

domestic work), but a higher proportion in several occupational groups: two-thirds of informal service and sales workers, 62 per cent of informal sector clerks, 55 per cent of informal sector unskilled workers and 53 per cent of technicians and associate professionals in the informal sector (including workers in computing, nursing, midwifery, traditional medicine and teaching as well as farmers, gardeners and other skilled agricultural workers).

Sub-Group Case Studies

Home-Based Work

Working at Home

Home-based work appears to be on the rise around the world. Some combination of the following factors accounts for this apparent increase. The first is that global competition increases pressures on firms to cut costs through more flexible work contracts or sub-contracting production. The second is that information technology – particularly computers – allows and encourages many clerical, technical, and professional workers to work from their home rather than at another work-site. The third is that an increasing lack of formal employment opportunities – due variously to the lack of economic growth, to capital-intensive patterns of economic growth, and/or to faster growth in the economically active population than in formal employment – forces many workers to take up self-employed work, often at or from the home.

Working at home evokes two contrasting images: one more traditional and pessimistic, the other more modern and optimistic. The pessimistic image is of low-paid and low-skilled manual work done in cramped, dingy and unsafe surroundings, often involving child labour. The optimistic image is of highly paid and skilled professionals, technicians, and managers conducting business “by fax, phone, e-mail, and other computer links from the comfort of their well-appointed residences”.²

In reality, home-based work is more heterogeneous than these two prevailing images suggest. Home-based workers include the self-employed who are engaged in family businesses or own account operations as well as paid workers working under sub-contracting arrangements. Some observers also include those who do some of their paid work at home although they also have a place of work outside their home. Some home-based workers are engaged in labour-intensive

manual activities, while others work in capital- and information-intensive clerical or professional activities. Their occupations range from rolling or packaging incense sticks and cigarettes; to stitching garments or shoe uppers; to providing laundry, child care, or shoe repair services; to assembling electrical plugs or electronic components; to entering, processing, or analysing data; to providing professional and technical services to individuals or businesses.

Despite the considerable diversity in the terms and conditions of work experienced by different groups of home-based workers, there is growing evidence to suggest why we should be concerned about home-based workers, especially about those engaged in low-end work. One reason for concern relates to a common problem faced by home-based workers and other informal workers: namely, the fact that they do not have access to employment-based benefits or protection. Another relates to the fact of working at or from home: that is, home-based workers tend to remain isolated from other workers and, therefore, to be less well organised and have less voice vis-à-vis employers or public authorities than other workers. Some reasons for concern apply to specific groups of home-based workers, notably homeworkers. Homework is often associated with low pay, especially among homeworkers engaged in manual work. Compounding their often low wages is the fact that homeworkers have to pay for many of the non-wage costs of production: notably, the overhead costs of space, utilities, and equipment (**see box on self-employed, homeworkers, and employees**).

Another reason for concern is that women are over-represented among home-based workers, especially among homeworkers engaged in manual work. Available evidence from around the world suggests the following common patterns: women are more likely than men to work mainly at home; women are more likely than men to work at home in manual activities; and among homeworkers women are far more likely than men to be engaged in low-paid manual work.³ The available evidence also suggests that women homeworkers in manual jobs are among the lowest paid workers in the world.⁴

For these and other reasons, labour activists including the Self-Employed Women’s Association (SEWA) and the international alliance of home-based workers (called HomeNet), lobbied for an international convention on homework that would mandate that homeworkers be recognised as workers and receive the rights due all workers. The ILO Convention on Homework, 1996 (No. 177)

recognises homeworkers as workers who are entitled to just reward for their labour and sets a standard for their minimum pay and working conditions, including occupational health and safety. Among other recommendations, the ILO Convention on Homework, 1996 (No. 177) calls for improved statistics on homework.

Composition of Home-based Work

The term “home-based worker” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed) and those who work for others (mainly as industrial outworkers). The term “homeworker” is used to refer to a sub-set of home-based workers: namely, industrial outworkers who carry out paid work from their home. It is important to distinguish, both conceptually and statistically, between the following two categories (and related terms):

- **Home-based workers:** all those who carry out market work at home or in adjacent grounds or premises whether as self-employed or as paid workers
- **Homeworkers:** those home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis

This distinction reflects differences that have policy implications. The problems and constraints faced by self-employed home-based workers and homeworkers are quite different, although both typically lack bargaining power and have to provide their own social protection. Homeworkers are often forced by circumstances to work for low wages without secure contracts or fringe benefits and to cover some production costs (in particular, equipment, space, utility costs). Most self-employed home-based workers, except high-end professionals, face limited access to and/or competition in relevant markets. To improve their situation homeworkers need to strengthen their capacity to bargain for regular work orders, higher piece rates, and overdue back pay (a common problem faced by homeworkers worldwide); while home-based self-employed need better access to financial markets and enhanced capacity to compete in product markets. In effect, homeworkers often face problems of *exploitation* while the self-employed often face problems of *exclu-*

sion. The strategies to address problems of exploitation in labour markets – such as collective bargaining for higher wages – are different than the strategies to address problems of exclusion in capital and product markets – such as providing access to financial, marketing, and business services.

Despite their numbers, and despite the growing interest in their situation, there are few good estimates of home-based workers in general and fewer still of homeworkers in particular. This is due, in part, to problems of enumerating work carried out in the home, especially by women. This is also due to the fact that the “place of work” variable, used to identify persons working at or near their home, is not included in many labour force and population surveys and, even when it is, the results have often not been tabulated in official statistical analyses.⁵ In addition, to obtain the information needed to understand the nature and scope of the problems they face, home-based workers need to be classified according to appropriate employment status categories and by industry or sector.

There are several specific problems related to measuring homeworkers in particular. An important problem is the difficulty of determining whether a home-based worker works under a contract or agreement for a specific firm; and, if so, whether she/he is self-employed or a homeworker. This is because homeworkers occupy a grey intermediate space between the fully independent self-employed and fully dependent paid employees (**see box on self-employed, homeworkers, and employees**). Homeworkers typically have to absorb many production costs and associated risks – including, buying or renting and maintaining equipment; providing workspace and paying for utility costs; and buying some inputs – often without help from their employers. Thus their net remuneration may be significantly less than indicated by the piece-rates that they are paid. For instance, most garment homeworkers have to buy and maintain their own sewing machines, replace needles and oil, and pay for the electricity to run their machines and light their workspace. Most homeworkers are also not directly supervised by those who contract work to them, although they are subject to delivery deadlines and to quality control of the products or services they deliver. For these reasons, they should be considered semi-dependent, not dependent, wage workers. To identify clearly which home-based workers are homeworkers, labour force surveys and population censuses need to include sufficient and appropriate questions regarding their contractual situation.

Self-Employed, Homeworkers, and Employees

Current national and international statistical standards used to measure and classify “status of employment” do not have enough categories to capture the range of employment arrangements in today’s world. This is because all workers are thought to be either fully independent (self-employed) workers on the one hand (such as employers and own-account workers) or fully dependent workers on the other (i.e. as paid employees). However, many work situations do not fit neatly into these two basic categories. Rather they fall in a grey intermediate zone between being fully independent and being fully dependent. Consider the intermediate status of homeworkers as illustrated in the table below:

Characteristics	Self-Employed	Homeworkers	Employees
Contract	sales contract	employment contract	employment contract
Remuneration	from sale of goods/ services	for work (typically piece rate)	for work (time or piece rate)
Contract with	Self	employer/intermediary	Employer
Means of Production	provided by self	provided by self	provided by employer
Workplace	provided by self	provided by self	provided by employer
Supervision	Autonomous	indirect or no supervision	direct supervision

To be able to identify and enumerate homeworkers, and other workers with intermediate employment status, specific questions to probe the key variables in the left-hand column – notably, nature of contract, form of remuneration, place of work, and degree of supervision – need to be designed. The current national and international standards for classifying workers would need to be re-examined to determine whether existing categories can be sub-divided to accommodate these intermediate employment statuses or whether whole new categories that cut across existing ones would need to be introduced.

A second problem is the difficulty in identifying the specific firm for which the homeworker works and determining the characteristics of that firm. The current national and international standards for measuring “status in employment” treat the intermediary – the contractor – who supplies raw materials and receives the finished goods against payment for the work done as the “employer”. However, analytically, it is not clear which firm should be considered as the employer of the homeworker: the intermediary that directly places work orders, the supplier that puts out work to the intermediary, the manufacturer that outsources goods from the supplier, or the retailer that sells the goods? There is a parallel legal problem: namely, which unit in the chain should be held accountable for the rights and benefits of workers down the chain? Many labour lawyers and activists argue that the lead firm that initially put out the work should be considered the equivalent of the employer. Operationally, the homeworker often does not know which firm puts out the work or sells the finished goods.

A related problem is that a category of worker associated with the sub-contracting of work – the

intermediary or sub-contractor – does not fit conventional categories of employment status. Sub-contracting by a manufacturing or retail firm often involves one or more intermediaries and sometimes involves a long, complex chain of intermediaries. These intermediaries – or sub-contractors – typically receive work orders and raw materials from firms or other intermediaries. They then put out work to small production units or to homeworkers. Many such intermediaries are themselves home-based: that is, they store raw materials at their home and allocate work orders from their homes. In addition to putting out work to others, some intermediaries operate small production units themselves: thereby, taking on the additional status of self-employed outworker. Unlike the independent employer who hires others to work in his/her enterprise, the intermediary depends on a firm or another intermediary for work orders and raw materials and usually sub-contracts, rather than hires, workers. Like an independent employer, however, the intermediary assumes some economic risk: notably, responsibility for storing raw materials, overseeing the quality of production, and delivering finished goods. For these reasons,

Homeworkers in Global Value Chains

In global value chains in which the lead firm is a multinational firm based in an industrialised country and the homeworkers are scattered across one or more countries, the links between the homemaker and the lead firm for which she/he works become obscure. The following case illustrates how complicated things can be in negotiating payment or wages due for completed work.

When a trade union organiser in Canada tried to help one immigrant Chinese garment worker get her back wages, she found that the garment worker did not know who she worked for as the man who dropped off raw materials and picked up finished garments drove an unmarked van. When the garment worker eventually found a tag with a brand label on it among her raw materials, the trade union activist was able to trace the "label" from a retail firm in Canada to a manufacturing firm in Hong Kong to an intermediary in Canada: in this case, the global value chain began and ended in Canada. When the local intermediary was asked to pay the back wages due to the garment homemaker he replied: "Put me in jail, I cannot pay. The manufacturer in Hong Kong who sub-contracted production to me has not paid me in months."

Source: Stephanie Tang of UNITE, personal communication.

intermediaries are better considered as semi-independent workers, rather than fully independent employers.

Depending on the number of intermediaries in any given sub-contracting chain, the links between the homemaker and the lead firm for which they work are often obscure. In long complex chains of intermediaries, bargaining for higher wages is complicated by the distance between the homemaker and the lead firm and the ambiguity over who is responsible for providing higher wages (**see the box on homeworkers in global value chains**).

Nature of Home-Based Work

Historically, home-based work has always included skilled artisan production and entrepreneurial activities as well as low-skilled manual work and survival activities. In recent decades, new forms of home-based work – often involving higher-skills, information technology, and higher-wages – have emerged. Currently, the various forms of home-based work include:

- Manufacturing and Assembly: sewing, packing, routine assembly
- Artisan Production: weaving, basket-making, embroidery, and carpet-making
- Personal Services: laundry, beautician and barber, shoe repair, dressmaking, lodging and catering
- 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

Typically, manufacturing and assembly work involve low levels of skills, technology, and pay; routine and standardised tasks; and/or physically demanding effort. Professional work, on the other end, tends to be varied, complex, and creative; relying heavily on information technology; involving choice and discretion; and well paid, if not highly paid.⁶ The other forms of home-based work fall somewhere in between.

Historically, most homework involved manual work in labour-intensive activities: notably, in textiles, garment, and footwear manufacturing industries. Increasingly, homework also involves activities in the service and commercial sectors: notably clerical work in data processing, telecommunication, and telemarketing; but also highly skilled professional and technical consulting. As a result, increasing numbers of homeworkers, particularly in developed countries, are in services and commerce, not manufacturing (**see box on recent shifts in homework in Chile**). New forms of homework have emerged also in capital-intensive manufacturing industries. For example, recent innovations in production technologies and techniques allows the automobile industry to sub-contract some part of the production process to home-based enterprises and (even) homeworkers. A recent survey of homework in the U.K. found that specialised firms producing specific components for the automobile industry, including wiring systems, seat cushions, and waterproof covers, sub-contract to homeworkers.⁷

Numbers Working at Home

Available statistics for developed countries suggest that a significant and probably growing number of workers are home-based. Available statistics for

Recent Shifts in Homework in Chile

The Government of Chile has added special modules to measure homework to its national labour force survey: once in 1997 in both rural and urban areas, and again in 2000 in urban areas only. These survey findings show shifts in the composition of urban homework in the context of a prevailing economic crisis and growing unemployment (8 per cent in 1997, 11.5 per cent in 2000). There were shifts in homework in the urban areas over this period, including: drop in share of homeworkers in total workforce; drop in share of women among homeworkers; and, most significantly, rise in share of men among homeworkers (from 20 to 27 per cent).

There are several possible explanations for the increased share of men in homework, including: the informalisation of formal jobs, the flexibility of home-based work, and the emergence of new, higher status, forms of home-based work – involving information technology and the use of computers – that might attract men to home-based work.

Between the two survey rounds, the share of services/ commerce in total homework rose from 45 to 56 per cent and the share of services/commerce in male homework rose from 13 to 71 per cent. These findings are consistent with the latter explanation: namely, that higher status forms of home-based work in information-intensive services might have attracted men to home-based work.

In 2000, among all urban homeworkers in Chile, women were over-represented in manufacturing and retail trade (90 and 98 per cent, respectively) while men were over-represented in professional and technical jobs (82 and 66 per cent, respectively).

Sources: Helia Henriquez, Verónica Riquelme, Thelma Gálvez and Teresita Selamé et al. "Home Work in Chile: Past and Present Results of a National Survey", SEED Working Paper No.8, (Geneva, International Labour Office, 2001) and Helia Henriquez and Verónica Riquelme, *El Trabajo a Domicilio en el 2000*, unpublished report.

Table 3.5 Home-Based Workers in Fourteen Developing Countries: Number, Share of Non-Agricultural Employment, Proportion Women

Countries/Categories of Workers	Total Home-Based Workers		
	Number of Home-based Workers	Per cent of Non-Agricultural Workforce	Women as per cent of Total
Only Homeworkers Covered			
Chile (1997)	79,740	2	82
Philippines (1993-5)	2,025,017	14	79
Thailand (1999)	311,790	2	80
Only Self-Employed Covered			
Brazil (1995)	2,700,000	5	79
Costa Rica (1997)	48,565	5	45
Morocco (1982)	128,237	4	79
Peru (1993)	128,700	5	35
Both Categories Covered			
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

Source: Jacques Charmes, 2002 (personal compilation of the author on the basis of official labour force statistics and national accounts). A subset of these data was published in ILO, *On Measuring Place of Work* (Geneva, 2002).

Working at Home in India

In India in 1999-2000, the National Sample Survey Organization included a question in the labour force survey on the "place of work." The results show that about one quarter of all non-agricultural workers in informal enterprises work in their own dwelling. Within this overall picture, there are marked urban-rural and male-female differences. About 18 per cent of these workers are home-based in rural areas, while only 6 per cent are home-based in urban areas. Well over half of the female non-agricultural workforce in informal enterprises (57 per cent) works at home, while less than one-fifth of the male non-agricultural workforce (18 per cent) works at home.

A recent sample survey of the workforce of Ahmedabad city in Western India brings out very clearly the gender differences in the location of work. The findings from that survey show the following distribution of all male and female workers – both formal and informal – across different work sites:

- 52 per cent of all women, compared to 8 per cent of all men, work at home
- 18 per cent of all women, compared to 1 per cent of all men, work in others' homes
- 5 per cent of all women, compared to 23 per cent of all men, work on the streets
- 3 per cent of all women, compared to 5 per cent of all men, work at construction sites
- 22 per cent of all women, compared to 58 per cent of all men, work at factories, offices, or workshops

This study found that women operate nearly 70 per cent of the informal manufacturing activities, nearly 30 per cent of the informal service activities, and just under 15 per cent of the informal trading activities and that the majority of all economic activities managed or operated by women are home-based. For instance, virtually no women run small manufacturing units outside their homes and nearly three-quarters of women traders operate from their homes (rather than on the streets).

Source: Jeemol Unni., " Size ,contribution and characteristics of informal employment in India" (2001). Paper will be available at <http://www.ilo.org/public/English/employment/infeco/index.htm>

developing countries suggest that over 10 per cent of non-farm workers in most countries and as high as 20-25 per cent in some countries are home-based.

Developing Countries: Working at home has always been the reality of work for many people in developing countries. However, statistics on this phenomenon remain very poor. Recent compilations of official statistics from the early to mid-1990s on home-based work from 14 developing countries suggest that there is considerable variation in the incidence of home-based work (**table 3.5**). In Benin, which has made special attempts to improve its official statistics in this area, the share of home-based work in non-agricultural employment was very high (66 per cent). In seven of the countries, home-based workers represented between 10 to 25 per cent of the non-agricultural workforce: Guatemala (26 per cent), India (16 per cent), Kenya (15 per cent), Mexico (17 per cent), Philippines (14 per cent), Tunisia (11 per cent), and Venezuela (18 per cent). In one of these countries, the Philippines, only homeworkers were counted, while in Guatemala, India, Kenya, Mexico, Tunisia, and Venezuela attempts were made to count all home-based workers, both those who are self-employed and homeworkers.

In the other six countries, the share of home-based workers in non-agricultural employment was quite small: Brazil (5 per cent), Chile (just under 2 per cent), Costa Rica (5 per cent), Morocco (4 per cent), Peru (5 per cent), and Thailand (2 per cent). However, for two of these countries – Thailand and Chile – only homeworkers were counted; and in the other four – Brazil, Costa Rica, Morocco, and Peru – only the self-employed were counted.

Perhaps the most striking fact is that the share of women in home-based work was over 75 per cent in seven of the countries, over 50 per cent in another one country, and over 30 per cent in the remaining six countries. In the three countries that only counted (dependent) homeworkers, the share of women was about 80 per cent. A recent national sample survey in India, specially designed to better enumerate the informal economy, found a high incidence of home-based work overall as well as marked urban-rural and male-female differences in the incidence of home-based work (**see box on working at home in India**).

Developed Countries: Working at home is also the reality of work for many people in developed countries. In the mid-1990s, home-based workers – here defined as persons who work more than half of their working hours at (or from) their home –

represented between four to eleven per cent of the total workforce in eight out of twelve European countries surveyed: Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, and Netherlands. In the remaining four countries, the share of home-based workers in the total workforce was as follows: Greece (one per cent), Portugal (four per cent), Spain (one per cent), and the U.K. (three per cent). For the twelve European countries taken as a whole, the share of home-based workers represented between four and five per cent of the total workforce.⁸

In the United States, home-based work grew between 1980 and 1990, after falling significantly between 1960 and 1980. Factors in this growth include advances in information and communication technology and the need to balance work and family by the growing numbers of two-career families. Based on 1991 national survey results one per cent of all non-farm workers worked entirely at home. Two-thirds of these workers were women. In contrast to on-site workers, home-based workers were more likely to be self-employed, to work non-standard hours, and to live in rural areas. Analysis showed that workers who need or prefer flexible work hours or to work at home – the disabled; women, especially those with young children; and those living in rural areas with long commutes to on-site jobs – had greater representation among home-based workers. However, the associated flexibility came at a cost. The average hourly wages of home-based workers of either sex were below those of on-site workers, even when one controls for employment status, hours worked, or urban/rural residence.⁹ However, comparing earnings is complex because there are additional work-related costs on the part of both on-site workers (travel, costs of family care, etc.) and home-based workers (overhead for work place, utilities and equipment).

Street vendors

Street vending is a global phenomenon. In cities, towns, and villages throughout the world, millions of people earn their living wholly or partly by selling a wide range of goods on the streets, sidewalks, and other public spaces. With the advance of modern retailing – fixed retail operations, department stores, and malls – many expected that street vending would go away. Yet today, in most countries of the world, street vending persists – and probably has expanded – even where local regulations seek to ban or restrict it. It represents a feature

of traditional societies that has survived, adapted, or re-emerged in modern ones.

Who are Street Vendors ?

Around the world, a large and, perhaps, growing share of the informal workforce operates on streets, sidewalks, and public parks, outside any enclosed premise or covered workspace. This includes not only those street vendors who sell goods but also a broader range of street workers who sell services and produce or repair goods, such as: hairdressers or barbers; shoe shiners and shoe repairers; car window cleaners; tailors specializing in mending; bicycle, motorcycle, van, and truck mechanics; furniture makers; metal workers; garbage pickers and waste recyclers; headloaders and cart pullers; wandering minstrels, magicians, acrobats, and jugglers; beggars and mendicants. In Kenya, the Swahili term «Jua Kali» – which means «under the burning sun» – is the traditional name for the informal economy. This is because so many informal activities, not just street trade, take place in the open-air under the burning sun.

Even when used in the more narrow and precise sense of informal traders who sell goods from the street or in the open air, street vending is a large and diverse activity: from high-income vendors who sell luxury goods at flea markets to low-income vendors who sell fruits and vegetables alongside city streets. Those who sell a single product or range of products as street vendors also often do so under quite different economic arrangements: some are truly self-employed and independent, others are semi-dependent (e.g., agents who sell products for firms against a commission), while still others are paid employees and fully dependent (see **box presenting a typology of street vendors**).

Common Problems of Street Vendors

Street vendors are often viewed as a nuisance or obstruction to other commerce and the free flow of traffic. Since they typically lack legal status and recognition, they often experience frequent harassment and evictions from their selling place by local authorities or competing shopkeepers. Their goods may be confiscated and arrests are not uncommon. The places where they work are often dirty and hazardous. Nevertheless, street vending may be the only option for many poor people. Therefore, the right to vend – within reasonable limits or constraints – should be considered a basic economic right (see **box with summary of the Bellagio International Declaration of Street Vendors**).