



# INFORMAL WORKERS IN GARMENT SUPPLY CHAINS

Small-scale, in-depth  
research with informal  
garment workers in  
southwest Delhi



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## Purpose

This overview report is an abridged and adapted version of a report based on a small-scale, in-depth study conducted in southwest Delhi, as part of a project titled “Resilience *in Value Chain and Worker Vulnerability Reduction - Trusted digital identity and payments in the supply chain*”. The key purpose of the study was to inform the design of a tech-assisted system to increase transparency and improve working conditions in textile supply chains. Along with a twin study in Ambur, Tamil Nadu, it provided core primary data to support the preliminary stages of system development.

This report draws on this and refers to other recent research to provide an outline of the working conditions of women homeworkers and other informal workers in textile and garment supply chains in southwest Delhi.

Project partners included the University of Manchester, Incudeas Ltd and Traidcraft Exchange.

This study was led and conducted by Traidcraft Exchange between October 2020 – April 2021, in collaboration with the University of Manchester and Incudeas Ltd.

## Acknowledgements

Thanks are due in particular to two NGOs in the Delhi area: Community for Social Change and Development, for their support with arranging meeting venues and contacting community respondents; and Ideal Youth for Revolutionary Changes, for their cooperation and hospitality in Kapas Hera during the course of the study.

We would also like to thank Lucy Brill, of Homeworkers Worldwide, for her helpful comments and suggestions during the preparation of the present report.

## Executive summary

Homeworkers, who are generally women, are one of the most vulnerable groups of workers in supply chains. Within both domestic and global value chains, they often go unrecognised and are subject to significant labour exploitation. They have also been greatly impacted by the pandemic, which has left many homeworkers out of work for significant periods.

The focus of this study, undertaken between October 2020 to April 2021, were women homeworkers in the textile and apparel sector in the Delhi-Gurugram border area. In addition to female homeworkers in Delhi, other informal workers and supply chain actors, such as contractors, were also part of the scope of this study.

The objectives of this research were to understand the level of access and nature of homeworking, their working conditions, social risks faced by homeworkers and other informal workers, the level of access to social security and identity documents required to access it.

It was found that homeworkers performed a wide range of tasks in the study locations. The availability of work was found to be irregular in Kapas Hera, even more so since the COVID-19 pandemic. The hours of work depended on the availability of work. Homeworkers we engaged with reported having a sense that their products were sold in foreign countries. This insight is based on Kapas Hera's proximity to Udyog Vihar which is largely an export-oriented industry, conversations homeworkers have had with their contractors, friends and spouses who work in export factories, design and quality of the garment and mention of "shipping dates/deadlines" while receiving orders from contractors. Though the workers did not have specific awareness of which brands they were working for at the time of interview.

Women reported getting paid between 25 paise (a quarter of an Indian rupee) to INR 1-2 per piece; time spent working on each product depends on the type of work and size of product they were working on. During the time of the research, most women reported making INR 20-70 (less than 1 USD) a day which is well below the minimum wage standards. They also reported having difficulty in accessing social security schemes, mostly because their families are inter-state migrants. Most respondents reported that their monthly family incomes were not enough to meet their household expenses and that they relied on loans from friends and family as well credit from the local grocery store to make ends meet. Significantly, homeworkers in Kapas Hera were unorganized and reported having no bargaining power with the contractors. Homeworkers also mentioned delayed payments and non-payment of wages and in most cases, they do not have access to any channels of grievance redressal.

The onset of the COVID-19 pandemic in the year 2020 and the catastrophic second wave of the pandemic in India has increased the vulnerability of informal workers, especially home-based women workers. They reported decreasing wages, increasing debt, diminishing family income and savings and unavailability of work as the global supply chains collapsed and nationwide lockdowns were imposed. Many women homeworkers reported having to accept work on piece rates even lower than before. A huge number of workers from the study location in Delhi migrated back to their hometowns in the absence of work and social security mechanisms.

The research also included a small sample of contractors and subcontractors and piece-rate workers in informal factories. Their role in the supply chain, characteristics and challenges are outlined in dedicated sections of this report.

Overall, it is apparent that these workers face several challenges in the context of their work. However, it is also imperative to remember that for many homeworkers especially, there are few other livelihood options.

## Introduction

### **Context: Homeworkers and other informal workers in India**

Approximately 93% of the workforce in India is informal<sup>1</sup>. Informality can be defined in different ways, though the following description by the ILO is a useful referent:

*Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (paid annual or sick leave, etc.) for reasons such as: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise (e.g. out workers without an employment contract); or jobs for which labour regulations are not applied, not enforced, or not complied with for any other reason. Operational criteria used by countries to define informal jobs of employees include:*

- *Lack of coverage by social security system;*
- *Lack of entitlement to paid annual or sick leave;*
- *Lack of written employment contract.*<sup>2</sup>

For the purposes of working definition for an informal worker, in Delhi (as in other contexts) the following key characteristics may be emphasised: *a worker whose relationship with the provider of their work is not recognised as an employer-employee relationship or covered by an employment contract.* They are usually paid in cash and in the main excluded from employment benefits such as social security and maternity leave.

It is also important to note that when we talk about informal workers, there is a wide spectrum. Recent years have seen significant informalisation of the formal sector in India and whilst some informal workers may be located in informal enterprises, others may be located in the formal factories. As such, informal workers can be said to encompass both homeworkers and export-oriented factory piece-rate workers, who may be paid either by the factory manager or by an agent or sub-contractor and other sets of workers, such as those working in informal workshops, who are also employed informally.

Whilst the present pandemic has represented an even greater setback in terms of unemployment, jobs in India were already at a premium, especially for women. According to data from the World Bank (pre-covid) in only 9 countries in the world is women's labour force participation lower than in India<sup>3</sup>, and, even more alarmingly, the trend has been steadily downwards over the past decade. Women workers find themselves at increased risk of exclusion from the labour market (evidenced by lower rates of labour force participation) and at increased risk of social exclusion from security (due to overrepresentation in informal work). These vulnerabilities are both compounded by and explained by women's overrepresentation in informal work. When disadvantages of gender and informal occupation coincide with other markers of exclusion such as being a migrant or being from a socially marginalised group (such as from a Muslim background) the worker is likely to be even more vulnerable.

<sup>1</sup><https://www.businesstoday.in/jobs/story/labour-law-reforms-no-one-knows-actual-size-india-informal-workforce-not-even-govt-214490-2019-07-15>

<sup>2</sup> <https://ilostat.ilo.org/resources/concepts-and-definitions/description-informality/n>

<sup>3</sup> <http://www.ipedr.com/vol4/106-M00051.pdfwww.livemint.com/news/india/india-s-workforce-is-masculinising-rapidly-1560150389726.html>

According to a 2017-18 statistical brief by WIEGO<sup>4</sup>, there are around 41.85 million home-based workers in India, with most of them working in the textile and wearing apparel sector. This figure includes self-employed workers and subcontracted workers. The workers in focus in this study, whom we refer to as homeworkers, are in the latter category. In this arrangement, the workers, by working from their own home, “provide the workplace, pay for utilities, and buy/rent and maintain their own equipment”. They collect work from contractors, who “provide the work orders and the raw materials, specify the product/s to be made, and sell the finished goods,” (HNSA 2016:2)<sup>5</sup> or supply them to either firms or individuals higher up the supply chain. There are estimated to be around 5 million homeworkers who are part of textile and apparel supply chains in India, serving both domestic and global markets (WIEGO platform of Demands in HNSA 2016: 4).

In India as in many other parts of the world, homeworkers are among the most vulnerable workers in supply chains. Extremely underpaid and largely underrepresented by any sort of worker organisation or union, they often lack the voice and agency that is crucial to effective negotiation on key labour and welfare issues. Many are drawn from migrant communities, which leaves them without political representation in their host locations. Often unrecognised by governments as well as brands, they are frequently considered expendable labour during supply chain audits, or otherwise not noticed at all. For many homeworkers, almost all of whom are women, caring responsibilities preclude them from taking up work outside the home. This makes home-based work a vital means of income and an opportunity for economic empowerment.

Within global value chains, many brands do not acknowledge homeworkers, insisting instead that work takes place only in registered or more visible factories. But this position can overlook the unpredictable nature of supply chain procurement, the widespread practice of short lead times, and consumer demand for cheap fashion - all of which contribute to conditions in which 'putting out' work to homeworkers is in fact a key supply chain management strategy. Within domestic value chains, which tend on the whole to be subject to less scrutiny and regulation than global value chains, homeworkers are also likely to go unrecognised and experience comparable kinds of labour exploitation (See 'At Risk of Forced Labour?', Traidcraft Exchange, 2020).

The experience of Traidcraft Exchange and especially of its partners<sup>6</sup> of working with homeworkers in India has found that there are good models in place that can support improvements to their working conditions. One such model, practised by organisations such as SEWA and by other member organisations of HomeNet South Asia, is the home-based worker membership-based organisation. In this model, home-based workers join a local or national body of informal workers, typically in return for a small fee, which in turn supports their visibility and voice while facilitating access to a range of support services such as training and assistance with social entitlements.<sup>7</sup> There are also promising examples of multi-stakeholder collaboration to improve homeworker conditions involving brand, supplier and civil society partners<sup>8</sup>.

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<sup>4</sup>[https://www.wiego.org/sites/default/files/publications/file/WIEGO\\_Statistical\\_Brief\\_N23\\_India%20for%20web\\_0.pdf](https://www.wiego.org/sites/default/files/publications/file/WIEGO_Statistical_Brief_N23_India%20for%20web_0.pdf)

<sup>5</sup> Working in the Shadows: Women Home Workers in the Global Supply Chain, September 2016, HomeNet South Asia <https://hnsa.org.in/sites/default/files/Working%20in%20the%20Shadows%2C%20Nepal.pdf>

<sup>6</sup> Traidcraft Exchange leads a project called Hidden Homeworkers, in partnership with Homeworkers Worldwide and HomeNet South Asia and its partners, which include SEWA Bharat (Delhi), SAVE, SABAH Nepal, CLASS Nepal and HomeNet Pakistan

<sup>7</sup> <https://www.wiego.org/sites/default/files/publications/files/Sinha-Home-Based-Workers-SEWA-India-WIEGO-PB13.pdf>

<sup>8</sup> An example here is the collaboration between Pentland Brands, Homeworkers Worldwide and Cividep India, key learnings from which are summarised in this report:



## Methodology

### Overview

The focus of this research was to investigate the working conditions of women home-based workers and other informal workers associated with the Ready-Made Garment (RMG) and textile industry of Udyog Vihar and living in the Kapas Hera area in southwest Delhi. During this study through interactions with home-based workers, community-based subcontractors, local CSO representatives and other community members we also tried to probe the causes of some of the issues faced by women homeworkers and other informal workers.

### Study framework and scope

A framework was developed which drew on international indicators of labour rights and labour risks (including forced labour) as utilised in an earlier study by Traidcraft Exchange<sup>9</sup> and also certain indicators related to technological readiness of the community among others. These tech-related indicators were of particular relevance to the preliminary design of the tech-assisted system for which this study provided an empirical test case, and some have been retained here as they may be of interest to other stakeholders interested in levels of digital awareness amongst informal worker communities.

Table 1. Summary of tool for phase 1 interviews with homeworkers and other informal supply chain actors

Area	Key indicators (homeworkers and informal unit workers)
Background details	Years living in Delhi; age; gender; religion; caste; other household members
Access to and nature of work and the supply chain	Whether working; nature of work; types of products worked on; how often work undertaken; how long per day; location of work; who brings work; which company sells products you work on; domestic or global value chain
Working conditions and social risks	Piece rate; length of time to prepare a piece; earnings per day; whether children help to complete work; deception on rate of pay; whether anyone to talk to about a problem at work; whether contractor is ever violent or aggressive/ever issues threats; wages ever deducted; advance ever given; if any problems – anyone to seek support from;
Identity documents	Identity documents in possession; where not able to acquire, for what reasons
Access to social entitlements and schemes and other support systems and services	Access to government schemes; access to health services; support systems available (e.g., NGOs);
Household Expenses and debt	Monthly family income and expenses, whether the family income is sufficient to cover expenses, sources of credit, current debts, availability of work since lockdown
Area	Key Indicators (Contractors/Contractor cum Workshop-owner)
Background details	Name, age, educational qualification, caste, religion, current place of residence

[http://www.homeworkersww.org.uk/assets/uploads/files/Pentland\\_Gender\\_Analysis\\_Case\\_Study\\_FINAL.pdf](http://www.homeworkersww.org.uk/assets/uploads/files/Pentland_Gender_Analysis_Case_Study_FINAL.pdf)

<sup>9</sup><https://static1.squarespace.com/static/59242ebc03596e804886c7f4/t/5ed7afb58fb8f04efb208f10/1591193532010/At+ri+sk+of+Forced+labour+%28download%29.pdf>

Work-related information	Where do they get work from and from whom; how many people they provide work to and where are these people located; nature of work; whether it is subcontracted further; mode of payment; nature of workforce; form of employment; piece rate they generally give to homeworkers; impact of COVID-19; process of networking with factories to get work and the process by which the piece-rate is fixed
Identity documents	Availability of Aadhaar Card, Pan Card and Bank Account

## Sampling and data collection

For this small scale, in-depth survey of women homeworkers and other informal workers in Delhi-NCR, data were collected using semi-structured interview questionnaires. Different tools were developed for women homeworkers, informal unit workers, contractors and other supply chain actors. Focus group discussions and informal discussions also facilitated supplementary data collection.

Type of worker	Method of engagement		
	Delhi		
	Interview	FGD	Informal Discussion
Women Homeworkers	20	4	3
Informal workers	3		2
Contractors	2		1
Total number of workers/supply chain actors engaged	35		
CSOs/TUs	2		

For data collection in Delhi, Traidcraft was able to draw on knowledge and logistical support from two local CSOs in the Kapas Hera area, Community for Social Change and Development (CSCD); and also, Ideal Youth for Revolutionary Changes (IYRC).

The timeline for data collection was October 2020 – April 2021.

## Ethical considerations

Traidcraft Exchange followed a strict ethical protocol for this study. Safeguarding the interests of homeworkers was a priority for the research team. Before seeking any information from homeworkers or any other stakeholders informed and iterative consent was taken after explaining to them the purpose and scope of this study.

As a significant part of the data collection happened after the pandemic, all COVID-19 safety protocols were followed to ensure the safety of the respondents and the research team.

## Limitations

Due to the COVID-19 pandemic, the data collection had to navigate several difficulties. Some key limitations are described below:

- Data collection was delayed due to the onset of COVID-19. Even as the travel and mobility restrictions were lifted, many homemaker families had migrated back to their hometowns as they had no income left. The data collection could not be resumed until late January – early February 2021.

- Further, the sample size was considerably limited due to the pandemic and the effect that it has on numbers it was possible to reach out to.
- In the absence of pressure from higher up the supply chain, (tier I manufacturers, brands) the contractors who worked more closely with the factories were not ready to speak to the research team.

# Homeworkers and other informal supply chain actors in the garment sector, Delhi NCR

## 1. Background

### 1.1 Introduction

Kapas Hera - a peri-urban colony in Southwest Delhi, situated near the Delhi-Gurugram border - is mostly inhabited by migrant workers. As documented by Traidcraft Exchange in a study called [‘At Risk of Forced Labour?’](#), published in 2020, based on fieldwork in 2019, workers in this area are subject to a range of labour rights risks, including forced labour as defined by the International Labour Organisation. However, within the particular sample engaged with, there was no evidence of a positive association between informality per se and forced labour risk; in fact, there were significant risks among factory workers. Our study found that:

“The broadest spread of distinct risks is found among both men and women factory workers in export-oriented factories. These risks appear at least in part to be associated with production targets that drive demanding labour regimes which, through the deployment of implicit or explicit threats, provide little or no room for anything but compliant worker behaviour. At the same time, significant but different risks, including overtime, are also discerned in informal factories and production units, though here another key concern was lack of regularity of work. Whether serving export or domestic markets, these informal workspaces were found to offer limited or no room for resolution of any complaints. Low wages, including below minimum wage payments, were in evidence in these informal factories and production units. Homeworkers, all female, who - by and large - expressed a lack of alternative employment options, are paid chronically low wages: in all cases below the minimum wage, and approximately 2/3 of cases less than half the minimum wage for unskilled work.”

Traidcraft Exchange, 2020:2

The abovementioned study also found issues such as low levels of unionisation, widespread contractualisation of labour, absence of a proper labour inspection regime, lack of employment contracts and lack of common records of transaction - notably for homeworkers which facilitates their exploitation in the garment and textile industry of Delhi-NCR.

Owing to its proximity to Udyog Vihar, an industrial estate in the neighbouring state of Haryana, workers in Kapas Hera are known to be associated with both global as well as domestic garment supply chains. Traidcraft has also found evidence of homeworkers in the area working on products for a global brand in recent years. These workers can be divided into several categories – formal factory workers, informal manufacturing unit workers, piece-rate factory workers and piece-rate home-based workers.

According to the 2011 census, Kapas Hera has a population of 74,073 people. The figure is likely to now be considerably higher, due to population growth but also due to levels of labour migration from states such as Uttar Pradesh and Bihar. While the total number of homeworkers in Kapas Hera is not known, based on a local CSO’s conservative estimate there are at least a thousand women home-based workers who perform essential tasks on

fashion garments such as thread cutting for finishing, making and attaching tassels, sewing eye hooks, sewing buttons, inserting strings in trousers, embellishment with pearls and sequins etc. The fact that their numbers are unknown is reflective of their vulnerability as an invisible workforce, whose rights and entitlement as workers are nobody's responsibility. These workers are hired on a piece-rate basis by contractors or sub-contractors whom themselves get this work from garment manufacturing factories in Udyog Vihar. There are no formal contracts between workers and contractors. The supply chain is highly complex and – from the perspective of lead buyers and consumers – often invisible due to a multiplicity of opaque tiers and a lack of transparency. Therefore, these workers remain vulnerable to exploitation and unrecognised for the valuable contribution they make not only to global and domestic value chains but also within their families and communities as productive workers.

In a study conducted by HNSA in 2016, it was found that homemaker wages were lower in Delhi among the sampled workers than in Tirupur and in Kathmandu, which were the other study locations<sup>10</sup>. The presence of wages well below minimum wage levels can be said to constitute a risk of abuse of vulnerability to forced labour, according to the ILO<sup>11</sup>, and is also deemed to be forced labour according to Indian Supreme Court Judgement on Forced Labour of 1982<sup>12</sup>. Vulnerability is underscored by their lack of contracts, which renders wages less visible both to the contractor and especially to those higher up the chain, whilst ensuring that it is also difficult, as untracked payment, for it to be checked and monitored by any regulatory agencies. Another recent study, showed that the majority of homeworkers in Delhi and other northern Indian cities in Uttar Pradesh and Rajasthan, working in value chains of global apparel brands, sheds significant light on forced labour risks. The study finds that a total of 73.4% of workers in northern Indian cities, and 79.8% of workers in Delhi, said that they would 'rather leave but cannot' (Kara 2019)<sup>13</sup>; this, especially as it coincides with very low wages, well below the minimum wage, suggests potential exploitation of their poverty and dependence on this particular work. The study also found that female homeworkers are not just paid below the minimum wage: they are also paid less than half of what their male counterparts receive. This is clearly suggestive of a gender-based dimension to this exploitation, and evidence of abuse, in this measure, of their vulnerability as women from a particular class and economic background.

As a result of the pandemic's impact on global supply chains, women homeworkers in Kapas Hera experienced a downfall in orders from garment and textile factories beginning January 2020. By March-April 2020, homemaker households experienced a significant decline in income, to an extent that there was not even enough money to buy food items, which resulted in many of these families leaving for their villages in their home states, where they borrowed money from friends, family, local moneylenders and other informal sources to survive. Those who stayed back in Kapas Hera had to also seek informal loans to buy essential items such as food and medicine. These informal loans were taken with as well as without interest.

In this study, undertaken between October 2020 to March 2021, Traidcraft India interviewed 20 women home-based workers and interacted with others in group discussions. The team also interacted with other key stakeholders such as contractors and sub-contractors, local

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<sup>10</sup> Working in the Shadows: Women Home Workers in the Global Supply Chain, September 2016, HomeNet South Asia <https://hnsa.org.in/sites/default/files/Working%20in%20the%20Shadows%2C%20Nepal.pdf>

<sup>11</sup> ILO Indicators of Forced Labour, ILO [wcms\\_203832.pdf \(ilo.org\)](https://www.ilo.org/wcmsp5/groups/public/-/databases/-/wcms_203832.pdf)

<sup>12</sup> [People'S Union For Democratic ... vs Union Of India & Others on 18 September, 1982 \(indiankanoon.org\)](https://www.indiankanoon.org/doc/1982/1982001/)

<sup>13</sup> Kara, S., Tainted Garments, Blum Center for Developing Economies, University of California, Berkeley, January 2019 <https://blumcenter.berkeley.edu/publications/tainted-garments/>

CSOs and trade unions, informal manufacturing unit owners (also known as “Fabricators”) in Kapas Hera, to derive the findings described below.

## 1.2 Profile of respondents

All of the female workers interviewed for this study are inter-state migrants, mostly belonging to Bihar and Uttar Pradesh. All homeworkers migrated to the National Capital Region at least 5-10 years ago and have lived in rented accommodation (though not necessarily in Kapas Hera throughout that entire period). All of these women are married and have children. The average family size was 4-5 members with only one primary earning member, usually the husband. In most of the cases, the spouse is also associated with the fashion and textile industry in Udyog Vihar – some in production, while others work as security guards, drivers etc. The age of our respondents ranged between approximately 24 to 45 years of age. Out of the 20 people interviewed 13 belonged to the ‘General’ caste, the remaining 7 were *Dalits* or Scheduled Castes (SC) and Other Backward Classes (OBC). Women homeworkers in Kapas Hera are generally not organised – meaning, they are not associated with any existing trade unions or workers collective. However, there are some local NGOs in the area who work with homeworkers on their collectivisation and capacity building. With the exception of 2-3 women, most of our sample is not functionally literate.

Homeworkers in Kapas Hera generally perform work that can be categorised as low-skilled or ‘unskilled’ but is essential to garments and other textiles production. The nature of their employment is dynamic – some homeworkers may be in the position of switching between formal and informal employment or between different types of informal employment in a few weeks, months or years. For example, a woman may be working as a factory worker but could switch to homeworking for a few months or vice versa depending on the availability of work, familial situation, social and cultural norms and her personal needs.

## 1.3 The Supply Chain

It is to be noted here since the nature of the supply chain is very complex and dynamic after the first-tier (tier I manufacturer or *supplier*), we have only described a simplified structure aimed towards understanding multiple hidden tiers and actors and their relationship with one another.

The supply chain actors are divided into two categories – formal and informal actors depending on the nature of their engagement with each other (such as the availability of a formal contract). Brands or *buyers* place orders with Tier I manufacturers who have workers in the factory but could also sub-contract work out to other manufacturing units (bigger units colloquially known as “*Fabricators*” other small manufacturing units called *karkhaanas*. Both employ informal workers.) or to contractors who provide a variety of specialised services (embellishment) or finishing of garments using homeworkers.

Contractors may get work directly from the *supplier* or a big *fabricator* and then may use a number of community-based sub-contractors or agents to commission work from homeworkers and deliver garments to and collect garments from homeworkers. There can be several intermediaries between the contractor interfacing with the supplier and the homeworkers who do the work.

## 2. Key Findings on Issues Faced by Women Homeworkers in Kapas Hera

This section describes the various issues faced by piece-rate homeworkers residing in Kapas Hera. These findings are based on detailed interviews with 20 homeworkers.

### 2.1 Access to and nature of work

At the time of interviews<sup>14</sup>, 11 out of 20 respondents did not have any piece-rate garment work available. However, all respondents have worked as home-based garment workers pre-COVID. Those who are not currently working is because of not being able to find any work or are dissuaded by a very low piece rate (25 paisa/quarter of an Indian rupee per piece). Those who had worked were forced to accept these extremely low wages in light of extreme widespread poverty and the pandemic affecting the volume of work available to homeworkers in Kapas Hera. Even until January 2021, the volume of work was less than half of what it used to be before the pandemic, as told by several homeworkers and a few others including civil society members and contractors.

Thread-cutting is among the most common types of work available in Kapas Hera. In addition to thread cutting, they do a range of other ancillary but essential tasks such as embellishment, putting strings in trousers, stitching buttons and decorative braiding; putting tassels on clothes and baskets, stitching eyehooks, simple embroidery, patch work and *moti*<sup>15</sup> work were a few other activities mentioned by homeworkers and other key informants.

Homeworkers in this area also experience an added difficulty of finding work. Since they are not part of a producers/livelihood-oriented collective<sup>16</sup>, they can only find work through personal connections, which is not always feasible and regular. Only 2 women out of 20 had work available for 21-30 days in a month; most of our sample (12 women homeworkers) worked for fewer than 10 days in a month. According to women homeworkers, the workflow has always been irregular but the COVID-19 pandemic has made it even more precarious. When working most of these women work for up to 4 hours a day. However, it is important to note that since this data was collected after the first wave of the COVID-19 pandemic and supply chains were still recovering, hours of work were significantly reduced due to the unavailability (or lesser availability) of work from export factories. Pre-pandemic women have reported working for over 8 hours a day during peak production season while only making slightly better wages.

It is generally not possible for homeworkers in Kapas Hera to know which brands or suppliers they are doing this work for because there are usually no brand tags on clothes when they are given to homeworkers (though there are exceptions). A lot of these women also did not even know the name of the contractor/sub-contractor that provides them work – making supply chain transparency from the perspective of the homemaker near impossible.

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<sup>14</sup> Most interviews were conducted after the first wave of Covid-19 in India

<sup>15</sup> Literally 'pearl', *moti* work refers to bead work and related embroidery.

<sup>16</sup> A producers/livelihood-oriented collective can improve accessibility of work for home-based workers by making it easier for intermediaries to locate a group of workers ready to take on work orders. The collective can also perform other livelihood related functions such as skill enhancement trainings, negotiating on behalf of workers etc.

The entirety of our sample could not say either which brand they make these products for. They were also unaware of the factory from which they were getting work from. However, 4 women spoke with a certain degree of confidence that they made clothes for foreign companies. Respondents who answered that foreign companies sell their products are mainly assuming that based on the design of clothes. Some workers have also heard that the garments need to be shipped or that these products go to foreign countries from contractors, other workers who work in export-oriented factories in Udyog Vihar – which is where most of their work comes from.

## 2.2 Working conditions and social risks

Homeworkers, since they make little money through their work in the textiles and garment industry, may also occasionally take up other/additional jobs such as domestic work or cooking at events etc. It is also not necessarily the case that a homemaker will be working regularly; it depends on the volume of work available and whether or not at that particular point in time the homeworkers need to or find it convenient to take up home-working. Low piece rates are a major challenge for home-based workers. Indeed, some homeworkers reported that the piece rates in Kapas Hera have not increased for over 20 years.

During the interviews, we inquired about the piece rate that women homeworkers normally receive – most women answered in a range and we have recorded the upper limit for this study. Only 5 women homeworkers out of 20 said that they have ever received more than 1 rupee per piece. 50% of our sample (10 women) reported making up to INR 20 (0.27 USD) for a day's (8 hours) work<sup>17</sup>. Almost all of our respondents spent this money on household items and child-related expenses. Delays in payments were reported by almost all homeworkers.

On how much time it takes to complete one piece of textile/garment, the most common answer was 10-15 minutes but it could take more depending on the size of the piece and the type of work (for instance, thread cutting would probably take less time than *moti* work) being done on it.

All 20 women homeworkers interviewed had children of varying ages; they were asked if their children help them in their work – 14 women said 'no', 4 said 'yes' and 2 said 'sometimes'. One homemaker commented that her children sometimes help with the pick-up and delivery of finished products. A few homeworkers said 'no' here mostly because their children are too young to help. During their many visits to Kapas Hera, the research team often observed older children, especially girls, working alongside their mothers. One woman reported that the only way she could earn a somewhat decent daily income through homework (INR 70) was with her daughter's help. Further enquiries would be needed to establish whether or not her daughter's help fell within acceptable limits of age-appropriate child work that does not infringe on their education and wellbeing<sup>18</sup>.

There are practical ways in which businesses can address the risk of child labour in home-based production – Traidcraft Exchange and Homeworkers Worldwide (as part of an EC-funded project) produced a [toolkit](#) that contains practical guidance and examples of good practice to support businesses find sustainable solutions against child labour. The toolkit highlights the importance of collaboration between retailers, suppliers and civil society. It

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<sup>17</sup> For calculating per day wages of homeworkers, we asked homeworkers in Kapas Hera how much time it took for them to generally finish working on a piece and in exchange of what piece-rate. For instance, if a homemaker takes 20 minutes to work on a piece and the piece rate is INR 1, then she is making approximately 24 for 8 hours' worth of work.

<sup>18</sup> <https://www.ilo.org/ipec/facts/lang--en/index.htm>



also refers to several long-term strategies to tackle child labour in homeworking supply chains such as addressing low wages of homeworkers, building trusting relationships between various supply chain actors, regular monitoring and mapping of value chains, social security cover for workers and accessible education.

Issues of threats, violence, wage deductions and harassment were not commonly reported by this sample. Local civil society representatives and community leaders say it is because women fear losing their livelihood, and hence keep quiet around such issues and might not report them. The homeworkers had no access to a formal channel of grievance redressal, except for a few influential people in the community who may or may not be able to help them in case of a work-related issue.

50% of the sample reported health-related issues such as eye strain due to poor lighting at home, backache due to improper seating and lack of space, difficulty and danger in working around young children with scissors and needles at home etc.

Since women homeworkers in Kapas Hera are neither organised nor do they know whom they are doing this work for, it is not practically possible for them to demand better working conditions. *Who can they demand these better working conditions from?* – is a question that remains unanswered for homeworkers in Kapas Hera. If they demanded better wages from the contractor who brings them work, they worry that they will be replaced with someone willing to work for lesser wages. *“There is always someone in a place like Kapas Hera who is willing to work for lesser money,”* commented a homemaker. Based on interactions with homeworkers and civil society representatives in Kapas Hera, this seems to be due to widespread poverty and a general lack of livelihood opportunities for women as well as social norms and household responsibilities that prevent women from going out to seek employment elsewhere. There are numerous women in Kapas Hera and neighbouring areas who are unable to take up other employment and so are likely, at the very least, to be open to homeworking but are often discouraged and distressed by abysmally low piece rates.

### Harassment and other issues

Many women are not comfortable discussing issues such as verbal and sexual harassment in the first meeting with the interviewers. It is worth noting here that the few women who did accept being verbally harassed by contractors said that it is fairly common for contractors to shout at women or threaten to deduct their wages when they aren't able to finish work under unrealistic deadlines. Some women also said that if they make a mistake then it's *acceptable* for the contractor to yell at them. As mentioned above, many women do not talk about facing any form of harassment because they fear it will negatively impact their livelihood.

Homeworkers can also sometimes go for piece-rate or day-rate/shift-rate work in export-oriented garment factories in Udyog Vihar. Such women workers talked frequently about facing verbal and sexual harassment by production floor supervisors there. Out of our sample of 20 women, 3-4 women reported having worked in a factory unit when they could not find home-based work. Very high targets, having to stand on their feet for 8 hours continuously while working in the factory, being denied bathroom and water breaks during peak production time and getting only INR 200- INR 250<sup>19</sup> (2.69 USD – 3.36 USD) for a full day's work were some of the other complaints raised by women workers informal factory workers we interacted

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<sup>19</sup> Daily minimum wage in Haryana (where these factories are located) for unskilled work is INR 292.31

with. Such fluid movement of workers from homeworking to formal spaces calls for more attentiveness to informality in supply chain due diligence if issues related to gender and modern slavery are to be fully addressed.

### **2.3 Availability of identity documents**

All women homeworkers interviewed had an Aadhaar Card<sup>20</sup>; 75% of them had a Voter Identity Card and about 50% had a PAN<sup>21</sup> card. Only 25% had an address proof for their current address in Delhi-NCR which creates problems for workers in accessing state-sponsored social security schemes (for instance, only 4 households had access to a ration card which is only valid/made for their home state).

Their inter-state migratory status makes acquiring these documents challenging. However civil society organisations in the area are trying to support migrant workers in acquiring identity documents and accessing social security schemes.

### **2.4 Household income and debt**

In early 2021, we asked 15 of our respondents about their household income and debt status. Most homemaker households have experienced a drop in their family income ever since the pandemic. Monthly household incomes have not only reduced but have also become irregular as the pandemic has substantially reduced business activity and made it less predictable. Out of 15 respondents, 2 households (4-5 family members) were managing on less than INR 5000 (67 USD) per month since the onset of the COVID-19 pandemic in January 2020. Out of the remaining 13 households, 4 had a monthly income of under INR 10000 (134 USD); 8 had a monthly income of under INR 15000 (201 USD) and only one household had a monthly income of over INR 15000.

Homeworkers were asked if their total monthly income is enough to cover all of their monthly household needs – 11 out of 15 women said that their family does not make enough to fulfil all of their monthly household needs. These needs included food items, child-related expenses, medical expenses, rent, water and electricity charges etc.

Since most homemaker households were unable to manage their monthly expenses with their current income, we inquired how they were managing the outstanding expenses. 12 out of 15 women reported having to borrow money from various informal sources such as friends, family etc. These loans were both with or without interest.

Alarming levels of indebtedness were found among homeworkers in Kapas Hera. 9 women reported having an outstanding debt of INR 10,000 – 50,000 (134 USD – 672 USD) and 2 women reported a debt of over INR 100,000 (1344 USD). These loans were taken to meet daily household expenses, emergency medical expenses and for occasions such as weddings and funerals. Most women were apprehensive about seeking loans from a formal financial institution and all women were unaware of the government's loan schemes.

It is certain that the pandemic has made matters worse for informal worker households and increased financial hardships but homeworkers in Kapas Hera reported having similar

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<sup>20</sup> <https://uidai.gov.in/>

<sup>21</sup> This is a unique number issued by the Income Tax Office of India. It is accepted as a valid ID proof and proof of age in India. It is also required to access a variety of financial services.

problems (very low income, inability to meet basic household expenses, indebtedness) even before the pandemic.

A summary of issues faced by homeworkers in Kapas Hera, related to their working and living conditions, also in the context of COVID-19:

- Increased workload due to COVID-19 (home-based work, child care and other household responsibilities and feeling responsible for providing for their families)
- Extremely low piece-rate wages and no employment benefits available to home-based workers; lack of accountability from the contractor and supplier
- Lack of job security, social safety nets and financial stability
- Frequent issues with the contractor – non-payment or delay in payment of wages; no one to complain about these issues to
- Harassment faced by female workers at informal manufacturing units and an overall lack of grievance redressal mechanisms
- The normalisation of poor working and living conditions to an extent that workers are completely alienated from their rights and do not even complain
- Increased domestic violence
- Lack of child care facilities is challenging for working parents

### **Homeworker perspectives on issues they face**

An elderly homeworker in Kapas Hera noted, “*We used to get paid 25 paisa/piece for thread cutting work in 1998 which is when I started doing this work to buy things for my children. It is 2021 now and the rates have not increased*”. Three out of six women from this group claimed to have been cheated of their wages – the contractor/sub-contractor stopped taking their calls or kept delaying the payment. The withheld amount ranged from INR 25 to INR 150 (0.34 USD – 2.02 USD). None of the women in this group were aware of the concept of minimum wage and their other rights as workers.

Through a participatory exercise we were able to identify the following work-related problems for women homeworkers in Kapas Hera (issues ranked based on priority; 1 being the highest priority):

1. Very low piece rates (equivalent to INR 2 for an hour’s work)
2. Piece rates haven’t increased in years
3. Difficulty in finding work
4. Contractors often disappear without paying, and as work is allocated without any paperwork, they can be difficult to trace and hold accountable.
5. Lack of proper working environment at home (low lighting, lack of space, no proper seating)
6. No bargaining power with the contractor
7. Lack of information about whom they are working for and who might be held accountable for their low wages, or when they are not paid at all
8. No extra payment for urgent work – sometimes contractors demand that the work is completed within a short period of time but there are no extra compensation/overtime wages. Excessive workload and tight deadlines also increase the likelihood that other members of the family, including children, may be asked to help complete the order on time).

After listing the work-related challenges, homeworkers were encouraged to think of possible solutions to these problems. The focus group collectively arrived at the following solutions:

#### Solution 1 – Collectivisation and Capacity Building

The group collectively decided that a possible solution to their work-related issues and lack of awareness on their rights and entitlements is organising. This solution was especially highlighted as an answer to lack of bargaining power with the contractors, difficulty in finding work and possibly a platform for demanding better piece rates.

#### Solution 2 – Improved Access to Social Security

Women believed if they had better access to social security and social protection, they would not be so desperate to accept work under such exploitative terms – they will have a choice, which they currently don't.

In addition to the abovementioned, alternative livelihood opportunities, having more information on who they are making these products for (which is challenging to acquire as contractors do not share information of this nature with homeworkers even when it is explicitly demanded by them) were listed as possible solutions by homeworkers.

### 3. Key findings on issues faced by other informal workers

Three workers from factory units were also interviewed for this study in Kapas Hera. All three workers were from different units – two were located in Kapas Hera (10 and 50 workers respectively) and the other in Gurugram (100 workers). The unit with 10 workers comprised only men, whilst the unit with 50 workers included 40 men and 10 women. Within the largest unit, located in Gurugram, 95% of the workers were men. Units such as these sometimes, though not always, serve as intermediaries between the very largest first and second tier factories<sup>22</sup> and home-based work. Contractors, operating at various stages, play a critical role in holding different parts of the chain together. It is enabled by the availability of high numbers of (largely male) migrant labour, most notably from Bihar and Uttar Pradesh, including recent (for instance within the past 2 years) and longer-term (more than 10 years).<sup>23</sup>

The units hire both male and female workers, generally on a piece rate, and whilst our interviewees reported that these operations primarily existed to serve the domestic market, previous research (Traidcraft 2020<sup>24</sup>) has indicated that smaller factories also provide additional capacity that suppliers can turn to when they are struggling to complete an international order on time.

The three piece-rate workers we spoke to were all inter-state migrants from Uttar Pradesh and Bihar. Two return home during the year (one twice a year – spending an average 20 days in Bihar, the remainder in Delhi, and the other for just 7 days in the year). All workers commented that the volume of work is not as much as it used to be before COVID-19.

One of the workers in a domestic-oriented unit knew which companies their orders came from. Other workers were not aware of the location or the nature of companies that subcontracted work to the unit, although one knew that the products retailed on Amazon and other online platforms, and another reported that they go to a 'showroom'; but mostly they were not aware of what happened to the products they made after they leave the unit. These units produced a variety of products, both menswear and womenswear.

All three workers were paid on a piece-rate basis, and were working without employment contracts, overtime allowance or social security benefits. One worker mentioned that hours are 10-9 pm (6 days per week) which is more than 60 hours per week and so suggestive of excessive overtime<sup>25</sup>. All had bank accounts but all three receive cash payments. Two of the workers mentioned that payment happens on the 10th of each month; and also mentioned being able to avail advances on the 25th of each month. Whilst the workers saw the provision of advances as a positive, if this facility is not carefully managed and debts build up, this creates a risk of bonded labour.

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<sup>22</sup> Udyog Vihar Industrial Estate has a large number of manufacturing companies, notably but not solely garment factories. Some export-oriented factories have more than 2000 workers.

<sup>23</sup> Labour regimes in the Indian garment sector: capital-labour relations, social reproduction and labour standards in the National Capital Region, Alessandra Mezzadri and Ravi Srivastava, October 2015, Centre for Development Policy and Research

<sup>24</sup> 'At Risk of Forced Labour' (Traidcraft Exchange 2020)  
[At+risk+of+Forced+labour+\(download\).pdf \(squarespace.com\)](#)

<sup>25</sup> Excessive overtime is considered to be one of the indicators of forced labour, according to the ILO Forced Labour indicators: [wcms\\_203832.pdf \(ilo.org\)](#)

Monthly wages range between around INR 10000 to INR 16000 (approx. 133 USD to 214 USD) per month, or even slightly higher at peak times when the volume of work was also high. This may not always meet the minimum wage standard set for Delhi<sup>26</sup>.

The weekly work hours vary from 42 hours per week to 60 hours (or even higher in a busy week). If a worker is getting paid INR16000 is working more than 48 hours per week then they are still getting paid below minimum wage in Delhi.

Workers reported that there were facilities for sanitation and hygiene in each unit. However, they also stated that there was no worker association or opportunity for collective bargaining platforms in any of these units. Indeed, none of the workers was aware of any local trade union or CSO. One worker mentioned that he seeks support from someone who is from a village close to his own back in his home state when he needs it.

All three workers interviewed had an Aadhaar card (a government-issued proof of identity, also required to access almost all social security schemes in India) and only one has a 'labour card'<sup>27</sup>. Access to social security schemes is also very low – only one reported accessing any sort of welfare scheme (*Pradhan Mantry Jan Dhan Yojna* – a universal banking scheme by the Government of India).

In comparison to homeworkers, the factory or other manufacturing unit workers received better wages and a slightly better flow of work but have their own sets of issues – some similar to homeworkers (lack of a formal contract, irregular flow of work, lack of access to social security benefits etc.) and some relatively distinct such as non-payment of overtime wages and excessive hours of work during peak production seasons.

These factory units also do not provide a safe working environment for women – a community mobiliser for a local NGO in Kapas Hera reported many women workers informing her about having faced harassment in such units and therefore they prefer to work from their homes, where they feel relatively more comfortable and also have flexible working hours.

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<sup>26</sup> Minimum wage in Delhi for unskilled work during the study period was INR 15,492 per month (approx. 206 USD). The minimum wage for Haryana during the study period was significantly lower, below INR 10,000 per month. If this work is to be classified as semi-skilled or skilled, the worker will be entitled to higher wages as per the government standard.

<sup>27</sup> A labour card is also an identity card issued by the Indian state governments for workers to access social protection schemes

## 4. Contractors and Community-based Sub-contractors

### 4.1 Understanding contractors

Contractors are intermediaries who bring work to homeworkers from suppliers, generally from factories and fabricator units in Udyog Vihar. Sub-contractors get work from contractors and fabrication unit owners to distribute further among women homeworkers in Kapas Hera, Dundahera and other nearby areas.

There are a few husband-wife pairs who work together as contractors and as sub-contractors in the area as well. Contracting in the garment industry is largely a male-dominated role – generally, women who work with their husbands in the role of a contractor deal with women home-based workers and sometimes with the supplier/fabricator units but the decision-making power remains largely with the husband.

One of our respondents in this category – the husband and wife who have worked together as contractors since 2015 for thread cutting work to be done by homeworkers. Their business is registered under the wife's name and the husband gets work from manufacturing units in Udyog Vihar. She is the one who distributes the work among women homeworkers in her neighbourhood and pays them. They used to have a pool of around 50 homeworkers but due to a decrease in the volume of work since the pandemic, they are only able to provide work to 20 women as of February 2021.

According to the contractors, they have no say in fixing the piece rate, it's the unit that gives them these orders decide the rate and the contractors cannot negotiate. Contractors claim that 50% of whatever piece rate they get goes towards paying the homeworkers. Payments are often delayed by the supplier and in such a situation the contractors have to pay the homeworkers either from their savings or by borrowing money from informal sources.

Contractors interviewed for this study reported that sometimes mistakes such as over-cutting, not cutting all the threads and staining the clothes given to homeworkers happen. They further shared that if there are any defects, then it is deducted from their payment but they cannot do the same to the homeworkers as their wages are anyway quite low. However, homeworkers that we have interviewed previously in Kapas Hera (Traidcraft 2020) have reported piece-rate deductions due to errors.

### 4.2 Role of community-based sub-contractors

Due to a very short turnaround time for home-based work, bigger contractors and fabricators who deal directly with the supplier often delegate work further to multiple smaller sub-contractors. This network of community-based sub-contractors, generally women, then further delegate piece-rate work among homemaker. A labour rights specialist working with a local NGO in Kapas Hera, remarked, *“the margin of profit for these sub-contractors is much lower than that of contractors who get work directly from export factories”*.

The pick-up and delivery arrangement between sub-contractors and home-based workers can vary. The sub-contractor could deliver and pick up pieces from the homemaker's home or vice versa. Sub-contractors usually receive payments from contractors, and make payments to home-based workers, in cash; although a few may receive payment electronically as well.

It was also noted that the garment industry supply chain in Kapas Hera is dynamic and as such a contractor could also act as a sub-contractor when needed.

Sub-contractors also reported receiving lesser availability of work and reduced piece-rates, since the pandemic. They often also have to work with very unreasonable deadlines but with no bargaining power and a highly competitive market, the subcontractors are in no position to negotiate the terms of work.

A female sub-contractor operating in the Kapas Hera area shared that she had frequently experienced incidences of sexual harassment, and also regularly observed similar treatment against other women in the garment manufacturing industry. Men working for larger contractors, fabricators and supplier unit staff members have often made inappropriate sexual remarks while discussing work with her. At the time of interview, she was not sure what she could do about it as filing a complaint might affect her work negatively and also affect her social and personal life.

The dangerous combination of a culturally accepted silence around the issue of sexual harassment, the fear of victim-blaming, societal norms, and lack of awareness around gender rights means that cases of sexual harassment and abuse are often ignored.



## 5. Impact of COVID-19 on homeworkers in Kapas Hera

The COVID-19 pandemic disrupted many global supply chains in 2020, and the global apparel industry was no exception. There was widespread cancellation of contracts and also deferral of payments, and sanctions for shipment delays.<sup>28</sup> Where factories are now reviving, it is the formal spaces that have been first to resume, leaving those in informal tiers of supply chains far more likely to be out of work. However, workers in “regular salaried work” have also been very hard hit, reflecting the precarity of formal work driven in part by its increasing informalisation as well as by other factors such as irresponsible behaviour of many buyers within global value chains and inadequate support from government both for industry and for workers. It is clear, then, that for many of India’s citizens, the pandemic has manifested itself as much more than about loss of livelihood. Many households were pushed into a situation of hunger and destitution. Whilst value chains struggle to revive, the inadequacy of existing social protections has been exposed.

According to homeworkers in Kapas Hera, they started experiencing a reduction in the volume of orders as early as January 2020. By the time India announced a nationwide lockdown towards the end of March 2020, homeworkers in Kapas Hera were barely receiving any work. The situation was dire as their spouses, who are the primary income earners of the family, also lost their jobs.

Lack of availability of social assistance made the situation desperate for many homeworker households. Our research found that only 8 out of 20 women received the direct benefit transfer of INR 500 for three months by the Government of India; only 3 out of 20 could access food grains through the Public Distribution System (PDS); only 1 household received cooked meals from the Delhi state government and only 2 households received groceries through their children enrolled in government schools under the Mid-day Meal Scheme.

With the loss of livelihoods in the cities due to the pandemic, lack of social security nets and their migratory status many households in Kapas Hera (as in other urban centres) fled the National Capital Region and went back to their hometowns to ride out the crisis. This “reverse migration” crisis of India, caused by the sudden lockdown to curb the transmission of the COVID-19 virus was reported as a human tragedy by international media<sup>29</sup>. This entire episode was indicative of just how vulnerable and precarious the life of an informal migrant workers in the context of weak social protections. A large number of workers left cities in crowded buses and trains, some hitch hiked in trucks and lorries but for many migrant worker families there was no option but to walk all the way back – some even covered more than a thousand kilometres on foot<sup>30</sup>. Several incidences of home bound migrant workers dying of exhaustion and accidents were reported.

As of February-March 2021, most of the migrants in Kapas Hera were back, seeking livelihood opportunities and a better life for their families but most of them reported both the piece rates and the volume of work being reduced to almost half of what they used to be prior to the pandemic. Most homeworker households are still struggling to make ends meet, with even the primary breadwinner struggling to find stable employment. Issues such as inability to pay for

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<sup>28</sup> [Castañeda-Navarrete, J., Jostein Hauge, J., López-Gómez](https://onlinelibrary.wiley.com/doi/10.1111/dpr.12539) COVID-19’s impacts on global value chains, as seen in the apparel industry, ODI Development Policy Review, December 2020  
<https://onlinelibrary.wiley.com/doi/10.1111/dpr.12539>

<sup>29</sup> [Coronavirus: India's pandemic lockdown turns into a human tragedy - BBC News](https://www.bbc.com/news/world-asia-india-52672764)

<sup>30</sup> <https://www.bbc.com/news/world-asia-india-52672764>

healthcare, increasing indebtedness, inability to pay for children's education and food insecurity were reported by homeworkers during and after the lockdown.

## Conclusions

Homeworkers are among the most vulnerable workers in supply chains. Underpaid and underrepresented, they often lack the voice and agency that is crucial to effective negotiation on key labour and welfare issues. Many are drawn from migrant communities, which leaves them without political representation in their host locations. Often unrecognised by governments as well as brands, they are frequently considered expendable labour during supply chain audits, or otherwise not noticed at all. For many homeworkers, almost all of whom are women, caring responsibilities preclude them from taking up work outside the home. This makes homebased work a vital means of income and an opportunity for economic empowerment.

Homeworking provides subsistence income to many households in India. As described by many of the homeworkers interviewed for the purpose of this study, the money they earn through their work is mostly spent on household and/or childcare. They also reported that it will be difficult for them to work outside of their homes due to household responsibilities and other sociocultural reasons. As a broad effort towards vulnerability reduction, it is therefore important to ensure systems are in place that protect homeworker livelihoods, empower these women, strive towards their visibility and improved working conditions in supply chains. One key challenge is that workers face a lot of issues because they are not organised and therefore not represented. This contributes to their lack of voice and also a lack of agency to address workplace related difficulties they face. In this regard, it is pertinent to note transparency as an aspiration of homeworkers too.

Many brands still have a clear anti-homeworking position, insisting instead that work takes place in registered or more visible factories. But this position overlooks the unpredictable nature of supply chain procurement, the widespread practice of short lead times, and consumer demand for cheap fashion - all of which contribute to conditions in which 'putting out' work to homeworkers is in fact a key supply chain management strategy.

Clearly, it is not simply that homeworkers are not seen and recognised within the supply chains of which they are a part, but also that they themselves have very limited visibility of the brands that are at the head of these chains. This lack of transparency for homeworkers frustrates their ability to even begin to identify who is responsible for conditions they experience, such as low pay.

In addition to homeworkers, informal workers such as those interviewed for this study also work in conditions that are often exploitative, notably for women, and experience high levels of precarity. These workers, like homeworkers, are often not paid minimum wages and, often more so than homeworkers in Kapas Hera, have to work excessively long hours to complete orders.

The study also found that subcontractors have limited bargaining power in relation to the contractors from whom they receive work and payments. They often have to deal with delayed payments which can put them in situations of financial strain when having to make sure that homeworkers are paid. Further, female subcontractors are at particular risk of gender-based violence from male contractors and suppliers.

## Recommendations for brands and suppliers

It is important that the human rights of homeworkers and other informal workers - upheld in the Constitution of India and in the international human rights frameworks affirmed by the UN Guiding Principles on Business and Human Rights - are respected. Over recent years, several guidelines have been developed. These include [OECD Due Diligence Guidelines on Garment and Footwear](#), which provides advice on responsible sourcing from homeworkers. In India, the [National Guidelines on Responsible Business Conduct](#) also affirms the need for Indian businesses to respect and promote human rights and labour rights. Multi-stakeholder initiatives such as the [Ethical Trading Initiative](#), of which many UK-based companies are members, make clear that these precarious workers should have the same rights as other workers.

- Brands typically wield more decision-making power<sup>31</sup> than other supply chain actors and must use this advantage to promote supply chain transparency for all workers. It is important that brands acknowledge homeworkers in their supply chains and have suitable policies in place to regulate their working conditions. A homeworking policy, which recognises the equality of homeworkers and provides permission to suppliers to disclose homeworking, helps brands to better understand their own supply chains. We recommend that brands consult specialist resources, such as [this toolkit](#), which provides clear and actionable suggestions on how to promote transparency and enable due diligence.
- International brands should also work with their suppliers and homeworke organisations to map their supply chains down to the level of homeworkers
- To be able to perform comprehensive due diligence in their supply chains, brands will need to establish shared and trusting relationships with their suppliers and incentivise their efforts to promote decent work. Brands should work with their suppliers to ensure homeworkers and other informal workers receive at least minimum wage, social protection and access to a channel of grievance redressal.
- Brands should also assess their sourcing and purchasing practices and ensure that they are not pushing suppliers to engage in abusive labour practices as a last resort for cutting costs.
- Suppliers need to actively recognize homeworkers as workers with equal rights, develop appropriate policies for homeworkers and work closely with their contractors and subcontractors and ensure that homeworkers who work for them are mapped and registered.
- We recommend that suppliers communicate openly with their buyers about what would enable them to provide better working conditions for all workers and support establishment of grievance mechanisms, not just in the factory but also community-level systems for homeworkers
- Provisions should be made for training on gender rights and sexual harassment for contractors and subcontractors. Women workers and contractors must also have access to an appropriate channel for reporting cases of sexual harassment.
- It is the responsibility of both brands and suppliers to ensure that supply chain due diligence is more than just a box-ticking exercise. It should be performed with a spirit

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<sup>31</sup> [Homeworkers In Garment Supply Chains Research from India and Nepal.pdf \(hnsa.org.in\)](#)

of upholding the labour and human rights of ALL workers in the supply chain and be inclusive of homeworker voices.

More broadly, there is a clear need for active efforts on behalf of a range of other actors, including state authorities, to support recognition of homeworkers and other marginalised workers featured in this study. Steps to recognise them and support them with various forms of social protection are in the interests of the worker and also of businesses keen to reduce their sourcing risks.

Overall, it is apparent that homeworkers face a number of challenges in the context of their work. However, it is also imperative to remember that for many, there are few other livelihood options and therefore homeworker and informal worker livelihood must be actively protected and improved to ensure better working conditions and reduce supply chain risks.