

HIDDEN HOMEWORKERS REPORT

# RESEARCH FINDINGS: FINDING HIDDEN HOMEWORKERS IN FOOTWEAR SUPPLY CHAINS IN SOUTH INDIA

*Cividep India, July 2022*



Co-funded by the European Union

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We are very thankful to the homeworkers and intermediaries who gave up their time to actively participate in the study.

The research was carried out as part of Hidden Homeworkers, a four year programme led by Traidcraft Exchange, HomeNet South Asia and Homeworkers Worldwide, co-funded by the European Union.

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## **Introduction to the Research**

This report presents the findings of a survey documenting working conditions of homeworkers stitching leather footwear in and around the town of Ambur in Tamil Nadu, carried out by Cividep India in November-December 2021. This report also explores possible links with the global supply chain, and includes illustrative quotations from the homeworkers and agents interviewed.

### **Context: Ambur leather cluster**

Ambur town in Tamil Nadu is one of the largest leather and leather goods manufacturing clusters in India. This town with hundreds of tanneries and shoe factories produces leather and leather goods especially different styles of shoes. Thousands of homeworkers in Ambur and the surrounding villages, engaged in the hand-stitching of leather shoe uppers, from their respective households. These workers are employed informally through networks of intermediaries or agents and lack direct employment relationships with their principal employers. Due to their informality in their work they face many work related issues. To investigate these further, Cividep India with the support of Homeworkers Worldwide and Traidcraft carried out this survey.

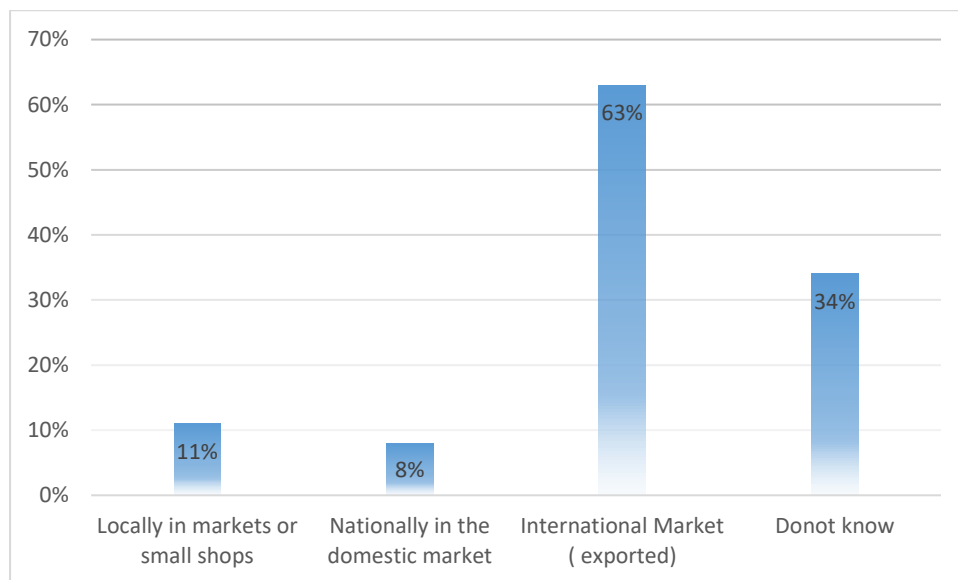
Interviews were carried out with 80 homeworkers and 4 intermediaries in late 2021 (the research was interrupted by the flood which hit the Ambur-Vaniyambadi- Pernambet region in November 2021, but was completed in December 2021. A detailed outline of the Methodology is presented in Appendix 1.

## Research Findings: About the Homeworkers' Work

### Supply Chain Links

The following chart shows, in which market the homeworkers thought their products were sold.

**Chart 1: Where are the products you stitch sold**



*“We do not know the brand names, but while giving us the articles, the agent often tells us that the products will go abroad, and insists that we stitch them carefully without any double takka or punch (mistakes)”<sup>1</sup>*

Almost two thirds of respondents said that the products they work on were sold in international markets. Of these, 39% of the respondents reported that their intermediary had shared this information, whilst 17% had either received the information from family members who worked in the factory or on the basis of the style, design or quality of the products. Only 5% of the respondents informed that they were able to identify the product market or brand from the packaging or labels attached to the products.

37.5% of the women could name the factories which provided their work, and publicly available supplier lists have then been used to identify a number of international brands that are sourcing from these same factories.

34% of the women said they did not know in which market their products were sold. 11% and 8% of the respondents said that the shoes they stitch were sold in local or national markets respectively.

None of the homeworkers interviewed had ever met any representatives from the factory.

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<sup>1</sup> Quotation from homeworker interview #48.

## Who provides your work?

*“Agents do not share any details about themselves. I ask for their details as I don’t want to be fooled by them”<sup>2</sup>*

*“Two years ago, a lady came and asked us to stitch uppers for her, and we did. But she disappeared without paying the wages”<sup>3</sup>*

97% of the respondents received their work from subcontractors or agents, and the remainder collected their work directly from the local factory or workshop (described locally as ‘job work centres’). Most had no contact details at all for their agent, they just knew their name and the village they came from.

The contractors’ interviews revealed that 3 out of 4 intermediaries collected the work directly from the factory, whilst the female sub-contractor received her work from the main contractor.

6% of the women reported that in the past they have had the experience of not being paid for the work they had done and cheated by the agent. They said that to avoid this they now do not stitch for any new agents, even if they promise to pay increased piece rates.

73 % of the women worked only for a single sub-contractor or agent. 21 % received work from two contractors and 6 % from 3 or more sub-contractors.

## Working Hours

### Work – and Income – Fluctuations

*“Our wages completely depend on how many pairs of uppers we are able to stitch in a single day. If the workflow is good, on an average we even stitch 100-150 pairs per month.”<sup>4</sup>*

All the homeworkers were employed informally and nearly all were paid on a piece rate basis. 96 % of the respondents reported that their contractor provides raw materials (uppers and thread), explains the work and fixes the piece rate. The women have to buy the equipment they need to do the work, such as needles and scissors. Only 4% of the respondents said that along with the raw materials they were also provided needles.

On average a homemaker stitches 11 pairs of uppers per day and they spent 30 minutes per pair to complete the work.

During normal production times, 46% of the respondents work for 3-5 hours per day and only 16% of the respondents do hand stitching work for 8 hours/day.

During normal production times, the majority (59%) of the respondents work for 16-20 days per month. During the peak times, many worked for at least 6 days/week, and on occasion some even worked on the 7<sup>th</sup> day.<sup>5</sup>

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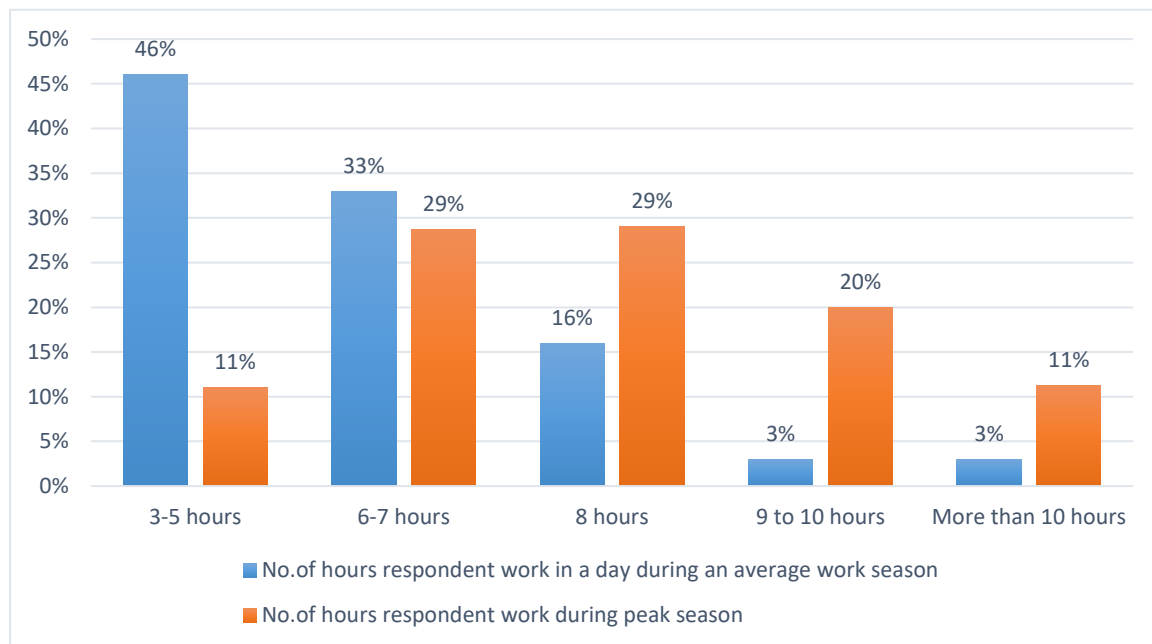
<sup>2</sup> Quotation from homeworkers interview #51.

<sup>3</sup> Comments made by the homeworkers during the survey interviews #34.

<sup>4</sup> Quote from homemaker during survey interview #12.

<sup>5</sup> This was not covered fully in the survey, so percentages are not available, but it was reported in many interviews.

**Chart 2: Working Hours: Comparing Peak Production with Normal Hours**



The intermediaries that were interviewed reported that during an average work season they take up to 6000 pairs per month whereas during the peak season they take up to 5000 pairs per week. During the lean period from February to May, the volume of work, and hence the homeworkers’ income, is drastically reduced.

As a result, when work is available, most of the homeworkers work excessive hours, in order to make up for the lean period which they know will follow. From June, the work season starts slowly and peaks between August and December or January.

During the peak season, a homeworker earns around Rs. 3500<sup>6</sup> per month on average, falling by more than 50% during normal times, to around Rs.1200/month, and even lower still during the lean time, to only Rs. 550 per month.

During the peak production time, only 11% of the homeworkers work for 3-5 hours a day, and the majority (58%) of the respondents work for 6-8 hours per day.

81% of interviewees said they take extra work either because they want to earn more money or due to the compulsion of the contractor.

**What happens if you don’t complete your work on time?**

*“the agent gives 15 pairs of uppers at 4 in the evening and comes to collect the work the next day by 12pm. As I have to do household chores and take care of the children, I find it difficult to complete the work on time.”<sup>7</sup>*

*“Sometimes the agent gives the work around 4 in the evening and asks us to return them the next day morning by 7am or 8am. It is not possible for us to*

<sup>6</sup> At the time of writing, 100 Indian rupees was equivalent to £1.04 British pounds and 1.24 euros.

<sup>7</sup> Quotation from survey interview with homeworker #51.



*work in the evenings as we have to cook and do the household chores. So we stay up and stitch the whole night, without sleep”<sup>8</sup>*

31% of the respondents said their agents did not allow them sufficient time to complete their work and 34 % said that as a result, they asked their family members to help them, in order to complete the work on time.

*“If I do not complete the work, he (agent) question me why I could not complete it. And says that if I delay again he would not give me uppers the next time.”<sup>9</sup>*

61% of the homeworkers reported that they would be verbally abused by the contractor/subagent if they failed to complete their work on time especially during peak production season. And 12% of respondents reported being denied work if they missed a deadline.

One agent explained that it was important to meet the deadlines and the quality standards set by the factory, otherwise he would face difficulty in securing work in the future. Another reported:

*“even if they ask to get 10 pairs of uppers stitched at 10pm, I have to take them to the field and get them completed. I can maintain a good relationship with the factory management only through these means and they will adjust if we make mistakes.”*

### **Homeworkers’ Wages, Income and Payment**

*“As I have got Rs.1000/-as an advances from the agent, now I have taken the uppers to stitch ( she could not refuse). But as I have chest pain I have not completed the work yet ( 2 more uppers yet to stitch)”<sup>10</sup>*

98 % of the homeworkers were paid on piece rates, which varied from 6 to 15 rupees per pair. The remaining 2% of the respondents paid either on daily wage rate or monthly wage rate. The average piece rate for stitching a pair of uppers was Rs.10.2 rupees. Only 8 % of the respondents said they were paid immediately when they returned the finished product; while the others (majority 56%) had to wait up to a month before they were paid. The rest received their wages once in a week or fortnightly.

14% of the respondents said they had taken advances from their agent, with the amounts borrowed varying from 300-1500 INR (approximately one month’s earnings).

### **Homeworkers’ Piece Rates**

*“When I requested an increased piece rate, the agent told me that if I wanted to do the work at the given rate I continue to do the work, otherwise (I) could leave it. He said he that he could not increase the piece rate”*

*“If I do not do this work, I will not have enough to eat. As my husband is an alcoholic, he does not give money for the family expenses. So my family runs with whatever I earn through this work”*

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<sup>8</sup> Quotation from homeworker interview #54.

<sup>9</sup> Quotation from homeworker interview #53.

<sup>10</sup> Quotation from interview with homeworker #03.

*“If the piece rate had been raised one rupee every year in the past, now the piece rate would have been anywhere between Rs.30-35 /- per pair”<sup>11</sup>*

Homeworkers provided detailed information about the different rates they were paid, and the time it took to complete different styles of shoe. This data enabled the researchers to compare piece rates with the minimum wage and other benchmarks. Piece rates were converted into an equivalent *potential earnings* for an 8-hour day with the formula:  $480 \{minutes\ per\ day\} / \{time\ for\ one\ pair\} \times \{piece\ rate\ per\ pair\}$  and into a monthly figure assuming 26 working days per month.

The average piece rates for the different styles are summarised in Table 1 Piece rates for stitching different styles of shoe (below), together with the average time taken to stitch a pair of shoes of that style. Column #3 shows how the piece rate compares with the minimum wage and column #4 estimates what a piece rate equivalent to the applicable minimum wage (Rs.9,500 per month) for that particular style, would have to be.<sup>12</sup>

**Table 1 Piece rates for stitching different styles of shoe**

Style number	1) Average Piece-rate / pair (Rs)	2) Average time to complete one pair (minutes)	3) Average rate for style (as % of minimum wage)	4) Minimum-wage-equivalent piece rate (Rs)
1	Rs 10.2	31	47%	Rs 21.7
2	Rs 11.0	36	44%	Rs 25.0
3	Rs 8.8	25	54%	Rs 16.2
5	Rs 8.0	30	35%	Rs 22.9
6	Rs 8.0	15	70%	Rs 11.4
8	Rs 8.8	41	28%	Rs 31.3
9	Rs 8.5	25	50%	Rs 17.0
10	Rs 10.9	32	56%	Rs 19.5
11	Rs 11.5	23	68%	Rs 16.9
12	Rs 10.0	20	66%	Rs 15.2
13	Rs 10.0	48	28%	Rs 35.7
14	Rs 8.9	26	51%	Rs 17.4
<b>Average</b>	<b>Rs 9.6</b>	<b>29</b>	<b>50%</b>	<b>Rs 19.1</b>

<sup>11</sup> Quotes from survey interviews with homeworkers # 35, 38 & 24.

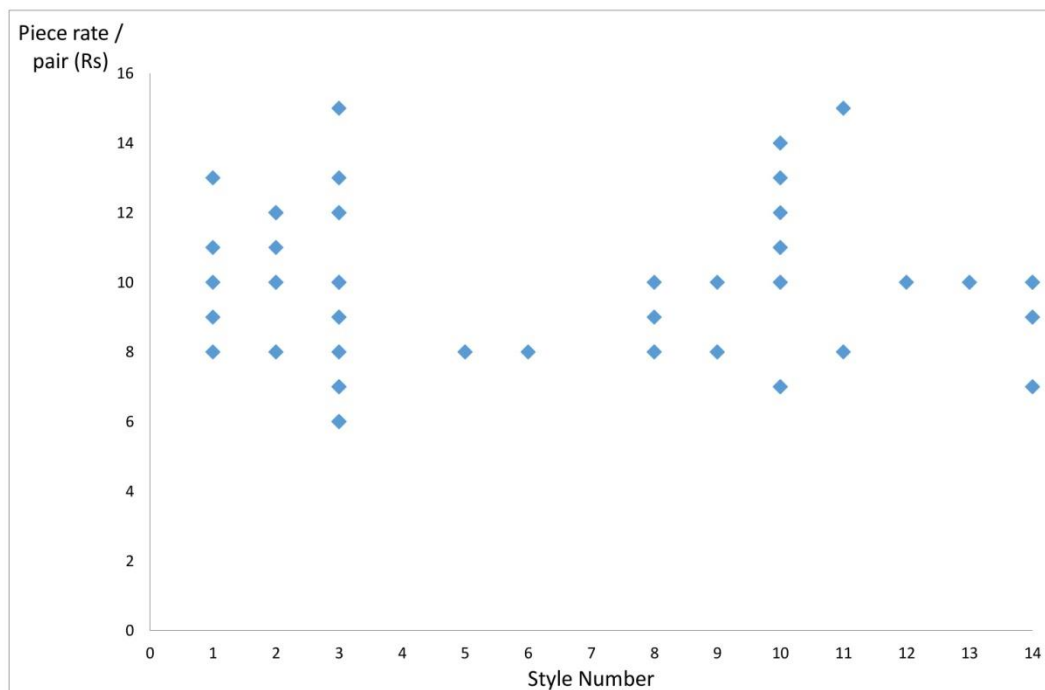
<sup>12</sup> See [http://cms.tn.gov.in/sites/default/files/go/labemp\\_e\\_23\\_2021\\_2D\\_1.pdf](http://cms.tn.gov.in/sites/default/files/go/labemp_e_23_2021_2D_1.pdf).

**Key findings include:**

- Piece rates were on average half (50%) the minimum wage.
- Some piece rates (styles 8 and 13) had been set as low as 28% of the minimum wage.
- Only two of the 80 homeworkers were paid at a piece rate which was equivalent to the legal minimum wage.<sup>13</sup>

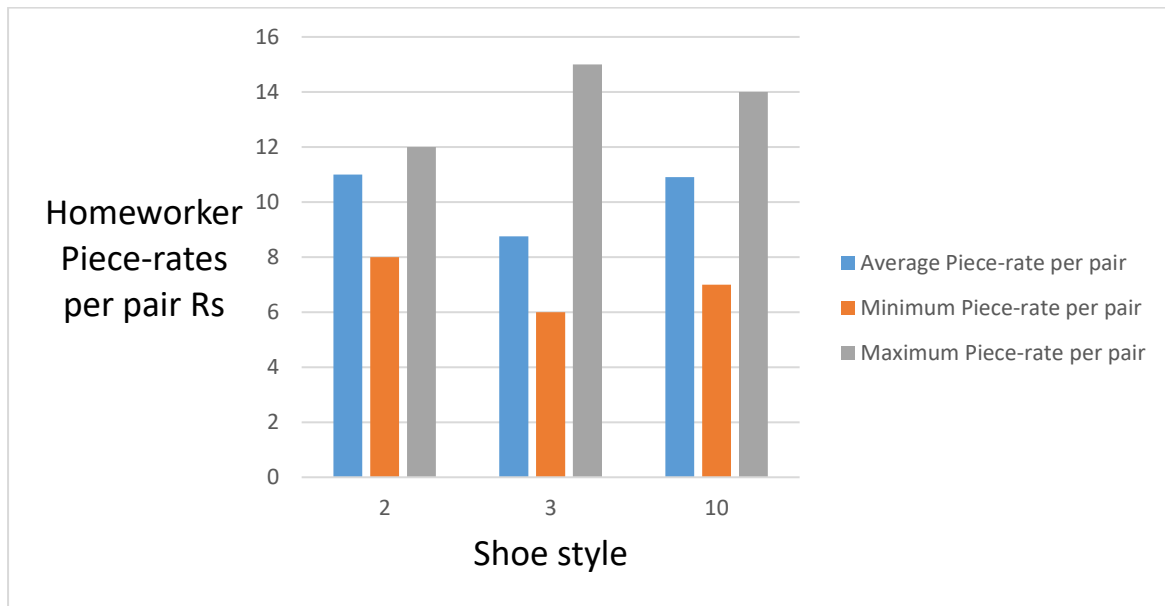
A detailed analysis of the rates paid for specific styles of shoe revealed that the piece rates paid to the homeworkers were very variable, ranging from 64% to 171% of the average rate for any particular style. The most extreme example was a shoe style where homeworkers reported receiving rates of anything between 6 and 15 rupees!

**Chart 2: Scatter diagram showing variation in piece rates for each shoe style**



<sup>13</sup> A third worker who reported higher earnings probably misunderstood the question.

**Chart 3: Variations in piece rates for common styles<sup>14</sup>**



When questioned about these substantial differences, fieldworkers explained that while the piece rate could vary according to the size of the shoe, the number of stitches and any additional embellishments that might entail extra work, rates for any one style could also be reduced in outlying villages, as the agents needed to deduct travel costs, or when there were several sub-agents involved. Further research would be needed to explore this variation in more depth.

However, the wide variation also suggests that there is not an accepted 'rate for the job', which you might expect to find in a situation where there was real dialogue about piece rates. It also reflects homeworkers' weak bargaining power over their piece rates. In practice they are 'price takers', obliged on the whole to accept the price offered by agents. This finding highlights the importance of transparency mechanisms, so that the brands know how much homeworkers are paid, and can seek to ensure that pay is equitable. It should also be of interest to suppliers, who may want to know how much of the rate they pay to subcontractors reaches the homeworkers. Transparency is also important to homeworkers so that they know what the piece rate should be, and that the piece rate has been set at a fair level, which is at least equivalent to the minimum wage.

Actual earnings are even further below the minimum wage. Many homeworkers are unable to work for 8 hours a day because of their other family responsibilities and/or because order volumes are insufficient during the lean season. Homeworkers were asked to estimate how much they earn at peak times and during times when workflow is average.

The homeworkers were also asked how many *pieces they had completed yesterday*, providing a very robust sample of real earnings (and hours worked) on a typical day; this varied from Rs 30 to Rs 200 with an average of Rs 108 equivalent to monthly earnings (ie x

<sup>14</sup> The data is for the three most common styles in the sample, all of which were worked on by at least ten homeworkers.

26 days) of Rs 2,816. This equates quite closely to homeworkers' estimates of what they earn in peak season, which gives us confidence in both figures. **Rs 2,816 is around 30% of the minimum wage.**

It is also important to remember that often the Minimum Wage is set below a level which could be considered as a Living Wage – that is how much the average worker would need to earn to meet their own and their families' basic needs. The Global Living Wage Foundation has calculated a Living Wage benchmark for Urban Tirupur at the time of the interviews (2021) as Rs 17,775/month.<sup>15</sup> This estimate is based on an average sized family, and typical expenditure on food and other items at local prices, including some discretionary spending. Homeworkers' *piece rates* equate to just over one quarter (27%) of this Living Wage benchmark. **Their average earnings over the year (Rs 2,816/month) were one sixth (16%) of the Living Wage.** These figures demonstrate that the piece rates are set a very low level which, compounded by variations in order volumes over the year, condemn homeworkers and their families to in-work poverty, unable to meet their own and their families' basic needs.

### **Intermediaries' earnings**

When asked about wages for their work, the intermediaries said that they were paid on a fixed commission rate. Two of them said that they get 2 rupees per pair and one said that he gets 3 rupees per pair. The subagent informed that she gets 1 rupee per pair as commission. When asked why the homeworkers' pay was delayed, the agents reported that this was because the companies did not pay them on time. One intermediary reported that because of the delay of payment from the factory, he had to take a gold loan<sup>16</sup> to arrange payment to workers.

The intermediaries also reported that the homeworkers' low wage levels were one of the main problems they faced in their work. One intermediary reported that, if a homeworker complained about low piece rates, he would call the company management and pass the phone to the worker. He commented "I have nothing to hide as my commission is fixed and (I) give the remaining to the workers."

### **Rectifying Mistakes & Reworking Pieces**

*"If they find the mistakes in our work when we return the uppers, they ask us to do the rework without payment. But if they discover mistake in the factory, they cannot identify who made the mistake. So they will give it to some one else for rework and pay for it"*

77% of the homeworkers reported that they were asked to rectify any mistakes without any payment, and 4% of the respondents informed they get paid after the rework. 2% of the respondents said that they would be fined if they made mistakes but that they were still paid for the pieces.

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<sup>15</sup> Living Wage for Tiruppur, Tamil Nadu, India (updated for 2021) [https://www.globallivingwage.org/wp-content/uploads/2018/05/Updatereport\\_India\\_UrbanTiruppur\\_Tamil-Nadu\\_August2021\\_13Jan2021\\_final-1.pdf](https://www.globallivingwage.org/wp-content/uploads/2018/05/Updatereport_India_UrbanTiruppur_Tamil-Nadu_August2021_13Jan2021_final-1.pdf)

<sup>16</sup> In India, a gold loan is one taken using gold jewelry as surety.

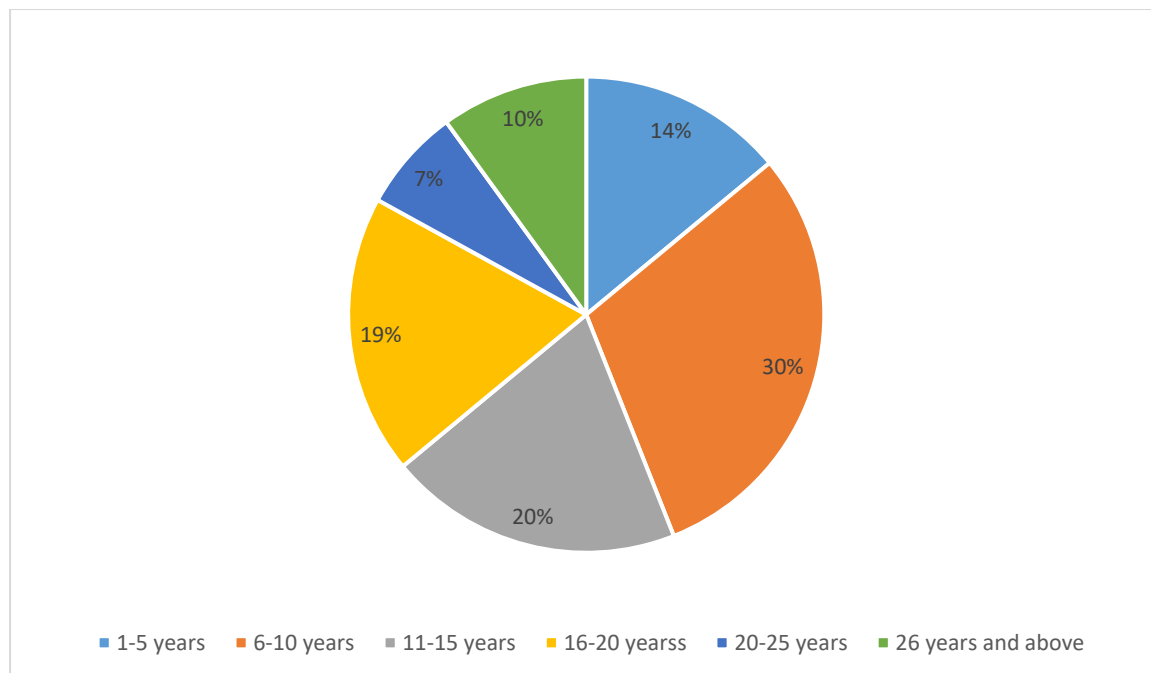
8% of the women said that the contractors became angry and aggressive if they made mistakes. 5% of the homeworkers said that the cost of damage gets deducted from their wages. And only 4% of the respondent informed that the contractors accept the mistakes and they get paid for it.

When asked about mistakes and rework, an agent explained that if the mistake was permanent and could not be rectified, he would be fined, and that the company management also verbally abused him, and made threats of cancelling future orders.

All three male intermediaries said that they were paid for rework, provided that it was possible to correct the mistake, whilst the female agent reported that she was not paid for rework.

## Research Findings: About the Homeworkers' Working Lives

Chart 4: How many years have you been doing Homework?



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The above chart shows how long the respondents had been stitching shoe uppers at home. On average they had 14.4 years of experience and one respondent had even been doing this work for almost 50 years, having started immediately after marriage.

### Why did you start doing Homework?

*"I have to support my husband in meeting the family expenses, but due to health problems I cannot work in a company. So, I started doing this work. Unlike factory work, this work is very convenient for me as I can do it in my free time and it also allows me to spend time with my family."*

*"To supplement my husband's income I go to agent's house in the next street and stitch uppers without my husband's knowledge. This income helps to fulfil some of my essential needs as well as those of my five children. Because of low income I make my children to eat the rice given through the Public Distribution System, however, the amount of free rice (20kg) we get is not enough" <sup>18</sup>*

The most common reasons given as to why the women started doing homeworking were: to assist the family's primary earner to meet the family expenses (56%), to engage in work that provided them flexibility to care for elderly family members and do household chores

<sup>17</sup> Quotation from homeworker interview #03.

<sup>18</sup> Quotations from homeworkers interviews #04 & 56.

55 %), to earn money for their own expenditure (36 %) and 19 % respondents informed that they were not allowed to work outside of the home.

Some respondents reported that they started doing homework when they were very young, whilst still of school age, and that due to their family's financial situation they have continued to do the work even after marriage.

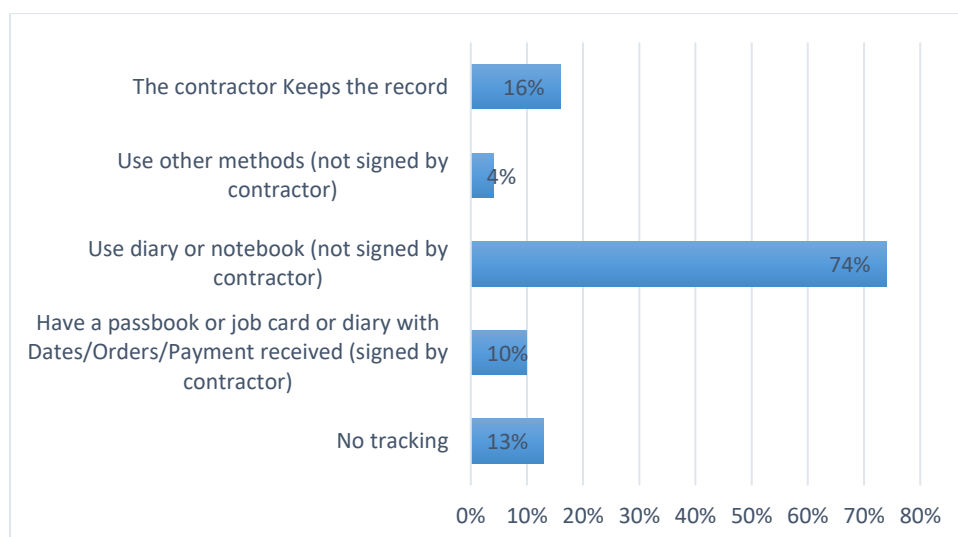
11% of the respondents informed that in the past they had worked in the factory, but due to care work at home, health issues, etc, they stopped going to the factory and started doing hand stitching at home.

### **Do you have an Agreement or Contract?**

80% of the workers did not have any agreement with their agent or subcontractor. 17.5% of the women have verbal agreement. The remaining 2.5% informed us that they did not have a written agreement but they have ID cards and Salary slips as a proof of their employment.

All the four intermediaries reported that they do not have any formal written agreement with the factory and that they work based on verbal agreements.

### **Chart 5: Do you keep a record of your work?**



This chart shows how the respondents track their work, with the majority using their own notebook. Only 10% respondents had a job card or passbook or diary that was counter signed by their agent, to track their work and payments, thus providing a record of the agreement if their subsequent payments were incorrect. Although the numbers involved are small, this finding does suggest some signs of progress since in previous studies none of the homeworkers reported that the agents' counter-signed their records.

Among the 4 contractors interviewed, two mentioned that the company keeps record for every order and provides gate passes with details of the orders taken, to access the factory premises. The company management counts the pairs and again, the security guard at the gate cross verifies them.

Another intermediary mentioned that he gets receipts (challan) from the company with number of pairs taken, date, style, etc. whilst the female sub agent informed that the main



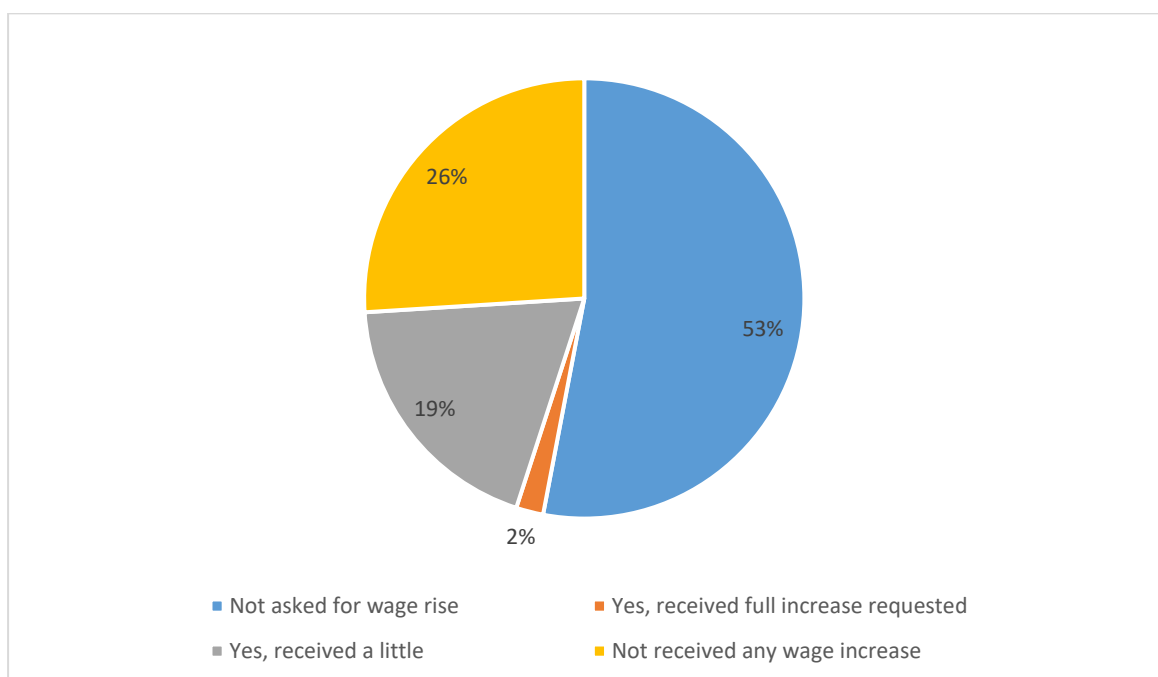
agent keeps record of number of pairs provided and their payment details and that she also maintains a note book for her own record.

### Collective Voice

42.5% homeworkers who were interviewed for the study were part of an informal collective initiated by Cividep to support the homeworkers. 31 % respondents were members of a Self-Help Group, and 6% of the women were members of women’s groups.

Only 6% of the homeworkers reported that they had collectively asked for an increase in the piece rates, whilst the majority (93%) said that they had not collectively raised any work-related issues. A few had come together in a group to raise particular social issues with elected members in the local government (for example, street lights, community hall).

**Chart 6: Have you asked for an increase in your wages?**



47.5% of the women said that they had individually asked their agents for a wage increase. Of these only 2.5% of respondents reported having actually received the increase that they had requested. 26% of the respondents said their negotiations had not yielded any result and 19% of the respondents said they had received a very small increase in their wages.

*"I asked for Rs.1 raise for a pair but he gave 50 paise raise".*

*"I had asked the agent to increase Rs.1/- per pair but he said that he need money to buy petrol"<sup>19</sup>*

Again, this suggests there has been some progress in raising the homeworkers’ awareness of their rights, as during previous studies very few had said that they would ever question the piece rates (although it is concerning that their efforts were unsuccessful in the vast majority of cases).

<sup>19</sup> Quotations from homeworkers during survey interviews #74 & #55.

Almost all the intermediaries said that it would be good if the factory management increased the piece rates. One reported that the factory cited COVID-19 as an excuse whenever he raised the issue.

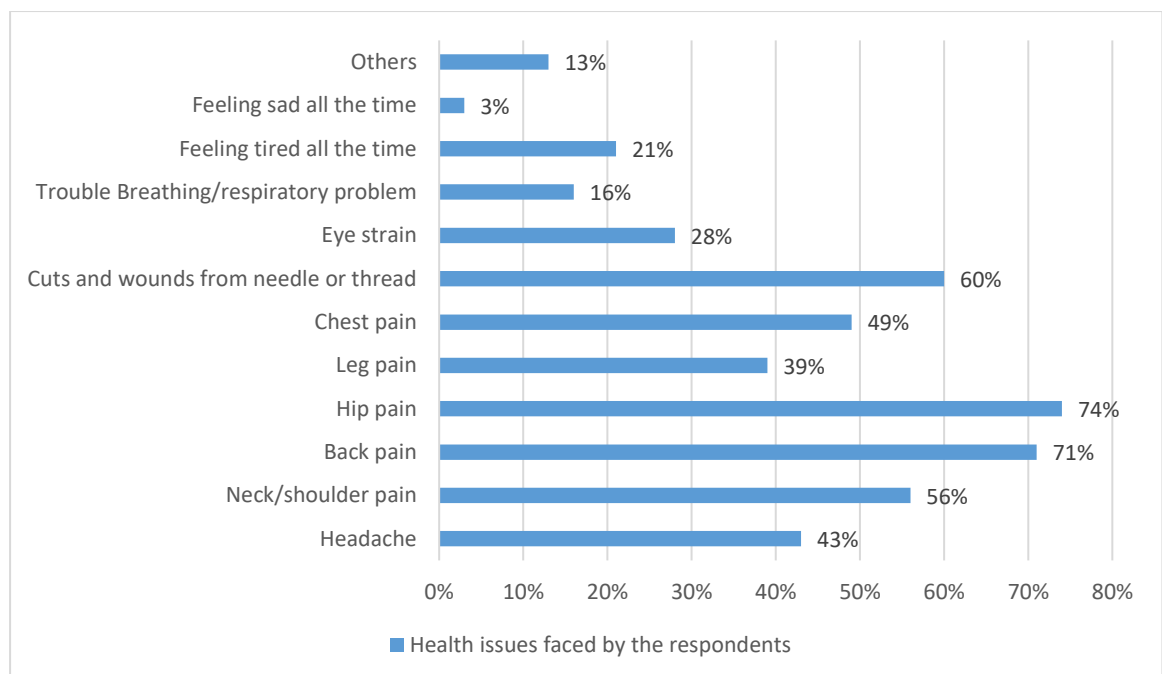
### Occupational Health & Safety Issues

*“I have been stitching shoe uppers for many years so I do not face severe health issue. However, If I start working after a (few days) break I start feeling hip pain. And when I stitch very hard uppers, I get pain in my nerves, in that case I take a break for a few days”*

*“despite wearing PPE such as needle guard or finger guard, we still get a lot of cuts, wounds and injuries in our fingers”<sup>20</sup>*

The respondents reported that the agents did not provide any kind of safety equipment. 90% of the homeworkers surveyed use safety equipment such as a finger guard or needle guard, or gloves, to protect themselves from needle injuries. Workers explained that these were made for them by friends, relatives or neighbours who were working in the shoe factories, using pieces of waste leather. 10% (8) of the workers reported that they did not use any safety equipment, and one of these explained that this was because she didn't know anyone working in the factory who could make the protective equipment she needed. Almost all the homeworkers said that they suffered from health issues, particularly hip pain, shoulder pain and leg pain, due to their long working hours. The graph below clearly illustrates the different types of health problems the homeworkers face:

**Chart 7: What health issues do you experience?**



<sup>20</sup> Quotations from homeworkers during survey interviews #04 & #03.

Almost all participants reported that they do not take any protective measures to avoid these health problems, although some reported using balms or over the counter medicines to relieve the pain.

Some mentioned that they soak their fingers in the warm water for some time as it would help to relieve the pain caused by cuts and wounds from the needle or thread which is one of the major occupational health issues that the homebased workers face.

### **Impact of Covid 19 Pandemic**

*“Every year we used to get a small increase in the pair rate, but since 2019, due to the Covid, the pair rate has remained the same with no increase at all”*

*A woman said “ Precovid we used to receive our wage on the same day when we returned the uppers but now we are paid weekly once”<sup>21</sup>*

82.5% of the respondents said the after the pandemic, the amount of work they receive had reduced. One homemaker explained “when I asked the agent for the reason he said that the factories were not running to full capacity.” Others also said that their agent did not seem to be not aware of the reason for no work during the Covid 19 lockdown.

23.75% of the respondents said that piece-rates have reduced Rs. 1/- per pair after the pandemic. And 20% of the respondents said that after COVID, their payment was delayed.

### **Access to social security/social assistance**

*“We have been stitching uppers for so many years but we donot have social security measures. Like factory workers, if we are given ESI,PF and bonus it would be very helpful. I cannot go the factory because I have to take care of the children at home”<sup>22</sup>*

None of the respondents had received any social security benefits such as health insurance, pension, accidental insurance, maternity benefits or unemployment benefits from their employer or contractor.

Almost all the respondents were able to access at least one of the Tamil Nadu government’s social assistance schemes. All respondents reported that they had a ration card and access to free food grains, and 42.5% had received subsidy from the government to purchase cooking gas but that this was no longer available.

18.75% of the respondents received maternity care allowance, but only 8.75% of the homemakers were able to register with the unorganised workers’ welfare board.

### **Access to Basic Services**

*“As the tap water is salty, we buy drinking water, a pot (8-10 litre) for 4 rupees and a cane (15 litre) for 10 rupees from outside”<sup>23</sup>*

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<sup>21</sup> Quotations from homemakers during survey interviews #35 & #24.

<sup>22</sup> Quotations from homemakers during survey interviews #42.

<sup>23</sup> Quotation from homemaker during survey interviews # 52.

With regards to access to basic services, almost 99% of the respondent's families had electricity. And 70% of the respondents had a regular water supply direct to their homes (for household use but not drinking water). The remaining 30% of the respondents' families had no direct water supply and so shared a tap in the street with other households.

Similarly, 24% of the respondents' families did not have their own household toilet facilities, and instead, they had to share with other families. 19% of the respondents said they have no street light facilities. Only 15% of the families had a covered drainage system, the others relied on open sewers for their household waste.

*"My husband is the sole earner of the family. His income is not even enough to meet the family expenses and children's education. During the flood, one of the house walls collapsed. So, we borrowed money to rebuild"* <sup>24</sup>

The impact of the flood also highlighted the vulnerability of these workers to adverse weather events, likely to be increasing due to climate change. 14 interviewees were severely affected by the flood; three lost their homes as they were destroyed in the flood and 11 others lost their belongings in the flood water.

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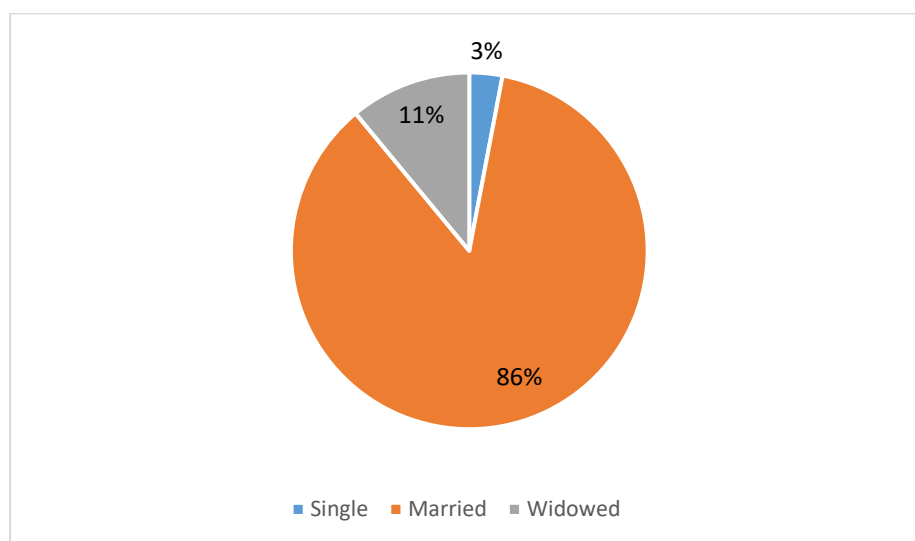
<sup>24</sup> Quotation from homeworker during survey interviews #47.

## Research Findings: Demographic Profile of the Respondents

As almost all homeworkers employed in the leather footwear supply chain are female, the research team sought to represent the diversity of the homemaker labour force by selecting respondents from different villages, age groups, religions, caste, education level and years of experience.

All of the 80 homeworkers interviewed for the study were women, and the average age of the respondents was 37. The majority of the workforce fell in the two main age group of 28-37 and 38-47 years. The charts below show that 86% of the total respondents were married women while 11% were widowed. Only 2.5% of the respondents were single.

**Chart 8: Homeworkers' Marital Status**



Among the four contractors interviewed, three were male and one was female and all were married.

### Homeworkers' Caste & Religious Background

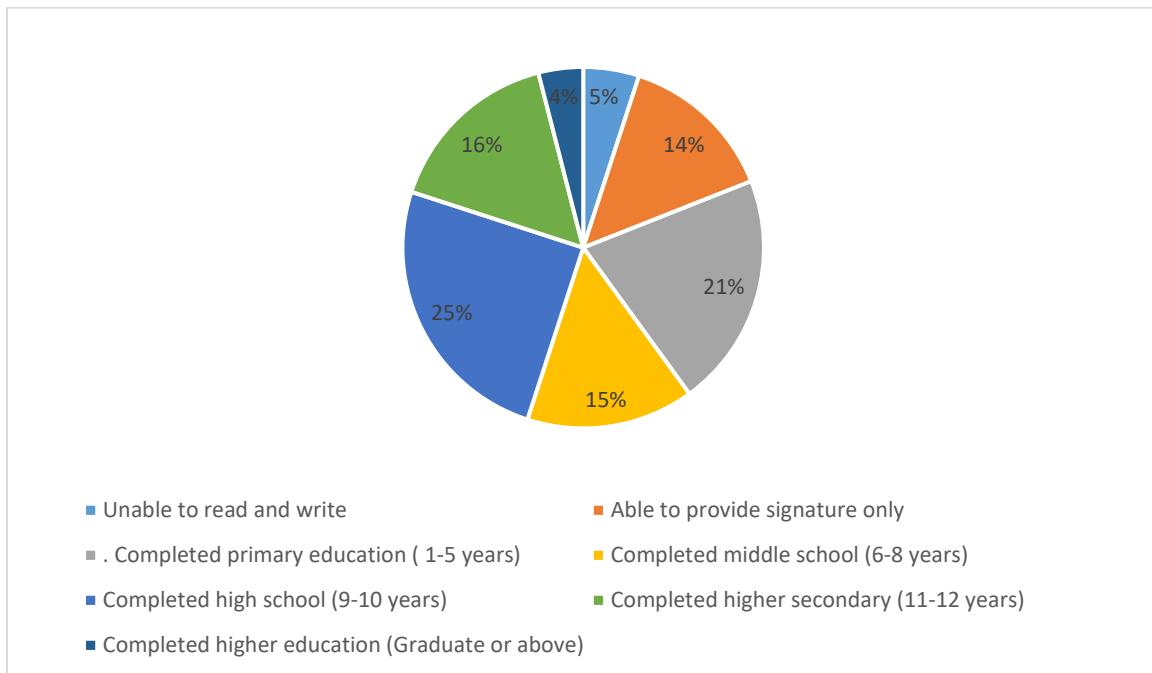
36 % of the home workers interviewed were Muslim and the majority (64%) of the respondents were Hindus. Regarding their caste background, over 80% of respondents were drawn from either disadvantaged Hindu or Muslim communities, including a number from the most disadvantaged group, the Scheduled Caste (SC) or Dalit community (12.5%).<sup>25</sup> 5% of the respondents said they did not know their caste.

All the four intermediaries interviewed followed the Hindu religion and two of them belong to general caste category. The remaining two belong to the OBC category.

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<sup>25</sup> The majority (76%) of those interviewed belonged to Other Backward Class (OBC) or Most Backward Class (MBC) category and many specially mentioned they belonged to specific caste-based groupings including the Vanniyar, Kaundar and Singh communities. 12.5% belonged to the Scheduled Caste (SC) category also known as Dalits and more specifically to the Arunthathiyar community. 6.3% of the respondents belongs to Backward class.

**Chart 9: Homeworkers' Education Level**



The above chart shows that the respondents have a diverse level of education. In the sample, 5% of the respondents could not read and write and another 14% of the respondent were only able to jot their signatures. On the other hand, 4% of the respondents have completed their graduation. Majority of the respondents have either completed primary school or high school.

### **Homeworkers' Household Income**

“We could pay only the interest on the money we borrowed during the Covid 19 lockdown and we have also taken loan for children’s school fees. So, majority of our income (household) is used to pay interest and repay the loan we have taken. We do not have enough money to meet the medical expenses for my mother in law” <sup>26</sup>

41% of the homeworkers’ total household income was between Rs.5001-10000 per month. 25% of them had household income below Rs.5000 per month. Only 5% of the families were earning above Rs.20,000 p.m. Overall, the average income of the respondents’ household was below Rs.10000 per month.

In 10% of the households, these homeworkers were the primary earners. The homeworkers’ husbands were the primary earners in 80% of the households, and other family members provide the main income in the remainder of the sample. All the four intermediaries mentioned that this was their only job and that they were the primary earners of their households.

<sup>26</sup> Quotation from homeworker during survey interview #54.

## Recommendations

This report has documented convincing evidence that the working conditions of homeworkers producing for international footwear brands fall far short of minimum standards; wages are way below legal minima, let alone living wage rates; work is highly irregular, and these two factors combined create conditions where a homeworker has very little choice as to whether she accepts it. Very low pay also creates other supply chain risks; when work is available, homeworkers will work excessive over time to complete orders, with consequent health risks. They may also be forced to involve other family members in order to maximise earnings to see them through the many weeks when they may have little or no income.

### For Retailers and Brands

- Adopt a Homeworker Policy which takes an inclusive approach to the presence of homeworkers in your chains, and is compliant with or more robust than the Hidden Homeworkers model Homeworker Policy, and promote its uptake by leather footwear suppliers in Tamil Nadu.
- Raise the issue of homeworking with your leather footwear suppliers in Tamil Nadu, share your Homeworker policy and ensure them of your full support in implementing this. If they or their suppliers disclose the presence of homeworkers in their supply chains, consider taking up the opportunities for supply chain mapping currently available within the Hidden Homeworkers project.
- Instruct auditors to ensure that suppliers are routinely asked about subcontracting and the use of contractors and/or homeworkers. Quality assurance and production teams can also probe where different processes are carried out and check production capacity, to identify where there may be sub-contracting.<sup>27</sup>
- Support your suppliers to implement mechanisms to improve transparency around homeworkers and piece rates, using the tools and resources available in the Hidden Homeworkers toolkit.
- Consider how homeworkers might be enabled to access a grievance mechanism, by for example, including the supplier's contact phone number and also the name of the brand responsible for a particular order, on any job card or documentation that may be introduced.
- Irrespective of whether your suppliers disclose the use of homeworkers, join and invite your suppliers to also participate in our proposed Regional Working Group on

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<sup>27</sup> Many Brands have found that a policy which allows subcontracting, on condition that it is declared, to be more effective in getting visibility over where production is taking place than a No Subcontracting clause.

homeworking. This would be an important step towards collaborative due diligence with local civil society organisations.

- Support efforts by Hidden Homeworkers partners to build a regional stakeholder forum to promote ethical and gender and caste sensitive employment practices within the Indian leather sector.
- Join and invite suppliers to enrol on Better Buying, to provide you with feedback on how your purchasing practices may be adversely impacting on human rights risks within your supply chain.<sup>28</sup>
- Improve liaison between commercial and ethical trade teams, to ensure coherence between sourcing decisions and the implementation programmes (eg. underpinning supplier buy-in to implementation through stable commercial relationships, spreading orders out throughout the year, so that workers have more work during the lean period).

### **For Suppliers and Manufacturers**

- Carry out mapping to track payments to sub-contractors and homeworkers and carry out a (baseline) assessment of homeworkers' needs. Our Hidden Homeworkers project has been set up to provide you with support and guidance throughout this process, including the opportunity to partner with local civil society partners in touch with local communities and workers.
- Implement systems to set minimum wage-compliant piece rates (at least), and to track orders and payments to homeworkers.
- Seek to reduce transaction costs to contractors, and any consequent resistance to adoption of new systems, by promoting standardised tools and systems for agreeing piece rates, and registering and tracking orders and payments to both homeworkers and agents.<sup>29</sup>
- Encourage homeworkers to come together collectively, so their views can be represented in subsequent work (for example in agreeing piece rates) and as a mechanism for direct access to the supplier, should a grievance arise.
- In collaboration with local civil society organisations, build understanding of potential barriers to employment and promotion opportunities faced by Dalit/minority women workers and any barriers to Freedom of Association and Collective Bargaining.

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<sup>28</sup> See <https://betterbuying.org/>.

<sup>29</sup> Payments to agents should be separated from payments to homeworkers.



- Investigate the effectiveness of internal grievance mechanisms, and consider how these might be extended to include informal workers and homeworkers. Revise recruitment and HR policies accordingly.
- Explore the ethical employment of homeworkers to help retain skilled female staff when domestic responsibilities make it impossible for them to work within the factory, who could return to full time work at a later date.

### **For Multi-stakeholder Initiatives**

**Policy.** Ensure that your implementation benefits and does no harm to the poorest women workers in global supply chains. Promote transparency and traction over homeworkers in your company members' supply chains by adopting an inclusive attitude to homeworking which seeks to raise the conditions of homeworkers rather than excluding them:

- Ensure that your Code of Conduct explicitly addresses homeworkers, through a clause which seeks to include and raise the conditions of homeworkers.
- Promote the adoption of inclusive Homeworker Policies by your company members.

**Collaboration.** Efforts to address conditions of homeworkers and other informal workers in informal subcontract supply chains are labour intensive.

- Promote collaboration between your company members and appropriate civil society organisations to implement transparency initiatives in Tamil Nadu footwear and other sectors where homeworking is prevalent.

**Government Advocacy.** Facilitate networking and alliances to bring the voice of your members to support advocacy by local actors aimed at:

- ratification of the ILO Home Work Convention and
- supporting the extension of health care and social security provisions to homeworkers
- increasing minimum wages in the leather sector towards a living wage.

Support advocacy by local actors and the ILO seeking to deter further weakening of collective bargaining (eg. through an increase in the threshold of trade union recognition) and the flexibilization of employment under the reform of Indian labour law currently in progress.

### **For the Indian Government**

- Ratification of the ILO Home Work Convention C177, and adoption of a national policy on homeworking.
- Recognise that homeworkers need access to social security and introduce a suitable scheme.
- Extend the Minimum Wage regulations to include piece rate workers and homeworkers.

- In consultation with appropriate trade unions, incrementally raise the (extremely low) legal minimum wage towards a Living Wage so that it adequately meets basic family needs.

### **For European and North American Governments**

- Several administrations are considering new legislation, requiring companies trading in their countries to carry out supply chain due diligence, address human rights and environmental risks, and provide remedies - and then holding them liable if workers or communities experience significant harm as a result of human rights or environmental abuses.
- These initiatives are to be welcomed, however, it is important that legislators consider the potential impact of these new laws on marginalised women workers like homeworkers, and take steps to ensure that they are included within the due diligence provisions, so that the new legislation protects their interests and prevents harm.<sup>30</sup>

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<sup>30</sup> For more information about this legislation, see Homeworkers Worldwide's briefing paper, available at: <https://static1.squarespace.com/static/60a24248d1bdf007a7d6d14f/t/60ec644175dbc90295e8e088/1626104901112/MHRDD+policy+briefing+FINAL.pdf>.

## Appendix: Research Methodology

The main aims of the research were to document the working conditions of homeworkers in the leather footwear sector in Tamil Nadu and to explore possible links with homeworkers the global leather supply chain. The research also sought to investigate the following sub-themes:

- To assess the working situation of the homeworkers against international standards, especially with regard to wages, OHS issues, seasonality of work, etc.,
- To understand the nature of their employment, and any work agreements or contracts that they may currently have in place.
- To learn about social security schemes and other government schemes that the homeworkers can currently access or use in the future.

The research was carried out by Cividep India, an NGO based in South India that has more than two decades of experience in conducting research in the field of labour, business and human rights. Cividep India has been working in the leather hub of Tamil Nadu since 2013 and has strong links with the communities where the homeworkers are based.

A detailed questionnaire was prepared to capture all the sub-themes of the study; and this also included some open questions, to gather the workers' more subjective reflections on their work. Initially the questionnaire was prepared in English and then translated into Tamil for ease of doing the survey as it is the first language of the majority of interviewees. Two training sessions on how to collect data using the questionnaire, were also organised for the field researchers.

A pilot study was conducted during the first week of November to test the feasibility of the questionnaire. Five homeworkers were interviewed for the pilot survey, and a few minor changes were made to the questionnaire following these interviews. The field team then started the main data collection process during the second week of November 2021.

As homeworkers are widely dispersed throughout India's southern leather hub, nine villages were selected to carry out the research. As far as possible, given the constraints of time and resources, the research team made efforts to ensure that their sample represented the diversity of the labourforce.

A total of 80 workers were interviewed from the Ambur-Vaniyambadi- Pernambet region, with each interview taking around 45 minutes to complete. Despite the challenges of COVID-19, the team managed to carry out 73 in-person interviews in the first phase, maintaining social distancing and COVID safety measures.

Unfortunately the fieldwork was then halted by the sudden flood that hit the region during the first week of December 2021. In Ambur alone, more than 500 homeworkers were severely hit by the flood, and many lost their homes and were evacuated to flood relief camps set up temporarily in nearby schools, temples, mosques, etc. After a two-week gap, the team was able to complete the remaining 7 worker interviews.

In addition to the homeworkers' interviews, four intermediaries who act as the link between the homeworkers and the factories were also interviewed to get their perspectives on the work and the challenges they face. During the course of the survey, a photo documentation of the products the homeworkers were stitching was also undertaken.

Besides, field notes, meetings reports produced as part of Cividep's outreach activities were also used as the secondary source of information.