



An investigation into the working lives of homeworkers in the UK

Supported by



Acknowledgements

NGH would like to thank Tanzeem Mahmood of Rochdale Homeworking Service and Sabrina Hashem of MEWN Cymru for their contribution to this report.

Thanks also to the packing company who assisted with our research.

Thanks to Oxfam UK Poverty Programme for funding the MEWN Cymru project and helping to fund NGH. Thanks to the Big Lottery Fund for supporting the core work of NGH.

This report was written by Nesta Holden, on behalf of NGH. Linda Devereux, Catherine Higgins and Cat Purdy of NGH all helped to conduct research and assisted with the final report. Particular thanks to Linda for all her advice and support, to Cath for processing the data, and to Cat for her design work.

Above all, thanks to all the homeworkers who took part in this research, without whom this report would not have been possible.

Nesta Holden
Policy and Campaigns Worker, NGH
October 2007

Contents

| Chapter | | Page |
|---------|---|------|
| | Summary and Recommendations | |
| 1 | Introduction | 1 |
| 2 | Methodology | 5 |
| 3 | The average homeworker (gender, age, ethnicity) | 11 |
| 4 | Types of work | 15 |
| 5 | Employment status | 23 |
| 6 | Pay – including NMW and enforcement | 31 |
| 7 | Irregularity of work | 39 |
| 8 | Health | 43 |
| 9 | Trade unions | 49 |
| 10 | Access to support, advice and information | 53 |
| 11 | The advantages and disadvantages of homeworking | 55 |
| 12 | Evidence from employers | 59 |
| 13 | The ILO Convention on Home Work | 63 |
| | Conclusion and Recommendations | 65 |
| | Appendix A - Acronyms | |
| | Appendix B - Rochdale | |
| | Appendix C - Cardiff | |
| | Appendix D - ILO Convention Text | |



Photo credit: NGH

“We need action to stop workers being abused illegally, but we also need action to stop the abuse that is within the law. The rights that agency staff don’t get. The rights that those without a contract of employment don’t get. The rights that homeworkers don’t get.”

Brendan Barber, TUC Congress Address 2006

Executive summary

- 1. Introduction** This report looks at the working lives of 67 homeworkers, working in a wide range of jobs and industries.
- 2. Methodology** The main research methods utilised were brief telephone surveys and in-depth interviews, supplemented with secondary research from a variety of sources.
- 3. The typical homemaker** According to the sample, the ‘typical’ homemaker, if one could be said to exist, is a woman of 42 working at home because she has caring responsibilities. She is living in a household with another adult and two children.
- 4. Types of work** Homeworkers are doing a wide variety of jobs. The most common type of work was sewing closely followed by packing.
- 5. Employment status** Most of our sample were not treated as employees and did not receive full employment rights. Almost half did not receive any rights at all.
- 6. Pay** Around half of our sample were earning less than the National Minimum Wage, with piece rate workers earning the lowest rates of pay.
- 7. Irregularity of work** 90% of the homeworkers we spoke to had experienced some form of irregularity – either receiving no work when they wanted to work, or receiving too much work to manage.
- 8. Health** Homeworkers are often affected by health problems, either an existing problem, or their homework has impacted upon their health.
- 9. Support, advice and information** Homeworkers need support at a local level, but the number of local homeworking organisations has been declining for a number of years, leaving more homeworkers isolated.
- 10. Trade unions** Trade unions need to do more to reach out to homeworkers and encourage them to organise for mutual support.
- 11. The advantages and disadvantages of homeworking** Most homeworkers who participated felt there were both positive and negative aspects to working from home. Many had clear ideas of what employers, government and others could do to improve their working lives.
- 12. Evidence from employers** There are real business advantages to employing homeworkers in an ethical manner.
- 13. The ILO Convention on Home Work** The ILO Convention is a blueprint for the fairer treatment of homeworkers worldwide

Conclusion and Recommendations

Government

- Extend employment status to homeworkers
- Improve enforcement of the National Minimum Wage
- Improve enforcement of other employment rights
- Ratify ILO Convention 177 on Home Work
- Improve access to information

Employers:

- Improve communication with homeworkers
- Work together across supply chains to minimise irregularity of work
- Adopt a Best Practice approach to employing homeworkers

Trade Unions

- Support homeworkers through innovative organising campaigns

Chapter 1 Introduction

NGH and homeworking in the UK

“I feel that we should get proper rates of pay with employment rights and regular work. We are contributing to the local economy and should be valued and recognised for it.”

The National Group on Homeworking is the only national NGO working exclusively on homeworking issues. We work to:

- raise awareness amongst homeworkers of their rights
- raise the visibility of homeworkers
- campaign to improve their terms and conditions
- give advice and support to homeworkers about their employment rights (helpline and caseworker)

Although the National Group on Homeworking offers advice and support to anyone working from home in the UK, the focus for our work and campaigning is on improving the conditions of the very many low paid homeworkers who receive few employment protections, and are frequently paid on a piece rate basis.

The NGH mission statement is as follows:

The National Group on Homeworking is committed to ensuring that the contributions made by homeworkers to the UK economy are recognised and rewarded accordingly. Our ultimate aim is to improve the working conditions of all homeworkers so that homeworking becomes a real employment option for those who wish to work at home.

To this end, the National Group on Homeworking will work towards and promote:

- *Employment status for all homeworkers, including equalisation of all employment rights such as maternity, redundancy, unfair dismissal and pensions*
- *Receipt of the national minimum wage by all homeworkers*
- *Adequate health and safety provision for the home as a place of work*
- *Accessible, affordable and quality childcare for all who want to work both outside and inside the home*
- *Adequate facilities and support for those caring for other dependents*
- *Good employment practices for all homeworkers, regardless of their sex, race, ethnicity, disability and other causes of discrimination*
- *Comprehensive training and educational opportunities for all homeworkers*
- *The organisation of homeworkers as a recognised section of the work force*

“Our ultimate aim is to improve the working conditions of all homeworkers so that homeworking becomes a real employment option for those who wish to work at home.”

Definitions

There are two primary legal definitions we use to determine homeworking. The first is the definition under the 1998 NMW Act:

In this section “home worker” means an individual who contracts with a person, for the purposes of that person’s business, for the execution of work to be done in a place not under the control or management of that person¹.

The second is the ILO definition in its Convention on Home Work 177.

For the purposes of this Convention:

(a) the term [home work] means work carried out by a person, to be referred to as a homeworker,

(i) in his or her home or in other premises of his or her choice, other than the workplace of the employer;

(ii) for remuneration;

(iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;

(b) persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;

(c) 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 activity².

Legal definitions however, can sometimes serve to complicate as much as clarify, so we gave all those who assisted in our research the following practical guidance on defining homework

By ‘homeworker’ we mean someone who is working from home, and is not running their own business.

- *SELF-EMPLOYED? Some workers are told they are self-employed, but in practice they are not actually running their own business – these people should still be considered ‘homeworkers’.*
- *PLACE OF WORK? Some people are based at a place of work (such as an office) but sometimes do their work from home (perhaps for one day a week for example) – we would not consider these people to be homeworkers. Homeworkers do not have a ‘place of work’ other than at home, although their work may include some travel – to deliver items etc.*
- *CHILD MINDING ETC? We would not include child minders, nannies, au pairs, domestic cleaners etc as ‘homeworkers’ for the purposes of this survey.*

¹ Chapter 39, National Minimum Wage Act (1998)

² ILO Convention on Homeworking 177 (1996)

These definitions combined with practical day-to-day experience of homeworking inform NGH’s understanding and use of the term ‘homeworker.’

The changing nature of homework

NGH runs a freephone national helpline for homeworkers and we have noticed the character of some of these calls has altered over recent years. From our experience it appears that:

- We are receiving increasing numbers of calls from ‘teleworkers’ and a decreasing number from traditional homeworkers in the packing and manufacturing sectors. The increase in ‘telework’ across the UK economy is a matter of public record.
- We are receiving increasing numbers of calls from homeworkers over 60, who are working to supplement their pensions.
- We are receiving increasing numbers of calls from homeworkers in the delivery and distribution sector, who do not fit the traditional model of a homeworker working entirely within their own home, but nevertheless have a great deal in common with such workers in terms of pay, employment conditions and personal circumstance.

The changing nature of homework makes up to date information and new research essential. NGH needs to ensure it reflects the reality of homeworking today, and that it is pursuing the real concerns of today’s homeworkers.

Purpose of research

The research conducted for this report was designed to provide up to date information on the situation of UK homeworkers today. Subjects ranged from the type of work people were engaged in, to their reasons for working from home, to pay rates and employment conditions. Questions were designed to inform three key areas of NGH work:

- Consultations – e.g. collecting specific NMW information to feed into the Low Pay Commission
- Campaigns – e.g. evidence to reinforce the campaign for employment status
- Policy – e.g. are NGH priorities in tune with the primary concerns of homeworkers themselves?

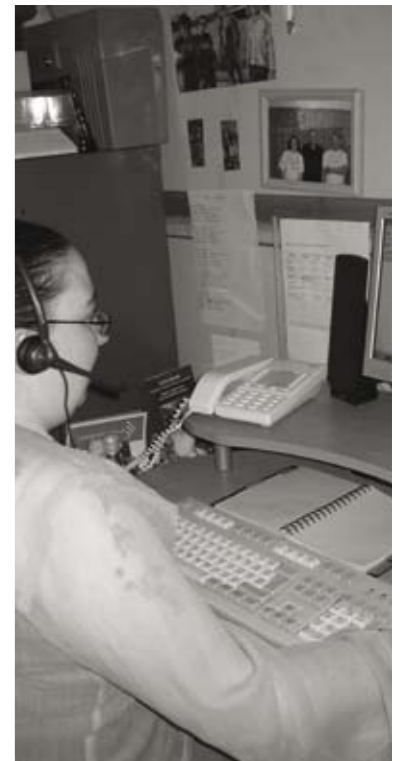


Photo credit: NGH

The term home work means work carried out by a person, to be referred to as a homeworker, in his or her home or in other premises of his or her choice, other than the workplace of the employer

Chapter 2 Methodology

The majority of this report and its findings rest on primary research interviews conducted with homeworkers between March and June 2007. Additional information was drawn from secondary sources such as existing reports on homeworking and Labour Force Survey (LFS) data. The difficulties in researching homework are widely recognised, and the merits of different approaches hotly debated.¹

Research reports from NGH

NGH has conducted extensive research into homeworking in the UK in the past. Research reports include *Made at Home in Bradford* (2004) which studied the enforcement and effectiveness of the national minimum wage, *Homeworking in Britain: Flexible Working or Exploited Labour?* (Lucy Brill - 2004) which looked at homeworkers' working conditions, *Out of Sight Out of Mind* (Emily Gilbert - 2002) which focused on health and safety issues and *Organising Homeworkers in the UK* (2002) which examined trade union policies and the collective organisational needs of homeworkers. 'Getting What's Rightfully Theirs?' (Lyn Ellison, 2002), commissioned by the Low Pay Commission, monitored the introduction and impact of the Minimum Wage on homeworkers. A major national survey was conducted in the early 1990s and resulted in 1994's *Home Truths: Key Results from a National Survey of Homeworkers* by Ursula Huws. Whilst these studies continue to provide extremely valuable information and evidence, a constantly changing picture (produced by changes in people's working habits, trends in the economy and alterations to the legal framework) means new research is always required to provide up to date information on homeworking today.

The Labour Force Survey

According to the Labour Force Survey, in spring 2005 there were around 3.1 million 'homeworkers' in the UK, people who worked mainly in their own home, or in different places using home as a base. The LFS found this had risen from 2.3 million in spring 1997². The LFS uses a different definition of homework to NGH, as they include those who have another place of work, such as an office, in addition to their home base.

Although the LFS is the principal source of statistics on employment in the UK, and is particularly useful for identifying trends and changes over time, there are problems with relying on this source for information on homeworking.

Many homeworkers are reluctant to identify themselves, and accurate information about their working lives can only be gathered by building up relationships of trust between the researcher and the homeworker. There are a number of reasons why homeworkers may be unwilling

“Many homeworkers are reluctant to identify themselves, and accurate information about their working lives can only be gathered by building up relationships of trust between the researcher and the homeworker.”

¹ 'Researching a Problematic Concept: Homeworkers in Britain', *Felstead and Jewson, Work Employment and Society, Vol 11, No 2, (June 1997)*

² *Homebased working using communication technologies*, Yolanda Ruiz and Annette Walling, Office for National Statistics, *Labour Market Trends, October (2005)*

to identify themselves as such in an official survey from the Office of National Statistics. These include fear that talking about their work puts their job at risk, the fact that their work may not be recognised by themselves or by family members as a 'proper' job, and fear due to the fact that in some cases their work may be informal. In addition work done in the home may be seen as a 'private' activity, and therefore not something appropriate to discuss with officials. NGH is therefore of the view that such research may underestimate the full extent of homeworking, but more particularly under-represents those homeworkers at the more precarious end of the spectrum – the workers who in our experience are least likely to come forward and discuss their working lives.

These are just some of the reasons why NGH feels it is extremely important to conduct specific research into homeworking, using personal contacts and other flexible approaches as appropriate.

The loss of local projects

The number of local projects offering support to homeworkers has been in decline for a number of years. Recent projects that have come to an end include those in Coventry, Nottingham and Leicester. Currently the only remaining projects are based in Rochdale (Rochdale Homeworking Service) and Wakefield (Pay and Employment Rights Service). This is of grave concern to NGH as these services are as essential as ever – the cuts appear to stem from a shortage of local authority funds rather than a reduction in need. The outreach and support networks such projects offer to homeworkers are invaluable, given the isolated nature of their work, and they are also a vital source of information on the state of homeworking across the country.

In previous years NGH was able to draw on the contacts and grass-roots experiences of homeworkers involved in the local projects. This was used to inform our work, and to feed into our research - providing up to date information on homeworking trends and issues of concern across the country. The loss of these projects has therefore posed a serious problem for NGH in conducting this latest piece of research. The gap left by these projects was difficult to fill as most research had to be conducted from the NGH office in Leeds. We are therefore extremely grateful for the assistance of the Rochdale Homeworking Service and the special research project run by MEWN Cymru and funded by Oxfam UK Poverty Programme in Cardiff for their assistance in conducting local research in those areas.

Our approach

Our approach utilised the personal contacts NGH has with homeworkers, and supplemented these with local research in two areas. The sample is therefore skewed towards those who have contacted NGH or had some links to the local projects and researchers. However we believe this approach has real merit as the relationships of trust built up between homeworkers and NGH (or local researchers) are invaluable when researching an area as sensitive, and largely hidden, as homework.

Research for this report was gathered in three primary ways:

- a brief 10 minute survey which was designed to collect basic statistical data about homeworkers¹
- in-depth 1 hour interviews with a smaller number of homeworkers designed to collect more detailed information and qualitative personal accounts²
- an examination of other published information regarding homeworking, such as LFS statistics and other research reports

Confidentiality and anonymity were guaranteed to all participants who did not wish to be identified. Some of the names in the case studies have, therefore, been changed.

Surveys

The main source of homeworkers who took part in the brief survey part of our research was the NGH Helpline. We attempted to contact over 500 homeworkers who had called NGH for advice over the last 5 years. Many of those we spoke to were no longer working from home. We conducted the interview with those who were willing to take part and were either currently homeworking or had stopped working from home in the last 18 months (since January 2006).

We were able to conduct brief surveys with 46 homeworkers using this route.

There were some weaknesses with using the NGH helpline as the main source of homeworker contacts.

- Many of those who called the helpline did so because they had lost their work, so they were not currently homeworking.
- Only those who already have awareness of NGH could be contacted – the most vulnerable are probably not aware of NGH at all. This reinforces the problem of conducting research following the loss of local outreach projects.
- Although research into homeworking has always indicated that a disproportionately high number of homeworkers are from Black and Minority Ethnic (BME) backgrounds, BME homeworkers rarely call the NGH helpline.

The Helpline data was nevertheless an extremely valuable source of homeworker contacts, and the fact that the homeworkers had already contacted NGH for advice meant there was already a level of trust and frequently a willingness to participate in the research.

We worked with local community organisations to counter the lack of BME homeworker contacts.



Photo credit: NGH

¹ For copies of the brief survey, contact NGH
² For copies of the in-depth survey, contact NGH

Rochdale Homeworking Support Group

Rochdale Council funds one of the few remaining local homeworking projects, and the homeworking officer Tanzeem Mahmood runs a support group for local homeworkers. Tanzeem kindly agreed to conduct both brief surveys and in-depth interviews with support group members on behalf of NGH. The homeworkers in the Rochdale support group are all women from Pakistani and Bangladeshi backgrounds, and Tanzeem was able to conduct the interviews in Punjabi. Five homeworkers were contacted in this way. For further information on the demography of Rochdale as a whole, see Appendix B.

Mewn Cymru and Oxfam UKPP

The Welsh branch of Oxfam's UK Poverty Programme and MEWN Cymru, (Minority Ethnic Women's Network, Wales) worked together on a joint project to research the extent and nature of homeworking amongst South Wales' ethnic minority communities. Oxfam UKPP commissioned and funded the 'Homeworking Research Project' which was carried out by MEWN Cymru. The purpose was to produce information which could be both incorporated into the NGH research report and used locally for scoping homeworking issues in Cardiff and the potential for future project work. Whereas the Rochdale group were able to build on long-standing relationships with local homeworkers, for MEWN Cymru the first task was to identify and engage with local homeworkers, using local networks and community groups as channels. Sabrina Hashem, the project worker at MEWN Cymru contacted numerous local groups to explain the project and find local homeworkers, and then conducted both brief surveys and in-depth interviews to feed into the NGH study. The interviews were conducted in Urdu and English. Four homeworkers were contacted in this way. For further information on the demography of Cardiff, see Appendix C.



Photo credit: NGH

Contact through an employer

The fourth way in which homeworkers were contacted for the survey was via an employer. The company involved is familiar with the work of NGH, and seeks to employ homeworkers ethically. The company offered to distribute the brief survey to their homeworking workforce, and NGH included envelopes stamped and addressed directly to our office, so the company would have no knowledge of who had responded and what they said. This was explained to the homeworkers to emphasise the confidential way in which their responses would be treated. Although this approach is not ideal as it could not be entirely 'independent' of the company in the eyes of the workforce, it proved a useful way to contact a number of homeworkers we could not otherwise have reached. 12 homeworkers responded to the survey in this way. The company involved also participated in a research interview, explaining their approach to employing homeworkers ethically.

In total, 67 homeworkers took part in our basic survey. The statistics in this survey relate to these 67, unless it is specified otherwise.

In-depth interviews

Following the brief surveys, a number of participants were approached to take part in a more in-depth qualitative interview. These interviews, which lasted around one hour were designed to gather greater detail and a more personal perspective on their experience of homeworking. The material from these interviews was used to provide the quotes throughout this report, and a selection of case studies. Most of these interviews were conducted face-to-face in the homeworker's home environment, although this was not always possible. Interviewees were selected to reflect a range of homeworker experiences, with varied types of work, varied working conditions, and varied levels of satisfaction with their working lives. Homeworkers received a £20 payment to reimburse them for their time. Twenty-six homeworkers were interviewed in this way.

Chapter 3: The 'typical' homeworker

Although this research demonstrates that the lives of homeworkers are extremely diverse, certain themes and issues recurred throughout the surveys and interviews and were shared by many of the homeworkers who participated. According to the sample, the 'typical' homeworker, if one could be said to exist, is a woman of 42 working from home because she has caring responsibilities. She is living in a household with another adult and two children. The average earnings across the sample were £6.78 per hour, but for a worker on piece rates average earnings were £4.41. Behind this 'typical' picture however is a wealth of different experiences and circumstances - and it should be noted that no single homeworker in the study matches this description precisely.

Gender

Some studies indicate that more men than women work at home, however, this is because such studies include in their definition either the genuinely self-employed (those running their own business) or those who work from home some of the time, but also maintain a work base¹. Studies of those who work exclusively at home, for another person or company have demonstrated time and again that the vast majority of homeworkers are women. In our survey 87% (58) of the participants were women, once again reinforcing the fact that gender is extremely important to any analysis of homeworking.

Household

Most (57%) of the homeworkers we spoke to had one or more children living at home, and 69% were living with at least one other adult. The majority (58%) were living with one other adult, and around 10% with more than one other adult.

Age

According to the 1994 Home Truths study, the average homeworker was in her thirties². In the 2007 study the average age for a homeworker was 42. The increase in the average age may be linked to anecdotal evidence at NGH, where we have noticed an increase in calls from homeworkers of retirement age who are working to supplement their pension.

Ethnicity

Traditionally homework (sometimes called outwork), and in particular sewing work, has been viewed as particularly prevalent in Black Minority Ethnic (BME) communities. However, NGH research has also shown a long and strong tradition of homeworking in white British communities as well. In this study 18% of the sample were from minority ethnic backgrounds. We spoke to seven Pakistani, two Indian, one Bangladeshi, one

“In our survey 87% of participants were women, once again reinforcing the fact that gender is extremely important to any analysis of homeworking.”

¹ For example see Ruiz and Walling, ONS, Labour Market Trends (October 2005)

² p4, 'Home Truths. Key results from a National Survey of Homeworkers', Ursula Huws, (NGH, 1994)

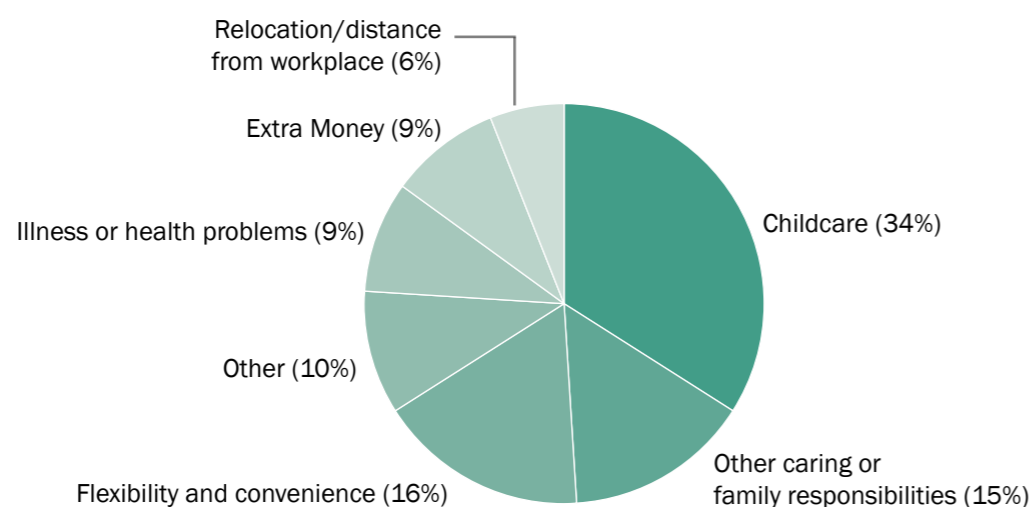
By far the most common reason the sample gave for working from home was child care.

Greek Cypriot and one Caribbean homeworker. The remaining 55 homeworkers described themselves as White British. It is extremely difficult to determine the proportion of homeworkers who are currently from BME backgrounds – this varies massively depending on where the research is done and cannot therefore be determined from small scale studies. In addition larger, more formal, and therefore less community-based research is also unlikely to determine the true extent of homeworking in BME communities, as in our experience building up relationships of trust between researchers and homeworkers is particularly important when encouraging ethnic minority homeworkers to come forward and identify themselves.¹

NGH receives few calls from BME homeworkers, so other approaches were needed to ensure ethnic minorities were represented in this research. NGH worked with the Rochdale Homeworking Support Group and with a joint project involving Oxfam and MEWN Cymru in Cardiff. The proportion of BME homeworkers taking part in this survey was strongly determined by this targeted approach, and should not therefore be assumed to be indicative of the proportion of ethnic minority homeworkers as a whole. However, the information gathered from these homeworkers is nonetheless extremely informative and can be utilised to draw out some specific issues relevant to ethnic minority homeworkers.

Sewing work, for example, was most prevalent amongst Pakistani and Bangladeshi homeworkers, and these women were also those in receipt of some of the lowest pay rates – with none appearing to be earning the national minimum wage (£5.35 per hour at the time the research was conducted²).

Reasons for working from home



¹ p31, 'Made at Home in Bradford: Joint Bradford Homeworking Project 2001-2003', (NGH, 2004)
² The 'development rate' for the NMW, at £4.45 per hour, applies to those aged 18-21. However none of the homeworkers we spoke to were under 21

Main reason for working from home:

Motivations for working from home are also important to any understanding of homeworking. By far the most common reason the sample gave for working from home was child care (23), and when combined with 'Other caring or family responsibilities' (10) almost half gave family as the main reason they worked from home.

It is worth noting however, that although participants were asked for the main reason they worked from home, a large number gave a combination of reasons such as:

"[I like the] convenience, hate offices and have experienced discrimination."

"My son is disabled and my other son is four. I have an illness preventing me from going out to work."

"[Because of] illness, convenience, and it works around child care."

"I can combine it with housework and I am not spending money on travel."

"My son is disabled and my other son is four. I have an illness preventing me from going out to work."

Caring responsibilities and illness or health problems were common amongst homeworkers, whether or not they considered these the primary reasons for working from home.

When asked 'Do you have caring responsibilities for children or any other relative?' and 'Do your caring responsibilities affect your ability to work outside the home?' the responses were as follows:

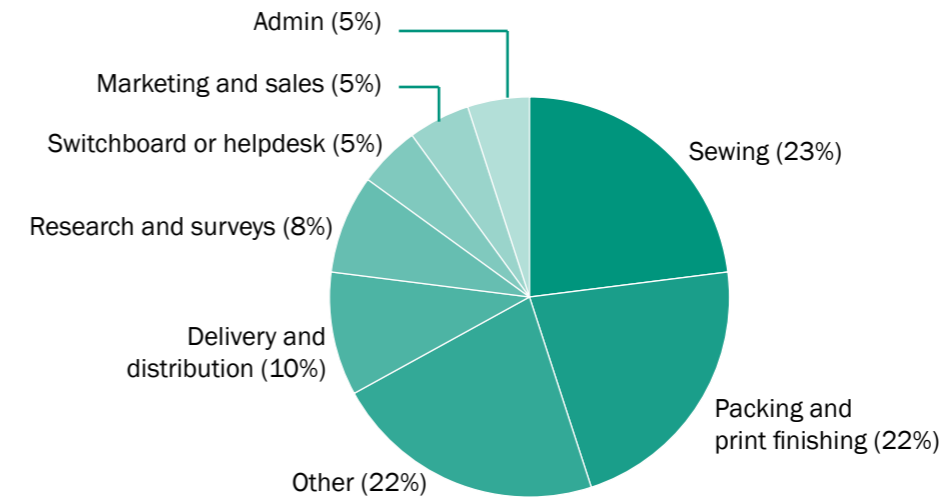
| | Yes |
|---|-----------------|
| Childcare responsibilities | 29 (43%) |
| Other care responsibilities | 7 (10%) |
| Affects ability to work outside the home | 29 (43%) |

When asked 'Do you have any long term health problem or disability?' and 'Does this affect your ability to work outside the home?' the responses were as follows:

| | Yes |
|---|-----------------|
| Health problem or disability | 13 (19%) |
| Affects ability to work outside the home | 11 (16%) |

Chapter 4: Types of work

Whilst sewing continues to be the most common form of work amongst the homeworkers who participated in this survey, it no longer appears to be the majority occupation for homeworkers that it once was.

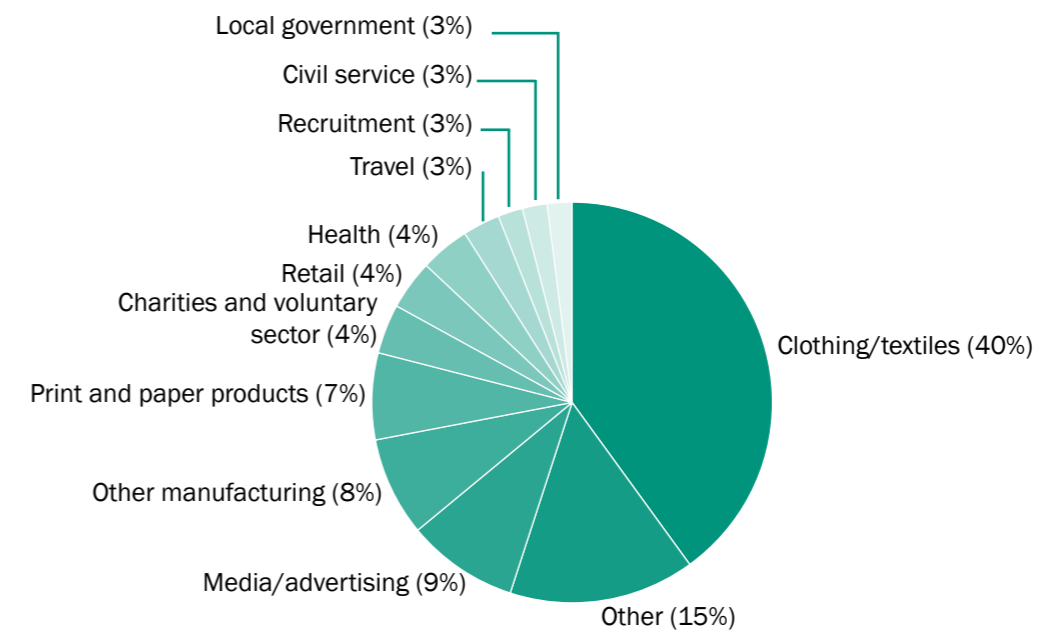


Homeworkers were asked to define their jobs both by industry, and by the type of work they did. The most common forms of work were sewing, and packing or print finishing.

In terms of types of business, clothing and textiles was by far the most common, incorporating both 'sewing' and some of the 'packing' work. Other manufacturing was only identified by 5 homeworkers as the type of business they worked for. These homeworkers were doing work as diverse as wire bending, rubber trimming and project engineering. 5 homeworkers identified themselves as working for a print or paper products business, all doing packing or print finishing work. 6 worked for media or advertising companies – largely in distribution.



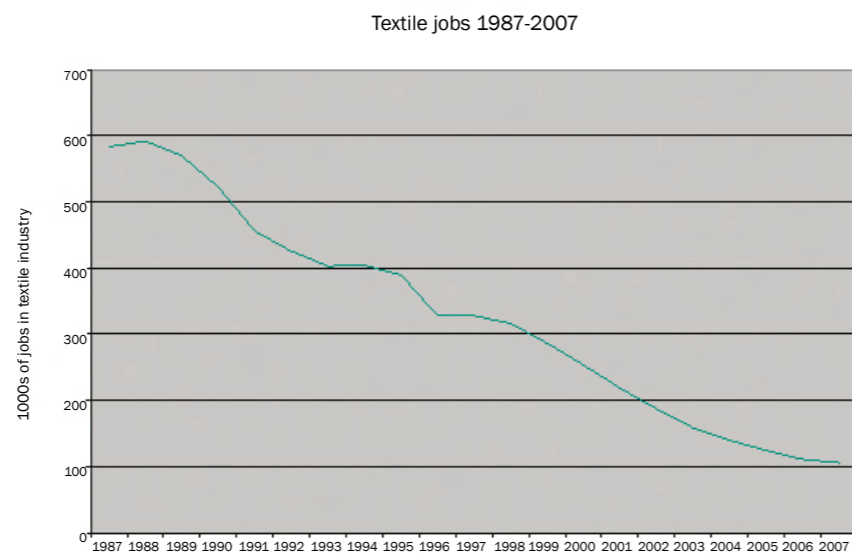
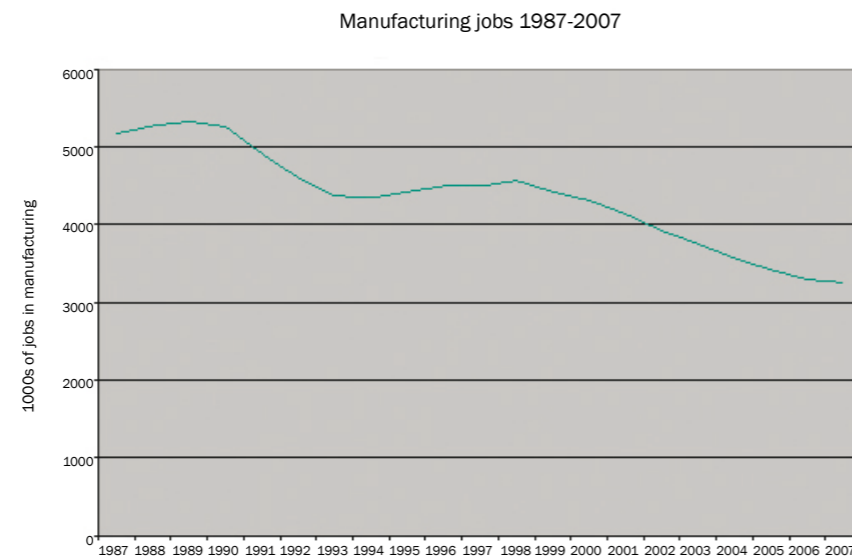
Photo credit: NGH



The changing nature of homework and the decline of 'traditional' sewing jobs.

There is no specific statistical data on the prevalence of manufacturing homeworking jobs, but the official Labour Market Statistics show a decline in both manufacturing jobs as a whole, and textile industry jobs in particular. It is therefore reasonable to deduce that this decline is also taking place within manufacturing homeworking jobs.

The graphs below, based on Office for National Statistics (ONS) data¹ demonstrate the decline in manufacturing work over the last two decades².



¹ Employment, Earnings and Innovations Division, Office for National Statistics, data supplied on request (June 2007)

² The data on the manufacturing industry refers to the entire workforce, whether employees or otherwise. The textiles industry data refers only to 'employees' so the actual workforce numbers, including subcontracting and homeworkers are likely to be somewhat higher – nevertheless the data illustrates a clear downward trend.

A decline in manufacturing homework is certainly borne out by overwhelming anecdotal evidence – particularly regarding sewing and garment manufacture. NGH research also bears this out. The 1994 'Home Truths' study by NGH found that 54% of the homeworkers who took part were doing sewing work¹. In the 2007 survey only 23% identified themselves as doing some kind of sewing work. In the 1994 study 66% were working in the clothing and textiles industry, and although it remained the largest single industry in the 2007 study, only 40% of the homeworkers who participated were working in clothing and textiles.

When broken down by ethnicity, however, sewing emerges as by far the most common type of work amongst the Asian and British Asian homeworkers. Of the 10 Asian and British Asian homeworkers that responded 8 were working in sewing. This contrasts markedly with the White British homeworkers, where only 6 out of 49 were sewing.

Several of the homeworkers we spoke to described a significant decrease in the availability of sewing work over the last two decades. The decline in this kind of work leaves the remaining homeworkers even more vulnerable – they are in no position to negotiate better pay or conditions, their supply of work is irregular and they are often afraid of losing their work altogether.

Case study 1 – Highly skilled, low paid

Gemma works from home sewing novelty items for retail to sports fans. She has done various types of sewing work over the years, in a factory before her son was born, and now working from home. Gemma is an experienced multi-skilled machinist but has struggled to find decent work that rewards her skills. Problems include low pay – she is currently earning around £3 per hour – and the supply of work is irregular.

“The times I’ve been out of work we do struggle with things like bills, and buying food. It is hard. This is also a problem when the work is irregular. I’ve thought about signing on, but I’ve never done it in my life and I wouldn’t have a clue how to do it. I’m going to college, but I’m not sure what good it is doing me – I can’t get a job using these skills working from home.”

She has sought advice from NGH in the past, and feels it is important for homeworkers to know they are not alone.

“It is useful because it points you down certain roads you might not have known about. It highlights that you are not on your own. There are other people, some worse off, some better off than you, and we need to stick together so employers can’t walk all over us.”

Gemma says it is now harder than ever to find sewing work from home,

¹ p14, 'Home Truths. Key results from a National Survey of Homeworkers', Ursula Huws, (NGH, 1994)

The decline in this kind of work leaves the remaining homeworkers even more vulnerable – they are in no position to negotiate better pay or conditions.

“As time goes by it gets harder – there is not as much work around and it is harder to earn the money than it used to be. It is a skilled trade, but it is not recognised as such, you’re not paid as you would be for a skilled job in a factory or an office. I’m a ‘multi-skilled machinist’ according to my training, but I can’t get decent work because I want to work at home. You don’t get the opportunity to do well paid work at home. Also I’m not in the right area – if I was working in London it would be easier to get higher pay – it should be the same everywhere. I have NVQs in sewing but it is just not recognised because I am a homeworker.”

Case Study 2 “I am lucky to have this work”

Mrs Zacharia lives in London, she moved here from Cyprus over 40 years ago. She works from home sewing garments for a local factory. She has been working for this company for five years, but started working from home over 20 years ago, when her children were young.

“A lot of Greek ladies were doing sewing at home 30 years ago. Now there are not many factories to put work out, so more are doing cleaning and clerical work. I am lucky to have this work. During the 1980s lots of work went out of the country. Why does the government allow work to go overseas? It means more unemployment.”

She works a 60 hour week when she has work, but quite often finds that there is no work available.

“You have your slack times, Christmas, January, summertime – it depends on their orders. There is a lot of work being done abroad.”

Mrs Zacharia believes that low pay and irregular work are inevitable if you work from home.

“I’m an out worker – they have no obligations to me. If they don’t have enough work they won’t send any, but they will make sure they have some for the indoor workers. They come first...I can’t say I’m not treated fairly. I make do with whatever comes along. If I wanted more then I would have to go out to work.”

The amount Mrs Zacharia is paid varies depending on the work she receives, but it usually works out between £3 and £4 an hour.

“You can’t moan too much. If you won’t do it someone else will do it cheaper. It is my choice to work from home, so I can’t blame them if I don’t earn the minimum wage.”

Mrs Zacharia does not blame the company for her low pay, she thinks the shops are responsible, by always demanding cheaper goods they put pressure on the suppliers to push costs down.

“Sometimes you get a bad price on a garment, and ask for more but the company says things are very bad. Before, if you asked they would sometimes put the price up, but now they always say things are bad and you are lucky to get work. Shops are giving them less money so the company has to cut down to keep going. They cut down on the smaller stuff and piece workers get the bad end of the stick.”

Although Mrs Zacharia feels she is lucky to have this homeworking job, and values the flexibility of working from home, she says the main disadvantage is that she loses out on things like holiday pay and pension schemes. The company she works for considers her to be ‘self-employed’ which means she does not receive holiday pay, sick pay, redundancy protection or any other worker or employee rights. She is considering taking up work outside the home, but is not sure how well this will suit her.

“I am considering finishing homework to go and work in a factory. I am a bit apprehensive, as it will be a completely different thing. This new job sounds good. Money-wise it may not be any better than homework, but it will be 8am-4.15pm, and when you come home you don’t have anything else to do. Plus you have holiday pay, sick pay, pension scheme... Also, this work is more regular, I don’t know if the money will work out better but it will be more regular. I don’t know if it will work out. Maybe when I come home I will be lost because it will be strange not having anything to do.”

Packing and print finishing

Packing and print finishing was almost as common as sewing work. 13 homeworkers identified themselves as doing packing or print finishing work, and all of these were White British. Breaking down the packing work by industry, 7 of these homeworkers identified themselves as packing in the clothing and textile industry, 5 as working in the print and paper products industry and one in the retail industry.

Delivery and Distribution

The third most common was delivery and distribution work – including the sorting and delivering of newspapers, leaflets or mail order parcels. This type of work may not have been considered as ‘homework’ in the past, as a large proportion of the work – the actual delivery – is done outside the home, although the processing and sorting of the work takes place at home. NGH has received an increasing number of calls from people in this line of work over the last two years. NGH considers these people to be homeworkers as they share so many characteristics with traditional homeworkers even though their work is not done exclusively in the home. Although they are clearly not running their own

“As time goes by it gets harder – there is not as much work around and it is harder to earn the money than it used to be.”

“Sometimes you get a bad price on a garment, and ask for more but the company says things are very bad.”

business – the company they work for sets the pay rates and the work they are given – they are nevertheless considered ‘self-employed’ by the company they work for. This work, like traditional homeworking is paid by output (or ‘piece rate’) and is frequently below the NMW. Of the 6 delivery and distribution workers who took part in this research, only one was earning the NMW. Bogus self-employment is frequently used by such companies to deny their deliverers the NMW, and other basic employment rights.

Case study 3 – “I know that there are thousands out there like me”

Pamela works as a home-based courier delivering mail order parcels for a major catalogue shopping company. As a single parent, Pamela works from home because she needs the flexibility to care for her children.

“I have tried looking for other work but being a lone parent I need some flexibility especially during school holidays. It’s not easy to find a job when you live some distance from the city, there are limitations, and I could never afford a childminder.”

She has worked for the company for 6 and a half years, and for the last two years has been engaged in an on-going battle to prove she is a ‘worker’ and therefore entitled to the national minimum wage. The company she works for argues she is self-employed. Pamela earns approximately £3.80 per hour delivering parcels, but this does not include the time it takes at home to sort the parcels, and complete the necessary paperwork. The money she earns from her homework is essential family income.

“I would have to sell my house if I didn’t do my homeworking job”

Pamela does not believe she is self-employed. She is not running her own business. Her rates of pay are set by the company, she uses the company’s stationary for processing the parcels, and her work load is entirely dependent on the amount of parcels the company leaves her to deliver

“I have nothing to advertise, I have no customers, I have no trade name, I am provided with work and I am told how to do it. If I was genuinely self-employed I would have my own control, I could negotiate rates, I could advertise, I would have my own customers and my own profit and loss account .”

Because Pamela is treated by the company as self-employed, as well as being denied the minimum wage, she receives no holiday pay, no sick pay, no lay off pay, no maternity rights, no redundancy or unfair dismissal rights and no access to the company’s pension provisions. Pamela is one of 2,300 home-based couriers working for the company under similar terms and conditions. Many home-



Photo credit: Joelle James

based couriers working for other organisations are also engaged under the same type of ‘self-employed’ contracts.

“I feel angry that I have none of the benefits of being an employee.”

Pamela is challenging the company’s assertion that she is self-employed. She first contacted her MP who put her in touch with the National Minimum Wage helpline. They accepted the company’s view that she was self-employed, but Pamela did not agree and contacted ACAS who suggested an Employment Tribunal. Since then, with the help of NGH and the Bar Pro Bono Unit (which offers free legal assistance), Pamela has been pursuing her case over many months. It went to an Employment Tribunal where she lost her case. She was then granted an appeal, in a decision that set a legal precedent for other employment status cases, and her case was reconsidered at a fresh tribunal. Pamela is still awaiting the decision from this second tribunal.

Whilst Pamela was waiting for the result of this second tribunal, the company asked her to sign a new contract stating she was self-employed. Pamela refused to sign the contract and has lost her job as a result.

“My children are important to me, I believe that it is unfair that the minimum wage is not considered appropriate for us, and I know that there are thousands out there like me who feel the same as I do. I believe every single homeworker deserves at least the basic employment rights”

“I believe every single homeworker deserves at least the basic employment rights”

Diversity of homeworking occupations.

A significant number of homeworkers (22%) were doing types of work deemed ‘Other’. Where only one or two homeworkers were doing the same type of work this was incorporated into the ‘Other’ category to make the figures more usable, and it is in this category that the real breadth of homeworking occupations can be found. Occupations ranged from fundraising to advice work, computer programming to psychic reading, and inspecting industrial seals to engraving. Throughout this study, despite the emergence of certain themes, trends and shared concerns, the diversity of homework was very apparent. From pay rates to working conditions, industries to occupations, homeworking in the UK is hugely varied.

Chapter 5: Employment status

“Employ homeworkers, don’t take them for granted.”

“Give us the same rights as people who go out to work, sick pay, maternity pay and pension.”

“Homeworkers should have an employment contract to say what rights you have got.”

Thousands of workers in the UK are vulnerable to exploitation from unscrupulous employers¹, either because they do not have full employee status, or because it is unclear whether they have employment status or not. Uncertain employment status is a major problem for homeworkers in the UK, as well as other kinds of atypical workers such as agency workers and temporary workers.

Homeworkers who have worked for a company for several years, frequently on low wages, and often taking on rushed orders at short notice at the company’s convenience, can discover if they become pregnant, fall ill or their work simply stops they have no protection under the law, because they are not ‘employees.’

Types of status

There are three main types of employment status under UK law at present: employees, workers and the self-employed. Qualifying hurdles and exclusions may apply, but in broad terms:

- Employees are entitled to the full range of employment rights and protection in respect of unfair dismissal, redundancy, sick leave and pay, maternity leave and pay, the right to written terms and conditions.
- Workers are entitled to a smaller range of basic protections - the most significant for homeworkers being minimum wage and holiday pay².
- The self-employed are free to negotiate their own terms with the people they contract with.

In practice many homeworkers do not receive full employment rights and – if challenged – their employers can argue they are ‘workers’ and not technically ‘employees’. The only way this can be resolved is at an Employment Tribunal which can be both an extremely stressful process and highly unpredictable.

Alternatively homeworkers may be told by their employers that they are self-employed even if they do not in practice have the independence or control over their work patterns that would enable them to genuinely negotiate terms. False self-employment is just another way for

¹ *Technically those who engage homeworkers as ‘workers’ or ‘self-employed’ are not strictly ‘employers’ as they are not employing homeworkers as ‘employees’. However, in the absence of a suitable term to describe all those who pay homeworkers to work for them across a spectrum of employment relationships, this report uses ‘employer’ as a general term.*

² *Workers may be entitled to statutory sick pay if they are paying Class 1 National Insurance contributions through their employer.*

“Give us the same rights as people who go out to work, sick pay, maternity pay and pension.”

unscrupulous employers to avoid the legal obligations they have toward employees. Again, if challenged, this can only be decided at tribunal.

In effect this uncertainty can make it difficult for homeworkers to assert even their most basic rights to the NMW and holiday pay. Workers can be deterred from demanding these rights through the very real fear that they may lose their work as a consequence – without employment contracts they have little protection against such victimisation. As workers they have the legal right not to suffer a ‘detriment’ for asserting their right to the NMW, but this falls far short of the protections employees enjoy against unfair dismissal and redundancy, and in practice it has offered little comfort to homeworkers who have lost their jobs after taking NMW cases¹.

Perceptions of Status

We asked the homeworkers what their employment status was according to the company they worked for, and what their employment status was in their own opinion. This was a difficult question for many homeworkers, some of whom were unfamiliar with the legal term ‘worker’. Although employment status is fundamental to a homemaker’s job security and access to rights it is rarely something people think about unless they have actually taken the step of raising a problem with their employer.

“The firm never said [what my status was]. They never explained to me. I got no contract or pay-slip, just the money in an envelope. A man came to my home – it was very informal – and said “When can you start?””

“I never thought about it [my status] until I spoke to the lady at ACAS. I was just so glad to have a job because I was very restricted to what I could and couldn’t do.”

| | Self-employed | Worker | Employed | Don’t know |
|-------------------------------|---------------|--------|----------|------------|
| How does the company see you? | 19 | 12 | 28 | 7 |
| How do you see yourself? | 9 | 16 | 34 | 6 |

Many homeworkers had a different view of their status to their employer. It should further be noted that these figures include a disproportionate number of homeworkers who have clear employee status, as 12 were contacted via the packing company that directly employs its workers. They, therefore, could be confident that they were employees, and that the company considered them to be employees. The situation for homeworkers more broadly is likely to mean an even greater proportion than our sample are without employee rights, and either at odds with their

¹ See *Industrial Rubber Plc v HMRC Compliance Unit*, followed by the subsequent *Mrs D Bridges and Others v Industrial Rubber Plc* case

employer over what their status should be, or entirely unclear about their rights.

The issue of employment status is fundamental for homeworkers because it determines their access to the full range of employment rights.

Access to employment rights

We asked homeworkers which of the following rights they received at work -

| | Yes | No |
|---|----------|----------|
| Holiday pay | 25 (37%) | 42 (63%) |
| Sick pay | 17 (25%) | 50 (75%) |
| Maternity or paternity pay or leave | 15 (22%) | 52 (78%) |
| Lay off pay | 5 (7%) | 62 (93%) |
| Access to company or stakeholder pension scheme | 9 (13%) | 58 (87%) |
| Redundancy pay or protection | 9 (13%) | 58 (87%) |
| None of the above | 32 (48%) | 35 (52%) |

Almost half (48%) received none of these rights.

Holiday pay was the most common right the homeworkers received, but even this was enjoyed by only a minority of our sample. Holiday pay is a ‘worker’ right, like the National Minimum Wage, and so applies more broadly than the other ‘employee’ rights such as protection against redundancy. Missing out on holiday pay was a key complaint from many of the homeworkers we spoke to.

“Let us have holidays – time to switch off. We ought to have two weeks at Christmas, one week at Easter like on-site workers.”

It is clear from the figures that even amongst those 25 homeworkers who were confident that their employer considered them as employees there were many who were not receiving the full range of associated rights.

Tax and National Insurance

The situation is further complicated by differences between the way Her Majesty’s Revenue and Customs (HMRC) determines employment status and the way it is decided at tribunals. The majority of homeworkers we spoke to were responsible for paying their own tax and National Insurance, this is also known as being ‘self-employed for tax and NI purposes’.

| | Yes | No |
|---|-----|----|
| Do you get tax and National Insurance taken off your wages? | 29 | 38 |

“The firm never said [what my status was]. They never explained to me. I got no contract or pay-slip, just the money in an envelope. A man came to my home – it was very informal – and said “When can you start?””

The issue of employment status is fundamental for homeworkers because it determines their access to the full range of employment rights.

An individual's tax and National Insurance status is a factor in determining their employment status at tribunals, but it is not in itself decisive. A homeworker could be termed 'self-employed' for tax and NI purposes but an 'employee' or 'worker' with regard to employment rights – or vice versa. This inconsistency makes it even harder for workers to find out what they are entitled to and assert their rights.

In our research it became apparent that many homeworkers who are considered 'self-employed' for tax and National Insurance purposes assumed this also determined their employment status and that they could not be entitled to any employment rights.

“[I see myself as] Self-employed, because I pay my own tax and National Insurance”

Self-employment for tax and national insurance purposes also creates its own problems, quite apart from its relationship to the vexed question of employment status. Although being self-employed for tax and NI may appear to save a worker money in the short term (as their 'Class 2' NI contribution level is lower and at a fixed weekly rate) in the longer term it can prove costly in terms of access to contributory based benefits. Those who pay self-employed NI contributions can only qualify for a lower level of state retirement pension. In addition they are excluded from, or have limited access to, state benefits which rely on national insurance contributions being made, such as statutory sick pay and contributory jobseekers allowance.

For many workers whose earnings are too low to pay NI contributions, they may make (Class 3) voluntary contributions in order to fill the gaps in their National Insurance contribution record. However, this will only give workers limited access to voluntary contributions benefits - these are bereavement benefit and retirement pension.

Tribunals and the main tests

If a worker with uncertain status takes their employer to an Employment Tribunal, the tribunal first needs to make a judgement on the status of the worker. This determines which rights they are entitled to and, therefore, whether the individual can pursue their case at all.

Their status may be subject to four main tests:

- Control – Over how and when the work is done
- Integration – into the company, is the worker included in occupational benefit schemes? Is their work core to the company's business?
- Economic reality – Is the worker economically dependent?
- Mutuality of obligation – Is the company obliged to provide work, is the worker obliged to do the work?

Tribunals may ascribe varying weights to these four factors, making predicting an outcome very difficult. Tribunals also rely on case law (precedents set in previous cases) with the layering of decision upon

decision increasing the complexity of judging employment status. Recently the 'mutuality of obligation' test has been treated as the strongest factor. In practice this has led to workers who are clearly employees in terms of all other tests being denied employment status through a clause in their contract stating they are under no obligation to work (even if in reality they have always been expected to undertake the work provided).

Comparison with on-site workers

We asked the homeworkers how they felt they were treated in comparison to on-site workers. A few were happy and felt that they were treated equally, some did not know how on-site staff were treated so could not answer, but many felt their treatment was very unequal.

“They are treated better because I feel like they treat them as proper workers and we are treated as 'extra workers'.”

“We don't get overtime for working weekends. If there is a pension scheme we're not offered it. The factory workers get regular work, but we get it as and when.”

“As far as I know he treats us all alike, but I don't really know.”

“I think I'm treated brilliant to be honest, they are absolutely brilliant. Completely equal.”

“It's unfair that they get sick pay etc, and at Christmas they get two weeks with their family – we don't.”

“I'm happy but I don't feel it is fair you don't get sick pay or holiday pay.”

Employers

There is also a business case for clarifying employment status for homeworkers and others¹. Employers themselves may often be unclear about the status and entitlements of homeworkers who work for them. It can be a very expensive process for a company to go through an Employment Tribunal, and then discover – after the event – that their workers have not been receiving their full entitlements and amends must be made. In addition, those employers who want to ensure their homeworkers are treated on a par with on-site staff can find themselves undercut by more unscrupulous businesses – a level playing field of clear minimum labour standards is therefore essential to deliver fair competition.

The current policy situation

In 2002 the Government conducted a consultation asking “Whether there are any categories of working people currently excluded from

¹ Indeed the NGH campaign has been supported by the Ethical Trading Initiative, a tripartite organisation of businesses, NGOs and trade unions, and also Monsoon Accessorize, a UK high street retailer.

“[I see myself as] Self-employed, because I pay my own tax and National Insurance”

“They are treated better because I feel like they treat them as proper workers and we are treated as 'extra workers'.”

statutory employment rights who require the protection provided by some or all rights and how they would benefit.” NGH and others responded, arguing for the extension of all existing employment rights to all workers, and specifically all homeworkers who are not genuinely self-employed. Unfortunately, whilst the 2002 consultation raised hopes that the government was intending to take action in this area, the government’s response – which was delivered in March 2006 – was extremely disappointing. In the ‘Success at Work’ strategy paper, the government rejected calls for a change in the law, concluding *“the present legal framework reflects the wide diversity of working arrangements and the different levels of responsibility and rights in different employment relationships. The Government believes that it meets the labour market’s current needs and there is no need for further legislation.”*¹

The current situation is hugely complex and confusing – and the unpredictability of tribunal rulings on status benefits no-one. Currently homeworkers have to negotiate their way through a maze of legal arguments, tests and obstructions simply for a chance to gain the rights other employees are automatically entitled to.

Case study 4 – “We had no employment rights.”

Tina, a 67 year-old grandmother, worked from home for her local newspaper for 25 years, sorting and distributing free newspapers for local deliverers. She was dismissed from her job as a ‘Home Delivery Agent’ after she refused to sign a new contract which would have made her a sub-contractor and shifted all the employer’s costs on to her – costs such as public liability, employees’ insurance and minimum wage responsibilities.

“What really upset me was that I worked for the paper for 25 years, but when they got rid of me there was no recognition of this. No-one said thank you for all the years I had worked for the company.”

In 2002, 21 years after she began working for the company, Tina was asked to sign a new contract that implied she was self-employed and employing the local deliverers. After consulting Citizens Advice, who advised her that her status was unclear, she notified her manager and refused to sign the contract. No action was taken at this time.

“They treated us like we were employed. We were treated like employees originally, until about 2004 when a new manager took over.”

Tina was clearly not running her own business. She received regular work from the company, and her pay rates were determined by the company. The company provided all the stationary and equipment necessary for her to do her job, except for car expenses.

¹ p17, Success at Work, DTI, (March, 2006)

She was, in effect, the newspaper deliverers’ manager.

“We had no employment rights, but apart from that we were treated very well until a few years ago. Then evenings out, bowling trips, and other events we’d been included in with the rest of the firm came to an end with no explanation.”

In 2004 the company changed the way it paid wages, and it was at this point that Tina became aware that the deliverers were not earning the national minimum wage, and she raised this with her boss. When she got no response from him, she informed the NMW Compliance Unit of her concerns. The NMW Compliance Unit said they needed to establish who was responsible for the deliverers. If Tina and the deliverers worked for the paper company, it was the company’s responsibility to pay them NMW. If, as the company claimed, Tina was self-employed then she was personally responsible for employing the deliverers, and she could be liable for the years of underpaid wages.

The investigation dragged on, and in June 2006 Tina’s boss asked her to sign a new contract taking full responsibility for the deliverers. She again consulted Citizens Advice who advised her not to sign. She also sent the contract to the NMW Compliance Unit – who confirmed verbally the workers were the company’s responsibility. However, they would not put this in writing and did not pursue the case.

All the old delivery agents Tina had worked with had moved on in recent years, and been replaced, and Tina had no opportunity to get to know the new agents since the firm had stopped the social events. Like many homeworkers, Tina was isolated and did not know what the other agents felt or thought about the way they were treated – so she had to fight for her rights on her own.

When Tina refused to sign the contract, the company terminated her employment.

“It was ‘terminated with immediate effect’, I shall never forget those words.”

Tina appealed against her ‘unfair dismissal’ but the company rejected her appeal as they maintained she was not an employee. ‘Unfair dismissal’ is an employee right. If Tina were found to be self-employed she would have no protections, if she were found to be a worker she would have some basic rights, but not protection against unfair dismissal. Despite her years of service, there were no guarantees that Tina would be found to be an employee at Employment Tribunal. With the support of NGH, Tina submitted a claim to an Employment Tribunal, and reached an out of court settlement with the company.

“It was ‘terminated with immediate effect’, I shall never forget those words.”

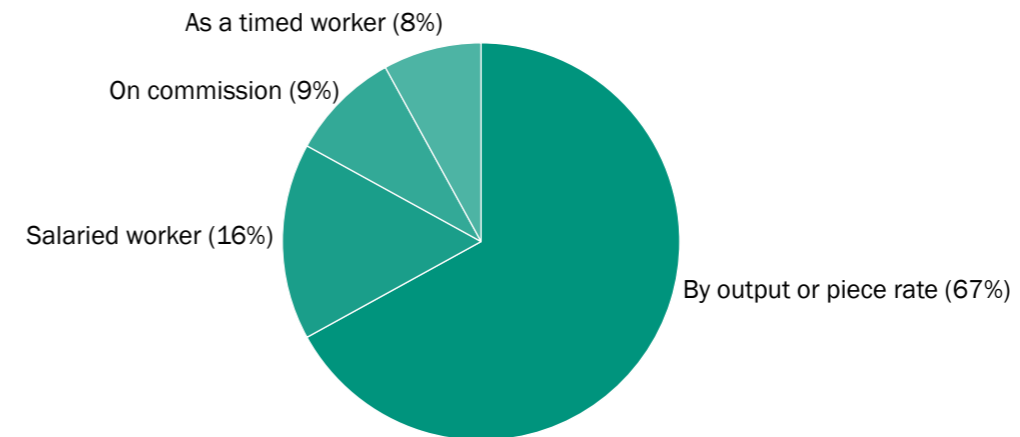
“Currently homeworkers have to negotiate their way through a maze of legal arguments, tests and obstructions simply for a chance to gain the rights other employees are automatically entitled to.”

“If it had been left to me I’d never have been able to do it because I don’t know all the ins and outs. If there was no NGH, I would still have complained to NMW Compliance Unit, but when they dropped my case that would have been the end. But in the end, none of this was useful for the deliverers who I originally complained for. As workers themselves, they were entitled to the minimum wage and holiday pay which I know they still do not receive. We didn’t get anywhere with that.”

Chapter 6: Pay

Pay rates by method of pay

The homeworkers were paid in a number of ways, and it is useful to look at their pay rates in terms of their means of payment – paid by piece rate, timed worker, on commission, or paid by salary.



Workers on piece rates, were the largest group of homeworkers, on the lowest pay, and in our experience they are often also the most vulnerable.

It is important in particular to highlight the group of workers on piece rates, as these were the largest group of homeworkers, on the lowest pay, and in our experience they are often also the most vulnerable.

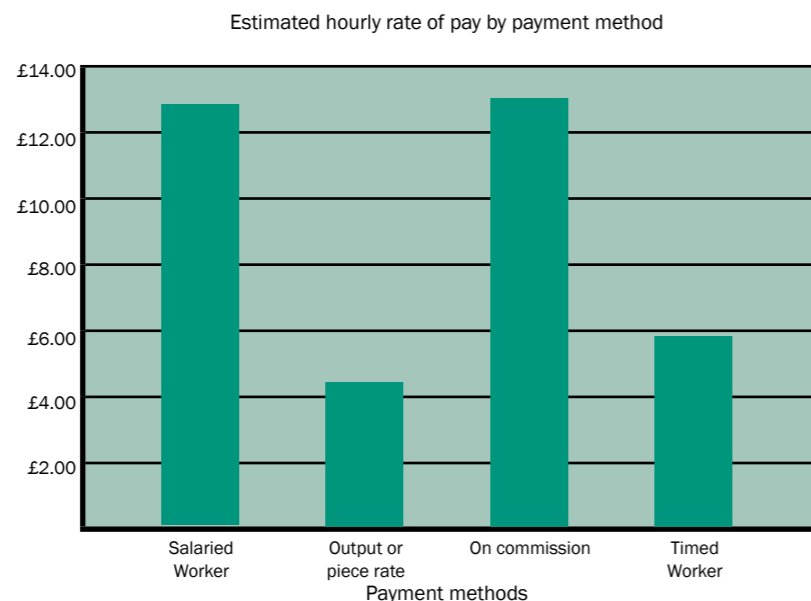
Forty-four homeworkers, by far the largest group, were paid by piece rate. Twenty-eight of these workers provided enough information about their pay and hours to estimate their hourly earnings. Of these twenty-eight, according to our calculations, nineteen were earning less than the NMW. Some were earning as little as £1 per hour. For these twenty-eight as a whole, the average hourly rate was £4.41 – significantly below the current level of the NMW. (£5.35 per hour at time of survey, rising to £5.52 per hour in October 2007).

Five homeworkers received an hourly rate. Four of these provided information on their pay rates, and all were earning between £5.50 and £6. The average hourly earnings from our sample were £5.79.

Six homeworkers were being paid on commission. It was possible to estimate the hourly earnings for five of these workers from the information they provided, although payment by commission can of course vary dramatically across different pieces of work. These figures need to be treated with caution, but they indicate average hourly earnings of £13.03.

Ten homeworkers were on a salary. These were the only homeworkers who could therefore expect a guaranteed regular income. Three of these did not wish to disclose any information about their earnings, but seven provided enough information about their salary and their hours for their hourly pay rates be calculated. Those who provided the information were earning between £12k and £34k per annum, and the average hourly pay rate across this group of workers was £12.84.

One of the first steps towards asserting one's rights is actually knowing about them.



National Minimum Wage

A major achievement for NGH was securing the specific inclusion of homeworkers in the 1999 legislation entitling them to the National Minimum Wage (NMW). Since then we have welcomed the improvements to the regulations on piece rates in 2004 (see below) and new proposals to strengthen the arrears and penalties regime¹.

Under NMW regulations workers can be paid by one of four different methods – salaried hours, timed work, unmeasured work or by output. In our study, homeworkers were paid according to salaried hours, timed work, or by output – but no workers we spoke to were being paid under the unmeasured work system.

One of the first steps towards asserting one's rights is actually knowing about them. Unless homeworkers are fully informed about the National Minimum Wage it is impossible to ensure that they receive it. The government, recognising this, made 'Ensuring workers are aware of their rights' a priority in the 2006 Success at Work document. Nevertheless, too many workers lack essential information about their rights at work. We asked our sample if they were aware of the current rate of the National Minimum Wage (£5.35 an hour at the time of the survey) - a basic right which should, in theory apply to virtually all homeworkers. The results showed only half of the homeworkers we spoke to were aware of the current NMW rate.

| | Yes | No |
|--|----------|----------|
| Are you aware of the current level of the national minimum wage? | 34 (51%) | 33 (49%) |

Those who did not know the current NMW rate were told what it was, and all the participants were then asked whether they thought they were earning the national minimum wage. Just over half thought they were.

¹ National Minimum Wage and Employment Agency Standards enforcement consultation, DTI, (May 2007)

| | Yes | No |
|--|----------|----------|
| Are you earning the national minimum wage? | 35 (52%) | 32 (48%) |

Our own calculations, based on the figures we were provided with produce a similar picture. However it must be stressed that the information provided was incomplete and a third of participants were unwilling or unable to give us sufficient information to calculate an estimated hourly rate. As indicated above, a large proportion of those on piece rates were unable to provide sufficient information to calculate their hourly rate, and those on piece rates were the most likely to be on very low wages – the figures below are therefore likely to under-represent the number earning less than the NMW.

| | On or above NMW | Below NMW | Insufficient info |
|--|-----------------|-----------|-------------------|
| Number of homeworkers earning national minimum wage, based on our estimated hourly piece rates | 25 (37%) | 19 (28%) | 23 (34%) |

A substantial number of homeworkers therefore, probably around half, are receiving less than the National Minimum Wage.

Enforcing the National Minimum Wage

A substantial proportion of homeworkers are earning less than the NMW, although – as outlined above – it is difficult to calculate a specific percentage. Many homeworkers, even if they know they are not earning NMW, and know how to make a complaint are reluctant to do so. In our in-depth interviews we asked those workers who were earning less than the NMW if they had ever made a complaint about this. Fifteen workers did not appear to be earning NMW, and of these five had raised the issue with their employer, and five had taken a case. Of those that took a case, all five used the NGH representation service – clearly reflecting the bias of the sample.

Those who had not complained explained why:

"I know it is the same everywhere"

"Because I will lose work"

"[I] was not aware of the minimum wage"

"Because I thought it was good money – I never worked it out."

Most of the homeworkers who complained to their employer found it made little difference, generally because the company claimed it could not afford to pay more:

A substantial number of homeworkers therefore, probably around half, are receiving less than the National Minimum Wage.

“My employer told me that they can only afford to pay us what they are paying at the moment because their goods are being sold for the same amount as they have been for the past four years”

“I’ve complained to the man that runs the business – he claims it is possible to get enough done to earn the NMW, and there’s nothing we can do about it.”

“The employer tells us that the kind of trousers we are sewing; he cannot pay us more than what he is paying.”

“Sometimes you get a bad price on a garment, and ask for more but the company says things are very bad.”

But one homeworker managed to secure a better rate of pay

“I read all the information from NGH when the NMW came in and I went to talk to the boss - they had to increase the rates. I told them I would get what the law said I was entitled to and I did.”

The five workers who made their complaints formal through the Employment Tribunal system had all made use of the NGH case-worker service. In four of these cases the workers contacted the NMW Compliance Unit, but when their cases were not pursued to their satisfaction they sought representation from NGH. Three of these cases have so far settled and two are on-going.

Case study 5 “It is a hard decision to make a claim.”

Donna worked for a company in Nottingham, doing packing work for 7 years. She earned around £2 to £3 per hour.

‘I thought it was like slave labour, the money side of it.’

She was afraid to make a complaint while she worked there but when she left she made a complaint to the National Minimum Wage Compliance Unit.

“I didn’t realize that outworkers are entitled to be on the minimum wage. I got in touch with the National Group on Homeworking who offered me help to claim from my employer for the national minimum wage. I had to save records of the hours I worked and what money I got paid.”

She was told that the Compliance Unit would not take further action as the company she worked had been investigated two years previously and the Compliance Officer believed the homeworkers were earning the national minimum wage. Donna had not been contacted as part of this original investigation, and had no knowledge an investigation had taken place. The Compliance Officer would not meet with her or discuss the details

of her complaint, and was not prepared to take it any further. He did not ask anything about her wages or the time taken to do her work.

“Most piece rates remained the same all the time I was there, some even went down in price. In the 7 years I never had an increase in rates of pay.”

Donna decided to pursue her claim without the support of the Compliance Unit. With NGH’s help she was able to reach an out of court settlement with the company she worked for.

“It is a hard decision to make a claim and I did give up my job, but it is money they owe me and I did work really hard for a small wage.”

Fair piece rates

One positive step for homeworkers was an amendment to NMW legislation which came into force in October 2004. Until that time employers could legally pay a homeworker working at ‘average’ speed 4/5 of the NMW – which in effect meant the majority of homeworkers could be paid 20% less than the full level of the NMW. In addition, the system was open to abuse by employers who deliberately underestimated the time taken to complete the work. The estimate of how long the work took was intended to be agreed between the homeworker and the employer, expressed in a signed ‘Fair Estimate Agreement’. However, the power imbalance between homeworker and employer meant that, in effect, gross underestimates of the time taken could be imposed on workers, who had little option but to sign the ‘Agreement’ if they wanted to continue to receive work. This system was scrapped by the government in 2004 in favour of a system of fair piece rates, known as ‘rated output work’. These new fair piece rates have two main advantages

- To qualify as rated output work, the law states that piece rates must be calculated to ensure they genuinely reflect the time taken to do the work, and that the employer will be asked to demonstrate that they have done this, if necessary.
- These piece rates should be calculated on the basis that a homeworker working at the average rate is able to earn at least 6/5 of the NMW. This is to ensure the majority of workers can earn NMW – if the ‘average’ piece worker only just earned the NMW, many piece workers would actually be earning less than the NMW.

Although NGH welcomes the change in piece rate regulations and believes this new system has real potential to increase the number of homeworkers earning NMW and above, in our experience the new piece rate system is rarely applied. The results from our survey present a slightly more positive picture – but it is clear that of the 28 homeworkers on piece rates who responded to this question, only a minority were being paid according to the new system which came into force three years ago.



Photo credit: NGH

“My employer told me that they can only afford to pay us what they are paying at the moment because their goods are being sold for the same amount as they have been for the past four years”

We explained to the participants ‘In 2004 the government introduced a new system of Fair Piece Rates. If you are paid by piece rates, the way your wage is worked out should have changed. Are you aware of any changes to the way you are paid since 2004?’ and ‘Do you receive a written notice detailing rates for each new type of work? This written notice should detail your rate of pay, explain your employer has conducted a test or made an estimate of the average speed for this work to determine the rate of pay, and it should also provide the telephone number for the National Minimum Wage helpline?’

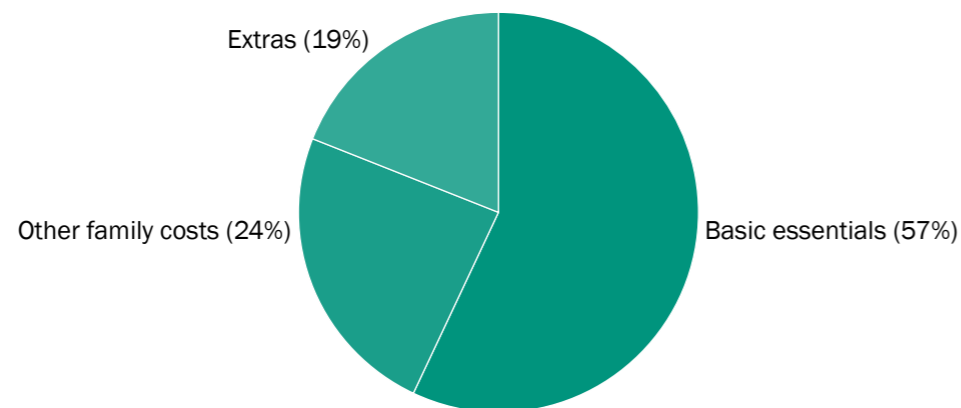
| | Yes | No |
|--|-----|----|
| Are you aware of any changes to the way you are paid since 2004? | 7 | 21 |
| Do you receive a written notice? | 9 | 19 |

What is pay used for?

There is a common perception that homework merely provides extra income or ‘pin money’ to women, that homework is not ‘real work’ and that the rate of pay is not, therefore, very important. NGH has long maintained that the income earned from homeworking is in fact essential to homeworkers and their families, and the results of our survey once again demonstrate how important the income from homework is to making ends meet.

“I would just like to say that by doing homework we are supporting our partners to pay for bills, the mortgage and household items - and trying to improve our living standards.”

As the income from homeworking is often absorbed into the general family finances, rather than put aside and spent separately, we did not ask ‘What is your pay from homework spent on?’ but rather ‘If you didn’t have your pay from homework what would you have to do without?’



More than half would not be able to make ends meet – unable to pay for basic essentials like food or bills. Less than one in five said they would only have to cut back on extras or treats.

“The times I’ve been out of work we do struggle with things like bills, and buying food. It is hard.”

Case study 6 – £2.10 per hour

Shazia works from home sewing trousers. She is Pakistani and came to the UK over 20 years ago. She speaks Punjabi and Urdu. Her main reason for working from home is looking after her children, but she also says she does not like to work out side the home.

“I feel that we should get proper rates of pay with employment rights and regular work. We are contributing to the local economy and should be valued and recognised for it”

Shazia is paid by piece rate and earns approximately £2.10 per hour. She has to provide all her own equipment, and she cannot claim money back from the company for the equipment she needs. The work is very irregular. Often Shazia is willing to work but there is no work available, but in the summer – when it tends to be busier – she sometimes has to work late into the night and over weekends in order to get all her work done.

She has been working for the same employer for 3 years and has not yet had a pay rise. She has complained to her employer about her rate of pay but she explains,

“The employer tells us that the kind of trousers we are sewing; he cannot pay us more than what he is paying.”

When she asked for an increase in the piece rate,

“He told me that it was up to me to work and if I was not happy with the work then I could stop working.”

Her homework provides essential income, which pays for bills and things for the children. Without this money her family could not make ends meet. The main improvement she would like to see in her life as a home is “Work which pays good rates of pay” and she would also like her company to contribute towards the gas and electricity costs of her working from home, and to pay for machine repairs.

“I feel that we should get proper rates of pay with employment rights and regular work.”

Chapter 7: Irregularity of Work

Flexibility is one of key attractions of homework, both to homeworkers themselves and their employers. In theory the homeworkers can help companies cope with peaks and troughs in demand, and at the same time the homework is flexible enough to enable the worker to fit it around other responsibilities such as childcare. In practice, however, the companies have far greater control over the relationship than the homeworker, meaning the benefits are all too often one sided. Whilst some homeworkers we spoke to are genuinely content with the level of flexibility their work provides, some homeworkers struggle because they are not receiving enough work on a regular basis, and others struggle because they are receiving too much work to complete at short notice. Even when homeworkers themselves praise the flexibility their work brings, a more complex picture often emerges as they describe just how difficult it is to cope with the irregular work and irregular income.

“Homeworking is flexible but it is stressful as you are trying to fit in other chores and responsibilities around homeworking which is not regular...You are tied down because the employer can turn up any time.”

“It is flexible and I can look after my children.” What one thing could make your life as a homeworker better? “Regular work”

“We would come home and find our house full [of work]. He’s filled it before. He would sometimes fill it up again before it was done.”

“I’m looking for something else because this is hit and miss, but something is better than nothing.”

“Once you do a big order, more is put on you, they expect you to do more, and the work increased over the years... Never knew how much and what work you were getting. At first 10 gross, some weeks I’d get 60 odd gross... the pressure to finish the work is always there, when you go out you feel you have to get back and do more, I couldn’t relax.”

“At least you are your own boss. There is no-one standing over you... except yourself, you put pressure on yourself to get the work done... When there is a lot of work it is really tiring. You don’t want them to come and bring more.”

“I usually work for three weeks and then there is no work for up to three or four weeks.”

Irregularity of work has always been a major problem for homeworkers.

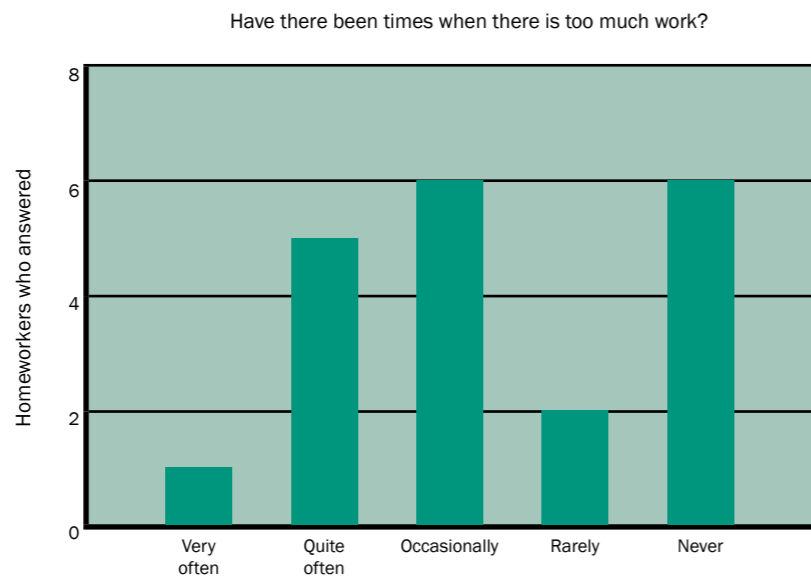
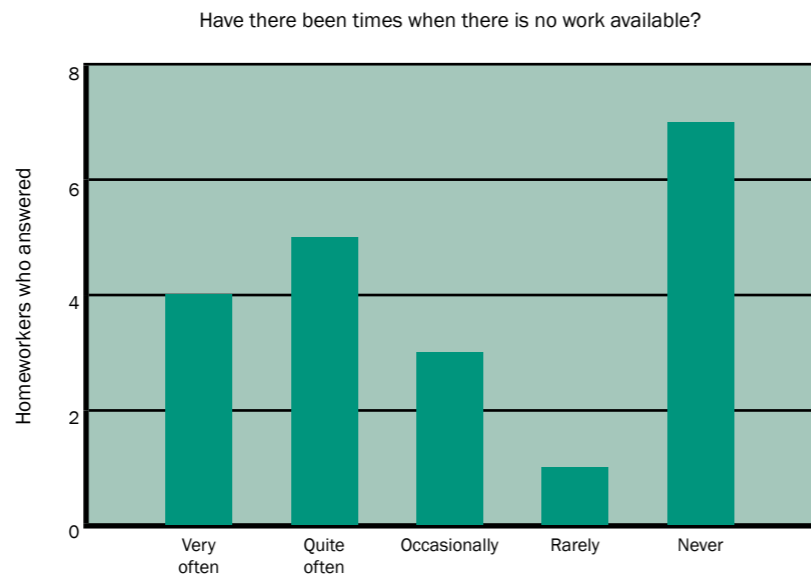
As part of the in-depth interview, 20 homeworkers responded to the two questions ‘Have there been any times when you have been willing to work but no work has been available’ and ‘Have there been any times when you have had more work than you could reasonably manage?’ Both of these problems were common, with 45% (9) not receiving work

“I’m looking for something else because this is hit and miss, but something is better than nothing.”

'quite often' or 'very often', and 30% (6) receiving too much work 'quite often' or 'very often'.



Photo credit: Jane Tate



Moreover, when the two questions are taken together, 18 out of the 20 had experienced some form of irregularity in their work – either receiving too much work or too little at some point, and 45% (9) – of the homeworkers questioned had experienced both forms of irregular work – too much and too little at different times.

Case study 7 “They drop it off and expect it to be done yesterday.”

Gemma works at home as a machinist. Her work is very irregular, and when work is available she finds the deadlines unrealistic. It is difficult when there is no work available, because, unlike many employees in factories, there is no lay-off pay to tide you over.

“I stopped working for them for a bit because it was so irregular, we had 3 or 4 weeks with no work, then he’d pop up, wanting it

like yesterday.”

Gemma doesn’t like to work weekends, but she does so sometimes because the company expects it. She feels she should get better rates of pay for taking on this work.

“You don’t get extra money for working weekends, which you would do with a regular job.”

When work is available, her boss expects it back very quickly – the homeworkers are often the last link in the chain so any delays in the production process reduce the time they have to complete the work.

“It is sometimes impossible to get it done, when they drop it off and expect it to be done yesterday. They [the suppliers] get it in the neck and this is always passed on to us, even if the delay was at the printers or cutter before it reaches the homeworker, the buck always stops with us.”

Despite the problems of irregular work, Gemma appreciates the flexibility her job brings her.

“It makes me feel a lot more independent, I can get my jobs done, I’ve got the freedom to go a hospital appointment for example without asking my boss.”

Nevertheless, over all she feels homeworkers get a rough deal, compared with those who work on-site, particularly as on-site workers get regular work.

“We get a bum deal. We don’t get overtime for working weekends. If there is a pension scheme we’re not offered it. The factory workers get regular work, but we get it as and when. They always look after the factory workers first. We’re slaves on demand – when they’re desperate they call on the homeworkers, and they want it yesterday – we’re always waiting on demand.”

“It is sometimes impossible to get it done, when they drop it off and expect it to be done yesterday.”

Chapter 8: Health

Health problems and homeworking often come together. Almost one in five (19%) of the homeworkers we spoke to had some kind of long term health problem or disability, and 16% felt this had an impact on their ability to work outside the home.

When taken in a national context these figures may initially appear insignificant. The figure of 19% for a long term health problem or disability is only very slightly higher than the national average, where approximately 18% in the 2001 census described themselves as having some form of 'Long Term Limiting Illness' (the closest comparator to our survey question). This figure however includes those who are retired, or are unable to work at all due to health problems, so it is more pertinent to compare the health of the homeworkers we spoke to with those who may also be in work – the 'economically active' population. Only 7.21% of the economically active population described themselves as having some form of 'Long Term Limiting Illness' in the census¹. By this measure then, it appears that homeworkers are considerably more likely to be restricted by health problems than the rest of the working, or economically active, population.

There are two likely reasons for this. Firstly, some homeworkers work from home specifically because they have a health problem, or a disability which makes work outside the home difficult.

"I fractured my back years ago and I can't stand for long. I was so glad to have a job because I was very restricted in what I could and couldn't do."

"I can't work in a factory on medical advice – I can't cope with the noise because I have a perforated ear drum, whereas I can cope with the noise of just one or two machines at home."

Secondly, the homework itself can have an impact on a worker's health. Problems include back trouble, caused by repetitive activities, lifting heavy boxes, inappropriate chairs or equipment. Sometimes the materials used in homework can be a health hazard, creating dust or fumes. Sometimes the homework can affect mental health, causing loneliness or even depression. 10 of the 26 homeworkers who took part in the in-depth interview felt that working from home had impacted on their health.

"My back hurts and my wrist hurts"

"My mental health has been affected. Isolation is not good"

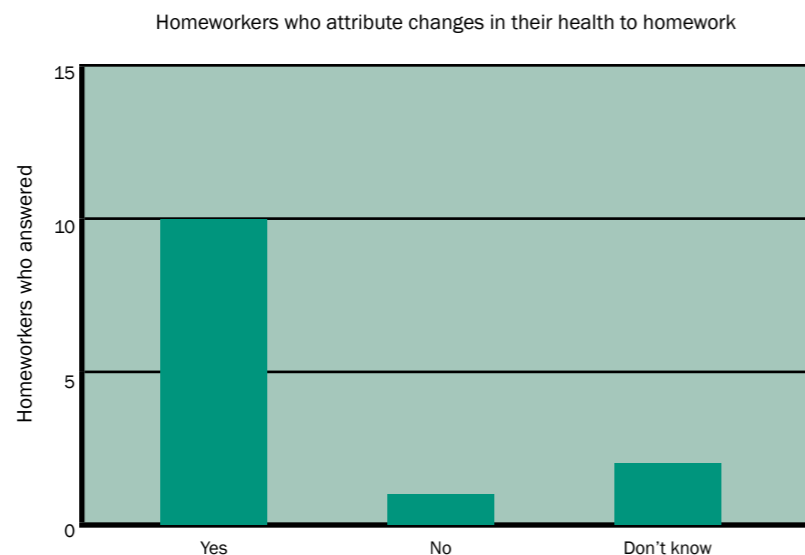
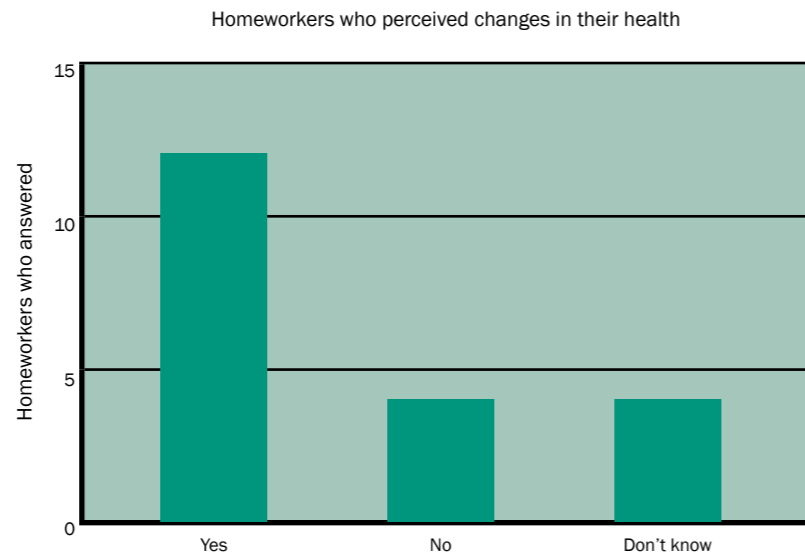
In some cases these two health issues combine, and the very problem which led the worker to work from home can be exacerbated by the

¹ http://www.statistics.gov.uk/downloads/theme_compendia/foh2005/Health_FullReport.pdf

"I fractured my back years ago and I can't stand for long. I was so glad to have a job because I was very restricted in what I could and couldn't do."

homework itself.

“I’ve got arthritis. It is good that I can work from home because otherwise I couldn’t manage to work with this condition, but the problem with working from home is I sit down more and the arthritis has got worse. I’ve got a head set that stretches quite far so I can walk around the bedroom a bit.”



Health should not only be viewed in terms of illness or injury however, and some of the homeworkers we spoke to were keen to stress the way health could be affected more generally, and the importance of staying active when working at home.

Case study 8 – “Make a conscious effort to get some exercise”

Jennifer, 43, works from home as a teleworker. She does a combination of telephone and computer based research for a health company. Jennifer worked for over two years as a self-employed teleworker, before finding her current job five months ago. She is

“I’ve got arthritis. It is good that I can work from home because otherwise I couldn’t manage to work with this condition.”

not sure whether she has ‘employee’ or ‘worker’ status working for this company, but she receives holiday pay and sick pay and is certain she is not self-employed. Jennifer explained why she was keen to find a homeworking job that was ‘on the books.’

“When I was self-employed I had to pay my own NI and tax. Sorting out the tax was very difficult as they work out what you should pay in advance, but you don’t know how much you are going to be earning from one week to another so it can’t be predicted. Also, you had to try to save up to be able to afford to take time off for a holiday, it was a real struggle. I was working for a few companies at this time.”

“I decided to change because I wanted a regular income, holiday pay and not to have to cope with the tax and NI problems. The tax used to drive me round the bend. I was looking for quite a while for a job where I could go on the books, but now I’ve found a few options. You can hardly ever find employed work, and I think that is why a lot of homeworkers do self-employed or commission-only work. You do self-employed work because that is what is available, it is not a choice. There were no advantages to being self-employed – now I am on the books and have regular hours, but I still have the flexibility I need, because I can decide when and how I do those set hours.”

Jennifer’s experience reflects the fact that in many cases the benefits of ‘self-employment’ in homeworking are all on the side of the employer. The issue of her status is clearly of great importance to Jennifer, and she is much happier working now she is not treated as self-employed. Another issue which she believes all homeworkers ought to consider carefully is maintaining a healthy and active lifestyle when working from home.

“One downside in working from home is that you get no exercise, it’s not good for your health, you put weight on which can lead to health problems. That really needs to be brought across to people. Sometimes you don’t leave the house all day. I started gaining weight, it is so easy to just be engrossed in your work and just not move. Now I make a special effort to exercise in the morning, afternoon and evening – I’ve bought some exercise equipment. This is something people who work from home really need to consider – you do need to make a conscious effort to get some exercise.”

“There were no advantages to being self-employed – now I am on the books and have regular hours, but I still have the flexibility I need, because I can decide when and how I do those set hours.”

Sick days and sick pay

One of the arguments frequently put up to promote homeworking is that homeworkers are good for business because they are more productive and they take fewer days off sick. Reducing the number of sick days being taken clearly suits employers, and it may suit some homeworkers too. In some cases being able to work from home makes people feel more able to work when unwell. It can be a positive thing, if someone

wants to work and finds it easier to do so if they don't need to face a gruelling commute for example.

"If I'm not feeling good I can still do the work in my pyjamas with a cup of tea."

However, it may not always be a choice for homeworkers whether to work through an illness. Some homeworkers will work when unwell simply because they need the money. 75% of the homeworkers we spoke to do not receive sick pay, and therefore may not be able to afford to take a day off for illness.

Case study 9 – "Never any sympathy, always expected to get the work done"

Zoe works at home packing small items such as screws into 'blister packs.' She has two children, one below school age and one at school. She has been doing homework for 4 years. Although she received a pay increase after the NMW Compliance Unit visited the company she works for, Zoe is still earning only £3.10 per hour.

The main reasons Zoe works from home is ill-health. She also wants to be there to look after her baby herself.

"When I was ill I had to keep going to the hospital, 'normal' employment wouldn't let me have time off."

She was particularly ill around the time she was pregnant, but although homeworking seemed like a more flexible option, this was not always the case.

"It was like harassment with the homework – I'd be up until 3am getting the work finished – and they were phoning two days after I got out of hospital."

Zoe says the workers who work on-site do the same job as her under far better conditions. As well as receiving sick pay, holiday pay, maternity and an hourly wage, they get better equipment to work with, such as proper scales so they do not need to count out the screws.

Although she began working from home for health reason, Zoe believes the home working has actually made her health worse. She suffers from back pains, caused by -

"Sitting on the floor slouched over – the doctor says don't sit on the floor for six hours. You get back ache and your legs ache."

She has also worked throughout a serious health problem because she could not afford to take the time off.

"I had an eye infection which lasted for three months. Everything was blurry, but I had to work through it because I couldn't get sick pay or income support. I did the work by feel. Never any sympathy, I was always expected to get the work done."

"Everything was blurry, but I had to work through it because I couldn't get sick pay or income support."

Chapter 9 Access to Support, Advice and Information

What do you see as the main disadvantages of homework over working outside of the home?

“No understanding of rights and no development of skills.”

Homeworkers need particular support due to the isolation of their working lives. Homeworkers, unlike other workers, cannot easily turn to colleagues to discuss problems at work, chat about training needs, compare working conditions or share information on their working rights. Some do not know any of the other homeworkers who are working for the same firm, and may have no idea how many others are doing so. For these reasons the support offered to homeworkers, whether from NGH, local projects, government or trade unions, is absolutely crucial.

The role of NGH

NGH was established in 1984 by local homeworking projects and individuals who felt they needed a united voice to ensure that homeworkers' needs were addressed at a national level by Government policy and other decision makers. Twenty three years on, NGH continues this lobbying and campaign work, as well as providing information and advice to homeworkers via a national advice line. Through the advice line we have been able to build up more direct links with individual homeworkers across the country. We also disseminate information via our website, quarterly newsletter and other printed materials. In recent years NGH has also offered a caseworker service to individual homeworkers who are having a specific difficulty with their employer. NGH also works to promote best practice and adherence to labour codes through our membership of the Ethical Trading Initiative.

Whilst NGH does, therefore provide support and information to individual homeworkers, our work needs to be supplemented by more proactive outreach on a local basis, addressing the collective needs of homeworkers within their own communities. This was the role fulfilled for many years by numerous homeworking projects – and in their absence it can be difficult for homeworkers who are unaware of the NGH advice line to access the information and support that they need, particularly at a local level.

The need for local projects

As the 2006 'Success at Work' document recognises, to prevent exploitation workers need to know about their rights, and how to go about enforcing them. 'Success at Work' also recognises *that some sections of the community can find traditional information and advice services inaccessible.*¹ We would argue that many homeworkers fall into this category due to their isolation, and furthermore, some of those traditional information and advice services can be ill-equipped to deal

¹ p27, *Success at Work*, DTI, (March, 2006)

“We need more support for homeworkers locally so homeworkers can get together to discuss things.”

with certain problems specific to homework.

Local projects are essential for providing information to local homeworkers. The difference they make can be clearly seen by comparing the two areas where local research was conducted.

The five homeworkers who were interviewed by the Rochdale Homeworking Service all knew where to go for advice on homework – as unsurprisingly they would contact the service itself. Four of the five knew how to complain if they were not earning the NMW, and three of the five knew the current NMW rate.

In Cardiff however, where there is no local homeworking project and the research was done through a range of community group contacts, none of the four homeworkers knew where to go for advice, and none knew how to complain if they were not earning the NMW. Only one of the 4 was aware of the NMW rate.

“We need better information for homeworkers, so that they are more aware of their rights.”

Local projects are able to offer more than just advice on rights however, they are also able to support homeworkers in accessing training and finding other ways to improve their working lives.

“We need more support for homeworkers locally so homeworkers can get together to discuss things.”

A group such as the Rochdale Homeworking Support Group also helps homeworkers tackle the social problem of isolation, as the homeworkers meet on a regular basis to discuss relevant issues and take part in a range of activities. Whilst many homeworkers want support in the work they are currently doing, others may want help making the transition from homework to working outside the home, or to running their own business. It is important that there are services in place to answer all these needs.

Case Study 10 – Starting up a business

Rashida came to live in the UK from Pakistan when she got married. After a short while she considered working at home because she could not speak English and was not familiar with the outside working world. She could sew on a domestic sewing machine but her sister-in-law gave her some training on how to sew on an industrial machine. Through word of mouth she was able to get some sewing work and she became a homeworker. For the next nine months she did fashion wear e.g. blouses and tops. After that she had her first child and stopped working for three months.

Her next homeworking job was as an overlocker and again her sister-in-law gave her some training on how to use an overlocking

machine. She worked for a local company for four years. After four years of working at home, she became a skilled machinist/overlocker and secured a job with a local knitwear company. She worked here for two years and then bought a newsagent's shop with her husband and worked there for eight years.

After the closure of the newsagent's shop, she found it difficult to find a job. However, while she was working at home she did a sewing course which was organized by the Rochdale Homeworking Service to teach homeworkers the basics of how to cut and sew a garment. Rashida had improved her cutting and sewing skills over the years by sewing clothes for herself and the family. She started sewing shalwar kameez (Asian outfit) for local women and her business started growing steadily.

She is now running a business from home sewing clothes for the local community and she has also employed a part-time machinist to help her when she is busy. She usually works from 10.00am till 4.00pm and uses her dining room. She charges £10 per suit which takes about one and half hours to make. She gets her work through word of mouth and has established regular clients as well as casual ones.

Rashida has come a long way to where she is now but she has worked hard to raise her family as well as work at home and outside. She feels happy that her work is going well and that she is her own boss. She can still work from home and earn a living.

This is one of the examples in Rochdale where homeworkers have found either full-time, part-time jobs or set up their own businesses with the help and support of the Homeworking Service.

Looking for work

Homeworkers, or would-be homeworkers would also benefit from greater support when looking for homework. Between January and August 2007 NGH received over 600 calls from individuals looking for homework. At least 100 contacted NGH seeking advice on how to avoid homeworking scams (which prey on those looking to work from home) or how to retrieve money they had lost to such scams.

There are a range of bogus homeworking schemes in operation, but the similarity they have is that once the victim has sent off their money they will either find there is no work to do or that they will not be paid for any work done. Common scams include recruitment schemes, envelope addressing, kit schemes and directory schemes. Such scams are also increasingly appearing on the internet.

These scams prey on vulnerable people, who are in need of work and for reasons such as childcare or health problems are unable to work outside the home. They are therefore ruthlessly exploiting those job-seekers who can least afford it.

Rashida has come a long way to where she is now but she has worked hard to raise her family as well as work at home and outside.



Photo credit: Rochdale Homeworking Support Group

Greater support and advice for people looking to work at home would help job seekers avoid the scams that cost far too many people money they can ill-afford to lose.

A recent OFT report highlighted the extent of this problem¹.

- Work at home and business opportunity scams cost the UK public an estimated £70 million a year.
- An estimated 330,000 adults fall victim to these scams every year.

NGH is an employment rights organisation and as such does not have the capacity or expertise to either find people work or help them bring the numerous scam companies to justice. We do, however, seek to help those who call by providing general advice on ways of looking for work, and we stress that no-one should ever send off money in advance for work².

For some people, working at home is their only viable employment option. The government should, therefore do all it can to help such people find decent jobs suited to their circumstance. For some people working from home is a positive choice, and as current government policy promotes flexible working as a route to better work-life balance, these people should also be supported in their search for employment at home. Greater support and advice for people looking to work at home would help job seekers avoid the scams that cost far too many people money they can ill-afford to lose.

However, in the experience of NGH, support for people looking to work from home is minimal, if not non-existent. Job-seekers who contact NGH have regularly been referred on to us from the Jobcentre, suggesting Jobcentres themselves are ill-equipped to assist people in finding this kind of work. An NGH study in 1999 entitled 'Looking for Homework'³ concluded 'The Employment Service, at present, does not appear to have comprehensive policy or uniform guidelines relating to enquiries from people looking for homework. This results in a lack of consistency in service, where misinformation and inappropriate advice appears to have been given to jobseekers in some instances.' The report made recommendations on how support for jobseekers looking to work at home could be improved, but to our knowledge little has changed. As NGH continues to receive referrals from Jobcentres we can only conclude that such a policy on homework, along with appropriate training for advisers, is still sorely needed.

¹ http://www.ofc.gov.uk/shared_ofc/reports/consumer_protection/ofc883.pdf

² This is also the official advice of the Department for Business, Enterprise and Regulatory Reform. <http://www.berr.gov.uk/employment/employment-legislation/employment-guidance/page26118.html>

³ Looking for Homework, Jo Dennis, NGH (1999)

Chapter 10: Trade Unions

One of the most striking messages to emerge from the research data is the lack of unionisation of homeworkers. Although questions regarding trade union membership were not included in the brief survey, those who took part in the in-depth interview were asked if they were union members. They were also asked the reasons for either being, or not being, in a trade union.

Twenty-six homeworkers took part in the in-depth interviews. Whilst this is not a statistically reliable sample it is nonetheless illuminating to contrast the unionisation of our sample with that of the labour force as a whole. Labour Force Survey results for 2006 indicate that 28.4% of employees were members of a trade union¹. Given that many homeworkers do not have employee status it is also worth noting that, in the same period 25.8% of all those in employment in the UK were union members. Only one of the homeworkers we spoke to was a member of a trade union, representing a meagre 3.8% of the sample.

The reasons homeworkers give for not being union members are as striking as the figures.

There was a lack of awareness of trade unions and their purpose:

"I wouldn't know how to go about it or what they do."

"Never considered it"

"Not aware of what a trade union is"

"Never heard of it"

Others feel trade unions are not relevant to them as homeworkers:

"My employer has not given me this option"

"We don't earn enough to pay a trade union fee and do not feel that they can help us."

"I have not felt the need to join a trade union."

"I've never thought about – I didn't know there were unions that worked with homeworkers."

"No, there's no union for people doing my job. I've never had jobs where there were trade unions, because I was working at home."

"I don't think there is a trade union for us. We could do with one."

¹ <http://www.dti.gov.uk/employment/research-evaluation/trade-union-statistics/>

"I don't think there is a trade union for us. We could do with one."

Even those who had been trade union members in the past did not consider union membership an option for homeworkers, or something that could assist them as homeworkers:

“Don’t know – I was in factory. But when I’m out they never did it. Outworkers never mentioned it.”

“Didn’t seem worth carrying on paying sub fees after I left the printing trade.”

“I used to be when I worked in a factory, but they never did anything for us – we always had to fight for ourselves”

“I used to be in Unison but not any more, I feel that there is not much that they do for you therefore I’m not a member.”

“No – I would be if there was one, I used to be in a union when I worked in a factory in full-time employment.”



Photo credit: NGH

Organising homeworkers is a major challenge for trade unions, but is also a major opportunity. As vulnerable workers with uncertain employment status, and a lack of access to information regarding their rights, homeworkers have a great deal to gain from organisation. The lack of local projects and grass-roots outreach work for homeworkers is a serious problem that could be countered through more pro-active organising of homeworkers at a union branch level. Unions have made great efforts, and made excellent progress in the organisation of migrant workers and atypical workers in recent years. This has been done through unions adopting new strategies and approaches that respond to the specific needs of groups like migrant workers, as well as to the common interests they share with the workforce as a whole. The use of similarly innovative and tailored approaches to the organization of homeworkers would be beneficial both to the homeworkers themselves and the trade union movement more broadly.

The one participant who was a union member explained her reasons, and they are relevant both to her status as a homeworker and to some of the core concerns of the trade union movement – job security, rights for disabled workers and respect at work.

“Insecurity of job - there have been occasions when as a disabled person my rights have been trampled on.”

Chapter 11: The advantages and disadvantages of homeworking

NGH is the only national organisation focused exclusively on improving conditions for UK homeworkers. It is therefore essential that NGH concentrates on those issues that are of most importance to homeworkers themselves. To assist NGH in setting its priorities for future work, the sample was asked to name their priorities for change.

We asked homeworkers ‘What could the company you work for do to improve your working life as a homeworker?’ The answers can be grouped into the following categories:

| | |
|--|-----------|
| Better pay | 11 |
| Regular work | 9 |
| Better communication - including information about rights | 9 |
| Provide decent equipment and take more responsibility for it | 2 |
| Deliver the work | 1 |
| Employment rights - including sick pay, holiday pay and written contracts | 7 |
| Don’t know | 21 |
| No improvement needed | 7 |

“They could have started paying the National Minimum Wage a long time ago.”

“Make sure you are getting decent regular work, to know the minimum amount each week.”

“Better communication, let me know what is going on”

“Holiday pay and sick pay.”

“I am very satisfied with the company I work for.”

We also asked homeworkers what could be done more generally, ‘What one thing would improve your life as a homeworkers?’

The answers could be broadly grouped into the following categories:

| | |
|--|-----------|
| Better pay | 16 |
| Employment Rights | 14 |
| More regular work, more homework jobs | 6 |
| No improvement needed | 6 |
| More information (on rights etc.) | 4 |
| Local support and networking | 3 |
| Other | 5 |
| Don't know | 12 |

"Make sure they get paid what they should."

"Working from home shouldn't jeopardise your employment rights."

"Regular work with good rates of pay."

"It's fine actually."

"More understanding why people do these jobs – cannot afford child care."

"Stop the work going abroad. Encourage more work here and stop all the profits going to the manufacturer."

Campaigning for change requires an assessment of what is wrong with the current situation and what should be done to rectify it. It is therefore necessary for NGH to highlight the many problems homeworkers face in their working lives. For too many homeworkers pay is poor, often at illegally low levels, work is insecure and irregular and unclear employment status makes asserting one's rights a challenging and intimidating prospect. Nevertheless, although homeworkers are vulnerable workers in many ways, they should not be defined exclusively by this vulnerability. Homeworkers work from home because, in most cases, they have decided this is the best way for them to balance their work and home life commitments. Even homeworkers on the worst pay and conditions see real benefits in working from home, and when we asked our sample for the best and worst aspects of homework, the vast majority felt there were both considerable pros and real cons. Only 8 homeworkers out of 67 felt there were no disadvantages to homeworking, and only 3 felt there were no advantages.

What is the best thing about working from home?
What is the worst thing about working from home?

"I could work around my family... BUT... It was round the house all the time, I never left work"

"I love machine sewing... BUT... I hate the dust"

"I can look after the children... BUT... My children do not like me working at home"

"Independence and flexibility... BUT... Irregular workloads"

"I like the flexibility of the working hours... BUT... You never escape work because it is always there, and you quite often end up doing more than your office colleagues."

"Not having to pay for childcare... BUT... Not getting sick pay, maternity pay and no holidays. Doing work on the morning of labour of my second child because the job was urgent. Mum took me to hospital whilst the baby's dad finished the job. He got to hospital 20 minutes before the birth."

"Flexibility of working hours... BUT... No sick pay or holiday pay, and when there is no work, no pay."

"Do not have to worry about child care in school holidays... BUT... Low pay."

"I like the flexibility of the working hours... BUT... You never escape work because it is always there."

Chapter 12: Employers

When researching homeworking, there are limitations to all types of research approach, and no single methodology is ideal. The solution to producing a more accurate and rounded picture of homeworking is therefore to use a combination of approaches, bearing in mind the strengths and weaknesses of each. NGH works to ensure homeworkers are made visible and so places special emphasis on the voices of homeworkers themselves. It is however, also useful to consider homeworking from an alternative perspective – that of the employer.

The first section of this chapter uses information drawn from a Homeworking Directory produced by the Greater Manchester Homework Development Project¹ (GMHDP) and demonstrates the huge range of jobs currently being done by homeworkers in the Manchester area.

The second section uses an interview with a packing company to examine some of the practicalities of using homeworkers, and explores the advantages of employing them directly.

The Greater Manchester 'Homeworking Directory'

The Homeworking Directory was produced by the Greater Manchester Homework Development Project (based within the Rochdale Homeworking Service) between 2005 and 2006.

Background

One of the most common issues homeworkers raised within the Greater Manchester Homework Development Project was the decline of sewing work, upon which many women in the local Bangladeshi and Pakistani community depended. Many homeworkers also contacted the project having lost money to 'homeworking scams.' In response to these issues, the GMHDP set about researching and producing a directory of homework employers in the Greater Manchester area.

Research

The project covered five local authority areas in Greater Manchester – Rochdale MBC, Manchester City Council, Wigan MBC, Oldham MBC and Bury Metro. Staff on the project contacted thousands of employers over a year and a half, to find those who used homeworkers. Although some employers of homeworkers did not wish to appear in the directory, over half were very cooperative and willing to take part in the project.

This directory therefore provides very valuable information on what kinds of firms are using homeworkers, and what kinds of work they are doing. The directory is not intended as a list of 'job opportunities', and employers who participated in the research were featured whether or not they were actively recruiting homeworkers. As such, it provides

It is useful to consider homeworking from an alternative perspective – that of the employer.

¹ *Homeworking in Greater Manchester, Greater Manchester Homework Development Project (2006)*

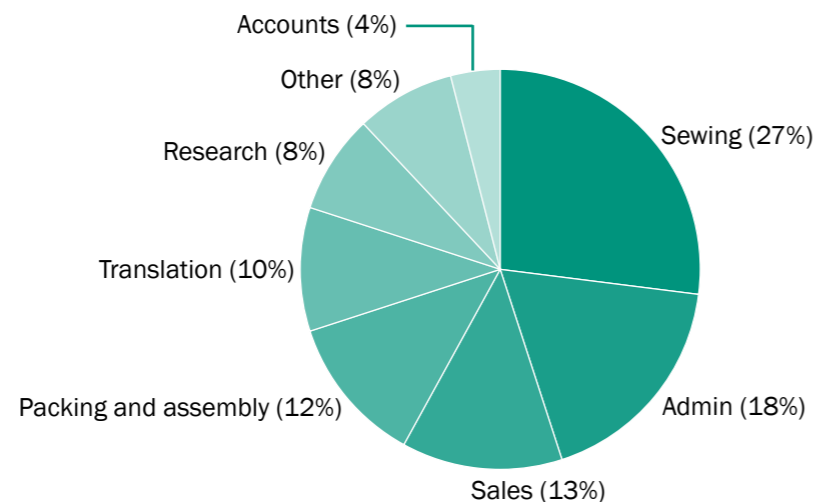
a valuable snapshot of the types of homework going on in a specific geographical area.

Findings

The directory demonstrates, once again, the diversity of homeworking jobs. Although both anecdotal evidence and the broader national picture of a declining manufacturing industry suggest traditional manufacturing homework is diminishing this directory, like our own research, nonetheless demonstrates that such work still exists, alongside newer forms of 'telework'.

The records do not show how many homeworkers each employer engaged, so whilst some may employ only one individual, for others homeworkers may be core to the business.

The directory identified 77 employers who were using or recruiting homeworkers at the time of the research. Breaking these 77 down into types of work, the largest single category was sewing with 21 companies, followed by 14 using homeworkers for administration, 10 for sales and 9 for packing and assembly work. Immediately then we see both the 'traditional' manufacturing work and 'telework' such as telesales and admin strongly represented.



Other employers used homeworkers for translation and interpreting (8), research (6), accounts (3) and a range of other types of work (6) including tuition, interior design and project management.

Interview with an employer

Further insight into an employer's perspective on homeworking was gathered through an in-depth interview with a company which employs homeworkers for packing work. This company has a good relationship with NGH and strives to ensure its homeworkers are employed ethically.

Case study 11 – Employer of homeworkers “Flexibility is the main advantage.”

Packaging Inc is a packaging company in the North of England.

“Flexibility is the main advantage.”

Packaging Inc employs 50 homeworkers who are integral to the company's business, although some packing work is also conducted on-site. Packaging Inc is unusual in that their homeworkers are engaged directly as employees of the firm, and receive full employment rights. Packaging Inc is not, therefore a representative employer of industrial homeworkers – many of whom treat their homeworkers as self-employed, or – at best – workers, but their success demonstrates that homeworkers can be employed efficiently and profitably, and with full employment rights as part of a viable business model.

The main benefits of using homeworkers were identified by Packaging Inc as access to a pool of workers who would be unable to work set hours on-site (mothers of young children etc), space requirements, time constraints and above all flexibility.

“We can't run 24 hours here on-site and homeworkers are not constrained by 9am to 5pm. We don't encourage our homeworkers to work unsociable hours but some of them do work in the evenings, to earn a little bit extra. Flexibility is the main advantage. If it is a quick order we can spread it out amongst more people or we can pay people a bit extra to do it over night.”

Whilst there were initial costs in establishing the homeworking system they run, Packaging Inc do not consider there to be any business disadvantages to using homeworkers,

“The only ‘disadvantage’ is personal. It is not about communication, I have no problem communicating with them – but the personal relationship is missing – and it is hard to know how to address this. Also, homeworkers don't get the interrelationship with colleagues, it is hard to bring them into the loop.”

Packaging Inc has made the conscious decision to employ homeworkers directly. This has costs – in terms of National Insurance contributions, holiday pay etc – but it also has distinct business advantages.

“All our homeworkers are directly employed as employees. Because we engage homeworkers directly there is no third party. They are more dedicated because they are directly employed by the company – this is a fundamental advantage. The quality is obviously a lot better.”

“There are benefits to directly employing them: quality of work, traceability, sanctions - including formal disciplinary procedures and quality control. It is far more constructive for both sides to use these procedures rather than simply disengaging [which is your only option if using subcontractors].”

“There are benefits to directly employing them: quality of work, traceability, sanctions - including formal disciplinary procedures and quality control.”

“For as long as we are packing in this country we will use homeworkers.”

“There is a queue of people wanting to work for us, we have good word of mouth through people who already work for us because of the way we engage with our homeworkers. “

Packaging Inc intends to continue using UK homeworkers for the foreseeable future, but the company constantly has to balance costs and flexibility, and they believe the rate of the national minimum wage is a major factor in these calculations.

“For as long as we are packing in this country we will use homeworkers. But how long we will be packing in this country is an interesting question. I don’t see us stopping packing here in the near future. The way we pack doesn’t lend itself to packing overseas. The moment a product is packed it can only go to one place – up until that moment a basic product could easily go to another customer. If you are going to bring products into the country ready packed you need to know what the customer is going to want before they do. So packing here ties in with the flexibility required by customers.

“I don’t see us as moving for the foreseeable future. That said, you can never say never. But every time the NMW goes up it increases the packing price. We are competing with direct overseas manufacturers who both make and pack – although they don’t have our flexibility. Customers have to place bigger orders, further in advance. But NMW is the big factor – you can only pay so much for this work. It will always take longer and be less flexible to pack overseas. But in this industry at least 75% of any decision is always made on cost. We have to balance cost and flexibility, but 75% is cost.

“At the moment we win on both, but for how much longer will we have the best price? We absorbed all the minimum wage increases so far, by doing things faster, better, more efficiently so it has not affected the bottom line and it has not affected how much we charge. We are now getting close to the point where we have done everything we can and we have to decide when we pass wage increases on to the customer. Logically some of this will have to be passed on, and the question is are we still the cheapest? Of course this affects all packing, not just homeworkers.”

Chapter 13: The ILO Convention on Home Work

Homeworking is a global phenomenon, and homeworkers around the world are organising and campaigning to improve their terms and conditions. One of the international achievements of these campaigns was the adoption of an ILO convention on Homework in 1996 (see Appendix D). The convention has, to date, been ratified by only five countries, Albania, Finland, Ireland, the Netherlands and Argentina. The UK government has not ratified the convention despite committing to do so in 1997. Adoption and implementation of this convention would have a positive impact on a number of the issues highlighted in this report:

The Convention requires the ratifying country to introduce a national policy aimed at improving the situation of homeworkers. This would enable the government to address the range of problems that can face UK homeworkers in a pro-active and coherent way.

Equality of treatment between homeworkers and other workers is a key principle of the Convention and is essential to end exploitation of homeworkers. This could be implemented by extending employment rights to homeworkers, thereby ensuring equal treatment with on-site employees.

The Convention calls for the collection of accurate government statistics on homeworking. Currently the government gathers some basic statistics via the Census and the Labour Force Survey, but these approaches are not well suited to measuring homework. Many homeworkers may not declare their work to official researchers, and even if they do the construction of some of the questions in these surveys makes it difficult for homeworkers to accurately describe their working lives¹. Not only does this mean the true extent of homeworking can be underestimated in official figures, but it also exacerbates the ‘hidden’ nature of homework. These general surveys, therefore, need to be supplemented with more in-depth local research in order to reflect the reality of homeworking in the UK. More research, and more varied research methods, need to be utilised to address the invisibility of homeworkers, and to ensure policy makers can develop a greater understanding of the nature and extent of homeworking in the UK.

Equality of treatment between homeworkers and other workers is a key principle of the Convention

¹ For example the census asks ‘Last week, were you doing any work: As an employee or on a Government-sponsored training scheme? OR As self-employed/ freelance, or in your own/ family business?’ As the report demonstrates, many homeworkers are not ‘employees’ but nor are they genuinely ‘self-employed.’ Their working life does not fit into easily into these categories, and it is difficult to know how many of the homeworkers we spoke to would actually answer this question.

Conclusion and Recommendations

This research study demonstrates that homeworkers in the UK are working in a huge range of occupations and, while some forms of homework like sewing are becoming harder to find, others like distribution are becoming increasingly important. The homeworkers we spoke to were working under a wide variety of terms and conditions. Nevertheless, across our sample, a worrying proportion of homeworkers were being denied the rights and protections on-site employees can take for granted. Most did not receive holiday pay and almost half (48%) received no employment rights whatsoever. The majority were considered self-employed for tax and national insurance purposes, which has serious implications for their benefits and future pension entitlements when they are not in work. Around half the homeworkers we spoke to were earning less than the National Minimum Wage. This is a scandalous state of affairs, and demonstrates just how far there is to go before all homeworkers receive fair treatment.

The fact that such a substantial proportion of homeworkers were being denied basic rights should be a wake-up call, and government, trade unions and employers all have a role to play in improving conditions for UK homeworkers. Equally, the fact that some of the homeworkers we spoke to received full employee status and were very happy with their treatment demonstrates that this is genuinely achievable. Some companies already treat their homeworkers as employees, and have found there are significant business advantages in doing so.

However, these companies are facing unfair competition from less ethical employers. On the one hand there are what the government terms 'rogue employers' who deliberately flout the law and fail to pay their workers the minimum wage for example. On the other hand there are legitimate companies who exploit the legal uncertainties surrounding employment status to deny homeworkers the rights that justice – if not existing UK law – demands they are entitled to. In both cases, companies that are trying to do right by their homeworkers are placed at an unfair disadvantage by less scrupulous employers, and this can only be tackled by both improved enforcement of existing laws and a revision of the law on employment status.

The primary concerns of the homeworkers we spoke to revolved around three key issues:

- Pay
- Employment rights
- Regular Work

At NGH therefore we need to be focus our work on these areas.

A worrying proportion of the homeworkers were being denied the rights and protections on-site employees can take for granted.

Recommendations for government

Extend employment status to homeworkers

Employment status needs to be extended to all homeworkers who are not genuinely in business on their own account, so that they receive the same rights and protections as on-site employees. The relationship between tax and National Insurance status and a worker's status for the purpose of employment rights also needs to be reconciled.

The government stresses that business values flexibility, but NGH maintains that true flexibility should be beneficial to both workers and employers. Homeworkers are amongst the most flexible members of the workforce, enabling companies to deal with fluctuating demand for labour. It does not, however, follow that these workers should have fewer rights than others on more conventional contracts. Indeed, we believe true flexibility can only be achieved through ensuring employment protections are available to all, on an equal basis. Homeworking, with sufficient employee rights and protections can be an ideal form of flexible working for both parties. Without these rights, however it is frequently exploitative and insecure.

Improve enforcement of the National Minimum Wage

Our report shows that far too many homeworkers are still earning less than the National Minimum Wage.

We welcome the recent increase in funding for enforcement of the NMW and new government commitments to strengthen the enforcement regime. However, we still do not believe the HMRC Compliance Unit is adequately resourced to enforce the NMW. Too many rogue employers still underpay their workers on the assumption that they are likely to get away with it.

Part of HMRC's enforcement role is responding to complaints from workers or a third party. However, several of our members have been dissatisfied with the way HMRC has pursued their cases – either failing to investigate, failing to conduct a thorough investigation or dropping the investigation prematurely. In some of these cases NGH has been able to assist the homeworker in pursuing their case to the point of financial settlement. We would like to see all initial complaints by workers taken seriously, and thoroughly investigated. This means contacting other homeworkers to gather evidence, not merely conducting a paper-based check. We would also like to see an increase in proactive enforcement. We would suggest an increase in spot-checks, and targeted inspection visits, particularly in high risk areas involving homeworkers such as, for example, the contract packing sector.

Not only do we want to see resources for the NMW Compliance Unit increased, but we also believe improved training is necessary, to ensure that they are able to pursue more complex cases, such as those involving workers paid by piece rate systems, more effectively.

We would also like to see more extensive use of criminal prosecutions for serious cases of non-compliance. There are six criminal offences listed under NMW law, but criminal prosecutions are rarely used. The level of the fine for these criminal offences, at only £5000, is in any case too low to be an effective deterrent and should be increased.

Improve enforcement of other employment rights

Many homeworkers who are being denied the minimum wage also miss out on other rights such as holiday pay and sick pay. Currently such rights are not actively enforced by the government, and where the National Minimum Wage Compliance Unit comes across such abuses in the course of its investigations it does not have the authority to pursue them, but can only pursue breaches of the National Minimum Act Wage itself. There is real need for a more pro-active approach to enforcement across the whole field of employment rights, and for greater co-ordination between existing enforcement bodies¹. We welcome the establishment of the government's Vulnerable Workers Enforcement Forum which is exploring ways to improve enforcement, and we await its conclusions with interest.

Ratify ILO Convention 177 on Home Work

The government needs to ratify the ILO Convention on Home Work, and ensure all of its provisions are implemented, primarily:

- A national policy aimed at improving the situation of homeworkers.
- The collection of accurate government statistics on homeworking.

Improve access to information

Too many homeworkers (49%) were unaware of the current rate of the National Minimum Wage, which suggests awareness about their employment rights in general is likely to be low. Homeworkers need more information about their rights in order to assert those rights. The government needs to meet with NGH and other advice and employment rights organisations to explore how to improve homeworkers' access to information. We welcome the establishment of the government's Vulnerable Workers Pilot Projects in Birmingham and London which are exploring ways to increase vulnerable workers' access to information and support regarding their rights, and await the results of the projects with interest. A similar approach could be used to address ways to improve homeworkers' awareness of their rights.

Recommendations for employers

Improve communication with homeworkers

Some homeworkers who took part in this survey found poor communication with their employers was a real problem. Some of this related to building relationships and the social side of work, where

¹ *The National Group on Homeworking endorses the Citizens Advice briefing 'Somewhere to turn: The case for a Fair Employment Commission' (2004) which covers this issue in greater detail.*

“Employment status needs to be extended to all homeworkers who are not genuinely in business on their own account.”

Homeworkers who are being denied the minimum wage also miss out on other rights such as holiday pay and sick pay.

homeworkers felt they were not properly included in the firm, or that they tended to get 'forgotten about'. Integrating homeworkers into the firm socially is clearly a challenge as they are not able to build relationships with colleagues and managers in the direct way those working on-site can. These problems can begin to be tackled however, by taking simple steps such as ensuring homeworkers receive any company newsletters or bulletins, or that they are invited to staff social events such as Christmas parties. Companies also need to ensure they have clear processes in place for communicating more practical information to homeworkers. Homeworkers experienced practical problems like receiving little or no notice regarding deliveries of work, or not being properly informed by their employers regarding their employment status and entitlements. These are basic problems that any decent employer of homeworkers needs to address.

Work together across supply chains to minimise irregularity of work
Regularity of work was a recurring concern for homeworkers throughout this study. The problems of irregular work were exacerbated by poor communication on the part of employers meaning homeworkers often received little or no advance notice regarding workloads. Homeworkers wanted more consistent workloads and they wanted to know what to expect before the work actually arrived. Whilst some degree of flexibility in work-loads is one of the key reasons employers like to use homeworkers, when taken to extremes such irregularity can be extremely difficult for families on tight budgets to cope with.

Employers seeking to improve the way they engage with their homeworkers should therefore keep homeworkers better informed regarding anticipated work loads, and should endeavor to manage peaks and troughs in demand in a more controlled way so work is made more regular. Realistically however, it is rarely the homeworker's employer who has real control over quantities of work and lead-in times. Greater control tends to lie further up the supply chains, where the retailers place their orders. Organisations such as the Ethical Trading Initiative are seeking to address these challenges by encouraging companies – along with unions and NGOs - to work together throughout supply chains to improve labour conditions. The ETI's Homeworker Guidelines state *'Wherever possible employers (Retailers, Suppliers, Contractors) should endeavor to ensure a regular supply of work and communicate expectation of business at all levels.'*¹

Adopt a best practice approach to employing homeworkers
NGH is campaigning for legislative change to ensure all homeworkers enjoy full employee status. In the meantime however, ethical employers are leading the way by ensuring all their homeworkers are employees and enjoy all the associated rights. This is not only the right thing to do, but it also has some clear business advantages.

Firstly, the growing interest in ethical trade means that retailers in

¹ Application table, Base Code 8, ETI homeworker guidelines: recommendations for working with homeworkers, Ethical Trading Initiative, (2006)

particular are feeling the pressure to investigate their supply chains and reduce the risk of labour abuses. This in turn means suppliers are coming under greater scrutiny. Supplier companies that not only honour their current legal obligations such as the NMW, but also adopt a clear policy of employing homeworkers directly offer reassurance to retailers concerned with brand image. Suppliers who use existing legal ambiguities and subterfuge to off-load their responsibilities to homeworkers, on the other hand, pose a considerable reputational risk, which can make doing business with them unattractive.

Secondly, engaging properly with homeworkers as employees enhances both quality and reliability. The commitment the company makes is rewarded through enhanced staff loyalty and dedication. In addition, the employer is able to exert greater control through formal disciplinary procedures so that any problems with the work can be dealt with and resolved. Where work is sub-contracted, or the homeworkers is deemed 'self-employed' the company has far less control, and cannot resolve quality of work issues short of disengaging entirely and finding new staff, hardly an efficient way to run a business.

Recommendations for trade unions

Support homeworkers through innovative organising campaigns

Homeworkers are vulnerable workers for many reasons, one of which is their lack of unionisation. Our research shows unions are currently failing to reach this section of the workforce, as evidenced by the dramatically low level of union membership amongst our sample and high levels of uncertainty regarding the relevance of unions. In an age of declining union membership, more needs to be done to reach out to vulnerable and atypical workers. Homeworkers are a group with much to gain from union membership and they have much to offer. In the experience of NGH, homeworker activists are amongst the most effective advocates of employment rights, and any organising campaign should be tailored to build capacity amongst homeworkers themselves, so they can self-organise and support each other.

It will not be sufficient for unions to simply include homeworkers in standard recruitment drives. Homeworkers have specific needs. Just as their working lives do not fit with the traditional 'nine-to-five' factory or office model, so their organising needs will differ from traditional on-site methods. Unions have to be ready to adapt their working practices to new employment patterns where 'atypical work' is increasingly becoming the norm.

Recent success with migrant worker campaigns - such as the GMB's migrant worker branch in Southampton, or the TGWU's campaign with fruit pickers in the Midlands¹ - demonstrate that trade unions have the will and the capacity to rise to just this kind of challenge. Trade unions

¹ See 'Solidarity with Migrant Workers', a No Sweat publication (2007) for further details on organising campaigns amongst migrant workers.

Homeworkers need more information about their rights in order to assert those rights.

"Wherever possible employers should endeavor to ensure a regular supply of work and communicate expectation of business at all levels."

need to set about overcoming the obstacles to the organisation of homeworkers with the same energy and commitment they have applied to the organisation of migrant workers.

NGH would argue that the need for more local organising campaigns has been made even more pressing by the decline of local homeworking projects. NGH can offer support and advice on an individual basis, but homeworkers need to be able to network and seek support at a local level, and the branch structure of trade unions makes them ideally placed to answer this need.

“In the experience of NGH, homeworker activists are amongst the most effective advocates of employment rights.”

BIBLIOGRAPHY

Dennis, J, *Looking for Homework*, (NGH 1999)

Department for Trade and Industry, *Success at Work*, (DTI, 2006)

Dunstan, R, *Somewhere to turn: The case for a Fair Employment Commission* (Citizens Advice, 2004)

Ethical Trading Initiative, *ETI homeworker guidelines: recommendations for working with homeworkers*, (ETI, 2006)

Felstead and Jewson, *‘Researching a Problematic Concept: Homeworkers in Britain’*, *Work Employment and Society*, Vol 11, No 2, (British Sociological Association, 1997)

Huws, U, *Home Truths. Key results from a National Survey of Homeworkers*, (NGH, 1994)

National Group on Homeworking, *Made at Home in Bradford: Joint Bradford Homeworking Project 2001-2003*, (NGH, 2004)

No Sweat, *Solidarity with Migrant Workers*, (No Sweat, 2007)

Ruiz, Y and Walling, A, *‘Homebased working using communication technologies’*, *Labour Market Trends*, (Office for National Statistics, 2005)

Summerfield, C, *Homeworking in Greater Manchester*, (Greater Manchester Homework Development Project 2006)

APPENDIX A

Acronyms

BERR – Department for Business, Enterprise and Regulatory Reform, previously known as DTI

BME – Black Minority Ethnic

DTI – Department for Trade and Industry, now known as BERR

ETI - Ethical Trading Initiative

HMRC - Her Majesty's Revenue and Customs

GMB - 'Britain's General Union'

GMHDP - Greater Manchester Homework Development Project

ILO – International Labour Organisation

LFS - Labour Force Survey

NGH – National Group on Homeworking

NGO – Non-Governmental Organisation

NI - National Insurance

NMW – National Minimum Wage

OFT – Office of Fair Trading

ONS – Office for National Statistics

TGWU - Transport and General Workers' Union, now part of UNITE

TUC – Trade Union Congress

APPENDIX B

Rochdale

Rochdale is one of the ten local authorities in the Greater Manchester area. The latest mid-year estimate for the borough's population is 206,500 (2004).

There are 181,891 white people living in the borough in 2001 (88.6%) of the population. The largest minority ethnic groups were Pakistani with 7.7% and Bangladeshi 1.3% of the population.

The three biggest employing sectors are distribution, hotels and restaurant (24.9%), public administration, education and health (24.5%) and manufacturing (19.5%). However, the manufacturing industry has declined over the years and in particular clothing which employed local homeworkers.

APPENDIX C

Cardiff

Cardiff is the capital city of Wales and the latest official estimate of Cardiff's population is 319,700 persons (the 2005 Mid Year Estimate) and represents 10.8% of the total population estimate for Wales.

Cardiff's ethnic minority population is thought to be at 10.7% (compared to 2.4% for Wales). 42 languages are spoken in Cardiff. 40% of Wales' non-white population are resident in Cardiff.

- Mixed community represents the largest minority ethnic group in Cardiff 2.8%
- Pakistani/Bangladeshi community 2.7%
- Black community 1.7%
- Indian community 0.7%

The 2001 Census figures show that the majority of the ethnic minority communities live within Butetown, Riverside, Grangetown, Plasnewydd, Adamsdown and Cathays, with smaller communities in Ely, Canton and Splott.

APPENDIX D

ILO Home Work Convention, No. 177 (1996)

PREAMBLE

The General Conference of the International Labour Organization, Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Eighty-third Session on 4 June 1996, and

Recalling that many international labour Conventions and Recommendations laying down standards of general application concerning working conditions are applicable to homeworkers, and

Noting that the particular conditions characterizing home work make it desirable to improve the application of those Conventions and Recommendations to homeworkers, and to supplement them by standards which take into account the special characteristics of home work, and

Having decided upon the adoption of certain proposals with regard to home work, which is the fourth item on the agenda of the session, and Having determined that these proposals shall take the form of an international Convention;

adopts, this twentieth day of June of the year one thousand nine hundred and ninety-six, the following Convention, which may be cited as the Home Work Convention, 1996:

TEXT

Article 1

For the purposes of this Convention:

- (a) the term [home work] means work carried out by a person, to be referred to as a homeworker,
 - (i) in his or her home or in other premises of his or her choice, other than the workplace of the employer;
 - (ii) for remuneration;
 - (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;
- (b) persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;
- (c) 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.

Article 2

This Convention applies to all persons carrying out home work within the meaning of Article 1.

Article 3

Each Member which has ratified this Convention shall adopt, implement and periodically review a national policy on home work aimed at improving the situation of homeworkers, in consultation with the most repre-

sentative organizations of employers and workers and, where they exist, with organizations concerned with homeworkers and those of employers of homeworkers.

Article 4

1. The national policy on home work shall promote, as far as possible, equality of treatment between homeworkers and other wage earners, taking into account the special characteristics of home work and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise.

2. Equality of treatment shall be promoted, in particular, in relation to:

- (a) the homeworkers' right to establish or join organizations of their own choosing and to participate in the activities of such organizations;
- (b) protection against discrimination in employment and occupation;
- (c) protection in the field of occupational safety and health;
- (d) remuneration;
- (e) statutory social security protection;
- (f) access to training;
- (g) minimum age for admission to employment or work; and
- (h) maternity protection.

Article 5

The national policy on home work shall be implemented by means of laws and regulations, collective agreements, arbitration awards or in any other appropriate manner consistent with national practice.

Article 6

Appropriate measures shall be taken so that labour statistics include, to the extent possible, home work.

Article 7

National laws and regulations on safety and health at work shall apply to home work, taking account of its special characteristics, and shall establish conditions under which certain types of work and the use of certain substances may be prohibited in home work for reasons of safety and health.

Article 8

Where the use of intermediaries in home work is permitted, the respective responsibilities of employers and intermediaries shall be determined by laws and regulations or by court decisions, in accordance with national practice.

Article 9

1. A system of inspection consistent with national law and practice shall ensure compliance with the laws and regulations applicable to home work.

2. Adequate remedies, including penalties where appropriate, in case of violation of these laws and regulations shall be provided for and effectively applied.

Article 10

This Convention does not affect more favourable provisions applicable to homeworkers under other international labour Conventions.

FINAL

Article 11

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 12

1. This Convention shall be binding only upon those Members of the International Labour Organization whose ratifications have been registered with the Director-General of the International Labour Office.

2. It shall come into force 12 months after the date on which the ratifications of two Members have been registered with the Director-General.

3. Thereafter, this Convention shall come into force for any Member 12 months after the date on which its ratification has been registered.

Article 13

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 14

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organization of the registration of all ratifications and denunciations communicated by the Members of the Organization.

2. When notifying the Members of the Organization of the registration of the second ratification, the Director-General shall draw the attention of the Members of the Organization to the date upon which the Convention shall come into force.

Article 15

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations, for registration in accordance with article 102 of the Charter of the United Nations, full particulars of all ratifications and acts of denunciation registered by the Director-General in accordance with the provisions of the preceding Articles.

Article 16

At such times as it may consider necessary, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 17

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides -

(a) the ratification by a Member of the new revising Convention shall ipso jure involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 13 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force,

this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 18

The English and French versions of the text of this Convention are equally authoritative.

This Convention is online: <http://www.ilo.org>

The National Group on Homeworking
Office 26
30-38 Dock Street
Leeds
LS10 1JF

Tel: 0113 2454273
Fax: 0113 2465616
Email: admin@ngh.org.uk
Website: www.ngh.org.uk

£10.00

ISBN 0 9524127 9 9
NGH 2007