

Due diligence in Tamil Nadu leather footwear manufacture

SUMMARY

This report summarises key findings from a collaborative due diligence process in leather footwear manufacture in Tamil Nadu carried out by Homeworkers Worldwide [HWW] and Cividep India, in conjunction with two ETI-member companies and Dalit Solidarity Network. The major labour rights risks identified include:

- Barriers to Freedom of Association and anti-union attitudes
- Health & safety hazards (strain injuries, exposure to solvent fumes, etc)
- Low wages, especially for workers employed on a casual basis and homeworkers
- Excessive, often involuntary overtime
- Potential barriers to employment and promotion to supervisory grades facing Dalit/Muslim women
- Irregular employment of factory workers employed on a daily/contract or piece-rate basis, and of homeworkers employed to carry out hand-stitching through informal sub-contract chains

Internal mechanisms for workers to raise grievances or discuss conditions with their employers were poor or absent. Homeworkers had no means to raise grievances or communicate with the factories employing them. Some issues had been identified in factory audits, but many (including denial of trade union rights) were invisible to them. To tackle these issues companies sourcing leather footwear from Tamil Nadu need to collaborate with local civil society in further due diligence and implementation. Recommendations are made for Brands, suppliers, ETI and Governments.

HWW and Cividep acknowledge the foresight of the Ethical Trading Initiative in providing resources for this ground-breaking initiative, and the courage shown by the ETI-member companies and their respective suppliers in taking part, and their commitment to addressing the issues identified. It is important to note that the issues described in their report came mostly from stakeholder interviews and do not refer to the supply chains of the participating retailers.

Table of Contents

1. Introduction	2
2. Labour rights risks in Tamil Nadu leather footwear factories	3
3. Labour rights risks in Tamil Nadu leather footwear Homeworker chains.....	5
Access to internal grievance mechanisms.....	7
4. Root cause analysis	7
Caste & gender.....	7
Rights to Freedom of Association and Collective Bargaining	8
Wages	8
Irregular employment.....	8
Purchasing practices.....	8
5. Leverage & responsibility	9
6. Conclusion	10
7. Recommendations	10
Government.....	10
Retailers & Brands.....	11
Suppliers	12
Ethical Trading Initiative	12

1. Introduction

This report is based on more detailed, confidential reports, arising out of a time-limited project (April 2018 - January 2019), funded by the Ethical Trading Initiative's Innovation Fund which aimed to strengthen the ability of international Brands and other stakeholders in the sector to work together to implement the UN Guiding Principles on Business and Human Rights (UNGPs)¹, and to:

- Identify major adverse labour rights risks and impacts in the sector².
- Highlight practices at factory level and in informal chains employing homeworkers.
- Demonstrate the potential impacts of retailer policies and practices on the ability of suppliers to comply with local laws and the Ethical Trading Initiative [ETI] Base Code.
- Develop recommendations for ongoing due diligence and implementation

Interviews were carried out by Cividep staff with local stakeholders, including trade unions and NGOs active in the sector, representatives of relevant State government bodies, and management of a Tamil Nadu leather footwear supplier. The presence of homeworkers carrying out hand-stitching was disclosed, enabling an initial mapping of sub-contract chains supplying the factory. Cividep was given access to agents and homeworkers, and through interviews gained a good picture of their working conditions and the operation of the informal chains. The conditions were similar to those in homeworker chains mapped in 2017 for another Brand. Investigations in the value chain were complemented by research into the Brand's purchasing practices, reported in detail separately, the findings of which are used in the present due diligence.

¹ Under the UNGPs, companies have a responsibility to avoid causing or contributing to adverse human rights impacts through their own activities, and to seek to prevent or mitigate adverse human rights impacts directly linked to their operations, products or services by their business relationships, whether they have contributed to those impacts or not

² Significant labour rights and environmental risks in leather tanneries are outside the remit of this study.

2. Labour rights risks in Tamil Nadu leather footwear factories

The table below summarises findings from stakeholder interviews and research by Cividep and Homeworkers Worldwide. The data relates to the sector as a whole, rather than the situation at the supplier which participated in the study, where wages and conditions seem to be as good, or better than average. Nevertheless some issues have resonance with issues identified in audits.

ETI Base Code Element and prevalence ³ in the sector
<p>Forced labour (<i>infrequent</i>)</p> <p>One factory (unrelated to the project) was reported to employ 500 migrant workers who are accommodated in factory controlled dormitories, and are paid on a daily rate (Rs150-Rs200/day), both factors which have been associated with forced labour in other sectors.</p>
<p>Denial of rights to Freedom of association and collective bargaining (<i>prevalent</i>)</p> <p>All the trade unions and NGOs consulted cited barriers to workers accessing their rights to Freedom of Association and Collective Bargaining: anti-union attitudes by factory management, and union-busting tactics including inducements and threats to workers; harassment of union activists and support for “letter-pad” unions (non independent unions, with unelected officials, which do not represent the interests of workers).</p> <p>Workers’ fear of retribution makes it impossible for unions and NGOs to hold meetings at or near the factory. Some unions and NGOs meet with workers at their homes and in the community. Nevertheless independent trade unions are present and have achieved recognition in a small number of footwear factories in Ranipet and Vellore. Some unions have members in factories where the union is not recognised who do not disclose their union affiliation.</p> <p>Low levels of worker awareness around labour rights, especially trade union rights, were cited, especially among women workers. Reaching out to women workers was noted as challenging by both unions and NGOs. Unions tend to be male dominated, which limits their ability to organise women workers; some unions are seeking to address this issue. Local trade unions lack language skills to communicate with vulnerable migrant workers from N. India. Workers are also divided on caste, religion and community lines.</p>
<p>Health & safety hazards at work (<i>prevalent</i>)</p> <p>Accidents at work (unspecified); lack of compensation for workplace injuries. Exposure to glue solvent fumes ⁴. Non-provision of safety equipment and uniforms. Overcrowded transport to factories. Health issues associated with working long hours</p>

³ The limited study scope did not permit quantification. Risks have been classed as *prevalent* (more likely than not); *significant* (not typical but still of significant likelihood) and *infrequent*.

⁴ **Walk a mile in their shoes – Workers Rights Violations in the Indian Leather & Footwear Industry**, Raaj and Prasad (Sudwind) 2016

ETI Base Code Element and prevalence³ in the sector

Excessive Working hours (*prevalent*)

Excessive, often involuntary overtime [OT], which may not be remunerated at the legal rate (200%) is widely reported. Workers are asked to do OT during shipment times. Some workers are compensated (*'encashed'*) in lieu of leave (strictly legal, but unarguably a breach of the ETI Base Code). Workers employed on "piece-rate", temporary or contract terms may be denied their customary (maternity and annual) leaves.

Low wages (*prevalent*)

Experienced but unskilled leather factory workers can earn Rs.150 – 200/day (Rs.3,900-5,200/month), while skilled stitchers can earn up to Rs.260/day (Rs.6,760/month). The minimum wage for manufacturing in Tamil Nadu (applicable to footwear factory workers) at the time of the study was INR 6525 – 7095.⁵ Many factories are reported to pay below the Minimum wage. Some informal and piece rate workers were reportedly paid as little as Rs.3,000/month. Wages are often not sufficient to meet basic family needs. A credible ISEAL study estimated a Living Wage for urban Tirupur of Rs.13,725 (2016)⁶ ⁷. Wages were closer to the Tamil Nadu urban poverty line (for a family of four) of Rs. 4,448/month (2016)⁶ than to a Living Wage.

Lack of pay slips for temporary workers and non-payment of salaries/final salaries when factories close was also cited. Non-payment (and delays in payment) of national insurance contributions (ESI and PF) was reported to be widespread.

Irregular employment (*prevalent*)

Irregular and precarious employment of workers paid on a daily, contract, or piece rate basis was reported as widespread in footwear factories. Many workers are not given employment letters and are not informed about conditions of employment. Workers paid on a daily, contract or piece rate basis have no job security and do not enjoy statutory leave or ESI or PF payments. Payments of ESI and PF for regular employees may also be delayed, prejudicing the access of employees to benefits. Permanent worker status and access to ESI/PF was one of the key demands of workers. Some factories declare 'leaves' when they have no orders, during which time workers are not paid.

Harsh or inhumane treatment (*significant*)

Workers report verbal, physical and sexual abuse by supervisors and management. These issues are taken up by unions with management, where there is a recognition agreement.

⁵ This includes a basic rate plus a dearness allowance for inflation; for example the monthly minimum wage for a semi-skilled worker for November 2018 would be Rs. 6955.50, made up of a basic rate of Rs. 4191 + DA Rs. 2764.50. (Tamil Nadu Government Gazette, 13 Aug. 2014, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=186326>).

⁶ **Living Wage Report Tiruppur City Tamil Nadu, India Context Provided in the Garment and Textile Sectors**, Richard & Martha Anker, Global Living Wage Coalition, May 2017 <https://www.isealliance.org/sites/default/files/resource/2018-05/Tiruppur%20Living%20Wage%20Report%20%28FINAL%29%20May%2017.pdf>

⁷ This is a conservative estimate. The Asia Floor Wage for India in 2017 was Rs.23,588 <https://asia.floorwage.org/>

Seeking the agreement of workers on which issues have the highest priority for them was not appropriate nor attempted, but would be an important part of any process to improve conditions and workplace relations. The following were noted by NGOs and unions as key issues raised by factory workers in the sector:

- Low wages (low minimum wage compared to family needs and underpayment of MW)
- Excess overtime (involuntary OT; non-payment of OT rates; ill-health due to long hours)
- Paid leave
- Maternity leave and crèche provision
- Sexual harassment
- Regular employment and non-payment of social security contributions
- Freedom of association

There are grounds for believing that discrimination by caste and gender occurs in recruitment and promotion, which may go unrecognised, including in social audits. Further investigation is merited as this would be a breach one of the Fundamental Human Rights at work. The poor wages and conditions in the leather footwear sector reflect the low status of *Dalit* and other marginalised groups who are commonly employed within the sector and the low level of union membership.

3. Labour rights risks in Tamil Nadu leather footwear Homeworker chains

The table below summarises evidence from mapping of informal homeworker chains, both within the project and previous more detailed mapping of chains in the sector, supplemented by information from stakeholder interviews.

ETI Base Code Element and prevalence amongst homeworkers in the sector
<p>Forced labour (<i>significant</i>)</p> <p>Homeworkers may be asked to complete work at short notice, which they have little choice taking, with no guarantee of work in future if they do not.</p>
<p>Denial of rights to Freedom of association & to collective bargaining (<i>prevalent</i>)</p> <p>Homeworkers are not represented, and have minimal ability to influence their working conditions nor do they have access to grievance mechanisms</p>
<p>Health & safety hazards at work (<i>prevalent</i>)</p> <p>Hand and shoulder strains, problems with eyesight, headaches and postural problems from poor ergonomic practices and long hours, puncture wounds. ⁸ Pressure to complete work on time and excessive orders accentuates these issues. Women have to work long hours meet deadlines and earn sufficient income. And this means crouching over the work in postures that cause problems for backs and joints⁸</p>

⁸ **Stitching our shoes. Homeworkers in South India.** Homeworkers Worldwide, Labour Behind the Label and Civedep (April 2016) <http://www.homeworkersww.org.uk/assets/uploads/files/stitchingourshoesweb.pdf>

ETI Base Code Element and prevalence amongst homeworkers in the sector

Child labour (*infrequent*)

No evidence of child labour was found, although this is a potential risk in homeworking, particularly if unregulated, poorly paid, and involving excessive hours.

Low pay (*prevalent*)

Homeworkers are paid on a piece-rate basis. Taking production time into account, rates can be as low as half the minimum wage. The ability of homeworkers to negotiate over piece rates is weak/non-existent as they have no security of employment; they are employed informally, often via agents, and documentation about piece rates and other conditions is poor or absent in the sector.

Agents distributing work are typically not paid for the services they provide, and instead retain a commission from the piece rate. The weak bargaining position of homeworkers in this situation contributes to their prevailing low wages and poor conditions.

Excessive working hours (*significant*)

Homeworkers often have to work excessive hours to complete the work they have been given. If they refuse work, they may not be given orders in future.

Discrimination by caste/religion/gender (*prevalent*)

Almost all homeworkers are women, and the majority in this sector are from Dalit, Muslim or other marginalised communities.

Irregular employment (*prevalent*)

Homeworkers are not directly employed (factories use homeworkers as a flexible way of expanding production capacity). As a result they have no job security, nor do they enjoy the entitlements and protections afforded to employees, including: hours of work; maternity and annual leave; social security and access to medical care provided through ESI; redundancy pay provided through PF; rights to FoA/CB and representation in Worker Committees, Internal Committees, etc.

Social protection is a key issue for homeworkers, as the lack of social security, pensions, medical care etc aggravates their already precarious employment status and poor wages in terms of avoiding poverty. Homeworkers can potentially access (limited) medical assistance and social security through government welfare boards; however gaining the identity cards needed to do so is difficult, and very few homeworkers in the leather sector are registered.

Harsh or inhumane treatment (*infrequent*)

Not reported as an issue by homeworkers interviewed, but bullying by agents elsewhere in the sector was reported

The key issues raised by homeworkers during this study include:

- Low wages/piece rates
- Access to social security and medical care
- The right to organise and negotiate collectively
- Health & safety

Access to internal grievance mechanisms⁹

Unions and NGOs alike identified the absence of mechanisms for worker representation and dialogue over working conditions, and poor or non-existent internal mechanisms for raising grievances with management, as a major shortfall and the root cause of persistent unresolved labour rights issues. Fear amongst (women) workers and the lack of platforms/channels mean that many do not take up complaints with their employer.

The situation of homeworkers is worse. They are employed indirectly through sub-contractors and have no ability to raise issues with the supplier who is contracting them. They do not know their entitlements under the ETI Base Code, nor that they are in the production chain of an ETI-member company which has made commitments to implement the Base Code (including with any homeworkers producing their products) much less how they can complain should these entitlements be denied them.

4. Root cause analysis

The time constraints and barriers encountered preclude a definitive analysis at this stage of the root causes of the issues identified. Nevertheless some observations and realistic attributions can be made, although as before, it is important to note that these observations apply to the sector as a whole, rather than specific supply chains.

Caste & gender

The sector traditionally employs Dalit and Muslim workers, reflecting Hindu sensibilities about handling (cow) leather.¹⁰ The low social status of both communities has contributed to low wages and poor labour rights in the sector,¹¹ but this situation is deeply rooted, sensitive, invisible to many actors (even for example to some trade unions) and intractable. Employment is also segregated by gender. Most homeworkers are Muslim and Dalit women; few supervisors are Muslim and Dalit women. More work is needed to unpick and address the multiple barriers facing Muslim and Dalit women in recruitment and promotion/access to more secure, and better paid employment. Some but not all factories have Internal Committees set up under the ***Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act***, but there are doubts about how effective these are. Legal obligations on maternity leave and crèche provision are also often not respected.

⁹ Access to Grievance is an essential element of due diligence see OECD (2017), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

¹⁰ There is a traditional *leather-working Dalit* caste (“chamar”).

¹¹ <https://idsn.org/report-dalit-workers-indias-leather-industry-suffer-serious-rights-abuses/>

Rights to Freedom of Association and Collective Bargaining

Management hostility to and suspicion of trade unions and labour rights NGOs is widespread.¹² Stakeholders reported widespread victimisation of union members and union-busting tactics; workers have low levels of knowledge of their rights and few opportunities to join a trade union. There is no evidence that Brands (ETI-members included) are addressing the serious and very real barriers faced by workers in accessing their rights to Freedom of Association & Collective Bargaining in any meaningful way. Nevertheless there are independent unions active in the sector, and also signs of a new generation of entrepreneurs with potentially more open attitudes, creating opportunities to build on nascent work around social dialogue.

Wages

At the time of the interviews the minimum wage [MW] for semi-skilled manufacturing workers in Tamil Nadu (applicable to the leather manufacturing sector) was Rs. 6955.50/month, comprising a Basic rate of Rs. 4191 (approx Rs 160/day) plus a “Dearness Allowance” to correct for inflation of Rs. 2764.50 (Nov 2018). This is roughly half credible estimates of the cost of meeting the basic needs of a family of 4 (Living Wage) for urban Tirupur of Rs.13,725 (2016)⁶. It is also low in comparison with the MW for the TN Tailoring Industry, which was raised in 2014 to between Rs 7957 (unskilled) and Rs 8490 (skilled)/month. Many factory workers are employed on a casual basis, earning less than the MW which would leave families (if there is only one bread-winner) below the urban poverty line for a family of four in Tamil Nadu. Meeting their families’ basic needs is a challenge for many workers in the sector (adding to the intractability of the excessive use of overtime).

Homeworkers’ piece rates in particular are very low, and would typically need to rise by between 25% and 66% to bring them up to the equivalent of the minimum wage.

Irregular employment

In response to customer demands, weak protections and low levels of union representation, many suppliers use unwarranted levels of casual (daily or piece-rate) employment to reduce labour costs and increase flexibility. This impacts on other prevailing issues: statutory maternity/annual leave; paid overtime; FoA/CB. The low wages underpin excessive recourse to overtime.

Homeworkers face very low (poverty line) wages; and have no job security or social protections, including access to medical care, sick pay, injury benefits, pensions, redundancy. Like other workers in precarious employment they do not enjoy statutory maternity/annual leave; paid overtime, and have no mechanisms for representation or collective negotiation.

Purchasing practices

To gain information about the potential impact of purchasing practices HWW interviewed Brand commercial staff and members of its ethical trade team, but were unable to carry out confidential interviews with factory management around purchasing practices which would have helped triangulate findings from these interviews, and potentially reveal other undisclosed issues (see recommendations).

¹² While not explored in stakeholder interviews, industrial relations in the sector have historically been marked by poor union:management relationships, exacerbated by fragmentation of the Indian trade union movement.

Some **good practice** was noted around **forecasting** and **production planning**. The Brand goes to considerable lengths to match its order volumes and lead times with the production capacity of its suppliers. Payment terms (one month) are as good as the industry standard. The ethical trade team rely on long term relationships with suppliers, where they seek to build trust and can work together to secure gradual improvements in factory conditions. Local staff, good communications and visibility, have clearly contributed to good working relationships with suppliers. Its systems for on-boarding of new suppliers, and the relatively stable supply base, are a good platform for implementation. However commercial trends could potentially undermine this: the pressure for newness and continual updating of the range, to compete with online ‘fast fashion’ brands, which pushes buyers to seek new suppliers, often on an occasional basis.

While **supplier selection and retention** seem adequate in terms of preventing factories with very poor conditions (and high labour rights risks) from entering the Brand supplier pool, a greater degree of *binding* between the Brand and its suppliers may be needed to positively raise conditions and surpass the tensions generated when seeking to address more challenging issues of Living Wage and Freedom of Association.

It would be important to get a suppliers’ perspective of the impact of Brand commercial practices on its ability to offer decent working conditions, including when things do not go according to plan. Enrolment in the **Better Buying** initiative¹³ could be a relatively painless way to get anonymous and therefore credible information.

Further development of sourcing practices and strategy may be needed to achieve traction in difficult areas such as raising wages towards the living wage, which is likely to require a more explicit joint endeavour and/or a cross-sectoral approach. The A.C.T. initiative will undoubtedly provide pointers as to the more strongly integrated ethical sourcing strategies required.

Homeworkers are used in this chain to augment the supplier’s production capacity for hand-stitching. Their employment without social protection or job security, and the very low piece rates currently paid, both reduce the costs of hand-stitching to the supplier/value chain. Work carried out by Homeworkers Worldwide with other suppliers suggest that raising piece rates to at least the minimum wage has a marginal impact on (FOB) product cost, which should not be a barrier to implementation. The piece rates currently received by homeworkers (equivalent to approximately half the minimum wage) reflect their poor bargaining power in the value chain. Any attempt to raise homeworker piece rates, to be sustained, will need a (simple) monitoring system and grievance process, to ensure that the additional money reaches the homeworkers.

5. Leverage & responsibility

Volumes for specialist footwear retail Brands would seem to afford them leverage on a par with or greater than the big fashion Brands. Footwear may be a relatively minor range for a fashion retailer. The supplier in the study (as is typical) has 7 major customers, including 4 ETI fashion Brands. The leverage of ETI’s fashion retail members would be significantly increased if they collaborated.

¹³ <https://betterbuying.org>

Around 60% of exports shipped from Tamil Nadu are heading for UK markets. The sector has grown in response to demand from the UK market, and some responsibility for conditions can therefore be *attributed* to UK companies. If prevailing conditions are poor, this reflects the relative lack of attention on the sector to date. HWW and DSN have since 2014 been seeking to alert Brands to the need for action, and with the support of ETI, sought to bring together UK companies (ETI members and non-members) to increase leverage through collaboration. It would also be opportune to recruit the specialist footwear chains, both into collaborative work in Tamil Nadu, and into membership of ETI.

6. Conclusion

Wages and conditions in the Tamil Nadu leather footwear sector are worse in many respects than those encountered in the Tamil Nadu garment sector. This may reflect the focus of labour rights campaigns, and also the relative importance of footwear and garments for fashion retailers within their product range, and their consequent assessments of reputational risk. To gain momentum, collaboration will be essential: between Brands and their suppliers, and also building alliances with local civil society actors in Tamil Nadu, who bring a deeper understanding of the power relations and cultural issues which can be underlying causes of the labour rights abuses. Specialist European and UK footwear Brands and retail chains have more incentives to focus on the sector and greater leverage that comes with larger order volumes, and would be invaluable allies in this endeavour.

7. Recommendations

Government

- In consultation with appropriate trade unions, incrementally raise the (extremely low) legal **minimum wage** towards a Living Wage so that it adequately meets basic family needs.
- Communicate and disseminate the appropriate **Minimum Wage** within the sector.
- Ratification of the **ILO Home Work Convention C177**, and adoption of a national policy on homeworking.
- Implementation of the **Unorganised Sector Workers' Social Security Bill, 2007**^{14,15}
- More effective enforcement of Indian labour law, especially the recent legislation (**POSH Act** and **Maternity Benefit (Amendment) Act, 2017** covering sexual harassment committees and provision of crèches), and legislation covering minimum wage, overtime etc.

¹⁴ Implementing the **Unorganised Sector Workers' Social Security Bill, 2007** would 'allow central government to formulate suitable welfare schemes for different sections of unorganised sector relating to life and disability cover, health and maternity benefit, and old age protection which is potentially the most promising route for extending social protection to homeworkers and other informal workers who make up such a large proportion (over 80%¹⁴) of the Indian workforce

¹⁵ **PRS Legislative Brief; The Unorganised Sector Workers' Social Security Bill, 2007** (20 Nov 2007)
http://www.prsindia.org/sites/default/files/bill_files/bill150_20071220150_Legislative_Brief_Unorganised_Sector_Workers_Social_Security_Bill_link_1.pdf

Retailers & Brands

- Adopt a **Homeworker Policy**, compliant with or more robust than the ETI model Homeworker Policy, and promote its uptake by leather footwear suppliers in Tamil Nadu.
- Support due diligence in collaboration with local civil society organisations to address potential **barriers to employment and promotion** opportunities faced by Dalit/minority women workers and any **barriers to Freedom of Association and Collective Bargaining**.
- Upgrade **audit methodology around FoA**. Test that the employer adopts an open attitude to trade unions/organisation, and whether workers can access their rights to join or form trade unions and bargain collectively¹⁶.
- Investigate the availability and effectiveness of internal **grievance mechanisms**, including the Internal Complaints Committees, at suppliers in the sector.
- Explore and address other possible **barriers to women's progression**, for example, the provision of crèches and/or scope for flexible or part time working.
- Strengthen **individual** and **collaborative** implementation of Freedom of Association, worker awareness and access to Grievance.

Individual. Strengthen implementation of Freedom of Association, access to Grievance mechanisms, and information to workers through more explicit policies on these issues; provide clear information to workers about their rights; strengthen commercial drivers (considering contractual supplier commitments; supplier selection and order placement measures; and sourcing strategy) to reward companies that demonstrate their commitment to good practice. Informal influencing and/or training for Supplier management to address their attitudes to Freedom of Association and trade unions

Collaborative. Develop programmes to address the barriers to Freedom of Association and Collective Bargaining and to improve access to internal grievance mechanisms at factories in Tamil Nadu, in collaboration with other Brands sourcing from the sector and local civil society organisations, making use of the present study as a spring-board for collaborative relationships with trade unions in the sector.

- Use ETI's systems for planning and reporting company ethical trade implementation to track and report progress in implementation to stakeholders.
- Join and invite suppliers to enrol on Better Buying¹³.
- Improve liaison between commercial and ethical trade teams, to ensure coherence between sourcing decisions and the implementation programmes (eg. underpinning supplier buy-in to implementation through stable commercial relationships).
- A wider review of company sourcing strategy to ensure that innovative commercial practices do not undermine long term relationships with suppliers which are essential for sustainable improvements in supply chain conditions.

¹⁶ In line with the ETI Base Code and ETI guidance on Freedom of Association & Collective Bargaining

Suppliers

- Carry out mapping to track payments to sub-contractors and homeworkers and carry out a (baseline) assessment of homeworkers' needs.
- Implement systems to set minimum wage compliant piece rates, and to track orders and payments down to homeworkers.
- Seek to reduce transaction costs to contractors, and any consequent resistance to adoption of new systems, by promoting standardised tools and systems for agreeing piece rates, and registering and tracking orders and payments to both homeworkers, and agents¹⁷.
- Encourage homeworkers to come together collectively, so their views can be represented in subsequent work (for example in agreeing piece rates) and as a mechanism for direct access to the supplier, should a grievance arise.
- In collaboration with local civil society organisations, build understanding of potential barriers to employment and promotion opportunities faced by Dalit/minority women workers and any barriers to Freedom of Association and Collective Bargaining.
- Training programmes to encourage and enable women and Dalit/other minority workers to take up skilled, supervisory and leadership roles. The latter could include building the capacity of women workers to assume representational roles in Internal Committees and workers committees/trade union roles.
- Investigate the effectiveness of internal grievance mechanisms. Revise recruitment and HR policies accordingly.
- Explore the ethical employment of homeworkers to help retain skilled female staff when domestic responsibilities make it impossible for them to work within the factory, who could return to full time work at a later date.

Ethical Trading Initiative

- Government Advocacy. Facilitate networking and alliances to bring the voice of ETI and its members to support advocacy by local actors aimed at:
 - implementation of the Unorganised Sector Workers' Social Security Bill, 2007,
 - ratification of the ILO Home Work Convention and
 - supporting the extension of health care and pensions provisions to homeworkers
 - increasing minimum wages in the leather sector towards a living wage
- Support advocacy by local actors and the ILO seeking to deter further weakening of collective bargaining (increase in the threshold of trade Union recognition) and flexibilisation of employment under the reform of Indian labour law currently in progress.
- Actively recruit UK and European retail footwear chains for ETI membership
- Support efforts by HWW and others to build a regional stakeholder forum to promote ethical and gender and caste sensitive employment practices within the Indian leather sector

¹⁷ Payments to agents should be separated from payments to homeworkers.

Further information:

This paper was written by Peter Williams in conjunction with Lucy Brill from HomeWorkers Worldwide and Pradeepan Ravi from Cividep.

Homeworkers Worldwide:

HWW is dedicated to supporting homeworkers and other women workers in precarious work around the world as they fight for rights, respect and recognition as workers. We do this by supporting grassroots organising projects, pressuring companies to improve conditions for homeworkers in their supply chains, lobbying for better laws to protect homeworkers, and building solidarity with other women workers.

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