

Indonesia: Homework in East Java - Findings from a qualitative study

What is homework?

Many people in Indonesia work in non-standard employment relationships. Homeworkers are one such group of workers. Homeworkers are often confused with self-employed workers or domestic workers, however, they are workers who carry out work in their home for remuneration which results in a product or service as specified by the employer. In Indonesia these workers usually receive raw materials from intermediaries and work on a piece-rate basis for producing products in their own home. They often work long hours for low-pay and face decent work deficits. Since most homeworkers work in their own homes, they lack recognition and voice, and the contribution that they make to the economic and social development of their families and communities often remains invisible.

As little is known about the work undertaken by homeworkers, this brief presents findings from a qualitative study on homework in East Java. Qualitative evidence points to an increase in homework in Indonesia over time, and this trend coincides with the increasing flexibilization of the labour market, externalization of production processes and high rates of work in the informal economy. The brief shares information on the key barriers to the protection of homeworkers and provides information that could be used to improve homeworkers' access to decent work. The findings highlight the need to improve the working conditions of women, particularly through improving organization and increasing access to social protection.

Figure: A woman weaves badminton rackets in East Java



Source: ILO (2014)

Box 1: Inside the ILO's MAMPU project

MAMPU – Access to Employment and Decent Work is an ILO project which focuses on improving women's access to employment, particularly for homeworkers. This project is financed by the Australian Department of Foreign Affairs and Trade's Programme on Empowering Indonesian Women for Poverty Reduction (Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan - MAMPU) and implemented in North Sumatera and on Java Island.

The project seeks to support the empowerment of women through improving the working conditions of homeworkers and supporting their transition from informal to formal employment. The project works with trade unions, employers' associations and civil society organizations to transfer knowledge and build capacity of homeworkers to improve their working conditions. The project also works with the Government to build capacity for the development of policies, programmes and regulations that support women's economic empowerment and equality in the labour market. In order to support the objectives of the project and effectively advocate for decent work for homeworkers, it is important to raise awareness on the working conditions of these workers through conducting research and sharing the findings with key stakeholders in the labour market.

Qualitative insights on homework

In order to shed light on the working conditions of homeworkers in Indonesia, the ILO conducted a study involving 233 homeworkers in East Java (29 men, 204 women) in 2013. The survey interviewed homeworkers from Malang city, Malang district, Jember district, Sidoarjo district, and Surabaya city in East Java. Taking into account that little is known about the characteristic of homework in Indonesia, an action research method was used.¹ This research was conducted jointly with local NGOs and advocacy groups that were active in the surveyed areas in East Java.

Action research can be conceptualized as a dynamic methodological tool, which involves learning about homeworkers, while also informing them of their rights. The research process identified key issues around which homeworkers can

1 Adapted from HomeNet (2001) Guide to action research with home-based workers, Mimeo, HomeNet Office; Leeds.

be organized and engaged in collective action for realization of their rights at work. The research undertaken therefore had two main aims, including to collect information in order to advocate for homeworkers' rights and to support the organization of homeworkers. More specifically, the study was designed to gather information in the following areas:

1. The characteristics of homeworkers;
2. The employment relationships of homeworkers;
3. The working conditions of homeworkers;
4. The organization of homeworkers;
5. The priorities of homeworkers.

The study's participants completed a questionnaire with 81 variables. Questions focused on understanding the profiles of homeworkers across variables including working hours, remuneration, training and type of contracts, among others. It also focused on understanding attitudes and perceptions across variables including relationships with employers, household decision making dynamics and gender relations in the world of work.

Box 2: Who are homeworkers?

Art. 1 of the ILO Home Work Convention, 1996 (No. 177) defines homework as a work carried out by a person, the homeworker, who work:

- in his or her home or in other premises of his or her choice, other than the workplace of the employer;
- for remuneration;
- which result in a product or a service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used;

Unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker.

Box 3: Women's labour force participation is influenced by economic and social factors

The decision of and ability for women to participate in the labour force is related to various economic and social factors that interact in a complex fashion both within households as well as within the world of work. In Indonesia the labour force participation rate of women is quite low, ranging between 50 and 53 per cent over the last four years. This leaves a substantial proportion of women outside the world of work. The high incidence of women not participating in the labour force is largely attributed towards the domestic responsibilities, with many women reporting to be fully engaged in housekeeping activities. This situation highlights perceptions on gender roles and the unequal division of household responsibilities between women and men. It also reflects limited access to childcare services and lack of flexible work time arrangements that are needed to support women's participation in the labour force. Addressing these challenges could see the labour force participation of women increase and also see improvements on gender equality.

Analysis of trends over time reveals the troubling trend of women shifting between being not-in-the-labour-force due to “housekeeping duties” and entering the labour force as “unpaid family workers” in the agricultural or trade sector throughout the year. This trend indicates that women are highly vulnerable and have a comparatively weak labour market attachment, due to household responsibilities and difficulties in transitioning from work within the household to the world of work beyond the household.

Policies that support women to maintain labour market attachment, through provision of maternity leave, child care and flexible work time arrangements, as well as programmes to support women to increase their qualifications and access to off-farm employment, are therefore needed to address structural issues associated with the labour market outcomes of women in Indonesia. Advocacy for gender equality is also needed. Progress in this area will be a key factor for unleashing the productive potential of the Indonesian labour force in the future.

Source: ILO (2015) Labour and social trends in Indonesia 2014: Strengthening competitiveness and productivity through decent work, ILO Country Office for Indonesia and Timor-Leste, Jakarta.

Demographic profile of the sample

The participants of the 2013 study in East Java were mostly women, who juggle full time housekeeping responsibilities with homework. Most of the people interviewed were married (94.3 per cent). Many of the respondents had young children and due to the gendered division of tasks within households, and lack of access to child care facilities, they experienced challenges in accessing work outside the household.

Many of the respondents also had lower levels of educational attainment. Most of the women interviewed were of prime working age (30-44 years), and thus grew up in an era before democratic transition and reform of education policy. In comparison to Indonesia today, these women had limited access to education and training opportunities that are necessary for developing into skilled workers.

Finding: Flexible work time arrangements

Homework offers flexible work hours, which allows women to balance their obligations within the household with economic responsibilities. The study found that homeworkers in East Java generally scheduled their work during the schooling hours of their children or undertook homework in the early afternoon or late in the evening.

Interestingly, the study found that homeworkers prioritized the education of their children and often undertake homework in order to pay for expenses related to their children's welfare, such as education and health. The study found that the children of homeworkers often had higher levels of educational attainment than the homeworkers themselves. This highlights that that homework is an important, and often only option, for families to increase their human capital and avoid the intergenerational transmission of poverty.

Finding: Multiple income sources

The majority of respondents reported to have multiple jobs as well as multiple employers. For example, respondents reported that they may engage in activities related to agriculture and animal husbandry or work for a local business within their village in addition to undertaking homework. Alternatively, some respondents reported to undertake homework from multiple employers and intermediaries. This situation highlights the precariousness of homework, with international research highlighting that those with multiple jobs tending to earn less than those with one job, even after all income sources are summed.²

This confirms the double burden, with the women homeworkers undertaking the lion's share of duties within households and also undertaking paid work, often with multiple employers, to increase the household income.

Finding: Low levels of remuneration

The findings from the study in East Java indicated that homework was largely compensated on a piece-rate basis. When converted to a time-rate equivalent, homeworkers were likely to earn between IDR 600 and IDR 6,500 per hour. This means that many homeworkers earn wages below the minimum wage, despite working long hours.

Homework is also subsidized by unpaid labour, with homeworkers frequently receiving unpaid assistance from family and friends in completing orders. In addition, findings from the study indicated that homeworkers typically don't receive compensation from employers for work related costs and therefore have the burden of financing most of the production themselves. Examples of such costs include electricity, water and rent, among others. There are also cases where homeworkers are penalized for defective or low quality products.

Box 4: Household decision making

In the households of the surveyed homeworkers, it was found that the husbands of homeworkers generally had more decision making power in the household than the respondent themselves. For example, decision making authority on decisions such as where to send children to school, consumption of goods and services, and whether to have children or not, were generally decisions made by the homeworker's spouse. Decision making tended to be shared on issues such as permission to seek employment and whether to save or spend personal savings.

Findings from the East Java study indicated that homeworkers that have greater decision making authority within their households were also more likely to negotiate with employers on terms of

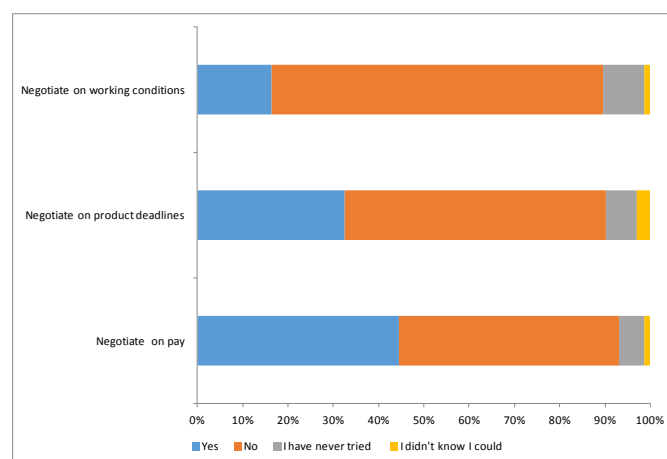
employment, working conditions and the rate of pay. This finding implies that promoting gender equality within households may be key to improving the livelihoods and the working conditions of homeworkers.

Finding: Informal work arrangements

The study found that there were many factors that made homeworkers vulnerable to exploitation, such as lack of regulation, lack of recognition, lack of voice and representation, isolation from other workers and absence of written contracts. The majority of respondents that participated in this study generally worked in informal employment arrangements with their employers, with 41.4 per cent of respondents reporting to have verbal agreements and 44.2 per cent stating that they 'do not know' the type of agreement that they have with their employers.

Due to an absence of formal contractual agreements, respondents reported that they didn't know the duration of their employment agreements (70.9 per cent) or reported that their employment contract didn't have an exact duration (29.1 per cent). The informal nature of the employment relationship between homeworkers and intermediaries or enterprises leaves homeworkers with very limited scope to negotiate on the terms of their employment agreements. In relation to this, the study found that homeworkers are unlikely to negotiate with their employers on terms of employment, rates of pay, working conditions or product deadlines (See figure below).

Figure: Negotiation with employer



Source: Authors' own data

In addition, as homework in Indonesia is a feature of the informal economy, many homeworkers don't consider the activities that they undertake to be a form of work. Instead they may refer to homework as a casual income generating activity or even a hobby. However, the work undertaken by homeworkers is an integral part of supply chains at local, national and global levels.

² Banerjee, A. and Duflo, E. (2007) The Economic Lives of the Poor, Journal of Economic Perspectives, American Economic Association, vol. 21(1), pages 141-168, Winter.

Finding: Oversight of production work

When engaging in homework, the majority of respondents reported to engage in elementary production work. For example, 10.7 per cent of respondents sorted paper lottery tickets, 9.0 per cent sewed slippers or sequin sandals. A number of respondents made bracelets and accessories, or glued cardboard toys. The respondents in this study reported that they used a combination of their own machinery and equipment, as well as machinery and equipment from their employer's to carry out their work.

Unlike homework in other countries, this study found that many homeworkers interviewed in East Java receive work orders directly from the factory that employs them, rather than from intermediaries.³ To further highlight, the homeworkers interviewed in this study tended to know the company for which they work. In addition, respondents reported that they work in accordance with the employer's specifications and deadlines. They work on a piece rate basis and remuneration can be withheld if such work does not meet prescribed specifications. When these characteristics are combined, they could be considered to comprise an indirect form of supervision.⁴

In Indonesian labour law there are three common elements of an employment relationship,⁵ namely, defined work, remuneration and a degree of subordination. These elements determine the existence of an employment relationship between workers (including homeworkers) and their employers under Indonesian labour law. According to this definition, workers may carry out their activities inside or outside the enterprise. Based on the above definition and characteristics of homework, an argument could be made regarding the existence of an employment relationship between homeworkers and employers.

of efficiency in task completion. This highlights that investment by firms in skills development and welfare of homeworkers can have gains on both sides.

Finding: Organization and protection deficits

As homeworkers work in the privacy of their homes, they face significant barriers to joining workers' organizations. However, a small portion of the sample (1.7 per cent) were linked to trade unions. It was found that these homeworkers were more likely to receive compensation for work related injuries from their employers than other homeworkers. In addition, homeworkers with linkages to workers' organizations were more likely to negotiate with employers and have knowledge on their rights at work. This finding highlights the importance of linking homeworkers with workers' organizations and related advocacy groups in order to support improvements in their working conditions.

The homeworkers surveyed in this study were unlikely to receive health benefits from their employers, such as compensation for medical costs and sick leave. However, almost all workers reported having some form of coverage from government social programmes such as conditional cash transfer, basic health care or "rice for the poor". Homeworkers that had worked with the same employer for long periods of time were more likely to be linked with basic health care programmes. While this is positive, it is important to highlight that the respondents didn't have access to maternity protection, pension schemes or severance payments to which workers with formal contracts are entitled.

Findings: Training improves conditions

The large majority of homeworkers that participated in this study (76.5 per cent) reported that they had never received training from their employers to avoid accidents, injury or health problems at work. However, many respondents (80.4 per cent) reported that they had received health and safety training from alternative sources. The most frequent source of training was from other homeworkers (44.8 per cent), followed by training from NGOs (21.7 per cent), while only a few respondents reported receiving training from trade unions (13.9 per cent).

It is worth noting that homeworkers that were trained by their employers on product manufacturing and occupational health and safety reported a lower incidence of faults and higher rates

Figure: A man makes sandals in East Java



Source: ILO (2014)

3 Mehrotra, S. and Biggeri, M. (eds) (2007) Asian Informal Workers: Global risks, local protection, Routledge, London.

4 Fajerman, M. (2013) Review of the Regulatory Framework for the Homeworkers in Indonesia, International Labour Organization, Jakarta.

5 Manpower Act, Law No.13 of 2003, Article 1(15).

Recommendations

The survey of homeworkers in East Java has highlighted that homework is characterized by informal arrangements, low wages, long hours of work, weak or no bargaining power, and little or no social protection. Homework is an important source of income for many women who would not have other income earning opportunities, and homeworkers make an important contribution to the well-being of their family as well as to economic development in Indonesia. Promotion of decent work for homeworkers is an important area of work in improving women's welfare in Indonesia. Improving their working conditions can also have positive impacts as Indonesia works towards poverty alleviation and sustainable development. In this effort, the following recommendations are provided in response to the challenges faced by homeworkers and based on international experiences:

1. Raise awareness on the rights of homeworkers

Homeworkers' existence and the specific challenges they face remain mostly invisible. Therefore, awareness raising on the rights of homeworkers at local, provincial, and national levels and among all stakeholders including homeworkers themselves, government, employers' and workers' organizations is needed. It is also important to raise awareness on differences between self-employed home-based workers and dependent home-based workers, as promoting decent work for these groups requires different approaches.

2. Recognize homeworkers as workers through the development and adoption of a policy on homework

As a step to extend effective protection to homeworkers, a policy on homework should be developed and adopted in close consultation with the relevant stakeholders including representatives of homeworkers. The ILO's Home Work Convention, 1996 (No. 177) which is yet to be ratified by Indonesia, and the Home Work Recommendation, 1996 (No. 184) provide basic principles and guidance in promoting decent work for homeworkers.

3. Extend social protection to homeworkers

Many homeworkers earn wages below the minimum wage, despite working long hours. This means that the disruption in their work and earning due to illness or injury increase the risk of them to fall into poverty. Ensuring that homeworkers have access to essential social services, such as health, can mitigate such risks, and it can also contribute to improved productivity. Progressive and gradual implementation of social protection for homeworkers can also set a good example for extending social protection to other workers in the informal economy in Indonesia where there is a high prevalence of informal work.

4. Empower homeworkers to address decent work deficits

A large majority of homeworkers are women with lower levels of education attainment. This means that they have limited knowledge and access to information to improve their working conditions. Since they work in isolation from other workers, they are largely unorganized and lack representation, voice, and bargaining power. In order for homeworkers to increase their voice and representation and take action to improve their working conditions, women homeworkers should be supported in the following areas:

- Training of homeworkers on various relevant topics such as gender equality, workers' rights, advocacy, organizing, occupational safety and health, financial literacy, and leadership, to raise awareness on their rights and improve their working conditions.
- Promotion of gender equality within households as well as in communities to support women empowerment who dominate homework.
- Expand homeworkers' access to skills training to improve productivity, and expand their employment opportunities outside of homework.
- Organization of homeworkers, and formation, strengthening and management of homeworkers' groups and networks.

5. Build capacity of workers' organizations and organizations supporting homeworkers

Extending protection to homeworkers remains a challenge largely because homeworkers are isolated and unorganized. However, workers' organizations can play a key role in supporting homeworkers to organize and to better participate in national policy dialogue. Linking homeworkers with workers' organizations, and other relevant groups, is likely to empower homeworkers and help to improve their working conditions. In this regard, strengthening capacity of workers' organizations to organize workers in the informal economy such as homeworkers is required.

6. Promote responsible practices by employers and buyers in engaging homeworkers

Employers' associations in Indonesia can play a key role in promoting decent work for homeworkers by raising awareness on homeworkers' issues and promoting responsible practices for engaging homeworkers. With globalization and the increasing flexibilization of the labour market, the value chain has become complex, and it has become more difficult to get a full picture of the production process. However, homeworkers are often found working at the bottom of the value chain, making products sold locally, nationally and internationally. It is a

socially responsible, as well as good practice of employers and buyers, to ensure that the workers engaged in their value chain have decent working conditions. In addition to efforts by employers' associations, some of the actions that individual employers and buyers can take to promote decent work are as follows:

- Take proactive role in promoting decent work for homeworkers by regularly assessing and identifying the working conditions of homeworkers engaged in their value chain and implementing responsive measures.
- Train homeworkers on occupational safety and health, as well as skills related to production of goods and services.
- Develop mechanisms to monitor the working conditions of homeworkers engaged in their value chain.
- Train those engaged in the value chain such as intermediaries on decent work for homeworkers.
- Promote gender equality and non-discrimination at work and throughout the value chain.

As the study indicated, investment by employers and buyers in promoting decent work for homeworkers will have positive effects on the performance of their companies as the workers will have improved productivity and company will have a good image as a socially responsible employer/buyer.

7. Collect data on homeworkers

There is also a need to have data available in order to better understand the prevalence and the working conditions of homeworkers, and to develop strong arguments for better valuing the considerable contribution that low-income Indonesian women make to the economic and social development of their families, communities and society. Progress in these area will be key for developing appropriate policies and programmes on empowering women, unleashing their productive potential.

8. Establish a mechanism to set up a piece-rate

Rate of wages is the single most important issue identified by homeworkers. Most homeworkers surveyed in East Java reported receiving sub-standard wages, well below the local minimum wages, despite working forty or more hours in a week. In this context, the establishment of a clear mechanism for determining piece-rate wages in the context of home work should be considered. A range of methods to calculate piece-rates already exist and could be adapted for home work, and homeworkers' representatives and employers' representatives should be engaged throughout the process. Piece-rate wages may be also established through a process of negotiation and collective bargaining between homeworkers' organizations and employers. Having an agreed piece-rate wage can protect homeworkers from unfair treatment and exploitation, and also contribute to eliminate unfair competition among employers.

9. Address barriers and promote women's access to decent work

In addition, gender-responsive policies and programmes that support women's empowerment and gender equality are needed to strengthen the overall position of women in the world of work. Key areas of action include:

- Promote enabling environment for work and family reconciliation: e.g. establishing childcare facilities, applying flexible work time arrangements, etc.
- Improve women's access to training to improve employability.
- Improve women's access to social security protection.
- Strengthen protection against sex discrimination and violence at workplace.

For further information please contact

Aya Matsuura (matsuura@ilo.org)
ILO Office for Indonesia and Timor-Leste

ILO Jakarta Office

Menara Thamrin Level 22,
Jl. M.H. Thamrin Kav. 3 - Jakarta 10250
Tel. +62 21 391 3112;
Fax. +62 21 310 0766
Email: jakarta@ilo.org;
Website: www.ilo.org/jakarta