

## Ahmedabad's Home-Based Workers: Realities & Recommendations

The Informal Economy Monitoring Study (IEMS) examined the realities of informal workers – home-based workers, street vendors and waste pickers – across 10 cities in Africa, Asia and Latin America.

In Ahmedabad, India, 147 home-based workers – either garment workers or *agarbatti* (incense stick) rollers – were surveyed; about half also took part in focus group discussions.<sup>1</sup> They shared how driving forces affect their livelihoods, and what economic and social contributions they make. From these findings, **Policy Recommendations** were developed to address the challenges of Ahmedabad's home-based workers (see the back page).

### Characteristics & Driving Forces

Home-based workers, a major workforce in India, carry out remunerative work in or around their homes. Often invisible and poorly understood, home-based workers make important contributions to local and national economies. All study participants in Ahmedabad were sub-contracted workers who received work either directly from firms or else through intermediaries. They are paid by the piece.

#### Informal work is essential to urban livelihoods.

- Home-based work was the main source of household revenue for 12% of the survey group, but for all, the work provides income essential to paying for education, food and domestic expenses.
- More than two thirds of participants' households rely mainly on informal employment; only 28% had a household member with formal employment.

*With this income I educated my children, got them married, and our living condition also improved.*

#### Women take up this work for many reasons.

- 74% of *agarbatti* rollers in the study are women from Scheduled Castes or other Backward Castes.
- 95% of garment workers are Muslim women who cited social constraints against going out for work.
- Many said working at home allows them to earn income while also taking care of family and domestic duties.
- Little or no initial investment was required to engage in the work.

*We work according to our own timings; we finish the household work and work at night.*



Photo: M. Chen

#### When the home is the workplace, housing issues are magnified.

Inadequate dwelling space was the most common drawback for these workers. Just over half of the sample live in one-room houses and over one third live in two-room houses.

*My house is too small to do home-based work.*

- A small dwelling prevents a worker from taking bulk orders as she cannot store raw materials.
- Competing needs of space within the household interfere with work.
- There is no separation of living and working areas, so workers and their families cannot escape harmful pollutants or noise.

#### Poor quality housing also affects livelihoods.

- Roofs often leak and low-lying houses flood, damaging finished goods and raw materials.

*The poor quality of our housing creates difficulty for our work during the rainy season ... If the goods are spoiled, the cost is deducted from our wages by the firm owner/contractor.*

#### Lack of or uncertain tenure also affects livelihoods.

- About 40% of participants live in rented houses, paying a large portion of their income in rent.
- Those who own houses said they fear demolition of informal settlements.

<sup>1</sup> See Note on Sampling & Methodology, page 2, and About IEMS and the research partners, box on page 3.

### Public transport is a valued but costly necessity.

- Home-based workers must travel to obtain raw materials and supply produced goods, so they value affordable, accessible transport.
- Public transport costs in Ahmedabad have risen, and transport is not available everywhere. Thus 75% said they walk, even long ways, to get work orders and raw materials.

*Because there is no public transport, we have to walk to the contractor's place. While coming back, we have to carry the raw materials. During the monsoon season, we face a lot of problems.*

- The time and effort for long distance travel impacts the viability of their enterprises.
- Garment workers who rely on public transport spend, on average, 379 rupees per month.

### Relocation to the city's periphery can have devastating effects on a home-based worker's livelihood.

*[The municipality] has forcefully demolished our hutments, and has pushed us to the city's periphery. Commuting is difficult, work has decreased as there are no work contractors near the rehabilitation site.*

### Costly, unreliable electricity causes particular problems for home-based garment workers.

- Garment workers said manual sewing machines do a less professional job, are more costly to maintain, and tire the user.

*My legs pain and my feet swell. I am not able to do work for at least three-four days in a month and there is loss of income for those days.*

- Manual sewing machines create a lot of noise; children's sleep is disturbed.

### Over 60% of home-based workers identified hazardous working conditions that impact health.

- Garment workers suffer from backache and eye strain.
- *Agarbatti* rollers said their eyes burn and many have developed breathing problems due to the toxic powder. Medicine for chronic lung conditions adds to expenditures.

- Harmful chemicals and dust can pollute the whole house, affecting the worker and her family.

*... making of incense sticks is a very messy process which makes the whole house dirty and black.*

## Macroeconomic & Value Chain Impacts

### Home-based workers are greatly affected by wider economic conditions.

- Inflation drives up household expenses while driving down consumer demand for home-based workers' goods.
- Global recession had a significant and lingering impact, especially on the garment sector. Many garment workers had no work for months; work volumes remain low. Almost half said work orders had decreased over the last year.

*My son left school after class 9th because we didn't have financial capacity to educate him further.*

### Home-based workers reported generally good relationships with contractors/intermediaries, but mentioned important issues.

- While 83% reported higher rates per piece over the past year, they are powerless to bargain for better rates as contractors threaten to stop giving them work.
- Some home-based workers said they are not always paid upon delivery or paid only half, with the other half tied to delivery of the next batch of products.

### Incomes are low and erratic.

- Two thirds of the workers complained of low piece rates/wages.
- Half cited a large variation in income as a significant problem.
- *Agarbatti* rollers experience very low wages; in an eight-hour workday, they may make between 36 to 105 rupees. The monthly turnover of the *agarbatti* rollers varied between 1,400 to 1,600 rupees.
- Average monthly turnover for the study's garment workers was 2,337 rupees. This does not take into account the costs associated with earning money, including transport, sewing supplies, etc.

## Note on Sampling & Methodology:

The IEMS used qualitative and quantitative methods. The qualitative component captured perceptions of informal workers in their own words through 15 focus groups. The quantitative component consisted of a survey administered to focus group participants plus another 75 workers for a total of about 150 in each city/sector. The sampling approach was designed to maintain comparability across cities/sectors while allowing flexibility to meet local circumstances. Where the MBO maintains a registry of members, a stratified random sample that was statistically

representative of the MBO population was developed. In cities with no accurate registry, the city team used a quota sampling approach. Local researchers worked with the MBO to identify the best possible sample, based on circumstances. In Ahmedabad, 147 women home-based workers participated. The variables used were: 1) "employment status" – whether the woman worked directly through traders or through contractors (intermediaries); and 2) "category of production" – whether the woman was a garment worker or an *agarbatti* roller.

## Home-based workers respond to low or declining revenue in many ways – some of which lead to greater hardship.

- Lower incomes make it harder to meet basic family expenses such as food and education; 78% said they have reduced personal and household expenses.
- 64% borrowed, often from private moneylenders at high interest rates.
- Several *agarbatti* rollers said they prolonged their workday.
- Many garment makers relied on household members, including children, to help produce more pieces.
- 8% said that low piece-rates led to collective efforts such as strikes or asking SEWA to negotiate for improved wages.

*It is due to SEWA that our wage is now 13 rupees per 1,000 agarbattis. I started making them when it was just 3 rupees....*

## Linkages & Contributions

*Through my work, government gets benefitted by the taxes, traders get benefitted and customers who don't have time to stitch their own clothes also get benefitted.*

### Ahmedabad's home-based workers in our study make many contributions.

- Affordable readymade garments and adequate incense sticks are available for public purchase.

### Home-based workers are vital economic players.

- The goods they produce are packaged and sold; some are even exported.

*It is because of us that shopping malls get a continuous supply of readymade garments....*

- Half of *agarbatti* rollers and 40% of garment workers said formal businesses were the main buyers of the products they made.
- The work of home-based workers leads to employment for others – for example, those who wash, fold, and pack garments, rickshaw pullers who transport workers and/or goods, and sewing machine repairers.
- Shops that sell sewing materials depend on home-based workers, creating employment in both formal and informal sectors.

## About IEMS and the Ahmedabad Research Partner

These findings are based on research conducted in 2012 as part of the Informal Economy Monitoring Study (IEMS), a project under Inclusive Cities. Conducted in 10 cities in Africa, Asia and Latin America, the study examines how informal livelihoods are changing, how informal workers respond to these changes, and what institutions help or hinder their lives. Informal workers and their membership-based organizations (MBOs) are at the centre of the analysis. The project is led by Women in Informal Employment: Globalizing and Organizing (WIEGO). In Ahmedabad, WIEGO partnered with the Self-Employed Women's Association (SEWA). **See Note on page 2 for information on the sample and methodology.**

## About the Self-Employed Women's Association (SEWA)

The Self-Employed Women's Association (SEWA), formed in 1972, is a world-renowned trade union of women informal workers. SEWA's almost 2 million members are drawn from a wide range of occupations. As of July 2012, SEWA had 35,049 garment workers and 31,689 *agarbatti* rollers among its membership in Ahmedabad City.

## About WIEGO

WIEGO is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base, and influencing local, national and international policies.

## About Inclusive Cities

Launched in 2008, the Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. See [www.inclusivecities.org](http://www.inclusivecities.org).

**To read IEMS city, sector and global reports, visit [inclusivecities.org](http://inclusivecities.org) or [wiego.org](http://wiego.org).**

## Policy Recommendations

Policy responses to improve the livelihoods and lives of home-based workers must take many forms and occur at multiple levels.

### Policy Messages

# 1 – Recognize home-based workers as workers who contribute to the economy, to their households and to society.

# 2 – Recognize their homes as workplaces and grant them de facto tenure and basic infrastructure services.

# 3 – Provide housing finance and other services to allow housing upgrades that make homes-cum-workplaces more productive.

# 4 – Include provision of worksheds in slum settlements as a part of the national housing programme; this allows polluting work, such as rolling *agarbattis*, to be done outside homes, limiting exposure to harmful chemicals and dust for the worker and family members.

#5 – Recognize home-based sub-contracted workers as dependent workers in an employment relationship.

# 6 – Negotiate secure work orders and higher piece rates for home-based sub-contracted workers; protect them against arbitrary cancellation of work orders or rejection of finished goods.

# 7 – Negotiate worker benefits and social protection, including health insurance and pensions, for all home-based workers.

### Legislative Reforms

# 1 – The Government of India should ratify ILO Convention 177 on Homework (1996) and promote the National Policy on Homeworkers, drafted by the Ministry of Labour in 1999/2000 – or new legislation – to reflect the provisions of ILO Convention 177.

# 2 – Legislation for dependent home-based, sub-contracted workers should:

- recognize home-based workers as a major workforce in the country
- address low remuneration, poor working conditions and skill development
- provide social protection, including housing
- focus on access to markets, skill upgradation and alternative livelihood trainings

### Key Institutional Reforms

# 1 – **Identity Cards:** Because home based workers are isolated, scattered and lack identity as workers, they should be given identity cards.



Photo: M. Chen

# 2 – **Organization & Representation:** Membership-based organizations of home-based workers, both associations and trade unions, should be encouraged, promoted, recognized and invited to participate in relevant policymaking and rule-setting processes.

# 3 – **Social Protection:** Efforts should be made to register all informal workers, including home-based workers, with the Gujarat Unorganised Sector Workers Social Security Board and the Rasthriya Swasthya Bima Yojana (RSBY) health insurance programme. The procedures to avail of benefits under the various welfare schemes of government should be simplified and written in local colloquial languages.

# 4 – **Minimum Wages/Piece Rates:** Home-based trades should be included in the Minimum Wages Act, and the minimum wage rates should be adjusted to the piece rate system by which most sub-contracted home-based workers are paid. To decide the minimum wages for informal occupations, the State Minimum Wages Advisory Committee/Board should include representatives of unions/associations and employers/contractors of informal workers.

# 5 – **Skills Training:** The industry-specific Welfare Boards should expand skills training to include continuing education that helps informal workers, especially women, bargain for favourable piece rates.

# 6 – **Statistics:** A committee of statisticians should be constituted at the central level for collecting data on the home-based trades and the workers in these trades. Efforts to improve statistics on informal workers/firms should be promoted and continued.