Increasing Livelihoods for Home-Based Embroidery Workers in Delhi, India

For the vast numbers of workers in Delhi—86 per cent of whom work in the informal economy—equity remains largely unattainable. This is particularly true for home-based workers, a large workforce within the informal economy. These workers, over half of whom are women, are predominately embroidery workers who earn their livelihood from Delhi’s large garment and apparel industry. Many of these workers are migrants from other states in India and have specialized skills in embellishments, sequins, and beads.

Delhi’s home-based workers face many challenges. They are at the bottom of a global value chain, receiving work and payment from sub-contractors, and have the least bargaining power. They are vulnerable to exploitation, irregular work, and low wages. They live and work in dilapidated housing, with little or no sanitation and access to electricity—both of which affect productivity and health.

Workers also have no opportunity to advance or update their skills to keep pace with fashion, and they lack access to social security and credit to buy costly supplies.

What Changed

Since 2006, the Self Employed Women’s Association Bharat has been working to increase livelihood opportunities for home-based workers through the creation of a new production model, enterprise development, social security services, and advocacy.

This work itself is centered around three Embroidery Centres in slum areas. Situated very close to members’ homes, these are used for linking members to the production process as well to support services like health training, microfinance, and skills training. Close to 800 home-based embroidery workers are linked to the centres on a regular basis, and they use the centres to collect and deposit work orders. A further 10,000 SEWA members use the centres for support services.

Through these centres, SEWA has helped reorganize the supply chain by bringing home-based workers into direct contact with international markets, eliminating middleman contractors, and setting piece rates, which doubles their members’ incomes. SEWA also leads the production process and logistics between members, centres, and suppliers, and keeps a transparent payment system. SEWA also regularly leads workers through skill-building, which will ultimately increase their wages by enabling them to create and embroider a wider range of clothes and products.

In 2009, SEWA Delhi registered a producer-led company called RUAAB, which home-based workers own through shares and sit on the board. The company connects members with exporters who provide better rates, and it deals with international firms interested in ethical and transparent lines of work.

SEWA also provides services to home-based workers from a number of approaches, including microfinance, health programmes, artisan’s cards, information dissemination, and supplementary education classes for workers and their families.

Finally, SEWA also engages in advocacy with NGOs, trade union organizations, and global companies through the Ethical Training Initiative.

Legal and Policy Environment

There is no national policy or act covering home-based workers in India, and any existing Indian legislation applies to only a few home-based workers. The Minimum Wages Act is not applicable to home-based workers, who are paid on a piece-rate.

There are certain social security schemes meant for the informal sector that are applicable to home-based workers: the Unorganized Workers Social Security Act, 2008; the Employment Guarantee scheme (MNREGA); and pensions schemes like Rashtriya Swasthya Bima Yojana, Aam Aadmi Bima Yojana, and the Indira Gandhi National Old Age Pension Scheme.
Results

• Established five Embroidery Centres and sub-centres, providing work to 800 embroidery workers on a regular basis and to close to 3,000 workers at intervals;
• Helped embroidery workers increase their cumulative income by 50 per cent;
• Helped achieve a cash income increase of 32 per cent due to fair profit sharing between the centre and embroidery workers. This has increased workers’ daily wage by 20 per cent from US $1.5 (Rs. 100) to US $2 (Rs. 120);
• Developed market linkages that have increased the number of working days by 12 per cent from 22 to 25;
• Through other SEWA programmes, provided benefits to workers of US $77 (Rs. 4,722) per worker per annum or 17.5 per cent;
• Helped workers access government benefits are US $1.5 (Rs. 95) per worker per annum or 0.4 per cent;
• Established a Producer Company of women members. The company profitability was at 16 per cent;
• Increased scale of operations by linkages to 20 brands and 36 suppliers.

Suggestions for Future Efforts: What Made It Work?

• Removal of middlemen from production chain;
• Support for workers throughout the production process, including skills training;
• Congruent social security services like healthcare, education, and microfinance;
• Transparent production and payment processes;
• Strong worker governance in leadership;
• Continuous expansion in domestic and international markets;
• Diversification of product range;
• Regional advocacy efforts, especially through multi-stakeholder platforms with workers, contractors, buyers, and sellers.

The model adopted by SEWA Bharat presents an alternative economic model that can be adopted for informal economy workers. This model brings workers to the forefront.

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit www.wiego.org.