

ETI homeworker guidelines: recommendations for working with homeworkers



About this document

The Ethical Trading Initiative (ETI) was established in 1998 and is an alliance of companies, NGOs and trade union organisations. It aims to improve the lives of workers in global supply chains by promoting responsible corporate practice that supports this goal. ETI specialises in developing cutting edge approaches and tools for implementing codes of practice that address supply chain labour conditions, and is widely recognised as a global leader in this area. ETI is funded by member contributions and a grant from the UK Department for International Development (DFID) For more information visit www.ethicaltrade.org

The ETI Base Code is founded on International Labour Organisation (ILO) Conventions and has become a model on which other codes are based. A summary of ETI's Base Code is given below and can be seen in full on our website, www.ethicaltrade.org

The ETI Base Code:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

ETI projects

ETI projects are an experimental forum. They are designed to allow groups - drawn from ETI's tripartite membership - to work together on areas of concern or difficulty in their work to improve the application of labour standards. Members design and manage the projects, working closely wherever possible with their own suppliers, partner organisations and other stakeholders in the relevant industry or workplace. These projects are a key element of the 'learning by doing' philosophy of ETI.

Contents

Abbreviations	5
Glossary	6
1 Introduction to the ETI guidelines	7
1.1 Background	7
1.2 Purpose of the ETI guidelines	7
1.3 Methodology	8
1.4 Who the guidelines are for	9
1.5 How to use these guidelines	9
1.6 References	10
2 Background: homeworkers and the supply chain	11
2.1 Distinguishing between home-based work and homework	11
2.2 Incidence of homework worldwide	12
2.3 Characteristics of homeworkers	12
2.4 Advantages of homework	13
2.5 Problems related to homeworking	13
2.6 Relations in the supply chain	14
2.7 Other approaches to homeworking	15
2.8 Community centres	16
2.9 Model insurance funds	17
2.10 Australian accreditation schemes	19
3 Principles and approaches of the ETI guidelines	22
3.1 General principles	22
3.2 Implementation principles	22
3.3 Ways of working - an individual approach	24
3.4 Ways of working - collaborative approaches	25
4 What retailers can do	28
4.1 Make a commitment	28
4.2 Inform everyone of your commitment	28
4.3 Map your supply chains	29
4.4 Find out more about homeworkers in your supply chain	31
4.5 Use the mapping results to decide where to start	31
4.6 Next steps: using the application framework	32
4.7 Build your suppliers' capacity to implement actions	32
4.8 Consider your pricing and ordering procedures	33
4.9 Set up a system of internal review	34
4.10 Current practice: case studies	34
5 What suppliers can do	36
5.1 Make a commitment and inform all concerned	36
5.2 Map the current situation of your contractors and/or subcontractors and homeworkers	36

5.3	Find out more about homeworkers	37
5.4	Use the mapping results to decide where to start	37
5.5	Dialogue and consultation	37
5.6	Using the application framework	38
5.7	Transparency and cost	38
6	What trade unions and non-governmental organisations can do	39
6.1	Basic principles	39
6.2	Organising homeworkers (Sources of further information are listed at the end of this chapter)	40
6.3	How UK trade unions can assist	44
6.4	Information and campaigns	45
6.5	Co-operatives, Fair Trade markets and policy development	46
7	Toolkit	48
	What it is and how to use it	48
A	Model policy for use by retailers and suppliers on homeworking	50
B	Sample mapping tools	53
B1	Sample questionnaire for sending to suppliers	54
B2	'Model' completed sample questionnaire	55
B3	Sample map of a supply chain	56
B4	Alternative supplier questionnaire on homeworking	57
B5	Questionnaire for suppliers on homeworking	58
C	Application framework - applying the ETI Base Code in the homeworker context	59
D	Questions for homeworkers	79
E	Researching homeworkers' conditions: a guide to focus group discussions	80
F	Guidance on how to set piece rates	85
G	Consultants/companies qualified to conduct time and motion studies to establish fair piece rates	87
H	Log book for use by homeworkers	88
I	The SEWA Insurance Fund	89
J	How purchasing practices can undermine the principles of the ETI Base Code with homeworkers	91

Abbreviations

ETI	Ethical Trading Initiative
BWWF	Bidi Workers Welfare Fund
HW/s	Homeworker/s
ICFTU	International Confederation of Free Trade Unions
ILO	International Labour Organisation
MSI	Multi-Stakeholder Initiative
NGH	National Group on Homeworking
NGO	Non-governmental organisation
R/S/C	Retailer / Supplier / Contractor
SEWA	Self Employed Women's Association
TU	Trade Union
TUC	Trades Union Congress, UK
TCFUA	Textile, Clothing & Footwear Union of Australia
UNDP	United Nations Development Programme
WIETA	Wine and Agricultural Industry Ethical Trade Association (South Africa)

Glossary

- Agent** A company buying goods manufactured by others to supply to a retailer or brand. Agents, also referred to as buying agents, do not manufacture any part of the product themselves.
- Complex supply chain** A supply chain in which several intermediaries - contractors, subcontractors and sub-subcontractors - link the supplier/exporter to the homeworkers producing or part-producing products for them (see diagram p 25).
- Contractor** Individual or group of individuals to whom the supplier/exporter outsources the manufacture of a product or part-product, who in turn may contract the manufacture of the product or part-product to homeworkers, or to a subcontractor.
- Exporter** A term frequently used in exporting countries in place of the term 'supplier'. As with supplier, an exporter is a company or individual supplying goods to a retailer or brand above them in the chain. For the purposes of this publication, the goods have been manufactured, or part-manufactured, by homeworkers.
- Simple supply chain** A supply chain in which only one intermediary, a contractor, links the supplier/exporter to homeworkers producing or part-producing products for them (see diagram p 25).
- Supplier** A company or individual supplying goods to a retailer or brand above them in the chain, goods which (for the purposes of this publication) have been manufactured, or part-manufactured by homeworkers. This broad category includes agents, exporters, co-operatives, contractors and subcontractors.
- Subcontractor** Individual or group of individuals to whom a contractor outsources the manufacture of a product or part-product.

1

Introduction to the ETI guidelines

These guidelines present the recommendations and working tools developed by the ETI Homeworkers Project Group for those working within international supply chains that source from homeworkers. They seek to provide guidance on how retailers, suppliers, trade unions (TUs) and non-governmental organisations (NGOs) can take action to help improve the working conditions of homeworkers. The ultimate aim is to work towards the implementation of internationally agreed labour standards with homeworkers, specifically those of the ETI Base Code.

At the time of writing (July 2006), these guidelines are being tested in an ETI pilot with homeworkers in India. They may be amended in light of testing, but represent our best understanding of how conditions in company supply chains can be improved.

1.1 Background

The application of codes of practice to homeworkers is emerging as an important and complex issue for retailers and suppliers as well as trade unions and NGOs active in the labour rights field. Homeworkers are present in ETI members' supply chains and research, together with members' experience, has shown that homeworkers frequently have poor terms and conditions of work.

During 2001, members expressed increased concern about the presence of homeworkers in supply chains and about applying the ETI Base Code to homeworkers around the world. In response to this need, a Homeworkers Group and experimental project with representatives of ETI's retailer, trade union and NGO members was formed in 2002.

1.2 Purpose of the ETI guidelines

These guidelines aim to add substantially to the understanding of the interpretation, monitoring and implementation of the ETI Base Code with homeworkers. The complexity of supply chains involving homeworkers, as well as the typically wide gap between retail point and homeworker, makes application of codes of conduct particularly challenging in this context. While advice is available on homeworking in supply chains from bodies such as the International Labour Organisation (Convention on Homeworking), ETI members articulated a need for more specific, practical advice including interpretation of the Code for this situation and indicators of Code compliance. The ETI homeworker guidelines were written to meet this need. They seek to provide practical guidance to members and others on:

- identifying the presence of homeworking in supply chains;
- applying, implementing and monitoring the ETI Base Code with homeworkers;
- meeting the standards of the ETI Base Code with homeworkers.

1.3 Methodology

In 2002, the ETI Homeworkers Group was set up in the UK, comprised of retailers, brands, suppliers, trade unions and NGO representatives. The Group commissioned a review of current knowledge and experience of applying corporate codes of labour practice with homeworkers, which informed their decision to begin work on a set of guidelines. Members began drafting these based on their cumulative experience and existing standards such as the ILO Convention on Homework No. 177. The documents consulted are listed at the end of this chapter.

Members decided they needed case studies from both developed and developing economies to inform the development of the guidelines. The case studies, chosen on the basis of where Group members most commonly sourced products involving homeworkers, were the Christmas cracker industry in the UK and the embellishment industry in India.

In the UK in 2002, we carried out extensive consultation with cracker suppliers selling to retailer members to understand their methods of working with homeworkers. This two-year consultation reached the bulk of the industry. Samples of homeworkers involved in these suppliers' chains were then consulted by an NGO Group member in 2004 to identify their priority issues and concerns, and gather responses to the draft guidelines. In addition, international homeworker organisations were consulted on the 2004 draft through a meeting held with an NGO Group member. All comments received were incorporated.

In 2003, we consulted Indian stakeholders involved in work with homeworkers who were partners of UK Group members, plus Indian Government officials and an NGO representative, on the approach the Group was taking. We commissioned extensive research into homeworkers' conditions, issues and priorities with stakeholders engaged in the fabric embellishment industry in Delhi and Bareilly (Uttar Pradesh) in India in 2004. Inputs were collected from exporters, contractors, subcontractors, homeworkers, NGOs and trade unions through a series of focus group discussions and individual interviews. Following this research, a tripartite group was set up in Delhi to assimilate the findings from the research and to review and further develop the guidelines drafted by UK Group members.

Throughout 2005, the UK and Delhi Groups worked in close partnership to develop and refine sections of the guidelines. In early 2006, extensive consultations were held on this draft with a wide variety of stakeholders in India. Separate consultation sessions were run with homeworkers (both unionised/organised and non-unionised/unorganised), contractors, exporters, retailers (both ETI members and non-members), NGOs, trade unions, Government representatives and academics. The draft was then revised on the basis of all the comments to assume its current form.

At January 2006, the UK Group comprised representatives from:

- The Body Shop International, Boots the Chemist, Gap Inc., Madison Hosiery, Monsoon/Accessorize, Next plc and Sainsbury's Supermarkets (retailer and supplier members of ETI);
- Community Trade Union and the Trades Union Congress (trade union members of ETI); and
- Oxfam GB, National Group on Homeworking, Homeworkers Worldwide and Traidcraft Exchange (NGOs).

The Delhi Group included representatives from:

- Gap Inc., Next plc and Monsoon/Accessorize (retailer members of ETI), Nandeetas, Aesthetics and Chelsea (suppliers/exporters), Li & Fung (agent);
- Hind Mazdoor Sabha (trade union); and
- the Self Employed Women's Association (SEWA) and the Centre for Education and Communication (NGOs).

1.4 Who the guidelines are for

The guidelines are intended for use by the full range of groups active within international supply chains sourcing from homeworkers. They are primarily aimed at the commercial actors integral to these chains but also contain sections for use by non-commercial groups, such as trade unions and NGOs active in improving labour standards in this field. The guidelines were developed by and for ETI members but are also intended for a wider constituency of non-members, particularly:

- retailers
- suppliers, including agents, co-operatives, exporters, contractors and subcontractors
- commercial auditors involved in the inspection of homeworkers or suppliers
- homeworkers
- trade unions (TUs)
- non-governmental organisations (NGOs)

1.5 How to use these guidelines

The first three chapters of the guidelines are essential reading for all users:

Chapter 1 Introduction to the ETI guidelines - explains the scope, format and purpose of the document, its intended audience and use;

Chapter 2 Background: homeworkers and the supply chain - presents a definition of homeworking and explains the extent and characteristics of homework in international chains. It also summarises several different initiatives trialled by commercial actors as well as TUs and NGOs around the world aiming at improving labour conditions with homeworkers;

Chapter 3 Principles and approaches of the ETI guidelines - sets out the essential principles on which the group's work is based and details the two different approaches to implementing these guidelines: individual activity and collaborative working. This chapter also includes a section on working through multi-stakeholder groups.

For ease of use, we have then written a chapter for each of the major players indicating what each can do to improve labour standards:

Chapter 4 What retailers can do

Chapter 5 What suppliers can do

Chapter 6 What trade unions and non-governmental organisations can do

These chapters are followed by a comprehensive Toolkit (Chapter 7) containing practical documents to assist implementation of the recommendations in the guidelines. These include:

Tool A - a model policy on homeworking for retailers and suppliers;

Tool B - sample mapping tools for gaining information about the presence of homeworking in supply chains, including a sample supply chain map;

Tool C - the application framework, which is central to implementation of the recommendations found in chapters 4 - 6. This contains an interpretation of each ETI Base Code clause in the homeworking context, plus actions and indicators which can be used to implement and verify Base Code provisions with homeworkers. The framework is organised in sections containing actions for each supply chain actor, namely retailers, suppliers, contractors, NGOs and TUs. It also contains actions for a multi-stakeholder group where actions are set out for corporate actors, TUs and NGOs who wish to work together to increase the impact of their

work and have industry- or sector-wide effect.

Tools D and E - questions for eliciting information from homeworkers;

Tools F and G - guidance on how to set piece rates and a list of companies which can help;

Tool H - a simple log book for homeworkers' use;

Tool I - details of the SEWA insurance fund;

Tool J - more information about purchasing practices and how these can undermine the principles of the Base Code.

These guidelines are still a 'work in progress' and we welcome feedback from anyone using them. If you have comments please contact ETI.

1.6 References

The guidelines have been written with reference to the following documents:

Acona (2002) *Review of current knowledge and experience of applying corporate codes of practice with homeworkers*. ETI Report.

Bajaj, Mahjul (2000) *Invisible workers, visible contributions: a study of home-based women workers in five sectors across South Asia*. Background Paper for South Asia Regional Policy Workshop on Home-based Work, London, Women in Informal Employment Globalising and Organising (WIEGO).

ETI members' homeworkeer policies and experiences

Felstead, A and Jewson, N (2000) *In work, at home*. London, Routledge.

Gupta, Neelam (2001) *Invisible labour: social security for home-based workers of the garment, agarbatti and papad industries*. Delhi, SEWA Bharat.

HomeNet (1999) *New ways of organising: four case studies of trade union activity*. Study Pack.

HomeNet (2001) Newsletter No 17

HomeNet (2003) *Organising for rights*. Newsletter No 19, Spring 2003.

Homeworkers Code of Practice Committee (2001) *Changing fashion: the story of the No Sweatshop label*. www.nosweatshoplabel.com/downloads/NoSweatReport.pdf

Trades Union Congress (2004) *Organising homeworkers in the UK: learning from international experience*. London, TUC.

ILO (1996) *Convention on home work*. No 177. Geneva, ILO.

Kanawaty, G (1992) *Introduction to work study*. Fourth (revised) edition. Geneva, ILO.

National Group on Homeworking (2004) *Convention on home work*. No 177. Geneva, ILO.

Unni, Jeemol and Rani, Uma (2005) *Impact of recent policies on home-based work in India*. UNDP HRDC Discussion Paper Series 10, UNDP.

2 Background: homeworkers and the supply chain

Homeworking is an important aspect of the world economy. In developing countries as many as 300 million people, more than half of them women, do paid work at home, making a significant contribution to household incomes among predominantly poor families. But few homeworkers have legal status as employees and are thus vulnerable to exploitation. This chapter explains the situation of homeworkers, their place in complex supply chains and how some companies and other activists have attempted to improve their working conditions.

2.1 Distinguishing between home-based work and homework

The ILO Convention 177 defines homework as:

“ Work carried out by a person in his/her home or on other premises of his/her choice, other than the workplace of the employer, for remuneration which results in product/service as specified by the employer; irrespective of who provides the equipment, materials or the other inputs used, unless this person has the degree of autonomy and economic independence necessary to be an independent worker under national laws, regulation or court decisions. ”

While the above provides a useful definition of homework, it does not explicitly distinguish between the terms home-based work and homework. These are terms that are frequently and inaccurately interchanged. To assist clarity and specify the group of workers addressed by the guidelines, the United Nations Development Programme (UNDP) distinction¹ between home-based work and homework is used throughout here.

Under this distinction, the term home-based workers is a comprehensive term which encompasses all those who work at home. This group is divisible into three broad categories including:

- 1 Business people and well-paid professionals working from home;
- 2 Own-account workers - workers who design and market their own products, but cannot be considered to be running small businesses;
- 3 Subcontracted or dependent workers - those who work for an employer, intermediary or subcontractor for a piece rate, who are not responsible for designing or marketing the product, but simply contribute their labour.

Homeworkers then are a subset of home-based workers, those found in the third grouping -

¹ Unni, J and Rani, U (2005) Impact of recent policies on home-based work in India. UNDP HRDC Discussion Paper Series 10, pp 12-13

subcontracted or dependent workers working for an employer, intermediary or subcontractor for a piece rate. The guidelines primarily focus on this group, as these workers form the vast majority of home-based workers used within export supply chains. However, the guidelines could also be used to apply to own-account home-based workers in certain contexts.

2.2 Incidence of homework worldwide

- In the developing world, homeworkers constitute 300 million workers of whom more than 50 per cent are women and 80 per cent are from the poorest families².
- Approximately five per cent of those in employment in Northern countries are homeworkers³.
- Researchers estimate that there are, for example, one million homeworkers in the UK, eight million in the Philippines, 20 million in China, and 30 million in India⁴.
- ETI member companies have so far identified homeworking in their supply chains in the UK, Portugal, India, Pakistan and Indonesia, and to a lesser extent in Greece, Italy, Spain, Turkey, Malaysia and the Philippines⁵.
- Home-based work is common in handicraft production. But it is also found in modern industries such as garments, footwear, accessories, electrical assembly and plastic products and non-traditional handwork like footballs. For example, it is estimated that 58 per cent of football stitchers in Pakistan are homeworkers⁶.

As shown above, there is a high incidence of homeworking especially in Southern countries and trends suggest that this is increasing. While homework was once linked to old craft traditions and cultural factors that restricted the mobility of women, it is increasingly being taken up because of declining opportunities for formal employment, expanding export demand for these products and the practice of subcontracting, which has boosted 'flexible contractual work' as opposed to formal work. The incidence of subcontracting is on the rise in South and South East Asia, South America, Eastern Europe and the Baltic states coping with transition and also in China where the change to a market economy has informalised many workers.

2.3 Characteristics of homeworkers

- The majority of homeworkers are women⁷. Where there are male homeworkers it is generally in specific sectors, for example in metalwork⁸.
- Homework seems the domain of women in the age group of 20 to 40 years. They tend to be unmarried girls or married women with young children⁹.
- Most homeworkers have low incomes.
- A sizeable minority of homeworkers in Northern countries come from ethnic and immigrant communities¹⁰.

2 **Gupta, Neelam (2001)** *Invisible labour: social security for home-based workers of the garment, agarbatti and papad industries*, Delhi, SEWA Bharat, p v and vi

3 At the high end are countries such as Denmark, Belgium and Ireland where the figure is closer to 10 per cent while at the low end are countries such as Portugal, the UK and Greece where the figure is closer to three per cent. Australia is the exception to the rule with almost 26 per cent of its workforce working at home (**Felstead, A and Jewson, N (2000)** *In work, at home*. London, Routledge). Since many homeworkers keep their work concealed, the true figures are likely to be higher than these.

4 **HomeNet (2001)** Newsletter No 17

5 **Acona (2002)** Review of current knowledge and experience of applying corporate codes of practice with homeworkers. Report for ETI, p 6

6 **Bajaj, Mahjul (2000)** *Invisible workers, visible contributions: a study of home-based women workers in five sectors across South Asia*. Women in Informal Employment Globalising and Organising (WIEGO) p 40

2.4 Advantages of homework

It is important to highlight these advantages, without ignoring the labour issues homeworkers face, so that the features homeworkers value are not lost in the process of seeking to improve their conditions.

- Income generated from homework is important for the survival of poor families. The income that goes into the hands of female homeworkers is especially important in meeting the basic needs of the family, enhancing their quality of life¹¹.
- For many women, homework constitutes their employment of first choice as it enables them to do multiple tasks at home. Further, it provides ease of entry and re-entry so that they can continue even after breaks for marriage, childbearing and so on¹².
- In cultures where women's mobility is restricted, homework is the only employment option for women.
- Homework enables people in rural areas to get work in their villages, reducing migration to urban areas¹³.
- Findings from at least three sector reviews - incense sticks, embroidery and footballs - point to the fact that homeworkers may have better working conditions than their counterparts in factories. Unlike factory workers, homeworkers take breaks from their work to tend to other tasks, which breaks monotony and strain, they sit alone or in groups in their home environment and work at their own speed¹⁴.

2.5 Problems related to homeworking

The National Group on Homeworking, an NGO working on homeworking issues in the UK, believes that the flexibility offered to both the homeworker and the company sourcing work out to homeworkers is very attractive. However, the hidden nature of the workers, their lack of rights and the heavy reliance of many on their homeworking income makes them a particularly vulnerable group and therefore susceptible to exploitation by the people who supply their work.

The most common concerns related to homework are:

Low pay - most homeworkers are paid low rates and less than factory workers. Few homeworkers are paid the minimum wage and even fewer earn a living wage. Further, the rates decrease with the distance from the original place where work is given out. There are rarely systems for keeping records or determining quality, so rates of pay are further lowered through unfair deductions for quality, miscounting of pieces and so on. Delayed payment is another serious problem. Wages may be paid irregularly and in some cases only partial payments are made to keep the worker tied to the contractor.

Insufficient and irregular work - very few homeworkers have enough work to occupy them on a full-time basis. Most are constantly hoping for more work. This lack of availability of work greatly weakens the position of homeworkers vis-à-vis their employers. As the work available is irregular, income and working hours vary widely from week to week. Sometimes there is no work and no income, at other times there are very long working hours and better incomes.

7 Acona (2002) Op cit, p 5

8 Other examples of male homeworkers include men from the community of Rampur in northern India who do specialist beadwork, men in Pakistan who stitch footballs and men in Malaysia who do sewing.

9 Bajaj, Mahjul (2000) *Invisible workers, visible contributions: a study of home-based women workers in five sectors across South Asia*. Women in Informal Employment Globalising and Organising (WIEGO), p 45

10 Acona (2002) Op cit, p 5

11 Gupta, Neelam (2001) Op cit

12 Bajaj, Mahjul (2000) Op cit, p 45

13 Gupta, Neelam (2001) Op cit, p 10

14 Bajaj, Mahjul (2000) Op cit, p 45

Employment status - many homeworkers are unclear of their employment status. Very few are legally employees, and therefore most do not have employee status. Most legal systems do not recognise homeworkers. This informality leaves them officially invisible and thus open to exploitation.

Social security and benefits - most homeworkers are not employees so they do not receive sick pay, holiday pay or maternity pay, and are rarely included in pension schemes. By and large homeworkers struggle to combine multiple needs without any institutional or state support. Moreover, in developing countries the working life span is relatively short for these workers since few retain the health to carry on working beyond the age of 45¹⁵. No old age pension or savings income is then available to support them through their unproductive years.

Health and safety - in some sectors there are serious health and safety concerns. In the metalware and accessories sectors, homeworkers often carry out dangerous activities like brass casting, soldering, engraving and gem stone polishing. In other sectors, such as textiles, clothing and footwear, health and safety is less of an issue.

Discrimination against women - women are often relegated to lower paid work within the sector, with better paid work the domain of male workers. Women are often paid less for the same work than their male counterparts¹⁶.

Child labour - the participation of children to a greater or lesser extent is an inseparable part of homework. Recent views are that the problem is not so much that children work at home, but more that homework interferes with their education.

Lack of awareness of rights and organisation - homeworkers are unaware of the number and type of actors involved in the subcontracting chain, and their corresponding responsibilities and obligations. They are scattered, competing for work, not always easily covered by existing laws and not in a position to establish employee-employer relationships. Therefore, trade unions' traditional methods of organisation cannot be used here. Another factor that makes workers reluctant to engage in collective action is that the employment relationship can be based on friendship and family ties. HomeNet estimates that 10 per cent of UK-based homeworkers have contacted homeworkers' organisations. In Southern countries this figure is probably closer to one per cent¹⁷.

2.6 Relations in the supply chain

Homeworkers are at the bottom of export supply chains that are best visualised as frequently changing webs. There are few cases of retailers buying direct from suppliers who buy direct from homeworkers. Usually there are agents between retailers and suppliers and one or more contractors between suppliers and homeworkers.

Production is generally organised by middlemen/contractors who form the crucial links between the supplier and the homeworker. They are not employees and work on a contract basis as casual workers or on a commission/piece-rate basis. Contractors may belong to the same locality or community as the homeworkers and are likely to have non-commercial relations within the community as well. Contractors organise distribution and collection of work from homes, give work directly to some homeworkers and, if the order is larger or the deadline more stringent, they subcontract work to one or more middlemen who then directly interact with other homeworkers. Depending on the size and type of work needed, contractors use particular types and numbers of homeworkers.

¹⁵ Bajaj, Mahjul (2000) Op cit, p42

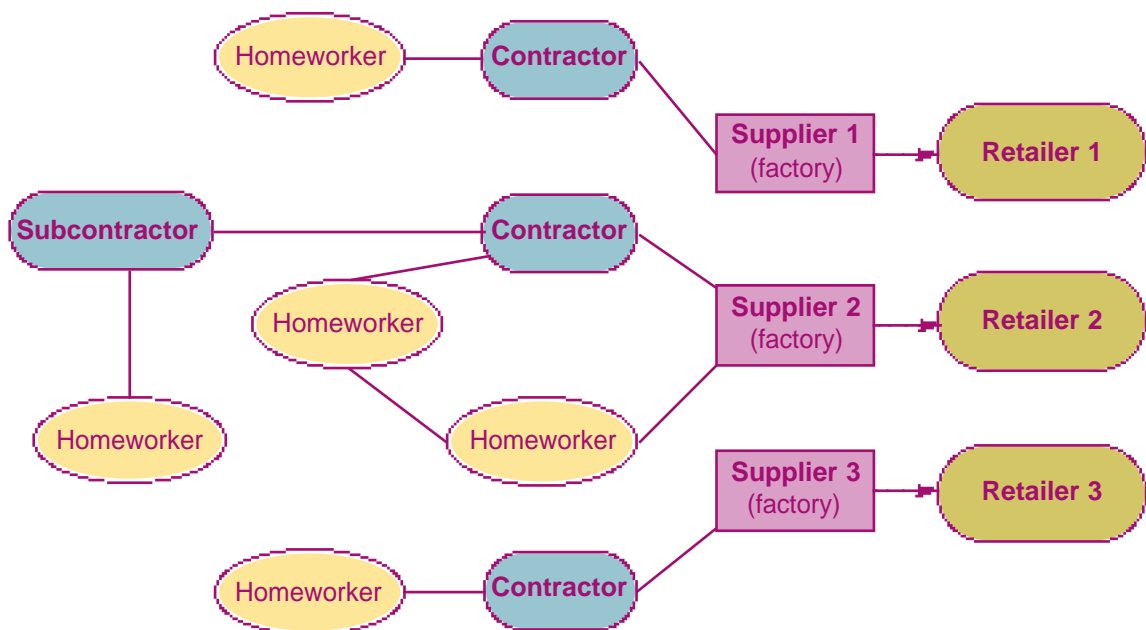
¹⁶ *Ibid* p40

¹⁷ For example in the Philippines PATAMBA's membership is 12,000 while the estimated number of homeworkers in the country is eight million.

However, contractors often prefer to work with some homeworkers on a regular basis to ensure deliveries and, while homeworkers are generally free to accept work from any contractor, many prefer to work for one or a few for a longer time. So there is some stability of relations even in this dynamic web of supply. Sometimes, a homeworker may work for the same contractor for years. This does not result in any wage advantage but may increase access to benefits such as loans or assured work at times of low orders¹⁸.

The key issue is that the employee-employer relationship is not clear. Retailers do not directly employ homeworkers but their purchasing decisions clearly have a direct impact on them. The suppliers do not directly employ homeworkers but it is their products that the homeworkers work on. And contractors do not see themselves as employers as everything is 'on contract'. As noted above, homeworkers are usually unaware of the range of actors involved in the subcontracting chain and their corresponding responsibilities and obligations. This fundamental difference related to ever-shifting supply chains, the ambiguity in fixing employer responsibility and invisibility of the final producer means it is vital to view code implementation with homeworkers very differently from code implementation in factories.

The diagram below illustrates the complexity of supply relationships in chains involving homeworkers:



2.7 Other approaches to homeworking

The remaining section of this chapter summarises different initiatives implemented by commercial actors as well as trade unions and NGOs with the partial or whole objective of improving labour conditions in industries involving homework. This is not a comprehensive overview of all initiatives undertaken globally, but seeks to give readers an understanding of some of the key ways actors have sought to respond to the challenge of improving labour conditions with homeworkers.

¹⁸ Gupta, Neelam (2001) Op cit, p 26

2.8 Community centres

Several brands and retailers have responded to the challenges that homeworking presents by establishing community centres - also referred to as homeworking 'units' - where homeworkers living in close proximity can come and work together. There are several reasons why this particular response to homeworking has been popular. Having homeworkers producing in one location makes collection and distribution of work more convenient; allows for better control over quality and pace of work; increases transparency around payment of homeworkers; and allows health and safety conditions to be assessed and remedied.

Community centre initiatives have met with mixed success. Frequently they have imposed the characteristics of a more formal workplace upon workers who for various reasons - cultural factors, preference for flexible working times, the need to combine paid and domestic work responsibilities - have preferred, or been restricted to, work at home.

The ETI Homeworker Group assessed the community centre approach and recommends that, in order for such a centre to represent a desirable and positive option for homeworkers, it would need to be:

- set up and operated by an NGO, homeworkers' organisation, or by homeworker representatives;
- located close to homeworkers' homes and ideally on premises owned by the community (for example in an Indian context, on panchayat property);
- run like a work distribution centre where homeworkers could choose to work or take work home;
- flexible in opening hours, offering homeworkers a choice of working times;
- offering facilities for training and skill development;
- providing opportunities to link into social security schemes (such as insurance, pension and childcare), saving schemes, credit schemes and revolving funds, and literacy programmes for children and adults.

Operating a community centre in such a way would ensure that workers only able to work from home (that is those who juggle work with domestic duties) would not lose their livelihoods, plus ensure that their work contributed to the community's socio-economic welfare. Such a centre would make it easier to provide regular work, and ensure timely and enhanced payments and a good working environment. Having more workers in a single location would also assist union representatives and members of homeworkers' associations to organise workers for collective bargaining or forming their own co-operatives.

The role of the NGO/homeworkers' organisation would be to gain contract work from manufacturers. This might be on a long-term basis or they might facilitate this in the short term with the aim of building homeworkers' capacities for this role. The role of manufacturers would be to contract work to such community centres (on mutually agreed commercial terms) as regularly as possible.

The main challenge in the concept of a 'model community centre' is that it needs active collaboration between NGOs and retailers/manufacturers. Where NGOs do not exist or where retailers/manufacturers do not show enough commitment to source this way, such a model may not prove replicable.

2.9 Model insurance funds

Homeworking provides a vital livelihood for many workers but it often brings some insecurity due to both the seasonal nature of the work and workers' effective 'self-employed' status, meaning that they often risk unemployment in the case of ill health. For this reason, joint insurance funds have been trialled by state governments, trade unions, NGOs and employers as a means to support livelihoods that are potentially threatened by ill-health or irregular/seasonal work supply. Extensive consultations conducted in India for the compilation of these guidelines found that homeworkers themselves valued effective insurance schemes as one of the most practical and useful interventions to improve their labour conditions and the security of their livelihoods.

The particular characteristics and coverage of insurance funds vary from scheme to scheme, but a defining characteristic of all schemes is that administrative and financial costs are shared in some way between employers and workers, and/or unions, NGOs or state government and workers. The cases below provide details of two initiatives established successfully in India.

Case study: the Bidi Workers Welfare Fund (BWWF) in India

Bidi is an indigenous cigarette, called the 'poor man's smoke', produced in local factories, unregistered production units and in workers' homes. The BWWF is a welfare fund created to address the social security needs of home-based bidi workers and is administered by the central Indian Government and implemented by state governments. Financial resources for the fund are raised through a relatively low cess (tax) levied on bidi manufacturers (in 2006, this tax was two rupees per thousand bidis produced). The BWWF is spent on welfare schemes providing health care, life insurance, maternity allowance, loans for housing, education, recreation and family welfare facilities for bidi workers and their families. There are four education-related schemes providing scholarships, allowances for uniforms, awards and a girls school-attendance scheme.

The BWWF gets around the fundamental problem in home-based work of establishing the employer-employee relationship. It requires no proof of an employee relationship with any particular employer as, in order to benefit from the fund, workers need only prove that they are bidi workers. Further, all bidi manufacturers must contribute to the fund through tax, ensuring that the fund operates industry-wide, whether there is a proven employee-employer relationship or not.

The most popular and effective schemes have been those involving health care, education and housing. According to studies done by the ILO, these schemes have resulted in reduction of child labour, improvement in education for girls and also improved productivity due to better health and housing.

In India, more than 60 such welfare funds exist, all of which are government administered. They have emerged as a viable and effective supplement to basic social security arrangements. An additional benefit of such funds is that they tend to promote strong stakeholder participation, with workers covered by these funds tending to identify strongly with them. Funds can therefore act as catalysts around which workers organise and generally where such initiatives exist, groups of organised workers act collectively to put pressure on state governments, as well as employers and traders, to ensure the schemes are administered correctly.

Case study: SEWA - a union-administered insurance scheme in India

The experience of the trade union Self-Employed Women's Association (SEWA) demonstrates that it is possible to establish effective insurance mechanisms for homeworkers without state involvement. In 1992, once membership of SEWA reached sufficient numbers for commercial insurance companies to be interested in participating in financial schemes, SEWA established two insurance mechanisms, one offering life insurance, the other offering protection against health problems and accidents. Claims are assessed by a SEWA-run committee which meets three times a week. To ensure maximum worker awareness and participation in the scheme, SEWA also began selecting and training a number of former homeworkers to act as full-time insurance promoters. Surprisingly perhaps, for homeworkers to have access to a range of benefits, the premium is relatively small, starting at as little as 100 rupees (US \$2) per worker per annum for life insurance, or 225 rupees (US \$5) per worker per annum for health and accident cover¹⁹. More detail on coverage and benefits of these schemes can be found in the Toolkit, **Tool I** on page 89.

Case study: An insurance scheme from an individual supplier in India

Our consultations with suppliers in India revealed an insurance scheme initiated by a single exporting manufacturer in which all sections of the supply chain, from manufacturer downwards, contribute to an insurance premium to protect homeworkers and their families against accident and death. The exporting company has had a relationship with a single village contractor for more than five years who contracts work to nearly 500 women homeworkers for large parts of the year. The supplier expects these relationships to continue and has devised an insurance scheme where the supplier contributes 50 per cent and the contractor and homemaker 25 per cent each towards the insurance premium. Such a model demonstrates what is possible where homeworkers can be easily identified and there is a stable relationship between the different sections of the chain.

¹⁹ Figures at March 2006, obtained from SEWA Office, Ahmedabad, Gujarat, India.

2.10 Australian accreditation schemes

The 'No Sweat' initiative in Australia is an innovative approach to applying codes of conduct to homeworkers. Its strength is derived in large part from its tripartite nature, involving collaboration between business, the state and the union sector. The scheme demonstrates the potential effectiveness of a tripartite approach.

Under the Homeworkers Code of Practice, retailers and suppliers sign up to a collective bargaining agreement with the Textile Clothing & Footwear Union of Australia (TCFUA), and agree to ensure that homeworkers making their goods enjoy a package of wages and benefits. An accreditation system, overseen by a multi-stakeholder Homeworker Code Committee and enforced by the union, creates a paper trail permitting verification of the benefit to homeworkers. Payments to homeworkers are based on standardised piece-work rates/timings. Consumers are informed about the code through a No Sweat(shop) label sewn into garments, like the Fairtrade mark. However, the initiative seeks to be sector-wide, through the involvement of business organisations and by getting retailers and brands to agree to implement the code across their product ranges manufactured in Australia. Consumer awareness of the problems of homeworkers and of the label was raised by publicity campaigns (the Fair Wear campaign) involving churches, civil society organisations and a paid publicity agency, and a parallel campaign informing homeworkers of their rights and of the code of conduct. More information about the scheme is given below.

2.10.1 Homeworkers code of practice and accreditation

The TCFUA established an ethical clothing code of practice in 1996. Retailers, manufacturers and suppliers sign the Homeworkers Code pledging to make sure that their suppliers pay homeworkers the correct pay and benefits. The four parties involved in this agreement are TCFUA, The Council of Textile & Fashion Industries Ltd., the Australian Chamber of Commerce, the Australian Business Chamber and the individual companies who are signatories to the code agreement.

The objectives of this code are to:

- end the exploitation of homeworkers;
- enable homeworkers to clearly understand their employment entitlements;
- ensure homeworkers receive their appropriate (minimum wage) entitlements and legislative protection;
- establish a system of accreditation for manufacturers who comply with this agreement;
- assist homeworkers by supporting community and industry education, securing compliance with the agreement and promoting its purpose.

All parties who sign up to the code and agreement sign a statutory declaration as part of this. These declarations apply to manufacturers or contractors who:

- give work to contractors
- give work directly to homeworkers
- receive work from another manufacturer/contractor and then supply work to homeworkers
- do not give work to contractors or outworkers.

Retailers, manufacturers and suppliers who sign the homeworkers code state that homeworkers are being paid correct wages, superannuation, work-cover insurance and receive the minimum payment in each two-week period.

Each retailer agrees to inform all its suppliers of the existence of the code and agreement and must:

- send a copy of the agreement to all existing suppliers on signing and to any new suppliers;
- advise all suppliers that as part of the agreement they will make regular visits to suppliers' establishments.

The code has three important parts.

- 1 Accreditation** - this is how companies prove that homeworkers are paid legal wages. Through accreditation, the code committee can monitor compliance with the code and the union can inspect company records.
- 2 A product timing manual** - this is the way to work out the sewing time and legal rates to pay homeworkers for each garment.
- 3 The No Sweat label** - this clearly tells consumers that clothes were made under fair conditions. If workers are working on products where this label is used they can also check with the union if they are being paid the correct amount.

Accreditation

Companies who have signed the code are encouraged to apply for accreditation. To receive accreditation companies must show proof that they:

- have the statutory declarations completed by themselves and the suppliers/factories they use;
- have records of all the work they give to companies which make clothes for them;
- pay homeworkers the correct amount for their work according to the product timing manual (see below).

Companies must send lists to the union showing where the work is undertaken and also pay an accreditation fee to the code committee to cover the cost of monitoring the code. Manufacturers pay a licensing fee of \$Australian2000 per annum.

A tripartite committee oversees the implementation of the code and the TCFUA itself is responsible for enforcing compliance with the agreement. Companies which are found to be in breach of the code are given an opportunity to comply within a stated timeframe.

To assist enforcement, manufacturers must keep detailed records on any connection with any orders from a retailer. Detailed records also have to be kept by contractors and manufacturers, creating a very clear paper trail covering:

- name, address and contact number of the retailer
- records of homeworkers
- records of contracts and contractors, names, addresses and so on
- product specifications - delivery dates, the nature of work to be done, the price paid to homeworkers for each different item, the number and type of products made.

The homeworkers code of practice will help homeworkers to get better pay and regular work. Employers' groups and the union are working together to make sure the code helps homeworkers. Retailers, manufacturers and suppliers can agree the code by signing it. Retailers benefit by having a pool of suppliers from whom they can source without risk to brand name and product integrity. Federal and state governments have supported the code, through funding to facilitate its establishment. Several Australian states have given legal backing to the code in full or in part.

Product timing manual

A standard product specification manual which follows internationally recognised norms for time and motion studies, is used by all parties to work out the times and pay rates for each job. This lists sewing timings for all different types of garments; other apparel including headwear and neckwear; household items and ornamentation made from textiles, fabrics or flowers. It lists all legal rates to pay homeworkers for each garment. Timings are shared across the industry and the range of products and tasks in the manual is being built up over time. The manual is available to accredited companies on a protected website.

2.10.2 What can the Australian experience teach us?

The homeworkers code of practice described here has had some success. By 2001, 19 manufacturers and over 100 retailers had signed up to it. The certification system has been simplified in response to complaints from companies. Nevertheless some suppliers continue to refuse to co-operate with retailers. The code has not proved to be a silver bullet; while there have been improvements in the conditions of some homeworkers, others continue to suffer poor pay and conditions. However, the Australian experience demonstrates several approaches which together or singly may help improve homeworkers' conditions:

- including homeworkers in a union collective bargaining agreement;
- the industry-wide product timing manual is used by retailers, suppliers and homeworkers alike to benchmark fair piece rates for homeworkers;
- an accreditation system which creates a transparent paper chain down the supply chain enabling monitoring by the union;
- a product label (linked to the accreditation system) which demonstrates compliance to consumers;
- winning the commitment of retailers and brands to the code through campaigning.

It should be noted that the code only covers production in Australia. This approach may be more likely to be successful for sectors where production and retail is in the same country, as an international certification system would be more complicated to apply.

3 Principles and approaches of the ETI guidelines

The ETI Homeworker Group recommends that ETI members should adopt certain core principles in their approach to homeworkers in their supply chains and their implementation of minimum labour standards. This chapter sets out these principles and indicates two ways of working towards the standards - individually or in collaboration with other players.

3.1 General principles

Homeworkers have an important role in production worldwide

This approach may be more likely to be successful for sectors where production and retail is in the same country, as an international certification system would be more complicated to apply.

Homeworkers are equal members of the workforce

This approach may be more likely to be successful for sectors where production and retail is in the same country, as an international certification system would be more complicated to apply.

A gradual approach is needed to improve homeworkers' conditions

The ETI approach of seeking continual progress within reasonable timeframes is as appropriate to homework as it is to formal employment. We recognise that meeting the standards of the ETI Base Code for homeworkers will not be straightforward and that care must be taken to ensure that assertion of rights does not result in job losses and transfers of production to less costly countries.

3.2 Implementation principles

Continuous improvement is required

Many homeworkers' conditions are likely to fall far short of the standards in the ETI Base Code. Companies should commit to negotiating with suppliers and implementing agreed schedules for making continuous improvements. The costs of implementing actions set out in the application framework should be taken into account in negotiations with suppliers. Retailers, brands and suppliers should manage their supply chains and phase implementation in a way that does not jeopardise homeworkers. Suppliers should be able to demonstrate that they are making steady progress towards implementing actions set out in the application framework.

Understand the supply chain before taking action

Our extensive consultations with homeworkers in India indicate that where retailers or suppliers attempt to improve homeworkers' working conditions without a full understanding of the complex supply chains beneath them, this can prove counter-productive and possibly damaging to homeworkers' livelihoods. Deciding actions for improvement in working conditions for homeworkers is very context-specific. Decisions should be underpinned by a study of the different type of conditions/environments a particular set of homeworkers work under, the different risks involved in homeworking in a particular industry and an understanding of all the actors in the supply chain. These are crucial first steps before taking any other action.

Begin with more achievable actions in more fluid supply chains

The fluidity of supply chains involving homeworkers, and the number and power of contractors that often exist in those chains, complicate the challenges of implementation. Our research and consultation with homeworkers has shown that initial actions should be easy to implement and less threatening to contractors and subcontractors. One such example would be health and safety analysis and training, which gives an opportunity to increase the links and transparency between the different parts of the supply chain. Where chains are fluid and relations between supply chain actors are shorter-term some tasks are very challenging, such as action to increase piece rates or prices paid to homeworkers. These more challenging actions are easier when more stable relations are established between suppliers, contractors, subcontractors and homeworkers.

Work towards transparency in supply chains

Implementing labour standards with homeworkers will require transparency in supply chains down to the level of homeworkers. This may involve confidential sharing of information with those working with homeworkers.

Long-term relationships are key

Long-term relationships with suppliers make implementation easier, in particular in complex supply chains. Try to bring stability into supply chain relationships where possible. Retailers should aim for more stable relationships with their suppliers, suppliers should aim for more stability with their contractors, contractors with subcontractors, and the latter, with homeworkers. This will assist better mapping, record-keeping and implementation of actions.

A combination of action works best: organising from below plus pressure from above

Implementing the Base Code with homeworkers is a challenge that will require both top-down and bottom-up pressure. Getting contractors to record and monitor their home-based labour force will require strong downward pressure from retailers and suppliers. At the same time, without the organisation of homeworkers by trade unions and NGOs, many of the educational and awareness-raising actions required for implementation will not be possible. Increased pressure from the top of the supply chain needs to be supported by the organisation of homeworkers on the ground to bring long-term and sustainable solutions to meeting the Base Code provisions.

Commit to protecting the livelihoods of homeworkers in existing supply chains

This means maintaining orders to suppliers committed to implementation of the ETI Base Code with homeworkers, at least during the normal life of a contract between the supplier/retailer.

Involve homeworkers directly

All parties implementing the ETI Base Code with their homeworkers should commit to involving homeworkers in setting priorities for the implementation of labour standards, as well as in monitoring progress.

Factors that can affect homeworkers' conditions

Our activities with retailers and suppliers engaged in the UK Christmas cracker industry between 2002 and 2004 helped us identify several positive and negative factors that can have an impact on homeworkers' labour conditions. Several of these are explored in more detail elsewhere in these guidelines, but they are summarised in table form below.

Positive drivers	Negative drivers
<ul style="list-style-type: none"> ■ Using multi-stakeholder initiatives (MSIs), for example retailers jointly bringing together all their suppliers in a given sector to get them to raise conditions across the sector in a co-ordinated manner (see section 3.4.1 below for more detail on MSIs). ■ Considering the training and development needs of suppliers and giving them support to enable them to meet the ETI Base Code (see section 4.7 below). ■ Putting a 'price' on the ethical performance of suppliers by giving labour standards a greater weighting in buyers' decisions. ■ NGOs and unions holding companies to account. 	<ul style="list-style-type: none"> ■ Not linking buyers' decisions to suppliers' ethical standards. Where buyers' decisions are not informed in part by a supplier's efforts to meet these standards with homeworkers, labour conditions are likely to be poor. ■ Retailers insisting that the cost of compliance be met by the supplier alone, not shared with the retailer. ■ Retailers/brands switching orders when meeting the Base Code means that product costs rise.

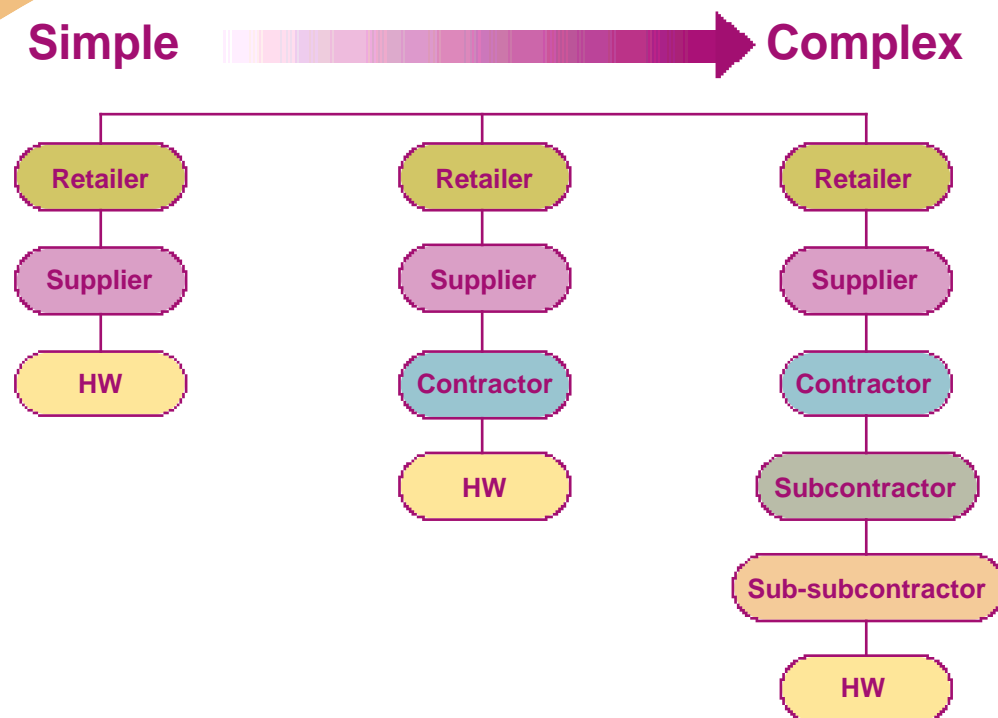
3.3 Ways of working - an individual approach

Two ways of working are covered in these guidelines - as an individual company and in collaboration with other stakeholders. Typically individual companies, whether retailers, brands or suppliers, take measures to help them comply with the standards set down in codes of labour conduct. These actions may be supported by other actors such as trade unions or NGOs, but in general would be initiated by a company. Such measures may include for example, conducting social audits on labour standards in manufacturing premises, or distributing information to workers on their right to join a union or organisation of their own choosing. These guidelines recognise the importance of this **individual approach**, and much of this document is directly relevant to individual companies, trade unions and NGOs, recommending appropriate individual actions for meeting the Base Code with homeworkers.

Within the application framework (**Tool C**), retailers, suppliers and contractors will find a menu of actions that they can take in their own organisations and within their own supply chains. The framework also contains actions for individual trade unions and NGOs working in this field.

The individual action approach will be more effective in simple, rather than complex supply chains.

The diagram below shows different types of supply chains involving homeworking:



3.4 Ways of working - collaborative approaches

Our experience of conducting research for these guidelines in South Asia, together with consultation with commercial and non-profit supply chain actors, suggests that companies should also examine collaborative, multi-stakeholder ways of working when addressing homeworker issues.

As outlined in chapter 2, there are fundamental differences between the contexts of factory workers and homeworkers. Two factors can make homeworking both distinct and challenging: the chains linking the supplier to the homeworker are frequently complex (see diagram above), less transparent and often volatile; and work can shift quickly from one contractor to another, from one subcontractor to another, or from one group of homeworkers to another. In addition, the relatively small amount of capital investment that homeworkers require makes chains more prone to shifts from one group of workers to another. Long and volatile chains are typically found in developing countries with a large informal economy.

In general, where chains are longer, less transparent and liable to volatility, or where access to individual homeworkers is limited due to social, cultural and other reasons, companies may need to consider taking a **collaborative approach** - that is, working with non-commercial actors active in labour rights implementation (government labour departments, trade unions and NGOs) to make effective progress on certain areas of the Base Code. A collaborative approach seeks to make improvements at the community or industry-wide level, rather than improvements with a particular

group of homeworkers in one supplier's chain. ETI members should recognise that in more complex chains, effective implementation of the guidelines may require a collective approach. Seeking improvements at the homeworker level cannot always be done in a 'business as usual' way, but requires a combination of business and social development approaches.

Examples of working in this way include joining a multi-stakeholder group to set an industry-wide standard for piece rates or to find an effective system for monitoring levels of child labour. Within the *application framework (Tool C)*, column 3 gives concrete examples of activities that a multi-stakeholder group can undertake to meet Base Code standards in the homeworking situation.

Where the supply chain is more traceable, stable and involves fewer links - more typical where homeworking occurs in developed, western economies - then the emphasis on individual action would be higher, although collaborative action may still be needed on some issues.

These two basic approaches, individual and collaborative, are referred to throughout these guidelines.

3.4.1 Collaborative working: examples of multi-stakeholder approaches

A 'multi-stakeholder initiative' (MSI) is a term used in the labour rights field to describe a group representing both the for-profit and not-for-profit sectors, brought together to address specific labour issues. In the homeworking context, an MSI would provide a forum for engagement and collective negotiation between diverse entities, all with a stake in homeworkers such as retailers, suppliers, contractors, NGOs, TUs and government departments. An MSI can be a permanent, formalised body which inspects and audits standards in an industry, such as the Wine Industry Ethical Trade Association in South Africa, or it can be established to make a one-time improvement to labour standards, such as agreement on an industry-wide piece rate in a certain geographical area, which would then be policed by industry or state. The case studies below are examples of MSIs and their achievements .

Case study: the Wine and Agricultural Industry Ethical Trade Association (WIETA) in South Africa

Established in 2002, WIETA arose out of an ETI pilot project in the South African wine industry. It is a not-for-profit, voluntary association of many stakeholders in the industry, committed to the promotion of ethical trade in this sector. Stakeholders include wine producers, retailers, trade unions, NGOs and government. WIETA carries out audits of producers and is governed by a multi-stakeholder team. The multi-sectoral make-up of this body not only enhances the credibility and rigour of its audits, but also greatly reduces the number of audits producers must undergo, as those purchasing from producers share audit results, rather than conducting their own audits. For more information visit: <http://www.wieta.org.za/>

Case study: the Multi-Fibre Agreement Forum (MFAF)

The MFA Forum, established early in 2004, is a 30+ network of brands/retailers, trade unions, NGOs and multi-lateral institutions. The MFA Forum is working to mitigate the impact of the end of quotas on countries whose garment industries could suffer in the face of increased competition and accompanying uncertainty. In 2005, the MFA Forum, in collaboration with the United Nations Development Programme (UNDP), launched an initiative to identify a road-map to a viable, profitable and internationally responsible and competitive textile and garment industry in several of the most severely affected exporting countries. For more information visit: http://www.accountability.org.uk/mfa_forum/

Case study: the Sports Goods Federation of India (SGFI)

SGFI was set up in 1998 by 25 exporters (suppliers) of sports goods in Jalandar, India in response to growing international concern about the use of child labour in football stitching. The objectives of SGFI are to prevent the incidence of child labour and to rehabilitate children by providing education and facilitating change in community and family attitudes. Exporters contributed 0.25 per cent of their exports turnover to SGFI and the project reached over 3,000 home-based families, comprising around 15,000 stitchers. Among the many collaborators in SGFI, chief have been FIFA Marketing which allowed its licensees to source footballs in India solely from exporter members of SGFI, and SGS India which helped develop a detailed monitoring system to identify and monitor homeworkers. SGFI have developed a comprehensive education programme for children of homeworkers in partnership with the Government and local organisations and is now looking at the broader issues of social compliance for homeworkers.

Any stakeholder could initiate the process of forming an MSI in a sourcing country. This could be done by identifying other companies that have a stake in that product and location or identifying effective organisations and individuals in the sourcing country itself. The start-up of an MSI may require some financial input and resources for a co-ordinator in cases where a co-ordinating role cannot be taken by a single member. It would also require substantial time input from the stakeholders. However, where chains are long, fragile and opaque a multi-stakeholder approach may offer the most effective way to long-term implementation.

4

What retailers can do

Homeworkers can be critical in a retailer's supply chain because they carry out specialised and intricate work which often cannot be mechanised cost effectively, such as embroidery and beading. It is the responsibility of retailers to manage their supply chains in a way that does not prejudice homeworkers. This chapter looks at the roles and responsibilities of retailers with regard to homeworkers and sets out actions and working practices which will help retailers meet these.

4.1 Make a commitment

The first step is to confirm the company's acceptance of the role of homeworkers within the supply chain and its responsibility towards them. It must be clearly acknowledged that the presence of intermediaries and/or subcontracting does not remove the responsibility on retailers and suppliers to ensure good working conditions for homeworkers. This is not just a role for the corporate responsibility team, as they cannot act effectively without the support of the company board and colleagues, especially buyers. A formal company policy on homeworkers needs to be adopted in order to prevent their exclusion from, or concealment within, your supply chain. As this is the first step for actors at the top of the supply chain, a **model policy** acknowledging the important role played by homeworkers in the supply chain has been included as **Tool A** in the Toolkit (see page 50).

4.2 Inform everyone of your commitment

All relevant colleagues, such as buyers, technologists and sourcing teams must be made aware of your company's policy and approach. They should all be made aware of the recommendations below when working with homeworkers, to ensure that homeworkers are not actively excluded from supplying products or negatively affected by buying, technical or sourcing practices.

Agents and suppliers must be informed that homeworking is acceptable to your company, provided that suppliers commit to implement the ETI Base Code as set out for the context in these guidelines (see **Tool C**). Inform agents and suppliers that the presence of homeworkers in the supply chain will not in itself lead to the relocation of work or cancellation of orders. With new agents or suppliers, address the issue of homework at the start of the relationship. Ensure homeworking is included during supplier conferences or training days on ethical trade.

Agents and suppliers should be encouraged to:

- communicate your policy and these guidelines to homeworkers who work directly or indirectly for them. The model policy (**Tool A**) can be used to assist this: encourage your suppliers to pass it on to those beneath them in the supply chain;
- explain to homeworkers those features of your market such as seasonality and reliance on trends where these usually result in irregular orders. This enables homeworkers to understand fluctuations in orders for their products as well as when peaks are most likely to occur.

4.3 Map your supply chains

Understanding your supply chains and where and how homework occurs within them is vital **before** undertaking any action intended to improve homeworkers' labour conditions. Comprehensive and reliable mapping of your supply chains may take significant time and resources but is an essential first step. Our extensive consultations with homeworkers in India for these guidelines indicated that where retailers or suppliers lack a full understanding of the complex supply chains beneath them, actions may prove counter-productive, even damaging to the livelihoods of homeworkers.

This section aims to help you map your supply chain effectively. The sections below (4.3.1 - 4.3.4) offer different methods that you can use to start and then to enrich your map of where homeworking occurs in the supply chain. All require working in partnership with your suppliers. You should request and encourage suppliers to work with you to investigate and record full details of the supply chain to its conclusion. Be aware that this will need considerable awareness-raising, motivation and time because, in many cases, your suppliers will not be fully aware of homeworkers' involvement in the chain.

A *sample mapping tool* included as **Tool B** in the Toolkit gives some questionnaires that you can use to gather information from suppliers. There is also further explanation below. Studying these before you start will help you to see what the results of a mapping exercise would look like, what kind of information it would give you, and how mapping can help you to prioritise actions to improve homeworkers' labour conditions.

4.3.1 Identify industries with potential homeworker involvement

Contact homeworkers' organisations and trade unions to obtain lists of industries involving homework. This will help you to identify which product chains you should be mapping. Particular information sources in the not-for-profit sector include the following:

- **National trade union federations** in their respective countries can provide information or contacts. Gender/Women's Officers may be a good point of contact, since homeworkers are often women.
- **Homeworkers Worldwide:** the UK centre for the international movement of trade unions, NGOs and homeworkers' organisations and others supporting work with home-based workers (30-38 Dock Street, Leeds, LS10 1JF).
<http://www.homeworkersww.org.uk>
- **HomeNet South Asia:** regional network of homeworker organisations and supporters covering Bangladesh, India, Nepal and Pakistan, can provide links to homeworker organisations and other relevant contacts in these countries.
<http://www.homenetsouthasia.org/>
- **National homeworking groups:** for example, in the UK, the National Group on Homeworking (NGH), which is a UK NGO and membership organisation of homeworkers and supporter members and works to improve the terms and conditions of UK homeworkers, providing information and advice to employers as well as homeworkers. NGH is a member of the international Federation of Homeworkers Worldwide (FHWW).
<http://www.ngh.org.uk>

4.3.2 Gather information and communicate with suppliers on homework

Work with staff in country and/or regional offices as well as all relevant buyers and technical teams on homework issues. Incorporate information on homeworking into basic company training/induction for relevant staff. Consultation with national level staff is important for everyone to understand the complexity and importance of the issue and to identify the industries in which homeworking is likely to occur.

Conduct research with your suppliers on homeworking in their supply chains after explaining your policy on homeworking to them, in particular stressing that you are not against the use of homeworkers. If your suppliers are agents, ask them to enquire about homework among their own suppliers. You could use either the questionnaire in the *sample mapping tool* (Tool B) as the first step in researching your supply chains and then progressively extend the questionnaires on the involvement of homeworkers in a given product. Ensure that these questions capture adequate data.

4.3.3 Gather information through audits, assessments and visits

Build questions about homeworking into assessments/audits of suppliers. Ensure that questioning techniques help to elicit the appropriate information - encourage suppliers to be open about the use of homeworking. Effective communication with suppliers on this sensitive issue is essential.

Also, ensure that current good practices among suppliers are identified and recorded, for example exporters and contractors may currently give credit to homeworkers without interest, or provide scholarships to children.

Where you are aware of subcontracting, consider planning audits of subcontractors as well as the main factory or head office.

Ensure that you record information about homeworkers, as with other supplier data. Suppliers should also be encouraged to maintain data on their subcontractors as a first step.

4.3.4 Gather information at the factory

Know the production process so you are able to identify which processes, if any, are required but that you have not seen being carried out at the factory. Consider whether there are processes in this product that could be easily outsourced. Outsourcing tends to happen when:

- the operation is not reliant on expensive equipment
- hand operation is required (such as packing)
- the product is produced occasionally rather than regularly
- the cost of mechanising the process is significantly larger than the cost of paying workers to carry it out by hand (for example embroidery)
- the capital cost of mechanisation is very large relative to the operation.

While walking around the factory, can you only see checking, finishing or packing? If so, where is the production facility? Is work being outsourced via contractors? Ask the factory manager to clarify. If necessary, speak with contractors. Visit some locations.

Bear in mind that the factory may not be aware that homeworkers are involved, they just know that work is outsourced to a contractor.

4.4 Find out more about homeworkers in your supply chain

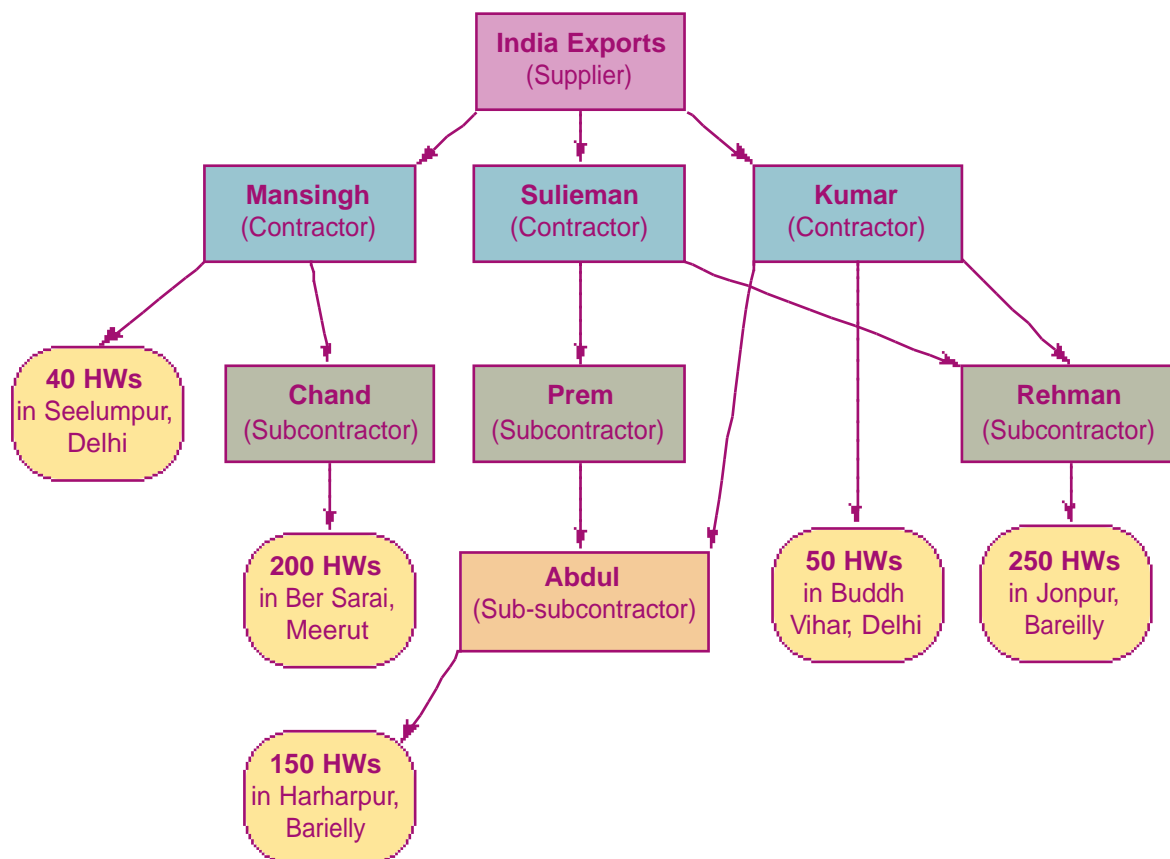
Once you have identified where homeworkers are it is very helpful to do some research to establish their concerns and priorities. The list of references at the end of chapter 1 identifies some published studies that might make a good starting point. If you have the resources to conduct your own studies, **Tools D** and **E** in the Toolkit are questionnaires that can be used with homeworkers to establish basic facts and attitudes.

4.5 Use the mapping results to decide where to start

The results from the mapping exercise and any research you can do will help you to take decisions with your suppliers about where to start with implementation of the guidelines. For example, you may decide to begin implementing actions with homeworkers where:

- you have simpler supply chains (fewer contractors between the supplier and homeworkers);
- the largest number of homeworkers are concentrated;
- several suppliers lead back to a small group of homeworkers in the same area.

The diagram below shows how a supply chain map can help you to identify useful information on which to base decisions about priorities. This is a fictitious example (this map is also given in **Tool B** in the Toolkit).



In the diagram you may choose to **begin** implementing actions with India Exports, Mansingh and Seelumpur homeworkers, as it's the simplest part of your supply chain. You must decide where to set the parameters for starting work, in consultation with suppliers.

Bear in mind, however, that suppliers cannot afford to be out of line with their competitors. If possible tackle the issues on an industry-wide basis so that whatever steps you agree with one supplier in a particular product area of a particular country are applied to other suppliers in the same sector and country so that they remain competitive. Tackling issues on an industry-wide basis will also minimise the risk of suppliers moving work from one set of homeworkers to another to avoid implementation of the guidelines.

4.6 Next steps: using the application framework

Consult with your suppliers first. The consultation may begin by raising their awareness of your company policy and national laws on homeworking. You may want to do this individually or organise training for several suppliers to help them understand the issues.

The discussions should then move on to prioritising actions for implementing the Base Code with homeworkers. **Tool C** in the Toolkit is the *application framework* showing how to interpret the Base Code in the homeworking context and what actions retailers and others can take. Please note that implementation is best planned in a phased manner - not all actions in the application framework need to be attempted at once. Please refer to **Tool C** for more details.

Once broad actions are identified, work with suppliers to:

- agree areas of responsibility;
- plan for necessary steps to establish and maintain good working conditions down the supply chain;
- establish what advice agents/suppliers/contractors will need and a timetable for working through issues together as part of any broader progressive improvement plan. Some areas may be easy to improve with little cost. Others will take time, sensitivity and support to achieve. Reassure suppliers that you understand this and allow realistic timeframes for improvements.

Some actions in the application framework need collaborative action and where this is agreed:

- identify stakeholders such as other retailers (with common sourcing locations, common processes, common interests), NGOs, local groups, trade unions, government agencies;
- initiate a working group for discussion on the guidelines or join such a group where it already exists;
- develop an action plan based on the application framework.

4.7 Build your suppliers' capacity to implement actions

Here are some ideas worth considering:

- Encourage suppliers to use these guidelines
- Suppliers may have reasonable systems in place with homeworkers, but lack the paperwork and records to prove this. Since access to homeworkers is also difficult, there are often

problems in verifying supplier information. Consider providing help to maintain paper trails and records.

- Short-term relationships make it very difficult to tackle homework issues with suppliers. Consider a longer-term commitment to the supplier.
- Encourage suppliers to provide opportunities for all contractors and their homeworkers to feed back any concerns about your requirements such as order times, product quality and so on. Your involvement in the audit process should be communicated to homeworkers to promote the transparency of the chain and homeworkers' ability to raise issues with you if they wish to do so.
- Advise suppliers if health and safety and other standards are inadequate and offer suggestions as to best practice wherever possible.

4.8 Consider your pricing and ordering procedures

Retailers should recognise that the gap between workers' terms and conditions and the ETI Base Code may be so great that improvements necessary for meeting the Base Code will increase the product cost beyond what can be absorbed by the suppliers. Suppliers' commitment to improving the working conditions of homeworkers must be reciprocated by the sourcing and pricing policies of intermediaries and retailers if homeworkers are to benefit. These are our recommendations on pricing and ordering procedures:

- Purchasing procedures should incorporate consideration of labour standards as well as quality and price:
- For suppliers to make improvements, retailers may need to make a commitment to them over a reasonable length of time, subject to the usual commercial considerations.
- Your negotiations with suppliers should take account of the costs of observing the Base Code.
- Recognise the vulnerability of homeworkers and ensure that this is communicated to your buying and sourcing departments when they are pricing and forecasting. Buying teams should be made aware of how their buying decisions, especially related to price and lead times, affect homeworkers' conditions. There should be close coordination between buyers and compliance teams.
- Homeworkers' piece-rate payments should be made explicit to them and should be documented by whoever provides their work. Use such documentation to ensure that piece rates are compatible with the Base Code standards on wages.
- Ensure that suppliers use a robust technique, such as General Sewing Data²⁰ (GSD), to verify that prices paid to homeworkers are compatible with the Base Code. **Tool F** *Guidance on how to set piece-rates* and **Tool G** *List of consultants / companies qualified to conduct time and motion studies to establish fair piece rate* provide information on this.
- Homeworkers' piece-rate payments should be made explicit to them and should be documented by whoever provides their work. Use such documentation to ensure that piece rates are compatible with the Base Code standards on wages.

²⁰ General Sewing Data is a system developed specifically for machine sewing of garments that enables an accurate evaluation to be made of the time required to perform a specific task or operation. More details on this system can be obtained from <http://elyon.com/>

- Strive to direct orders towards and otherwise support suppliers meeting or seeking to attain the Base Code standards for homeworkers. For example, continue trading with suppliers who are in breach of the code provided they agree to make improvements over a reasonable period.
- Review your lead-times. In order to reduce excessive working hours, buyers should avoid placing unreasonable deadlines for orders.

There is more information on purchasing practices and the effects on implementation of the Base Code in **Tool J** in the Toolkit.

4.9 Set up a system of internal review

An internal review system will help monitor progress. The review might involve asking a list of questions such as:

- Has your company distributed these guidelines to all suppliers likely to have homeworkers in their chain?
- Does your company have a policy on sourcing from homeworkers to distribute to suppliers?
- Can your company help suppliers with resources, expertise or advice?
- Are buyers informed about the situation facing homeworkers and suppliers? Are they aware of the price implications of suppliers who are committed to improving homeworkers' working conditions? Are they aware of the public relations implications of buying from homeworkers with poor working conditions?

4.10 Current practice: case studies

Case study: Retailer A's policy

- Prices paid to suppliers should be sufficient to allow them to meet the ETI Base Code.
- Where suppliers are found to be in breach of the ETI Base Code but are committed to improving supply chain conditions the company will try to maintain orders during the normal life of a tender, or two years minimum.
- The company will not change suppliers on the grounds of a cost increase necessary to meet the ETI Base Code.

Case study: Company B

This company met part of the cost of complying with the ETI Base Code with homeworkers. It also gave advice on work organisation (shortening the homeworke supply chain), training and efficiency measures to help improve both productivity and homeworkers' conditions without increasing product price.

Good practice: Freedom of association

ETI Base Code 2 requires retailers to recognise homeworkers' rights to join organisations and trade unions of their own choosing, to participate in the activities of such organisations and to engage in collective bargaining. Some retailers and suppliers go further than this, engaging in more proactive promotion of freedom of association by distributing information to homeworkers on organisations and trade unions active in the representation, organisation and support of homeworkers in the respective country / area.

Retail Company C

Retail Company C has an overseas supplier who had previously tried to address the issue of homeworking by centralising production and bringing homeworkers in-house. However, this approach was unsuccessful as homeworkers were either unable or unwilling to work outside the home. Other suppliers have started their own auditing of subcontracting units, including the use of photographs to indicate physical conditions in homework production units where homeworkers are already working in groups of their own volition.

Retail Company D

Retail Company D has integrated homework issues into their ethical trade strategy and has undertaken a variety of activities in line with this strategy. These have included recruiting appropriately-skilled ethical trade staff able to engage with and advise suppliers on homeworking. They have also created a one-page self-assessment tool that suppliers are required to complete for their first/second-tier subcontractors.

Their supplier conferences also have explicitly addressed the issues. A workshop for small groups of suppliers was particularly effective, by presenting them with case studies to tackle. This encouraged suppliers to share experiences, debate corrective actions and consider the impacts of different actions. Some suppliers have taken impressive steps, such as investing in their subcontractors or providing incentives for subcontractors who make the most progress towards agreed targets.

Retail Company E

This non-member's initial approach was to get agents on board, where relevant, since suppliers usually took their cue for action from agents. They also used peer educators, asking one supplier to explain their experience to others. They presented the long-term advantages of investing in human capital and quality right down the supply chain and ensured that suppliers were able to contribute their own knowledge on the subject in a constructive way.

5

What suppliers can do

Suppliers, including exporters, co-operatives, contractors and subcontractors are likely to be in the front line of implementing these guidelines. The following principles and guidance set out the responsibilities of suppliers buying from homeworkers, either directly or through contractors or subcontractors.

5.1 Make a commitment and inform all concerned

The first step is to confirm the company's acceptance of the role of homeworkers within the supply chain and its responsibility towards them. It must be clearly acknowledged that the presence of intermediaries and/or subcontracting in supply chains involving homeworkers does not remove the responsibility on suppliers to ensure good working conditions for homeworkers. Your commitment should be communicated to all actors (contractors, subcontractors and so on) in your supply chains. In particular, inform supply chain actors that homeworking is acceptable to retailers, provided that supply chain actors commit to ensuring good working conditions for homeworkers. (For more detail on what good working conditions for homeworkers means, see the interpretation section of **Tool C**, the *application framework*)

Your supply chain actors should also be informed that the presence of homeworkers in supply chains will not lead to the relocation of work or cancellation of orders. A formal company policy or locally-appropriate mechanisms (for example regular verbal briefings) could be used to explain this commitment. An example of a model homeworker policy has been included as **Tool A** in the Toolkit (see page 50).

5.2 Map the current situation of your contractors and/or subcontractors and homeworkers

The next critical step is mapping your supply base to understand where homeworking occurs within it. This is a crucial first step in putting together an action plan for implementing the ETI Base Code with homeworkers. Our extensive consultation with homeworkers in India for these guidelines indicated that, where suppliers lack a full understanding of the supply chains beneath them, any action to improve homeworkers' conditions may prove counter-productive, even damaging to the livelihoods of homeworkers.

For mapping, look at your own systems and institute a system of records. Assess what you already know about the subcontractors and/or homeworkers who supply you. Start by recording who your subcontractors and/or homeworkers are, gathering some basic information on them and setting up a database. This is an essential first step in ensuring traceability for your clients. Please refer to **Tool B** of the Toolkit for help in mapping your supply base.

In supply chains that are multi-tiered and more complex, a progressive mapping of contractors and subcontractors could be attempted. You could start identifying those contractors who work directly with homeworkers or those who use only one or two more subcontractors or those with whom you have long-term relationships.

5.3 Find out more about homeworkers

You may also wish to assess homeworkers' own priorities before considering how to implement the ETI Base Code to enable these priorities to influence your choice of actions. **Tool E, researching homeworkers' conditions** provides a framework for conducting structured interviews and focus group discussion with homeworkers to gain first-hand information about their conditions and priorities. It has been used successfully in India to assess problems faced by and key priorities of homeworkers. Conducting such research will also help you to establish which areas of the guidelines are already in place and which are missing. For example, your homeworkers may already have had health and safety training but may not be keeping records of payments received. You may want to produce a report on which areas of the Base Code are or are not covered.

5.4 Use the mapping results to decide where to start

Once you have carried out a mapping exercise and done some research, the results will help you to take decisions about where to start with implementation of the guidelines. For example, you may decide to begin implementing actions with homeworkers where:

- you have simpler supply chains (fewer contractors between your company and homeworkers);
- the largest number of homeworkers are concentrated, or;
- where mapping reveals that the supply chains of several contractors lead back to a group of homeworkers in the same area.

You decide where to set the parameters for starting work. This will obviously need to be in consultation with retailers and your contractors.

5.3.1 Assess your resources

Before you go further, it is helpful to take stock of the resources available to achieve your goal. Who is currently responsible for managing your homeworkers? What resources do you currently use to manage your supply from them? Do you have records for them? What resources will you need in order to manage your homeworkers? Funds? Expertise? Technology? Human resources might be your starting point. Consider setting up a homeworker team or officer to handle all issues to do with homeworkers, including staff on the ground to manage your relationship and supply.

5.5 Dialogue and consultation

Set up communication channels and provide materials for supply chain players. Once you have decided on the area of your supply chain in which you will begin implementing the guidelines, discuss your relationship with your subcontractors and/or homeworkers and how to make progress together. Consider what methods you currently use to communicate with subcontractors and/or homeworkers, for example on quality or health and safety. Could you use existing quality checking systems to monitor conditions of homeworkers and drive improvements? Have you explained to subcontractors and/or homeworkers the incentives for engaging with you on these issues?

5.6 Using the application framework

Your discussions with retailers and contractors about what actions to undertake should focus on those recommended for implementing the ETI Base Code as set out in the Toolkit, **Tool C**, the *application framework* (page 59). Review these actions with other supply chain actors to decide which should be taken up first in light of resources and priorities. Please note that implementation is best planned in a phased manner - not all actions in the application framework need to be attempted at once. Please refer to **Tool C** for more details.

Once you have identified priority actions, together with homeworkers, subcontractors, contractors, and retailers, you should then agree:

- areas of responsibility; and
- a plan for necessary implementation steps.

Establish what advice and support contractors will need and a timetable for working through issues together as part of any broader progressive improvement plan. Some areas may be easy to improve on with little cost. Others will take time, sensitivity and support to achieve. Reassure contractors that you understand this and allow realistic timeframes for improvements. Explore the option of commitment to a commercial relationship for a reasonable period of time.

Some actions in the application framework need collaborative action and where this is agreed:

- identify stakeholders such as other suppliers (with common sourcing locations, common processes, common interests), NGOs, local groups, trade unions, government agencies;
- initiate a working group for discussion and actions on the guidelines or join such a group where it already exists;
- develop an action plan based on the *application table* found in **Tool C**.

5.7 Transparency and cost

It is important to recognise that the gap between workers' terms and conditions and the ETI Base Code may be so great that improvements necessary for meeting the Base Code will increase the product cost beyond what can be absorbed by suppliers. Costs may therefore need to be shared with retailers. The issue of costs should be addressed jointly by retailers and suppliers to ensure continued progress on the implementation of the guidelines. The following are important principles that suppliers should comply with to enable them to implement the guidelines and work effectively in partnership with retailers to improve labour conditions of homeworkers:

- The cost of managing homeworkers should be factored into the product price by the supplier and the retailer. It is vital that you quote prices to the retailer which enable you to comply with the guidelines. It is equally important for the retailer to take into account the costs of observing the Code in their negotiations with you.
- Your negotiations with retailers need to take into account the costs of homeworkers and the reasons for which they are being used. Provide a detailed cost breakdown, including such things as raw materials, packaging, distribution, labour and so on.
- Obviously you will want to control cost increases and retain competitiveness. You might want to consider, for example, reviewing production efficiencies, time and motion studies, automation and such like.

6 What trade unions and non-governmental organisations can do

Trade unions and non-governmental organisations have valuable roles to play in organising and representing homeworkers and raising awareness of their rights. This chapter has been provided for both types of organisation, reflecting trade unions' and NGOs' joint role in organising homeworkers, as well as the distinctive but complementary roles that both can play to further recognition of homeworkers' labour rights.

6.1 Basic principles

Trade unions and NGOs should seek to work closely to explore appropriate and creative ways to organise and represent homeworkers, and raise awareness of their rights recognising their complementary roles and areas of expertise. It may well be that unions could focus on organising activities (which is their core competence) and NGOs focus on development activities.

A first priority is to seek effective ways to involve the homeworkers themselves in determining the priorities for Code implementation and monitoring progress where companies are applying these guidelines. This needs to be done with sensitivity. If homeworkers' livelihoods are to be protected, close attention needs to be paid to the power relations operating between different actors and also the economics of production within the supply chain. To date there are few positive examples of situations where dependent homeworkers have been able to secure significant improvements in their working conditions without jeopardising their work. It is important to proceed with caution and to ensure that the homeworkers themselves take a leading role in the decision-making (and risk-taking) process.

There are different ways to initiate and support this process. Some homeworkers may already be members of a trade union, while others may participate in local membership organisations such as savings groups, women's co-operatives or community associations. Where appropriate grass roots organisations do not exist, outreach work will be needed to make contact with homeworkers and gain their trust. If they have sufficient resources, local NGOs and trade unions can play an important role in developing this work.

If this is to be effective the outreach workers will need a flexible, worker-oriented approach. Homeworkers may be geographically scattered, isolated and afraid of losing their work. They often have little knowledge of their labour rights and may be unable either to speak the majority language of the country/state they live in or to read and write. The majority of homeworkers are women and this may mean that women outreach workers will be more effective.

Once trust has been established homeworkers are likely to need training and support in the following areas:

- developing skills in leadership, empowerment and group work;
- awareness of their rights as workers and of the requirements of the ETI Base Code;

- understanding their position within the supply chain;
- encouraging them to join existing trade unions or homeworkers' organisations or form and sustain their own;
- identifying their priorities for change;
- negotiating possible changes with those who supply them with work.

6.2 Organising homeworkers

This section is written for trade unions, NGOs and other organisations in a position to support the organisation of homeworkers. It summarises some international experiences of organising homeworkers. Strategies that have proved successful in reaching and organising homeworkers have typically involved a combination of the action points set out below.

Despite differences in economic and social context, homeworkers around the world share many common problems. Homeworkers may be dispersed and, especially in the UK and Europe, isolated from each other. Organising a scattered workforce is clearly a challenge. An important barrier to the organisation of homeworkers stems from the fact that they are not in a position to bargain. Homeworkers who stand up for their rights run the risk that orders will be switched to other workers not making demands. One such example is the case of beedi workers in India where contractors shifted the work from Kerala and Maharashtra to Karnataka and Andhra Pradesh when homeworkers in the former areas began organising. The fear of losing work is widespread among homeworkers. This very real risk is a major reason why homeworkers are reluctant to come together to improve their conditions.

6.2.1 Why is organising homeworkers important?

Homeworkers are part of many global chains of production of UK retailers. The ETI Base Code states that all workers should enjoy freedom of association and the right to collective bargaining. Homeworkers, no less than other workers, need to be organised in order to achieve good terms and conditions of employment. Homeworkers should be seen as an intrinsic part of the workforce entitled to receive equal treatment to workers in farms, workshops and factories. Homeworkers should be treated as workers and not as if they were small businesses or subcontractors.

6.2.2 Approaches - what unions have learned

Unions need to address and adapt to the needs of informal workers, which are different from other workers, and organising strategies must reflect this. The challenges include locating homeworkers and understanding the informal networks of contracting and homeworking. The systems and ways of organising developed for those who work in factories or other workplaces may not be appropriate for homeworkers and other informal workers. Unions have to learn new methods of organising workers, such as through community-based meetings and working with the formal or informal networks which exist among such workers. Given the complicated nature of production chains, trade unions should build alliances with others who may have contacts with homeworkers, or other informal workers, and recognise any associations or groups developed among them, as well as trade unions.

A starting point for organising homeworkers is information about the chain of production. In many cases, the chain is complicated and homeworking may be one part of informal production which also takes place in workshops. In many cases, the chain crosses national boundaries. Understanding and mapping the chain of production is useful in making homeworkers visible to union organisers in factories and for informing and educating homeworkers and others about their

part in the chain and the value of their work. The mapping exercise also makes clearer to homeworkers the channels they can use to communicate collectively with their agents and managers.

In the informal sector, there is often a need to provide social protection services (such as micro-insurance, health care, access to markets, schemes for training and welfare) as well as negotiating with particular employers. Currently trade unions have played less of a role in providing or advocating such services. However, if unions are to successfully organise in the home-based sector, they need to examine the role they could play here. Further, the approach should be to organise 'for' providing benefits (related to health care, credit, training, social insurance) rather than organising 'against' an employer.

Trade unions also tend to be male dominated, which can limit communication with, and access to, women workers, who constitute a large part of the home-based workforce. There is therefore a need for trade unions to promote a cadre of women organisers.

Case study: Madeira's SIBBTA union

On the island of Madeira, the embroidery workers union, Sindicato Dos Trabalhadores da Industria Bordadores, Tapeçarias, Texteis e Artensanato (SIBTTA) has demonstrated what effective organisation of home-based workers can achieve. SIBTTA's efforts have contributed significantly to winning government recognition for home-based workers who now have the same rights to health benefits and maternity benefits, unemployment insurance and retirement pensions as workers in the formal economy.

The union of embroidery workers was founded in 1937 and began recruiting homeworkers in the 1970s. A first important victory came in 1979 when legal reform enabled homeworkers to receive pension and sickness benefits. In 1987, home-based workers won the right to a family allowance, and in 1997, the legal right to unemployment benefit. In 1999, following a long campaign led by SIBTTA, women workers won the right to retire early with a pension. The union has participated actively in regulating homeworking conditions by negotiating, on a yearly basis, an updating of the 'point tables', new payment regimes (monthly payment of bonuses that had previously been paid once yearly), other working conditions and social security.

NGOs and unions may also wish to consider promoting co-operatives of home-based workers. Some NGOs have experience of this and could be consulted about approaches. The intermediate stage for this could be self-help groups which could help build the capacity of homeworkers to form and manage their own organisations, handle savings and loan activities and learn about banking procedures and building links with government schemes. Co-operatives can help workers to procure work more effectively; access raw materials more easily; undertake more effective marketing and deal directly with companies.

There is no quick fix or single technique that will work to organise home-based and informal workers and a variety of creative and flexible techniques are required.

The experience of homeworkers' organisations and unions on the ETI Homeworking Group suggests that successful approaches:

- begin from understanding the actual situation of homeworkers and what their needs/grievances are;
- build the confidence and power of homeworkers, who have been disregarded and invisible (they may not consider themselves to be 'workers') as well as exploited;
- have a long-term strategy which offers some improvements along the way and addresses both work and other needs of homeworkers, such as childcare, access to education for their children, access to credit and savings, health care and social security benefits;
- work at several levels, organising at the grassroots and community level and campaigning at a national level;
- actively involve homeworkers in the organising work from the beginning and encourage them to maintain and develop their involvement;
- assess the risk of loss of work together with homeworkers. Failed campaigns will have a negative impact on homeworkers involved and serve as a bad example for others. What strategies could be used to mitigate such risks (for example diversifying production, accessing other supply chains, commitments from companies in the supply chain);
- make training available to homeworkers - awareness-raising, language skills and practical forms of personal development, leadership and organising skills.

Unions should also consider:

- organising training for union representatives, activists and officials about homeworkers and the issues facing them;
- reviewing union practices. Might they form a barrier to organising and representing homeworkers?
- addressing the conditions of homeworkers in collective bargaining agreements;
- finding ways to inform contractors and subcontractors about homeworkers' rights.

6.2.3 Contacting homeworkers

Since the majority of homeworkers are women, often from minority or indigenous communities, it is crucial that appropriate organisers are involved/employed with suitable backgrounds and language skills and so on. These organisers should preferably be from the same community of homeworkers or be familiar with the community. The following ways have been used to contact homeworkers:

- mapping the supply chain. Enrol the support of companies that employ homeworkers directly and indirectly to map homeworkers' presence in the supply chain (geographical areas, sectors and so on);
- distributing information down the supply chain to homeworkers about their rights;
- holding open meetings/workshops for homeworkers at locations which are accessible to them (for example the Madeira Embroiderers' Union held meetings at schools);
- using networks that homeworkers are likely to belong to (such as crèches, community and faith organisations);
- conducting home visits to workers;
- establishing telephone hotlines for homeworkers to contact union or organisational representatives;

- educating contractors and subcontractors, as employers, on the labour rights of homeworkers.

6.2.4 Working in partnership

It is recognised that direct partnerships between NGOs and trade unions may be difficult because of issues related to membership. However, for the reasons noted above, trade unions need to build alliances with others who may have contacts with homeworkers and recognise any associations or groups developed among them. Homeworkers' organisations and NGOs should work in close partnership with unions. In certain countries local organising has been done by groups other than unions, sometimes with union support. Individual strategy governing co-operation between unions and NGOs will depend on local context and relations, but the closer the integration between unions, homeworkers' organisations and NGOs, the more successful will be the organising strategy.

Unions, NGOs and homeworkers' associations should consider working with companies that have homeworkers in their supply chains, to collect and share information on the extent of homeworking (sectors and geographical areas), and about how the supply chain operates, including supplier companies and intermediaries/agents. Companies in the supply chain implementing ethical codes can be important allies, by facilitating access to and communication with homeworkers, and adding their voices to strengthening the rights of homeworkers.

Links with consumer groups can be effective as information about where products are sold and at what prices can help increase homeworkers' bargaining power. Links with and support from unions in countries where retailers are based may afford some level of protection for homeworkers who are seeking to organise within the companies' supply chains.

6.2.5 Sustainability

Organising homeworkers is resource intensive and sources of outside funding will generally be needed. Unions have not succeeded in recruiting the large numbers of homeworkers (with the exception of homeworkers employed by a unionised factory) needed to finance activities through subscriptions. Even where homeworkers are recruited, the combination of poverty and precarious employment means that drop-out rates may be high. Unions have largely subsidised their work with homeworkers, seeing their role as representing and speaking for the entire workforce, including homeworkers, and also as a means of protecting the conditions of their factory-based members²¹.

It has usually taken between three and five years to establish self-sustaining homeworkers' organisations. NGOs and local authorities may be able to provide resources (or in the case of NGOs, fundraise); the impact on poverty and local economic development of improving homeworkers' conditions are strong arguments for funding such programmes. Ethical companies may be able to provide pooled resources for programmes with homeworkers, which could be managed by a tripartite local group and financed through a levy on sales or exports.

Case study: A joint approach to funding

Retail company F financed programmes of work with informal workers in coir processing in India by setting up a rotating loan fund with the help of a local NGO, IRFT. After around five years this fund was self-sustaining.

²¹ One exception is in Australia, where unions have cross-subsidised their work with homeworkers from legal fees of successful cases of homeworkers at industrial tribunals

Some ideas for sustaining the organisation of homeworkers:

- involve homeworkers in organising and setting priorities for campaigns;
- offer homeworkers opportunities to interact with each other through social events, support centres, exchange programmes;
- ensure that involvement brings benefits to homeworkers (immediate easy 'wins' in conditions; offering periodic legal/advice clinics and camps);
- provide training and capacity building for homeworkers and their leaders on rights, leadership skills and language skills;
- promote self-help groups to give homeworkers access to credit, transport, social security and other services. Some unions have embarked on income-generating schemes to support organising activities.

Sources of further information about organising workers are listed at the end of this chapter.

6.3 How UK trade unions can assist

Through their relationship with international trade unions, and trade union federations, unions can play a key role in driving up the quality of working life for homeworkers in both the developed and developing world. This section sets out the role that UK trade unions can play in implementing these guidelines at a regional, national and international level.

6.3.1 Sustainability

Key objectives:

- Raise awareness of these guidelines at a local and regional level
- Develop links between groups of homeworkers and local/regional unions.

Action points:

- The guidelines and supporting material should be circulated to local/regional unions via TUC Regional Councils. In addition regional employers' organisations, such as the CBI and FSB should be encouraged to circulate this information to employers at a regional level.
- TUC Regional Councils should work with the National Group on Homeworking (NGH), Oxfam and ETI to host regional awareness-raising events aimed at union officers and organisers.
- Regional TUCs should continue to develop the *Made at home: rights and respect for UK homeworkers' campaign* launched in May 2004 by the TUC, Oxfam and the NGH.
- Regional unions/TUC should ask Regional Development Agencies in key regions to map homeworking and assess, for example:
 - The role of homeworking in the regional economy
 - The skills and training development needs of homeworkers
 - The changing nature of homeworking.
- The TUC education service should offer training support for groups of homeworkers on issues such as employment rights, health and safety, and organising, linking into the local/regional work of the NGH.

- TUC/union learning services teams should be encouraged to develop joint projects with homeworkers' groups, employers and regional agencies, to secure access to new learning and skills opportunities for homeworkers in areas such as skills for life and information technology.

6.3.1 National level

Key objectives:

- Raise awareness of these guidelines within unions at a national level;
- Place homeworking on the collective bargaining agenda where relevant;
- Support union efforts to organise, recruit and represent homeworkers.

Action points:

- Unions should host regular (annual) briefings on homeworking for national union officers and organisers.
- The TUC should circulate these guidelines to key manufacturing and retail unions, along with accompanying guidance.
- The TUC should develop a collective bargaining guide on homeworking.
- The TUC should build awareness of homeworking issues into key training and development programmes, such as the Organising Academy.
- Unions should continue to push government for positive employment status reforms.
- Unions should continue to develop joint campaign activity and awareness-raising work with the NGH and Oxfam.

6.3.3 International level

Unions should consider the following in co-operation with homeworkers' organisations and networks, where they exist.

Key objectives:

- Raise awareness of homeworking issues with UK-based retailers and suppliers;
- Provide practical support for union efforts to support and organise homeworkers in the developing world.

Action points:

- Unions should ask key retailers and suppliers to map their supply chains and ensure that they apply these guidelines.
- Working through International Trade Secretariats, ILO, ICFTU and the like, unions should explore the potential for practical, bilateral capacity-building projects.

6.4 Information and campaigns

NGOs, homeworkers' organisations and trade unions can be very effective in raising awareness of issues both among the public and among homeworkers themselves. Successful information campaigns have often integrated two objectives of winning public opinion in favour of better conditions for homeworkers with attempts to inform homeworkers about their rights. Campaigning has to be done with caution however, as it can backfire and jeopardise

homeworkers' livelihoods. Information campaigns must take account of the level of literacy among homeworkers and the languages of any communities from which they are recruited.

NGOs, homeworkers' organisations and unions should consider:

- distributing information leaflets to homeworkers on their rights, the role of trade unions/homeworker organisations/NGOs and the existence of these guidelines using the supply chain, local networks and door-to-door;
- raising consumer awareness of the working conditions of homeworkers by means of published material and media work (radio, press, TV), including the minority community media where appropriate (for example in the UK the TUC/NGH campaign used Asian radio networks);
- a dedicated phone/hotline through which homeworkers can make direct contact;
- developing channels for the communication of information to home workers on a sustainable long-term basis;
- producing a worker-friendly guide (and other training materials) for homeworkers involved when companies implement these guidelines. This needs to be illustrated and written in accessible language so that it can be translated into local languages;
- campaigning for better employment conditions for homeworkers; for their ethical treatment by retailers and suppliers and for effective enforcement of employment rights for homeworkers.

6.5 Co-operatives, Fair Trade markets and policy development

Some NGOs play a different role within the supply chain in that they are directly involved in organising homeworkers into co-operatives and associations, and provide training to develop their business capacities and to access Fair Trade markets. These NGOs should also encourage homeworkers' groups to engage with commercial buyers and particularly with ethical retailers, as one way to diversify their markets, although care is also needed to ensure that homeworkers' livelihoods and working conditions are not jeopardised as a result.

NGOs and homeworkers' associations can also play a role in training and policy development:

- providing training for retailers and suppliers enabling them to better understand homeworkers' situation and priorities;
- helping trade unions to develop appropriate policies and training materials to raise their awareness of the needs of homeworkers;
- developing strategies for increasing transparency and accountability within supply chains, to ensure that all actors make the necessary changes to facilitate code implementation and to demonstrate that these measures do indeed result in concrete improvements in the homeworkers' situation;
- facilitating discussions between suppliers, subcontractors and homeworkers' organisations as they develop plans for improving homeworkers' working conditions, to meet Code requirements;
- exploring participative methodologies that would actively involve homeworkers' organisations in monitoring;

- initiating regional or national level networks or link up with these networks where they exist.

Ultimately unions, NGOs and homeworkers' organisations should aim to hold retailers and suppliers accountable if homeworkers' livelihoods are adversely affected as a result of code implementation.

Further information

The following are useful sources of information on organising homeworkers.

HomeNet (1999) *New ways of organising: four case studies of trade union activity*. HomeNet study pack.

HomeNet (2003) *Organising for rights*. HomeNet newsletter, No 19, Spring 2003

Trades Union Congress (2004) *Organising homeworkers in the UK: learning from international experience*. London, TUC.

Homeworkers Worldwide - The UK centre for the international movement of trade unions, NGOs and homeworkers' organisations and others supporting work with home-based workers. 30-38 Dock Street, Leeds, LS10 1JF.

HomeNet South Asia - regional network of homemaker organisations and supporters covering Bangladesh, India, Nepal and Pakistan. <http://www.homenetsouthasia.org/>

7 Toolkit

What it is and how to use it

This section of the guidelines aims to provide a comprehensive Toolkit containing practical documents to assist implementation of the recommendations in the guidelines. For ease of use, the first five tools (Tools A - E) are intended for use in chronological order and follow the order of recommendations set out in chapters 4 - 6. Tools F - J aim to support implementation of more specific actions set out in chapters 4 - 6 and the application framework. The use of these will depend on whether retailers and suppliers prioritise the specific actions they refer to.

The Toolkit contains:

Tool A is a model policy for use by retailers / suppliers to communicate the acceptance of homeworking within their supply chains. Communication of this message is a crucial first step as described in chapter 4 on *What retailers can do*.

Tool B is for mapping the presence of homeworking in supply chains. As noted throughout the guidelines, mapping chains containing homeworkers and understanding the roles played by different actors in the supply chain is a prerequisite to taking action for improving labour conditions with this group. The tools for mapping include: **B1** a sample questionnaire for sending to suppliers to elicit the information retailers and brands need to form a picture of homeworkers in their chains; **B2** a 'model' completed sample questionnaire containing information from fictitious supplier 'India Exports'. This has been included to give retailers / brands a picture of the kind of information they are likely to receive. **B3** is a sample map which has been drawn up to demonstrate an easy pictorial way to plot information received from supplier questionnaires; **B4** is an alternative supplier questionnaire on homeworking and provides an alternative format for sending to suppliers to elicit information on homeworking, while **B5** is a supplementary questionnaire for suppliers which provides a further resource for gathering this information.

Tool C is the application framework. This is central to the implementation of the recommendations found in chapters 4 - 6. This contains interpretation of each ETI Base Code clause in the homeworking context, plus actions and indicators which can be used to implement and verify Base Code provisions with homeworkers. The framework is organised in sections containing actions for each supply chain actor, namely retailers, suppliers and contractors, NGOs and TUs. It also contains actions for a multi-stakeholder group where actions are set out for corporate and non-profit organisations who wish to work together to increase the impact of their work and have industry- or sector-wide effect (see section 3.4 for more detail of this approach).

Tools D and E are for researching conditions and priorities with homeworkers themselves. These include **Tool D**, questions for homeworkers, designed for use with homeworkers in a developed economy where more formal systems may exist and workers' awareness of conditions and rights may be greater. **Tool E** is for conducting focus group discussions with homeworkers which enables workers themselves to identify their priority issues and is designed for use in a developing country context. The order in which retailers and suppliers use the application framework and **Tools D and E** for researching conditions with homeworkers themselves may vary according to the strategy agreed between retailers

and suppliers. Some may wish to use the application table to identify priority actions for implementation, according to the resources they have available. In this case, research with homeworkers would need to focus on prioritising those actions or Base Code provisions that retailers and suppliers know they have the practical resources to address. Other retailers and suppliers may prefer to conduct research first with homeworkers themselves and use the results to prioritise their actions from the application table.

These tools are then followed by additional resources to support some of the actions set out in the application framework. These are as follows:

Tool F offers guidance on how to set piece rates.

Tool G provides a list of UK consultants / UK companies qualified to conduct time and motion studies to establish fair piece rates.

Tool H is a logbook for use by homeworkers.

Tool I gives details of the SEWA Insurance Fund in India, an example of the kinds of coverage and amounts payable to workers through the insurance fund described in section 2.9. This may help companies, trade unions or NGOs who wish to establish such a fund.

Tool J outlines the possible conflict between buying practices and efforts to improve labour conditions further down the supply chain. It contains recommendations for retailers, suppliers, and contractors prepared to examine these practices to look for ways to resolve any such conflict where found.

A

Model policy for use by retailers and suppliers on homeworking

As the chapters for retailers and suppliers explained, the first step in improving labour conditions with homeworkers is to communicate both your company's acceptance of homeworking and your commitment to ensuring that homeworkers' conditions meet those of the ETI Base Code. This model policy is intended to communicate your company's position on homeworking both internally as well as to external suppliers and clients.

1 The background

Company X is a member of the Ethical Trading Initiative [delete if not applicable] and is committed to improving working standards in its supply chains through the application of international labour standards. This includes a commitment to improving standards in those parts of the supply chain which are the most difficult to reach.

Historically, the lack of visibility of homeworkers in supply chains, combined with their complicated employment status in many countries, has made them a vulnerable group of workers. Many homeworkers have been underpaid and unsafe. We believe that one of the first steps towards reducing the vulnerability of these workers is to take an open and positive position towards homeworking. By reacting negatively to instances of homeworkers in our supply chain, there is a danger of:

- sending homeworkers underground and thus preventing any progress on improving their labour conditions;
- triggering unintended consequences whereby workers could have their sole means of income removed.

2 Our position

2.1 Acceptance of homeworking

Company X believes that homeworking can be critical to its supply chain and openly accepts the presence of homework within these. Homeworkers can often provide us with the flexibility to cope with rapidly changing volumes of production. Homeworkers may also produce specialist components which cannot be made by machinery or small quantities of intricate or high-quality items.

From the perspective of homeworkers, the option to work from home can offer a degree of flexibility not met by traditional site-based work. Homeworkers frequently cite the advantages off-site working offers in enabling paid work to be balanced with domestic and family responsibilities.

2.2 Commitment to improving homeworkers' conditions

Concurrently, however, we also acknowledge that labour conditions enjoyed by homeworkers may not meet those set out in international labour standards / the ETI Base Code* [delete as appropriate]. We are therefore committed to taking action, together with our suppliers, to improving these conditions. The first step in such action, we believe, is to make our position on homeworking clear.

A

3 Defining 'homework'

Our definition of homework is based upon the ILO definition (1996, C177, Article 1) which states:

- (a) the term homework means work carried out by a person, to be referred to as a homeworker,
 - (1) in his or her home or in other premises of his or her choice, other than the workplace of the employer;
 - (2) for remuneration;
 - (3) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;
- (b) persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;
- (c) the term employer means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.

4 Our commitment under this policy

We acknowledge that improving labour conditions for homeworkers is a complex issue. Under this homeworker policy we commit:

- to communicate our position on homeworking throughout our company, to those who supply to us, and those we supply to;
- to ensure that the presence of homeworkers in the supply chain will not lead to the relocation of work or cancellation of orders;
- to work with our suppliers for the sustainable improvement of labour conditions with homeworkers in our supply chains. We will aim to do this by following the guidance set out in the *ETI Homeworker Guidelines*.

5 Our suppliers' commitments under this policy

We expect those we are sourcing from to:

- adopt a shared policy of acceptance of homeworking and commitment to improving homeworkers' labour conditions where these do not meet those set out in international labour standards / the ETI Base Code;
- communicate this policy to all those in the supply chain below them, including homeworkers themselves;
- work with us to identify where homeworking occurs in the supply chains beneath them;
- work with us to develop an action plan for improving labour conditions with homeworkers where these are found to be below those set out in international labour standards / the ETI Base Code.

A

6 The provisions, in summary, of the ETI Base Code, founded on International Labour Organisation (ILO) Conventions, are:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

B

Sample mapping tools

These are tools for mapping the presence of homeworking in supply chains. As noted throughout the guidelines, and in the retailer and supplier sections, mapping chains containing homeworkers and understanding the roles played by different actors in the supply chain is a prerequisite to taking action to improve labour conditions with this group.

The tools for mapping include:

- B1** a sample questionnaire for sending to suppliers to elicit the information retailers and brands need to form a picture of homeworkers in their chains;
- B2** a ‘model’ completed sample questionnaire containing information from a fictitious supplier, ‘India Exports’. This has been included to give you a picture of the kind of information you are likely to receive;
- B3** a sample map shows an easy pictorial way to plot information received from supplier questionnaires;
- B4** an alternative supplier questionnaire on homeworking which provides another way to elicit information on homeworking and may be more appropriate to capture information on the conditions of homeworkers in a European context;
- B5** a questionnaire for suppliers which provides a further resource for gathering this information.

B

B1 Sample questionnaire for sending to suppliers

Background

Our company is in the process of mapping, for each supplier, what processes are subcontracted to homeworkers and which are the key homeworker locations. This will help us understand the contribution of homeworkers in our supply chains and also inform our company’s policy on homeworkers.

Definition of homeworkers

Homeworkers are those workers who work at their home or any other premises of their choice, other than the workplace of the employer. They work for an employer, intermediary or subcontractor for a piece rate, are not responsible for designing or marketing the product, but contribute their labour.

Information sought from each supplier

Q Name of supplier: _____

Q Are any of your production processes subcontracted to homeworkers? **Yes No**

Q If yes, please list the production process and the details in the table below.

Production process	Contractor name	Subcontractor name	Sub - subcontractor name	Homeworkers' location (village/town)	Approx number of HWs in location

If more subcontractors are used to contract out a particular production process to homeworkers, please feel free to add more columns to the above table.

Thank you.

B

B2 'Model' completed sample questionnaire

Information sought from each supplier

Q Name of supplier: india exports

Q Are any of your production processes subcontracted to homeworkers? Yes No

Q If yes, please list the production process and the details in the table below.

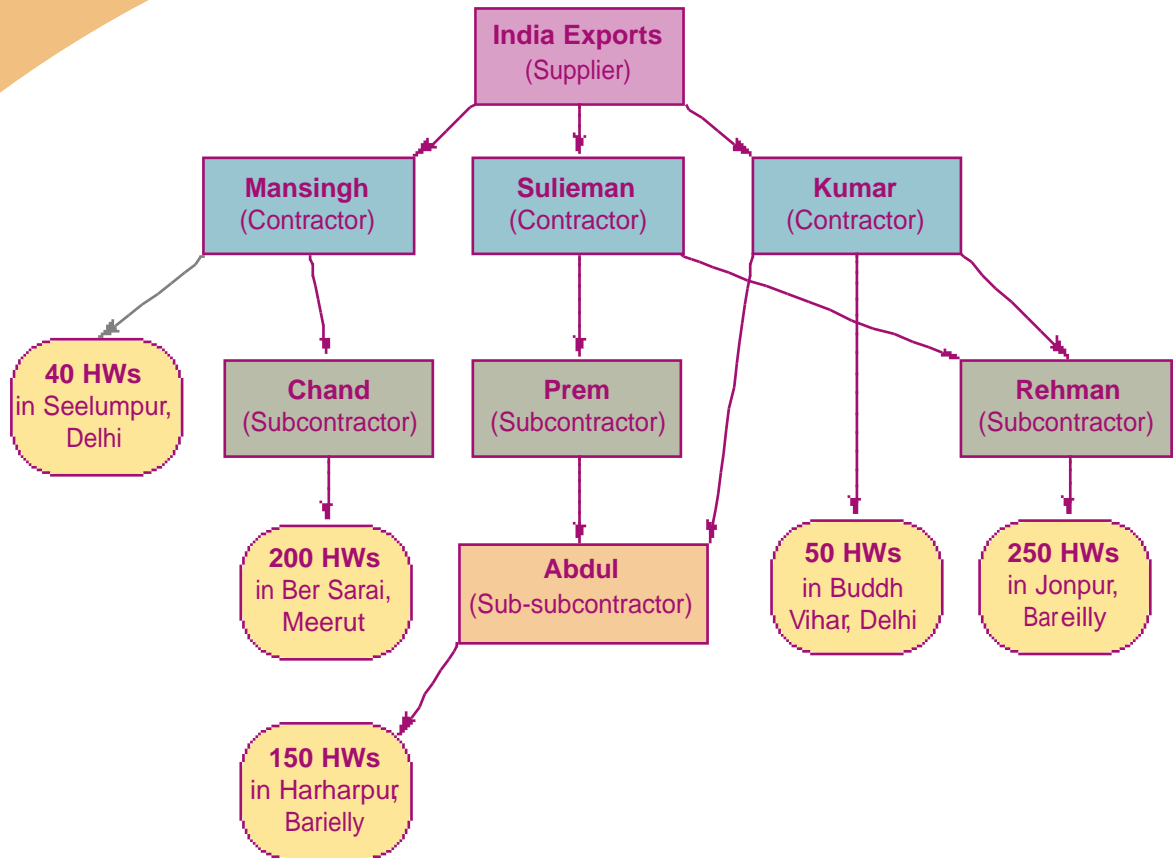
Production process	Contractor name	Subcontractor name	Sub - subcontractor name	Homeworkers' location (village/town)	Approx number of HWS in location
embroidery	mansingh traders			seelumpur, delhi	40
	“	chand company		ber sarai, meerut	200
beading	suliaman enterpises	prem company	abdul traders	harharpur, barielly	150
	“	rehman brothers		jonpur, bareilly	250
	kumar & sons			buddh vihar, delhi	50
	“	rehman brothers		jonpur, bareilly	250
	“	abdul traders		harharpur, barielly	150

If more subcontractors are used to contract out a particular production process to homeworkers, please feel free to add more columns to the above table.

Thank you.

B

B3 Sample map of a supply chain



B

B4 Alternative supplier questionnaire on homeworking

This is an alternative tool that can be used to send to suppliers to gather detail on homeworkers in their supply chains and may be more appropriate to capture the conditions of homeworkers in a European context.

Supplier name	
Contact name, e-mail address and phone number	
Do you use homeworkers in your operation?	
How many homeworkers do you use?	
At what times of the year do you use them?	
How are homeworkers made aware of their employment rights?	
Do homeworkers have written terms and conditions of engagement?	
How is information given to homeworkers about their freedom to join a union?	
What steps do you take to prevent accidents and injury, and to minimise hazards for homeworkers?	
What health and safety training do the homeworkers receive?	
Do you provide equipment needed to carry out the work?	
How is this maintained and checked?	
How do you ensure that you comply with legislation relating to children and young workers?	
Are homeworkers paid rates equivalent to (or greater than) the national minimum wage?	
Does the piece rate take into account ALL the tasks carried out, such as preparation, packing, unpacking etc?	
If workers are paid by piece rate, has a time/motion study been carried out to base it on? When?	
Do homeworkers work more than 48 standard hours and 12 hours occasional overtime each week?	
Are homeworkers given the same provision as factory workers for paid holidays, sick pay, maternity rights and pensions?	
Do you tell homeworkers what future orders they can expect? If so, how?	
Do the homeworkers have a confidential channel for complaints? How does this work?	
Has there been any ethical auditing of your homeworkers? By whom? When?	
Are you interested in attending a workshop on homeworking and what would you like to see included?	
What problems could you foresee in implementing the ETI guidelines on homework?	
Do you have any other comments?	

B

B5 Questionnaire for suppliers on homeworking

This tool can also be used as an alternative questionnaire to send to suppliers to gather detail on homeworkers in their supply chains.

Question	Reply
How many homeworkers undertook work for you in the last year? Describe the processes they undertake in relation to products for [our company].	
Where do the homeworkers live / work?	
Do you have a policy relating to homeworkers?	
Do any homeworkers belong to a trade union or other collective organisation?	
How do you inform the homeworkers of their rights? Has the company policy been communicated to them?	
Do workers earn at least the national minimum wage per hour?	
Do you keep a record of hours worked by each homeworker and do homeworkers keep a record of hours they have worked?	
Do homeworkers get induction and training? Are they invited to social events and updated with news? Please give details.	
Describe how quality management and health and safety management take account of the homeworking system.	
Are any changes planned to the homeworker system?	

Completed by: _____

for: _____ (name of company)

Date: __/__/__

C

Application framework - applying the ETI Base Code in the homeworker context

This table indicates what applying the ETI Base Code means in practice in the context of homeworkers. It is a menu of actions for different players that can be applied across different countries and supply chains. The second part of the framework takes principles on homework set out by both the International Labour Organisation and the UK-based National Group on Homeworking and again, sets action that different players can take to meet these principles.

How to use this table

All actions need not be taken at once. The actions need to be implemented in a phased manner after consultation with supply chain players. Decisions on the priorities may depend on:

- a) **type of supply chain** - simple or complex. In simple supply chains, more actions can be taken up by individual suppliers. Where the supply chain is complex, it will be better to start with few actions that can easily be implemented, in collaboration with identified stakeholders;
- b) **country context** - the relative importance of particular Base Code provisions may vary across countries. Therefore, actions could be prioritised according to the most urgent needs of homeworkers in a particular country. For example, consultation with homeworkers in India showed that the last Base Code item 'no harsh and inhumane treatment is allowed' was not immediately relevant.

Priorities will differ in different contexts. National legislation or practice may mean that certain parts of the ETI Base Code may be critical in the local context, while elsewhere they may not be a major problem. In all cases, homeworkers and HW organisations should be consulted about their priorities for implementing the Base Code.

Those actions identified as priorities by the Delhi Group have been highlighted in blue in the application table.

Key to the application table

Column 1

Shows the labour standard to be applied from the ETI Base Code or ETI Principles of Implementation, ILO or NGH principle.

Column 2

Shows the interpretation of that labour standard in the homeworker context.

Column 3

Shows actions to be taken by multi-stakeholder initiatives (MSI), a group representing both the for-profit and not-for-profit sectors, and an approach recommended throughout these guidelines. See section 3.4.1 for more detail on MSIs.

Column 4

Shows actions to be taken by retailers, suppliers and contractors

Column 5

Shows actions to be taken by trade unions and non-governmental organisations.

Column 6

Shows examples of indicators that can be used to verify that actions are being taken and that these standards are being met.

C

Abbreviations

ETI	Ethical Trading Initiative
HW/s	Homeworker/s.
H & S	Health and safety
ILO	International Labour Organisation
MSI	Multi-stakeholder initiative
NGH	National Group on Homeworking
NGO	Non-governmental organisation
R/S/C	Retailer / supplier / contractor
TU	Trade union

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 1 Employment is freely chosen.</p> <p>ETI Base Code 1.1 There is no forced, bonded or involuntary prison labour.</p>	
<p>Interpretation in homeworker context</p> <p>Homeworkers must not be subjected to forced or bonded labour.</p>	
<p>Actions for MSIs</p> <ol style="list-style-type: none"> MSI to inform appropriate local authorities of cases of bonded labour and follow up. MSI to facilitate release and rehabilitation of bonded labour. 	
<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <ol style="list-style-type: none"> Working with NGOs and TUs, R/S/C to identify cases of bonded labour and follow up. 	
<p>Actions for NGOs/TUs</p> <ol style="list-style-type: none"> NGOs/TUs to inform appropriate local authorities of cases of bonded labour and follow up. NGOs/TUs to facilitate release and rehabilitation of bonded labourers. NGOs/TUs to keep an open line of communication with retailers and suppliers on bonded labour issues identified in particular areas. TUs to represent HWs' cases to employers where no remedial action is taken. NGOs/TUs to organise HWs to ensure no recurrence of coercion or force. NGOs/TUs organise a hotline for reporting cases of coercion and bonded labour. 	
<p>Indicators for actions</p>	<ol style="list-style-type: none"> An exercise to identify bonded labour has been conducted and a strategy regarding the same has been developed and documented. Records are kept of bonded labourers found, freed and rehabilitated. NGOs/TUs report issues of bonded labour to retailers and suppliers. HWs report that they have not experienced any cases of force or coercion. Hotline available for HWs to alert all on issues of coercion or force.

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 1.2 Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice</p>	
<p>Interpretation in home worker context</p> <p>Home worker involvement in home working systems must be on a voluntary basis. Withholding wages (part or whole), delaying wages or forcing work against debt will be considered as breaches of this provision.</p>	
<p>Actions for MSIs</p> <p>1 Local MSI to monitor timely payment and redressing of grievances at to meworker level.</p>	
<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <p>1 Contractors to ensure timely payment of wages and maintain written records. 2 R/S/C to develop systems and practices to ensure HWs are not required to lodge deposits or identity papers with the supplier or intermediary. 3 Suppliers to institute a monitoring system enabling random checks at HW level on issues like timeliness of payment, forced labour etc.</p>	
<p>Actions for NGOs/TUs</p> <p>1 Work with R/S/Cs to assess where HWs are required to lodge deposits or identity papers with the supplier or intermediary.</p>	
<p>Indicators for actions</p>	<p>1 MSI/suppliers have monitoring system in place. 2 Records are kept of issues reported through monitoring system. 3 Records are kept of issues addressed. 4 HWs maintain individual and/or group records of timely payment.</p>

ETI Base Code or principle of implementation	Interpretation in homeworker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 2 Freedom of association and the right to collective bargaining are respected.</p> <p>ETI Base Code 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>ETI Base Code 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>ETI Base Code 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>ETI Base Code 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	<p>Homeworkers have the right to establish or join organisations and trade unions of their own choosing, to participate in the activities of such organisations and to engage in collective bargaining on issues related to their work.</p> <p>Suppliers / contractors must not discriminate against HW representatives or those who take up the task of organising workers.</p>	<ol style="list-style-type: none"> MSI to provide a setting for resolving HWs' grievances where there are allegations of restrictions of freedom of association. MSI to help raise awareness of HWs' rights and issues. MSI to monitor the implementation of these guidelines on freedom of association. 	<ol style="list-style-type: none"> R/S/C accept HWs' right to join unions or other associations and must not restrict them from joining or forming trade unions or associations, with out fear of reprisal. R/S/C agrees to recognise TUs and organisations representing HWs and engages in collective bargaining and other discussions on issues facing HWs. R/S/C should not deny work to those HWs or their representatives who are organised or are in the process of organising themselves. 	<ol style="list-style-type: none"> NGOs/TUs to: <ol style="list-style-type: none"> gather information on HWs and their conditions of work monitor HWs' conditions of work organise HWs negotiate betterment of working conditions develop feedback mechanism between HWs and R/S/C develop complaints mechanisms develop collective bargaining agreement. NGOs/TUs to provide HWs with contact details for reporting complaints confidentially. 	<ol style="list-style-type: none"> Freedom of association and right to collective bargaining for HWs is stated in organisational policy documents. An organisation of HWs exists. Records are kept of numbers of HWs in membership of the organisation or trade union. Issues are negotiated by the HWs' organisation or trade union. There is evidence of a collective bargaining agreement in the supply chain. Joining a TU is not a cause for losing employment.

Continued on following page

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 2.1-2.4 (continued)</p>	<p>Interpretation in homeworker context</p>	<p>Actions for MSIs</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <p>4 Supplier keeps records of the representatives of union/HW organisation.</p> <p>5 Representatives of HWs' organisations/trade unions (workforce or officers) are not restricted from meeting with HWs in a confidential setting.</p> <p>6 HWs are not penalised or discriminated against in any way as a result of raising issues.</p> <p>7 R/S/C works with NGO/TU to provide a confidential complaints mechanism.</p>	<p>Actions for NGOs/TUs</p>	<p>Indicators for actions</p>
---	--	--------------------------------	---	------------------------------------	--------------------------------------

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 3 Working conditions are safe and hygienic.</p> <p>ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>	<p>Interpretation in home worker context</p> <p>As stated. Steps should also be taken not only to prevent hazards but also enhance the health and wellbeing of HWs.</p>	<p>Actions for MSIs</p> <p>1 MSI to:</p> <ul style="list-style-type: none"> • identify hazards and health needs of HWs in particular sectors or locations; • in consultation with HWs, develop consistent H & S guidelines for the HW sector; • develop programmes addressing health needs of HWs eg, health insurance, childcare, home and tool improvements etc. • generate resources for implementing measures to protect the occupational health and safety of HWs • provide information and support on preventing hazards in the home environment. 	<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <p>1 R/S/C, using a multi-stakeholder approach, to identify industry-specific potential hazards and establish safe working procedures for HWs.</p> <p>2 R/S/C to work with MSI or TUs and NGOs to implement H & S guidelines and programmes addressing health needs eg, health insurance, home and tool improvements etc.</p> <p>3 Where possible, R/S/C to provide training and equipment to mitigate risks in hazardous work.</p> <p>4 Suppliers/contractors to explore sourcing from community-based workshops operated through cooperative/village pan chayat (council) models but providing safe, good working conditions and flexibility of timings.</p>	<p>Actions for NGOs/TUs</p> <p>1 NGOs/TUs to raise awareness of health hazards at HW level.</p> <p>2 NGOs/TUs to develop programmes addressing the health needs of HWs eg, health/medical insurance.</p>	<p>Indicators for actions</p> <p>1 A health and safety review has:</p> <ol style="list-style-type: none"> a) identified potential hazards and b) established safe working procedures for HWs. <p>2 Records are kept of awareness programmes conducted.</p> <p>3 Records show programmes addressing health needs of HWs are developed and implemented.</p>
---	--	---	--	---	--

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</p>	<p>Homeworkers should receive regular and recorded health and safety training like other workers.</p>	<p>Interpretation in homeworker context</p>	<p>1 NGO and TU members of MSI to devise materials and tools for raising awareness and training on H & S.</p> <p>2 MSI to create a team for raising awareness and training on H & S at all levels of supply chain especially the community level.</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p>	<p>1 Suppliers to raise awareness of H & S issues with their contractors and to provide training, where needed.</p> <p>2 Suppliers to help contractors to raise awareness of H & S issues among their subcontractors and HWs through collaboration with NGOs and TUs or on their own.</p>	<p>Actions for NGOs/TUs</p>	<p>1 NGOs/TUs to devise materials and tools for raising awareness and training on H & S.</p>	<p>Indicators for actions</p>	<p>1 Records show that training in H & S has been given to HWs.</p> <p>2 HWs report receiving training in health and safety.</p> <p>3 H & S equipment and protective clothing is being worn as appropriate.</p> <p>4 HWs are following safe practices.</p>	<p>Responsible person identified and engaged on H & S issues at management level.</p>	<p>NGOs/TUs to work in partnership with the responsible person for H & S measures.</p>	<p>R/S/C to assign responsibility to a responsible person.</p>	<p>Retailer/supplier/NGO/TU to commit participation of a responsible person in the MSI.</p>	<p>The retailer/supplier observing the code should assign responsibility for health status of HWs to a responsible person.</p>	<p>ETI Base Code 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.</p>
--	---	--	---	---	---	------------------------------------	--	--------------------------------------	--	---	--	--	---	--	---

<p>ETI Base Code or principle of implementation</p> <p>ETI Base Code 4 Child labour shall not be used.</p> <p>ETI Base Code 4.1 There shall be no new recruitment of child labour.</p> <p>ETI Base Code 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p>	<p>Interpretation in home worker context</p> <p>R/S/C should develop or participate in and contribute to policies and programmes with MSIs, government, NGOs and TUs to increase access to formal, quality education by HWs' children, at the closest point eg, village or ward.</p> <p>Further, with the aim of preventing child labour, R/S/C should develop methods of positively rewarding those HW families that send their children to school.</p>	<p>Actions for MSIs</p> <ol style="list-style-type: none"> MSI to develop programmes for supporting education initiatives for children of HWs so that every child under the minimum age of employment goes to formal school. Examples of initiatives could be scholarships, transport to and from school, or tuition, appropriate recreational facilities etc. MSI to raise resources to fund programmes. MSI to lobby government to ensure adequate education provision exists in areas of homeworking. MSI to encourage payment of living wage to adult workers. 	<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <ol style="list-style-type: none"> With the aim of preventing child labour, R/S/C to develop methods of positively rewarding those HW families that send their children to school. Carry out awareness programmes for retailers/consumers/c consumer organisations to help them fully understand the issues of children in homeworking families. R/S/C to collaborate with government and NGOs to develop programmes for supporting education initiatives for children of HWs. Suppliers should inform contractors and contractors to inform HWs of the legal minimum age of employment in the country. 	<p>Actions for NGOs/TUs</p> <ol style="list-style-type: none"> NGOs/TUs to develop programmes for supporting education initiatives for the children of HWs so that every child under the minimum age of employment goes to formal school. NGOs/TUs to develop awareness programmes for consumers to help them fully understand the issues of children in homeworking families. TUs / NGOs to work with employers and community to find sustainable solutions to child labour. 	<p>Indicators for actions</p> <ol style="list-style-type: none"> Records show numbers of HWs' children under the minimum age of employment attending formal school. Awareness programmes run for retailers/consumers/consumer organisations/media/TUs and NGOs internationally, to help them fully understand the issues of children in homeworking families. Number of initiatives supply chain players are involved in for supporting education of HWs' children. Local MSI/exporters have system in place for monitoring out-of-school children.
---	---	---	---	---	--

Continued on following page

ETI Base Code or principle of implementation	Interpretation in home worker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 4.1-4.2 (continued)</p>			<p>5 Contractors to raise awareness of the problems associated with child labour and encourage HWs to send their children to school.</p> <p>6 Suppliers to set up monitoring systems for random checks on out-of-school children.</p>		
<p>ETI Base Code 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p>	<p>Adolescents should be discouraged from working in hazardous conditions. Adolescents and their families should be made aware of the consequences of hazardous work.</p>	<p>MSI to raise awareness of hazardous work and the need for safe and healthy working conditions.</p>	<p>1 R/S/C and MSI to raise awareness of hazardous work and the need for safe and healthy working conditions.</p> <p>2 R/S/C does not permit the employment of children in hazardous conditions.</p>	<p>NGOs/TUs to raise awareness of hazardous work and the need for safe and healthy working conditions.</p>	<p>1 Number of awareness programmes conducted on hazardous work.</p>

<p>ETI Base Code or principle of implementation</p>	<p>Interpretation in home worker context</p>	<p>Actions for MSIs</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p>	<p>Actions for NGOs/TUs</p>	<p>Indicators for actions</p>
<p>ETI Base Code 5 Living wages are paid.</p> <p>ETI Base Code 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p>	<p>HWs should be paid rates equivalent to or greater than the minimum wage defined in national legislation, or industry benchmark standards, whichever is the higher, for all work carried out.</p> <p>Where there is no minimum wage defined for home work, the rates should be equated to the minimum wage defined for a factory worker doing the same task.</p>	<ol style="list-style-type: none"> MSI to support government efforts to formulate and implement legislation/policies for HWs eg on piece rates and on national policy for home-based workers. In absence of government-defined minimum wage for HWs, MSI to conduct time-motion studies, agree payment rates and implement them. 	<ol style="list-style-type: none"> R and S together to negotiate product costs that cover piece rates equal to or higher than minimum wage for HWs. R/S/C to have internal training for purchasing teams, as appropriate, on how to negotiate prices where HWs are involved and how to ensure minimum wage for HWs is met. R/S/C to develop standardised system for setting piece rates (including contractor levels and margins) and deductions where applicable. S and C to have a joint written contract to cover work with HWs. 	<ol style="list-style-type: none"> NGOs/TUs to raise awareness among HWs on issues related to wages, organise HWs to pursue implementation of agreed/minimum wage. NGOs/TUs to work with exporters in creating mechanisms for proper and prompt payment to home workers. NGOs/TUs to lobby for national policy on home-based workers including piece rates and social security. 	<ol style="list-style-type: none"> Evidence shows that MSI/NGOs/TUs are lobbying governments to formulate and implement policies for homeworkers. Documents available to show training conducted for purchasing teams. Monitoring system in place for making random checks on piece rates paid to HWs by contractors. Contractors to maintain payment records and HWs' records correlate with these. Number of programmes conducted to raise awareness among HWs on issues related to wages. HWs are able to earn the industry benchmark or minimum wage, where one has been set.

Continued on following page

ETI Base Code or principle of implementation	Interpretation in home worker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 5.1 (continued)</p>			<p>5 Suppliers to set up monitoring system for random checks on agreed piece rates and timeliness of payments.</p> <p>6 R and S to encourage sourcing from HW co-operatives where such exist.</p>		
<p>ETI Base Code 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>ETI Base Code 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	<p>HWs should be paid promptly and given an itemised pay slip indicating the piece rate of pay and the amount, cause and nature of deductions. Where possible, HWs should be given a clear written agreement of terms and conditions of employment.</p>	<ol style="list-style-type: none"> MSI to monitor proper and prompt payments to HWs. MSI to raise awareness among HWs of records maintenance. MSI to conduct training for HWs on maintaining records. MSI to encourage formation or membership of existing workers organisations. 	<ol style="list-style-type: none"> R and S to assess their own commercial practices, to identify reasons for delay in payments to HWs and to take remedial measures. R and S to develop practices to ensure prompt payments throughout their supply chain. Contractors to maintain records of all HWs, even those who work as part of a family. 	<ol style="list-style-type: none"> NGOs to promote systems to address credit needs of HWs. NGO/TU to raise awareness among HWs of records maintenance. NGO/TU to conduct training for HWs on maintaining records. NGO/TU to encourage formation of or support for existing workers organisations. 	<ol style="list-style-type: none"> Job slips are issued by contractors to HWs. Awareness programmes on record maintenance are conducted. Exporters and contractors maintain transparent payment records. Exporters have system in place to monitor payments to HWs. HWs have job slips.

Continued on following page

Continued on following page

ETI Base Code or principle of implementation	Interpretation in home worker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 5.2-5.3 (Continued)</p>			<p>4 Supplier to encourage contractor to issue job slips itemising the date of delivery and collection, piece rate and amount and nature of deductions (see Tool H log book for model).</p> <p>5. Where possible, S and C maintain a system to distribute a written agreement on payments to all their HWs.</p>		<p>6 Where possible, there is written agreement on payments to HWs.</p>
<p>ETI Base Code 6 Working hours are not excessive</p> <p>ETI Base Code 6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.</p>	<p>HWs should be made aware of the hazards of excessive work.</p> <p>HWs should not be forced to work more hours than they wish and should never be coerced into working excessive hours.</p>	<p>1 MSI to raise HWs' awareness of hazards of excessive working.</p> <p>2 MSI to monitor excessive work done under compulsion and liaise between HWs and R/S/C to rectify where such cases are found.</p>	<p>1 Retailers must avoid placing unreasonable deadlines for orders.</p> <p>2 When unreasonable deadlines are given, retailers should provide payment incentives, a proportion of which must be passed onto HWs.</p>	<p>1 NGOs/TUs to raise HWs' awareness of hazards of excessive working.</p> <p>2 NGOs/TUs to monitor excessive work done under compulsion and TUs to represent HWs' cases before employers where excessive work cases are found.</p>	<p>1 Awareness programmes on hazards of excessive working conducted and communications materials for HWs exists.</p> <p>2 Suppliers have monitoring system in place to check excessive work done under compulsion.</p>

Continued on following page

Continued on following page

ETI Base Code or principle of implementation	Interpretation in homeworker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 6.1 (see previous page)</p> <p>ETI Base Code 6.2 Workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.</p>	<p>There is no discrimination in offering homework as stated. HWs shall not be offered lower rates of pay than factory workers doing the same work.</p>	<ol style="list-style-type: none"> 1 MSI to raise awareness among HWs of their right to non-discrimination. 2 MSI to encourage HWs to report instances of discrimination. 3 MSI to set up mechanisms for redressing grievances. 	<ol style="list-style-type: none"> 1 Supplier to include non-discrimination clause in contract with contractor. 2 S and C to ensure men and women are paid equally for work of equal value. 3 R and S to ensure that orders are not withdrawn or HWs penalised for raising issues. 	<ol style="list-style-type: none"> 3 NGOs/TUs to demand payment incentives for 'urgent work' and to monitor payment incentives where given. 4 NGOs/TUs to ensure premium rates are paid for overtime work. 	<ol style="list-style-type: none"> 3 HWs do not report cases of excessive work or excessive work done under compulsion. 4 Overtime work is paid at a premium rate.
<p>ETI Base Code 7 No discrimination is practised.</p> <p>ETI Base Code 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>		<ol style="list-style-type: none"> 1 Supplier to include non-discrimination clause in contract with contractor. 2 S and C to ensure men and women are paid equally for work of equal value. 3 R and S to ensure that orders are not withdrawn or HWs penalised for raising issues. 	<ol style="list-style-type: none"> 1 Supplier records show that HWs' net piece rates are calculated in parity with the applicable minimum wage. 2 Contractor records show that all HWs are paid equally for work of equal value. 3 Awareness programmes on rights to non-discrimination conducted. 	<ol style="list-style-type: none"> 1 NGOs/TUs to raise awareness among HWs of their right to non-discrimination. 2 NGOs/TUs to encourage HWs to report instances of discrimination. 3 TUs/NGOs to work with R/S/C to set up mechanisms for redressing grievances. 	

Continued on following page

Continued on following page

ETI Base Code or principle of implementation	Interpretation in homeworker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 7.1 (continued)</p>			<p>4 Exporter to calculate HW piece rates in parity with applicable minimum wage.</p> <p>5 R/S/C to work with NGOs/TU to set up mechanisms for redressing grievances.</p>		<p>4 Records kept of instances of discrimination reported and action taken.</p>
<p>ETI Base Code 8 Regular employment is provided.</p> <p>ETI Base Code 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of ... homeworking arrangements...</p>	<p>Wherever possible employers (R/S/C) should endeavour to ensure a regular supply of work and communicate expectation of business at all levels.</p> <p>Homeworkers should enjoy statutory or negotiated social security benefits.</p>	<p>1 MSI to support government/TU/ NGO efforts to formulate and implement legislation / policies for HWs eg, national policy for home-based workers.</p> <p>2 MSI to promote setting up of social security fund and schemes (eg, insurance, pension, child care, health care etc.) for HWs through contributions from retailers, suppliers, HWs, government.</p> <p>3 MSI to work with government to develop a system for providing identity cards to HWs</p>	<p>1 Retailers to provide regular work by ensuring purchasing practices support this eg, better projections, reasonable deadlines and phased ordering.</p> <p>2 Advance information is given about prospects for orders where known.</p> <p>3 R, S and C should support and contribute to initiatives (funds/schemes like insurance, pension, child/health care etc.) to provide social security to HWs who do not have access to, or are not covered by, any state system.</p>	<p>1 NGOs/TUs to support efforts to formulate and implement legislation/ policies for HWs eg, national policy for home-based workers.</p> <p>2 NGOs/TUs to promote setting up of social security fund and schemes for HWs through contributions from retailers, suppliers, HWs and government.</p> <p>3 NGOs to conduct skill upgrading and diversification programmes to help HWs to work in off-season.</p>	<p>1 Evidence shows that MSI/ NGOs/TUs are lobbying governments to formulate and implement policies for homeworkers.</p> <p>2 Social security fund set up with contributions from stakeholders.</p> <p>3 Mechanisms in place for retailers to place orders in a planned manner.</p> <p>4 HWs report advance warning being given about quantity of work where possible.</p>

ETI Base Code or principle of implementation	Interpretation in home worker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ETI Base Code 9 No harsh or inhumane treatment is allowed.</p> <p>ETI Base Code 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p>	<p>As stated. This would include any form of coercion related to work at the household level.</p>	<ol style="list-style-type: none"> 1 Local MSI to raise awareness of abuses - physical and verbal. 2 MSI to set up mechanisms for redressing grievances. 	<ol style="list-style-type: none"> 1 Supplier to add a 'no harsh or inhumane treatment' clause in contract with contractor. 2 Where community centres exist, the interface between contractors and women HWs must be at the centre itself. 	<ol style="list-style-type: none"> 1 NGOs/TUs to raise awareness of abuses – physical and verbal. 2 NGOs/ TUs to set up mechanisms for redressing grievances to stop abuse and help HWs to take legal action. 	<ol style="list-style-type: none"> 1 Awareness programmes conducted on abuses. 2 Records available on actions taken on grievances.
<p>ETI Principles of Implementation 3.3 Workers whose work is covered by the Code are, where possible, made aware of the Code and implementation principles or procedures.</p>	<p>As stated.</p>	<ol style="list-style-type: none"> 1 NGO and TU members of MSI to devise materials and tools for raising awareness of these guidelines. 2 MSI to create local team for raising awareness of the guidelines at all levels of supply chain, especially the community level. 	<ol style="list-style-type: none"> 1 Suppliers/contractors are made aware of the guidelines. 2 Supplier/contractor provides, or agrees a timeframe for distributing, information on the guidelines. 3 Suppliers/contractors explain the guidelines or company code in an appropriate and understandable way to HWs, e.g workers handbook. 	<ol style="list-style-type: none"> 1 NGOs/TUs to devise materials and tools for raising awareness of ETI Base Code/these guidelines. 	<ol style="list-style-type: none"> 1 HW handbooks developed in local languages. 2 Contractor records indicate HWs who have received handbook. 3 HWs know code content and content of implementation principles.

<p>National Group on Homeworking or International Labour Organisation principle</p> <p>ILO Convention 177 on HomeWork (1996)</p>	<p>Interpretation in home worker context</p> <p>This convention lays down a legal framework under which HWs receive conditions which are fair and equal to those employed by other workers. Organisations working towards ethical trade should support ratification of this convention.</p>	<p>Actions for MSIs</p> <p>MSI to co-ordinate multi-partite lobby of government for ratification of this convention.</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <p>Lobby of government, and trade/employers' associations for ratification of this convention. Retailers should promote ratification of this convention in all countries they source from.</p>	<p>Actions for NGOs/TUs</p> <p>Campaign and lobby with HWs for ratification of the convention.</p>	<p>Indicators for actions</p> <p>Actions and statements in support of ratification of this convention. Public recognise the economic role of HWs and their right to equality of treatment with other workers.</p>
<p>ILO 4.2 Equality of treatment shall be promoted</p>	<p>In the countries that have ratified the ILO Convention on Home Work, articles on the equality of treatment should be complied with. All HWs should have equal access to training, are informed that they can request training and will be paid while training.</p>	<p>Develop and circulate information about HWs rights to equality of treatment, health and safety issues and the responsibilities of intermediaries.</p>	<p>Training is given to R, S and C staff on the rights of HWs to equality of treatment, special measures to ensure their health and safety and on the responsibilities of intermediaries. Information is distributed to HWs on their rights to equality of treatment through the supply chains. Ensure HWs have access to training.</p>	<p>NGOs and TUs run campaigns to inform HWs of their rights to equality of treatment regarding their right to protection from discrimination, health and safety; remuneration and social security protection.</p>	<p>HWs receive and understand information about their legal rights to equality of treatment regarding their right to organise; protection from discrimination; health and safety; remuneration and social security protection.</p>

National Group on Homeworking or International Labour Organisation principle	Interpretation in homeworker context	Actions for MSIs	Actions for retailers/suppliers/contractors (R/S/C)	Actions for NGOs/TUs	Indicators for actions
<p>ILO 4.7 Health and safety</p>	<p>In the countries that have ratified the ILO Convention on Home Work, laws on health and safety for HWs should be complied with.</p>	<p>See above.</p>	<p>Risk assessments identify hazardous work which should not be given to HWs.</p>	<p>See above.</p>	<p>See above.</p>
<p>ILO 4.8 Responsibilities of intermediaries</p>	<p>In the countries that have ratified the ILO Convention on Home Work, laws covering the responsibilities of intermediaries should be complied with.</p>	<p>See above.</p>			
<p>NGH 1.2.4 When calculating (piece-work rates) employers must take account of additional tasks not undertaken by on-site workers.</p>	<p>Piece-work rates reported by HWs and their organisations are equivalent to the minimum wage or industry benchmark if higher and take account of all tasks undertaken by HWs.</p>	<p>MSI establishes norms for setting piece rates which ensure that HWs are able to earn the minimum wage, and are remunerated for additional tasks not undertaken by on-site workers (eg, packing) as well as production.</p>	<p>Contractors' documentation records how piece-work rates were agreed/calculated. Piece-rate calculations incorporate payments for additional tasks not undertaken by on-site workers (eg, packing) as well as production.</p>	<p>Promote and participate in piece-rate setting, ensuring these include remuneration for additional tasks not undertaken by on-site workers (eg, packing) as well as production.</p>	<p>HWs are able to earn the industry benchmark or minimum wage defined in national legislation, which ever is higher for all work carried out.</p>

Continued on following page

<p>National Group on Homeworking or International Labour Organisation principle</p> <p>NGH 1.2.4 (continued)</p>	<p>Interpretation in homeworker context</p>	<p>Actions for MSIs</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p>	<p>Actions for NGOs/TUs</p>	<p>Indicators for actions</p>
<p>There should be a clear agreement between the HWs and their employers as to the standards of work expected and the procedures to be followed if there is a change in specification, if unexpected problems occur, or if the work is not up to standard.</p>	<p>Agreement exists on standards of work and payments and procedures for changes to specifications and resolution of disputes about quality and unforeseen events.</p>	<p>MSI develops and circulates model contracts/agreements between homeworkers and the suppliers of work which make explicit the standards of work expected and how problems regarding quality will be resolved.</p>	<p>Contractor to reach agreement on standards of work (and payments) and procedures for changes to specifications and resolution of disputes about quality and unforeseen events. They should ensure that HWs understand this agreement through a verbal or written contract or agreement as appropriate.</p>	<p>Information and model agreement are circulated to homeworkers with training about the quality agreements, their responsibilities under these, and how they can be used to resolve disputes about quality.</p>	<p>Existence of agreements. HWs understand terms used in the agreement.</p>

<p>National Group on Homeworking or International Labour Organisation principle</p> <p>NGH 1.3.0 Where the employer does not directly supply these, HWs should be reimbursed for work-related expenses (materials, maintenance and energy).</p>	<p>Interpretation in homeworker context</p> <p>HWs are reimbursed for work-related expenses.</p>	<p>Actions for MSIs</p> <p>MSI adopts and encourages R/S/Cs to adopt a policy that homeworkers should be remunerated for work-related expenses (materials, maintenance and energy).</p>	<p>Actions for retailers/suppliers/contractors (R/S/C)</p> <p>C to reimburse HWs' work-related expenses.</p>	<p>Actions for NGOs/TUs</p> <p>Training and information for homeworkers about the policy for remunerating HWs for work-related expenses.</p>	<p>Indicators for actions</p> <p>Records of reimbursements to HWs. HWs report receipt of work-related expenses from contractors.</p>
--	---	--	---	---	---

D

Questions for homeworkers

Tools D and **E** are aimed at those gathering information from homeworkers about conditions of employment. **Tool D** was designed by a UK NGO for use with homeworkers in a developed economy where more formal systems may exist and workers' awareness of conditions and rights may be greater.

Tool E is designed for use in developing economies. The questions can be used with groups of homeworkers or in one-to-one interviews.

Questions	Prompts	Information given
How did you hear about the job?		
What information were you given when you started working?	Induction • contract • terms of engagement • company policies • complaints procedure	
Where do you get information about your rights?	Personnel officer • unions • information pack	
How do you raise an issue bothering you?	Complaints procedure • union / works council meetings	
Have you heard of any homeworkers who have complained to the company? What happened to them as a result?	Did they get any further work?	
Are you consulted / informed about decisions which affect you? How well does this work?		
What does your job involve?	Include delivery • collection • task	
Are you provided with the tools you need for the job? Who pays for them?	For example: scissors • paper	
What training do you receive?	Examples, concerns?	
How is your rate of pay established?		
How do you find the pay rate, is it fair?	Comparison with other employers? Cost of living?	
Always paid on time?	Paid in full?	
Is the work regular? How many hours a week?		
How do you find out when work is coming?	Advance warning?	
How often do you receive work?		
Do you get any payments other than for the product?	Holiday / sick pay • easy to claim?	
What paperwork do you receive?	Payslips • delivery notes • collection note	
How do you get to know other homeworkers?	Social events	
Any cases of alleged harassment or bullying?	Examples? How managed?	
How does working here compare with other places?	Recommend to others?	
Do you feel part of the company?		
What are the good things and what are the bad things about homeworking?		
What would you improve if you could?		
Any changes coming up?	Production • employment?	
Any questions for us?		

E

Researching homeworkers' conditions - a guide to focus group discussions

The following tool was used by the ETI local research team in India to collect information orally from homeworkers about their terms and conditions. It forms a guide to conducting structured focus group discussions (FGD) that focus around the areas of the ETI Base Code. It is intended for use by independent assessors who have significant experience in social research techniques and strong familiarity with the local cultural context. The cover sheet is intended to be completed before using the main tool, the discussion guide. Discussions should be conducted in groups of around five to eight homeworkers and the composition of the groups should be decided in advance by the assessors. In certain cultural contexts single-sex FGD groups may be more appropriate, while in other contexts, mixed groups may work more effectively - the assessors' experience in social research will be key in determining this.

Cover Sheet

- Q Exporter's name
- Q Direct employer's name
- Q Direct employer's status: **Contractor / subcontractor / sub-subcontractor**
- Q Location of interview: **Employer premises / homeworker premises**
- Q Homeworkers' names
- Q Village
- Q Gender
- Q Age (give range)
- Q Education (range / numbers)
- Q Number of children
- Q Ages of children (range)
- Q Working alone / in informal group / other

E

Discussion guide for homeworkers

1 General

- 1.1 What type of work do you do? For how long have you been doing this? How did you become a home worker? Why? Have you ever done any other type of work? Have you ever done any similar work in a factory? How does homework compare with factory work?
- 1.2 Do you know which company has given you work? Are you aware where these products are sold?
- 1.3 Do you work for more than one contractor? Why? How many? How long, on average, would you work for a particular contractor? Why?
- 1.4 How many people in your home do this work? Does everyone in your house work for the same contractor? Why do you work for different contractors? Are others working outside the home? Where?
- 1.5 What difference has homework made in your life? (Economic difference/social standing) How are the households that are not doing this work different from those that are doing this work (education, school, assets, health, celebrations)? What would have happened if you did not have this work at all?
- 1.6 What are the advantages in doing this work? Probe for top three while listing all.
- 1.7 What are the problems of this type of work? Probe for top three while listing all.
- 1.8 Do you think any improvements could be made specifically to solve these problems? What do you think could be done? Who should be involved in this improvement process?

2 Working hours

- 2.1 How many hours on average do you spend in a day doing this work including all main (beading, embroidery etc.) and ancillary (sorting, packing etc.) activities? How do you divide your time doing this work and other household chores?
- 2.2 When there is more work than usual, how many hours do you work in a day? How often is there 'urgent' work in a month?
- 2.3 Do you ask for how much work you want or is it given by the contractor? If given, would you say that usually the contractor gives too much or too little?
- 2.4 Do you have any problems with the numbers of hours worked or the amount of work given? Probe problems with low demand as well as high demand.
- 2.5 Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

3 Regular employment

- 3.1 How many days of work do you get in a year from each contractor? In which months is there lots of work and in which months is there very little? What is the longest period you have had without work (in weeks/months)?
- 3.2 What benefits do you get from the contractor other than your wage calculated by the piece rate (loan, advance provision)?

E

- 3.3** Do you have any problems with the numbers of days work is provided or the other benefits given?
- 3.4** Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

4 Wages

- 4.1** Generally, what are your expenses in a month? How much on what items?
- 4.2** Generally, how much per day does a man make from this type of work? How much does a woman make from this type of work? How much average per month?
- 4.3** Do you know how the piece rate is calculated? Do you think this is followed in the correct manner? Do you spend some time on preparation before the actual work starts? If yes, how much time? Is this factored into the piece rate somehow?
- 4.4** How much would you earn for eight hours of work? (Ask this by asking how many pieces can be made per hour, multiply by eight hours and then ask can they make 8 x number in a day.) Are you aware of minimum wage rate as set by the government?
- 4.5** Do you know anyone working in a factory? What would they earn for the same amount/type of work in a day? In a month? Are there more or fewer benefits if you work in a factory? Describe.
- 4.6** What is the minimum you may earn per day? What is the maximum? Is your income the main contributing income in the family? If yes, is this enough to live on? What exactly does this cover? (probe for food, fuel, education, medical expenses, celebrations)
- 4.7** Who receives the money for the work? Is it the actual people who do the work?
- 4.8** How often is the payment made? Are you able to claim money for work completed as and when required? How easy is it to get an advance? If payment is assured immediately at the end of the work, do you accept lower piece rates? If yes, by how much less?
- 4.9** Do you have to spend money on any items or equipment for your work? If yes, how much and for what? Is this amount reimbursed or factored into the piece rate somehow?
- 4.10** Are any deductions made? What are they for? In your opinion are they reasonable? Do you have a chance to argue/appeal against these decisions?
- 4.11** Are pay slips given or records on work/payments kept? If not, how do you check how much is due? What happens when there is any misunderstanding or confusion on how much is due? Do you code your work to identify it? Probe issues related to literacy.
- 4.12** Is there any written agreement between you and the contractor about the amount of work provided and payment rates? Do you feel there is a need to keep records or have an agreement?
- 4.13** Do you have any problems with the wages and payments?
- 4.14** Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

E

5 Discrimination

- 5.1 Is everyone paid according to the same piece rate? (men, women, children, favoured employees, favoured communities, married women favoured)
- 5.2 Has anyone ever raised an issue about payments or any other work-related issue? What happened? What is that person doing now?
- 5.3 Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

6 Working conditions

- 6.1 What are the most common illnesses in the area? Do you think the people doing your kind of work suffer more from certain illnesses than others? Which ones? Why?
- 6.2 How much do you spend on medical expenses in a month? How much does your family spend on medical expenses in a month? Is this more than other families spend?
- 6.3 Do you think there are any hazards in the work? What are they? Does working at home make the environment more dangerous for the family in some way? What could be done to make the home safer?
- 6.4 Has anyone given training or information on health and safety issues? Would you like some training or information? Who would you like to provide you with this information? (contractor, others)
- 6.5 Do you have any problems with your working conditions?
- 6.6 Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?
- 6.7 NOTE own observations on the physical workplace.

7 Child Labour

- 7.1 What would you say are the advantages of children doing homework for the children themselves? For you as a parent?
- 7.2 How did you first learn this work? How old were you at the time? How old are your children? Do they also know how to do this work? Do they help you? If yes, how much time do they usually spend helping? Does this affect their schooling? What part of the process do they help with? Do they get paid? Is it the same rate as adults? If no, is it common in other households for children to help do the work?
- 7.3 Is it common for children in this village to go to school? Boys? Girls? What do they do after they return from school?
- 7.4 Do some households use outside (non-family) labour? Where does this labour come from?
- 7.5 Do you have any problems with children working at home?
- 7.6 Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

E

8 Employment is freely chosen

- 8.1** What are the other options for work? Why have you selected this one? If this type of work was not available to you, what would you do instead? (probe that no harsh or inhumane treatment is allowed)
- 8.2** Can people choose which contractor to work for? Have you known anyone who has changed contractors? Is it easy to change contractors? Why would anyone change? Which type of contractors are generally preferred? (loan, better money, health, illness, future secure, prompt payments etc.)
- 8.3** Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

9 Collective bargaining

- 9.1** Are you aware of any homeworkers who come together and work for some/full part of the day? What are the advantages of working together? What are the disadvantages?
- 9.2** What are the most common problems among homeworkers or between homeworkers and the contractor? What happens? How are they resolved?
- 9.3** Have anybody's relations with the contractor gone sour in the past? What happened? What do you think should have been done by either the employer or the homemaker?
- 9.4** Are you aware of any organisation that would help you with such problems or to get organised? (NGOs, government departments, trade unions etc.) How do you know of these? Would you go to such an organisation for help? What do you think your employer's attitude would be to this?
- 9.5** Do you have any problems with the relationship with contractors?
- 9.6** Do you think any improvements could be made specifically to solve these issues? What do you think could be done? Who should be involved in this improvement process? Any other suggestions?

- 10** **One last question**, what future do you see for yourself, your family and especially your children? What are your children's goals? How do you think you can help them achieve their goals? Do you think that homeworking will help you and your family achieve these goals?

Thank you for your time.

F

Guidance on how to set piece rates

‘Work measurement’ and ‘work study’ are two methods recognised by international bodies such as the International Labour Organisation (ILO) as scientific means by which to establish fair piece rates. Employers have the responsibility of demonstrating that a particular method is generally accepted by qualified industrial engineers and has been properly executed. Any work measurement/work study method used to establish piece rates should be verifiable through the use of established techniques as recognised by the ILO or similar. This tool explains briefly what each technique involves and how it is used to calculate piece rates. You will need to use experienced professionals to carry out this type of measurement and **Tool G** lists companies that can help.

Industrial work measurement methods such as stop-watch, time studies, predetermined time systems, standard data or other measurement methods (work measurement methods) shall be used by the employer. The aim of both methods is to establish standard hourly production rates of workers.

If stop-watch time studies are made, they shall be made with a person or persons whose productivity represents normal/standard performance. The British Standards Institute (BSI) defines a ‘standard performance’ as: “the rate of output which qualified workers can achieve without over-exertion, as an average over the working day, on shift, provided they adhere to the specified method and layout (to be used by all workers) and provided they are motivated to apply themselves to their work”.

To establish the rate of output two methods may be used to find the average or standard performance, they are:

Work measurement

This technique is designed to establish the time a qualified worker takes to carry out a specified job at a defined level of performance. Productivity is the ratio between output and input - the amount produced and the amount of any resources used in the course of production. Timings establish the standard minute value for each element of the job. Different people work at different rates - the aim is to find the average standard minute value to carry out each particular job, including all the processes required to complete job.

Method study (British Standard 3138)

This is the systematic recording, analysis and critical examination of existing or proposed ways of doing work as a means of developing and applying easier, more effective methods and reducing costs. The objectives of method study are:

- 1 improvement of production processes and procedures;
- 2 improvement of the design of factory, shop or workplace layout (on site or at home) and the design of production equipment;
- 3 economy in human effort and the reduction of unnecessary fatigue;
- 4 improvement in the use of materials, machines and manpower; and
- 5 the development of a better physical working environment.

Basic procedures for method study:

- 6 Select - the job(s) for method study

F

- 7 Record - all the facts
- 8 Examine - critically all the facts
- 9 Develop - proposed procedure
- 10 Install - the new method as standard practice
- 11 Maintain - by follow up, routine checks.

Carry out observation of workers doing all elements. Observe, time and split into elements of work to establish purpose of each different aspect of job and find most efficient method.

How to establish the piece rate

Once the timings for all elements have been done by observing, timing and recording all facts across a number of workers then a standard production rate can be established, giving the average number of units completed per hour. This must then be related to pay.

Piece rates should be based on the total number of units that an experienced/qualified worker can be expected to produce in one hour. Rates should be equal to at least prevailing industry wage rates or the national minimum wage (NMW) (where applicable) paid to experienced workers doing essentially the same type and quality of work. The prevailing industry wage rate and/or NMW divided by the standard number of units per hour gives the piece rate.



Consultants/companies qualified to conduct time and motion studies to establish fair piece rates

Background

Mick Hubbard of the GMB Union created this list following a training session he and colleague David Hare carried out on time and motion study for members of the ETI Homeworking Group in the UK in June 2003. It was then updated in March 2006. Members who underwent training were seeking to understand the British Standard system for fair calculation of piece rates, including piece rates for use with homeworkers. Mick and his colleague can be contacted at:

Mick Hubbard

Productivity Services Officer
GMB Union
GMB National Office
22 -24 Worples Road
London SW19 4DD

mick.hubbard@gmb.org.uk

020 8947 3131

Many unions have productivity experts who are qualified time and motion study experts. Companies wanting time and motion studies may wish to contact any existing union representatives in the first instance.

Scott-Grant Group Ltd

Portland Tower
Portland Street
Manchester M1 3LF

MD Richard Taylor

rtaylor@scott-grant.co.uk
0161 234 2121

David Haire

14 The Birches
Farnborough
Hants GU14 9LP

01252 549743

Bob Hill

07808 887731

John Shaw and Associates

12 Wesley Road
Ironbridge
Shropshire TS8 7BD

jshaw999@aol.com

01952 433 685

Thomton Management Services

Roger Thomton

01924 273795

John Hulland

42 Nordale park
Norden
Rochdale OL12 7RS

01706 647912

JHull49643@ad.com

H

Log book for use by homeworkers

Background

The model below is a simple tool for use by contractors / subcontractors and homeworkers to enable the homemaker to have a record of the work done, the materials given, payment received and date of that payment. This information is signed by the contractor. The keeping of a log book is an important step in ensuring that homeworkers receive full payment for the work done and its use is recommended for suppliers to help them meet Base Code provision 5 'Living wages are paid' (see the *Application table*, **Tool C** and section 5.7 and, for retailers, 4.6). The log book has been used effectively in India with semi-literate homeworkers.

Model log book

Q Name of Worker: _____

Q Product / Style: _____

Q Rate: _____

Date	Amount of material given	Date	No. of finished goods received	Deductions	Payment due	Payment received	Signature of contractor

The SEWA Insurance Fund

The following detail has been provided by the Self Employed Women's Association (SEWA) in India giving details of the amounts payable and receivable by workers contributing to SEWA-operated insurance schemes (see chapter 2.9). This detail may be useful to others interested in establishing a similar fund. Details were correct as of March 2006.

Insurance scheme

For the majority of women workers in the informal sector, there is no provision for any kind of social security. Under SEWA's Insurance Scheme, the members are insured against various natural disasters and health problems. Some of the salient features are outlined below. The figures quoted are rupees; at July 2006 the exchange rate was around 80 rupees to £1.

Scheme 1

Benefits	Worker	Husband	Children	Total	Family Insurance
Annual premium	100	70	100	270	250
Natural death	5000	5000	-	-	-
Sickness	Up to 2000	Up to 2000	-	-	-
Household goods	Till 10,000	-	-	-	-
Accidental death	40,000	25,000	-	-	-

Scheme 2

Benefits	Worker	Husband	Children	Total	Family Insurance
Annual premium	225	175	100	500	480
Natural death	20,000	20,000	-	-	-
Sickness	Up to 6000	Up to 6000	Up to 6000	-	-
Household goods	20,000	-	-	-	-
Accidental death	65,000	50,000	-	-	-

Other details of the Insurance Scheme:

- The scheme is available to women members between the ages of 18 - 55 years. If a child is insured under the health programme, its age on 1 January should be from three months to 17 years.

- If a woman has her own insurance policy, she can insure her husband and children.
- To be eligible for health benefits, a minimum of 24-hour hospitalisation is necessary.
- Maternity benefits, dentures and hearing aids are available only for fixed insurance schemes. These benefits are available after a year of joining the scheme.
- For the two schemes, if the premiums are paid for the entire family, there is a discount of 20 rupees.
- Claims have to be presented as soon as possible, within three months.
- Claims for reparation of household goods will be allowed only if the damage is due to floods, fire, riots and violence, earthquakes and cyclones.
- If the member has taken out fixed insurance, she will get the following benefits: (1) maternity benefits - Rs 300; (2) dentures - Rs 600; (3) hearing aid - Rs 1000.

J

How purchasing practices can undermine the principles of the ETI Base Code with homeworkers

Over the past few years, there has been increasing concern that the purchasing practices of retailers and brands may be undermining efforts to ensure ethical standards in global supply chains²². Key concerns at the way modern purchasing practices can work against good labour practices centre on the following features of procurement:

- the need to produce quickly;
- the increased demand for flexibility and seasonality;
- the continual search for lower prices and better deals.

The need to produce quickly can:

- greatly reduce the amount of notice a supplier receives about an order, increasing the pressure to deliver on unrealistic timescales;
- influence levels of overtime and possibly lead to situations where overtime is mandatory;
- increase the likelihood of children helping their families to rush orders through.

Increasing demand for flexibility and seasonality can:

- mean suppliers have to cope with orders being changed, cancelled, increased, decreased, or have delivery dates altered. This can reduce a supplier's ability to provide secure and regular employment;
- increase costs for suppliers (for example higher numbers of smaller shipments);
- reduce the stability of relationships between retailers / brands and suppliers, as shorter-term, more flexible contracts are opted for.

The continual concern to reduce prices paid can:

- force down wages;
- eliminate premium rates for overtime;
- lead to a cutting of corners in health and safety;
- lead to a delay between the order being placed by a retailer / brand and suppliers receiving payment for that order. This can result in a payment delay being passed on to workers, who may receive wages very late.

How this can impact on homeworkers

Where suppliers are making use of homeworkers, particularly where a chain of agents connects the homeworker to the supplier, the multiple demands for speedy delivery, flexibility, seasonality and low price are likely to impact all the way down the chain. Shorter lead times for example can lead to pressure on homeworkers to increase the number of hours worked and increase pressure to make use of family labour, including child labour. Shorter-term flexible contracts between retailers / brands and suppliers are likely to increase the insecurity of work supply for homeworkers.

²² See for example *Buying your way into trouble: the challenge of responsible supply chain management*, Insight Investment, 2004, and *Trading away our rights - women working in global supply chains*, Oxfam International, February 2004.

J

What retailers, suppliers and contractors can do

These guidelines contain recommendations for retailers on purchasing practices in section 4.8, and for retailers, suppliers and contractors in **Tool C**, the application framework. These are drawn together below with some additional recommendations on best practice in purchasing for those wishing to do more in this area.

- In order to reduce excessive working hours, buyers should avoid placing unreasonable deadlines for orders. A review of your supply chains analysing the time needed for each step in the critical path will help you to establish what a reasonable and deliverable deadline should be.
- As homeworkers commonly complain about delayed payments, retailers, suppliers and contractors should assess their own commercial practices to identify reasons for such delays. Retailers should work with suppliers to take remedial measures, including possible training systems for contractors.
- As stressed throughout the document, retailers, suppliers and contractors must ensure that they use robust methods (such as General Sewing Data) to verify that the price paid to the supplier, contractor, or homeworker (as appropriate) is compatible with meeting the ETI Base Code.
- Retailers, suppliers and contractors need to consider whether the length of contracts given to the supplier, contractor or homeworker (as appropriate) negatively affects their ability to meet labour standards with homeworkers.
- Buyers need to be encouraged to consider not only price and quality of the product, but also labour standards.
- Revision of purchasing practices will usually mean bringing the ethical and buying staff of the company together and tailoring training to increase buying and technologist staff's familiarity with labour standards, their understanding of chains involving homeworkers, and the impacts of their buying practices upon workers at the bottom of the chain.
- While training for buyers on labour standards is key, retailers should also consider whether this alone is likely to change buyers' practice. It is worth considering systems to reward buyers who integrate labour compliance into their purchasing decisions, such as individual buyer scorecards.
- Retailers should seek to develop longer-term relationships with suppliers, using a preferred supplier list for new products, and consider assessing and rewarding suppliers for effort to meet the ETI Base Code.