

TOOLKIT: Finding hidden homeworkers in apparel & footwear supply chains

Homeworkers Worldwide & Cividep India

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Background

Homeworkers, mainly women, are often engaged in informal tiers of apparel and footwear supply chains beyond the factory. Their precarious employment, out of sight of auditors and inspectors, combined with weak or absent legal protections, put them at risk of exploitation, and they have some of the worst pay and conditions of any workers in the value chain. Most are paid piece rates far below the minimum wage and have no access to social protection, maternity or sick leave, holidays or rest days, nor security of employment. The lack of visibility of homeworkers hampers the ability of international brands and retailers to address the issues of homeworkers within their own supply chains.

Responsible retailers and brands want to ensure that no workers in their supply chain are exploited. They will be concerned that implementation is not reaching the most vulnerable workers in their chains, and about potential risks to their reputation.

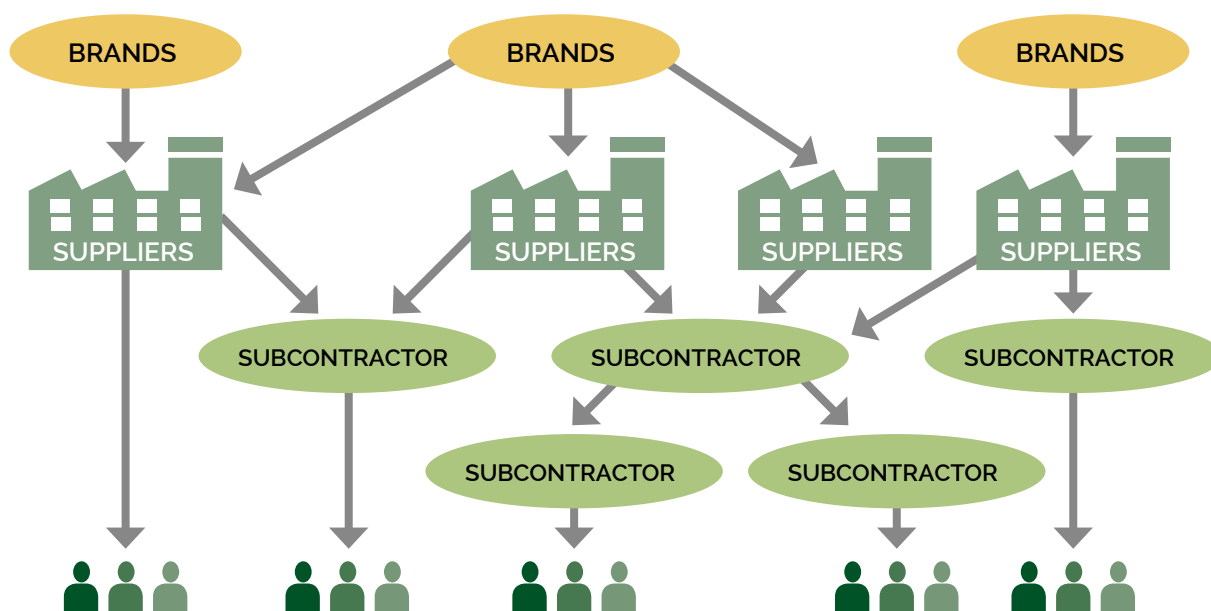


Figure 1 Where homeworkers are to be found in apparel & footwear supply chains

This is a toolkit to help businesses (and the organisations working with them) improve transparency about homeworking within their supply chains. It is based on best practice, tools and learning gathered from 16 of the foremost practitioners, including leading apparel & footwear retailers and civil society organisations, who have implemented due diligence and transparency mechanisms in homeworker chains. This research, the resulting report [Finding Hidden Homeworkers - Learning around Transparency in Apparel & Footwear Chains](#), and development of the toolkit, were carried out by Homeworkers Worldwide (HWW) and Civedep in collaboration with Traidcraft Exchange, under the EU co-funded Hidden Homeworkers Project. The toolkit and report steering group comprised Peter Williams and Lucy Brill (Homeworkers Worldwide), Pradeepan Ravi (Civedep India) and Lakshmi Bhatia, Rakesh Supkar and Rohan Preece (Traidcraft Exchange).

How to use this toolkit.

Implementing transparency in homeworker chains is not rocket science. It can be done through simple paper-based systems, agreed and implemented through discussions and consultations between suppliers, subcontractors and homeworkers. This guide takes you through the process. We have tried to keep the guide simple. It focuses on the actions which are known to make the biggest difference, rather than describing every single thing you might do.

There are links to relevant tools at each stage. The tools are designed to be adapted to suit local requirements and to fit with existing systems, and most are therefore included in Word format.

Overview

Brands are at different stages with respect to homeworking. Wherever you are on this 8-step journey you can jump to the relevant section by clicking on the links below. Click on the [Back to overview](#) link in the footer to return here.

- STEP 1: Adopt a clear policy on homeworking**.....4
- STEP 2: Bring your policy to the attention of your suppliers**..... 6
 - Where to start?..... 6
- STEP 3: Engage with supply chain actors and map the supply chain**7
 - Think about gender, caste and religious differences.....9
- STEP 4: Consult supply chain actors & implement transparency mechanisms**..10
 - Look at quality.....12
- STEP 5: Transparency over piece rates**.....13
- STEP 6: Giving homeworkers a voice: two-way transparency to homeworkers**...15
- STEP 7: Consolidate transparency into commercial practice**.....17
- STEP 8: Maintaining and sustaining transparency mechanisms**..... 18
 - Supporting homeworker organisation..... 19
 - Embedding solutions in local institutions..... 19
 - Advocacy for change20
 - The role of MSIs.....20
- Recommended Civil Society Organisations**.....22
- Other sources of information**.....22
- References**23

Step 1: Adopt a clear policy on homeworking

Homeworking is more prevalent than most companies realise. Negative or mixed messages from retailers about homeworking may give a strong (often subtle) message to suppliers not to be open about homeworking. Prohibiting homeworking increases the risk of concealment. Monitoring and implementation in dispersed homeworker chains is labour intensive, and there may be fears about who will meet these costs. These factors create a perverse incentive for retailers to turn a blind eye to, and suppliers to conceal, homeworking in their chains. Retailers can break this cycle of concealment and denial by adopting a clear Homeworker Policy, which accepts the potential presence of homeworkers in their chains, and commits to working with suppliers to address their working conditions. A Homeworker Policy gives permission for suppliers to disclose, and is an essential step towards transparency on homeworking.

Company policies on homeworking should be compliant with the ILO Home Work Convention C177 (1996).¹ Key elements are that they should accept the potential presence of homeworkers in their chains and promote equality of treatment between homeworkers and other wage earners. The policy should guarantee that disclosure of homeworking will not result in negative consequences for the supplier, and commit the brand to working in partnership with its supplier – ideally in collaboration with local civil society organisations – to address any problems which may arise. A growing number of apparel and footwear companies have already adopted a Homeworker Policy, and these, or models developed by the Ethical Trading Initiative [ETI] and HWW, can be used as a template and adapted for your company.

"No homeworker" policies reduce economic opportunities or push this labour further underground, reducing transparency and regulation.

Canaria Gaffar, Ines Kaempfer, The Centre for Child Rights and Business²

Greater transparency around homeworking may bring to light concealed child labour. It is advisable to have a Child Labour Policy and an appropriate remediation strategy in place, in the event of child labour being found. The guiding principle for all work to prevent child labour must be the 'best interests of the child' – whether an intervention or approach leaves the children themselves better-off. Simply cancelling orders from a supplier or subcontractor where child labour is found can be very damaging. It can leave families without income, which can push children into more desperate and hazardous forms of work. HWW and Traidcraft have published comprehensive guidance on how companies can address child labour in informal handcraft production – see [Preventing Child Labour in Home-based Crafts production - A Practical Toolkit for Business](#).

WHAT TO DO

Adopt a Homeworker Policy which is in line with best practice.

You may have to win support internally as to why a Homeworker Policy is needed. Here are some key arguments you can use:

- Hidden exploitation in your supply chains is a reputational and human rights risk. Homeworkers are the women workers with the most precarious employment and worst pay and conditions in apparel & footwear chains. Without transparency we will not know if we have homeworkers in our chains, and homeworkers will not be able to raise a complaint or inform us of labour rights abuses.
- Low wages of homeworkers are a driver of child labour, if families cannot meet their basic needs.
- A **Homeworker Policy** makes it clear you welcome the use of homeworkers and will work with suppliers to address any issues. Without this assurance, suppliers are unlikely to disclose.
- Some brands prohibit the use of homeworkers. A **No Homeworker** policy may mean that some of the poorest women workers lose their livelihoods, and drives serious labour rights abuses even further underground.³

Good practice. Adopt a Homeworker Policy which commits to Engaging, where appropriate, with other brands and relevant non-governmental organisations in the sustainable improvement of labour conditions for homeworkers in our supply chains.⁴

Revise your Supplier Code of Conduct.

Substitute clauses which inhibit transparency for clauses which prioritise openness.

TOOLS & RESOURCES WHICH MAY HELP

[Finding Hidden Homeworkers Report](#)

[Finding Hidden Homeworkers PowerPoint Slides](#)

[Preventing Child Labour in Home-based Crafts Production – A Practical Toolkit for Businesses](#)

Model and exemplary Homeworker policies:

[ETI Model Homeworker Policy](#)

[HWW Model Company Homeworker Policy](#)

[Pentland Brands Homeworking Policy](#)

[HWW Model Child Labour Policy](#)

[Guidance on company code clauses that promote transparency](#)



Have a look at your Code of Conduct. It may have clauses which inhibit transparency around sub-contracting for example. Substitute these for clauses which prioritise openness. One company which moved from a position of “No Sub-contracting” to “All sub-contracting shall be authorised” was rewarded with the disclosure of many, previously invisible, tier two suppliers.

Step 2: Bring your policy to the attention of your suppliers

Brands with a policy need to communicate it on their website, through Supplier Handbooks, in discussions with suppliers and during supplier visits. A positive tone in engagement is more likely to encourage disclosure.

A quick assessment of your supply chains may help decide where to start mapping.

Where to start?

- Sourcing areas where homeworking is known to be prevalent. Homeworkers Worldwide, Traidcraft and other civil society organisations listed on page 21 can help you identify these.
- Products with handcrafted components and embellishment (although homeworkers may be employed in other functions including finishing and packing).
- Long-term suppliers and products which are core to your range (little point in mapping a product which won't be on your shelves next year).

Now may be a good moment to think about collaborating with other brands and non-governmental organisations [NGOs] with experience of working with homeworkers:

- Mapping informal homeworker chains will take time and resources. It makes sense to share the load with other retailers sourcing from the same region. A collaborative approach will increase your influence on supply chain actors and reduce resistance to the introduction of transparency mechanisms.
- Does your in-house team have all the necessary language and facilitation skills for engaging with homeworkers, who are mostly women and often from marginalised communities? NGOs have skills and experience that complement the commercial skill-set of companies. Our research has shown that transparency is best delivered through collaboration between companies and civil society organisations, marrying top-down and bottom-up approaches.

A list of civil society organisations with appropriate experience and skills can be found below (see [Recommended Civil Society Organisations](#) page 22).



- Good practice - one brand asked suppliers to complete a short questionnaire about homeworking. When they insisted that these were all completed, they were surprised to find homeworking in places they had not previously expected.



- Good practice - another company's QA team asked suppliers to detail all the processes involved in manufacture of its products, as part of their quality assurance procedure. This revealed that a supplier in China was sub-contracting the stitching of gloves to local homeworker chains.

Step 3: Engage with supply chain actors and map the supply chain

Suppliers may have learned over the years to keep quiet about using homeworkers. Disclosure to you could put at risk orders to other companies which have a 'No Homeworker' policy. If wages are found to be low, who will meet the increased labour cost? Subcontractors⁵ may also misunderstand the suppliers' motive as an attempt to bypass and exclude them.

Experience shows we need to invest time in building trust with suppliers and subcontractors to overcome these fears. Brand leverage is key to winning over suppliers; suppliers have a similar role in overcoming the resistance and fears of subcontractors. It is important to understand different stakeholders' priorities and concerns.

Local civil society organisations may be best equipped (language, understanding of context, facilitation skills) to gain the trust needed to get good information from homeworkers, especially women and those facing additional barriers of ethnicity, religion or caste. They may also be well placed (as a neutral third party) to talk through issues with suppliers and subcontractors. It is more cost-effective to work in collaboration with other Brands sourcing from the sector.

The next step for retailers wanting transparency is to seek disclosure from their direct and indirect suppliers. Retailers and Brands need to use their influence and leverage to win commitment and trust of their suppliers, who in turn can recruit their subcontractors. The final stage of this 3-step process is to map and engage with homeworkers.

The Project Team carrying out interviews with subcontractors and homeworkers may comprise staff from your local buying or compliance teams or preferably the local NGO. They will need facilitation and the appropriate language skills and should be selected in a way that is sensitive to the gender, caste religion and sometimes ethnicity of the homeworkers (see [Think about gender, caste and religious differences](#) on page 9).

At each stage (supplier > subcontractor > homeworker) several meetings may be needed, taking time to establish confidence before tackling sensitive issues. The broad areas of discussion for each stage are sketched out below, along with more detailed guidance which you can access through the links in the tools and resources column. Meetings should be informal and not follow set questions, although we have provided prompts to ensure good coverage.

Separate guidance is included for interviews and focus group discussions to explore piece rates with homeworkers. This is a sensitive topic, best left until trust has been established between homeworkers and the Project Team.

Timings and piece rates may vary for different orders. It helps to identify a specific current or recent order, and gather information on prices paid to subcontractors and homeworkers and how long each piece takes to produce, for that order.

A Memorandum of Understanding [MoU] agreed between, and signed by, all parties can bring clarity, build confidence and allay fears about confidentiality of information and risks to suppliers and subcontractors from disclosure.

WHAT TO DO

Step 1: Engage with suppliers

One or more informal meetings between Brand and Supplier. If working with a local NGO, they may be brought in after the first meeting with the supplier (senior management). The dynamics of meetings will vary, depending on the relationship, mutual trust, and if homeworking is present and/or disclosed.

The main aim of the initial meeting is to get the supplier on board with the process. Subsequent meetings and activities may involve production managers responsible for subcontracting.

Step 2: Engage with subcontractors

Initial face-to-face meetings between the supplier, subcontractors and the Project Team, followed by interviews or Focus Group Discussions (FGDs) with subcontractors, led by the Project Team

The supplier should be present at the first meeting, but not at subsequent interviews. The main aim of the initial meeting is to get the subcontractors on board with the process.

Subcontractors may fear loss of their livelihoods. It is important that the services they provide are recognised, including logistics, quality assurance, and even training. They should be reassured that the aim is to improve transparency and documentation systems, and find solutions that work for everyone (including subcontractors) and that they will be consulted throughout.

They can be invited to sign the MoU between all parties.

Step 3: Engage with homeworkers

An initial meeting between homeworkers and the project team, facilitated by the subcontractor(s), followed by discussions with homeworkers led by the Project Team.

The subcontractor should be present at the first meeting, but (if possible) not at subsequent FGDs. The main aim of the initial meeting is to acquaint the homeworkers with the Project Team and the aims of the project.

Group discussions with homeworkers can take place in later meetings, once the Project Team has gained their trust. Resources may not allow for mapping every homeworker chain. It is better to meet with most/all of the homeworkers in the chains of one or two subcontractors than vice versa. There may be social constraints about men talking with women homeworkers; avoid these through sensitive selection of the Project Team (see [Think about gender, caste and religious differences](#), page 9).

Finally, the Project Team carries out FGDs or interviews with homeworkers to find out current piece rates and compare them with the minimum wage or other benchmark.

TOOLS & RESOURCES WHICH MAY HELP

[Guidance on Engaging with Suppliers](#)

[Model MoU between all parties](#)

[Guidance & Questions for interviews with subcontractors](#)

[Model MoU between all parties](#)

[Guidance & Questions for group interviews with homeworkers](#)

[Guidance & Questions for discussing piece rates with homeworkers](#)

Think about gender, caste and religious differences

Understanding hidden dynamics which may hamper transparency.

How to ensure women homeworkers have a voice.

Homeworking has a strong gender dimension. Most homeworkers (90%) are women. Social norms, and women's caring roles within the family may restrict their access to other paid employment. In some communities educating daughters is seen as a lower priority than educating sons, and girls may be expected to work at home to help pay for their brothers' education. Certain types of handcrafts may be associated with women/girls, or with men/boys, or the role of women workers may be hidden. For example in hand weaving men are often paid as the producers of the cloth because they do the weaving, when in fact their wives or female relatives play just as big a role in the production by setting up the thread on the looms. Ensuring women are properly paid is vital to the whole family because women's income has been commonly found to be of more direct benefit to their children than men's. As fashion retailer H&M told us, *'When women earn it is used to take care of the household and the children so we think it makes a big difference to them.'*⁶

In South Asia (and amongst South Asian diaspora communities) caste may be a strong, possibly unacknowledged, factor. Caste discrimination involves violations of civil, political, economic, social and cultural rights. While often outlawed, a lack of implementation of legislation and caste-bias within justice systems leave victims without protection in many countries. Dalits (people from the most oppressed or so-called lowest caste communities) may be excluded from some jobs and concentrated in lowest paid and hardest work.⁷

Being from a minority religion is also often a marker of vulnerability in South Asia, with some communities facing systemic discrimination within and beyond the workplace. Most homeworkers and factory workers in the leather

footwear sector in Tamil Nadu, South India, for example are from Dalit and/or Muslim communities, and may face barriers to training and promotion which are invisible to outsiders.⁸

Gender, caste and religious difference may operate together to create barriers to homeworkers' access to remedy and social dialogue. Dalit women homeworkers, for instance, may face very unequal power relations and discrimination in discussions with subcontractors or suppliers. They may have had less access to schooling. These multiple barriers explain why complaints and grievance mechanisms are rarely accessed by homeworkers.

These barriers can be reduced by bringing homeworkers together, so that they discuss issues and collectively find solutions, and awareness-raising and capacity-building activities, giving them a collective voice through their own organisations and elected representatives.

Key Questions:

- *What issues of gender, caste and religious discrimination do you need to consider in your production chain?*
- *Consider gender, caste and religious composition of teams engaging with homeworkers, to ensure that information is reliable and to avoid pitfalls of hidden power dynamics.*

Working with a local NGO which is sensitive to issues of gender, caste and religion may help navigate these issues (see [Recommended Civil Society Organisations](#) page 22). [Dalit Solidarity Network UK](#) is a source of advice for businesses on measures to address the risks of economic exploitation and caste-based discrimination throughout their supply chains.

Step 4: Consult supply chain actors and implement transparency mechanisms

Consultation makes for locally-owned and more effective solutions which are more likely to be maintained. Adapting and upgrading existing systems may help reduce resistance and increase acceptability to suppliers and subcontractors. Solutions need to work for all the actors in the supply chain – for example, reducing disputes over payments is beneficial to subcontractors as well as homeworkers.

Implementation should start with consultations in usually separate and informal discussions led by the Project Team with the supplier, subcontractors and homeworkers:

- 1:1 discussions with the supplier
- Individual or FGDs with subcontractors
- FGDs with homeworkers.

A set of tried and tested tools which are currently used to improve transparency in company supply chains are provided as models, but should not be imposed in a top-down manner. Solutions which have been developed for the specifics of the chain are more likely to meet the needs of – and therefore be implemented by - suppliers and subcontractors. Discussions are framed in a way that facilitates this mind-set. Not “please use these tools”, but “How could these tools be adapted to help you?” These consultations should facilitate the development by the supplier in discussion with their subcontractors of more transparent mechanisms for monitoring orders and payments, usually simple paper-based systems, such as passbooks and pay-slips.

Some clauses are repeated in the model contracts and purchase orders between supplier and subcontractors, and in the model contracts and pass books or job-cards used to document transactions between the subcontractors and homeworkers. These can be simplified to avoid duplication, and reduce paperwork, but how best to do this will vary. For example if homeworkers are sewing several different shoe styles or pieces of embroidery, etc., the piece-rates would be better recorded on job-cards or pass books, rather than in the homeworkers’ contract with the subcontractor.

Date	Article	Pass	Rate		Value
			Rs	Pk	
1					
2	411	10	10		100
3					
4	411	10	10		100
5	411	7	10		70
6					
7					
8	415	10	9		90
9	415	10	9		90
10					
11	415	5	9		45
12					
13	412	20	11.50		230
14					
15	411	14	10		140
16	415	7	9		63
17					
18	411	8	10		80
19	415	11	9		99
20	412	12	11.50		138

Date	Article	Pass	Rate		Value
			Rs	Pk	
21	410	10	11.50		115
22	412	7	11.50		80.50
23	410	8	11.50		92
24					
25					
26	410	10	11.50		115
27	412	10	11.50		115
28	408	10	11		110
29	408	10	11		110
30	408	10	11		110
31					
Grand Total		245			2158
				Advance	
				Net Pay	
Purnawan		J.Purnawan		X	
Worker Signature		Agent Signature		Internal Auditor	
Remarks:-					

Example of a job card

WHAT TO DO

Consultations with suppliers

Informal discussion led by the Project Team with the supplier's production manager to explore the following:

What are the advantages to suppliers of a transparency mechanism? *[prompts]*

- Enhanced relationship with brand, from reduced reputational risk
- Better visibility and therefore control over conditions in sub-contract homeworker chains
- Better production management

How do suppliers currently manage sub-contracted work?

How could you (i.e. the supplier) use or adapt these model tools to improve existing systems?

Consultations with subcontractors

Informal 1:1 discussion or FGD led by the Project Team with subcontractors to explore the following: *[prompts]*

What are the advantages to subcontractors of a transparency mechanism?

- Enhanced relationship with supplier(s)
- Better control of homeworker orders
- Fewer disputes (very common in undocumented chains)

How do subcontractors currently manage sub-contracted work?

How could you use these model tools to improve existing systems?

Consultations with homeworkers

Informal FGDs with homeworkers led by the Project Team to explore the following:

What are the advantages to homeworkers of a transparency mechanism? *[prompts]*

- Piece rates that are agreed to be fair
- Confidence about price and terms
- Fair rules about quality control
- Fewer disputes over payments

What are the existing systems? How could they be improved?

Would the proposed models help? How could they be improved?

TOOLS & RESOURCES WHICH MAY HELP

[Model contracts for subcontractors](#)

[Model Purchase Order for subcontractors employing homeworkers](#)

[Model pass book](#)

[Model contracts for subcontractors](#)

[Model Purchase Order for subcontractors employing homeworkers](#)

[Model pass book](#)

[Model homeworker contract](#)

[Guidelines for quality control and handling rejection of pieces](#)

[Model pass books](#)

[Model homeworker contract](#)

[Guidelines for quality control and handling rejection of pieces](#)



Look at quality

Quality is a potential win-win. Are homeworkers often asked to re-work pieces? This can be a sign of poor systems. Don't just rely on quality control; introduce an element of quality assurance. Disputes over quality, and the chance of poor quality products further up the chain, can be reduced through explicit product specifications (ideally with diagrams) and training for homeworkers.

There may be resistance to change, especially from subcontractors. Allay any fears that you are seeking to use transparency mechanisms to cut their piece rate commission. Expectations around implementation of the new mechanisms should be laid out in the MoU. Brands may need to use their influence on their supplier, and suppliers their influence on subcontractors, to make this happen, for example making adoption of the new systems a pre-condition of future orders.



- Good practice – the local NGO is contracted to appraise how well new systems are working for all parties making recommendations to address any shortfalls flagged up.

Step 5: Transparency over piece rates

Piece rates are likely to be a priority for homeworkers, although it may be strategic to introduce discussions and changes gradually. Transparency over piece rates – how much is received by homeworkers and the wage-setting process – is important for all, to get a measure of how homeworkers' pay compares to minimum standards, and the scale of any shortfall. Homeworkers' piece rates may currently fall well below the minimum wage. Homeworkers should be involved (at least informed and consulted) in processes to revise and agree piece rates.

Leading apparel and footwear brands have worked with their suppliers to calculate piece rates which are equivalent to the minimum wage, often in collaboration with NGOs. Working out a fair piece rate is relatively straightforward and ETI has published authoritative guidance on setting fair piece rates for homeworkers, which is not duplicated here (see link below). The best way is to use time and motion studies to calculate how long each piece takes to produce. Alternatively, it may be more practicable to ask homeworkers how many pieces they can make over a given time, and estimate from this, timing for a single piece. Either way the piece rate is calculated pro rata from the time per piece, and can be set to be equivalent to the relevant minimum wage or other benchmark. This is covered in detail in the ETI guidance.

A random selection of average homeworkers should always be used for piece-rate setting – and not just the fastest workers – otherwise slower workers will never be able to earn a minimum wage.

The revised piece rate will need to be communicated to subcontractors and homeworkers, and implemented, usually for the next round of orders, through the transparency mechanisms. If piece rates rise, payments to subcontractors will need to be revised accordingly. Subcontractors provide useful services, including transport, production management and quality control. Any increase in homeworker labour costs should not be offloaded onto subcontractors; otherwise they will be unwilling to implement the new piece rates and systems. In apparel and footwear, raising homeworker piece rates to minimum wage usually has a minimal impact on cost. Any increase should be consolidated into brand and supplier price negotiations for future orders, just as any other cost increase would be.

If transparency mechanisms are functioning properly, the supplier will be able to see that homeworkers know about, and are receiving the new piece rates.

A system will be needed to update piece rates when the minimum wage (or other benchmark) is adjusted for inflation, and to agree/adjust rates for new styles and orders.

WHAT TO DO

Work with your supplier to explain expectations under your Homeworker Policy that homeworker piece rates should be equivalent to factory workers doing the same work and not less than the minimum wage. Agree in advance which party will meet any increase in costs which may prove necessary.

Consult ETI guidance on setting fair piece rates for homeworkers for detailed recommendations about the process which should be used to calculate piece rates.

Agree and pilot a fair piece-rate setting process

Agree a process for setting piece rates with the supplier (either a time and motion study or through informal discussions with homeworkers).

The piece rate setting process should be explained to subcontractors and homeworkers. Homeworkers should be asked to select average workers to take part.

Communicate revised piece rates to subcontractors and homeworkers. Agree revised prices with subcontractors. Implement the new rates through the transparency tools.

Finally, agree arrangements with the supplier, subcontractors and homeworkers for setting piece rates for new styles and for periodic revision of piece rates whenever there are rises in the minimum wage (or other benchmark).

TOOLS & RESOURCES WHICH MAY HELP

[Setting fair piece rates for homeworkers](#)

[Guidance & Questions for discussing piece rates with homeworkers](#)

[Model Purchase Order for subcontractors employing homeworkers](#)

[Model pass book](#)



- Good practice – homeworker piece rates are recorded on the costing & pricing sheet used by the retailer/brand. This will facilitate verification that the correct piece rates are being used in passbooks etc. and are therefore being received by homeworkers, during routine visits to the factory by the retailer's ethical or production teams, and in social audits.



- Good practice – in India, H&M uses the skilled worker minimum wage rate as the benchmark for skilled embroidery and embellishment carried out by homeworkers.



- Good practice – set living wage piece rates (pro-rata) using Global Living Wage Coalition or other credible living wage benchmarks.⁹

Step 6: Giving homeworkers a voice: two-way transparency to homeworkers

The factory/supplier places orders and agrees prices with subcontractors and has ultimate control over piece rates and conditions. Homeworkers may be contracted through a subcontractor, but need to be able to discuss issues and flag up problems with the supplier, who has the power to fix things. The supplier handing out work to homeworkers is considered to be the actual employer under the ILO Homeworking Convention, even if the relationship is indirect, irrespective of national legislation.¹⁰

To discuss conditions with their employers, homeworkers need to be organised and be able to elect representatives. Homeworkers need to be informed about their rights and entitlements if they are to claim these. Having their own organisation helps give homeworkers a voice, and facilitates training and communication. Third party grievance mechanisms and hotlines to brands are also needed, so that homeworkers have access to remedy if the dialogue with their employers breaks down, but this should only be seen as a second resort if things go wrong.

Some companies in the UK, Portugal, and elsewhere employ homeworkers in a direct employment relationship in the same way as factory and office workers, and can boast good social dialogue and two-way transparency with homeworkers. Other solutions are needed for the very different reality of the diffuse and informal subcontract homeworker chains found in apparel and footwear production in the Global South.

There is no off-the-peg solution and innovation is still needed if homeworkers in informal, sub-contract chains are to have a voice over their employment conditions, to be at the table when these are discussed, and to have access to a grievance mechanism if their rights and entitlements are denied them.

Whatever solutions are devised, the provision of information and training to homeworkers is essential. Homeworkers need to know how to use log books and payslips etc. They also need to know about their other entitlements under company codes, and what they can do in the event of a problem. Homeworkers may also need capacity building so that so that they can elect representatives to take part in the transparency mechanism. This will involve some form of homeworker organisation– possibly through informal groups at first. Local NGOs may be best placed to deliver training and capacity building to homeworkers.



WHAT TO DO

At a minimum homeworkers need to be **informed** about the transparency mechanism. This should include, amongst other things:

- Who they are working for (supplier and brand)
- Their entitlements under the supplier and brand homeworke r policies and codes of conduct
- Name of *supplier* contact with whom homeworkers can safely raise issues
- Name of *brand* contact with whom homeworkers can safely raise issues.

These can be built into relevant documentation such as passbooks and/or homeworke r contracts.

Homeworkers will need **training** about the passbooks, contracts, grievance mechanism, the process for piece-rate setting and other elements of the transparency mechanism. Empowering approaches give them a voice in the development of these systems.

A basic level of **organisation** is essential if homeworkers are to have a voice; it facilitates their training and communication with them. It is not appropriate for Brands or suppliers to organise homeworkers, but they can support organisation by working in collaboration with civil society organisations (for more details see [Supporting homeworke r organisation](#), page 19).

Distribution centres can also be used to bring homeworkers together to access information and training etc.

Information technology [IT] could also potentially play a role in supporting two-way transparency to homeworkers. Solutions need to be designed which empower homeworkers, for example by facilitating their communication with each other; which consider what access women homeworkers have to IT; and are appropriate for their level of literacy. The role of IT is to be explored within the Hidden Homeworke r project, for eventual future inclusion in future issues of this toolkit.

TOOLS & RESOURCES WHICH MAY HELP

[Model pass books](#)

[Model template for homeworke r contracts](#)

Step 7: Consolidate transparency into commercial practice

Companies which have invested resources to implement transparency mechanisms in homeworker chains will want to ensure that mechanisms are sustained. Are suppliers who accept the challenge of implementing transparency mechanisms rewarded with long-term trading relationships? Good practice must be supported by brand purchasing decisions and practices. If not, transparency mechanisms are unlikely to be maintained and the risks of labour rights abuses and reputational damage will return. The risk of child labour increases if homeworkers are poorly paid or if suppliers are given orders beyond their capacity. Brands share culpability if homeworkers are forced to get their family/children to help them.

Companies which have been successful in implementing transparency have integrated transparency within their commercial practice. Here are some lessons they reported.

WHAT TO DO

Revise your commercial practices and adopt purchasing practices that support supplier transparency:

- Long term stable trading relationships (preferred supplier status) with suppliers that implement transparency mechanisms.
- Adapt your costing and pricing processes to give visibility of homeworker piece rates to buyers, ethical trade teams and auditors. This helps protect piece rates during price negotiations, and leaves a paper trail which assists monitoring.

Inform commercial teams about the transparency initiatives you are undertaking and get their buy-in. They may be able to explore possible marketing or messaging opportunities.

Assess your supplier hand-work production capacity against predicted orders.

- If embellishment is taking place in the factory, do production volumes of the in-house team match your orders and delivery dates?

TOOLS & RESOURCES WHICH MAY HELP

[Finding Hidden Homeworkers Report](#)

[Finding Hidden Homeworkers slides](#) (for use in Buyer training)

[Costing & pricing sheet](#)



- Good practice - direct new product development and orders toward existing suppliers which are already implementing homeworker and other company policies.

Step 8: Maintaining and sustaining transparency mechanisms.



How do we sustain transparency mechanisms, without the need for on-going brand resources? If homeworkers have an active role in transparency mechanisms they can make sure that systems are maintained. To play such a role homeworkers need to elect representatives, and this will require some degree of organisation. Long-term sustainability is also improved by local ownership of mechanisms through their sector-wide adoption by the respective Industry Association or better still a tripartite multi-stakeholder body like ETI India. Ultimately mechanisms and good practice will be most securely sustained through consolidation into local law. This section traces out actions which companies can take to promulgate long-term sustainable change which will support transparency.

Brands implementing transparency mechanisms have found that piece rates tend to fall over time, and mechanisms fall out of use, unless they keep reminding suppliers, and monitoring the use of mechanisms. Whether this is done by the company through its local sourcing or compliance team, or delegated to a certification body, it seems to require on-going brand resources. However, homeworkers themselves - if they have an active role in transparency mechanisms - can make sure that mechanisms (and transparency) are maintained.

- Make sure that homeworkers are actively involved (consulted and informed) in the transparency initiative.
- Transparency mechanisms should be set up with a process to review and update piece rates on at least an annual basis.
- Homeworkers should be consulted in how they are represented in this process, and this may require a degree of training and organisation.

Supporting homemaker organisation

A basic level of organisation is essential if homeworkers are to have a voice, and facilitates training and communication with them. Successful models for organising homeworkers so that they can have a voice include:

- Informal and village level community or women's groups
- Homeworkers' unions such as SEWA and the nascent union Anukatham (both active in the apparel sector in India)
- The Textile Clothing and Footwear Union of Australia [TCFUA]¹¹ has sought to organise both factory workers and homeworkers. Pay and conditions of homeworkers are included in its sector-wide collective bargaining agreement.¹²

Companies can support homeworkers' ability to represent themselves and homemaker organisations by working in collaboration with civil society organisations. At all times, homeworkers must be free to choose how they want to be represented and organised. NGOs and trade unions are best placed to deliver the awareness raising and training to homeworkers which they need if they are to represent themselves.

Embedding solutions in local institutions

Having transparency requirements for some chains and not for others can act as a barrier to subcontractors adopting or maintaining mechanisms. The extra transactional costs are understood to be a major factor. Subcontractors may be asked to document orders and piece rates for one supplier, but not for another. They may also be required to pay higher rates for the same work carried out for different brands. It is not surprising that subcontractors can often be resistant to change (in practice many decide to drop out, preferring to work in a non-transparent way for brands which have fewer qualms about homeworkers' conditions).

Collaborative implementation by several brands sourcing from the sector can help attenuate these barriers, and improve acceptance of new ways of working.

Ultimately transparency mechanisms are most likely to be sustained if they are embedded in local institutions and practice, and this should always be the long-term aim. This could be through their adoption by the respective Industry Association or multi-stakeholder body. This is a tested way to ensure that new systems are sustained without the need for ongoing brand resources. Other advantages of local ownership and sector-wide solutions which become the normal way of working include:

- Brands can source with confidence from their suppliers or others in the sector, knowing that risks are controlled.
- Transparency mechanisms will be maintained even if your orders are not constant.



Advocacy for change

Brands can also use their undoubted influence to support the campaigning and advocacy led by local civil society for national governments to extend statutory protections to homeworkers, and for ratification of the ILO Home Work Convention (1996) etc. Companies are very influential, and such support can be a very cost-effective use of their resources. The support of major retailers was a key factor in the success of campaigns by NGOs and trade unions in the UK which saw the National Minimum Wage Regulations extended to cover homeworkers.¹³

The recent passing of the Home-Based Workers Act 2018 in Sindh Province, Pakistan, is another remarkable example which could be repeated elsewhere. Although yet to be enacted, this legislation – the first of its kind in South Asia – extends many benefits and protections enjoyed by formal employees to home-based workers.¹⁴

The role of Multi Stakeholder Initiatives [MSIs]

The more consensus that can be built, the more Brands that are on board, the greater the chance of creating a level playing field and sustaining transparency systems, not just in individual company chains but at sector level. MSIs clearly have important roles to play in disseminating good practice amongst their members companies and in initiating collaboration. This could and should include:

- Adopting and encouraging their member companies to adopt effective Homeworker policies
- Fomenting collaborative implementation at sector-level
- Fostering collaboration between companies and civil society organisations around advocacy.

WHAT TO DO

Make sure that homeworkers have an active role in the transparency initiative

Collaborate with and support civil society organisations working with homeworkers to provide training and awareness building

This will equip homeworkers to take an active role and be represented in transparency mechanisms.

The Hidden Homeworkers Project can help you find civil society partners who can support homeworkers in an empowering way for training and facilitate their organisation.

Seek to spread and embed transparency mechanisms across the sector:

- Collaborate with other Brands and suppliers to spread good practice on transparency.
- Promote the adoption of sector-wide solutions which become the normal way of working, working in collaboration with the respective Industry Association and/or sourcing country MSI if one exists.

Advocate for better statutory protections for homeworkers

Homeworkers' organisations like HomeNet South Asia, women's groups, labour rights NGOs and trade unions are already active in advocacy to regulate the employment and improve statutory protections for homeworkers.

Brands and suppliers can add their voice to support civil society advocacy. The organisations listed in [Recommended Civil Society Organisations](#) (page 22) will be happy to discuss opportunities for joint advocacy.

TOOLS & RESOURCES WHICH MAY HELP

[Recommended Civil Society Organisations](#) (page 22).

Recommended Civil Society Organisations

The Centre for Child Rights and Business

Cividep India

Goodweave

HomeNet International

HomeNet South Asia [HNSA] and its member organisations, which include:

- SAVE
- SEWA (Self Employed Women's Association)
- HomeNet Pakistan
- SABAH Nepal

Homeworkers Worldwide

ILO Jakarta

NEST

Traidcraft Exchange

Other sources of information

Ethical Trading Initiative

UK based multi-stakeholder initiative that has developed expertise and resources on homeworking

<https://www.ethicaltrade.org/resources/homeworker-project-resource-downloads>

Dutch Agreement on Sustainable Textile and Garments/Fair Labor Association

Worked with partners on the Remedies towards a Better Workplace Project

<https://www.imvoconvenanten.nl/en/garments-textile/tools/child-labour/tools>

Global Living Wage Coalition

Publishes living wage benchmarks, following the most widely accepted (Ankar) methodology

<https://www.globallivingwage.org>

Nest

The US non-profit has developed a set of Homeworker Standards, against which small workshop and home-based suppliers are assessed, and plans to publish further resources and tools on its website in 2021.

<https://www.buildanest.org/>

References

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- 2 In the interest of the child? Child Rights and homeworkers in Textile & handicrafts supply chains in Asia (2019) Canaria Gaffar, Ines Kaempfer, The Centre for Child Rights and Business & Save the Children. <https://www.childrights-business.org/resources/study-in-the-interest-of-the-child-child-rights-and-homeworkers-in-textiles-and-handicraft-supply-chains-in-asia.html>
- 3 For a summary of the issues see Unpacking the relationship between homeworking and child workers (2020) Lucy Brill, Homeworkers Worldwide. <https://www.business-humanrights.org/en/blog/unpacking-the-relationship-between-homeworking-and-child-workers/>
- 4 Pentland Brands Homeworker Policy. <https://pentlandbrands.com/wp-content/uploads/2018/11/Pentland-Brands-Homeworking-Policy.pdf>
- 5 To avoid confusion the term subcontractor is used to describe all ‘intermediaries’ or ‘agents’ who manage production sub-contracted from the factory. In large-scale chains there may be several tiers of subcontractors.
- 6 Preventing Child Labour in Home-based Crafts Production – A Practical Toolkit for Businesses (2014) Homeworkers Worldwide & Traidcraft Exchange. <http://www.homeworkersww.org.uk/resources/preventing-child-labour-toolkit>
- 7 See Dalit Solidarity Network website. <https://dsnuk.org/caste-discrimination/>
- 8 Due diligence in Tamil Nadu leather footwear manufacture (2019) Peter Williams, Homeworkers Worldwide. <http://www.homeworkersww.org.uk/resources/due-diligence-in-tamil-nadu-leather-footwear-manufacture>
- 9 The Global Living Wage Coalition publishes living wage benchmarks, following the most widely accepted (Ankar) methodology <https://www.globallivingwage.org>
- 10 Suppliers are explicitly considered to be the employers of homeworkers under Article 1 c) of the ILO Homework Convention, which states the term employer means ‘a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity’. ILO Homework Convention C177 (1996). https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:::NO:12100:P12100_INSTRUMENT_ID:312322
- 11 The TCFUA recently merged with Construction, Forestry, Maritime, Mining and Energy Union. <https://www.cfmmeu.org.au/>
- 12 Outworkers in Australia (undated) Ethical Consumer Group. <https://www.ethical.org.au/3.4.2/get-informed/issues/homeworkers-in-australia/>
- 13 Leveraging change in the working conditions of UK homeworkers (2005) Peter Williams, Development in Practice 15 (3-4): 546 – 558. https://www.researchgate.net/publication/237232510_Leveraging_change_in_the_working_conditions_of_UK_homeworkers
- 14 Sindh first province to safeguard home-based workers’ rights, Pakistan Today, 21 January 2020. <https://www.pakistantoday.com.pk/2020/01/21/sindh-first-province-to-safeguard-home-based-workers-rights-ghani/>



This toolkit is an initiative of Hidden Homeworkers, a four year programme led by Traidcraft Exchange, HomeNet South Asia and Homeworkers Worldwide, co-funded by the European Union. Hidden Homeworkers aims to work collaboratively with brands and multi-stakeholder initiatives to create more visibility on homeworking and improve working conditions for homeworkers in cotton, apparel, footwear and accessories supply chains.



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