FINDING HIDDEN HOMEWORKERS

LEARNING AROUND TRANSPARENCY IN APPAREL & FOOTWEAR CHAINS

HOMEWORKERS WORLDWIDE & CIVIDEP INDIA
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Glossary
For clarity, the following terms have been adopted in this report:

Supplier, factory First tier supplier, sometimes also termed vendors in the USA
Sub-contractor Agents or contractors, also called intermediaries, hiring homeworkers for sub-contracted production (including in long chains, intermediaries between the factory and sub-sub-contractors)
Civil society These may be Non-Governmental Organisations [NGOs], trade unions, or co-operatives

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Homeworkers Worldwide and Cividep February 2021
Executive Summary

Millions of women homeworkers are working in the global supply chains of apparel and footwear Brands. Their informal employment, in dispersed sub-contract chains beyond the factory, out of sight of auditors and inspectors, combined with weak protections in national labour laws, leaves them at risk of exploitation and abuse. Homeworkers’ pay rates are often very low and they cannot claim sick pay, maternity or holiday leave and social protection enjoyed by regular workers in the factory. Yet homeworkers are rarely identified in social audits and remain hidden to the Brands whose products they are making.

This study reviews the effectiveness of tools and approaches that set out to increase transparency in homeworker chains, and is based on fifteen interviews with commercial and civil society practitioners, all with substantial experience of working with homeworkers in international apparel and footwear chains. This research is the first stage in the development of a Toolkit for Brands and civil society organisations, to increase transparency in supply chains involving dependent homeworkers.

The principal barrier to transparency identified is the willingness of factories to open up their sub-contract chains to scrutiny, and the need for Brands to take an inclusive approach towards homeworkers who may be part of their supply chains. Mixed messages from Brands and in particular, policies prohibiting homeworking, give a message to suppliers not to be open about homeworking. Brands can break this cycle of concealment and denial by adopting a Homeworker Policy which allows homeworking and gives permission to their suppliers to disclose its presence.

The study identifies tools which have improved transparency in homeworker chains and suggests new tools to complement them. Commercial and civil society actors bring different skills to the table and will have greatest impact through collaboration. The report recommends companies and Multi-Stakeholder Initiatives bring their policies in line with key international standards (the ILO Home Work Convention C177 [1996] and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector) and seek sustainable change through collaboration towards sector-wide adoption of transparency mechanisms.
1. Introduction

Homeworkers, mainly women, are often engaged in informal tiers of fashion and footwear supply chains beyond the factory. Their precarious employment in dispersed workplaces, out of view of auditors and inspectors; their inability to access alternative employment, given their caring responsibilities within the home; combined with weak or absent protections in most countries’ labour law, leave them at risk of exploitation and abuse. Fieldwork and research by NGOs, academics, and the ILO, and pilots initiated by a small number of Brands all indicate that wages paid to homeworkers in these and other chains are often very low, and with few exceptions they have no access to social protection, maternity or sick leave, holidays or rest days, nor security of employment.

Our definition of homework is taken from the ILO Home Work Convention C177, 1996; a homeworker carries out paid work ‘in his or her home or in other premises of his or her choice, other than the workplace of the employer ... (to produce) ‘a product or service as specified by the employer. The most recent ILO estimates of the prevalence of homeworking suggest that globally (prior to the Covid-19 pandemic) 7.9% workers (and 11.2% of women workers) were working in their own homes. Homeworker CSOs estimate that there are 8.5m homeworkers in Pakistan, and 37 million in India, including between 5 and 12 million working in textile and apparel supply chains serving both domestic and global markets, of whom 3.5 million are in the supply chains of global Brands.

The lack of visibility of homeworkers within their own supply chains hampers the ability of international Brands and retailers to address homeworkers’ issues. This is exacerbated by the approach to supply chain monitoring and implementation taken by many Brands and retailers, which is based on social audits and enforcement of corrective actions, and which focuses almost exclusively on first tier factories assembling garments and footwear, ignoring the many processes that take place outside factories. Many company policies go a stage further and prohibit subcontracting and homeworking, which in practice further drives concealment.

Independent studies and NGO mapping reveal homeworkers in many fashion and footwear supply chains, producing both for the domestic market, and for global retail Brands, yet they are seldom if ever identified in audits carried out by and for the same Brands and retailers. In this study, we seek to solve this conundrum.

The aim of this study is to identify tools and approaches that increase transparency and visibility in homeworker chains, and evaluate their effectiveness, in terms of both transparency and outcomes for homeworkers in subsequent implementation. This will provide the foundation for a toolkit for businesses seeking to map homeworkers in footwear and apparel supply chains, being developed as part of the Hidden Homeworkers initiative, led by Traidcraft Exchange in conjunction with Homeworkers Worldwide and Homenet South Asia, with co-funding from the European Union.
This study is based on 15 semi-structured interviews with key practitioners with many years of practical experience of addressing homeworker issues in global supply chains in apparel and footwear sectors. These interviews referred to sixteen different initiatives, led either by Brands, civil society organisations or Multi-stakeholder Initiatives [MSIs], each one seeking to improve transparency and working conditions within supply chains involving homeworkers. This was supplemented by desk-based research, reviewing the limited literature on transparency in homeworker chains. Interviewees were identified by members of the project Steering Group; four were from international Brands, six from NGOs, one from a trade union and four from MSIs. The authors also drew on their own significant personal experience of mapping homeworkers in two leather footwear supply chains. Two further Brands and one trade union did not respond to requests to provide information and/or an interview. A full list of interviewees is included in Appendix 3. Interviewees list.
2. The barriers to transparency in homeworker chains and how they can be overcome

Practitioners, across business, civil society or multi-stakeholder organisations, identified a range of factors which act as barriers to (or conversely facilitate) transparency and implementation in homeworker chains. These are summarised in Tables 1 and 2 below; дачи indicates how many interviewees mentioned each point.

**Table 1 Barriers to transparency in homeworker chains**

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Resulting in</th>
</tr>
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<tbody>
<tr>
<td>Negative or mixed messages from Brands about homeworking; Prohibition of homeworking.</td>
<td>Suppliers understand that homeworking should be concealed. Homeworking is driven underground. Negative impacts on homeworkers</td>
</tr>
<tr>
<td>Suppliers fail to disclose</td>
<td>No access to the supply chain; homeworking remains hidden</td>
</tr>
<tr>
<td>Lack of awareness and understanding of what to do by Brands and suppliers</td>
<td>Brands do not find out about conditions of homeworkers within their supply chains</td>
</tr>
<tr>
<td>Informal employment and lack of record-keeping in homeworker chains</td>
<td>No visibility of employment conditions and pay of homeworkers; Homeworkers not covered by labour laws and social protection</td>
</tr>
<tr>
<td>Long, complex and distant homeworker chains</td>
<td>Less visibility of homeworkers</td>
</tr>
<tr>
<td>Irregularity of orders / Seasonality; fluidity of homeworking</td>
<td>Poor sustainability of transparency solutions</td>
</tr>
<tr>
<td>Gender and power dynamics in the supply chain</td>
<td>Poor pay and conditions Homeworkers have weak bargaining power and no access to remedy</td>
</tr>
<tr>
<td>Cost (increased product prices, and the prospect of expensive implementation)</td>
<td>Incentives for Brands and suppliers to overlook homeworking</td>
</tr>
<tr>
<td>Absence / weakness of unions in the sector / homeworkers not organised</td>
<td>Homeworkers unable to access remedy; not represented</td>
</tr>
<tr>
<td>Lack of awareness by homeworkers</td>
<td>Homeworkers do not recognise themselves as workers with entitlements</td>
</tr>
<tr>
<td>Lack of trust between supply chain stakeholders</td>
<td>Slow disclosure of homeworking; resistance to transparency systems</td>
</tr>
<tr>
<td>Brands overlook/do not understand roles played by sub-contractors</td>
<td>Sub-contractors feel threatened, may be reluctant to disclose, resistance to changes to improve transparency</td>
</tr>
<tr>
<td>The voice of homeworkers is not heard</td>
<td>There is no transparency if homeworkers are not heard; solutions may not be effective or equitable</td>
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</table>
There was a striking degree of consensus between interviewees, from commerce and civil society alike, around factors which prevent or facilitate transparency around homeworking. The principal challenge identified by our interviewees is disclosure, and the willingness of factories to open up their sub-contract chains to scrutiny. Negative messages from Brands, or mixed messages from ethical and commercial teams, and worst of all explicit bans on the use of homeworkers, give a strong (if at times subtle) message to suppliers not to be open about homeworking.
In their recent study of the relationship between homeworking and child rights, the leading social enterprise the Centre for Child Rights & Corporate Social Responsibility (formerly CCR CSR) concludes: ‘No homeworker’ policies reduce economic opportunities and can push this labour further underground, reducing transparency and regulation.414

Without transparency, it is difficult for Brands and civil society organisations [CSOs] working with them to get access to the homeworkers in their supply chains; homeworking remains hidden and unaddressed, and Brands remain ignorant of the conditions of the women workers with the lowest pay and most precarious employment in their chains.

Community-based ‘bottom-up’ approaches, such as the mapping undertaken within the Hidden Homeworkers project by HNSA and other Hidden Homeworkers partners, by SAVE in Tiruppur, and by Cividep and HomeWorkers Worldwide at the start of their work in the South Indian leather footwear sector, have been successful in accessing homeworkers in global and domestic value chains. Bottom-up approaches are well placed to provide training and support to homeworkers, and to document working conditions, but they often face considerable challenges in identifying the respective Brands at the top of the value chain, as homeworkers are often unaware even of the factory that provided their work. Even once a supplier is identified, additional resource-intensive detective work may be required to track down the final customer, although this process is becoming easier as more Brands publish their supplier lists online. However, NGOs working with homeworkers have learned not to share information with a Brand unless it explicitly permits homeworking and makes a commitment to remediate issues and to avoid damaging homeworkers’ livelihoods.

Brands are in denial about homeworking. We are forced to prove it with evidence all the time. Once we took the representatives of a particular Brand … for some meetings with community members, accidentally they found their products being worked on by homeworkers there. The(y) … made that into a big issue and stopped all work going to homeworkers.

Viyakula Mary, Executive Director, SAVE

Community based initiatives can facilitate good engagement with homeworkers, and provide a good picture of homeworkers’ conditions, but are not guaranteed to find the homeworkers in any given chain. Transparency will be greatest if community-based work is complemented by both top-down due diligence by Brands and transparency and grievance mechanisms administered by factories down their sub-contract chains. The latter are essential if transparency is to be maintained on an ongoing basis, and in both directions, providing a two-way window and not just a snapshot.
Everyone says that they want transparency but not if this brings costs and responsibilities. Not knowing about the presence of homeworkers is a convenient excuse for not having to get involved in tackling homeworkers’ conditions, which without transparency it is harder, if not impossible, to address.

Ines Kaempfer, Chief Executive Officer, The Centre for Child Rights and Business (formerly CCR CSR)

Another key issue is cost. The irregular employment of homeworkers reduces labour costs.\(^{15}\) Homeworkers generally are paid low piece rates, well below the minimum wage. They are only employed while they are working. Without an employment relationship, they do not enjoy social security, nor paid leave for holidays, maternity and sickness, and their employers do not have to meet these substantial components of labour costs for workers in regular employment. Add to this the prospect of expensive implementation in dispersed and sometime transient sub-contract chains, and you have a perverse financial and logistical incentive for both Brands and suppliers to turn a blind eye to homeworking.

In the words of one interviewee (who wished to remain anonymous) ‘Very few Brands or auditors go beyond tier 2, because they don’t want to see the homeworkers. Brands are afraid of finding homeworkers, afraid that if they are present they won’t be able to ensure compliance with labour standards – who will keep track of all the homeworkers, fix any problems, make sure they are all accounted for?’

Underlying much of the ambivalence of Brands, and their suppliers, is the emotive and often unspoken issue of child labour, which can act as a barrier to disclosure. Even worse it can panic Brands into cutting sourcing from the supplier, with damaging impacts on livelihoods and against the best interest of the child, the homeworker and her family.

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There is a fear and paranoia among some Brands .. over the risk of permitting the use of homeworking, especially the fear of being associated with .. child labour through that.

Company C Head of Supply Chain Working Conditions

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Interviewees also identified factors which facilitate transparency (see Table 2). A clear and positive Homeworker Policy was flagged up by a majority of interviewees as the most important action a Brand can take to promote transparency. This gives the suppliers permission and confidence to disclose, and provides a starting point for engagement.

Suppliers and sub-contractors need to be brought on board. The need for substantial investment in building trust was widely cited in interviews. The supplier may not trust the intention of NGOs (still less those of unions), or even the Brand, and the same applies to sub-contractors. Strong trusting relationships are needed right along the supply chain, to overcome barriers to visibility; these are most convincing if underpinned by long-term and stable commercial relationships.

Brand purchasing practices can help maintain progress made. One Brand explained how it directs orders towards long-term trading partners, who understand and share its commitment to the ethical employment of homeworkers. Ethical purchasing practices ensure that the cost of improving wages and conditions is shared equitably between the Brand and its suppliers. Training
may be needed for Buyers and in-country sourcing teams, so that they can communicate and put in practice the Brands’ policies on homeworking.

When embraced and done transparently, homework can be a powerful force for promoting wellbeing as well as economic and social opportunities for communities all over the world. Tools to bring transparency to the end worker are increasingly available but in order for Brands to achieve compliance down to the homeworker level, they must embrace training and capacity building models and shift their purchasing practices.

Sara Otto, Sr. Director of Compliance & European Lead, Nest

The roles played by sub-contractors are often overlooked, for example in transporting work, training homeworkers and quality control. They can act as gatekeepers to accessing the factory’s homeworker chains and need to be reassured that disclosure and implementation will not affect their income. Record-keeping systems and other solutions should be designed and communicated with an explicit aim to bring benefits both to the agents and to homeworkers.

Collaboration is key. Homeworkers Worldwide has more than once been told by suppliers that they use homeworkers ‘for other Brands’ (un-named), making it difficult for the supplier to improve working conditions. Supply chain transparency measures – such as Brand publication of supplier lists through, for instance, the Open Apparel Registry – make it easier to bring companies together for collaborative mapping.
3. Approaches to mapping and implementation in homeworker supply chains

Practitioners described sixteen initiatives designed to map supply chains involving homeworkers and to address conditions within them. These are summarized in Appendix 1 Approaches taken to improve transparency & conditions in homeworker chains, and analysed below. Most of these examples are drawn from international apparel and footwear supply chains. In the following analysis we have identified eight broad elements taken in one or more of the initiatives.

Distribution centres

Several of our practitioners described how homeworking had been addressed by introducing distribution centres. These are often informal ‘units’ operating from a house within the homeworker community, where homeworkers call to collect their work and later return completed items. Such centres can facilitate transparency, monitoring, communication with homeworkers, and provide a focus for services, training and awareness-raising, particularly when run by CSOs. Ruaab SEWA for example is a civil society run, commercial distribution centre; it uses similar tools to those developed in commercial supply chains to establish visibility and transparency (e.g. passbooks), and reports success in informing and raising awareness of homeworkers. However, our interviewee reported challenges including low prices offered by factories, which has meant that piece rates, while improved, often remained below the equivalent minimum wage.

Stitching centres

Stitching centres are similar to distribution centres, but homeworkers are expected to complete orders whilst working in the centre, rather than working in their own homes. One Brand described how they had introduced a small\textsuperscript{16} stitching centre to monitor working conditions, but orders were not consistent enough to maintain it for longer than a couple of seasons. Stitching centres – especially large centres established without consultation with homeworkers regarding their location and working hours - have been associated with potential negative gender impacts, notably the substitution of women homeworkers by male workers, and subsequent loss of work and livelihoods for women homeworkers.

Stitching centres were introduced in the 1990s in football production in Sialkot, Pakistan, in response to reports that many thousands of children were working full time stitching footballs in sub-contracted home-based production which also employed an even larger number of women homeworkers. While this approach was successful in reducing the employment of children, it had significant implications for the homeworkers, who were often unable to join stitching centres, because of domestic commitments and/or social norms. According to Bahar Ali Kazmi, a lecturer at Nottingham University, ‘it is estimated that as many as 20,000 women lost their jobs as a result.’\textsuperscript{17} A 1999 ILO interim evaluation reported that overall stitcher family income had fallen, families had fewer meals, and girls were unable to save for their dowries. However, the project managed to
partly reverse the reduced participation of women in football stitching by opening women’s stitching centres (attended mainly by young and unmarried women) and village-based stitching centres.\textsuperscript{18}

Several interviewees highlighted similar concerns about the reduced flexibility often associated with stitching centres, unless they are very small and local, and carefully planned in consultation with homeworkers. In patriarchal communities, homeworking may be the only employment open to women, especially those with caring responsibilities, with the result that married women are often excluded from working at stitching centres. In addition, interviewees highlighted that the main potential benefit of stitching centres - visibility of working conditions - may also be illusory. Suppliers may report that work is carried out in stitching centres; however the reality is that much production – especially at peak times – is likely to be outsourced to homes through undisclosed sub-contract chains.

**Child Labour**

The issue of child labour permeates the question of homeworking in apparel and footwear sectors (and others, such as handicrafts). For this reason Traider & Exchange and Homeworkers Worldwide produced a **Toolkit for business on Preventing Child Labour in Home-based craft production**, which identified key drivers of child labour including homeworkers’ very low wages and irregular work, which meant that when work was available, families often feel they had no alternative but to involve their children in order to secure sufficient income to survive.\textsuperscript{19} This widely used and practical toolkit explores issues of homeworking and child labour in some depth, and these are not repeated in the present report. However, it is clearly important that retailers and Brands have a Child Labour Policy which commits them to acting in the best interests of the child, to avoid the negative impacts of an insensitive model of implementation, one which does not act in the best interests of homeworkers and child workers, as epitomised by the Sialkot experience.

Several interviewees described initiatives that also sought to address child labour, taking a **child-rights approach** which they said reduced resistance and helped to increase ‘buy-in’ from suppliers and sub-contractors. Several Brand-led projects focused on provision of services to communities (schooling, medical attention, training), often with the aim of preventing child labour.\textsuperscript{20} However in many cases such projects fail to become part of the companies’ auditing and due diligence processes and so are not accompanied by actions to address low pay and precarious employment. Instead they are a welfare activity, meeting immediate needs – for as long as project funding is provided - but not tackling root causes, such as inadequate state provision of schools or low family incomes, nor providing opportunities for homeworker communities to work their way out of poverty.

**Certification**

Two organisations in our sample, Goodweave and Nest, employ certification. Both, significantly, take a ‘developmental’ approach, offering training to suppliers to meet the standards, rather than a pass / fail compliance approach. Both reported challenges in involving homeworkers within their process, despite considerable - and ongoing - efforts. From our perspective, communicating
standards to homeworkers and promoting homeworker organisation and representation as the key to collective bargaining, worker voice and access to remedy is a priority, although we recognise that it is not always easy to achieve. The cost of certification is another barrier. Hand-worked fashion/footwear chains have relatively low volumes and prices; implementation of minimum wage often increases prices, and if the costs of certification are added, without external subsidy, retail prices can become uncompetitive.

Mapping informal homeworker chains

Within our study several Brands had mapped their supply chains, using their own staff or external consultants. Collaboration between a Brand and a local CSO was also reported. Several interviewees noted the advantages of collaboration between Brands and civil society. CSO partners can ensure transparency right down to homeworker level, and also enable Brands to understand the complexity of their supply chains. Homeworkers who were hidden were brought into focus. Needs assessment helped understand homeworkers’ issues. Sustainability is in question; once a pilot is over are new ways of working maintained?

Community-based approaches

Trade unions and NGOs working in homeworker communities have trained and raised the awareness of significant numbers of homeworkers in the apparel, footwear and other sectors across South Asia. Homeworkers who are organised, even on an informal basis, are able to articulate their needs, and even negotiate small improvements in their conditions (for example, a standard rate for a certain piece across different groups of homeworkers, and on occasion, modest improvements in piece rates). These approaches achieve good visibility of homeworkers’ pay and conditions, which has in some situations provided leverage to secure collaboration with respective Brands. However, attempts to link community-led initiatives that reach out to a given group of homeworkers to the Brand whose products they are working on remain labour-intensive and traceability to the Brand is not guaranteed.

Collaborative implementation

Implementation pilots and a due diligence process in the Tamil Nadu leather footwear sector, carried out by Cividep India and Homeworkers Worldwide in collaboration with footwear and fashion Brands, have identified the higher transaction costs of transparency systems as a disincentive for sub-contractors. Even simple paper-based transparency systems require extra effort on their part. Attempts to improve wages in one Brand supply chain can also create a difficult situation for sub-contractors to manage if homeworker piece rates are higher than those paid for similar production for non-participating Brands. Multi-Brand collaborations would substantially reduce resistance to new ways of working on the part of sub-contractors and suppliers alike, and are likely to increase the sustainability of transparency systems, if they become the norm.

There is also the suggestion, so far untested, that the tensions around disclosure (and incentives to conceal) could be reduced by a collaborative approach in which suppliers and Brands in a sector
agree to carry out due diligence on homeworking, without having to disclose at the outset which company chains include homeworking. Robust assurances would be needed to prevent Brands from ‘cutting and running’ if homeworking is revealed in their chains. The Hidden Worker project is exploring this possibility through what it calls a ‘cluster due diligence approach’ which reaches out to homeworkers through a variety of avenues which do not depend on supplier disclosure at the outset.

**Complaints & grievance mechanisms and Collective bargaining**

Complaints and grievance mechanisms are important for homeworkers and are necessary for transparency, so that chains can be alerted to problems faced by homeworkers. One company gives homeworkers the phone number of its India office in case of problems. It reports having to deal sensitively with supplier around wages issues, as there can be a backlash from factories and sub-contractors if they feel homeworkers are going behind their back. Nest tries to establish ‘avenues of dialogue’ that are practical and easy for homeworkers to use, such as a named contact at the supplier factory, an outreach location where homeworkers can go, or a brand hotline where this is available.

The MSI ‘Fair Wear Foundation’ has a well-structured complaints mechanism. It identifies worker: employer dialogue and union organisation/worker representation as a key step in affording workers access to grievance. However, homeworkers face additional barriers in accessing this or any other grievance mechanism. These include gender and power relations; their dispersed and irregular employment relationship; and the twin challenges of organising homeworkers, and communicating the existence of the mechanism and their entitlements under it, to homeworkers in dispersed sub-contract chains. None of the organisations interviewed (Fair Wear included) reported an effective grievance mechanism that has been used by homeworkers.

Several interviewees would like there to be collective bargaining between homeworkers and the factory, as a means to access to grievance and prevention of problems. This would require homeworkers to organise. SEWA has organised homeworkers in the garment sector in several regions and reports some degree of dialogue between homeworkers, contractors and suppliers, and collaboration with Brands. Trade unions like SEWA could provide an effective route for homeworkers to access grievance mechanisms. The Indian labour rights organisations SAVE and Cividep both report promising progress in organising homeworkers, and SAVE is in the process of registering a trade union called Anuhatham for homeworkers in the garment sector in Tiruppur, Tamil Nadu. Tools were requested to bring together learning around this very challenging issue.
4. How effective are approaches to improving transparency & working conditions for homeworkers?

There was overlap between elements of different approaches cited by the interviewees. The Distribution Centre run by the CSO, SEWA, for example, has much in common with centres set up by Brands. Most approaches include a focus on building suppliers’ capacity to implement in their sub-contract chains and capacity building with sub-contractors. In all the cases we looked at the commitment of Brands was clearly essential (and a pre-requisite) to drive interest and enthusiasm down the chain to suppliers and sub-contractors.

Greater visibility of homeworking (presence of homeworkers and their conditions) and transparency over piece rates was widely reported. Simple paper-based systems (mainly so-called passbooks or logbooks) to document orders and payments had been widely instituted, improving transparency up and down sub-contract chains. In several instances (notably Company A) transparency was maintained through to Brand buyer-level, through a costing and pricing sheet in which homeworker pay rates are itemised.

Some progress was made both in monitoring piece rates and in raising wages, but several initiatives reported that piece rates to homeworkers had not *(or not yet)* been raised to the equivalent of minimum wage. This included initiatives in which the supplier was responsible for implementation (resulting in good ownership by the supplier) and initiatives with a child labour focus. Child labour organisations noted that low piece rates *(i.e. below minimum wage equivalent)* are a root cause of child labour.

Consistency of policy and practice across the apparel and footwear sector would clearly help establish expectations on suppliers and permit them to disclose. While there is broad consensus between the practitioners interviewed, different Brands, Industry Associations and even MSIs, have markedly divergent policies – see ‘How MSIs can contribute to transparency for homeworkers’, below. Nest believe that their launch of an industry standard of production operations will help ensure consistent and agreed upon guidelines and framework for action, helping Brands and retailers commit to greater transparency and reducing the risk of non-disclosure. It is also hoped that the present toolkit will contribute to convergence and greater coherence and collaboration in approaches to transparency in homeworker chains.

Approaches used by different actors were grouped to better appraise their effectiveness. It quickly became clear during this analysis that each approach – whether led by a Brand or civil society organisation – had relative strengths and weaknesses. The aim was not to adjudicate between approaches but to test potential complementarity. The strengths and weaknesses of different approaches are summarised in Table 3 below.
### Table 3 Summary: Strengths & weaknesses of approaches used

<table>
<thead>
<tr>
<th>Approach</th>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Brand led implementation</td>
<td>• Good ownership drives commitment down the chain Brand→ Supplier→ subcontractor&lt;br&gt;• Supplier ownership, better sustainability of systems</td>
<td>• Engagement and empowerment of homeworkers may be limited&lt;br&gt;• Power imbalances in chain may lead to abuses&lt;br&gt;• impact on wages sometimes limited&lt;br&gt;• Sustainability. Compliance may weaken after end of project life-cycle or if Brand priorities change. Ongoing resource cost to maintain transparency systems.</td>
</tr>
<tr>
<td>Collaborative implementation (Brand / Supplier / CSO)</td>
<td>• Good engagement with homeworkers (local gender-sensitive teams)&lt;br&gt;• Independent (neutral) source of credible information&lt;br&gt;• Leverage increases buy-in by suppliers and sub-contractors</td>
<td>• Suppliers may be wary of NGOs&lt;br&gt;• Suppliers and sub-contractors struggle to collaborate with their ‘competitors’&lt;br&gt;• Engaging supply chain actors takes time and resources</td>
</tr>
<tr>
<td>Distribution centres</td>
<td>• Facilitates homeworkers’ access to training and service provision&lt;br&gt;• May be used to inform homeworkers and awareness-raising&lt;br&gt;• May help monitoring</td>
<td>• May be hard to sustain (variability of orders)</td>
</tr>
<tr>
<td>Stitching centres</td>
<td>• Greater visibility of payments and conditions</td>
<td>• Potential negative gender impacts&lt;br&gt;• Hard to sustain (variability of orders&lt;br&gt;• No guarantee against undisclosed use of invisible homeworkers</td>
</tr>
<tr>
<td>Certification</td>
<td>• Attractive to Brands (supplies extra local resources for monitoring)&lt;br&gt;• Capacity building approach is needed&lt;br&gt;• Encourages industry collaboration and improves disclosures</td>
<td>• Sustainability/cost&lt;br&gt;• Engagement and empowerment of homeworkers may be limited</td>
</tr>
<tr>
<td>Community-based approaches</td>
<td>• Homeworkers are empowered&lt;br&gt;• Better sustainability (small gains sustained)</td>
<td>• Traceability to Brand may be limited or laborious (and without this, scope to improve pay and conditions is likely to be limited)</td>
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</table>

Each approach studied has its strengths and weaknesses. Multi-stakeholder and bottom-up approaches seem to have greatest promise in terms of homeworker agency; but committed Brands, through the adoption of deliberate (if not always explicit) ethical purchasing practices, including *inter alia* long-term commitments and strong relationships of trust with suppliers, achieved commendable levels of transparency and impacts. Making the supplier responsible for
implementation seems likely to increase the sustainability of transparency mechanisms, but falls short around homeworker engagement and challenging the power imbalances in sub-contract supply chains. The Hidden Homeworkers project offers the opportunity of gathering together the proven tools, which can be deployed by all kinds of practitioners.

At the core of most every successful initiative encountered are simple, paper-based documentation systems for recording orders and payments and mapping tools (such as those developed by NGOs, unions and Brands working together within the ETI Homeworker Project). Successful interventions invested in training and capacity building in these systems - for Brands, suppliers, sub-contractors and homeworkers alike.

Brand commitment and purchasing practices, including long-term and trusting relationships with suppliers are a pre-requisite for achieving buy-in, transparency and sustainability. A costing and pricing tool used by Company A helps maintain transparency about labour costs throughout critical product development and price negotiations with suppliers. Company B also reported (but were unable to share) using a pricing tool which considers labour costs (in this case Living Wage) within the ACT initiative, although it is not clear if it is capable of addressing homeworkers’ wages.

**Homeworker agency**

During interviews we explored how homeworkers (the principal rights holders) were involved and to what degree they were empowered, and their ability to participate in and shape solutions. There is a hierarchy in the degree of *agency* afforded to homeworkers; how they were engaged and whether as passive providers of information or as actors in the design and implementation of solutions. Was homeworker *agency* developed (for example through organisation) to achieve representation and dialogue over working conditions and access to rights and remedy if these were breached? (see *Error! Reference source not found.*, below). *Agency* in this sense is important because if solutions are to be maintained in diffuse and hard-to-oversee chains, homeworkers need to be actively involved in them.
Homeworkers were widely interviewed in cited approaches, especially during initial needs assessments, but were less frequently consulted about the design and adequacy of solutions. In most cases homeworker *agency* is very limited. Initiatives led by NGOs/MSIs on the whole appeared better equipped to involve and engage with homeworkers. Homeworker *empowerment* and *agency* were significantly higher in bottom-up community-based awareness-raising and organisation approaches. Brand-led implementation was often weakest around homeworker engagement and challenging the power imbalances in sub-contract supply chains. Engagement and empowerment of homeworkers by certification approaches was also limited. In many initiatives homeworkers remained largely unaware of their rights, which is a very real barrier to their achievement of their rights and their access to remedy should those rights be denied them.

**Sustainability**

The implementation of mechanisms aimed at transparency and good employment of homeworking, and their monitoring in dispersed homeworker chains is resource intensive. Goodweave, for example, funds its work in the carpet sector through licensing, but lower product prices in garments means that the cost of licensing would make such garments uncompetitive. Goodweave currently at least depends on external donors to fund its activities. The same economics applies to other initiatives carried out by NGOs. Company A reported success in implementing transparency mechanisms and raising piece rates for homeworkers in its India supply chains to around minimum wage equivalent. They found that systems and piece rates were only maintained because of their ongoing attention and resources (one local staff resource dedicated to homeworker implementation, supplemented by Goodweave). Mechanisms which require constant oversight will tend to fail over time.
Sustainability could be improved by:

- Increasing homeworker *agency*, representation and access to grievance mechanisms
- Local ownership of solutions, under a framework adopted by the local industry association or tripartite initiative, or through national law
- Marrying top-down (mapping) and bottom-up (homeworker organisation) approaches

We need to see how the bottom-up approach could be incorporated in collaborative projects with Brands and other stakeholders

Pradeepan Ravi, Cividep India

Several initiatives improved transparency to homeworkers, mostly through organising, training and capacity building work with homeworkers, and collaborative supply chain mapping carried out through a local CSO. Transparency to homeworkers is important because upward transparency alone may not be sufficient to drive and sustain change in homeworker chains. Transparency to homeworkers, and the active involvement (agency) of homeworkers, are key if homeworkers are to achieve their rights under ILO Home Work Convention 1996 (C177) and company codes such as the ETI Base Code. You cannot claim rights you do not know you have.

The UN Guiding Principles on Business & Human Rights [UNGPs] create an expectation on businesses to engage with workers in their supply chains, and afford access to grievance and remedy where necessary. Homeworkers are among the most vulnerable workers in fashion and footwear supply chains, who most need representation in discussions with their direct employers (sub-contractors) and indirect employers (suppliers). Exploring how this can be realistically approached in the very difficult homeworking context should be a priority.

We need to be innovative to overcome it.

Alok Singh, ETI India

However it is clear that the major stumbling blocks to transparency are not transparency tools per se, but achieving buy-in from the companies, suppliers and sub-contractors in the informal chains beyond the factory, starting with the most powerful and influential actors within the value chain, who are the retailers and Brands at its top.

There is overwhelming evidence that in the absence of a Brand Homeworker Policy which accepts the presence of homeworkers in the supply chain and recognises them as workers, suppliers have little incentive to disclose homeworking. Prohibition of homeworking through a *No Homeworker policy* (or a rigid *No Sub-contracting* policy) acts as an incentive to concealment and a further barrier to transparency. Brands with a *No Homeworker Policy* are told that there are no homeworkers in their chains; that stitching is being done in house and by machine. The only solution to this convenient mutual complicity is the adoption of a Homeworker Policy, which recognises that there may be homeworkers in supply chains and commits to working together with suppliers to raise the conditions of any homeworkers whose presence is disclosed.
Creating an environment in which suppliers and sub-contractors have confidence to disclose (and not conceal) hidden homeworkers is a pre-requisite to transparency. Sub-contractors in particular are the gatekeepers, guarding access to homeworkers. They may feel threatened by the possibility that suppliers are seeking to employ homeworkers directly, or reduce the margins they levy for managing homeworker production, and may be resistant to ‘burdensome’ documentation and scrutiny over pay rates and conditions. The toolkit needs to focus on getting actors on board, and trust-building.

The effectiveness and sustainability of approaches could be improved through collaboration, and the sector-wide roll-out and ownership of solutions. This is being held back because many companies have yet to embrace the need for inclusive policies on homeworking. Multi-Stakeholder Initiatives clearly have an important potential role in promoting the adoption of effective Homeworker Policies by their member companies and collaboration between them. This is explored in the next section.
5. How MSIs can contribute to transparency for homeworkers

Multi-Stakeholder Initiatives (MSIs) clearly have a key role in ensuring that their member companies have effective Homeworker Policies and in promoting collaboration between companies and civil society organisations around homeworking. During our research we encountered a growing interest and engagement around homeworking by MSIs, but also a lack of coherence between them, which merits fuller consideration.

The Ethical Trading Initiative (ETI) Base Code has an explicit clause on homeworking, which does not prohibit homeworking but prohibits using homeworking as an excuse to evade other responsibilities and entitlements:

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 labour-only contracting, sub-contracting, or home-working arrangements.24

Other MSIs are much less clear in their approach to homeworking, with some making no mention of the issue, and others effectively prohibiting homeworking, which as we have seen drives the working practice underground, increasing the likelihood of abusive working conditions whilst also making it harder for homeworkers to speak out.

The Base Codes of the Danish25 Norwegian26 and Swedish27 Ethical Trading Initiatives (Dansk Initiativ for Etisk Handel-DIEH, Etisk Handel Norge-IEH and ETI Sweden) which are in other respects identical to the ETI Base Code, do not include the ETI’s explicit sub-clause on homeworking,

Fair Wear Foundation has a Code of Labour Practices which, like the Scandinavian ETIs, does not mention homeworking. Its clause on regular employment28 states:

8. Legally binding employment relationship. 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 labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Fair Wear Foundation does not ask members (many of which are SMEs) to adopt specific policies, but does give guidance on what they should do, including around homeworkers. Its Guidance on home-based work29 states ‘Fair Wear does not encourage members to ban homework, as this is likely to drive the homeworking process underground. Local and international stakeholder consultation conducted by Fair Wear indicates that homework is widespread, but often invisible. Fair Wear therefore requests all members, who are currently not aware of homework in their supply chain, to discuss the issue with their suppliers.’ But does this give a strong enough signal to suppliers to give them permission disclose homeworking?

The Fair Labor Association [FLA] code30 makes no reference to homeworking. It has recently been active around homeworking, but does not give a strong lead to members about the need for
companies to adopt a Homeworker Policy, despite the overwhelming evidence that this is a pre-requisite for transparency and disclosure of homeworking.

Company members of Amfori\textsuperscript{31} (previously known as the Business & Social Compliance Initiative [BSCI]) sign up to the BSCI Code of Conduct\textsuperscript{32} which has a clause which in effect prohibits homeworking:

\textbf{No Precarious Employment} \textit{Our enterprise hires workers on the basis of documented contracts according to the law.}

The intent of the Nordic ETIs, Fair Wear Foundation, FLA and Amfori and many other organisations with similar codes is that workers should enjoy the security and benefits of a decent and legally-binding employment relationship. The continued exploitation of homeworkers in production chains of their member companies shows that a more sophisticated approach is needed. A more explicit and inclusive approach has been found in practice to be more effective, and has been embraced by the UK Ethical Trading Initiative and by the many practitioners interviewed for this report. This does not ban homeworking, but instead prohibits companies from using homeworking as an excuse to avoid the (cost of) obligations to employees under labour or social security laws arising from the regular employment relationship.

These MSI and Industry codes (and the company codes based on them) need to be updated to encompass the ILO Home Work Convention C177 (1996)\textsuperscript{33} and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector,\textsuperscript{34} which has a thorough and explicit section on homeworking.

Homeworkers Worldwide is engaging with many of these initiatives, and several have expressed an interest in adopting more explicit and effective policies on homeworking. This message also has to be taken to the very large number of US and European Brands currently operating a \textit{No Homeworker Policy}.

The more consensus that can be built, the more MSIs and Brands that are on board, the greater the chance of creating a level playing field and sustaining transparency systems, not just in individual company chains but at sector level. MSIs clearly have an important role to play in initiating collaboration, and several (ETI, FLA, Fair Wear) have already taken steps in this direction, as has Amfori. This report also captures important learning – that an inclusive approach to homeworking is more effective than prohibition, and the need for explicit Homeworking policies which permit disclosure of homeworking – which we hope will be taken on board by MSIs.
6. What practitioners would like to find in the Tool-box

A clear view was expressed by Brands, MSIs and NGOs alike, that tools should be simple and easy to use and adapt. They should be tuned to the needs of the people in the supply chain, notably homeworkers and should be useful and bring benefits to sub-contractors and supplier factories.

The focus of the Hidden Homeworkers project is on transparency and visibility in homeworker chains. The most widely-used existing tools used and developed by the ETI, Homeworkers Worldwide and other organizations, which contribute to transparency, are listed in Appendix 2: Existing tools.

Possible new tools:

The top candidates (taking interview responses into account) would be tools for:

#1 Guidelines for engaging and trust-building with suppliers
Why: facilitates transparency/disclosure

In addition to guidance on discussions with suppliers this could look at Purchasing practices, since it is a key part of confidence building, and the factors which build trust and sustainability of outcomes, including: long-term commercial relationships.

This could also address catalysing collaboration at sector-level (which increases leverage and reduces transaction costs and resistance from sub-contractors and reduces risks for Brands, suppliers and homeworkers alike. An incentive to get suppliers on board (a badge or other form of recognition, such as preferred supplier status) may be needed.

#2 Engaging and trust-building with sub-contractors
Why: facilitates transparency/access to homeworkers

Subcontractors are key actors in implementing and maintaining transparency mechanisms; they need to be brought on board and consulted about solutions.

#3 Facilitating conversations and needs assessment with homeworkers
Why: if homeworkers are not part of the discussion there is no transparency to homeworkers

Tools #1-#3 would be based on Cividep’s experience and materials used in their mapping of leather footwear chains, incorporating elements from FLA and Goodweave tools.

#4 Mapping where production is taking place
Why: helps identify presence of sub-contracting homeworking and manage risks of child labour

Using a quality assurance process to identify which tasks are undertaken in the factory, and matching order volumes against factory production capacity; matching orders per homeworker with the time per piece to ensure that homeworkers can meet production without excess work or recourse to child labour.

#5 Access to remedy
Why: independent route for upward transparency from homeworker level; also requires downward transparency to homeworkers

The principal focus should be homeworker – factory dialogue about conditions. At a minimum, homeworkers should be informed of the phone number of the responsible person at the factory, and/or the local CSO, who can be alerted if things go wrong. In order to access remedy workers and homeworkers must first know their rights. Power imbalances are enormous in homeworker chains. Homeworkers need organisation (through unions and/or informal/community structures) so that they can be represented in discussions about piece rates and conditions to resolve and prevent problems.

#6 Informing and organising homeworkers

Why: basic organisation facilitates information to homeworkers about their rights, and access to remedy (ie upward transparency).

This was requested by one MSI and several Brands. There are two effective models of which we are aware:

i) If there is a union – the example of the Textile Clothing and Footwear Union of Australia\(^3\), whereby homeworkers are included in factory level collective bargaining

ii) If not – work with local CSOs to set up local level organisation through women’s or community groups and in the long term a homeworker trade union.

An Advocacy tool was also asked for, to influence Government to provide schooling (whose absence or inadequacy is a factor in child labour) and healthcare, and maintain or extend labour law protections to homeworkers. An advocacy tool may not be appropriate in a toolkit for Businesses. However, Brands can and should support advocacy by civil society groups representing homeworkers for extending legal protections to homeworkers.
7. How could information technology/digital tools help improve transparency?

One of the aims of the Hidden Homeworkers project is to explore the potential of digital tools for improving transparency. While some progress has been made, no functioning IT/digital tools to improve transparency in dependent homeworker supply chains were reported by the practitioners who took part in this study, suggesting the development of such tools remains at an early stage. A detailed examination of IT/digital solutions is outside the scope of this report, and a pilot of digital solutions would not be feasible within the scope of the current toolkit, but it was felt useful to explore if and how technology could help improve transparency.

Nest is involved in a project exploring the use of digital technology to push information to homeworkers and to get feedback from homeworkers. Several interviewees suggested or mentioned potential digital tools which they hoped could improve transparency including:

- Digital payment to homeworkers (Company B)
- Hotline or App for homeworkers to report grievances (Company B)
- Digital registration of homeworkers (Company B)
- A pilot to push information to, and get feedback from, homeworkers via mobile phones or blockchain (Nest, Company A)
- An app that shows the supply chain of Brands, their product and people involved in making those products (HNSA)

The ILO have used online sessions (using Zoom) for training homeworkers around Covid-19; an online session on financial literacy is in preparation. Digital solutions have been used by ILO and others in a dynamic and user-friendly way such as an audio Facebook platform which migrant workers can use to keep in touch with each other and with their families; and which could be used to report issues. A similar system was set up to provide domestic workers with a grievance remediation mechanism.

Anyone considering digital solutions needs to consider the reality of homeworker communities, where sub-contractors may struggle to use simple paper-based systems, and homeworkers frequently sign passbooks with a cross. Will homeworkers (the rights-holders) be excluded by a proposed digital solution or empowered by it? The design of any technological approach will be critical if it is to challenge (and not reinforce) the fractured and asymmetrical power relations in homeworker chains. Key questions include:

- Access to technology and skills
- Who gets what information?
- Do digital solutions help homeworkers to talk with each other and with their employers?

Access to technology and skills
Access to technology and levels of skills, literacy and numeracy were noted as a stumbling block by many interviewees. Homeworkers tend to suffer from isolation, not experienced by factory workers. In South Asia many live and work in dispersed and often distant rural areas with little infrastructure and limited access to education, especially for girls and women. Much garment embellishment takes place in the North of India, for example in and around Bareilly, Uttar Pradesh. It was reported that people had access to mobile phones in Bareilly by the end of the ETI project there in 2013. However, it was also reported that in the remote areas of Bareilly, where digital methods of tracking orders and payments to homeworkers would be most helpful, few (30%) homeworkers have access to a mobile phone.

Company A noted that literacy levels were very low in most of their homeworking areas, especially Bareilly (less so in NCR/Delhi), where even sub-contractors struggle to use the simple paper-based passbook systems set up by Company A, and typically employ one of their children – with a better level of schooling and numeracy – to complete passbooks on their behalf. Passbooks include a line for homeworkers to acknowledge receipt of orders and payments: in rural areas, most women homeworkers sign with a cross.

Cividep report a similar picture in Tamil Nadu in south India. In Vellore homeworkers in the apparel and footwear sector are predominantly middle-aged women who do not own phones. Younger women who were more likely to have phones were also more likely to be working in factories. Homeworkers, consulted by Cividep about digital payments made via mobile phone networks, said they preferred being paid in cash; they feared that men would control payments made via the phone network.

*(In our experience) the majority of homeworkers do not know how to use information technology.*

*Sarbani Kattel, Project Co-ordinator, HomeNet South Asia (HNSA)*

Blockchain in particular requires very high levels of traceability of raw materials, ease of access to a reliable 24/7 internet, and high levels of literacy/computer literacy, and is not likely to be appropriate for the reality of informal sub-contract chains in the apparel and footwear sector in South Asia any time soon.

**Who Gets What Information?**

Many Brands misunderstand transparency and grievance mechanisms to mean transparency to them, but do not appreciate that transparency has to mean a two way-process with information going in both directions. For this reason many Brands have invested substantial sums in worker hotlines, but almost nothing in raising worker awareness about their entitlements under their code(s) of conduct. The UNGPs however note that grievance mechanisms (of which hotlines are a poor example) should be a back-stop, when discussions between workers and their employers fail to produce equitable solutions, and that the focus should be on internal mechanisms; on prevention of problems; and therefore above all on dialogue based on the employment relationship. IT/digital solutions should not distract this focus or undermine dialogue based on the employment relationship. They need to meet transparency, record-keeping and communication
needs at local level: to be useful and accessible to homeworkers, sub-contractors and suppliers alike.

Digital solutions are unlikely to empower homeworkers unless they allow them to be more than simply passive providers of information, or if they coexist alongside systems which enable more active engagement. Homeworkers need to be users of information. If information is to be shared with (or in the words of one interviewee ‘pushed to’) homeworkers, who will choose and design what information and how? Measures will be needed to ensure that information is complete and rounded, perhaps through the involvement of civil society and organisations representing homeworkers, who are independent of the supply chain and vested interests.

**Do digital solution help homeworkers to talk with each other and with their employers?**

Digital solutions have been used by ILO and others in dynamic and user-friendly ways, including an audio Facebook platform which migrant workers can use to keep in touch with each other and with their families; and which could be used to report issues. A similar system was set up to provide domestic workers with a grievance remediation mechanism.

In any pilot to develop or test IT/digital solutions it would be essential to:

- Consult women homeworkers about any proposal and what they feel would be helpful
- Consider if they are useful to suppliers, sub-contractors and homeworkers
8. Conclusion

This report provides substantial evidence from key stakeholders in the sector, showing that it is feasible to achieve transparency, and thus traction, over homeworking and the working conditions of homeworkers in global supply chains. A small but growing number of leading fashion and footwear Brands, four of which contributed to this study, have significantly improved both transparency and working conditions for homeworkers within their chains.

This suggests that the tools currently available in the public domain are effective, and this was confirmed in interviews with practitioners. Most of the tools currently in use are based on those which were developed by the multi-stakeholder ETI Homeworker Project (2002 – 2013) and piloted both in the UK and in the embellished garment sector in North India. Some new tools have been encountered which can be added to this portfolio. The study identifies several areas where existing tools could be updated to encompass innovations and advances in practice, and areas where new tools could be helpful. Good practice was encountered which could be the basis for new tools, for example, to map where production is occurring outside the factory, and for guidance on getting buy-in from suppliers and sub-contractors.

However, the greatest barrier to transparency is the cycle of denial and concealment which keeps homeworking hidden. Getting Brands to recognise that there may be homeworking in their chains, and to include homeworkers in their implementation rather than excluding them is the first step in breaking the cycle. Those stakeholders who have best visibility at homeworker level speak about the convenient pretence - bordering on complicity between Brands and suppliers – of the absence of homeworking: Brands ‘in denial’ giving suppliers a message not to disclose but to pretend that work is done in-house or ‘by machines.’ There is consensus among practitioners that a policy of prohibition drives homeworking underground. There is also evidence that setting up stitching centres can damage the livelihoods of women homeworkers and result in lower incomes for homeworkers and their families, who are the supposed beneficiaries.

Brands tell suppliers that they don’t want handwork, that they want everything to be done by machines. They don’t know that styles are still going to communities. Homeworkers often tell us they make clothes for Brands X, Y or Z.

Sustainability Manager, Company A

Currently women homeworkers experience the worst pay and some of the worst and most precarious conditions of employment in the apparel and footwear sector. Homeworkers add value to products, through their embellishment and hand-craft skills. The irregular employment of homeworkers lowers production costs to suppliers, and subsequently to Brands, through the non-payment of minimum wage and social protection costs, and from the flexibility of a large off-the-books workforce. On the other hand, instituting (and importantly maintaining) transparency in dispersed, informal sub-contract chains beyond the factory is resource intensive. No wonder many Brands are happy telling themselves (and being told) that they have no homeworkers in
their chains. The net result of this all-too-frequent convenient and mutual cycle of denial is that homeworking remains invisible to Brands and therefore intractable.

The most significant act a company can take to break this cycle (one which was identified by ten of the fifteen interviewees) is to adopt a Homeworker Policy and communicate it to their suppliers.

Figure 2 Breaking the cycle of concealment & denial

We hope that this report will help make the case for Brands to take the first step in breaking this cycle by adopting a clear Homeworker Policy and using it in due diligence to identify homeworkers in their product chains, starting with chains where homeworking is understood to prevail. The commitment of Brands is essential to drive interest and momentum for change down the chain to suppliers and sub-contractors. Homeworkers Worldwide and Traidcraft Exchange have been working through the Ethical Trading Initiative to convince a growing number of ETI company members to adopt a Homeworker Policy which is compliant with ETI guidance, making slow but steady progress. The tally currently stands at 14, out of a total company membership of 71. The present Hidden Homeworkers project is an attempt to accelerate this process.

Getting retail chains and Brands to grasp the nettle, and consider that they may have homeworking in their chains, remains the biggest challenge. One prescription lies in the design of the toolkit, which should be succinct, clear and wieldy. It should trace out the simple steps which businesses should take, in conjunction with civil society partners. It may not be necessary to (over)fill the box with every tool outlined in section 6; the optimal contents of the toolbox can be tested in the planned pilot phase. However new tools or guidance are surely indicated to capture and share learning about how to build trust and confidence amongst supply chain actors (suppliers, sub-contractors) to give them permission to disclose homeworking. This could include
a document outlining the Brand commercial practices which are needed to build long-term equitable trading relationships based on trust with suppliers.

The choice and design of transparency strategies should be guided by the long-term sustainability of approaches. Establishing better (and better documented) employment relationships between suppliers and homeworkers in their chains requires resources and commitment. How will transparency be maintained without an ongoing drain on a Brand’s resources?

Promising routes towards sustainability of transparency include:

i) Seeking a sector-wide adoption of good practice, in the long-term through a framework adopted by a local Industry Association or tripartite initiative, or enshrined in local law.

ii) Community level work with homeworkers, so that they are informed, organised and able to be represented in discussions with their employers and raise grievances if things go amiss.

Marrying top-down (mapping) and bottom-up (awareness raising and organising) approaches seems most likely to maximise the sustainability of transparency.

Finally, actors in the global North often only view transparency from their position at the top of global value chains. They misinterpret transparency as a top-down process – can Brands see the conditions down their chains? Transparency is needed in both directions: downward transparency to homeworkers, so that they know their rights, who they are working for (the factory) and producing for (the Brand), and therefore who they should call if things go wrong (upward transparency) so that the Brand is aware of the problem.

The other vital component for sustaining transparency is the active involvement (or agency) of homeworkers in the design and implementation of measures aimed at improving transparency, so that they can be active in monitoring and maintaining good practice. Homeworker agency is key if transparency systems are to be maintained, and if homeworkers are to achieve their rights under ILO Home Work Convention 1996 (C177), company codes and the UN Guiding Principles on Business & Human Rights.
## Appendix 1 Approaches taken to improve transparency & conditions in homeworker chains

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Approach</th>
<th>Elements</th>
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| The Centre for Child Rights and Business (formerly CCR CSR) | Not-for-profit social enterprise / Brand / supplier collaboration aimed at preventing and addressing child labour | Engage Brand on Worker Policy/processes  
Training to factories and sub-contractors  
Supply chain mapping and assessments on homeworking  
Supporting Brands and factories to devise and implement systems for transparency  
Training for parents on child rights and for young workers and factories to promote access to decent work |
| Civildep                                          | Community based/bottom up and collaborative/top down approaches | Working to raise awareness and organise homeworkers  
Training to homeworkers (gender, labour rights, health, leadership training)  
Registration of homeworkers on Welfare Boards  
Collaborative mapping with Brands  
Advocacy |
| Company A                                         | Brand-led implementation                      | Orders and piece rates distributed to homeworkers through informal distribution centres (units) and recorded in worker handbook records; Training, verification and complaints mechanism carried out by Company A India staff.  
School provision and remediation addressed by Goodweave |
| Company B\(^{37}\)                                 | Brand-led implementation                      | Passbooks for homeworkers and Purchase Orders for sub-contractors, using suppliers’ own system where one exists or Company B tools if not  
Training for factory staff  
Welfare programmes (medical camps, vocational training) provided at Day Centre  
Brain-storm meetings with homeworkers to identify issues |
| Company C                                         | Brand-led implementation in sub-contract chains (2 projects) | Homeworking identified through Quality Assurance and mapping production processes  
Piece rates agreed  
Spot checks: are there systems for recording orders and payments; are systems being used? |
| Company D                                         | Brand-led implementation                      | Local staff interview homeworkers before production is approved; sporadic spot checks  
Piece rates agreed between Company and factory  
Transparency/information to homeworkers  
Complaints system (homeworker phones factory in first instance) |
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<tr>
<th>Organisation</th>
<th>Approach</th>
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<tbody>
<tr>
<td>ETI</td>
<td>MSI Brand collaboration</td>
<td>ETI local team facilitated collective and individual implementation in company chains through a platform of Brands, manufacturers, NGOs, TUs, sub-contractors and Homeworkers. Mapping homeworker chains, and piece rates to sub-contractors and homeworkers. Training and awareness building of homeworkers and sub-contractors. Working with Government Departments to issue ID (artisan cards) in India to facilitate homeworkers’ access to health care and other government services.</td>
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<tr>
<td>Fair Labour Association [FLA]</td>
<td>Research project focusing on child labour, testing 2 approaches: Child Labour Free Zones, Supply chain approach to address CL and labour issues including homeworking.</td>
<td>Surveys of wages, household income &amp; needs, prevalence of child labour and access to bridge schools in homeworker communities, forging alliances with local community organisations, Assessment of factory conditions and sub-contracting.</td>
</tr>
<tr>
<td>Fair Wear Foundation [Fair Wear]</td>
<td>MSI Brand collaboration, addressing child labour</td>
<td>Mapping homeworker chains; Fair Wear Foundation facilitated implementation by Brand/supplier of Fair Wear Foundation guidance on Homeworking.</td>
</tr>
<tr>
<td>Goodweave</td>
<td>Certification (absence of child and forced labour); 3rd party monitoring; training support for suppliers, sub-contractors, homeworkers</td>
<td>Goodweave facilitates resolution of issues found in quarterly monitoring visits, supplemented by community-level service provision and needs assessments (focusing on education).</td>
</tr>
<tr>
<td>HomeNet South Asia [HNSA]</td>
<td>Community based approach</td>
<td>Training (rights, health &amp; safety) and awareness raising for homeworkers. Advocacy on homeworker issues through MSIs and trade unions.</td>
</tr>
<tr>
<td>International Labour Organisation [ILO]</td>
<td>Tripartite approach, bringing together trade unions, homework organisations, employers associations and governments</td>
<td>Mapping supply chains, documenting piece rates; training on piece rate setting, health &amp; safety; introducing wage books / records; collective bargaining. Advocacy for national laws to recognise / protect homeworkers.</td>
</tr>
<tr>
<td>Nest</td>
<td>Supplier-led implementation, facilitated by Nest, against the Nest Standards. Carries a consumer facing Seal.</td>
<td>Supply chain mapping, followed by diagnostics and training for suppliers and sub-contractors in the Nest Homeworker standards; remediation to establish proper wage setting and homeworker policies and practices; Education at the worker level; annual assessment includes comprehensive worker interviews for verification.</td>
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<tr>
<td>Organisation</td>
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| Pentland Brands/ HWW/Cividep          | NGO / Brand / supplier collaborative mapping & implementation | Develop Brand Homeworker Policy/processes  
Brand supports NGO engagement with supplier and sub-contractor.  
Homeworker needs assessment.  
Value chain mapping  
Trust building with supplier and sub-contractors  
Wage cards for homeworkers/agents  
Piece rate setting |
|SAVE                                  | Community based/bottom-up approach                   | Awareness raising and training (wage setting, social security, health & safety) with homeworkers; Consultations and needs assessments with homeworkers. Leadership training and support aimed at empowering homeworkers through organisation |
| Self Employed Workers Association [SEWA] | Homeworker-owned Distribution Centre sub-contracting to factories | Negotiates piece rates for homeworkers; transparency through documentation (passbooks)  
Homeworkers can access other SEWA activities (training, health care, ID cards) |
Appendix 2: Existing tools

Many tools were developed under the auspices of the ETI Homeworking Project and are listed on ETI’s website, which has a comprehensive range of resources on homeworking. See https://www.ethicaltrade.org/resources/homeworker-project-resource-downloads.

These tools have been widely adopted, including in the Homeworkers Worldwide Child Labour Toolkit, below (often in a revised updated form). Tools by other organisations which duplicate ETI and HWW tools are not repeated.

HWW/Traidcraft Child Labour Toolkit:

1. Model homeworker policy
2. Model child labour policy
3. Value chain tool for sub-contract homeworker chains
4. Setting fair piece rates for homeworkers (ETI briefing)
5. Model Homeworker pass book
6. Model product costing spreadsheet
7. Purchase order between sub-contractor & supplier

Tools #1 and #6 are in the process of revision.

FairWear Foundation
- Questionnaire to be used for home-based work enquiries

Indonesia Employers’ Association (APINDO)/ International Labour Office (ILO) Jakarta
- Checklist to determine compliance with good practices for the employment of homeworkers
- Contracts for homeworkers
- Checklist – Occupational health & safety
- Uniform clauses to include in contracts with intermediaries

HNSA Working in Garment supply chains: A homeworkers Toolkit South Asia.

HNSA have gathered together a wide range of tools in their toolkit, Working in Garment supply chains: A Homeworkers Toolkit South Asia. Most of these replicate tools already mentioned, but one significant innovation, which merits further development, is a traceability tool which seeks to provide visibility to homeworkers about the production chains to which they are contributing their labour, including the name of the global retail Brand which designs and markets the product, the selling price and how value is distributed at each level of the chain.

Fair Labor Association

A range of tools were developed by FLA and The Centre for Child Rights and Business (formerly CCR CSR) as part of the project Remedies Towards a Better Workplace, including the tools listed below; often rather bulky, these can be adapted and used in the development of new tools:
• Information to collect from suppliers for child labour risk mapping
• Recommendations for stakeholder/CSO engagement
• Supply Chain Mapping: Steps And Recommendations For Garment Production Units
• A Collaborative Approach To Supply Chain Mapping
• Recommendations for dialogue with factory management about supply chain mapping

Nest
Nest reported a number of tools, which are available for suppliers engaged in the Nest Ethical Handcraft Program and all suppliers are invited to be a part of their open access Guild Network. These tools will be made publicly available (open source) on its website in 2021. In the interim Nest has offered to share these resources to any industry partners in need of support. However we have not seen these tools and were therefore unable to appraise them.

Most of the tools currently in use were developed through the Ethical Trading Initiative Homewerker Project, building on the knowledge and expertise of ETI member NGOs, unions and companies. Within ETI, NGOs have successfully argued for resources aimed at the common good to be publicly available.
### Appendix 3. Interviewees list

<table>
<thead>
<tr>
<th>Who</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ines Kaempfer</td>
<td>The Centre for Child Rights &amp; Business (formerly CCR CSR)</td>
</tr>
<tr>
<td>Pradeepan Ravi</td>
<td>Cividep</td>
</tr>
<tr>
<td>Sustainability Manager</td>
<td>Company A</td>
</tr>
<tr>
<td>Compliance team</td>
<td>Company B</td>
</tr>
<tr>
<td>Head of Supply Chain Working Conditions</td>
<td>Company C</td>
</tr>
<tr>
<td>Supply Chain Sustainability Manager, India</td>
<td>Company D</td>
</tr>
<tr>
<td>Alok Singh, Regional Director, South Asia</td>
<td>Ethical Trading Initiative (ETI)</td>
</tr>
<tr>
<td>Subhadra Gupta</td>
<td>Fair Labor Association, India</td>
</tr>
<tr>
<td>Rosan van Wolveren</td>
<td>Fair Wear Foundation</td>
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<tr>
<td>Wilco van Bokhorst</td>
<td>Fair Wear Foundation</td>
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<tr>
<td>Jean Ellen Johnson</td>
<td>Goodweave</td>
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<tr>
<td>Sarbani Kattel, Project Coordinator</td>
<td>HomeNet South Asia (HNSA)</td>
</tr>
<tr>
<td>Bharti Birla</td>
<td>ILO, South Asia</td>
</tr>
<tr>
<td>Sara Otto, Senior Director of Compliance &amp; European Lead</td>
<td>Nest</td>
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<tr>
<td>Chris van Bergen, Chief Financial &amp; Operating Officer</td>
<td>Nest</td>
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<tr>
<td>Namita Malik</td>
<td>SEWA, Delhi</td>
</tr>
<tr>
<td>Viyakula Mary</td>
<td>Social Awareness &amp; Voluntary Education (SAVE)</td>
</tr>
</tbody>
</table>
References


2 See for example: Preece R et al (2019) At risk of forced labour - An exploratory study into working conditions in the textile & apparel sector in the National Capital Region, Traidcraft Exchange. Available at: https://static1.squarespace.com/static/59242ebc03596e804886c7fa/v/5edef7af58b8f04ef9f2b58910/1591193532010/At+risk+of+forced+labour%28download%29.pdf.


6 The study, and the Hidden Homeworkers project of which it forms a part, focuses on the conditions of dependent homeworkers, also known as outworkers, rather than own-account homeworkers whose situation in the labour and product markets is quite different, requiring a different set of solutions.


8 https://www.epa.gov/energy/energy-star-program.


11 See for example, Kara S (2019) Tainted Garments: The Exploitation of Women and Girls in India’s Home-based Garment Sector. Available at: https://g.berkeley.edu/publications/tainted-garments/.

12 The Project Steering Group comprised: Rohan Preece Rakesh Supkar and Lakshmi Bhatia (Traidcraft Exchange), Pradeep Ravi (Civideal), Lucy Brill and Peter Williams (Homeworkers Worldwide).


15 Not all homeworkers are employed on an irregular basis. Some homeworkers in the UK have employee status and enjoy the same benefits and conditions as factory workers. See http://www.homeworkersworld.org.uk/assets/uploads/files/best-practice-guide-v1.3.pdf.

16 In Indian law, a centre with 10 or more workers, or 20 or more if without power, could be considered a factory, requiring registration and responsibilities for (and costs of) national insurance and benefits.


Responsibility

Available programmes

https://www.oecd.org/industry/la0def/80348905.pdf

Companies

August 25 through and

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http://www.homeworkersww.org.uk/assets/uploads

The partner

International trade -

Workplace absence

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Garment, textile

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See https://actonlivingwages.com/.

https://ethicaltrade.org/resources/lessons

Responsibility

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Garment

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Chains

A Homeworkers' Toolkit.

Preventing Child Labour in Home-based
crafts production: A practical

The absence of good quality schooling is recognised as a major driver of child labour, especially when low piece rates mean that parents are unable to meet their families' basic needs from their labours alone (see Preventing Child Labour in Homebased Crafts Production—a practical toolkit for business).


http://www.homeworkersww.org.uk/assets/uploads/files/Due_diligence_in_Tamil_Nadu_leather_footwear_manufacture_FINAL.pdf

ACT (Action, Collaboration, Transformation) is a ground-breaking agreement between global Brands and retailers and trade unions to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices. See https://actonlivingwages.com/.

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https://www.ethicaltrade.org/resources/lessons
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.

website: www.homeworkersww.org.uk

twitter: @homeworkersww

address: Office 14, 30-38 Dock Street, Leeds LS10 1JF, UK

Civicdep India is an NGO based in Bangalore, India concerned with workers’ rights and corporate accountability. It is currently involved in labour support activities in the garment, leather, electronics and plantation sectors in India. Civicdep conducts research on working conditions, organises awareness programmes for workers and advocates for improved conditions with businesses, government authorities and other national and international stakeholders.

Website: www.civicdep.org

Address: 12, 1st Cross Rd, Venkataramiah Layout, Banaswadi, Bengaluru – 560043

This report, and the subsequent toolkit which it will underpin, is an initiative of Hidden Homeworkers, a four year programme led by Traidcraft Exchange, HomeNet South Asia and Homeworkers Worldwide, co-funded by the European Union. Hidden Homeworkers aims to work collaboratively with Brands and multi-stakeholder initiatives to create more visibility on homeworking and improve working conditions for homeworkers in apparel and footwear supply chains.