



CONNECT Brief 1: the invisible women at the bottom of global supply chains

'Many of the items in your wardrobe could have been worked on by homeworkers – shoes stitched by women in Eastern Europe, tops embroidered at home in India, or tights packed by homeworkers in the UK'.¹ Labour Behind the Label website, <http://www.labourbehindthelabel.org/campaigns>

'In today's global economy, there may be no greater distance – physical and psychological – or greater imbalance in terms of power, profit and life-style between the woman who stitches garments... from her home in Pakistan for a brand-name retailer in Europe or North America and the chief executive officer of that brand-name corporation'² Progress of the World's Women 2005: 61

Homework in global supply chains is a reality the enlightened corporate world can no longer afford to ignore – not least because it is on the increase³. Whether or not they are aware of them, many retailers have homeworkers in their supply chains. As many as 300 million people – the vast majority women – do paid work at home in developing countries. In India alone there are an estimated 30 million homeworkers⁴. Even in the UK, estimates suggest there are around one million homeworkers⁵. There is also evidence of homeworking in Central and Eastern Europe, in countries such as the Czech Republic, Serbia, Lithuania and Bulgaria⁶.



What are homeworkers?

Homeworkers are usually women, doing labour intensive work, in their homes or sometimes from small workshops, rather than in more formal workplaces like factories⁷. The kind of work includes embroidery and weaving, making leather shoes or garments, making ropes or shelling cashew nuts. Some homeworkers make products which they sell themselves in local markets. Others work in global supply chains, producing products for an intermediary or subcontractor – the ‘middle men’ in the supply chain – rather than liaising directly with the main contractor. They are paid on a ‘piece rate’ basis⁸ – receiving a fixed amount for each garment embroidered. This brief is primarily concerned with homeworkers working in global supply chains in the garment industry – the women who embroider and embellish the clothes and accessories that end up on the highstreets of Europe.



What is the problem?

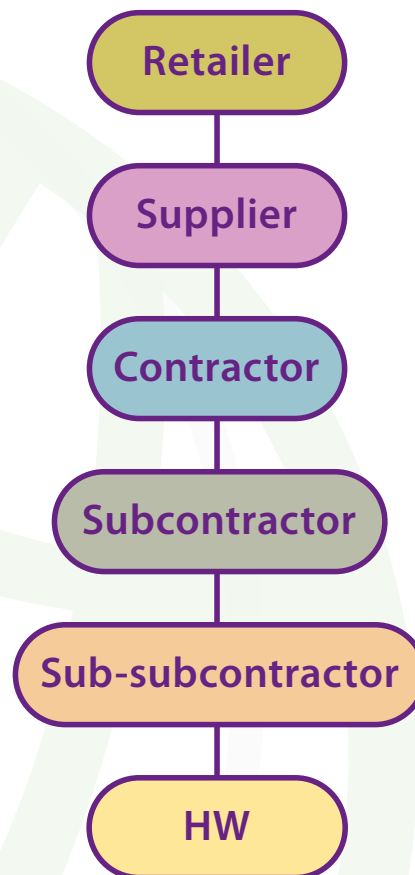
Across the world, women are more likely than men to be working in the informal economy where earnings are lowest and work is most precarious⁹. There are advantages to homeworking over other informal jobs. It can be safer for women than working outside the home and may be the only employment option in cultures where women’s mobility is restricted¹⁰. It is also more flexible than other types of work, enabling women to combine earning an income with care and domestic chores. Most crucially, it can be an essential way of earning an income. But it can also leave women highly vulnerable to exploitation – even more so than other workers in the garment industry such as factory workers¹¹. This is because, despite their vast numbers, few legal systems recognise homeworkers as workers, meaning they lack basic employment





protection or benefits. Homeworkers are also a largely invisible workforce – isolated at the bottom of supply chains, a world away from the big brand-name retailers. As this diagram shows, supply chains can be long and complicated, with lots of ‘middlemen’ in between retailers and the women workers at the bottom of the chain. This reduces the money that reaches homeworkers from the top of the chain. It also limits their power to demand better pay and conditions, since they mostly deal with sub-contractors rather than the main contractor, and rarely know who is responsible for their pay and conditions. Likewise, retailers often don’t know who is working on their products, nor much about the conditions in which homeworkers work.

Being isolated from other women doing the same kind of work makes it especially hard for homeworkers to organise to demand their rights. As a result, wages are low, irregular and often delayed. Typically paid on a piece-rate basis, homeworkers usually receive less than 10 percent of the final sale price of what they produce¹². On top of this, production costs like sewing machines, needles and electricity are absorbed by homeworkers themselves. Workload is unpredictable, with volume fluctuating week by week as well as seasonally. This can lead to periods of very little or no income, followed by periods of extremely long hours to meet tight deadlines. If work orders are suddenly cancelled or workers are not paid for months at a time, homeworkers have few options for taking action¹³.



ETI homeworker guidelines: recommendations for working with homeworker, p25

<http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Homeworker%20guidelines,%20ENG.pdf>



Box x: Maria – a homemaker with few options.

Maria sews pre-cut pieces of cloth into finished garments in her home on an industrial sewing machine. She deals with a local intermediary, who brings the material to her and collects the finished garments. The intermediary pays Maria on a piece-rate basis.

Maria's work is intermittent. It can be very heavy at certain seasons. At these times, she may work up to 75 hours in a week to satisfy her contract. All of this work is paid on the same piece-rate basis. She gets no overtime pay, holiday pay, or paid leave. Her employer considers her to be an independent contractor, so he does not deduct taxes or social security contributions from her pay. Maria is happy enough to get her full pay now, but she knows that it means that there will be nothing for her later in life. When there is less work, or when the complexity of the garment forces her to work more slowly, Maria still receives only the piece rate. The contractor has told her that minimum wage laws don't apply to her. Although she recently learned that this is not correct, she feels sure that she cannot get higher pay because there are too many women like herself ready to work for what little they can get.

Maria's husband is an unskilled labourer. He occasionally gets work for a month or more at a construction site. More often he works by the day wherever he can. His earnings fluctuate widely. Sometimes, to increase the family income, Maria keeps her 10-year-old daughter home from school to help her. The girl sews on buttons, then presses and folds the finished garments. She also looks after her two-year-old brother and four-year-old sister. This allows Maria to concentrate on machine sewing and increases the volume of production¹⁴.

Maria's story is a composite, drawn from several sources, including Yanz et al. 1999; ILO 1995, 1996; and Wilson 1993. (McCormick, D. & Schmitz, H. 2001: 13)



Taking action - How to ensure a better deal for homeworkers?

Homeworkers deserve fair work conditions. They need or request¹:

- 🌐 Recognition of homeworkers as workers
- 🌐 Regular work
- 🌐 Proper lead in times
- 🌐 Better rates of pay – a ‘living wage’
- 🌐 Basic social protection, particularly for health, maternity and old age
- 🌐 Recognition of their right to organise.

Many of these demands are an important aspect of the International Labour Organisation’s Convention on Homework, adopted in 1996. The Convention stipulates that homeworkers have equal treatment to other workers and sets minimum standards for their employment. It also provides a legal framework for the different ways in which homeworkers should be protected, and requires that governments adopt and implement a national policy on home work. Unfortunately, to date, only five governments – Ireland, Netherlands, Finland, and Albania – have signed up to the Convention.

Companies also have an important role to play. With the right approach, companies can regulate homework to meet international labour standards and provide work that lifts women and their families out of poverty – at no risk to their competitiveness. Failing to take action to improve the pay and conditions of homeworkers can also be highly damaging to companies’ reputation and public image. Yet currently many European and US companies have a “no homeworker policy” – a self protecting policy that ignores the important role that homeworkers play in supply chains and their need for support and protection.



Image from: http://wiego.org/sites/wiego.org/files/resources/files/WIEGO_HomeBased_Workers-English.pdf

Bringing workers and buyers together in Delhi

There are innovative initiatives taking place around the world to ensure a better deal for homeworkers. An exciting model is being used by the Self Employed Women's Association (SEWA), a trade union movement of poor, self-employed women workers in India. In 2006, SEWA established an embroidery centre in Delhi to support women homeworkers. Through linking companies and suppliers directly with workers, SEWA has eliminated the layers of exploitative middlemen. Instead, SEWA negotiates piece rates and timelines directly with exporters on behalf of its members, ensuring regular work at a fair price.

'I now realise the greediness of the sub-contractors. I always felt that I was not paid well, but I never had the courage to negotiate with them.'

Poonam, homemaker and SEWA member,
October 2008

The Embroidery Centre also provides equipment and materials, as well as a social space where women can come together to train, organise and socialise – a big deal for women who rarely left the confines of their homes. Financial services (savings, credit, insurance), skills training and training in organising and project management are also available, enhancing the skills and incomes of women homeworkers. The model has already received international recognition and the centre has had several direct orders from companies including Tesco, New Look and Monsoon. And women's lives are changing as a result.



**Farida is an embroider who works at her home in Delhi, India.
She is a member of the Self Employed Women's Association.**

'My husband is a labourer and I have four small children. I was one of the first members of the centre in 2005. I do embroidery and needle work. I have been an embroiderer since I was 12. Since joining the centre I get regular and better paid work. I get double the amount I used to as I no longer get paid by the middle men. I have also started saving. I have managed to save RS15,000 which will be a general fund for my children. I can also now pay for two of my children to attend the government school. My husband used to scold me for coming to the centre but now he is very happy and supportive especially as I now earn more than him! I really enjoy coming to the centre and socialising. I have learnt a lot, my confidence has grown and I now come every day. I now go to places and meet other women in my community – I used to be very isolated and unable to leave the house.'



**Aashma also works from her home in Delhi.
She is a SEWA member.**

'I am 19 and have been a member of the centre for just over a year. I only went to school till 10th year. Since persuading my parents to let me come to the centre I have been able to engage and interact with women in the community. Recently my mother was persuaded by other women in the centre to let me go back to school to further my studies. I now do embroidery for about 2-3 hours a day and then study for the rest of the time. I come to the centre every day and save all that I earn. Now that my mother has agreed that I can continue to study I really want to become a teacher.'





What actions are needed to ensure ethical homeworker practices are implemented across global supply chains?

Retailers and suppliers should recognise that homeworkers play a crucial role in producing garments for international markets. Companies should develop a homeworker's policy to demonstrate acceptance and recognition of the value that homeworkers add across the supply chain and to publicly commit to improving their labour conditions. They should also implement internationally agreed labour standards.

Consumers should ask questions about the clothes they buy, put pressure on corporations to be responsible for workers' conditions, and educate other consumers about ethical shopping.

Governments should ratify and implement the ILO Convention on homeworking and adopt a national policy on homeworking, including instigating ethical trading initiatives such as the one outlined above.

Development cooperation agencies should invest in promoting decent employment for women and men as a key development goal and a key step towards achieving the first Millennium Development Goal on poverty reduction. In particular, agencies should increase support to organisations representing women working in the informal labour market, and support them to know and demand their rights.



Endnotes

- 1 Labour Behind the Label website
<http://www.labourbehindthelabel.org/campaigns>
- 2 Chen, M., Vanek, J., Lund, F., Heintz, J., with Jhabvala, R and Bonner, C. (2005) 'Women, Work and Poverty', Progress of the World's Women: UNIFEM
http://www.unifem.org/attachments/products/PoWW2005_eng.pdf
- 3 Labour Behind the Label website
<http://www.labourbehindthelabel.org/join/itemlist/category/203-website-information>
- 4 Ethical Trading Initiative, ETI homeworker guidelines: recommendations for working with homeworkers:
<http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Homeworker%20guidelines,%20ENG.pdf>
- 5 Ibid
- 6 Ibid
- 7 Labour Behind the Label website
<http://www.labourbehindthelabel.org/campaigns>
- 8 Ethical Trading Initiative, ETI homeworker guidelines: recommendations for working with homeworkers:
<http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Homeworker%20guidelines,%20ENG.pdf>, p11
- 9 Chen, M., Vanek, J., Lund, F., Heintz, J., with Jhabvala, R and Bonner, C. (2005) 'Women, Work and Poverty', Progress of the World's Women: UNIFEM
- 10 Ethical Trading Initiative (2010) Homeworker Briefing
<http://www.labourbehindthelabel.org/campaigns>
- 12 http://wiego.org/sites/wiego.org/files/resources/files/WIEGO_HomeBased_Workers-English.pdf
- 13 Chen, M., Vanek, J., Lund, F., Heintz, J., with Jhabvala, R and Bonner, C. (2005) 'Women, Work and Poverty', Progress of the World's Women: UNIFEM
- 14 McCormick, D and Schmitz, H. (2001) Manual for Value Chain Research on Homeworkers in the Garment Industry, Institute of Development Studies, Sussex

KARAT Coalition

Since 1997, KARAT has been running a network of women's NGOs from Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS) aimed to ensure gender equality through monitoring the implementation of international agreements and policies. It advocates for women's human rights, economic social justice and gender-focused development cooperation with a strong focus on the perspective from CEE and CIS. KARAT has built up a strong network over the past decade and is currently composed by approximately 60 members.

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One World Action (OWA)

OWA was a civil society organization established in 1989 to work alongside rural and urban women's organizations and networks across Africa, Asia, Latin America and Eastern Europe. Through capacity-building, networking and advocacy, it worked on issues such as women's rights, participatory governance and social exclusion. It was advocating and campaigning in the UK and Europe to challenge international policies to make and keep people poor. OWA has ceased operations and it closed its office in September 2011.

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The partners of the project are: Gender Education Research And Technologies (Gert) from Bulgaria, Gender Studies o.p.s from Czech Republic, 'AUR' - The National Organization of Human Resources Specialists., from Romania, Slovak Centre For Communication And Development from Slovakia.

This publication is part of the project "Connect! South East West Women for Development Building Support in New Member States for Gender-sensitive and -responsive European Development Co-operation". It has been produced with the financial assistance of the European Commission. The contents of this publication is the sole responsibility of the KARAT Coalition and can under no circumstances be regarded as reflecting the position of the European Commission.

