to inform the brand if homeworkers are involved in their supply chains. Moreover, the brand’s policy is to only engage with homeworkers when handicraft is involved.² For example, if the garment needs embroidery or beadwork. From the resources available in the public domain, it is hard to determine whether H&M’s supply chains in South Asia involve homeworkers.

Few retail brands, like H&M, accept that homeworkers are involved in their supply chains. However, most are unaware of the involvement of homeworkers in their supply chains or deny the presence of these workers.

**Domestic Supply Chains and How They Differ from Global Supply Chains**

Domestic supply chains start and end within the national boundaries of a particular country. A domestic supply chain is created by a domestic or national brand or retail company. Also, the products made are for the domestic market.

Some of the key differences between Global and Domestic Supply Chains are:

1. Domestic supply chains are often shorter than global supply chains.
2. In many cases, domestic retail companies/brands directly place their orders with homeworkers.
3. Domestic retail companies or brands in South Asian countries often follow less rigid
compliance norms when compared to global retail companies or brands. Global compliance standards (which apply to global brands) are found to be more demanding than national compliance standards – especially in the South Asian region.

The figure below provides the different layers within the supply chain of a domestic brand.

---

**Figure 3: Contracting Homeworkers in Domestic Supply Chains**

- **Domestic Brand-1**
  - Supplier Factory
  - Sub-Supplier Factory
  - Contractor
  - Homeworkers

- **Domestic Brand-2**
  - Supplier Factory
  - Contractors
  - Homeworkers

- **Domestic Brand-3**
  - Small Workshops
  - Homeworkers

---

**Supply Chains for Worker-Owned Producer Companies and Cooperatives**

When homeworkers come together and organise as a producer company (e.g. jointly-owned company of homeworkers) and cooperatives they often access work directly from retail companies. This cuts through the layers of middlemen and contractors that sit in between retail brands and homeworkers. The following figure provides an example of the supply chain of SABAH Nepal.
Figure 4: Example of a Homeworkers' Social Enterprise Supply Chain - SABAH Nepal

Global Brand

SABAH Nepal
- Homeworkers part of the Board
- Centrally procure orders from Global Brands

Trade Facilitation Centre (TFC)
- Designing
- Sampling (Homeworkers involved)

Common Facilitation Centre (CFC)
- Managed by Homeworker Leader
- Homeworkers work at CFC (around their homes)
  - Distribution and Collection of Pieces
  - Quality Check

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  - Quality Check

Homeworkers
- Take raw material from CFC
- Work from Home
- Handover the finished pieces at CFC

Homeworkers
- Take raw material from CFC
- Work from Home
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Homeworkers
- Take raw material from CFC
- Work from Home
- Handover the finished pieces at CFC
Organising

Home-based workers largely work in isolation. This makes it difficult to organise them or for them to organise themselves. However, over the past three decades, home-based workers have organised or have been organised in different forms of organisations. By being organised, home-based workers have gained trust, solidarity and collective bargaining power. Increasingly, organisations of home-based workers are being heard by decision makers – governments, employers and international agencies - who make key decisions that affect their lives.
Table 3: Reference for the Trainer

Forms of Home-Based Worker Organisations, Advantages and Issues

<table>
<thead>
<tr>
<th>Forms of Organising</th>
<th>Advantages of This Form of Organising</th>
<th>Organising Issues</th>
</tr>
</thead>
</table>
| Trade Unions        | ● Collective bargaining with “employer” or government  
                      ● Policy advocacy  
                      ● Sharing information and experiences  
                      ● Recognition  
                      ● Access to government schemes  
                      ● Leadership building and representation  
                      ● Access to government schemes  
|                     |                                      | ● Irregular income  
                      ● Irregular work  
                      ● Social Security  
                      ● Access to market  
                      ● Exploitation by intermediaries  
                      ● Minimum wages/ Living wages  
                      ● Access to finance  
                      ● Access to OSH  
                      ● Policy and law  
                      ● Invisibility/ recognition  
                      ● Exclusion from social assistance programmes  
                      ● Migration  
                      ● Access to basic services and housing |
| Cooperatives or Producer Companies | ● Access to market  
                      ● Backward and forward linkages to market  
                      ● Regular work  
                      ● Better wages  
                      ● Access to social security  
                      ● Access to large orders  
                      ● Access to investments- grants, debt and equity  
                      ● Transparency in supply chains  
                      ● Skills trainings  
                      ● Upward mobility in the supply chain- as managers, designers, etc.  
|                     |                                      |                                |
| Self-Help Groups (SHGs) | ● Savings and internal loans  
                      ● Access to the formal banking system  
                      ● Joint purchase of raw material and markets  
                      ● Skills training  
                      ● Leadership development  
|                     |                                      |                                |
| Community Based Organisations (CBOs) | ● Savings and internal loans  
                      ● Access to loans from formal banks  
                      ● Access to basic services  
                      ● Leadership development  
|                     |                                      |                                |
| Networks of Organisations | ● Support to local and national organisations  
                      ● Representation at national, regional and international level  
                      ● Organising campaigns  
                      ● Building partnerships to work on technical issues  
                      ● Building consortiums for fund raising  
                      ● Access to information and technical expertise  
|                     |                                      |                                |
Why Organise?

Homeworkers are informal workers. In South Asian countries like India, Nepal, Bangladesh, Pakistan and many others – homeworkers are a large part of garment supply chains. As discussed in Section - 2, they often lack access to decent work and their working conditions are often marked by:

1. Low Wages
2. Irregular Work and Working Hours
3. Unfavourable Working Conditions
4. Lack of Legal Protection
5. Lack of Social Security
6. Lack of Knowledge of Primary Employer
7. Violence and Harassment
8. Lack of Voice and Representation

Homeworkers are an invisible workforce. In the garment sector, brands and corporations are often unaware of their existence in their supply chains. Governments and their agencies do not know how to address their issues in policy and programme interventions. Organising helps homeworkers effectively take on the challenges they face. In South Asian countries, homeworkers are organising within supply chains as trade unions, producer companies or cooperatives. Being a member of home-based workers organisations can help workers:

1. Use their collective voice to negotiate better wages and working conditions.
2. Create a representative voice to ensure recognition from brands, governments and among other stakeholders.
3. Access markets and achieve scale in production.
4. Ensure ethical, fair supply chains where workers are assured of their rights.
5. Access social protection and state-sponsored benefits and programmes.
6. Build solidarity and work towards social and personal empowerment.
Figure 5 depicts unorganised homeworkers in supply chains. They are isolated from each other. They rarely get a chance to share stories of their work environment or exchange ideas.

Organising as a Producer Company

A Producer Company is a mix between a private limited company and a cooperative. This means that like a private limited company it can reach scale and attract investments. However, in this case the producers (homeworkers) are owners of the company, like in a cooperative. Workers are the prime producers and shareholders of the company. Elected homeworkers are also represented on the producer company’s governing body like on the Board of Directors. When members have invested in the company, they also receive dividends from profits. One of the main aims of the producer company is to empower the workers and community members to take over the ownership and the management of the enterprise. Producer companies in South Asia market a variety of products from handicrafts to herbal plants and agricultural produce.
Women Homeworkers in Producer Companies

For women homeworkers the producer company has become an attractive work option. Some proven benefits of the producer company include:

1. Workers pool their skills, resources and equipment to gain larger and consistent work orders.
2. Workers come together to access work directly from brands without intermediaries.
3. Workers gain bargaining power and are able to ensure higher piece rates.
4. Homeworkers are able to access a range of financial services, like individual savings accounts with formal banks, grants from donors, equity and debt as investment in the producer company.
5. Through collective efforts, homeworkers are able to access social security benefits like provident fund, employee state insurance, etc.
6. There is better transparency in the supply chain because piece rate payments are routed through banking systems and records are maintained on hours of work and work provided to each homeworker.
7. Collectively women homeworkers are able to access skills training and invest in equipment like sewing machines, handlooms, industrial irons, metal detectors, etc.
8. Homeworkers are able to employ skilled human resources like designers, accountants, merchandisers, etc. to create competitive products and have better access to market.
9. Homeworkers have safe workspaces around their homes (walking distance) as centres, which have better lighting, ventilation, fire safety, drinking water, toilets, etc.
10. For women workers, who have little access to remunerative work, especially in and around their homes, producer companies create income opportunities in skills like embroidery or food production.

Examples of producer companies in South Asia: Rangsutra Crafts India Limited, SADHNA, SABAH Nepal, SABAH Bhutan

Case Study: Rangsutra Crafts India Limited

Rangsutra Crafts India Limited was founded in 2004. It was registered in 2006 as a Producer Company. The company operates in remote villages and regions in India – Bikaner and Barmer (Rajasthan), Jammu and Kashmir, Uttar Pradesh, Maharashtra and Manipur. Around 3,000 artisans work for the Rangsutra brand and of these 2,200 are also shareholders in the company. The company is governed by a Board of Directors that includes professionals and homeworkers.

The enterprise promotes the work of artisans, weavers and craftspeople. It provides them with sustainable livelihoods by providing access to markets and engages its artisans in the production of handcrafted apparel and home linens. Rangsutra organises homeworkers, provides them with trainings, inputs and design, and brings in orders. The brand sells its products at their store in New Delhi and on online platforms. However, its earnings largely come from large-scale job orders from large global and domestic brands.

To facilitate work and also ensure compliance with brands’ codes of conduct, Rangsutra has created village-based production centres. These centres are at a...
walking distance from the homes of the workers. And women homeworkers are offered flexible timings that allow them to attend to their chores and care work at their homes. The artisans manage these centres.

Rangutra’s good practices include:
1. Homeworkers are able to move up the value chain by becoming shareholders, craft managers and are part of the brand’s design teams.
2. Workers are paid piece rates through direct, bank transfers. This encourages transparency.
3. Records are maintained of hours of work and piece rates paid further strengthening transparency in the supply chain.
4. Compliant with brands’ ethical compliance models that results in steady work and income for women homeworkers.
5. Creating access for brands to source ethical, handcrafted products from homeworkers.
6. Minimum wages for homeworkers in accordance to country laws and labour codes.

Figure 6: Homeworkers (HWs) in a Producer Company’s Global Supply Chain - Rangsutra Private Ltd.

**Domestic Retail Company**
*Role:* Designing Products, Designing Production Process, Branding and Marketing

**Global Retail Company**
*Role:* Designing Products, Designing Production Process, Branding and Marketing

**Supplier – Rangsutra Private Ltd.**
*Homeworkers’ Representatives part of the Board of Rangsutra Private Ltd, part of Sampling Team in Bikaner, and part of Design Development Workshops*

*Role: Central Function*
- Product Development – designing products, making samples, costing, procurement of raw material from vendors
- Designing Production Process – from procurement of raw material to making the product and delivering to domestic and global retail company
- Enterprise Management – accounting and book keeping, disbursement of piece rates and salaries, coordination with vendors and sub-suppliers, office management
  - Compliance

*Role in Bikaner:*
- Part of Production - cutting, tailoring, disbursing pieces for embroidery in villages, disbursing orders to sub-suppliers, finishing, labelling, packaging, multiple quality checks
- Coordination with Supervisors
  - Compliance
- Dispatch of goods to buyers (or retail companies)
Supervisors (Two in Bikaner Production Centre)

**Role:**
- Quality Check
- Logistics Management
- Payments Management
- Record Management of pieces distributed and collected
- Production Planning & Monitoring

Village-Level Supervisors (Two in Rural Bikaner)

**Role:**
- Quality Check
- Logistics Management
- Payments Management
- Record Management of pieces distributed and collected
- Production Planning & Monitoring

Craft Manager (Rural Bikaner – One Crafts Manager for each Community Centre)

*Few homeworkers work as Crafts Managers*

**Role:**
- Distribution & Collection of Work
- Quality Check
- Management of Community Centre
- Record Keeping attendance and hours of work

Homeworkers/Artisans working from home – Rural Bikaner

**Role:**
- Part of Production-hand-embroidery

Homeworkers/Artisans working from Rangsutra Community Centres – Rural Bikaner

**Role:**
- Part of Production-hand-embroidery

*Note: While the complete Rangsutra ecosystem is larger, this diagram only features the supply chain where homeworkers are organising and moving up the supply chain.*
Organising as a Cooperative

Cooperatives are similar to producer companies in many ways. Workers form a collective to access markets and the producers are the owners and primary stakeholders. Workers play a key role in the decision-making processes of the cooperative and govern the enterprise on their own. A few, large cooperative employ staff for administrative and accounting purposes so that the organisation runs efficiently. They also receive fair shares in the earnings and profits of the organisation. However, cooperatives often struggle to achieve scale and also do not have access to private equity.

Benefits of Organising as Homeworker Cooperatives:
1. Workers come together to pool in their skills, resources, and equipment to access better markets and a consistent in-flow of work.
2. Workers directly access the market, cutting out the contractors and intermediaries.
3. As a collective, workers gain bargaining power and are able to ensure better wages.
4. Workers access a range of financial services, including, formal bank accounts, donor grants, equity and investments.
5. Workers access skills trainings and also are able to invest in improved equipment and machinery as a collective.
6. Cooperatives afford income opportunities to women homeworkers in skills like embroidery, weaving and food production.

Organising as a Trade Union

Trade Unions are membership-based organisations that represent workers and collectively negotiate on behalf of them. At the workplace, trade unions help their members by educating them on worker rights, entering negotiations with employers and helping improve wages and working conditions. On the broader stage, trade unions also lobby with governments to influence policies and legislation in their favour.
How Does a Trade Union Work?

Trade Unions are guided by the principle that collective voice can be employed to address concerns at the workplace. They organise workers at a common workplace, or, in the case of homeworkers in informal settlements and/or around a common issue. They can be local unions or different local committees can come together to form a national union. Members of the union decide the issues that affect them the most. And, then they engage with employers on solving challenges. Union members elect their leaders including those who will represent them while engaging with employers and at other important forums.

The Role of Trade Unions in Garment Supply Chains

Transnational Companies (TNCs) have a dominant presence in garment supply chains. Because of the very nature of fast fashion – demanding volumes at competitive prices – global brands have set up sourcing and production units in developing countries, especially in South Asia and South East Asia. The companies especially invest in countries where governments actively seek work at competitive prices and where workers do not enjoy absolute protection. In this scenario, companies allow for low wages, insecure work and unsafe working conditions. And often, it is women and migrant workers that find themselves most vulnerable in these supply chains.

Trade unions are formed to protect workers in both the formal and informal economy. They play a critical role in the social and economic development of their members.

Benefits of Homeworkers Organising into a Trade Union:
1. Solve problems that involve a large number of workers, like safety conditions.
2. Look to protect workers from sudden and unfair backlash or decisions by employers.
3. Bargain for decent wages and regular work.
4. Promote education on worker rights through training and information sharing.
5. Press the Government to pass and implement minimum wage legislation and better working conditions.
6. Hold employers accountable for compliance with labour laws.

Some of the key issues that trade unions of HBWs have taken up are:
1. A policy for HBWs in accordance with ILO Convention 177.
2. Higher piece rates, to match national minimum wages.
3. Access to social security- insurance, pensions, maternity benefits and childcare.
4. Tripartite boards for different sectors of workers, with representation of women workers.
5. Festival bonuses.
6. Mapping of supply chains, identifying the principal employer and jointly working with employers towards ethical supply chains.

Collective Bargaining and its Purpose

For formal unions collective bargaining has a specific meaning. When an employer agrees to negotiate with an employee-led trade union, regular, formal discussions are held to address concerns. The trade union enters into negotiations with the employer to bring about a change in the wages or working conditions. This is called collective bargaining.
Collective Bargaining and Homeworkers

In the informal economy, homeworkers are an invisible category of workers. For homeworkers, collective bargaining can prove to be a powerful means to reduce invisibility and address issues surrounding work. Collective bargaining can particularly help homeworkers who often come from vulnerable backgrounds.

For homeworkers, collective bargaining by trade unions can help at two levels. First, in their immediate work environment, coming together and establishing a collective voice can help improve wages and working conditions by negotiating either with an intermediary, an employer or with local authorities. Secondly, at the state level, it can help legalise their rights, access social protection and pressure the government to formulate and implement laws that are fair to both workers and employers.

The box below showcases the struggle of bidi workers to be recognised as workers through collective bargaining.

<table>
<thead>
<tr>
<th>Case Study: Jivraj Bidi Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 23-Year Struggle for Recognition as Workers⁴</td>
</tr>
</tbody>
</table>

Located close to the city of Ahmedabad, in Gujarat, India, Jivraj Bidi Works is a large manufacturer of bidis (local cigarettes). In 1983, a group of 174 women homeworkers, who made bidis at home for the company, filed for their provident fund dues with the State. However, the management at Jivraj denied recognition for these homeworkers as workers. The factory owners had even withheld the workers’ log books, thus, making it impossible for the homeworkers to prove their employment status.

The case was taken up by the local Provident Commissioner. However, since the workers could not prove their employment status, the case was ruled against them. Here, SEWA – the world’s largest trade union of women, informal workers – stepped in. They helped workers file an appeal at the Gujarat High Court. In 1989, due to a change in law, the case was transferred to the Appellate Tribunal Delhi. The workers won the case.

However, in 1998, the employers at Jivraj filed an appeal in the Gujarat High Court. The Court set aside the appeal and ordered the provident fund to be calculated according to the guidelines listed by the Delhi Tribunal. The fund was calculated to be 479,960 Indian rupees (approximately USD 6744 today). However, the amount was not agreeable to the homeworkers.

The Bidi Trade Committee at SEWA took up the exercise of fairly calculating the dues owed. It was even able to convince the employers at Jivraj to participate in the exercise. In the end, it was calculated that 1.5 million rupees (approximately USD 21,076 today) was owed to the 174 workers. Jivraj Bidi Works accepted the calculation and made the deposit.

It took 23 years for workers to establish their status as workers. And SEWA celebrated the occasion with a grand event. The owner of Jivraj not only participated in the event but also announced a hike in wages during the celebrations.
The Need for Minimum Wage

The International Labour Organization (ILO) defines minimum wages as “the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract”. It is the lowest wage necessary to maintain a worker and his/her family at a basic level of survival, including, clothing and shelter. It is fixed by the government of each country in consultation with business organisations and trade unions with an aim to protect workers against low pay.

Minimum wage policies assist in overcoming poverty and reduce inequality. They protect workers who are not given a just and equitable pay for their work. In all economies, homeworkers in the informal economy, receive wages that are much less than workers in other sectors. In many instances, they do not even receive minimum wages, despite possessing a high skill set. This is because homeworkers are rarely recognised as workers. The table lists the current minimum wages across countries in South Asia.

Table 4: Minimum Wages across South Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum Wage Rate (Per Month)</th>
<th>USD</th>
<th>Conversion Rate ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>INR * 14,468 (Delhi)³</td>
<td>USD 204.54</td>
<td>70.7312</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>AFN 5,000</td>
<td>USD 64</td>
<td>78.1372</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>BDT 8,000</td>
<td>USD 97</td>
<td>82.8899</td>
</tr>
<tr>
<td>Bhutan</td>
<td>Nu 3,750</td>
<td>USD 53</td>
<td>70.9876</td>
</tr>
<tr>
<td>Maldives</td>
<td>MVR 3,100</td>
<td>USD 205</td>
<td>15.0999</td>
</tr>
<tr>
<td>Nepal</td>
<td>NPR 13,450</td>
<td>USD 120</td>
<td>112.169</td>
</tr>
<tr>
<td>Pakistan</td>
<td>PKR 15,000</td>
<td>USD 96</td>
<td>156.340</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>LKR 10,000</td>
<td>USD 55</td>
<td>181.100</td>
</tr>
</tbody>
</table>

*In India, minimum wages vary from State to State.
Earning an income from home, while being able to carry out care work, is important to homeworkers. However, many homeworkers, even those who are highly skilled, are not paid piece rates that match the national minimum wage. This is because power is largely concentrated in the hands of global retail companies, brands, suppliers and intermediaries. These stakeholders largely decide the turnaround times and the piece rates for the workers. Supply chains are also designed to contain production costs. This leads to work being outsourced to small factories and homeworkers, who earn low piece rates and also bear production costs. Moreover, homeworker wages are also routinely deducted when their products are not up to the mark or when they miss work order deadlines.

This chapter provides information for homeworkers on piece rates wage, minimum wage, costs of production and living wage so that they can differentiate between what they get and what they should receive. The first section provides information, for homeworkers, on how to calculate piece rate wages and also the extra costs they bear. The concept of living wage is also explored so that homeworkers can gauge the difference between their earnings and a decent living wage. The information provided aims to help homeworkers determine a fair wage for their products. And they can use these tools in collective bargaining and negotiations with contractors/intermediaries.

**Calculation of Piece Rate**

A piece rate is a fixed rate or price for each unit that a homeworker produces. For example, it is the price that the homeworker receives for each t-shirt, pair of trousers, pair of shoes, clay pot or handicraft item that she produces. Piece rates are common in industries like textile, garment, food production, leather and footwear, where factory workers, homeworkers, and factory out-workers form a major workforce. The work provided in these supply chains comes from, both, domestic and international companies. Piece rate should at least meet the minimum wage prescribed by the country government.

**Piece Rate Calculation:**

\[
\text{Piece Rate} = \frac{\text{Minimum wage (per day)}}{\text{Average quantity of work that a worker is able to finish within 8 hours}}
\]
However, the above calculated piece rate (NPR 32) does not cover all the tasks involved in producing each glove. An additional 20% should be added to allow for other work-related specifics that are part of an 8-hour work day\(^6\). These include:

- Fatigue and rest breaks
- Time for setting up the work station
- Time for packing and unpacking materials
- Routine administration
- Other tasks associated with the performance of work, including, if relevant, maintenance and cleaning of tools or equipment.

Therefore the calculation of piece rate\(^7\) should be -

\[
\text{Piece Rate} = \frac{\text{Minimum wage (per hour or day)}}{\text{Average output (per hour or day)}} \times \frac{120}{100}
\]

Which can also be calculated as,

\[
\left( \frac{\text{Minimum wage (per hour or day)}}{\text{Average output (per hour or day)}} \right) + \left( \frac{\text{Minimum wage (per hour or day)}}{\text{Average output (per hour or day)}} \times 20\% \right)
\]
Example 2: Adding Extra Time for Rest, Organising, Cleaning and Maintenance

Monthly Minimum Wage in Nepal = NPR 13,450
A homeworker works for 26 days, therefore, Minimum Wage per day = NPR 517
A homeworker knits 16 gloves per day
Therefore the piece rate calculation including all the production tasks will be,

\[
\left( \frac{517}{16} \right) + \left( \frac{517}{16} \times 20\% \right) = 32.31 + 6.46 = 38.77
\]

Therefore the piece rate per glove for the homeworker should be at least NPR 39 (USD 0.34)

Overtime Pay

With the piece rate method, calculation of overtime also needs to be considered. Overtime is the extra number of hours that homeworkers put in, in order to complete the stipulated daily orders.

Overtime Pay Calculation: regular piece rate \( \times 1.5 \) \( \times \) number of overtime hours. The table below provides an example on how the piece rate can be calculated for knitting woollen gloves. It differentiates between low and minimum wage.

Example 3: Overtime Calculation

The homeworker put in two hours of overtime to add more details on the gloves.
Overtime Calculation: NPR 39 (piece rate) \( \times 1.5 \times 2 \) hours (hours worked beyond 8 hours a day)
Overtime rate: NPR 39 \( \times 1.5 \) = 58.5 (USD 0.51) piece rate for one hour
58.5 \( \times \) 2 hours = NPR 117 (USD 1.03) piece rate for working two extra hours in a day.

Fair Piece Rate Calculations Should Depend on:
- Estimation of average number of pieces completed in 8-hours (a standard work day).
- Estimation of time spent on organising tasks – buying raw materials, record keeping and rest periods – in the production of each piece.
- Estimation of production costs covered by the homeworker, such as workspace, equipment, electricity water, transportation.
Cost of Production for Homeworkers

Production costs are those that are incurred during the production of goods or provision of services. Homeworkers absorb a wide range of production costs. They use their home as a workplace, pay for utilities, buy and maintain equipment. They pay for transportation costs when they have to collect raw materials provided by contractors or intermediaries; and to return finished goods to the contractors/intermediaries. These costs depend on production volumes and service provisions.

The costs of production incurred by homeworkers are not accounted for by contractors or intermediaries. They only factor in the labour costs, leaving the homeworkers to bear the other costs. Understanding how cost of production is calculated allows homeworkers to use the information while negotiating with their contractors/intermediaries. The case study below illustrates how the cost of production can be calculated.

Case Study: Cost of Production

Sabita Maharjan is a homeworker. For the past 22 years, she has been involved in knitting. She makes around 208 pairs of small gloves (i.e. 416 pieces per month) by working 26 days in a month. This is roughly 16 gloves per day. She receives NPR 32.31 per piece made.

When asked if she calculates her input costs when making 416 gloves, she shares that she does not add them. However, these are the production costs that she incurs:

1) Transportation costs: Four times a month she visits the office to source work and materials. Each trip costs NPR 70. This means that she spends NPR 280 every three months.

2) Needle Costs: She buys a new needle (NPR 60) for every order.

3) Crochet Hook Costs: She buys new crochet hooks (NPR 150) once or twice a year, depending on their durability.

4) Electricity: She incurs additional electricity costs when she works on an order. The additional electricity cost is NPR 250 per month.
For each order, that lasts for a month, Maharjan incurs approximately NPR 740 (280+60+150+250) in production costs. Her cost of production for each glove is NPR 1.77 (740/416 pieces of gloves). When the cost of production is added to her piece rate, it will amount to NPR 34.08 (32.31 + 1.77).

She makes NPR 517 (32.31 x 16) per day. However, if her cost of production is included, her daily earnings should be NPR 545 (34.08 x 16) per day.

Factoring in the extra 20% to cover work-related specifics like organisation of work, rest periods, maintenance as well as costs of production, her piece should be:

Simple Piece Rate: NPR 32.31
Simple Piece Rate (inclusive of additional 20%): NPR 32.31 + 6.46 = NPR 39
Simple Piece Rate (inclusive of costs of production): NPR 32.31 + 1.77 = NPR 34.08 – Rounded off to NPR 34
Simple Piece Rate (factoring in all costs): NPR 32.31 + 6.46 + 1.77 = NPR 40.54 (USD 0.37)

If the calculation of cost of production proves difficult, an additional 10% can be charged.9

**Living Wage**

A living wage is the wage needed by workers and their families to enjoy a decent living standard. It is usually higher than the minimum wage. A living wage is the income a single earner needs to make to support her/his family of four (2 adults and 2 children) while working a legal minimum of working hours in a week (48 hours excluding payment for overtime and bonus or allowances)10. The wage includes the cost of a fair amount of food per day and other essential living costs such as healthcare, housing, clothing, childcare, transportation, fuel, and education.

With a living wage, workers and their families should be able to afford a basic, decent lifestyle that is on par with the level of economic development in their state/country. They should be able to live above the poverty level and be able to participate in social and cultural life.

There is no precise formula for estimating a living wage. The ILO provides a model on the different components to calculate it. The following flow chart indicates how a living wage is estimated.
A living wage takes into account the costs required to support a basic lifestyle, the number of family members that need to be supported and a percentage of savings for unforeseen circumstances so that workers are not thrown into a poverty trap. The total cost for the household is then divided among the number of full-time, equivalent workers assumed to be working in the household.

A living wage may seem out-of-reach to homeworkers who do not even earn the legal minimum wage. However, understanding what a living wage constitutes, equips homeworkers with options during negotiations and bargaining.
Section 6: Social Security and Social Protection

Social Security and Social Protection
Social Security and Homeworkers
Social Protection/ Assistance and Homeworkers:
The Role of Government Led/ Assisted Programmes

Social Security and Social Protection

The ILO Convention 102 on Social Security defines social security as a “protection that society provides for its members through different public measures to balance economic and social uncertainties that may result in reduced income”1. These uncertainties or risks include sickness, maternity costs, injury at work, unemployment, inability to work, old age, and death of the primary income earner. Laws on social security are mostly applicable to workers in the formal economy. In many countries, social security insurance is partly financed by the workers’ contributions and partly through the employers’ contributions.

Social protection is a broader and more inclusive concept than social security, although these terms are often used interchangeably by the ILO. The difference lies in country laws. Social security is essentially social insurance against core risks and is largely directed towards formal workers. While social protection also includes social assistance or ‘safety net programmes’ aimed at the vulnerable members of a society. Social protection seeks to manage risks by implementing policies and programmes that prevent and reduce poverty and overcome situations that adversely affect the well-being of the people. It aims to address the needs of the most vulnerable and excluded populations and strives for human development. The role of the government holds significant importance in promoting social protection. Social protection schemes are tailor-made by country governments depending upon the needs of its people. The basic protections a person needs during their lifetime is represented in the figure below.
**Figure 8: Basic Social Protection**

- **Infants**
  - Healthcare
  - Nutrition

- ** Toddlers**
  - Healthcare
  - Nutrition
  - School Enrollment

- **Working Adults**
  - Adequate Income
  - Adequate Housing
  - Healthcare
  - Maternity Leave/ Disability Allowance/ Unemployment Benefits/ Work Accident Insurance

- **Elderly**
  - Adequate Income
  - Healthcare
  - Old Age Pension

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**Social Security and Homeworkers**

The majority of those excluded from social security programmes belong to the informal economy. In South Asia, 70.8% of people between the age of 35 and 54 are informally employed. South Asian countries have labour laws that ensure social security insurance and other worker benefits for employees, including health insurance, provident fund, gratuity, pensions, bonus and maternity benefits. However, most of these laws are restricted to the formal sector, leaving workers in the informal economy, including homeworkers, without social security benefits.

Homework is an important source of employment in South Asia, especially for women. In most countries, labour laws dictate that employers are duty-bound to subtract social security contributions from employee wages. These contributions are payable to the government along with the employer’s contributions. However, retail firms, their suppliers and their intermediaries do not consider homeworkers as employees. Therefore, they are excluded from work-related social security. Homeworkers cannot afford to buy private insurance to cover health problems, accidents, unemployment or housing issues.

Social Security is of vital importance to homeworkers, like it is to other workers. Organised homeworkers, who are members of producer companies and cooperatives, have a better chance of accessing social security when compared to unorganised, isolated homeworkers.

The following case studies showcase examples of homeworkers accessing social security as part of a producer company and as part of a trade union.
Case Study: Sadhna

A women’s handicraft enterprise, Sadhna is located in Rajasthan, India. It mainly operates in the districts of Udaipur and Rajsamand. Established in 1998 by a civil society organisation – Seva Mandir – Sadhna began as a livelihood programme. It started with 15 women community members. The enterprise introduced them to new skills, mainly applique work and machine stitching. Today, Sadhna’s membership has grown to 707 women.

Sadhna is, today, a social enterprise that aims to provide women with a source of income. Through continuous training programmes, it also looks to improve the skills of its members and establish a support network for them. Members of Sadhna work from home and also work at production centres. Homeworkers are mostly engaged in embroidery, applique work, patch work and embellishment. Sample designing, procuring materials, cutting, stitching, sampling, quality check, ironing and packing are done at the production centres.

Sadhna produces for both domestic as well as global retail companies/ brands. They also sell their products at their own retail store in Udaipur and at trade and artisan fairs across India.

Sadhna provides social security to its members. It has negotiated with its clientele to include social security contributions within piece rates. The social security benefits it extends to its members, include:

- Members of Sadhna are registered under the State-run Employee State Insurance scheme (ESI) and Provident Fund scheme. Both the employee (homeworkers) and employers (retail brands for B2B orders and Sadhna when the orders are made for their own outlet) contribute to these schemes, thereby providing income security to homeworkers.
- Through ESI registration, members have access to medical services at government-run hospitals and also private hospitals that deliver services under the scheme.
- Members receive a yearly bonus.
- Members are eligible for loans from Sadhna. Loans of up to INR 10,000 or USD 143 are interest free.
- Scholarships are provided to the children of members.
Case Study: VimoSEWA

Social security products are also sold by private insurance companies. However, homeworkers can rarely afford these. SEWA, a trade union of women informal workers in India, established VimoSEWA in 1992. It is a National Insurance Cooperative that is owned and operated by informal economy women workers to address various risks faced by them and their families.

VimoSEWA became a legal entity in 2009 and is registered as a multi-state cooperative society. It provides micro-insurance products to cover a wide range of risks so that its women members and their families do not fall into poverty. The cooperative started small, offering coverage of INR 2000 (USD 28) for an annual premium of INR 30 and its outreach was limited. However, the membership grew over the years and so did demands for increased coverage. So, by 2017, VimoSEWA began offering a variety of insurance products with coverage ranging from INR 10,000 (USD 139) to INR 100,000 (USD 1394) for annual premiums ranging from INR 150 (USD 2.1) to INR 3000 (USD 42). These covered various risks such as asset loss, natural and accidental death, widowhood, personal accidents, sickness, maternity benefits, hospitalisation, and health insurance. These offer coverage to both the workers and their families. Premium collections are done through the self-help groups, under SEWA, and also through door-to-door collections. As of 2018, 120,000 individuals (62,000 SEWA women members, 36,000 husbands, and 21,000 children) are covered by Vimo SEWA across six states in India.

Social Protection and Homeworkers: Government-Led Assistance Programmes

The following section provides an overview of the various social assistance programmes provided by governments across South Asia to vulnerable populations. Homeworkers should be able to access these.

Bangladesh

The Government of Bangladesh has committed to achieving Universal Health Coverage (UHC) by 2030. To achieve this, the Social Health Protection Act has been drafted by the Ministry of Health and Family Welfare. The Health Economic Unit under the Ministry has developed a social health protection scheme - Shasthya Shuraksha Karmasuchi (SSK). This scheme looks to support the process of building models and approaches that provide universal health coverage. The ministry is currently piloting projects to achieve UHC by 2030.

The Government of Bangladesh also enacted a National Social Security Strategy (NSSS) in 2015. This aims to create a social protection system that curbs poverty and inequality, promotes growth and employment, and protects the weak and vulnerable sections of society. The major social safety net programmes within NSSS that may be beneficial to homeworkers and their children are listed below:
### Programme Assistance

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husband-Deserted, Widowed and Destitute Women Allowance</td>
<td>Provision of Cash (BDT 500 (^{10}) ($6) per month).</td>
</tr>
<tr>
<td>Vulnerable Group Feeding</td>
<td>Provides food transfers (in-kind wheat transfer) to the poor during disasters and major religious festivals.</td>
</tr>
<tr>
<td>Maternity Allowance for the Poor Lactating Mothers</td>
<td>Provision of cash (BDT 350).</td>
</tr>
<tr>
<td>Primary Education Stipend Program (PESP)</td>
<td>Free tuition and free books.</td>
</tr>
<tr>
<td>Female Secondary School Assistance Program (FSSAP)</td>
<td>Stipend, free tuition, book allowance, and provision of examination fees.</td>
</tr>
<tr>
<td>Rural Mother Centre</td>
<td>Free treatment and medicine.</td>
</tr>
</tbody>
</table>

### Bhutan

Bhutan does not have a formal social protection system in place. However, it has a targeted programme to provide protection to its citizens. Bhutan has achieved Universal Health Coverage\(^{11}\). Health services are free of cost and are mostly financed by the government. The country also provides free basic education to all its citizens. Besides these, other programmes applicable to homeworkers and their children include:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Education programmes</td>
<td>Free food and cash for education programme to encourage families to send their children to school.</td>
</tr>
<tr>
<td></td>
<td>Feeding programme for boarding students.</td>
</tr>
<tr>
<td>Pre-Employment Engagement Program (PEEP)</td>
<td>Programme for youth – targeted at those who have completed their 10th and 12th grades or are certificate/diploma holders.</td>
</tr>
<tr>
<td>Apprentice Training Program (ATP)</td>
<td>On the job training.</td>
</tr>
</tbody>
</table>
India
India has several programmes, funded by both the states and the central government, that are directed at informal workers. Some of the programmes applicable to homeworkers and their children are:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Health Insurance Programme (Rashtriya Swasthya Bima Yojana)(^2)</td>
<td>Coverage for hospitalisation expenses; coverage for transportation costs. Beneficiaries need to pay only INR 30 (USD 0.42) as registration fee.</td>
</tr>
<tr>
<td>PM Jeevan Jyoti Yojana(^3)</td>
<td>Life Insurance Scheme for one year offering death coverage.</td>
</tr>
<tr>
<td>PM Suraksha Bima Yojana(^4)</td>
<td>Accident Insurance Scheme – it is an annual accidental death and disability cover that can be renewed every year.</td>
</tr>
<tr>
<td>Atal Pension Yojana(^5)</td>
<td>Contributory pension scheme – to help workers save money for their old age. It also guarantees returns post-retirement. This coverage is for five years only.</td>
</tr>
<tr>
<td>National Family Benefit Scheme (NFBS)(^6)</td>
<td>The scheme aims to provide a lump sum family benefit of INR 10,000 (USD 140) to the bereaved households in case of the death of the primary breadwinner irrespective of the cause of death.</td>
</tr>
<tr>
<td>Targeted Public Distribution System (TPDS)(^7)</td>
<td>Food staples, as well as kerosene and, in some states, other items of basic need, are sold at subsidised prices to eligible persons at government-licensed, fair price shops. Ration cards are also provided.</td>
</tr>
<tr>
<td>Janani Suraksha Yojana (JSY)(^8)</td>
<td>Intervention to reduce maternal and neo-natal mortality by providing services to poor women during child birth.</td>
</tr>
<tr>
<td>Pradhan Mantri Awaas Yojana Gramin (PMAY-G)</td>
<td>Public Housing Scheme for poor people in rural areas. In the recent years, the scheme has come to include housing for the urban poor as well.</td>
</tr>
<tr>
<td>The Girl Child Protection Scheme</td>
<td>Cash transfer schemes aimed to eliminate social ills related to the birth of a girl child, provision of scholarships, provision of savings, and schemes to increase enrolment in higher education institutions.</td>
</tr>
</tbody>
</table>
Maldives
In Maldives, social protection is a constitutional right. A few of the programmes that can be leveraged by homeworkers are:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husnuvaa Aasandha&lt;sup&gt;19&lt;/sup&gt;</td>
<td>Medical assistance prescribed by doctors which is fully financed by the Government of Maldives and implemented through Aasandha Company Limited.</td>
</tr>
<tr>
<td>Medical Welfare&lt;sup&gt;20&lt;/sup&gt;</td>
<td>Medical coverage for complex cases not covered by Husnuvaa Aasandha.</td>
</tr>
<tr>
<td>Single Parent Allowance</td>
<td>Allowance for single parents who are struggling financially with an aim to help children avoid poverty and secure basic needs.</td>
</tr>
<tr>
<td>Food Subsidy Programme&lt;sup&gt;21&lt;/sup&gt;</td>
<td>Financial assistance to help poor people purchase food staples.</td>
</tr>
<tr>
<td>Old Age Basic Pension</td>
<td>Pension provided to senior citizens.</td>
</tr>
</tbody>
</table>
Nepal

In Nepal, the Government has formulated sector specific policies to protect the poor and vulnerable. Below are some of the policies applicable to homeworkers and their children:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Allowances</td>
<td>Old age, single women and widows, disability, child grant and endangered ethnicity allowance.</td>
</tr>
<tr>
<td>Cash relief to earthquake and conflict affected</td>
<td>Cash relief to rebuild houses to those affected by the 2015 earthquake.</td>
</tr>
<tr>
<td>Safe motherhood/Aama programme</td>
<td>Medical assistance to mothers and new-borns; cash incentives for care visits, and free vaccination to infants.</td>
</tr>
<tr>
<td>National School Meals Programme</td>
<td>Food distribution by providing schools with cooked meals or providing them with cash to cook meals themselves.</td>
</tr>
<tr>
<td>Scholarships</td>
<td>Scholarships for girls and boys until class 10, mid-day meals, school uniforms, books and stationery in community schools.</td>
</tr>
</tbody>
</table>

Pakistan

In Pakistan, Sindh – one of its four provinces – has adopted the Home-Based Workers Act 2018 while Punjab – another province- passed a similar Act in 2019. These Acts recognise home-based workers and allow them to be registered as workers. This recognition enables them to access social security benefits like old age benefits, minimum wage, maternity leave, credit schemes, easy market access, injury and death insurance, and opportunities to better their livelihoods through vocation and skill trainings. However, as of October 2019, the rules and procedures of the Acts are still in the process of being formulated and have not been implemented yet.

Pakistan has adopted The National Social Protection Strategy (NSPS) that’s aimed at addressing poverty and vulnerability. Major polices applicable to homeworkers and their children are provided below:
<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benazir Income Support Programme 25</td>
<td>The programme tries to overcome the adverse impacts of any food, fuel or financial crisis by providing a minimum income support package to the poor. It provides a monthly income of PKR 1000 ($6.46)(^{26}) for those whose monthly income is less than PKR 6000 ($38.75). The programme also includes: - Provision of micro-loans - Vocational trainings - Life insurance for the breadwinner of the family - Skills trainings for primary education holders.</td>
</tr>
<tr>
<td>Pakistan Bait-ul-Mal</td>
<td>Financial assistance to the destitute, widows, orphans, invalids, infirm and other needy persons with emphasis on rehabilitation. It includes social support services; rehabilitation of child labourers; women’s empowerment centres; child support programmes.</td>
</tr>
<tr>
<td>Pakistan FATA Temporarily Displaced Persons Emergency Recovery Project</td>
<td>An early recovery package for temporarily displaced persons. It also promotes child health in selected tribal areas.</td>
</tr>
<tr>
<td>Microfinance Institutions (MFIs)</td>
<td>Government of Pakistan considers MFIs to be a social protection offering(^{27}). Under this, microcredit, micro insurance and micro savings services are offered to all workers including homeworkers.</td>
</tr>
</tbody>
</table>
Sri Lanka
Sri Lanka does not have a targeted national policy on social protection. However, social protection is provided under various government programmes and/or schemes. Those that are applicable to homeworkers are:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Samurdhi Scheme\textsuperscript{28}</td>
<td>The programme provides poor people with monthly cash transfers, social insurance contributions, microfinance and compulsory saving schemes, and livelihood development programmes.</td>
</tr>
<tr>
<td>National Supplementary Food Programme (Thriposha)\textsuperscript{29}</td>
<td>Programme aimed at improving nutrition for children and pregnant and lactating women.</td>
</tr>
<tr>
<td>Public Welfare Assistance Allowance (PAMA)\textsuperscript{30}</td>
<td>Allowance for the elderly, disabled widows, women living separately from their husbands, and orphans.</td>
</tr>
<tr>
<td>School Feeding Programmes\textsuperscript{31}</td>
<td>Children are provided with cooked meals, milk and vitamin supplements at school.</td>
</tr>
</tbody>
</table>

Social protection provided by the government is beneficial for homeworkers, who can’t access employer provided social security. However, access to social protection is not always easy due to the requirement of documents and lengthy processes. Civil society organisations like SAATHI in Nepal, LEARN in India, HomeNet Pakistan, Coalition of Urban Poor in Bangladesh, etc. have played a positive role across all South Asian countries to link homeworkers to social protection and government assistance programmes.
Section 7: Occupational Safety and Health

Occupational Safety and Health – The Homeworkers’ Context

In South Asia, homeworkers, in urban areas, often live and work out of informal settlements. These informal settlements are over populated and generally lack basic infrastructure services. The homes of homeworkers also do not come under the purview of Occupational Safety and Health (OSH) laws. However, homeworkers are at risk of injury and can contract diseases while working. The hazards that they face are also different from other workers.


ILO defines OSH as “a science of the anticipation, recognition, evaluation, and control of hazards arising in or from the workplace that could impair the health and well-being of workers, taking into account the possible impact on the surrounding communities and the general environment”. While there are international instruments that promote national laws around OSH, most OSH laws end at the formal workplace, like in factories in the case of the garment sector.

OSH is not a priority for workers in South Asia. Homeworkers especially prioritise accessing regular income and work over OSH. However, many civil society organisations and trade unions like SEWA Social Security, Bangladesh’s Occupational Safety, Health and Environment Foundation (OSHE), and Pakistan’s Home-Based Women Workers Federation (HBWWF) have worked toward creating awareness around OSH issues amongst homeworkers. They have conducted many studies that directly correlate OSH issues with productivity, income, health expenditures and homeworkers’ ability to continued work.
Key OSH Issues Faced by Homeworkers in the Garment Sector

Some of the OSH Issues faced by homeworkers are mentioned below:

1. **Accidents and Injury from Machines and Lack of Protective Gear:** Homeworkers in the garment sector often work with machines that can cause injuries and accidents. Homeworkers commonly suffer cuts from sewing machines and injuries from thread-trimmers, machine needles and embroidery needles.

2. **Body Ache and Weak Eyesight:** Sitting for long hours, during work, leads to back, joint, rheumatic, and muscle pain. Urban homeworkers working with very fine materials or needles, such as those used in embroidery, garment cutting and finishing, and knitting, often develop eye problems. This includes dryness in the eyes and, over the years, their eyesight weakens.

3. **Respiratory Issues from Prolonged Exposure:** Certain types of garments release small threads and fibres in the air (e.g.: hemp dust, cotton dust). Homeworkers have reported difficulties in breathing and excessive sputum production when they inhale this dust.

4. **Issues Due to Lack of Decent Housing and Access to Basic Services:** Though rapid urbanisation has become a norm in South Asia’s cities access to decent housing remains out of the reach of many. Homeworkers are often compelled to reside and work in informal settlements that are marked by poor infrastructure. These settlements also lack basic services like water supply connections in each household, individual toilets, solid waste management systems, paved roads, street lights, sewerage and storm water drainage. This has led to poor health among homeworkers and their families. They often experience repeated episodes of diarrhoea, vomiting and malaria. Homeworkers also experience weak eyesight because of poor lighting and difficulties in breathing due to the lack of ventilation.

5. **Exposure to Harmful Chemicals, Fumes or Fibres:** Homeworkers in the garment sector work with hazardous materials. They use chemicals for dyeing, bleaching and starching of fabrics, and strong powders or liquids while washing finished products. These can have corrosive effects on the workers’ hands, and fumes released from these chemicals may cause lung issues.
<table>
<thead>
<tr>
<th>Country</th>
<th>OSH Law/s and Policy/ies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>- OSH primarily under Labour Law (2007)&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
| Bangladesh   | - Bangladesh Labour (Amendment) Act 2013 introduces several provisions aimed at improving workplace safety<sup>3</sup>  
              | - National Occupational Health and Safety Policy 2013<sup>4</sup> |
| Bhutan       | - OSH primarily under Labour and Employment Act (2007)<sup>5</sup> |
| India        | - OSH primarily under Factory Act (1948)<sup>6</sup>  
              | - National Policy on Safety, Health and Environment at Workplace (NPSHEW)<sup>7</sup>  
              | - The Labour Code on Occupational Safety, Health and Working Conditions, 2019 (in review stage as of 26th Dec 2019) |
| Nepal        | - OSH primarily under Labour Act (Amendment) 2017<sup>8</sup> |
| Maldives     | - OSH primarily under Employment Act (2008)<sup>9</sup> |
| Pakistan     | - Occupational, Safety and Health Policy adopted by Sindh Government<sup>10</sup>  
              | - Other provinces have OSH under different pieces of legislation, such as Factories Act (1934); The Hazardous Occupations Rules, 1963<sup>11</sup> |
| Sri Lanka    | - The National Occupational Safety and Health Policy, 2014<sup>12</sup>  
              | - OSH under Factories Ordinance (1942)<sup>13</sup> |
Suggestions to Improve OSH for Homeworkers in Supply Chains

I. Protective Gear

Personal protective equipment, commonly referred to as "PPE", is equipment worn to minimise exposure to workplace injuries and illnesses. Common hazard sources include dust, chemicals, noise and heat.

Textile workers can use:
1. Surgical masks or fine mesh cloth to prevent inhalation of garment dust.
2. Hand gloves made of metallic strings to prevent cuts and trimmer injuries during finishing work.
3. Thimbles for preventing cuts and pinches during embroidery work.
4. Sewing machines equipped with needle guards to prevent injury.
5. Machine covers over sharp parts.
6. Avoiding flowy clothes and open hair while working on machines.
7. Glasses to protect eyes when working with small particles – this includes magnifying glasses for fine work.
8. Having separate attire for work to prevent the spread of hazardous chemicals among family members.
9. Alternating between hazardous work and non-hazardous work over regular intervals. E.g. dyeing work followed by folding work (not always possible for workers doing only one type of work).

These protective gears and measures are rarely followed, due to:
1. Lack of awareness.
2. Lack of availability of equipment.
3. High cost of equipment.
4. Ill-fitted equipment.
5. Discomfort due to usage of equipment.
6. No monitoring or mandatory compliance requirement by governments or employers.

II. Ergonomics

1. Maintaining Working Height: The workstation should be placed at a height suitable to the homeworker’s elbow level. This will help the worker maintain correct posture and reduces body strain. Ideally, the homeworker should be able to work while standing as well as sitting down. However, if not feasible, the homeworker should take breaks to either get up or sit down, depending on what position they work in. Making structural changes in sitting arrangements, keeping in mind the nature of work, should lessen health problems like back pain, stiffness, and joint pains. Adjusting the work height is applicable to both sitting as well as standing work requirements.

2. Suitable chairs with backrest and adjustable height should be used for work done while sitting, to prevent chronic ache in the back and spine. These are practical interventions that could be provided by employers/contractors.
Case Study: Increasing Home-Based Worker Productivity – Tiruppur, India

Tiruppur in Tamil Nadu, India, is a famous garment hub. While a lot of garment work happens in factories, in Tiruppur, many aspects of production like finishing, packaging, and labelling is done by homeworkers. They receive high volumes of work that they have to turn around within short periods of time. So, homeworkers have devised way to optimise their work environment, including:

1. Setting up of common workspaces where 5-10 HBWs can work together.
2. Setting up tables at elbow-level to enable long hours of work without causing ache in the back and arms.

Case Study: OSH Intervention for Garment Workers – A Lok Swasthya SEWA Trust Initiative in Gujarat, India (2013)

Lok Swasthya SEWA Trust (LSST) was set up by SEWA in the year 2005 to focus on issues of health and safety for women workers. In the last ten years, LSST has grown to include livelihood security, insurance, health and child care, capacity-building and cooperative development in its portfolio of activities. In partnership with the Indian Institute of Public Health, Gandhinagar, it provided OSH tools to home-based workers working in the garment sector, and then analysed the results while comparing it to a control group (matched for age, sex and socio-economic status).

**Target group:** Garment-sector, home-based workers in Ahmedabad (tailors using sewing machines)

**OSH issues:** foot swelling, foot pain, hand pain, lower back pain, neck/shoulder pain, knee pain

**Tools provided:** Ergonomic Chairs with wheels and backrest

**Positive Impact:** Compared to non-users of chairs, the users reported:
1) Increase in productivity – Workers involved in handkerchief interlocking reported the most increase in productivity. An analysis suggested that these workers possibly benefitted the most since their work consisted of repetitive actions for a long period of time.
2) Decrease in occupational illness – Workers reported lesser instances of foot swelling, foot pain, and lower back pain.
III. Insurance against Accidents

While factories are mandated to provide protection against death and disability caused by accidents at the workplace, homeworkers do not get such coverage. By organising as a collective, homeworkers can access health insurance. Ideally, this should be paid for by the retail company for whom the products are being made. However, in the absence of employer provided insurance, civil society organisations have stepped in to provide insurance for homeworkers. For example, Rangsutra Crafts Private Limited, is a producer company that provides accident insurance for all its workers, including homeworkers. VimoSEWA is an integrated insurance programme for members of SEWA (including homeworkers). It provides insurance coverage in the case of illness, widowhood, accident, fire, communal riots, floods and when other such natural and man-made calamities result in loss of work, income and assets for poor working families17.

IV. Establishing Safe and Common Workplaces for Homeworkers

When homeworkers work together in a common workplace close to their home, they can make their workplaces safer and tackle basic OSH issues. Rangsutra Crafts India Limited, in Bikaner, has created these common workplaces that have helped women homeworkers ensure OSH. The production centres feature:

- A clean and spacious workplace.
- Fire extinguishers and two emergency exit routes in case of fire.
- Restrooms and clean drinking water.
- Ventilated space with sufficient sunlight.
- Designated shelves for storing raw materials and finished products.
- Availability of first-aid box. There is also a designated person in-charge of first aid at each centre.
- All homeworkers are trained in first-aid and fire safety.
- Group Accidental Insurance is extended to all homeworkers.
V. Housing and Access to Basic Services:

1. **Access to Basic Services**- Access to basic services (individual water supply connections, individual toilets, solid waste management, paved roads, street lights, sewage and storm water drainage) helps reduce illness and, therefore, increases productivity among homeworkers. Mahila Housing SEWA Trust (MHT), in India, works towards creating access to basic services for women working in the informal economy (including homeworkers). MHT forms Community Based Organisations (CBOs) of women residing in informal settlements. It then builds capacity in areas of leadership and advocacy. Finally, it links workers to urban local government bodies so that workers themselves can ensure basic services in their communities. It also links them with feasible financial solutions that can be used to make home and community infrastructure improvements. MHT has successfully created access to basic services for over 56,000 women, informal workers and their families.

In Bhubaneshwar, Odisha, MHT collaborated with ROAD, a grassroots organisation working with home-based workers. The initiative sought to mobilise women workers to secure solid waste management (SWM) systems and individual water connections in their settlement. The women workers were successful in securing these basic services. As a result:

a. 90% women workers saved time earlier spent on collecting water. Home-based workers used this time to increase their productivity and earned an additional INR 200 to INR 400 per month.

b. 5% women workers spent the time saved on childcare.

c. Lesser instances of illness meant reduced health expenditure. Women workers reported a drop in medical expenditure from INR 1,000-INR 1,500 per month to INR 100- INR 150 post intervention.

d. Workers took lesser leaves since they did not frequently fall ill.

2. **Housing Design Interventions**-

   (a) Lack of light and ventilation are common problems for homeworkers working in informal settlements. MHT in partnership with Footprints Earth has developed a 50 cm by 50 cm window that is designed to sit in the grooves of tin-roofed homes. This window provides much needed light and ventilation. The increase in light and ventilation has led to lesser work errors and has reduced electricity costs (thereby production cost) for homeworkers.

   (b) During summers, homeworkers work in extreme temperatures. It is important to maintain favourable temperatures at homes, to ensure health and productivity. MHT uses three tools to reduce extreme heat in homes: Modroofs made of coconut husk and paper waste, which can reduce the temperature of the house by 7-8 degrees.

   ii) AirLite ventilator systems made of fibre sheets that increase air circulation in homes.

   iii) Heat reflective paint for the exteriors of homes to reduce indoor temperatures and energy expenses.

3. **Equipping Homes with First Aid Kits and Fire Extinguishers.**
VI. Material Handling and Storage

1. Assigning specific areas for storage of raw materials can help optimise the use of available space while also protecting raw materials. Multi-level rack placements can help save space.

2. Wheeled devices such as carts or rollers can be used to carry heavy raw materials like wood, tools, and machines. This reduces the stress of heavy labour and chances of accidents.

3. Use of Containers: A garment worker requires needles, threads, scissors, buttons, and gloves among other tools – these can be stored in specific containers for easy access and safety of the worker and her family members. Similarly, raw materials such as wool, thread and cloth, should be stored in a covered container to prevent damage to material and the spread of harmful fibres/dust inside the home.

4. Handling of Corrosive/Hazardous Materials - Such work should not be home-based, since it can pose great risk to the lives of workers and family members, especially children. When this type of work is carried out at home, raw materials should be stored in closed containers, long-sleeved clothes should be worn, gloves of non-corrosive material should be worn, and a mask should be used to prevent inhalation of fumes.
Section 8:
Violence at the Workplace

Domestic Violence

Harassment Faced from Middlemen / Contractors

Laws on Violence at the Workplace

Steps to Fight Violence at the Workplace

The recently passed ILO Convention 190 defines violence and harassment in the world of work as “a range of unacceptable behaviours and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment.” This covers physical abuse, verbal abuse, bullying and mobbing, maltreatment, sexual harassment, threats and stalking. Gender-based violence includes “physical, psychological and sexual violence that stems from unequal power relationships between men and women or it’s targeted against people who do not conform to socially accepted gender roles.”

Uniquely, Convention 190 defines the workplace as beyond the traditional physical workplace and includes commuting to and from work, work-related social spaces, and public spaces. It also includes workers’ own homes which is extremely relevant for homeworkers. Homeworkers who are part of garment supply chains are susceptible to harassment and violence at home that’s perpetrated by contractors or middleman, as well as their own families.

Domestic Violence

Domestic violence represents violence confined within the family. And, as the place of work for homeworkers is their homes, domestic violence becomes a form of violence at the workplace. Homeworkers suffer violence dealt out not only by their husbands but also other family members. Domestic violence is defined by UNICEF (2000) as “violence perpetrated by intimate partners and other family members, and [is] manifested through:

- Physical abuse such as slapping, beating, arm-twisting, stabbing, strangling, burning, choking, kicking, threats with an object or weapon, and murder. It also includes traditional practices harmful to women such as female genital mutilation and wife inheritance (the practice of passing a widow and her property to her dead husband’s brother).
- Sexual abuse such as coerced sex through threats, intimidation or physical force, forcing unwanted sexual acts or forcing sex with others.
- Psychological abuse which includes behaviour that is intended to intimidate and persecute, and takes the form of threats of abandonment or abuse, confinement to the home, surveillance, threats to take away custody of the children, destruction of objects, isolation, verbal aggression and constant humiliation.
- Economic abuse includes acts such as the denial of funds, refusal to contribute financially, denial of food and basic needs, and controlling access to health care, employment, etc.”
Domestic violence is very prevalent among homeworkers and is a hidden and often ignored form of violence. Women often feel left out, lonely and isolated and ashamed to share their grief. Their productivity is also hampered and they further fear losing work if they share their experiences.

Harassment by Middlemen / Contractors

Homeworkers are one of the most vulnerable groups of workers due to their invisibility, complete reliance on contractors for work, and lack of recognition as workers. There are several types of harassment that homeworkers face at the hands of their contractors, some of them are mentioned below:

- **Financial Exploitation**: The work done by homeworkers is not very different from factory workers. However, due to the informal nature of the work— invisibility, lack of written contracts and physical records of work and payment provided - they are exploited. They are paid less, irregularly, and in many cases not paid at all.
- **Verbal Abuse**: Homeworkers are subject to verbal abuse by contractors, especially when they miss deadlines, the work is faulty, or when they ask for an increase in piece rates.
- **Fear of Losing Work**: Due to unequal power relations between homeworkers and their contractors, they lack bargaining power. Often, when homeworkers organise or join a union, contractors take the work elsewhere. There is a constant fear of losing work among homeworkers.
- **Sexual Abuse**: Homeworkers, especially migrant homeworkers, report facing sexual abuse. Contractors ask them for sexual favours in return for work or payment.

Many homeworkers report being adversely impacted by the violence they face. In a study conducted by HomeNet South Asia (HNSA) in Nepal, homeworkers shared that they were financially exploited – where they were not paid on time or were not paid at all. They faced verbal abuse where the contractors threatened to stop giving them work if they complained. They also reported instances where they were talked down to and were touched and teased. All this, homeworkers said, led them to:

- Give up work, leading to loss in income.
- Suffer from changes in mood, anxiety, depression, aggression or high level of stress causing health complications of a physical or psychological in nature.
- Decreased productivity or loss in concentration. This then resulted in poor quality in work.
- Want to leave work.
- Incur additional medical expenses.

South Asian Laws Against Violence and Harassment at the Workplace

The table below identifies various laws, established by countries in South Asia, that seek to protect women workers from violence at the workplace as well as domestic violence.
<table>
<thead>
<tr>
<th>Country</th>
<th>Laws</th>
</tr>
</thead>
</table>
| Afghanistan | - The Penal Code, 2018  
- The Elimination of Violence Against Woman (EVAW) Law, 2009                                                                 |
| Bangladesh  | - Dowry Prohibition Act of 1980  
- The Prevention of Oppression against Women and Children Act of 2000  
- Domestic Violence (Prevention and Protection) Act of 2010                                                |
| Bhutan      | - Penal Code of Bhutan (Sections 205 and 206) on Sexual Harassment  
- The Constitution of the Kingdom of Bhutan 2008 (Article 9 (17) and (18)  
- The Domestic Violence Prevention Act, enacted in 2013  
- The Criminal Law 2004- punishment for sexual offenses including rape and sexual harassment |
| India       | - Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013  
- Equal Remuneration Act, 1976  
- Maternity Benefit Act, 1861  
- Dowry Prohibition Act, 1961  
- Domestic Violence Act, 2005  
- Indecent Representation of Women (Prohibition) Act (1986) |
| Maldives    | - Domestic Violence Act, 2012  
- The Revised Penal Code (2014)  
- The Sexual Harassment Prevention Act (2014)  
- The Sexual Offences Act (2009) |
- Social Practices (Reform) Act, 1976  
- Gender Equality Act, 2006  
- Sexual Harassment at Workplace Prevention Act, 2071 (2015)  
- The Country Penal (Code) Act, 2017 |
| Pakistan    | - The Pakistan Penal Code, 1860  
- Dowry and Bridal Gifts (Restriction) Act, 1976  
- Protection for Women (Criminal Law Amendment) Act, 2006  
- The Protection Against Harassment of Women at the Workplace Act, 2010  
- Domestic Violence (Prevention and Protection) Act, 2012  
- The Punjab Protection of Women Against Violence Act, 2016 |
| Sri Lanka   | - Sri Lanka Penal Code 2011  
- The Prevention of Domestic Violence Act 2005 |
While most of these laws are applicable to homeworkers too, the laws protecting women at the workplace tend to cover women working in the formal sector alone. Additionally, homeworkers find it difficult to access any of the above laws without the support of civil society organisations, due to a lack of awareness of these laws and their accompanying complaint mechanisms, as well as the stigma attached to violence.

Steps Homeworkers Can Employ to Fight Violence at the Workplace

There are various steps that homeworkers can take to mitigate the effects of violence and harassment:

- Acknowledging that violence and harassment exists. It is often ignored and accepted as a way of life. Homeworkers must acknowledge the fact that they are facing one or many of the different forms of violence, that it is a crime and punishable by law. Only then they can find suitable ways to handle it.
- Organising provides homeworkers with the strength, awareness and exposure to fight violence. It provides homeworkers with a sense of solidarity where they can share their experiences and can take joint action. As a part of an organised group, they have access to civil society organisations working on the issues of violence and can access legal guidance.
- Using toll free helplines provided by governments to register complaints.
- Registering complaints at local police stations/ district committees/ with local NGOs or through any other mechanisms available to informal economy women workers.

Table 7 lists the different complaint systems that have been set up in each country for women workers to access. However, it is almost impossible for women homeworkers to access these complaint mechanisms if they are not organised.
### Table 7: Complaint Mechanisms Available to Women Workers in South Asian Countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Complaint Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>- The Elimination of Violence Against Woman (EVAW) Law (2009) allows victims or their relatives to register complaints with the police, the Department of Huqooq (civil department within the Ministry of Justice, and Department of Women Affairs).</td>
</tr>
</tbody>
</table>
| Bangladesh | - The Multi-Sectoral Programme on Violence Against Women (MSP-VAW) under the Ministry of Women and Children’s Affairs (MOWCA) runs eight One-Stop Crisis Centers (OCCs) at the division levels and 60 One-stop Crisis Cells (OCCs) to provide information and referral services to the victims of VAW.  
- The Bangladesh Directorate of Women’s Affairs has launched a 24-hour call centre open to all victims or potential victims (women, men, children) of violence. The helpline provides immediate service to victims and links them to relevant agencies: doctors, counsellors, lawyers, DNA experts, and police officers. It is accessible in all parts of Bangladesh and through any mobile network. The hotline helpline number is 10921. |
| Bhutan | - Women can report violence and harassment issues to the Royal Bhutan Police and the National Commission for Women and Children (NCWC). They can register complaints at police stations and through calls. They can also make calls to toll free helplines.  
- Royal Bhutan Police (113) and NCWC (1098). Women can lodge complaints on sexual harassment that occur in any kind of setting (at homes, schools, institutions, shelters, public places, and work places). |
| India | - Ministry of Women and Child Development in 2017, launched an online complaint management system for women working in both public as well as private sector organisations to lodge complaints of sexual harassment in the workplace. The online complaint management system is known as "She-Box" and a complaint can be registered by any woman.  
- Under the Sexual Harassment of Women at Workplace Act 2013, women can file complaints at district-level Local Complaints Committees. |
<p>| Nepal | - In 2017, Nepal’s National Women Commission started a 24-hour-toll free helpline for anyone who faces gender-based violence or social discrimination and for those who have been deprived from exercising women’s rights. Women can register their complaints with the 1145 helpline. |</p>
<table>
<thead>
<tr>
<th>Country</th>
<th>Laws</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maldives[^10]</td>
<td>- Complaints can be made to the police, local leaders, community organisations or with the Ministry of Gender and Family.</td>
</tr>
</tbody>
</table>
| Pakistan[^11] | - A Violence Against Women Center was opened in 2017 in Punjab. This is a 24-hour all-women-run centre to address the needs of female victims of violence and other aspects of women’s rights. Similar centres are expected to be established in Lahore, Faisalabad and Rawalpindi.  
- The NGO Digital Rights Foundation has set up a helpline for victims of online harassment in the country. The aim of the free helpline is to offer advice to victims of online harassment, including legal advice, digital security support and psychological counselling. A team of digital security experts, counsellors and lawyers offer their services through this helpline. |
| Sri Lanka     | - A helpline for women (1938) has been established with the objective of providing assistance and to receive complaints related to all forms of discrimination against women, defilement of the rights of women, harassment and all kinds of abuse.  
- Women in Need, an organisation that operates in 8 locations in Sri Lanka, namely, Colombo, Matara, Kandy, Anuradhapura, Badulla, Kurunegala, Batticaloa, Puttalam and Jaffna, provides shelter to women and children who are victims to violence. Their number is 011-2671411. |
Section 9: Child Labour

How Do You Define Child Labour?

How to Ensure that an Area is a Child Labour Free Zone

How to Ensure that an Area is a Child Labour Free Zone

How Do You Define Child Labour?

Global estimates indicate that 152 million children - 64 million girls and 88 million boys - are engaged in child labour. Worldwide, this accounts for almost one in 10 children. Nearly half of all those involved in child labour take up hazardous work that directly endangers their health, safety, and moral development. The ILO Convention 182 defines child labour as "the work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and/or mental development, is considered morally dangerous and and/or interferes with their schooling by:

- Inhibiting them the opportunity to attend school.
- Forcing them to leave school prematurely.
- Forcing them to attempt to combine school attendance with excessively long and heavy work.

The most extreme forms of child labour are when children are enslaved, separated from their families, exposed to hazards and illness and when they need to fend for themselves at an early age. Despite national and international interventions on child labour, it still continues to exist on a massive scale. It is deeply rooted in poverty created by social and economic inequality and an insufficient access to education. In South Asia, factors like caste, traditional norms, lack of equal opportunities for girl children, poorly functioning education systems, and social and economic backwardness also contribute to the existence of large-scale child labour.

Laws on Child Labour

It is estimated that in South Asia, 16.7 million children between the age of 5 to 17 years are engaged in child labour. Young children, between the age of 5 and 11, make up about one-fifth of all child labourers in South Asia. Girls are more vulnerable and a majority are involved in forced or bonded labour, commercial sexual exploitation and domestic work outside of their homes.
International instruments like the ILO Conventions No. 138 (Minimum Age), No. 182 (Worst Forms of Child Labor) and United Nations Convention on the Rights of the Child (UN CRC) have been developed to eliminate child labour. Below is their ratification status among South Asian countries:

2. ILO Conventions No. 138, The Minimum Age Convention- Signed and ratified by Afghanistan, India, Maldives, Nepal, Pakistan and Sri Lanka. Afghanistan, India, Nepal, Pakistan, and Sri Lanka have established 14 years as the minimum age where as Maldives has set 16 years as the minimum age for work\(^4\). (Note: Bhutan is not a member of the ILO).

Despite non-ratification by some countries, all South Asian countries have national laws prescribing the minimum age for employment, prohibiting the worst forms of child labour. Some country laws allow adolescents to work in non-hazardous occupations and processes like in the entertainment industry – advertisement, films, television, serials, and sports activities (except circus) - provided that employment in these industries does not affect school attendance and education\(^5\).

Under national laws, it is important to take into account the minimum age criteria for different types of work and the criteria for light work for those under the age of 18. ILO C138 (Article 7) defines light work and stresses for\(^6\):

- No harmful impact of work on the health or development of the child.
- No stoppage to their school attendance, and other vocational or technical education programme, or training pertaining to knowledge enhancement.

In South Asia, children between 12 and 15 years can be involved in light work involving household chores if it does not interfere with their education, is not hazardous and the hours are not too long\(^7\). Specific laws on Child Labour in each South Asian countries are provided below.
Table 8: Specific Laws or Policies Applicable to Prevent Child Labour in South Asian Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Laws and Policies</th>
</tr>
</thead>
</table>
| Afghanistan   | - National Labour Policy, 2016  
- National Strategy for Children at Risk, 2004                                    |
| Bangladesh    | - Children Act, 2013  
- Labour Amendment Act, 2019                                                      |
| Bhutan        | - Child Care and Protection Act, 2011  
- Labour and Employment Act, 2007                                                  |
| India         | - Child Labour (Prohibition and Regulation) Amendment Act, 2016  
- Juvenile Justice (Care & Protection) of Children Act, 2015                       |
| Maldives      | - Employment Act, 2008  
| Nepal         | - The Act Relating to Children, 2018                                               |
| Pakistan      | - Punjab Labour Policy 2018  
- Sindh Labour Policy 2018  
- Khyber Pakhtunkhwa Child Labour Policy, 2018²                                    |
| Sri Lanka     | - National Policy on Elimination of Child Labour Policy, 2017                       |

Importance of Child Labour Free Work Zones

A Child Labour Free Work Zone can be defined as an area, like a village or a plantation, cluster of communities, a small island, or an urban area, where every individual is convinced that no single child should be involved in labour but should be in school³. Every individual and stakeholder in the area works towards getting children out of work and into school. This can only happen when there is a collective acceptance that children have a right to an education at the appropriate age.

The area-based approach has seen success. In India, it has helped 1,500 villages become child labour free zones⁴. The stakeholders involved in the creation of these zones, include, teachers, parents, children, trade unions, community groups, local authorities, religious leaders and employers.

Establishing child labour free work zones are vital when an organisation focuses on eliminating child labour, in a particular area, and promotes child education. During the creation of these zones, all children are treated equally and are not distinguished by the work sectors – like agriculture, garments, or factory work – that they are involved in.
The strong initiative towards setting up child labour free work zones took place in 1991. The effort was led by an Indian NGO called Mamidipudi Venkatarangaiya Foundation\(^\text{11}\). It helped one million children get out of work and integrate into full-time formal schools. The establishment of child labour free zone in countries like Uganda, Kenya, Ethiopia, Zimbabwe, Ghana, and Morocco have been successful in guiding children towards education and freeing them for labour.

Home-Based Work and Child Labour

A decade ago, child labour was rampant in home-based work. This was due to:

1. Poverty, which led parents to seek production support from their own children.
2. Work conducted at home - children supported their mothers in their work since mothers also had to fulfil their care work responsibilities.
3. The nature of work – for instance, hand embroidery - passed on from one generation to another and not part of the formal curriculum at schools.

However, efforts have been made by civil society organisations working with children and home-based workers to eliminate child labour.

Why Homeworkers Should Ensure that their Work is Child Labour Free

Homeworkers should work towards making their work child labour free because:

1. Ensuring their children receive an education will help their children access better work opportunities.
2. Homeworkers can work with compliant brands and enterprises that offer them better piece rates.

How to Ensure that an Area is a Child Labour Free Zone

In order to ensure that the area is a child labour free zone, several monitoring and evaluation tools can be implemented, including:

1. Analysing a particular geographical area through FGDs with homeworkers and collection of data from schools.
2. Involvement of different stakeholders in the process.
3. Creating awareness programmes.
4. Creating monitoring groups of stakeholders like community forums and child parliaments.
5. Economic support to parents.
6. Educational support to children.

These strategies were successfully adopted by a civil society organisation – Social Awareness and Voluntary Education (SAVE) – to create child labour free zones in Tiruppur, a prominent garment hub in South India.
Tiruppur is a garment and textile hub, located in Tamil Nadu, India. It provides jobs to 800,000 garment workers of which 75% to 90% are female workers. A majority of them are homeworkers\textsuperscript{13}. They earn low wages compelling them to involve their children in their work to support the family income. This led to the very evident problem of child labour in Tiruppur.

However, in 2019, Social Awareness and Voluntary Education (SAVE) – an Indian NGO – successfully declared 10 wards and 2 Panchayats in and around Tiruppur as child labour free zones. This has been achieved through a collaborative effort between SAVE, political leaders, educational institutions, private enterprises, and the communities themselves. SAVE has identified 12 major steps that helped establish child labour free zones. They are:

1. Identifying areas where child labour exists.
2. Gaining support from politicians and other key stakeholders through orientation programmes that promote an understanding of child labour free zones.
3. Conducting preliminary research to assess school dropouts and gathering facts on children that are vulnerable to child labour due to family hardships, having disabilities and any other key findings to ensure that all children in the selected zone are covered.
4. Identifying different risks associated with child labour. These risks could include children engaged in work before the age of 14, children who have suffered abuse, children who lack interest in school, children with disabilities, children with poor health, parents with severe illnesses, alcoholic parents, families with many children, and so on.
5. Collaborating with educational institutions to identify factors that lead to children dropping out of schools. These include language barriers, lack of water and sanitation facilities, lack of clean drinking water at the school premises, discrimination, lack of motivation, inability to afford the school fees, and so on.
6. Providing exposure and creating awareness of the different facilities available within the education system for children and their families. For instance, bridging courses that are available to dropouts. In Tiruppur, they were provided with academic and vocational courses in their native language as well as in Tamil and English. This was accompanied by skills training. At the end of the bridging course, children were rehabilitated into the mainstream school system. This was followed by three years of constant follow-up.
7. Establishing a Child Rights Protection Forum, a voluntary, community forum to protect children. In Tiruppur, the forum built awareness related to child rights. It also worked towards linking children with the existing educational system and monitored high risk children.
8. Establishing a Children’s Parliament where young children from diverse backgrounds come together to share their experiences, thoughts and feelings so that they can influence positive change at home, in school, and within their communities. They can also act as influencers, encouraging other children to stay in school.
9. Establishing “No child should work; every child belongs to school” as a social norm so that a common understanding is built among all stakeholders.

10. Engaging with educational institutions, the private sector, community-based organisations, trade unions, and government bodies to implement child labour free zones.

11. Assisting parents from low-income backgrounds to access better employment opportunities and skills training so that they are equipped to provide their children with an education.

12. Collaborating with government agencies to provide access to basic services.

Through these interventions, the 10 wards and 2 Panchayats in Tiruppur that have 12,488 boys and 11,601 girls are now all in school.

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Child Labour Free Work through Producer Companies

In South Asia, producer companies involving homeworkers have ensured that their work is child labour free. One such example is SABAH Nepal, which was initiated in the year 2009. Currently, it works in 20 districts of Nepal and has a membership of 3,084 homeworkers. SABAH Nepal ensures child labour free work by:

- Creating awareness amongst its members on child labour and the importance of education for children.
- Establishing childcare centres in the premises of its common facilitation centres that are used by homeworkers for work and skilling programmes.
- Skills training for young homeworker members (above the age of 18 years), so that they imbibe traditional skills that are generally passed on from one generation to another.
- Building a cadre of local, community leaders, who ensure that children are not engaged in work.
Childcare Centres

Many homeworkers choose to work from home as it is the only option they have. Apart from remunerative home-based work, they are responsible for care work, which involves taking care of children and the elderly, cooking, cleaning the house, fetching water, etc. Many countries in South Asia have laws that afford childcare facilities to women working in the formal sector. However, these are absent for women in the informal sector.

SEWA Social Security’s membership – that mainly consists of women, informal economy workers – expressed a need for childcare facilities. This led to the establishment of childcare centres in 1986. SEWA Social Security has since set up 23 childcare centres, in Ahmedabad, India. These are exclusively for women in the informal economy and includes these features:

- Operational within the communities where informal economy women workers live and/or work.
- The fees are nominal and affordable.
- The operating hours of the childcare centres are as per the working hours of the women workers.
- Takes care of children’s nutrition, hygiene and basic educational needs.
- It ties up with local schools and encourages children to join school from an early age and ensures that they do not dropout.
- Involves fathers in parent-teacher meetings to include them in care work.
- Involves communities in celebrations along with children.

While these childcare centres are successful, SEWA Social Security believes that the provision of childcare is the responsibility of the government and is advocating that the Indian government take up responsibility for these childcare centres, while also replicating the model throughout country.
A global supply chain consists of a wide network of people and organisations across many regions and countries. Each of the actors in the supply chain are involved in different stages of production. Supply chains have become longer and more complicated over time. This has been made possible by the rapid development of banking and communication technology that has resulted in the easy movement of capital.

Due to the complexity of the supply chain, it is hard for global retail companies to record and trace the various supplier factories, sub-supplier factories, contractors and homeworkers, their authorised supplier hires to meet production demands. Global retail companies are also unwilling to map detailed supply chains that go all the way down, to the homeworkers. Homeworkers, on the other hand, only know their immediate contractor who provides them with work. They remain largely unaware of the primary employer or the global retail company/brand that they are producing pieces for. These factors create difficulties, from both ends, in determining the different stakeholders involved in the production process. It also becomes difficult to verify how ethical production processes are and to trace a product from its raw material stage to its final, consumer-facing form.

This section covers the different transparency and traceability tools applicable to homeworkers that will enable them to record information for their knowledge and understanding, and help them locate themselves within the global supply chain.

Why is Transparency Required in Supply Chains?

Transparency in supply chains is important to both global retail companies/brands and workers working within the supply chains.

Global retail companies/brands require transparency in their supply chains to:

1. Build trust with workers, unions, consumers and investors. Mapping supply chains and publishing data of the supply chains reflects that the company is accountable.
2. Monitor labour rights violations.
3. Ensure the Company Code of Conduct is implemented throughout the supply chain.
4. Make company’s complaints mechanism accessible to all the workers in the supply chains.
5. Transparency of supply chains is consistent with UN Guiding Principles of Business and Human Rights (UN Guiding Principles), and compliant with legal instruments like the UK Modern Slavery Act 2015, French law on the corporate duty of vigilance, 2017, and California Transparency in Supply Chains Act of 2010.
6. Investors seek supply chain transparency to evaluate company’s robustness on business and human rights practices.
Homeworkers Need Transparency in Supply Chains for:

1. **Decent Work** - Workers working at various levels of the supply chain have the right to decent work which includes the four pillars viz. employment opportunities, rights at work, social protection and social dialogue. Transparency in the supply chain enables the creation of processes that guarantees the four pillars of decent work to homeworkers.

2. **Identifying the Employer** – the "employer" is either faraway or non-existent in the case of homeworkers when they are at the bottom of the global supply chain. The global retail company is usually in another country, and even the suppliers producing the garments for the global retail company has two to three tiers of contractors between them and the homeworkers. Transparency helps homeworkers identify their employer and thereby demand decent work.

3. **Formalization and Recognition of Home-Based Work** - Achieving transparency in the supply chain can ensure that homeworkers receive formal recognition for their contributions to the products they make. With this formal recognition, they can then bargain for worker rights and social protection – taking steps towards the formalization of home-based work.

4. **Increase in Piece Rates** - Transparency of supply chains can lead to workers demanding for increase in piece rates to match the minimum wage stipulated by country laws.

5. **Violence Free Supply Chains** - Homeworkers have no mechanism at their disposal to raise complaints and issues arising during the course of their work. These may range from cases of irregular or no payment to sexual harassment. Transparency will give homeworkers access to the complaint mechanisms available to workers facing violence at the workplace.

**Transparency Tools:**

Transparency tools allow homeworkers to record the details of their work and identify hurdles that hamper their working conditions. These can be in the form of the following documents:

- **Contract Templates**: maintained between contractors/supplier and homeworkers.
- **Model Logbook**: Logbook to record piece rates and number of work orders received.
- **Rejection handling mechanism on garment products**.
- **Checklist for homeworkers to ensure regular work flow**.

Decent Work - Workers working at various levels of the supply chain have the right to decent work which includes the four pillars viz. employment opportunities, rights at work, social protection and social dialogue. Transparency in the supply chain enables the creation of processes that guarantees the four pillars of decent work to homeworkers.
Contract Template

Homeworkers have the right to demand a written contract from their contractor which states the nature of the employment, remuneration and the terms and conditions of their employment, before they take up a job order. The following contract template has been designed for homeworkers so that they are aware of the specific content that needs to be written in the contract between them and the contractors.

### Piecework Agreement

Agreement between:

---

{Contractor’s Name and Address}

Contractor

And

---

{Insert Homeworker’s Name and Address}

Homeworker

The Contractor and the Homeworker agree to enter into this Piecework Agreement (herein referred to as Agreement) and mutually agree on the following components:

1. The work to be performed under this Agreement is as described below:

   {Add-
   (a) description of work – e.g. Embroidery.
   (b) design
   (c) the number of pieces to be made}

2. Duration of the Contract: The date of this agreement will start from dd/mm/yy and end on dd/mm/yy.

3. The work is {Circle relevant category} Part-time / Full-time.

4. Remuneration: The piece rate will be {insert rate per piece} for delivering {insert number of pieces to be completed}. The piece rate will be in accordance with the national minimum wage and will be paid {daily/ bi-weekly/monthly}. 

---
5. The normal working hours will be 8 hours per day. Work put in beyond these hours will be considered as overtime and remuneration will be provided.

6. Any additional cost borne by the homeworker (for example, list the cost of raw materials purchased to complete the work order such as thread, cloth, needle; and/or purchase of protective equipment like needle guard, face mask; and/or any expenditure made to complete the order like electricity, communication and travel) will be reimbursed.

7. Deductions: Deductions will be made only if the material is irreparable. If deductions are imposed due to poor quality of work, they will not exceed 50% of the wage.

8. Benefits: The benefits associated with the employment include (for example: weekly off, sick leave, paid holiday, health insurance, provident fund, and maternity benefit).

9. The homeworker has the right to join an association or trade union of their choice.

10. Termination: The contract can be terminated by both parties, with 30 days notice, if they violate any one of the above conditions.

{Contractor Signature} {Homeworker Signature}

Name: Name:

Date: Date:

Model Logbook

The Logbook provides greater transparency with respect to piece rates and the amount of work homeworkers receive. It is a detailed record of the number of orders provided by the contractor, the agreed piece rate, the payments received and the payments due. The logbook is signed by both the homeworker and contractor. The logbook template provided below can be used by both homeworkers and contractors to keep track of their orders and payments. For homeworkers, it is important to record the correct details on payments received. Signatures of homeworkers and contractors are necessary to confirm payments and work orders received to avoid disputes. Collecting this information will help homeworkers determine whether they receive minimum wages and can be used as a negotiation tool to secure better piece rates.
Table 9: Model Logbook for Homeworkers

<table>
<thead>
<tr>
<th>Order number</th>
<th>Date of Issue</th>
<th>Description on Work Details and Number of Pieces Issued</th>
<th>Piece Rate Per Item Issued</th>
<th>Contractor’s Name and Signature</th>
<th>Number of Pieces completed</th>
<th>Payment Received for Pieces completed (A)</th>
<th>Additional Cost Borne By the Home worker (B)</th>
<th>Total Payment Received (A+B)</th>
<th>Number of Pieces to Rework/Repair</th>
<th>Any Other Payment Due</th>
<th>Home worker’s Signature</th>
<th>Notes</th>
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</table>
Rejection Handling Mechanism on Garment Products

The work done by homeworkers is not supervised or monitored. Any pieces/items that do not meet the expectations of the contractors are rejected, resulting in deductions and delayed wages. Homeworkers are then forced to spend more time reworking the piece to meet the contractor’s expectations. A proper rejection handling mechanism allows both contractors and homeworkers to mutually agree on a fair plan to handle damaged or faulty garment pieces.

Some of the key components of a rejection handling mechanism can be:
● If the homeworker finds the work difficult, she should approach the contractor and ask for the necessary training, tools or equipment that will help her fulfil the order.
● If there is an error made in the piece produced by the homeworker, the error must be explained to her and she should be given the option of reworking the piece.
● If the product needs further rectification, an additional payment should be given depending on the amount of time taken to complete the piece the second time around.
● If the piece is beyond repair, then a deduction in piece rate can be made by the contractor. However, the deduction should not exceed 50% of the wage.

Traceability Tool

For homeworkers, traceability can be defined as the ability to identify and trace:
● The primary employer- the global retail company or brand which designs the product, production process and markets the products.
● The series of employers within the supply chain.
● The series of workers within the supply chain.
● Details about the contractor employing them.
● Type of product that is being made at each level in the supply chain.
● The amount earned at each level of production.
● The selling price of the product.
● The place where the product is sold.

It is regarded as a tool because it facilitates the flow of information on transparency, work conditions, compliance standards, and quality control.
End Notes

Section 1: Introduction to Homeworkers

1. More information on Home-based Workers can be found at HomeNet South Asia Website. Available at: https://hnsa.org.in/home-based-workers
2. Ibid.

Section 3: Global Garment Supply Chains and Homeworkers

1. ILO website. Available at: https://www.ilo.org/global/topics/dw4sd/themes/supply-chains/lang--en/index.htm
4. Ibid.
5. List of suppliers appointed by H&M. Available at: https://sustainability.hm.com/en/sustainability/downloads-resources/resources/supplier-list.html
6. H&M Group acknowledges and permits their supplier to hire homeworkers. Information Available at: https://sustainability.hm.com/en/sustainability/downloads-resources/policies/policies/home-working.html
7. Ibid.

Section 4: Organising

Section 5: Minimum Wage

2. Online currency conversion rate as of 23rd September 2013. Available at: www.oanda.com
3. In India, every State sets their own minimum wage and differs significantly from each other. The minimum wage of INR 14,468 is provided for Delhi. Minimum wage of other states can be found at https://paycheck.in/salary/minimumwages
5. Exchange rate NPR to USD of 0.0088 taken on December 24th 2019
8. Ibid, Page 17.

Section 6: Social Security and Social Protection


19. More information on Husnuvaa Aasandha can be found at: https://aasandha.mv/en/scheme/overview


25. More on Benazir Income Support Programme is available at: https://bisp.gov.pk/

26. Conversion rate from 1 Pakistani Rupees equals to 0.0065 USD as of December 27th 2019


29. More information on National Supplementary Food Program available at: https://www.socialprotection.org/programme/national-supplementary-food-program-thriposha

Section 7: Occupational Safety and Health

14. More information on Personal Protective Equipment is available at: https://www.osha.gov/SLTC/personalprotectiveequipment/
16. Lok Swastha Sewa Trust, “SEWA Women Teach Harvard Students: Hour-Long Class Was on Women’s Healthcare”. Article Available at: https://lokswasthyasewatrust.org/about-organization/

19. Dey, S., 2017. ‘From Cool Homes to Autos, an Ahmedabad NGO is Making It Easier for Slum Dwellers to Bear the Heat’. The Better India. Available at: https://www.thebetterindia.com/97105/mahila-housing-trust-cooling-roofs-slums/

20. Ibid.


Other Resources:


Section 8: Violence at the Workplace


Section 9: Child Labour


4. List of Countries that have ratified and established minimum wage for work is available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO:11300:P11300_INSTRUMENT_ID:312283:NO


7. Ibid.


10. Ibid.


Section 10: Transparency and Traceability Tools

