

## Guidance on home-based work

### *About the document*

This document delineates the roles and responsibilities of the Fair Wear member when producing at homemaker units. Monitoring and evaluating any workplace is challenging, but when homeworkers are involved the challenge is even bigger: in many cases the workplaces are inaccessible or even undisclosed; homeworkers often engage in their work to meet their basic needs owing to extreme poverty, lack of education or other resources for advancement.

Fair Wear views this guidance document as a first starting point to gather more insight about homework in supply chains of Fair Wear members. Members are asked to conduct a due diligence process and gather information about homework used for their production.

### *How is homework defined?*

Homework can be defined as the production of goods or services carried out in premises other than those of the main employer, often in private homes. Homeworking refers both to individuals or family groups working together in their own home or groups of workers who come together in informal workshops, often home-based. Homework is common in the garment industry and includes the assembly of cut pieces, machine and hand-sewing, buttoning, craft work such as embroidery or other embellishments and inspecting, finishing and packing.

The ILO Convention 177 defines homework as:

“Work carried out by a person in his/her home or on other premises of his/her choice, other than the workplace of the employer, for remuneration which results in product/service as specified by the employer; irrespective of who provides the equipment, materials or the other inputs used, unless this person has the degree of autonomy and economic independence necessary to be an independent worker under national laws, regulation or court decisions.”

Because of the globalisation of production the demand for a flexible and low-cost workforce and the use of homeworkers was also on the rise.

In part, homework is used because of traditional skills, such as embroidery or weaving, that are needed in the production of certain garments. But increasingly, homeworkers are used to perform less skilled tasks such as inspection of finished goods or packing.

Boris & Daniels (Ed, 1989)<sup>1</sup> as well as research from the HomeWorkers Worldwide Mapping Programme (2001-2004)<sup>2</sup> describe homeworkers are

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<sup>1</sup> Boris, Eileen & Daniels, Cynthia (eds.) (1989). Homework: Historical and Contemporary Perspectives on Paid Labour at Home. University of Illinois: USA.

<sup>2</sup> HomeWorkers Worldwide (2004), The Mapping Programme. United Kingdom

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always paid by piece, and their piece rates are systematically lower than those paid in the factory, often for the same work. The wages often work out at a fraction of legal minimum wages. Homeworkers are most common in seasonal industries, which means there's high fluctuation rates in employment over the course of the year. Combined, these factors enable companies to respond to variations in order sizes without increasing their overheads.

As a result, homeworkers are exposed to serious labour rights violations, including the lack of formal management systems, absence of job security, no access to social security, gender discrimination, health hazards, low wages and child labour. Homeworkers are not organised in trade unions and are usually not recognised as dependent workers, which limits their negotiating power with employers or intermediaries. The vast majority of homeworkers are women with limited alternatives for paid income.

Production for international textile brands usually takes place at production sites which can be identified with a proper address and legal registration. Identifying homeworkers in the supply chain, however, remains a challenge for textile brands. Often brands only find out when announcing a visit at the production site. Addresses given in advance are usually the address of the contractor who organises the production at different locations at homes of workers.

### ***What should Fair Wear members do?***

Fair Wear members are expected to monitor homeworkers in their supply chain and aspire to achieve equal treatment of homeworkers in accordance with the ILO Convention as well as improved working conditions in accordance with the Fair Wear Code of Labour Practice. 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 this issue with their suppliers.

Fair Wear audit teams will be instructed to pay special attention to any signs of undisclosed homeworkers involved in Fair Wear member production, when they conduct audits.

Regarding Fair Wear members who are already aware of homeworkers in their supply chains, Fair Wear requires the agent and supplier / subcontractor (if applicable) to sign the Fair Wear Code of Labour Practice as a starting point.

In addition, Fair Wear requires the Fair Wear member to collect the data outlined below within one year after joining Fair Wear <sup>3</sup>. The data should be ordered per supplier/contractor who are using homeworkers in its production. The information must be updated annually and submitted to Fair

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<sup>3</sup> For existing member companies this must be shared before 30 June 2016.

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Wear before the member's next financial year, together with the supplier information in the database:

1. The supplier / contractor must be included in the Fair Wear supplier database and must have filled in the Fair Wear questionnaire for suppliers.
2. Sample / Cut-Make-Trim (CMT) departments must be registered as suppliers in the Fair Wear supplier database and must fill in the Fair Wear questionnaire of suppliers as well.
3. The comment field of the questionnaire of the supplier / contractor must state that production takes place at homemaker units.

***In addition to the information provided in the database, the Fair Wear member is required to share the following information with Fair Wear. The information must be updated annually and submitted to Fair Wear before the member's next financial year together with the supplier information in the database:***

### ***Production at homemaker units:***

1. Which parts or specific tasks of the whole production cycle are done at the homemaker units?
2. What share of total production takes place at the homemaker units?
3. Are the home workers individuals, families or do they work in collective groups?

### ***Relation between supplier / contractor / subcontractors (if applicable) and homeworkers:***

4. Are homeworkers registered workers to the supplier / contractor / subcontractor (if applicable)? If not, on what basis agreements are made and controlled?
5. Is the relation regulated in a contract? If yes, in what terms?
6. What are the terms of payment (e.g. per piece, period of payments)? If applicable describe the terms of loans or pre-funding. In case the production takes place at a factory and at home, do workers at the factory receive the same pay as those working from home?
7. What is the system of placing orders to homeworkers?
  - a. Lead times?
  - b. Time frame of delivery?
  - c. Can homeworkers influence the amount of production they need to do?
  - d. Frequency of order placement (number of orders in one year, period of order)?
8. What is provided to the homeworkers?



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- a. Machinery (specify ownership and whether loans are given to homeworkers; if so under what terms)?
- b. Fabric?
- c. Other supplies?

Fair Wear will provide a template for the required information.

***Finally, Fair Wear requires that the suppliers who use homeworkers manage and monitor the described information (points 1-8) in an information system and keep a register containing information about the workers as outlined in the following.***

Fair Wear asks its members to check the information system as well as the register when visiting the supplier.

### ***Register of individual homeworkers***

1. Name of the person in contact with homeworkers (e.g. contractor, head of homemaker group etc.)
2. Name of the worker / household (if the household consists of several homeworkers, please register all individuals)
3. Sex of the worker
4. Age of the worker
5. Father's name
6. Home address
7. Phone number
8. Supplier code / worker ID (if applicable)
9. Village, district, state name
10. Documentation of payments
11. Other details, if any

Fair Wear encourages the Fair Wear member to agree with the supplier / contractor on a defined set of homeworkers producing for the Fair Wear member. This is to ensure stability in sourcing and improvements of working conditions for those homeworkers over time.

Those homeworkers must receive a salary or piece rates that allow them to earn the equivalent of at least minimum wage per hour. They should also receive regular work as far as is reasonably possible and be notified about gaps in production in advance.

### ***Relevant Brand Performance Check system indicators***

This policy will be published in October 2015. Its implementation by Fair Wear members will be assessed during the Brand Performance Checks that will be conducted in 2017 (evaluating member actions of financial years starting in 2016). Fair Wear will pay particular attention to member's efforts

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to ensure information about homeworkers is given. These are related to the following indicators:

- 1.4 Member company conducts human rights due diligence at all new production locations before placing orders.
- 4.3 All sourcing contractors / agents are informed about Fair Wear's Code of Labour Practices
- 5.1 Level of effort to identify all production locations

### ***Monitoring homework***

Homework that is used in the process of producing sewn goods falls under the manufacturing supply chain, which has to be monitored by Fair Wear members.

Members are required to include the homeworker places in their monitoring. As the audit process of homeworker locations is different from auditing factories, it is not bound by the Fair Wear audit quality assessment. Fair Wear will include the production volume of homeworker places in the monitoring threshold when the member complies with the following:

- 1. The necessary information as outlined in this policy has been provided to Fair Wear.
- 2. The member has visited at least 20% of all homeworker facilities, documented those visits in a report and followed up on issues found.

Fair Wear members should consult service providers, trade unions or NGOs to assist with monitoring and remediation of labour conditions for homeworkers in their supply chains and share their experiences with Fair Wear and other members. Fair Wear recommends for example the Swiss civil society organisation Label STEP, who has gathered extensive experience with monitoring homeworker sites in carpet supply chains.

Fair Wear will inform its stakeholders in those areas where homework has been identified in Fair Wear member supply chains and ask them to provide additional feedback.