



Women in Informal Employment: Globalizing and Organizing

INFORMAL WORKERS IN FOCUS: HOME-BASED WORKERS



Of the many categories of informal workers, home-based workers typically have the least security and lowest earnings. Home-based work is a growing global phenomenon, with over 100 million people¹ working from their homes, in countries both rich and poor. The vast majority are women, who often face the double burden of performing both paid market work and unpaid care-giving work in their homes.

There are two types of home-based workers: **homeworkers** (also known as industrial outworkers), who carry out work for firms or their intermediaries, typically on a piece-rate basis, and **self-employed** or **own account** home-based workers, who independently produce and sell market-oriented goods or services in their homes.

Home-based work exists in a wide range of sectors, including personal services such as shoe repair and childcare, clerical services such as data processing and invoicing, handicraft production, and manufacturing—especially of textiles, garments, electronics, and other consumer goods.

With the rise of complex global chains of production over the past half-century, home-based work has grown exponentially. The growth of homework in manufacturing especially can be linked to the logic of global competition that pushed the bulk of manufacturing first from developed to developing countries, and then out from the factories into workers' homes, as employers cut costs by passing off responsibility for rent, electricity, equipment, and other production costs onto workers.

Home-Based Workers in Fourteen Developing Countries			
Country	Number of home-based workers	% of non-agricultural workforce	Women as % of total
Homeworkers Only			
Chile (1997)	79,740	2	82
Philippines (1993-5)	2,025,017	14	79
Thailand (1999)	311,790	2	80
Self-Employed Only			
Brazil (1995)	2,700,00	5	79
Costa Rica (1997)	48,565	5	45
Morocco (1982)	128,237	4	79
Peru (1993)	128,700	5	35
Both categories			
Benin (1992)	595,544	66	74
Guatemala (2000)	721,506	26	77
India (1999-2000)	23,496,800	17	44
Kenya (1999)	777,100	15	35
Mexico (1995)	5,358,331	17	43
Tunisia (1997)	211,336	11	38
Venezuela (1997)	1,385,241	18	63

Table Source: International Labour Organization. 2002. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO. p. 47

Statistics On Home-based Workers

Home-based work is one of the most invisible and difficult to count types of informal employment, and few countries actually collect statistics on home-based work. The available estimates suggest that, in most developing countries, more than 10 percent of the non-agricultural workforce is home-based,² and between 25 and 60 percent of garment and textile workers are home-based.³ Home-based work appears to be less common in developed regions: in one study of European countries, four to five percent of the total workforce spent the majority of their working hours at home.⁴

Of the world's estimated 100 million home-based workers, more than half are found in South Asia, and 80 percent of these are women.⁵ Women are found in particularly high concentration in the homeworker category.

Insecurity and Exploitation

Home-based work is generally a low-return activity, and industrial outworkers have the lowest average income of all categories of informal workers.⁶ Typically paid on a piece-rate basis, they usually receive less than 10% of the final sale price of what they produce.⁷ Their earnings often fall below the minimum wage—even in developed countries.⁸

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Homeworkers have very little income security, as work orders can be suddenly cancelled, finished goods rejected by contractors, or payment delayed for months on end. The companies that employ them can also easily shift their production to other regions. Many self-employed home-based workers are just as vulnerable and dependent as homeworkers, often buying materials on credit from and selling finished products to a single merchant.

Like all informal workers, home-based workers are rarely protected by labor and safety regulations, have limited access to social insurance, benefits, or financial services, and lack representative voice.

Organizing Among Home-based Workers

Isolated and often entangled within complex chains of contractors and subcontractors, home-based workers face significant challenges in organizing themselves collectively. Despite this, home-based workers' organizations in several countries have achieved important victories, including coverage by minimum wage laws and access to social security and health care programs.

In 1996, the International Labour Organization called on all countries to develop policies to improve the conditions of homeworkers with its adoption of Convention #177 on Home Work. So far, only five countries—Albania, Finland, Ireland, the Netherlands, and Argentina—have ratified the convention.

"It is difficult to conceive of a meaningful strategy to fight poverty without substantially improving the living and working conditions of homeworkers. Homework is where the poor are, millions of them. Those who want to "make poverty history" would be well advised to use as a point of leverage those standards, like the Home Work Convention, which are specifically designed to address the problems of the poor, and particularly of poor women, who make up the vast majority of homeworkers."

- Dan Gallin, Global Labour Institute⁹

WIEGO Secretariat Harvard University

79 John F. Kennedy Street
Cambridge, MA 01238 USA
Tel: 1-617-496-1310
Fax: 1-617-496-2828
Email: wiego@ksg.harvard.edu



¹ Sinha, Shalini. 2006. "Rights of Home Based Workers". New Delhi: National Human Rights Commission. p. 10

² International Labour Organization. 2002. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO. p. 48

³ Chen, Martha, Jennefer Sebstad and Lesley O'Connell. 1999. "Counting the Invisible Workforce: The Case of Home-based Workers". *World Development*, Vol. 27 No. 3. p. 606

⁴ Ibid., p. 49

⁵ Sinha, p. 10

⁶ Chen, Martha, Joann Vaneck, Frances Lund, James Heintz with Renana Jhabvala and Chris Bonner. 2005. *Progress of the World's Women 2005: Women, Work and Poverty*. New York: UNIFEM. p. 54

⁷ Chen, Martha, Joann Vaneck, and Marilyn Carr. 2004. *Mainstreaming Informal Employment and Gender in Poverty Reduction: A Handbook for Policy-Makers and Other Stakeholders*. London: The Commonwealth Secretariat. p. 95

⁸ Jhabvala, Renana and Jane Tate. 1996. "Out of the Shadows: Homebased Workers Organize for International Recognition." *SEEDS*, No. 18. p. 8

⁹ From speech "The ILO Home Work Convention - Ten Years Later" at SEWA-UNIFEM Policy Conference on Home Based Workers of South Asia. January 18 – 20, 2007, New Delhi.

HOW WIEGO HELPS

Women in Informal Employment: Globalizing and Organizing is a global action research-policy network that seeks to improve the status of informal workers, especially women, by:

- Conducting research and collecting statistics on the informal economy
- Strengthening the organizational capacity and increasing the visibility of informal workers' groups
- Promoting policy processes that include representatives of informal workers' groups
- Promoting policies that benefit those working in the informal economy

WIEGO has played an important role in the support of home-based workers worldwide. It facilitated the establishment of HomeNet South Asia, provided support to HomeNet South East Asia and HomeNet International, and helped to organize a policy dialogue on home-based workers in South Asia, resulting in the Kathmandu Declaration on homework. WIEGO has provided a wealth of research on home-based work and produced a manual on incorporating home-based work into global value chain analysis.