

# The Journey from “Factories in Homes” to Legal Recognition and Rights for Home-Based Workers in Pakistan

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## Key Points

- 1 Home-based workers in Pakistan organized for nearly two decades for legislation: the Sindh Home-Based Workers Act, 2018.
- 2 Research began by identifying thousands of workers as home-based workers and years were spent organizing around the common issues they face. In 2009, a national-level union – the Home-Based Women Workers Federation (HBWWF) – was formed.
- 3 A strengthened HBWWF, with support from its allies, used many strategies to advocate for legislation including organizing protests, meeting with government officials and politicians, and building solidarity.
- 4 With legislation now in place, home-based workers in Sindh continue to advocate for its enforcement.

## Introduction

Thousands of workers in “factories in homes” spread across Pakistan’s Sindh province achieved a historic victory in May 2018 when the Provincial Assembly of Sindh enacted the Sindh Home-Based Workers Act – the first piece of legislation in South Asia solely for home-based workers. This was the result of more than two decades of work by the Home-Based Women Workers Federation (HBWWF), and gives approximately 5 million<sup>1</sup> home-based workers in Sindh the right to unionize and bargain collectively, social protection and access dispute resolution mechanisms.

<sup>1</sup> Pakistan News Release, 2019.



“I Am A Worker! My contribution to the economy is significant!” reads one of the placards held by protesting home-based workers in Pakistan. Photo: Nasir Mansoor

Home-based workers are among the most isolated groups of workers, often not knowing their employers or co-workers. This brief tells the story of how home-based workers organized, stepped out of their homes, and fought for legislation. The research for the brief includes a review of media reports documenting HBWWF's work, analysis of the legislation, and interviews with members of HBWWF and its allies.

The brief begins with a description of home-based workers in Pakistan. We then trace how HBWWF mobilized and organized home-based workers to advocate for the legislation, and analyse the law and its implications for home-based workers. In the final section, we discuss the ongoing struggle of home-based workers to realize the rights enshrined in the legislation.

## Home-Based Workers in Pakistan

Home-based workers are employed by factories or workshops through contractors or intermediaries for a piece-rate wage and operate out of their homes or places near their homes. Although some micro enterprises that operate from home and sell their own products are also referred to as home-based workers, this brief refers only to home-based workers

who are subcontracted to perform work for factories or workshops.<sup>2</sup>

Home-based workers in Pakistan work in different industries making garments, carpets, sacks, incense sticks, footballs, embroidery, bangles, jewellery, shoes and food. Work is done for domestic and global supply chains. The exact number of home-based workers in Pakistan is unclear as the official statistics include self-employed and piece-rate workers. The Pakistan Bureau of Statistics' Labour Force Survey 2017–18 suggests that there were 2.47 million home-based workers in non-agricultural employment (Akhtar 2020). Some 94 per cent of home-based workers working on a piece-rate basis were women and the majority were engaged in the manufacture of textiles and apparel. However, the numbers set out in the Labour Force Survey 2017–18 may not include all home-based workers. For instance, the survey identified home-based workers as only those who work in “his or her own dwelling”, which automatically excludes home-based workers who work in places near their homes.<sup>3</sup> Informal estimates suggest there are approximately 20 million home-based workers in the country (Shaikh 2016).

Factories contract with home-based workers as independent contractors or micro-businesses, when in reality they are disguised employees. They do not have employment contracts, enforceability of minimum wages, access to social security entitlements such as pensions, health coverage or maternity benefits, or access to dispute resolution mechanisms. Since home-based workers are independent contractors/businesses, they bear additional production costs. Depending on the sector, they bear the cost of workspace, equipment, materials, electricity and transportation (PILER and ETI 2020). A 2007 study of 202 households involved in homework across four sectors – incense-stick making, carpet weaving, sack stitching, and prawn shelling – found that women work around 7 hours per day on average and earn PKR247.50 per month (Khan et al 2007). By contrast, the minimum wage in Pakistan's Sindh province for unskilled workers was PKR19,000 per month, but recently increased to PKR25,000.<sup>4</sup>

<sup>2</sup> In Sindh law, home-based workers refers to workers who are contracted by a factory or contractor or any other intermediary. WIEGO identifies two types of home-based workers: (1) self-employed home-based workers who assume the risks of independent operators, and (2) sub-contracted home-based workers who are referred to as homeworkers or industrial outworkers. ILO Convention 177 defines and recognizes the rights of the latter category, sub-contracted homeworkers.

<sup>3</sup> In an earlier Labour Force Survey (2013–14), home-based work included own dwelling as well as at the family of a friend's dwelling.

<sup>4</sup> The Gazette notification for the increase in minimum wages was approved by the Sindh Minimum Wages Board in June 2022 and the final notification is awaited.

## House by House: Building a Community of Home-Based Workers

### Where are the workers?

*In home based or other informal sectors, you have to approach people individually. What used to be a collective task is now being done individually. (FES 2021)*

In 2001, Zehra Khan, HBWWF General Secretary and one of the authors of this brief, started organizing home-based workers informally after research for her Master's thesis indicated that they had no legal rights or organizational support. In 2005 and 2006, she and other trade union leaders, including Nasir Mansoor of the National Trade Union Federation (NTUF) and the People's Labour Bureau, contacted political leaders, legislators and government departments to see whether legislation could be enacted for the workers. The question they faced from the Labour department was: "Where are these workers?" (HNSA 2019).

Realizing that legislation would not be enacted if home-based workers remained invisible, activists and trade unionists started establishing contact with home-based workers by going house to house and asking them to tell them about other home-based workers. Home-based workers were often unaware that they were

engaged in exploitative work. To tackle this challenge, drawing from a Marxist perspective, activists and unionists decided to establish cooperatives where home-based workers could freely discuss their issues, work together, develop their skills and advocate for their rights. They have centres that double as workspaces, which can be used by workers whose houses do not have enough space, and where they are not charged for electricity or gas. They also organize training for home-based workers to upgrade their skills, such as tailoring and beautician courses. The cooperatives also play an important role in negotiating wages with contractors. For instance, if a contractor approaches the cooperative, the cooperative's working group discusses the work and negotiates wages. These working groups were also created to discuss and decide on critical issues.

Study circles were organized by cooperatives across Sindh, Balochistan and Punjab with the intention of building consciousness among workers. To build these circles, activists identified and trained volunteers, who in turn set up the study circles. Averaging 20–25 women in a group, these study circles meet regularly and the participants themselves decide when it is suitable to meet and which issues they should discuss.

Although study circles were established to discuss home-based workers' issues only, they quickly realized that home-based workers

have a broad range of concerns that go beyond a minimum wage, social security and their legal recognition as workers. The study circles readily took up the everyday concerns of home-based workers, including transport, electricity, housing security and violence against women. Responding to these issues, they discussed and worked together to obtain gas connections, build roads, secure national identity cards and stop evictions. Working on a broad set of issues also helped the study circles to garner more support. Women who are not home-based workers have also joined the study circles and supported work in these areas and contacted the cooperatives to resolve domestic and other issues.

The study circles are critical meeting points where women home-based workers discuss socio-economic, political and gender issues. They offer women an opportunity to meet and discuss their concerns, slowly building their consciousness and confidence, and started acting as pressure groups that took up the issues of home-based workers. Through these circles, home-based workers started approaching Labour Department officials, the Social Security Institute, and the Workers Welfare Board with their concerns about wage payments and social security.

When the organizing strength of home-based workers was built through these cooperatives, the members (of the now HBWWF) reached out and consulted with allies to decide the next

steps to strengthen their legal position. It was at this point, in discussions with the NTUF, that the now HBWWF had the idea of forming a trade union.

## Unionizing

Initially HBWWF approached the issue of home-based workers as a gender issue of women's exploitation and oppression. Soon they realized that many of the problems were worker issues and not just gender issues. With the support of the NTUF, they took home-based workers issues as working-class issues and tried to form a trade union on the premise that having a legal identity as a union would give home-based workers the power to negotiate wages with the government and employers.

In the beginning HBWWF faced obstacles from civil society, some trade unions and the government authorities, including the Labour Department, which advised they were not legally allowed to form a union. They persevered, relying on the constitutional right guaranteed under Article 17 that allows anyone to form an association or union. They began identifying home-based work where there was a clear employer-employee relationship and applied to become a union. This is how the Hunarmand Baluchistan Democratic HBWW Union (HBDHBWWU) and the Al-Hayat Progressive HBWW Union (APHBWWU) in Quetta, and the Home-Based Women Bangle

Workers Union (HBWBWU) in Hyderabad came into existence in 2009. The members of the first two unions are workers in the embroidery sector and the members of the third union are workers in the glass bangle industry.

Having unions of home-based workers in different regions enabled a national presence. In 2009, the HBWWF registered as a federation with 1,000 members.<sup>5</sup> Today, HBWWF has more than 4,000 members. It registered the United Home-Based Workers Union in 2016 and has applied to register two more unions. Further to becoming a union, a core group of home-based worker members were given training in keeping records of their work and payments, and negotiating in groups with their contractors (PILER and ETI 2020).

## Working Towards a Law in Sindh

With the devolution of powers to provincial level in 2010 (Lari and Zaman n.d.), HBWWF shifted its focus from having a law at the national level to the provincial level. Since there were progressive members within the Sindh government and a strong base of women home-based workers, they began advocating for legislation in Sindh. HBWWF's organizing and unionization over more than a decade built the foundation for this advocacy. The advocacy for the legislation took a multitude of efforts and years of engagement with different actors.

Organizing home-based workers meant that their visibility also changed. Home-based workers came out of their workplaces and into the streets to attend protests, rallies and conventions to highlight their work and working conditions. Often this was difficult for women as they faced threats from contractors or intermediaries that their work would be discontinued if they protested. But they continued to come and gained visibility with their issues being highlighted in the media.

Sindh has a particularly active trade union movement that supports homeworkers' issues. For instance, the NTUF included the demand for recognition of home-based workers as labour in their advocacy efforts. Sindh also has a favourable political climate, with political parties including working-class representatives. HBWWF has repeatedly met with legislators to advocate for a new law. Post their advocacy, one of the political parties included working for the issues of home-based workers in their election manifesto in 2018.

HBWWF constantly engaged with the Labour Department about issues of workers' wages and working conditions. Among the challenges HBWWF faced during advocacy was the constant change of government officers in the Sindh Labour and Human Resources department and having to make each officer understand the issues home-based workers

<sup>5</sup> To be registered as a federation sectorally at national level in Pakistan requires at least two unions (Khalil 2018).



face. Despite these difficulties, they achieved some success. For instance, in 2015 and 2016, HBWWF was involved in fixing minimum wages for glass bangle workers with the Sindh Minimum Wages Board. In Pakistan the Minimum Wage Boards, which are tripartite structures, are located at provincial level. They recommend the minimum wage rate to the government, which in turn notifies the final rate for the province. In 2019, the Sindh government notified the minimum wage for bangle workers recommended by the Minimum Wages Board.

## Legal Recognition for Home-Based Workers in Sindh

The Sindh Home-Based Workers Act, 2018, is significant as it gives homeworkers legal recognition as “employees”. The Act has widespread implications as it applies to all sectors and has the potential to reach many home-based workers. The legislation includes the following key features:

*Employers and their role:* The Act defines an employer broadly as somebody who directly or indirectly (through a contractor or intermediary) employs a home-based worker “under an agreement of employment”.<sup>6</sup> The legislation also explicitly states that employers are responsible for the payment of wages. While this broad definition provides an opportunity to make different levels of the



Home-based workers in Pakistan came out of their workplaces and into the streets to attend protests and rallies. Photo: Zehra Khan

<sup>6</sup> Section 2(x) of the Sindh Home Based Workers Act, 2018.

supply chain responsible, it is unclear what the division of responsibility is among these different groups and who is liable for wages and employment benefits.<sup>7</sup>

*Council for Home-based Workers:* A significant feature of the legislation is that it establishes a separate Council for Home-based Workers. The Council comprises employers, contractors, home-based workers and unions, and is housed under the Labour and Human Resources Department. It is responsible for monitoring and overseeing the identification and mapping of home-based workers, and the registration of home-based workers and employers. The Council will also establish a regional and district level committee whose functions will be determined by the government.

*Adherence to minimum wage:* The Act mandates employers to pay wages that are not less than the minimum rates provided for under the Sindh Minimum Wages Act, 2015. This provision is significant as it gives home-based workers the right to demand minimum wages from their employers.

*Social protection:* The legislation explicitly states that homeworkers have rights to social, medical and maternity benefits, and marriage and death grants. It states that “every registered home-based worker shall be entitled to all

those social, medical and maternity benefits, compensations and marriages and death grants available to a person falling within the ambit of worker and workman envisaged in all Labour laws including Sindh Industrial Relation Act, 2013 and Sindh Terms of Employment (Standing Orders) Act 2016 and Sindh Workers Welfare Board”.<sup>8</sup> This inclusion is significant although its implementation is pending as the labour laws require amendment to reflect this change.

The law also mandates that a health counter is established in each district, as well as mobile health counters that will come to home-based workers’ doorsteps.

*Dispute resolution mechanism:* The Act provides that one or more Arbitration Committees may be established at the government’s discretion. These committees comprise 3 persons appointed by the government. Home-based workers can take disputes about their terms and conditions of employment, deductions or delayed wages, occupational safety and health, and harassment to the committee. These disputes could be between home-based workers and a trade union, federation, employer, contractor or sub-contractor. If either party is dissatisfied with the decision of the Arbitration Committee, an appeal can be made to the Labour Court. This provides

flexibility to set up multiple Arbitration Committees based on the needs of a region.

*A fund for home-based workers:* The Act mandates that a fund should be established to finance projects for the welfare of home-based workers. The body that governs the fund must include at least 3 home-based worker members, as well as members from different government departments, trade unions or home-based organizations. The fund consists of contributions from the employer (rate and manner to be prescribed), voluntary contributions, grants and donations, and gifts from governments, donors, multilateral organizations or any person. The money from this fund can be used to finance projects for the welfare of home-based workers, invest in the repayment of loans raised by a government body, securities, and administer the fund itself. While the fund should ideally be for securing homeworkers’ welfare, its utilization will need to be closely monitored given its broad mandate.

In 2019 a governing body for the Home-based Workers Fund was established with 4 members from the Sindh government, 3 home-based worker members, and 3 members from the Employers’ Federation of Pakistan. The first meeting of this governing body was held in February 2022. The legal recognition that the legislation gives homeworkers

<sup>7</sup> See Von Broembson et al. 2019 where the authors argue that when a homemaker has to prove that she is an employee and contracts with a contractor or sub-contractor, she is likely to only establish this relationship with the contractor and not the factory. This implies that the labour rights are then against the actor who possibly has lesser power.

<sup>8</sup> Section 5 of the Sindh Home Based Workers Act, 2018.



undoubtedly strengthens their position, and its implementation will determine how the rights enshrined in it will be translated into material wins for homeworkers.

## Seeking Enforcement

The government, employers and contractors are now reckoning with the fact that home-based work is work and that home-based workers are employees with definitive legal rights. While the enactment of the legislation is cause for celebration, the struggle for the realization of workers' rights continues. The implementation of the Act has also been slowed down by the COVID-19 pandemic, with home-based workers still struggling to achieve their pre-COVID earnings. Although the law was passed in 2018, home-based workers in Sindh faced challenges around its implementation as the accompanying Rules still had to be drafted and notified by the government. HBWWF supported the Labour and Human Resources Department to draft the Sindh Home-based Workers Rules, which were notified by the Department in 2020.

One of the first steps in implementing the Act is identifying and registering workers, and it is only after this that they can access social protection. The Sindh Minimum Wages Board and HBWWF supported the Sindh Labour and Human Resources Department to collect data on 10,000 home-based workers in Hyderabad. The first home-based worker

was registered in December 2020, 2 years after the legislation had been passed, on filling out the registration form in the Rules of Business 2019 (Ebrahim 2020). The delay in registration meant that home-based workers could not access the government's emergency cash transfers during the COVID-19 pandemic and ensuing restrictions. In 2022 HBWWF provided software for entering data to register workers. The immediate demands for implementation require equipment for registration with the Sindh Labour and Human Resources Department: a card machine and stationary (The News 2022). The establishment of the Council for Home-based Workers and the Arbitration Committee are two other components awaiting implementation.

The steps taken by HBWWF are crucial in advancing their advocacy of ratifying and realizing the rights prescribed to home-based workers under ILO Convention 177 (The News 2016). Even as Sindh's legislation is being implemented, other regions are also seeing changes. For instance, the Balochistan Payment of Wages Act 2021 includes home-based workplaces on par with other workplaces such as factories, industries and educational institutions. The law passed in Sindh paves the way for home-based workers to get minimum wages, social protection and a dispute resolution mechanism. It also gives a definite legal identity for home-based workers and, as one HBWWF member expressed: "People recognize us as workers now."



Women gather at a meeting of home-based workers in the city of Sanghar in Sindh, Pakistan. Photo: Zehra Khan

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Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies.

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