

Who Foots the Bill?

Decent work for homeworkers in the leather footwear industry.

**Homeworkers Worldwide
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Summary

Thousands of invisible workers in the leather footwear sector make shoes that are sold on our high streets. Many are homeworkers, the majority of whom are women, who assemble parts of leather shoes for an intermediary, agent or subcontractor. They work for low pay with poor terms and conditions, paying a high price for the increasing globalisation of production chains and competition between retailers in rich industrialised countries.

There is evidence of homework in the high-value fashion footwear sector in many different countries. Homeworkers Worldwide have identified homeworkers in Europe, Latin America, and many countries in Asia. The most common job is the assembly of the uppers, either by hand or machine stitching.

The invisibility of the workers and the companies' exploitation of gender inequalities make it extremely difficult for women to claim their rights. As retailers look for ever-lower labour costs and quicker response times, the number of homeworkers is increasing and their conditions of work deteriorating. Women across the world are being paid well below reasonable living wage levels to work on products with high retail values. They often have no social protection, including sick pay, maternity pay and pensions.

Homeworkers are beginning to get organised either in trade unions or other forms of organisation. They are calling for basic rights as workers in line with the Convention on Home Work adopted by the International Labour Organisation in 1996. But many remain invisible and unrecognised.

Homeworkers Worldwide (HWW), a UK-based organisation working in support of homeworkers' organisations is calling for UK retailers to take responsibility for workers' conditions in their supply chains, particularly in the leather footwear sector. We are calling for companies to be more transparent and accountable, and for them to recognize homeworkers as part of the workforce.

HWW is calling on all those who buy leather shoes to ask questions about the pay and conditions of those who make these shoes and to take actions to ensure that homeworkers are recognized and seen as entitled to the same rights as other workers.

What is Homeworking?

Homeworking is done mainly by women in their homes for a cash income. It is not domestic or unpaid household work: cleaning, cooking or childcare. Millions of women worldwide take up this form of employment to earn money at the same time as taking care of family members, doing agricultural work or other forms of paid employment. Homeworking ranges from traditional crafts such as weaving, to industrial work, such as trimming plastic parts or assembling electronic circuit boards. It is usually labour-intensive and often done by hand, although some women use sewing machines, soldering irons or presses.

Homeworking has been on the increase in many different sectors. Together with other forms of informal work in the subcontracting chain, it has been an intrinsic part of the flexibility demanded by retailers and is found throughout manufacturing. Homeworking is one way in which employers reduce their costs: labour costs are reduced because they pay low wages on a piece rate system and do not contribute to social insurance costs, and overhead costs are reduced as homeworkers pay their own rent, energy, machinery and maintenance costs. Homeworkers have no guarantee of employment and when employers have no orders, they do not have to pay their workforce or undertake a process of dismissal.

The features shared by most homeworkers are that they are women; tied to the home by domestic responsibilities, usually the care of young children or sometimes by either subsistence or waged agricultural work; and that they have little choice of alternative employment.

The characteristics of homework across the globe are:

- The supply of work, and therefore income, is irregular;
- Pay is low;
- There is no social protection in terms of welfare benefits or pension rights;
- Health and safety provisions are more or less non-existent;
- In some countries, laws exist to protect homeworkers but they are rarely implemented;
- The demand for work from women tied to their home by multiple factors leads to a constant downward pressure on wages.

A homeworker explains her work on leather footwear:

“The tasks of a topstitcher vary according to the model and type of shoe. But they are always numerous. On women’s shoes we have to make little cuts with scissors where the hem curves and we have to insert the ‘passantina’ or braid to reinforce it. Then we have to glue, beat with the hammer the hem, add the lining, trim the excess with the scissors, sew the hem, add the hard part of the back and of the front point. Sometimes we also have to shave off the tops around the hem. We have to add pieces of rubber band or anti-skid onto the back. Sometimes we have to add buckles, trimmings or other accessories. Sometimes we also have to make signs on the tops before sewing...” (1)

Conditions for Homeworkers in the Leather Footwear Industry

Case Study, Laura from Chile

Laura lives in a house built with asbestos and fibre-cement sheets on the site of a land occupation. Laura has worked for 12 years hand sewing shoes at home for two international brands. As a homemaker in footwear, she specialises in sewing the tongue and the front upper part of the shoe. She works sewing shoes at home for two to three days a week, for an average of eleven hours a day. The intermediary has always set the price per pair.

Laura specialises in sewing the tongue but knows how to sew the other parts of footwear. Her whole family are affected by the work she does. When the footwear work arrives, Laura has no extra space to store it, so the whole house is turned into a small warehouse and production workshop. She works for an average of 11 hours per day and her sons help her to sew, cut threads and prepare finished shoes for collection. She used to work gluing shoes but stopped because the glue used by the company was too strong and caused severe headaches.

The intermediary sets the price per pair based on a verbal agreement. She gets around 120-150 pesos (13 – 16 pence) per pair, which is not enough to cover her household expenses; she has seen the same kinds of shoes for sale in Chile for 40,000 pesos (£43).

Laura has begun to notice that her eyesight is deteriorating and she suffers pulled muscles in her chest and pains in her hands and arms. She is in debt and has not been able to find the money to fix the roof of her house. She is unable to make any social security contributions, build up any savings or access credit from banks or other institutions. She has never been a member of a trade union.

Laura worries that, because she has to work such long hours, she is not spending enough time with her sons and only has time to help him with his homework at the weekends.

Since the footwear work is not regular all year round, Laura combines it with paid domestic work and seasonal horticultural labour. (2)

Homeworkers Worldwide has identified large numbers of homeworkers in the leather footwear industry in many different countries. From Chile and Portugal to Malaysia, organisers found homeworkers in very similar situations. Homeworkers in all of these countries describe poor working terms and conditions.

It is very rare for homeworkers to earn the minimum wage. For example, a homemaker in Bulgaria is paid on a piece rate for each pair of shoes that she completes. For a pair of shoes which retails at 100 Euros, she is usually paid about half a Euro. More complicated models or heavier materials can mean her hourly rate drops. Homeworkers say that, in order to make a living, a family of four needs 200 Euros (or 400 pairs of shoes) per month and they would need to work for 66 hours per week to achieve this – giving them an hourly rate of 0.75 Euro. On top of this, women often fit the work around other responsibilities including childcare and growing fruit and vegetables.

Low pay is just one of the problems facing homeworkers. Women are concentrated in the most insecure and repetitive areas of employment in the footwear sector. They describe how there are no health and safety checks, despite complaints of suffering painful, cut and infected fingers, back and shoulder pain and damaged eyesight. They talk about the negative impact on their health of using toxic glues and working non-stop for days to meet urgent deadlines.

One homeworker in Portugal talked about working from Tuesday morning to Thursday evening to sew 300 pairs of shoes, working 10 hours per day with help from her children. Family life in these circumstances is completely disrupted and workers often suffer from insomnia and depression. None of the women wanted their children to take up homeworking in the future.

“Everything must be ready... We can't refuse a box, he doesn't like that. It's better to accept everything he brings because otherwise he might give the work to someone else... He often brings extra work for the weekend... Sometimes it makes us want to cry: you have to sew shoes, iron, wash, make the meals. There comes a point when we can't take any more... the pressure is too much” Maria, Portugal.

Homeworkers can find it difficult to negotiate for improved conditions, especially as most are not members of trade unions or other organisations.

Invisibility

"One of the problems for homeworkers, and a constant humiliation, is that nowhere are they mentioned by their name. The subcontractors know them only by a number. Homeworkers are the most invisible" Roza, Bulgaria

Despite being an integral part of the production process in some sectors of leather footwear, homeworking is usually 'invisible'. There is little recognition of the contribution homeworking makes to global or national economies or the large numbers of homeworkers, who almost universally work outside normal systems of employment and social protection.

The invisibility of homeworkers is multi-faceted. Their work is often described as a 'pastime': women using their spare time to earn some extra cash. At times this is even reflected in their own view of themselves, particularly when they combine homework with other forms of employment such as in agriculture or part-time paid employment outside the home.

In many countries, there is no legal recognition of homeworkers, and if there is a law, homeworkers face barriers accessing the protection it is supposed to offer them, for example in trying to prove that they are homeworkers rather than self-employed or subcontractors. Similarly, there is rarely any organisation among homeworkers by the formal unions in the sector. An exception to this was the campaign by the leather footwear union in Italy; CGIL-FILTEA, brought many homeworkers into union membership and ensured that they were lawfully employed.

In official labour force statistics, homeworkers are often recorded only as housewives, or are registered under one of their other occupations, such as agricultural workers. Many economic figures are also based on national statistics that only count formal production and rarely capture the reality of the mobile chains of production which cross national boundaries.

Women's Work?

In different societies, men and women are expected to fulfil different roles. It is almost always the case that women are expected to fulfil caring roles, whilst men take on the role of 'breadwinner'. This has an impact on women's ability to work and the value that is attached to that work. If women have caring responsibilities in the home, it makes it more difficult for them to look outside the home for work. Women's work is often not viewed as 'real work' and any income they earn as 'pin money' or peripheral to the core income of the family. It is often taken for granted that some work is better suited for women workers than for men. The combination of societal expectations of women and men and the way that homeworking is perceived mean that, whilst there are some men that take up homeworking, the majority of homeworkers are women.

Employers are taking advantage of gender inequalities to meet their demands for flexible labour. The ILO found that "it is no accident that homework, which is widely considered to be a female occupation particularly appropriate for married women, is commonly used for the stitching of uppers. This phase of production is also dominated by women inside the factories... factory owners tend to view stitchers within their firms as potential homeworkers"(3). Similarly, in Cyprus, they found that manufacturers had responded to the geographical immobility of women workers and their difficulties with domestic responsibilities by subcontracting closing of shoes to small-scale workshops in the villages and to homeworkers. When demand was high, as much as 25 per cent of closing could be subcontracted (4). An in-depth analysis of the changing role of women's labour in the Spanish shoe industry has shown that the increasing flexibility of production and employment has involved a feminisation of the workforce (5). However this remains invisible as the formal employment statistics show a significant decline in the share of women in the labour force.

Key Demands

The picture described above is common throughout the world wherever the production of leather footwear is found. Homeworkers in these chains are demanding the right to be treated as other workers, with full employment and social security rights. It is time UK companies took responsibility for the conditions of all workers in their supply chains.

- Regular work and a living wage;

Homeworkers should be entitled to at least minimum wages and, where these are not adequate to meet living costs, a living wage. In addition they need regular work and where some flexibility is required, they need to know what work will be available and have guarantees of a minimum income.

- Recognition for homeworkers as workers and for their rights;

Most homeworkers are treated as self-employed, as though they were in business. However, for the majority, the work is similar to factory work except that their workplace is the home. Homeworkers are calling for their recognition as workers and for equal treatment in terms of rights and entitlements.

- Recognition of their right to organise and of their organisation;

Most homeworkers are not organised in formal trade unions but have different forms of organising, in informal groups, associations or cooperatives. Sometimes these organisations work in partnership with trade unions representing workers in factories. Employers should recognise homeworkers' organisations and negotiate with them without threatening to move the work elsewhere.

- Basic social protection, particularly for health, maternity and old age;

Wherever possible, state schemes for social protection should be extended to ensure that homeworkers can contribute to social insurance schemes which provide them with the full range of benefits. Where this is not appropriate, special funds or schemes should be developed to give equivalent protection to homeworkers.

- For equal treatment for homeworkers with other workers.

In 1996, the ILO Convention on Home Work laid down the basic principle that homeworkers should be given equal treatment to other workers. The Convention spells out basic minimum standards that should be the basis of homeworker policies adopted by companies and of national or international legislation to protect homeworkers.

Globalisation and Leather Footwear

Rozalina, an organiser from Kaloian, an association of homeworkers, explains how changes in the industry have impacted on workers:

“After 1989, the system changed. Lots of foreign companies came here and existing companies were privatised...”

“Wages are not regular any more and a new way of working was introduced. New sewing workshops have been opened by Greek and Italian subcontractors. During the process of privatisation, many Bulgarian people took the machines from the big companies and now they have opened new workshops. These workshops work for the Greek and Italian companies.”

“With the change of the system, we have to work for seven days a week, instead of five days. We have to work ten hours a day, for very low wages ... There is no social insurance, for health or pensions. With the increase in privately-owned workshops, informal and homebased work started.” (6)

The work being done by women in Petrich was similar to that done in the mountains of Portugal. Women were hand stitching the uppers of shoes, most of which were medium to high-priced men’s casual shoes, of a mocassin style.

In the town, women go to the workshops to fetch their work in the afternoon and have to return it the next morning. In the surrounding villages, it is more common for work to be delivered to the women by intermediaries.

Since the 1970s there has been an increasing shift towards the globalisation of production, particularly in labour-intensive industries such as the footwear sector, which employs many women.

In the garment and footwear industries, industrialised regions such as Northern Europe, North America and Australia have experienced the closure of large factories with a unionised workforce, as production has moved to regions like Asia or Central America. At the same time, there has been a growth of a smaller-scale industry to meet the demands of retailers for quick response or just-in-time orders.

Some fashion retailers have moved out of manufacturing altogether, sourcing their goods from agents and suppliers in many different countries, who in turn subcontract work to smaller companies. This trend has continued up to the present with the greatest growth being in low-cost footwear imported to Europe by companies with no manufacturing capacity. Others, for example, Benetton and its imitators such as Zara, have kept key operations, like cutting, finishing and quality control, in-house, while outsourcing many of the lower-skilled, labour intensive operations. Women homeworkers in these supply chains often produce expensive branded products with a high retail value.

Since the 1990s, shoes have been increasingly viewed as fashion items, with consumers buying new pairs for each season or outfit. In the UK, footwear has been one of the fastest-growing retail sectors and a number of retailers have diversified into footwear, increasing competition in the market. Both of these trends have meant a downward pressure on prices, and therefore on the amount retailers are prepared to pay for production.

A growing body of research, together with homeworker organising has revealed the extent of homeworking in the modern economy, including global production chains supplying large retailers based in UK and other European countries. Much of this work has focussed on the garment industry but there is also considerable evidence to show that homework is an intrinsic part of the production of leather shoes. Although the chains of production shift over time, for example from Western Europe to Eastern Europe, from Portugal to North Africa or India, homeworkers make up an important part of the workforce and the nature and conditions of their work remain comparable whatever the location.

Production has become increasingly decentralised:

Whereas previously the trend was for footwear production to be concentrated in large factories, it is now becoming increasingly decentralised: subcontracting to small workshops and being put out to homeworkers. Sometimes parts of the work, particularly the sewing of the uppers is subcontracted across country borders.

The European Homeworking Group and Homeworkers Worldwide has found many examples of women homeworkers assembling shoes in one country destined for sale in another, often by some of the big brands and famous names in the shoe sector: The following examples give a snapshot picture of some of these:

- In Chile and Bolivia, local footwear factories are part of a bigger company, whose headquarters are in Canada. In response to global competition in footwear, the industry has restructured and a large part of production is now put out to workshops and homeworkers, most of whom are working informally (7).
- In the North of Portugal women homeworkers were hand sewing the uppers of shoes for between six and ten months of the year. They received the work from intermediaries who brought it up to mountain villages from the factories. The work was for foreign owned subsidiaries of Northern European companies or Portuguese owned companies supplying them. In some cases, only the uppers of shoes were assembled in Portugal with final assembly being carried out in another country (8).
- In Italy, the production of children's shoes for a UK retailer was organised by a small artisanal firm, employing eight workers directly, but putting out many different parts of the production process including to 11 homeworkers (9).
- In Greece the firms were mainly medium-sized, producing for the German market. The workforce was highly skilled and doing a variety of processes, usually working on the upper part of the shoe (10).
- In China, entire villages specialise in footwear production for the national and Eastern European market. One of these was near Beijing and grew from an artisanal shoe-making village into a big production line, divided between the houses, mainly for export to Russia and Eastern Europe. In the inland province of Hunan, there are villages where footwear is made in a combination of workshops employing up to twenty people; family enterprises and homeworking (11).

Impact of global competition

There is evidence of a common pattern from Asia and Latin America to Europe of the impact of global competition. Pressure is exerted on industries in different countries to constantly restructure, seeking new sources of raw materials, more flexibility and cheaper labour costs. As a result the chains of production shift within and between countries.

Much production has been relocated to Asia, with growing pressure on producers in Europe. In some cases shoe production is divided up among different countries, with some companies sourcing leather from one country; the assembly of uppers in another and final assembly in a third (12).

Making Shoes in India

There are large national and export markets for shoes and sandals made in India. Traditionally working with leather is an occupation of dalit and Muslim people and throughout the country people in these communities make sandals for local and national markets.

More recently, footwear has become a major export sector in India and many European companies source footwear here, sometimes the whole shoe, sometimes only the uppers which are joined to the soles in another country. The allocation of good quality leather to the export industry has affected the artisanal sector as it is more difficult for them now to obtain raw materials.

The same multinational company that sources production in Chile and Bolivia has extensive production and marketing networks in India. Near Kolkata (Calcutta), they have a large complex for the production of shoes for the national markets and for export. In villages outside this compound, there are many women assembling parts of shoes by hand for the same company.

Tamil Nadu, in the South of India, is a state famous for its leather industry. There are many tanneries and industrial sites, as well as artisans making sandals for local sale. In one district in Erode many households are engaged in making shoes. The community has a tradition of artisan production but are now making sandals for a big company based in Mumbai (Bombay), marketing throughout India.

Both men and women work on the sandals. When they have sufficient work, other family members and neighbours come to the house to work. As well as family units producing shoes, there are small workshops employing up to twenty people. Although these units are also based in residential areas, they are not family units and use a lot of machinery. In both cases, the workers are dependent rather than independent craftspeople.

For example, the European Homeworking Group identified homeworkers in the footwear sector in Italy, Greece and Portugal. Employers interviewed in the 1990s in Italy spoke of looking for new sources of labour in Eastern Europe. In the 2000s, when Homeworkers Worldwide carried out its mapping work in some Balkan countries, homeworkers sewing uppers for Italian firms were found in both Bulgaria and Romania. The same European company that had been putting work out to homeworkers interviewed in Portugal in the 1990s was sourcing production from Indonesia in the 2000s.

CAFOD have detailed the effects of global competition, particularly from Asia, on the Brazilian footwear industry. Factories have either moved from the traditional shoe-making region of Rio Grande do Sul to lower-wage areas in the North East, or changed their patterns of production from large-scale factory based to small workshops and homebased work.

“Shoe manufacturers have tried to survive by cutting costs. One of the main methods has involved changing the way shoes are produced. Prior to 1990, nearly all exported shoes were made in factories, where workers earned regular wages and were eligible for other benefits such as pensions and social security. In recent years, employers have moved towards a subcontracting system, where work is farmed out to innumerable small workshops, homeworkers, and cooperatives set up by sacked factory workers. Local manufacturers reckon that by avoiding taxes and national insurance, subcontracting labour-intensive jobs such as stitching uppers saves 20-30% on labour costs.” (13)

Increase in informal work

In Europe, an increase in informal production, including homeworking, is a feature of the sector in both countries where there has been expansion (Portugal) and other regions where the number of pairs produced has been declining (Italy, Greece) although in some cases, the value of production is still high (Italy), reflecting the segmentation of the markets. The type of work involved in sewing the uppers varies from relatively unskilled hand sewing of uppers in Portugal to more skilled machining, assembly and gluing in Italy.

Company Case Study:

In Bolivia, a study was done on a large factory in Cochabamba, which identified extensive seasonal work done by homeworkers with many small workshops between the factory and the homeworkers. The factory grew into the largest footwear factory in Bolivia, drawing on the skilled artisan labour in the town. The report notes:

“Starting in the eighties, new forms of production were introduced to cut labour costs. From a ‘compact’ and concentrated productive world with more than 1,000 workers a new mode would emerge, clearly divided between the mother plant (now relatively reduced, more flexible and downgraded) and a periphery of external workshops, small workshops and homebased work.”

This process involved a growing proportion of women workers in workshops and at home:

“It is estimated that about 20% of the company’s total value added comes from the external workshops, while they employ at least 30% of the town’s total workforce. We think that almost 50% of this external workforce is female, while in the mother factory the proportion is barely 2 to 3 percent.”

The report differentiates between different types of workshops, varying in the degree of formality, and in the degree to which they are dependent on the company. There are also different levels of homeworkers, some of whom act also as intermediaries.

“Thus a hierarchical production chain has been created with a pyramidal shape. As you descend, the work becomes more casual, more female, more informal and it becomes invisible. The company has created a system which allows it to displace to the external workshops the risks, uncertainties and costs of the volatility of the market. These workshops may reduce or increase the number of workers easily because of the absence of fixed contracts and the non-existence of trade union organisation.”

The company still combines both manufacturing and retailing, with extensive retail outlets in India, other countries of Asia, and Latin America. In addition to manufacturing its own labels, it does subcontracting for major brands. The company’s own brand shoes are clearly targeted at a specific retail market mainly in the South, as a medium to low-priced product. However, in their retail outlets, many of their cheaper products are now imported from China. (14)

Organising

HWW has worked with homeworkers organisations in many different countries to support their organising work. Two techniques have proven useful in this respect: horizontal mapping, which attempts to identify, make visible and explore the possibilities for organising homeworkers, and vertical mapping, which uses action research to develop an understanding of supply chains to strengthen the capacity of the homeworkers' organisations to negotiate for better terms.

A variety of homeworker organisations exist, bringing together homeworkers in different sectors, and dependent piece-rate workers with own-account workers, who design and market their own products. In Chile, small trade unions have been organising dependent footwear workers. In other countries organising has happened through trade unions or other formal or informal organisations. Most of the organisations are specifically women's organisations and they attempt to work in a local, flexible way adapted to the multiple demands on women's time and limited resources.

The process of organising is slow and painstaking given the precarious nature of homework. Most local groups have combined a flexible form of local organising with building alliances with others concerned with workers' rights in the footwear and other sectors.

Building Alliances

Dependent footwear workers, like others working for the fashion industry, are identifying others working in different parts of the chain and make links with campaigns focussing on retailers in countries where their shoes are sold. In this way, they can be part of the broad movement to make major retailers and other multinational companies accountable to those who work for them around the world.

Homeworkers have little bargaining power by themselves. But when organised locally, in formal or informal unions or associations, they can begin to demand their rights as workers. They may organise with other women homebased workers or other informal women workers such as street vendors or domestic workers. They can join with other women homeworkers around the world; a process which in itself raises the awareness of the many millions of women in the same situation.

Organisers have been exploring ways in which homeworkers' groups can make links with those in workshops and trade unions or others in factories. Such an alliance can create a powerful partnership with different actors in the chain, working together for recognition and rights. At the same time, since production crosses national borders, alliances can be built with international trade unions, solidarity groups and consumer campaigns.

The Federation of Homeworkers Worldwide (FHWW), an international organisation of homeworkers' organisations, aims to build on the experience of local organising and campaigns such as the Australian FairWear Campaign or the European Clean Clothes Campaign to give a powerful voice to women homeworkers throughout the world.

The global movement of production creates both barriers to organisation and opportunities for international alliances and campaigns which highlight the conditions for all workers. The mobility and dispersed nature of informal production and the fear that work will be moved away is one of the main obstacles to worker organising. To counteract this, vertical mapping has been essential to understand the chain and to create alliances with others to strengthen the position of homeworkers.

However existing trade unions rarely include homeworkers in their organisation. Most homeworker organisation is still at an early stage of informal groups and in some cases local trade unions, associations or cooperatives. One of the key problems they face is the threat by subcontractors to move the work elsewhere if workers complain about pay or conditions. For the right to organise to become a reality, it is essential that there is a commitment from companies to maintain a supply of work in order that workers can organise themselves.

Time For Change

The last twenty years has seen a growth in awareness about conditions in which goods are produced for sale in UK retailers. There has been a broad movement taking on board issues around environmental sustainability as well as labour and social rights of workers, wherever they are employed. This has led to demands from the public for companies to take responsibility for their supply chains. The Clean Clothes Campaign is now active in twelve European countries demanding decent conditions in the fashion industry.

In the UK there has been a long history of campaigning around homeworker issues through local projects and the National Group on Homeworking (NGH). Both NGH and HWW have worked through campaigns such as Labour Behind the Label to raise awareness of homeworking, as a workers' rights issue not only in developing countries but in the UK and the whole of Europe.

Codes of Conduct and Homeworking

Company responses to these public demands have been mixed: the most common has been to introduce a Code of Conduct as a statement about conditions for workers in their supply chains. These have varied from unilateral voluntary codes introduced by the company itself, which appear to be about public image rather than real change, to the adoption of codes negotiated with trade unions and multilateral initiatives such as the Ethical Trading Initiative (ETI) in the UK. The last ten years has also seen the growth of social monitoring to check conditions in supplier companies.

There is now a greater awareness within the ETI that homeworkers are likely to be present within the supply chains of major UK retailers. Some companies who are members of the ETI have contributed to a specific group on homeworking and pilot projects, particularly an extensive project with homeworkers doing embroidery in the North of India. Some ETI member companies have now adopted specific policies on homeworking which recognise homeworkers as part of the workforce and one company in the UK has adopted new contracts for homeworkers giving them employee status.

There has been a major change in company attitudes insofar as many now accept, in principle, responsibility for conditions in their supply chains, whether the manufacturing units are subsidiaries or independent suppliers. While this is to be welcomed, there is still a long way to go in winning real change for workers, particularly homeworkers who remain largely unrecognised.

However there is a growing consensus that the voluntary nature of the codes makes them a ineffective: progress towards improvements in working conditions is slow and has focused on particular sectors. Few companies have made progress in relation to homeworkers in the footwear sector and most work has been done in Asia. While Asia and in particular China, are of key importance to the UK retail market, there appears to be little willingness to examine supply chains nearer the UK such as Eastern Europe.

Whilst there has been a proliferation of different codes, monitoring and auditing procedures and consultants specialising in audits, the key weakness of many of the codes and initiatives

has been a failure to make workers' voices and organising central. Workers in large factories can face huge barriers when trying to organise into a trade union; for informal workers scattered in workshops and homes it can be even more difficult to make their voices heard. Companies must begin to listen to all workers in their supply chains.

Regulation

The perceived weakness of voluntary codes has led many to conclude that there is a need to move beyond this approach to introduce stronger regulation and more effective mechanisms for inspection. However most companies and employers' organisations are opposed to regulation, arguing that flexibility is required to ensure they can compete in international markets; many governments are supportive of this position.

HWW believes that 'more flexibility' is paid for by workers, in the form of lower wages, more insecure work and the threat of work being moved away. It tends to mean more 'informality', in the sense that a growing number are outside formal systems of protection, whether they are 'temporary', 'casual', 'trainees' or simply invisible because they are not even 'on the books'.

The 1996 ILO Convention on Home Work spells out the basic elements that are necessary to ensure equal treatment for homeworkers and provides national governments with the opportunity to introduce stronger regulation. However, at present only five countries (Finland, Ireland, the Netherlands, Albania and Argentina) have ratified this Convention and it is rarely mentioned in voluntary codes, even when they rely on ILO conventions for basic labour standards.

Recent trends in the globalisation of production and mobility of supply chains undermine the capacity of national governments to regulate conditions. National regulation therefore needs to be backed up by international regulation governing conditions in supply chains wherever production is located.

HWW believes that the introduction of joint and several liability has the potential to effect real change for the better for workers in international supply chains. Under this approach, companies that source products from supply chains and manufacturers in different countries would be liable for implementation of national labour laws, together with the suppliers located in these countries. Such a provision would ensure that those working at the end of the chain could go beyond any intermediaries or their immediate employer to demand accountability for lawful employment conditions. (15)

Joint liability legislation would also ensure that the retailer cannot push legal responsibility for payment and conditions of workers onto smaller subcontracting companies without ensuring that the prices paid to the subcontractor are sufficient to cover the costs of legal employment. At present, many suppliers complain that the big retailers who give them orders require that they conform to the voluntary codes, but are not prepared to pay the costs of compliance.

The legislation could be reinforced by regional adoption of ILO Conventions: whilst the ILO currently sets international labour standards, responsibility for ratification and implementation of any such standards lies with national governments. In Europe, for example, the European Union has the power to set legally binding legislation in the form of directives and could adopt the ILO Convention on Home Work as a directive. The combination of regional adoption of the ILO Convention on Home Work and joint and several liability legislation would give a comprehensive framework within which homeworker organisations and trade unions could work for change.

Without some form of legal obligation, it seems likely that voluntary codes will make little

impact on workers' conditions. The growing economic power of the giant retailers and the competition between them at international level means that the trend towards price-cutting and a downward spiral of pay and working conditions outweighs any ethical or voluntary considerations.

Trade Union approaches to homeworking

Trade Unions can play an important role in working towards improving conditions for homeworkers. An example of this is where homeworking is included in framework agreements. A framework agreement is negotiated by the head office of a company and the main trade union representatives; this is usually a global sectoral union, depending on the company business. The agreement is applicable to all workers employed throughout the world for this particular retailer, either directly by the company or through subcontracting. It has a focus on ensuring workers are able to engage in collective bargaining and commits the company and the trade union involved to collaborating to ensure the application of International Labour Standards, including International Labour Organisation Conventions.

Some of these agreements such as that negotiated between the International Textile, Garment and Leather Worker Federation (ITGLWF) and Inditex, the parent company of Zara, specifically include homeworkers. This is important for the recognition and visibility of homeworkers but will not automatically guarantee their rights are protected because most homeworkers are not organised in trade unions and may not therefore be aware of or able to act upon the framework agreement.

The Textile, Footwear and Clothing Union of Australia (TCFUA) works with the FairWear Campaign to ensure the implementation of a Code of Practice specifically on the employment of homeworkers. This model is mainly concerned with production within Australia and encourages consumers to act to put pressure on companies whilst the union monitors implementation and organises homeworkers.

What companies should be doing

There is strong evidence to suggest that homeworking is the norm in the production of many kinds of leather footwear. Yet homeworkers are often 'invisible' – not acknowledged by factories or companies. Companies must begin to take responsibility for conditions of homeworkers in their supply chains to ensure their footwear is produced in decent conditions.

Major retailers have begun to acknowledge their responsibility for conditions in supply chains, but they have only rarely recognised the key part played by homeworkers in these chains. The result is that their pay and conditions of employment are usually well below minimum standards for other workers. There is also a tendency to view homeworking in the same way as child labour: a form of employment that needs to be eliminated. HWW believes that it is crucial that homeworkers are recognised as a substantial group within the workforce and treated as workers entitled to a range of rights and benefits. The outcome of any attempts to 'eliminate' or prohibit homework will be to drive it further underground, making workers more vulnerable to exploitation.

Homeworker organisations are asking for more transparency and accountability by companies in the footwear sector. Given the evidence that is now available, fashion retailers should expect to find homeworking in their chains; ensure that suppliers acknowledge the employment of homeworkers and ensure that they are entitled to the same rights as other workers.

We are calling on companies to:

- Accept homeworking as a normal part of the production process and homeworkers as a recognised group, part of their workforce and entitled to the same rights as other workers;
- Track their supply chains in leather footwear in a way that ensures that homeworkers do not remain hidden or that homeworking is not seen as prohibited;
- Recognise trade unions and homeworkers organisations that represent homeworkers and ensure that work is not moved away to avoid worker organisation;
- Develop a company policy on the employment of homeworkers and ensure that all suppliers are aware of the policy and committed to its implementation;
- Join the Ethical Trading Initiative and actively participate in its initiatives aimed to improve conditions in global supply chains, particularly for homeworkers.

We are calling on consumers to:

- Ask questions about where your shoes are made; who makes them and whether homeworkers are part of the production process;
- Support the demands of homeworkers for recognition of their work and of their organisations. In particular, homeworkers want a living wage and regular work; full social insurance and protection for times of sickness, maternity and old age; full health and safety protection.
- Write to retailers asking whether they have a policy on homeworking and whether homeworkers producing the shoes that they sell are entitled to workers' rights;
- Support the HWW campaign for homeworkers' rights.

We are calling on governments, EU and ILO to:

- For governments to ratify the ILO Convention on Home Work and for the EU to adopt the Convention as a legally binding measure throughout its member states;
- Develop joint and several liability laws so that companies have a legal responsibility to workers in all their supply chains, wherever these are located;
- Explore ways in which binding international legislation can be drawn up and implemented to ensure that UK and other European retailers take responsibility for abiding by any such legislation and do not push the costs down to their suppliers.

Support Our Campaign:

The following materials can be obtained by contacting HWW at the address below:

Who Foots the Bill? leaflets

Who Foots the Bill? action pack

Further copies of this briefing paper.

We also have a range of resources covering various aspects of homeworking, details of which are on our website.

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