Introduction

Half of the world’s home-based workers workforce, 80 per cent of which is women and most of which is invisible, resides in South Asian countries. This paper is an attempt to understand the issues and concerns of home-based embroidery workers in Delhi and to analyze the intervention undertaken by SEWA Bharat with the workers.

City Context

Delhi is both the capital of India and the centre of the country’s governance and economic activities. According to the 2011 Census data, the total population of Delhi is 16.75 million. It is also one of the country’s most prosperous states and has the highest per capita income; according to 2011’s World Wealth Report, it is among the top 40 cities in wealth ranking.

However, equity in Delhi remains largely unattainable. In 2010 and 2011, 85 per cent of employment generation in Delhi was in the unorganized sector and/or with low wages. Ninety-seven per cent of informal workers lack any kind of social protection. Of the overall population, 0.4 million reside in slums with poor basic services; fifty-six per cent of children in slums defecate in the open.

Membership-Based Organization

Through an integrated approach, SEWA Bharat looks into livelihoods, microfinance, health, education, skills development, and the capacity building needs of its members.

SEWA Bharat began organizing informal economy workers in Delhi in 1999. It played an instrumental role in the establishment of the SEWA Delhi Trust in 2007 and the SEWA Delhi Union in 2011. Since then, SEWA Delhi has worked with 40,000 members, offering services in livelihood development, microfinance, health, government welfare, housing, pension, and insurance, etc.

Worker Overview

Recent studies estimate an increased concentration of home-based workers in the economy, especially women workers.

Home-based workers are part of international and domestic value chains. In the liberalized economy, home-based
workers provide cheap and stable labour. They are efficient producers and cost companies less. Sub-contracting work also enables corporations to undertake “just in time production”, a trend in which companies adopt flexible production mechanisms in order to cope with changing global competition and demands. It is not surprising to find firms based in the UK hiring workers in India and Bangladesh to export goods to the US or other countries.

Home-based workers associated with SEWA Bharat are predominantly embroidery workers who earn their livelihood from Delhi’s garment and apparel industry. As per the 1999-2000 National Sample Survey Organization 55th rounds, there were 7.8 lakh garment units in India. In addition to being significant in domestic manufacturing, the garment industry also a significant contributor to export revenue. Indian garment exports account for 12 per cent of the nation’s merchandise export share. Nationally, the sector is estimated to employ 14.46 lakh people, of whom 81 per cent are male.

In the late 1990s, it was estimated that Delhi accounted for around a third of national garment production (registered and unregistered production combined) and some 18 per cent of garment enterprises in India. In 2011, retail trade (28.2 per cent) and apparel manufacturing (8 per cent) dominated the unincorporated non-agriculture enterprises in Delhi. According to studies, the share of home-based workers (including tailors and artisans) in Delhi’s total employment was 3.4 per cent in 2013.

In Delhi, SEWA embroidery workers belong to the Muslim community and are originally from the states of Uttar Pradesh, Bihar, West Bengal, and Madhya Pradesh. These workers have specialized skills like in embellishments, sequins, and beads. These embroidery tasks are performed either directly by hand or through the use of frames (aari). Frameworks are more remunerative as the finishing is better. These women work in their homes because they are not allowed to work in factories as it involves travelling. Contractors pay them via piece rate at their homes. Their skills are passed on to family members. While working with contractors, embroidery workers face major problems like irregular work, poor rates, and no security of wage payment.

Legal and Policy Framework

The National Commission for Enterprise in the Unorganized Sector reports that there is a lack of comprehensive and appropriate regulations in India and that even where regulations exist, there are inadequate and ineffective implementation mechanisms. The same is true for home-based work in India. There is no policy or act covering home-based workers as a whole, though some provision has been made in certain labour laws. Significant laws and policies in reference to home-based workers are outlined below:

International Policies, Networks, and Conventions

Convention No. 177 International Labour Organization (ILO): Adopted in 1996, ILO Convention No. 177 recognizes homeworkers and calls for fair standards for minimum pay, working conditions, and occupational health and safety. The countries that ratify the convention are responsible for ensuring their laws meet the Convention requirements. India has not ratified the convention.

Kathmandu Declaration: Adopted by the South Asian Government, United Nation agencies, Trade Unions, and NGOs in 2000, the Kathmandu Declaration enumerates the rights of South Asian home-based workers. Developed by various stakeholders including organizations for home-based workers, policymakers, and researchers, the declaration calls for the following: the formulation of a national policy for home-based workers in each country; minimum social protections including the right to organize, minimum remuneration, occupational health and safety, maternity leave, child care,
skill development, and literacy programmes; access to markets, social funds, and incorporation into official statistics. Following adoption of the declaration, a proposed policy was generated, which called for better working conditions, social welfare measures, and the development of a legal framework to address the problems home-based workers face.

National Laws and Policies

The directive principles of state policies contained in the Constitution of India enumerate guidelines for the governments when forming laws and policies. Article 39 calls for the provision of an adequate means of livelihood for all citizens, equal pay for equal work for men and women, and proper working conditions. Articles 41-43 issue guidelines for the state to secure for all citizens the right to work, a living wage, social security, maternity relief, and a decent standard of living.

The 1948 Minimum Wages Act and the 1966 Bidi and Cigar Workers (Conditions of Employment) Act recognize home-based workers as a category of workers. The Minimum Wages Act mentions home-based workers as a category of “employee”. Section 2 (i) defines an “employee” as any person who is employed for hire or reward to do any work, skilled or unskilled, manual or clerical, in scheduled employment in respect of which minimum rates of wages have been fixed. This includes an out-worker to whom any articles or materials are given by another person to be made up, cleaned, washed, altered, ornamented, finished, repaired, adapted, or otherwise processed for sale for the purposes of the trade or business for that other person. This process is carried out either in the home of the out-worker or in some other premises not under the control and management of that other person.

Minimum wages in India can be fixed both by the central and state governments for sector, occupation, and skills. These are prescribed in various schedules adopted by the government. Wages are fixed both for time and piece rate as per the Act. However, in terms of implementation, the act is not rigorously enforced. It is difficult to establish an employer-employee relationship, particularly in the garment industry due to the sub-contracting nature of the work. Who is the employer of the home-based embroidery worker? Is it is the immediate contractor, the export house, or the retailer? The second critical issue in the implementation of a minimum wage act has been the calculation of the rate itself. Largely, the act fixes minimum wages on time spent rather than pieces. As a result, many trades remain outside the purview of the act.

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.

Situation Prior to Intervention

The critical issues affecting home-based workers are highlighted below:

Invisibility
The global value chain is dominated by a few multinational and transnational companies as well as large retailers and branded merchandisers. The brands place orders with manufacturing companies based on cost, quality, quantity, and time standards either directly or through a set of intermediaries. The manufacturers may decide to produce the orders in their own factories or subcontract it to small manufacturers. The small manufacturers can further sub-contract the work to home-based workers. Home-based workers are at the bottom of this pyramid and therefore have the least bargaining power. For example, in Ahmedabad in the 1990s, while the subcontracted worker earned two to five per cent of the selling price of the garment, the owners and contractors earned 40 per cent of the price. Further, in this chain of operations, there is no clarity on who acts as the responsible authority for wages and social security for home-based workers, and many of the sub-contractors or firms under-report the number of workers because of labour legislation. Retailers and buyers are unaware of the working conditions in which the home-based worker has to perform. There is no national-level legislation for home-based workers that can protect them.
Low Income
It has been estimated that the average daily income of women homeworkers is Rs. 27 (US $0.45). The monthly earnings during India’s peak season is US $25.55 and during the lean period is around US $15.67. Industrial outworkers have the lowest income among India’s home-based workers.

Home-based workers face major factors like irregularity of work, lack of skills, low piece-rates, no bargaining power, and overhead costs.

Home-based workers do not have a regular supply of work and are dependent on work orders from the contractor. During peak season, women end up working for seven hours a day, but during the lean season, they work only four hours a day.

Income is also low because of low piece-rates. Seventy-nine per cent of women and 63 per cent of men home-based workers are paid via a piece rate. Since the workers are dependent on the contractor for the supply of raw materials and for the sale of the final product, their bargaining power to negotiate for better piece-rates remains low. The piece rate also gets deducted on the basis of the quality standards set by the suppliers.

Members state that any negotiations with the contractors are futile because there are other women workers who might be willing to do the same work for a lower rate. Consequently, the contractors’ fallback options are many.

Recording of payment is non-existent, and therefore workers are unable to track the payment records. There are cases of deferred payment or contractors not paying women workers at all. Fearing this, home-based workers do not negotiate with the contractors for loss of work and income.

Home-based workers also have to invest in production. The costs of electricity and thread are not accounted for while calculating the piece rate and have to be borne by the worker.

Housing
For home-based workers, home is the workplace and therefore housing is instrumental to their livelihoods. However, homeworkers have to live in dilapidated houses with little exposure to sunlight or access to basic services. The cramped space in the house is used for work as well as for living. This is a constraint against taking large orders. Further, managing the dual role of housework and paid work also affects productivity. Roof leaks and pests sometimes destroy products, leading to a loss of income. Electricity also plays a critical role in productivity, but the tariffs on electricity are extremely high. The availability of water and sanitation (or lack of it) not only affects the wellbeing of the workers but also their productivity, especially if their productive hours are exhausted in water collection from community taps or tankers.

Skills and Technology
To meet the demands of changing fashion and trends, home-based workers in the garment and textile industries need to have advanced and updated skillsets. New stitches and finishing have become prominent now. However, home-based workers do not get opportunities to learn these skills. Having no access to market information or to institutions that teach new skills, home-based workers have to learn these skills on their own. This is done while developing pieces and at the expense of quality, which again impacts their income.

The kind of work women workers do is also detrimental to income earned. Sexual division of labour limits women to low-income work. For example, stitching a shirt and pants and complex embroidery are remunerative, but it’s the men who do this work. According to a few home-based workers SEWA Bharat has organized, women also do not get higher
The findings of baseline studies revealed the embroidery workers received lower piece-rates because middlemen took a substantial margin. Paying work because they lack skills and contractors give work to “tailors” whom contractors think will do a better job. The availability of technology is also significant in getting work orders and productivity, but the machines women home-based workers use are mostly outdated and do not suit changing market requirements. However, these workers lack the resources to afford better machines.

**Social Security**

Health issues, particularly those related to backaches and eyesight, are common among home-based workers because of the continuous strain from sitting and exposure to dust and chemicals in raw materials. Since most of the workers reside in slum colonies that have no waste management or drainage systems, living conditions can aggravate health issues. Treating illness is a significant household expense.

**Access to Credit**

Further access to credit is instrumental for home-based activities. For home-based workers, certain equipment costs are unavoidable: thread, sewing machines, basic furniture, other equipment, and tools like frames. With irregular payment from contractors, access to credit and capital becomes a necessity. However, moneylenders charge exorbitant interest rates, and services like formal bank financing are unavailable to home-based workers.

**Model of Intervention or Theory of Change**

SEWA Delhi initiated its work with home-based embroidery workers in 2006. The initial work focused on understanding the issues embroidery workers face and devising a means of addressing them. The findings of baseline studies revealed the embroidery workers received lower piece-rates because middlemen took a substantial margin. Since women workers worked from home, their negotiation and bargaining skills were low. At that time, the Ethical Trading Initiative (ETI), a UK-based alliance of retailers, garment companies, trade unions, and non-government organizations, was seeking to develop a project intervention aimed at monitoring the working conditions in international supply chains. The objective of both ETI and SEWA Bharat aligned, and, as a result, they partnered in a project that increased the livelihoods of home-based workers through re-organization of the supply chain. The focus was on the direct linkage of embroidery workers to the export companies. This direct link with buyers for work orders would eliminate the middlemen on whom workers depended orders. Bulk production to meet work orders also implied organizing embroidery workers in large numbers.

In the proposed solution, SEWA Bharat recognized the preference of women workers to work from home, which allowed them to manage the household work as well as engage in income-generating activities. The creation of a common area in the community where women could take and deposit their production work and shaped how Embroidery Centres and sub-centres were deemed necessary. The working hours of such a centre would be flexible, allowing workers to access it as per their convenience. The proposal also called for training on market linkages, research and design, production,
SEWA sought to intervene on behalf of home-based workers through livelihood creation through a new production model, enterprise development, social security services, and advocacy.

In order to generate new livelihood opportunities within the garment sector, SEWA Bharat adopted a rigorous process of market-linkage and production through a decentralized approach with maximum benefits for workers. This was undertaken through an Embroidery Centre model. SEWA Delhi carried out this work until 2009, when it promoted and registered a producer-led company named RUAAB SEWA Artisans Producer Company Limited. SEWA Bharat also provided social security measures in the form of microfinance and health and welfare schemes. SEWA also undertakes continuous advocacy based on lessons learned while working with embroidery workers. The details of intervention are highlighted below:

Livelihood Creation Through Production and Market Linkage

The entire work of market linkage and production was and continues to be implemented through a rigorous process highlighted below:

Outreach, Community Organizing, and Awareness-Raising with Potential New Members

This task is undertaken through Embroidery Centres and sub-centres. There are five Embroidery Centres in the three geographic areas of Sundarnagri, New Ashok Nagar, and Rajiv Nagar. 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, skill training, and so on. 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.

Securing Contracts with New Suppliers and Companies

The key focus of this model is to source regular and secure work from suppliers and brands through merchandising. Job work connects members to exporters where mass production favours large numbers of workers. Export houses that provide better rates than contractor rates are selected through regular contacts with export houses. A very important step in the process of securing work orders is negotiation for fair rates. SEWA Bharat does the negotiation based on findings from a “time and motion” study conducted by the Research and Design team. The time and motion study model is an effective mechanism developed by ETI to calculate fair piece-rates through the following steps:

1. Samples to be duplicated are collected from export houses. This also includes fabric, beads, and other embellishment work that has to be used.

2. Sampling team works on the piece to calculate the time taken to finish each piece according to parameters set by the export house. This is done under the supervision of a sampling In-charge. The entire process is well documented.

3. The piece rate is calculated by multiplying the factory rate by number of hours required to finish the product. For simple work, the rates range from Rs. 15 to

quality checking, material distribution, and record keeping, and payments could be done through clusters.

In this re-organization, better piece-rates than those offered by contractors, was a pre-condition.

It was also envisaged that workers would need continuous, close support. Skill-building and on-the-job training would have to be carried out. In the future, a worker-led enterprise was envisioned to make the process and programme more sustainable.

Intervention, Details of Strategies

SEWA Bharat’s intervention through SEWA Delhi can be categorized under four broad categories as follows: livelihood creation through a production model; enterprise development; social security services; and advocacy.

Often home-based workers’ daughters will work alongside their parents—sometimes leaving school to do so. Photo: S. Trevino
Rs. 20 per hour, and for complicated embroidery using frames, the range is Rs. 25 to Rs. 35 per hour. The internal capacity of the organization is calculated based on the time taken to produce the sample, the number of women available, and the number of days needed to complete the order. Samples are taken and passed with the Export House, and the rate per piece is negotiated. Also, SEWA's capacity for the particular order is communicated. Once the rates and the samples get approved by the exporters, the production gets rolling.

**Streamlining the Production Process and Logistics Between Members, Centres, and Suppliers**

The production process involves sample distribution to workers through the Centres and sub-centres. The entire sample, including the quality requirements and time frame, is explained to members. Depending on the requirements, a worker collects work pieces once, twice, or three times a week and works from home to develop them. Depending on the extent of the work, the women deposit the products at the centre either daily or every two days. Products are usually dispatched back to the Export Houses every two or three days, depending on the lead time.

During the production process, supervisors ensure the quality of the goods. They make frequent visits to companies to communicate about and understand the standards of production. They get goods approved and help to gear up production. The centre provides a good working environment that includes access to seating arrangements, water, sanitation, and electricity.

**Payments**

SEWA passes on a maximum amount to workers and keeps around 25-30 per cent to recover the transportation, rent, and maintenance costs. A transparent process of recording is maintained: entries of the work completed by each individual member is recorded in her passbook. Members are paid monthly at rates more than double those previously received from contractors.

**Retail and Direct Export**

SEWA is also expanding the market base through retail: in addition to exhibitions and sales, the company also sells finished products under the brand name of LoomMool in Delhi. An exclusive show-room has been set up for this purpose.

SEWA is also expanding the market base through direct export, whereby members’ finished products are sold to retailers who ensure minimum wages. Currently, the brands with which the organization is associated are GAP, NEXT, Monsoon, New Look, and TESCO. SEWA is also working with exporters like Orient Craft, B.L. International and Rainbow. In all of these relationships, SEWA receives support from professionals like designers and merchandiser for product development and market contacts.

**Skill Up-Grading**

SEWA has realized that fashion is seasonally based and changes every year. Thus, it is highly important women workers understand the changing trends in order to be able to carry out work. As a result, SEWA regularly takes workers through skill-building training. Basic skills in embroidery and zari (intricate threadwork) are polished with the assistance of master trainers at workers' houses. Members learn fineness in embroidery, trends, patterns, and material information. With a government support programme, skill training classes, which last from one to two months, are held in the community. This will ultimately increase their wages by enabling them to create and embroider a wider range of clothes and products.

**Enterprise Development/The Creation of Women-Led Enterprises**

In 2009, the expansion of work and the increase in members and production led to the creation of a producer company named RUUAB SEWA Artisans Producer Co. Ltd (RUUAB). Close to 800 embroidery workers own a stake in the company through shares. There are 10 board members comprising six producers. Monthly meetings are held to update the Board on the work and future planning. Regular capacity-building training for the field staff and board members is also undertaken.
RUAAB’s formation has also led to the expansion of the market base, and it now has a licence for direct export. It also has a diversified product range that includes home furnishings, accessories, stationary, and ready-made apparel. RUAAB has also streamlined its business ethos with focused business plans and projections for turnover and profitability. RUAAB’s creation has also led to renewed stress on ethical business practices including timely delivery, quality production, and better working conditions.

Social Security and Other Services
SEWA Bharat also provides services to home-based workers from a number of approaches. Workers are linked to microfinance through the Thrift and Credit cooperative and to health programmes with emphasis on sexual and reproductive health. Workers are also linked to the Ministry of Textiles through an artisan’s card. An information desk in the area provides a way for members to gain more information about government welfare schemes. Supplementary education classes are conducted for school dropouts and school-going children. Young daughters of home-based workers are also provided with vocational skills through polytechnic on tailoring and computers. SEWA Bharat’s sister organization, Mahila Housing Trust (MHT), conducts water and sanitation work with members.

It has been established that informal economy workers benefit monetarily through social security services. For instance, hospital bills, transportation costs on multiple visits to government departments to access welfare schemes, illegal fees and bribes, tuition fees for children, and high interest rates paid to money lenders are some of the key expenditures of an informal economy worker’s household. When these services are provided at their doorstep with no additional costs, the income of informal economy workers tends to increase. On average, an embroidery worker associated with an embroidery centre was able to earn an additional US $78 annually by getting healthcare services and linkages, access to government schemes, pension, and children’s education, etc. It has been estimated that close to 95 workers linked to embroidery centres in Rajiv Nagar were collectively able to save US $16,440 in one year with better access to social security.

Advocacy
SEWA Delhi is part of the Ethical Trade Initiative (ETI). ETI is a tripartite alliance of NGOs, trade union organizations, and global companies set up in 2000 to facilitate the compliance of labour standards in the supply chain of companies. SEWA Delhi is also part of the National Homeworkers group, created by ETI to oversee the implementation of responsible corporate action in home-based work as it is embodied in the Homeworkers Guidelines. The group consists of various organizations working together to implement the guidelines across locations through the establishment of regional homeworkers’ groups and awareness and capacity building. SEWA Bharat is also part of HomeNet South Asia and has lobbied for ratification of ILO Convention 177.

Achievements and Outcomes
Through its intervention, SEWA has achieved the following:

- 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).
In 2013, RUAAB’s annual turnover was US $57,075. As a result, 800-1,000 embroidery workers have contributed to the city’s economy through greater production.

- 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.

**Benefits to the City**

In 2013, RUAAB’s annual turnover was US $57,075. As a result, 800-1,000 embroidery workers have contributed to the city’s economy through greater production. Further, increased income at the household level has led to an increase in investment by the women workers on asset building and better basic services like housing, water, and sanitation. The work has also drawn the attention of several international buyers and brands that are looking towards ethical business practices. This adds up to increased trade and commerce for the city and draws attention to ethical business practices from which home-based workers can benefit.

**Critical Success Factors**

The intervention aimed at improving the income and working conditions of home-based embroidery workers through an institutional frame has worked for a variety of reasons. By working through the Embroidery Centres, workers get an opportunity to work from home with exploitation from middlemen. Instead, workers are supported throughout the production process. Workers also benefit from social security services including healthcare, education, and microfinance. Transactions through and operation of the Embroidery Centres are transparent, which helps build the workers’ trust in the process. Leadership at the governance level, on the other hand, enables workers to address and resolve concerns. For buyers and suppliers targeted through the market linkages process, the model offers an ethical and transparent supply chain where high-quality products are delivered on time and at a competitive rate. Stress on ethical business practice has led to greater recognition of SEWA Bharat’s production model.

**Challenges and Their Root Causes**

Despite improved working conditions and increased income, RUAAB’s embroidery workers still face the challenge of irregular work. There are four to five lean months every year that see a decline in the assignment of work. The same is compensated through orders from domestic markets. However, the same is not equally remunerative and requires additional work pressure. Another challenge RUAAB faces is the low piece-rate for work. While there has been success in increasing some piece-rates, there are buyers who are not willing to increase their rates in spite of negotiations. The root cause of the problem is a systemic issue existing within the supply chain, where each level wants to maximize profits for itself. In addition, while diversifying the product can fetch more work assignments for embroidery workers, lack of skill is an impediment to this growth.

**Lessons Learned**

Knowledge of the supply chain process is instrumental in undertaking production-related work. Market expansion has to be continuous and achieved through diversification of product range and through exploring domestic and international buyers. Skilled workers are crucial to maintaining the profitability of the enterprise. This existing skill has to be linked to regular skills-building programmes for workers and for new members. In addition to conducting regional advocacy, it is imperative for organizations to involve multi-stakeholder platforms, including contractors, buyers and sellers, in order to influence the working conditions of home-based workers.
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.

**Conclusion**

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. It is hoped that through this intervention, a strong institution is built. It is still necessary, however, to reach out to a large number of India’s home-based workers. This has to be done through necessary policy reforms, organizing, strengthening worker capacity, and increasing worker representation. Other major challenges, like increasing skills, market and financial linkages, and social security, also need to be addressed.

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**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](http://www.wiego.org).