



Myths & Facts

About Home-Based Workers

By Shalini Sinha, WIEGO Sector Specialist, Home-Based Workers

Myth *Home-based work is confined to the global south and to the less developed countries and regions.*

Fact *Home-based work is a global phenomenon.*

Home-based work is a global phenomenon found in countries rich and poor across many industries. It is not confined to the global south. New forms of home work are emerging daily as more and more firms are outsourcing production to home-based workers in order to cut costs and maximize profits. Home-based workers work in the new economy (assembling micro-electronics) as well as the old (weaving carpets), producing for domestic and global value chains. Home-based workers represent a significant share of total employment in some countries in Asia.



Photo: M.Chen



Photo: M.Chen

Myth *Virtually all home-based workers are women.*

Fact *The majority of home-based workers are women, but significant numbers of men are also home-based workers.*

The majority of home-based workers in most countries are women: 70 per cent in Brazil, 75 per cent in Pakistan, and 88 per cent in Ghana. But significant numbers of home-based workers are also men, particularly in trade and in repair services. Home-based workers – and women home-based workers in particular – are usually not given the rights accorded to other recognised ‘workers’. Women home-based workers, in particular, are widely assumed to be working for subsistence production or earning ‘supplementary incomes’ (i.e., supplemental to their husband’s or other male earner’s income) even if they are the sole breadwinner in the family. Even as co-breadwinners their earnings are often crucial to the survival of the family.

Myth *All workers who work in homes are home-based workers.*

Fact *Only those workers who do paid work from their own home are called home-based workers.*

The term “home-based worker” is used to refer only to workers who carry out remunerated work within their own homes or in the surrounding grounds. It does not refer to either unpaid housework (in their own homes) or paid domestic work (in the homes of others).



Photo: C.Wills

Myth *Home-based workers are largely engaged in labour-intensive manufacturing.*

Fact *Home-based workers are found in a variety of sectors.*

Although many home-based workers are involved in manufacturing and assembly (e.g., sewing and packing) they are also found in a variety of other sectors, including the following:

- Artisan production: weaving, basket-making, embroidery, and carpet-making
- Personal services: laundry, beautician and barber, dressmaking, lodging and catering
- Trade: small shops or bars run from home
- Repair Services: shoe repairs; bicycle, motorcycle, and auto repairs
- Clerical work: typing, data processing, telemarketing, bookkeeping, accounting, call centre telephonists
- Professional work: tax accounting, legal advising, design consulting, computer programming, writing, engineering, architectural, medical.



Photo: B.Stefanov



Photo: S.Trevino

Myth *Home-based work is associated with low-end, low-productivity activities.*

Fact *Home-based workers are also engaged in high-end, high-productivity activities.*

Many high-end high-productivity firms outsource production of some components to home-based workers, including: cushions for airplanes, automobile parts, box assembly and packaging for pharmaceutical companies, electrical part assembly, and professional work.

Myth *Home-based work is an outmoded form of production and is not linked to the modern formal economy.*

Fact *Home-based work is linked to the modern formal economy.*

Many informal home-based workers have links with formal firms – they purchase materials from, and sell to or produce for, formal firms. In fact, home-based workers constitute a significant share of the workforce in many global value chains lead by high-end name-brand capitalist firms in the textile, apparel, shoe, and sporting goods sectors. Export-led growth is associated with the expansion of home-based production in many countries as global competition has increased pressures on firms to cut costs through flexible work contracts or sub-contracting production.



Photo: S.Trevino

Myth *Home-based workers, particularly women, prefer or choose to work from home.*

The fact that so many women are home-based workers may be due to different factors: gender norms regarding women's role and mobility; the hiring practices of companies; and the lack of other employment opportunities.

Fact

Compared to women workers in factories, home-based women workers tend to be older and are more likely to have children. Home-based work allows them to juggle unpaid domestic work with paid work. This does not necessarily mean that women prefer to work at home. The sexual division of labor combined, in some communities, with gender norms prescribing women's seclusion condition women to "prefer" working at home. Also, in many sectors and countries, there are more home-based work opportunities than factory-based work opportunities for women. This is because employers prefer to outsource work to home-based producers in order to avoid social security contributions, to pay lower wages, and, thereby, to increase profits. Also, the lack of formal employment opportunities forces many workers to take up work from home. represent a significant share of total employment in some countries in Asia.



Photo: M.Chen



Photo: HomeNet Pakistan

Myth *Home-based work is part-time and done in the worker's "spare time".*

Fact *Home-based workers work for long hours as full-time workers, making critical contributions to their households.*

Home-based work is often considered "part time" work, something that is done in the worker's "spare time". But studies have found that home-based workers often work long hours, especially during the peak production season. The recent Informal Economy Monitoring Study (IEMS), coordinated by WIEGO, found that home-based workers make significant contributions to their households, society, and to the economy.

They contribute to the household budget, often helping to keep their households out of extreme poverty. By working from home, they are available to care for children and the elderly and maintain the quality of family life and are an important part of the social fabric of their communities. They produce goods at low prices for domestic and global value chains.

Myth *Urban planning and policies have no bearing on home-based workers.*

Urban planning and policies have a direct bearing on home-based workers, their productivity, and livelihood security.

Fact

Home-based work accounts for a significant share of urban employment in some cities/countries: 3 per cent in Buenos Aires; 6 per cent in South Africa; and 18 per cent in India. Home-based workers often live and work in overcrowded slums or squatter settlements with limited or poor infrastructure facilities and urban services. Housing, transport, urban infrastructure, and land allocation all have a bearing on home-based workers and their livelihood security. Slum clearance schemes destroy not only homes but also workplaces, undermining the livelihoods of home-based workers and their contribution to the local economy. Basic infrastructure deficiencies, such as electricity shortages, further hinder productivity, while utility costs eat into available income. The costs of transport reduce earnings. Poor quality housing leads to damaged goods and raw materials.



Photo: V. Zlateva

Myth *Home-based workers are not organized and are difficult to organize.*

Fact *Many organizations and several networks of home-based workers exist.*

While it is true that most home-based workers are not organized, there are organizations of home-based workers in many countries around the world. These organizations are linking up to form national and regional associations. One challenge to organizing, in addition to the isolation of home-based workers, is that self-employed home-based workers need different types of services and policy support than sub-contracted home-based workers. The Self-Employed Women's Association (SEWA) in India is the world's largest trade union of women informal workers. SEWA now has almost 2 million members, about one fifth of whom are home-based workers, and has been instrumental in achieving higher piece-rates for sub-contracted home-based workers, new products and markets for self-employed home-based workers, and better working conditions for both groups of home-based workers across many industries.



Photo: HomeNet Pakistan



Photo: C.Wills

Myth *It is not possible to measure home-based work.*

Fact *Home-based work can be measured in national labour statistics, provided that questions regarding "place of work" are included.*

Data on home-based workers have begun to improve in recent years, but challenges to counting this "invisible" workforce remain. For example, some countries do not include questions on "place of work" in labour force surveys, which is key to determining who is a home-based worker. Also, enumerators are often not trained to identify and count home-based workers,

listing them as unpaid family workers. Also, home-based workers often do not perceive and report themselves as "workers". The WIEGO Statistics Programme has developed guidelines for estimating home-based workers and other groups of informal workers. To develop a full statistical picture of home-based workers, information must be gathered on status in employment, type of contracts, mode of payment and place of work.

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce. For more information visit: www.wiego.org.