



MAMPU
Maju Perempuan Indonesia
untuk Penanggulangan Kemiskinan



A study on the practices of employers in engaging homeworkers in West Java and Central Java Provinces

July 2015

ILO, APINDO, Intercafe

Contents

1. Introduction	3
1.1 Background	3
1.2 Scope, methodology, and limitation of the study	4
2. Profile of respondents	6
2.1 Employers	6
2.2 Intermediaries	9
2.3 Homeworkers	10
3. Overview of study areas	11
4. Engagement of homeworkers by employers	13
4.1 Types of work done by homeworkers	13
4.2 Reasons for engagement	13
4.3 Challenges in engaging homeworkers	14
4.4 Recruiting homeworkers	15
4.5 Work agreement	18
4.6 Recording	20
4.7 Remuneration	21
4.8 Work arrangement	25
4.9 Protection and welfare	25
4.10 Dialogue with homeworkers and intermediaries	27
4.11 Termination of employment relation	29
5. Conclusions	29
6. Ways forward	30
Table 1: The Respondents in each Location of the Study	4
Table 2: The number of the intermediaries and the homeworkers engaged by the employers:	7
Table 3: General information	12
Table 4: Contents of work agreement	19
Table 5 Piece rate* for homeworkers as shared by the employers	21
Table 6 Minimum regional wage and achievement of standard	23
Table 7: Hours worked by homeworkers	23
Table 8: Income of intermediaries per month	24
Table 9: Income of intermediaries by sex	24
Figure 1: Number of employer respondents in each sector	6
Figure 2: Enterprise size of the respondents companies	6

Figure 3: Educational attainment of employers	8
Figure 4: General business performance of respondents.....	8
Figure 5: Markets of the respondents' products	9
Figure 6: Number of intermediary respondents in each sector	9
Figure 7: Educational attainment of intermediaries.....	10
Figure 8: Number of homeworker respondents in each regency.....	10
Figure 9: Educational attainment of homeworkers.....	11
Figure 10: The main reasons for hiring homeworkers.....	14
Figure 11: Challenges for using homeworkers.....	15
Figure 12: Recruitment of homeworkers by the employers.....	15
Figure 13: Worker preference by sex.....	16
Figure 14: Worker preference by age	16
Figure 15: Recruitment of the intermediaries by the employers	17
Figure 16: Recruitment of homeworkers by the intermediaries	18
Figure 17 Distribution of homeworkers according to income level per month	22
Figure 18: Income of homeworkers by sex.....	24
Figure 19: Complaints of homeworkers to employers	28

1. Introduction

1.1 Background

As part of the Australian funded MAMPU Programme to improve the welfare of women in Indonesia, the ILO started a project in February 2014 to improve women's access jobs and decent work (ILO/MAMPU) with a focus on one of the most disadvantaged workers, homeworkers. Homeworkers are workers who work at home to produce goods or service according to the specification of the employer/intermediary for remuneration. While homeworkers have existed for many years in Indonesia, homeworkers are largely invisible in public eyes as they work at home but they are generally referred as "putting out workers" in Indonesia. Since home work is undertaken by mostly women who combine care responsibilities with income generating activities, and they are often not recognized as workers. Because of the lack of recognition, when homeworkers are mentioned, they are often confused with other types of workers such as domestic workers or self-employed own account workers operating at home. Some also hold a perception that home work is an activity carried out by women to earn extra income. In reality, home work is an important source of income for many women and they are working to support their family. However, they are not recognized and they continue to work in indecent working conditions characterized by low pay, long working hours, and insufficient social and legal protection. They also have limited voice and representation as they work at home in isolation from others.

Since the current labour force survey in Indonesia does not collect disaggregated information on the types of workers, the prevalence of homeworkers is not known. However, it is assumed that many workers are engaged in home work because home work is closely associated with the manufacturing sector and the sector is growing in Indonesia. The pressure for enterprises to remain competitive by reducing costs also contributes to the growth of homeworkers as enterprises may choose to shift their production locations and strategies to reduce costs. For example, the production location may be shifted from their factories to individual homes of workers, saving the enterprise various costs such as costs for workplace rent and maintenance, regular employees, equipment, and utilities. The high unemployment rate in Indonesia and the need for many workers to earn income also means that more workers are available to accept whatever jobs available. Globally, the majority of homeworkers, over 90 per cent, are women who earn income while managing household responsibilities, and the situation in Indonesia is no exception as seen through the Project.

Recognizing that homeworkers make significant contribution to the well-being of the family and the community, efforts should be made to address decent work deficits. As Indonesia works towards equitable and sustainable development, it is important to build an environment for homeworkers to enjoy decent work. Acknowledging the existence of homeworkers and the important contribution they make to the businesses in Indonesia, the Indonesian Employers' Association, APINDO, started taking actions to promote decent work for homeworkers. In this context, APINDO identified the need to understand the practices of employers in engaging homeworkers and conducted a study on the employers' practices in engaging homeworkers with support from the ILO/MAMPU project.

The objectives of the study were to:

- understand how enterprises are engaging homeworkers.
- identify strategies for APINDO to take to promote decent work for homeworkers.

This report presents the findings from the study as well as recommendations for APINDO and other relevant stakeholders to promote decent work for homeworkers.

1.2 Scope, methodology, and limitation of the study

Scope

The exploratory study was conducted in 2 districts of West Java (Bandung and Bogor) and 2 districts of Central Java (Pekalongan and Jepara) since they were known for active industrial activities. In addition to the location, four sectors were selected, namely garment (Bandung), leather (Bogor), batik (Pekalongan), and wood (Jepara) because they were known to engage homeworkers.

The study sought to understand the employers' practices in engaging homeworkers in the following aspects:

1. Reasons for engaging homeworkers
2. Challenges in engaging homeworkers
3. Recruiting homeworkers
4. Work agreement and record
5. Remuneration
6. Work arrangement
7. Protection and welfare
8. Dialogue with homeworkers and intermediaries
9. Termination of the work agreement.

Methodology and sample

The data collection was done through interviews using a structured questionnaire and one focus group discussion during 25 March – 20 April 2015. The total number of respondents for questionnaire was 207 (144 men and 63 women) including 45 employers, 42 intermediaries, and 120 homeworkers. The detailed breakdown is shown in Table 1. The focus group discussion was participated by 17 people including 6 employers, 5 intermediate employers, 4 researchers, 1 representative of the Chamber of Commerce and Industry of Pekalongan (Kadin Pekalongan) and 1 representative of the local parliament.

Table 1: The Respondents in each Location of the Study

Province	District	Employer	Intermediary	Homeworker
West Java	Bandung (Garment)	16 (11 men /5 women)	3 (2 men/1 woman)	32 (17 men/15 women)
	Bogor (Leather and footwear)	9 (5 men/4 women)	17 (15 men/2 women)	25 (19 men/6 women)
Central Java	Pekalongan (Batik and sarong)	10 (8 men/2 women)	13 (11 men/2 women)	31 (9 men/22 women)
	Jepara (Furniture/Mebel)	10 (6 men/4 women)	9 (all men)	32 (all men)
TOTAL	207 (144 men and 63 women)	45 (30 men/15 women)	42 (37 men/5 women)	120 (77 men/43 women)

As seen above, the study also collected information from intermediaries and homeworkers in the study areas using structured questionnaires to establish a general understanding of their working conditions as requested by APINDO.

The identification of respondents per target group was mainly done by the snow ball sampling method which started in the industrial centers in each district, though other approaches were also used with a varying degree of success.

The sampling of enterprises (10 enterprises per district) had initially been planned to be completed based on the list of APINDO's members in each studied area. However, it was not possible to identify respondents from the membership lists since only few enterprises in the studied sectors were listed, and those enterprises did not engage homeworkers. For example in Bogor, only 7 enterprises out of 328 companies listed in the APINDO's membership operated in the leather sector, and only 3 out of 7 could be contacted with valid numbers but did not have homeworkers.

The study team also tried other information sources such as the Department of Trade and Industry (in Bogor), the Directory of the Association of Indonesian Furniture and Handicraft Industry (ASMINDO) (in Jepara), alumni data of educational institutions (in Pekalongan), and the list of employers in the garment sector registered with the Ministry of Industry (in Bandung). In case of Bandung, out of 118 enterprises, only 54 could be contacted with valid phone numbers. Among the 54 companies contacted, only 1 enterprise agreed to be interviewed while the rest did not agree to be interviewed with various reasons such as no homeworkers in their business operation and too busy to be interviewed though homeworkers were part of their supply chains. Some respondents could also be identified from the list of enterprises in the garment sector from the SME's website of Bandung.

The snow ball sampling method could not be applied to identify homeworkers or intermediaries from the interviewed enterprises as the interviewed enterprises did not want to share information on the intermediaries or homeworkers engaged in their business operation. Similarly, it was not possible to identify enterprises from homeworkers and intermediaries as homeworkers and intermediaries were concerned about risks of losing their job.

Significant efforts have been made by the researcher team to identify enterprise, intermediary, homeworker – respondents engaged in the same value chain. However, it was not possible due to various challenges, such as:

- Enterprises are hesitant or do not want to participate though they are informed about the confidentiality
- Intermediaries are mobile, and homeworkers do not want to introduce their intermediaries because of the fear of losing jobs
- Homeworkers are afraid of losing jobs

Therefore, intermediaries and homeworkers interviewed were not necessarily from those engaged by the interviewed enterprises, and they were identified with a criteria that they operated in the sector specified in each district.

Limitation

This was an exploratory study to understand the practices of enterprises in engaging homeworkers and interviewed enterprises, intermediaries and homeworkers in four sectors of leather, wood, garment, and batik in 4 districts from 2 provinces in Indonesia where the use of homeworkers is known to be very common. Since there is generally a lack of data related to home work, including data on enterprises that engage homeworkers, there was no sampling frames from which to choose a stratified or random sample. The situations and sectors on home work are also very diverse. In this

context, particular areas and sectors for study were chosen intentionally, and due to the difficulties in identifying respondents, the snow ball sampling method was used to reach as many enterprises as possible. Therefore, the data is not representative of the complete situation of enterprises engaging homeworkers and intermediaries, homeworkers and intermediaries in two provinces.

2. Profile of respondents

The main respondents targeted by this study was employers engaging homeworkers. In addition, intermediaries and homeworkers were also interviewed to gain insights on their working environment and conditions in the targeted sectors/areas. The profiles of the respondents are explained below:

2.1 Employers

In total, 45 employers (business owners) (30 men and 15 women) were interviewed including 16 in garment sector, 9 in leather and footwear sector, 10 in batik and sarong sector, and 10 in furniture sector (Figure 1). They have been in business for between 6 and 11 years, and 25 enterprises were small enterprise, 12 were medium enterprise, 5 were large enterprise and 3 were micro enterprise (Figure 2). Among them, 31 employers engaged homeworkers directly, 6 engaged intermediaries that engaged homeworkers, and 8 engaged both homeworkers and intermediaries.

Figure 1: Number of employer respondents in each sector

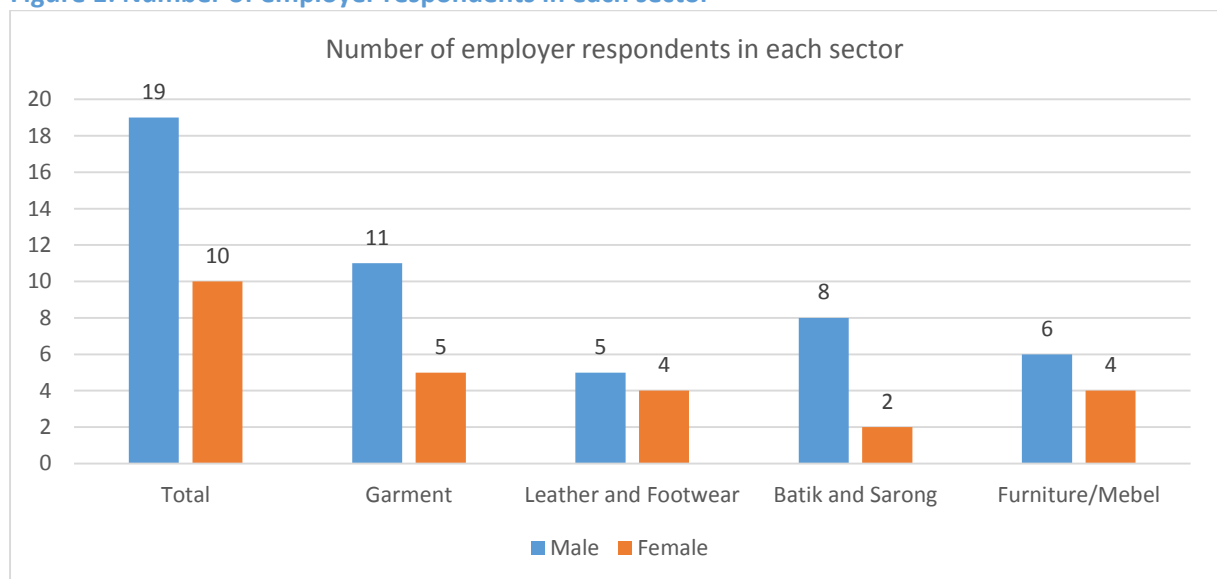
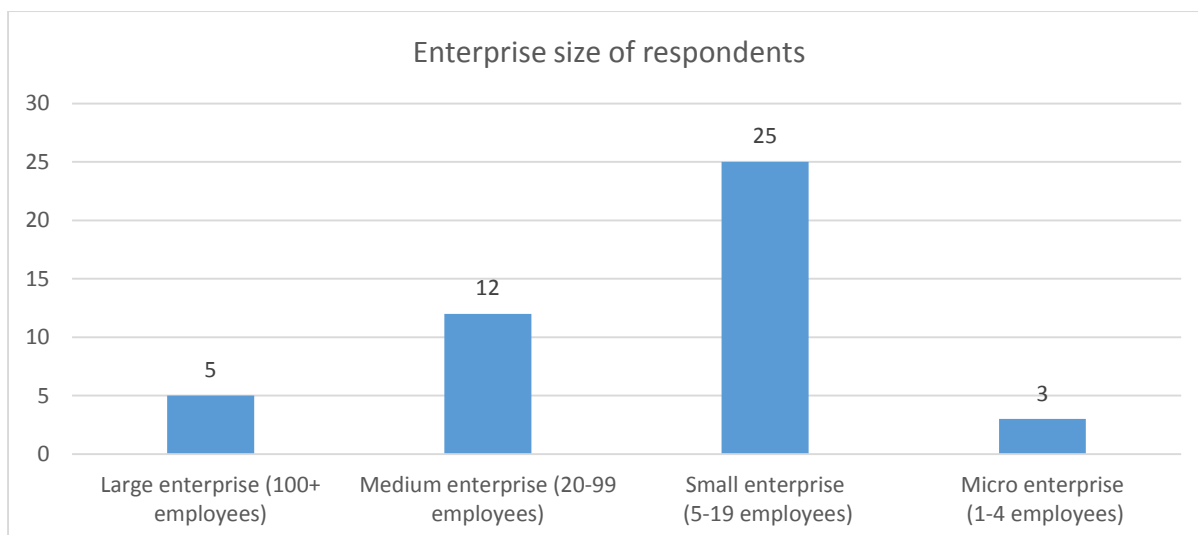


Figure 2: Enterprise size of the respondents companies



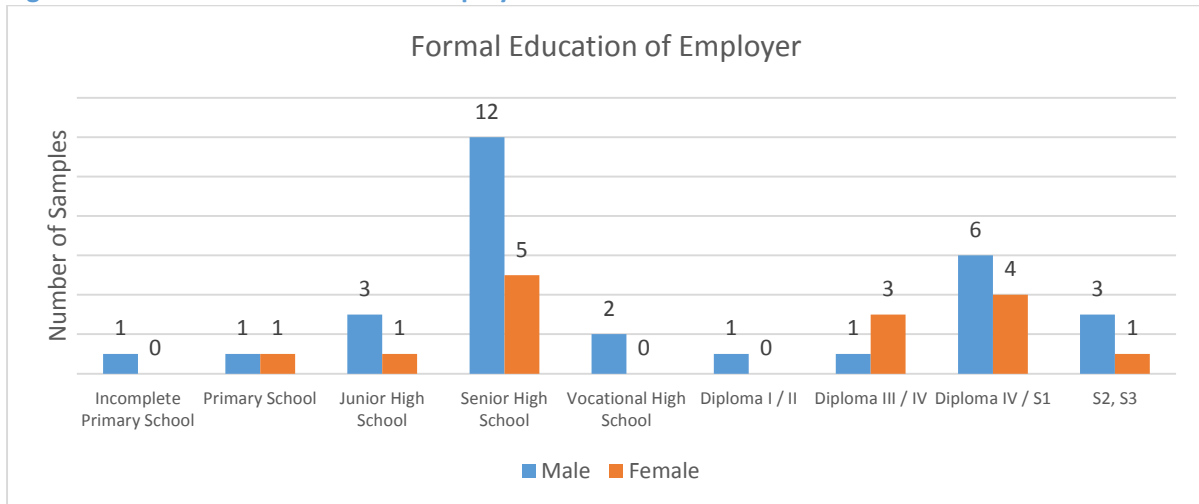
The employers in the garment sectors were found more likely to engage homeworkers directly without using intermediaries. The use of the intermediaries was more common in batik and sarong sector.

Table 2: The number of the intermediaries and the homeworkers engaged by the employers:

Province (1)	District (2)	Employer (3)	Number of workers engaged by the employers in column (3)
West Java	Bandung (Garment)	16 (11 men /5 women)	- 2 intermediaries (2 men) - 53 homeworkers (33 men and 20 women)
	Bogor (Leather and footwear)	9 (5 men/4 women)	- 4 intermediaries (4 men) - 38 homeworkers (36 men and 2 women)
Central Java	Pekalongan (Batik and sarong)	10 (8 men/2 women)	- 97 intermediaries (77 men and 20 women) - 297 homeworkers (169 men and 128 women)
	Jepara (Furniture/Mebel)	10 (6 men/4 women)	- 32 intermediaries (32 men) - 80 homeworkers (78 men and 2 women)
TOTAL	207 (144 men and 63 women)	45 (30 men/15 women)	- 135 intermediaries (115 men and 20 women) - 468 homeworkers (316 men and 152 women)

In terms of the educational attainment, the biggest proportion of the employers (37.7% or 17 employers) had senior high school degree, followed by master's degree (22% or 10 employers). Those with bachelor's master's and doctoral degrees were mostly from leather/footwear and batik/sarong sectors. The employers in the garment sector tended to have lower educational attainment.

Figure 3: Educational attainment of employers



When asked about their business growth, 29 employers (64%) responded that their business is growing, and the same number of the employers (8) that said their business is stagnant or declining (Figure 4). None was experiencing decline in leather/footwear and batik/sarong sectors.

For the markets, the study found that only 9 enterprises (20%) produce and sell their products at the local market while the remaining enterprises had access to national and international markets with 7 enterprises (15%) having access to international market (Figure 5).

Figure 4: General business performance of respondents

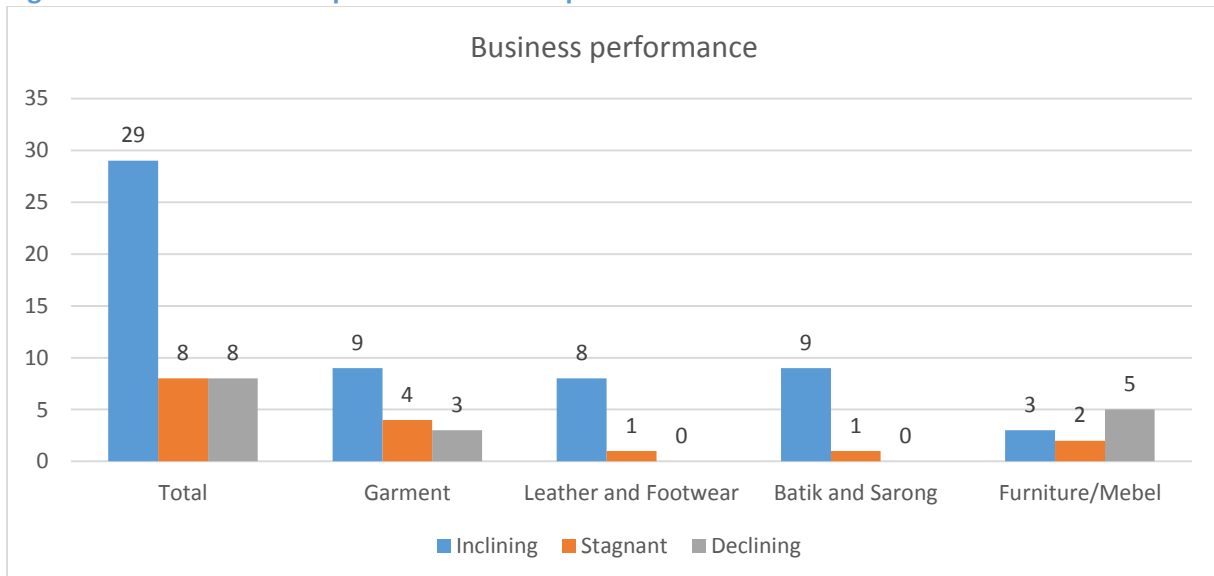
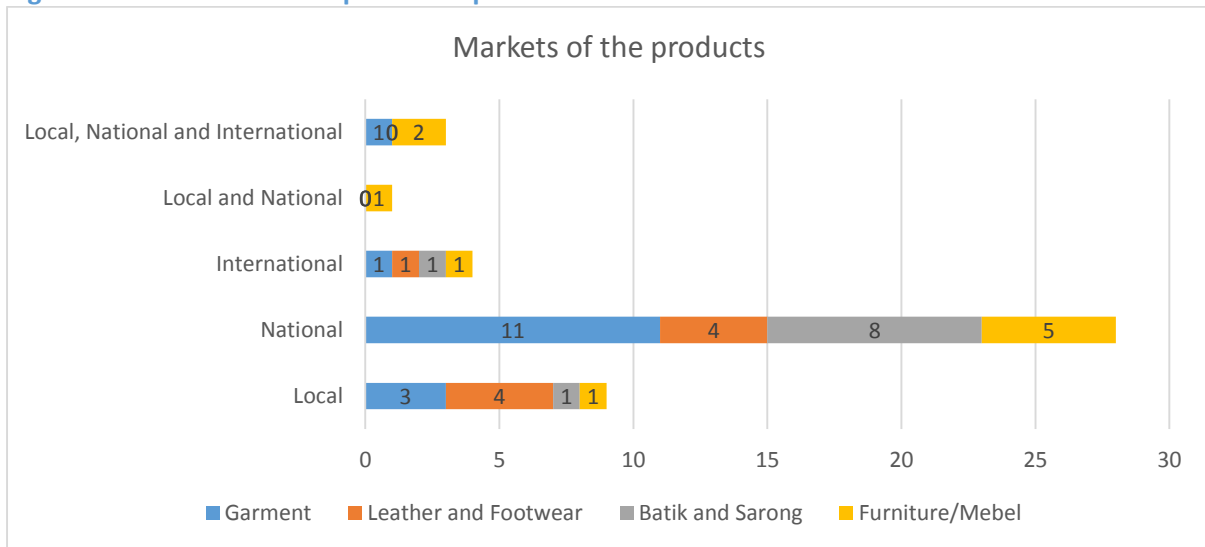


Figure 5: Markets of the respondents' products

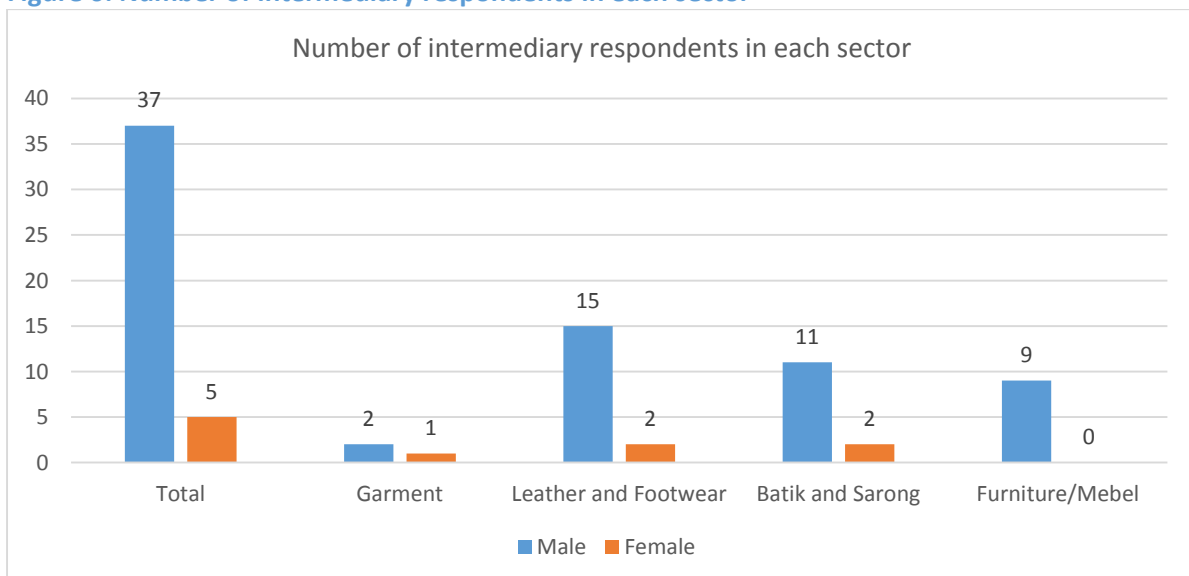


2.2 Intermediaries

A total of 42 intermediaries were interviewed (37 men and 5 women) in the four districts from 2 provinces. As in the sampling of the employers, the number of intermediary respondents varied in each studied area due to different characteristics of the business operations in each sector/district. For example, the research team found that the employers tended to engage homeworkers directly without using intermediaries in the garment sector in Bandung, therefore, the number of intermediaries interviewed was 3, while the leather sector and batik sector had 17 and 13 respondents respectively as it tended to engage intermediaries. In terms of the business registration, only 1 enterprise out of 42 intermediaries had a formal registration for the enterprise.

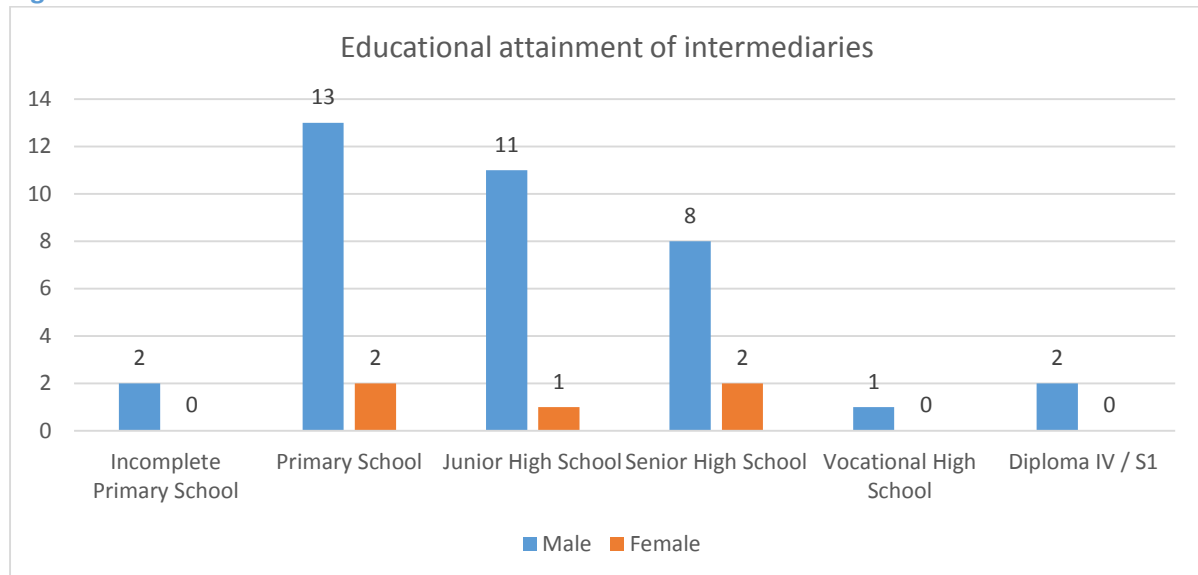
The detailed breakdown of the intermediaries is shown below:

Figure 6: Number of intermediary respondents in each sector



In terms of the educational attainment, the biggest proportion of the intermediaries had primary school education (15 people), followed by junior high school (11 people) and senior high school (8 people). Two intermediaries (both men) in batik and furniture sector had a bachelor's degree.

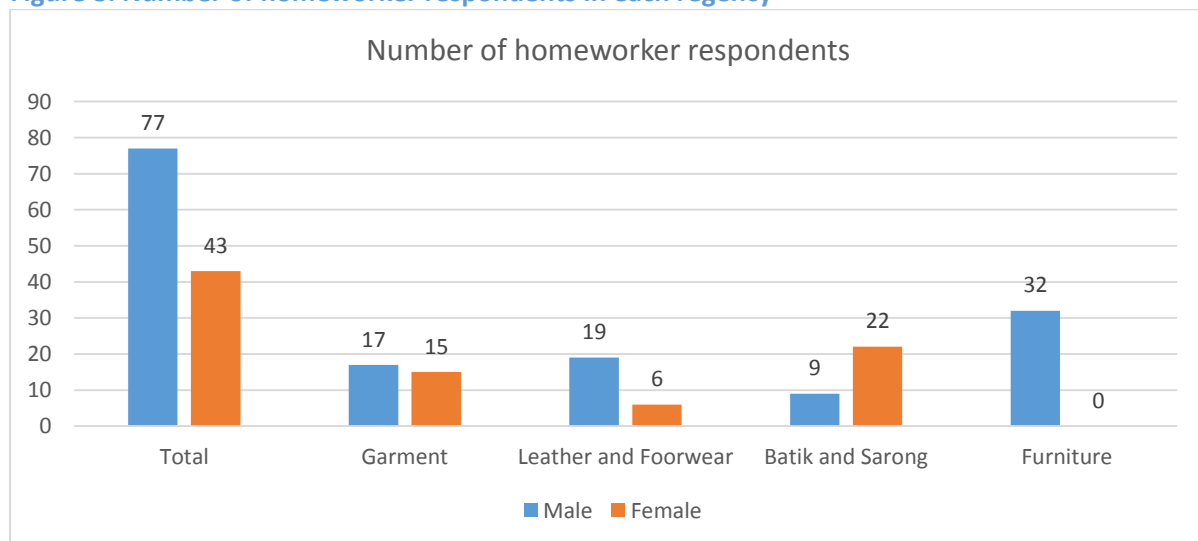
Figure 7: Educational attainment of intermediaries



2.3 Homeworkers

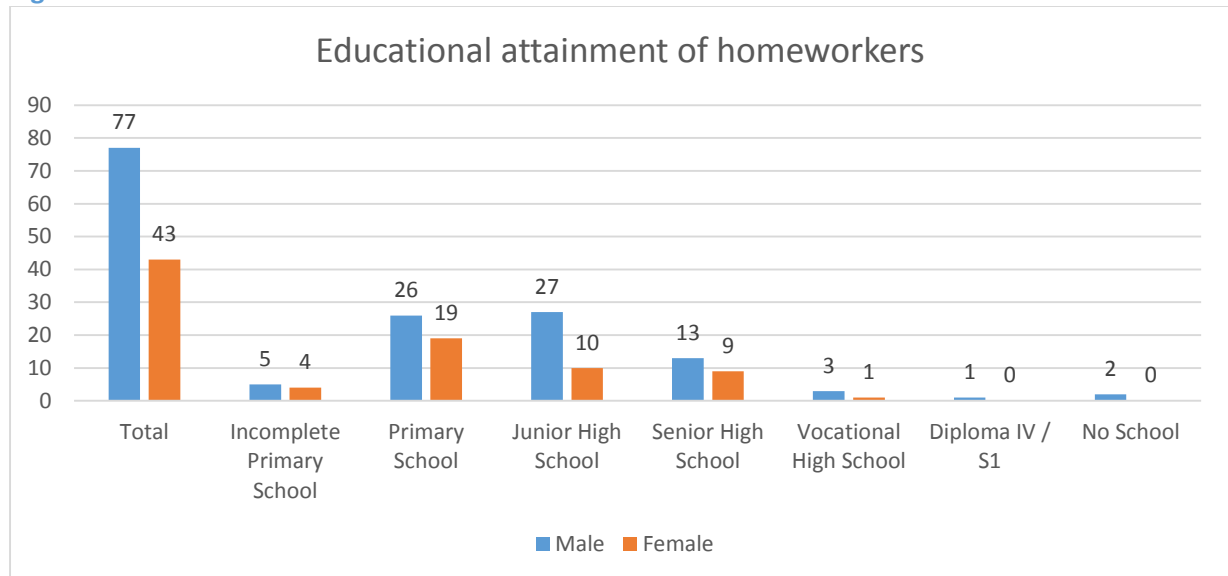
A total of 120 homeworkers (77 men and 43 women) were interviewed. Out of 120 interviewed homeworkers, 96 per cent or 115 of them explained that home work was their main job, while the remaining explained that home work was a side job. Figure 8 presents the breakdown of the homeworkers per area. The garment, leather and batik sectors had both women and men homeworkers, while the furniture sector only had male homeworkers.

Figure 8: Number of homeworker respondents in each regency



In terms of the educational attainment, the biggest proportion of homeworkers had primary school education (45 people), followed by junior high school (37 people) and senior high school (22 people) (Figure 9).

Figure 9: Educational attainment of homeworkers



3. Overview of study areas

The study was conducted in the four districts of West Java and Central Java. While men’s labour force participation rates in West Java and Central Java are similar (about 83%), women’s labour force participation rate in Central Java was higher (about 57%) than the rate in West Java (42 per cent). The unemployment rate was higher for both women and men in West Java. The minimum wages were much higher in West Java with the highest being IDR 2,42,240 in Bogor, while the minimum wages in Pekalongang and Jepara in Central Java were IDR 1,145,000 and IDR 1,000,000 respectively. Central Java had a higher rate of poverty, which was also higher than the national average.

Box 1: Map of Indonesia



Table 3: General information

		Indonesia	West Java		Central Java	
			Bandung Kabupaten (garment)	Bogor Kabupaten (leather)	Pekalongan (batik)	Jepara (furniture)
Area		1,910,931.32km	1,762.39km	2,663.82km	836.13km	1,004.13km
Population aged 15 years and over (August 2014)	Men	91,301,514	16,906,222		12,348,319	
	Women	91,690,690	16,559,124		12,833,648	
Labour force participation rate (August 2014)	Men	83.05%	82.82%		82.93%	
	Women	50.22%	42.30%		56.93%	
Unemployment rate (August 2014)	Men	5.75%	8.07%		5.55%	
	Women	6.26%	9.21%		5.86%	
Minimum wage (2014)		IDR 1,506,231	IDR 1,735,473	IDR 2,242,240	IDR 1,145,000	IDR 1,000,000
Poverty line (March, 2014)		IDR302,735	IDR 285,013		IDR 273,056	
Poverty rate (March 2014)		11.25%	9.44%		14.46%	

4. Engagement of homeworkers by employers

4.1 Types of work done by homeworkers

The employers were engaging homeworkers to carry out various tasks and there were also diverse patterns in getting the work done. In case of the garment sector, the employers engaged the homeworkers to sew cut clothes (61%), steam clothes (mostly knit clothes) with steam iron (28%), knit clothes (6%) and pack into plastic bags by removing unnecessary thread and folding neatly (6%). The employers in leather and footwear sector engaged homeworkers for various tasks including cutting the materials and finishing products (44%), sewing the upper part of shoes (33%), cutting patterns (11%) and sewing and embedding the lower part of shoes (11%). Generally, the employers first provide a sample product to the intermediaries. Then the intermediaries make products according to the order, engaging homeworkers to work on certain parts of the production (e.g. sewing the sole of shoes).

In the furniture sector, the employers generally place orders for certain types of furniture such as cabinets, buffets, beds, chairs, coffee table, dining table and various types and shapes of caring. The employers engaged homeworkers to work on different stages of the production process including cutting wood, smoothing, making patterns, and assembling different pieces to complete a piece of furniture. The employers shared that some employers in the furniture sector that work on finishing themselves often engage homeworkers for smoothing furniture with sandpaper, and this job is generally carried out by women workers, while polishing and varnishing is done by men.

In the batik and sarong sector, the employers that engage homeworkers without intermediaries outsource such jobs as sewing the outskirts of clothes, colouring, and packaging as other steps are done by intermediaries or employers themselves.

Generally, it was very uncommon for the employers to provide training to homeworkers to support the completion of the work.

4.2 Reasons for engagement

It is generally understood that enterprises engage homeworkers to reduce costs associated with production such as operational and labour costs so that they can remain competitive and maintain their businesses. This study confirmed that the main reasons for engaging were related to business efficiency. The reasons shared by the enterprises are show in Figure 10 and further explained below:

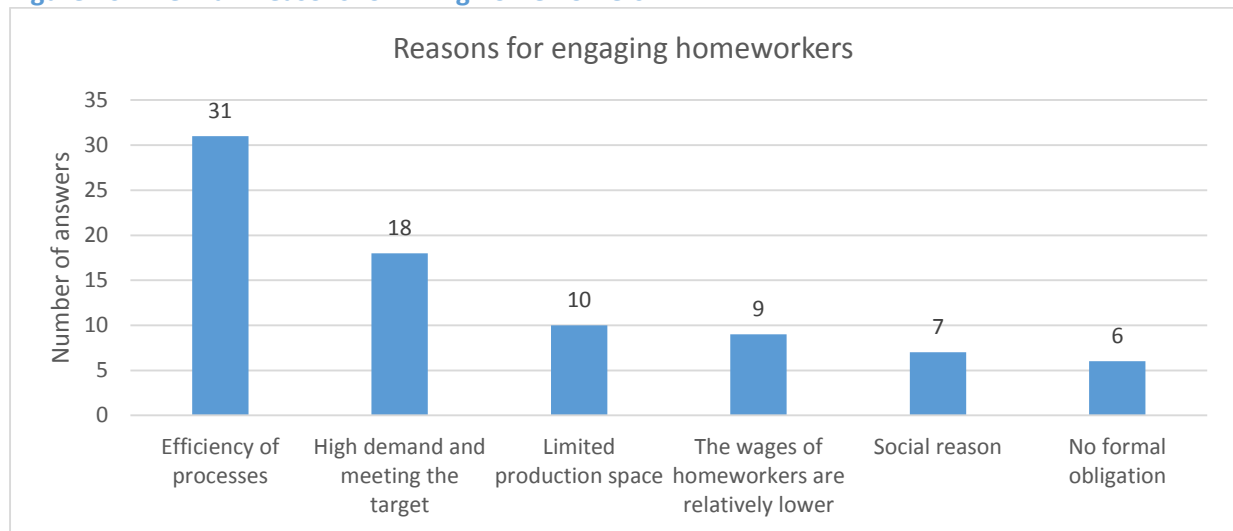
- To respond flexibly to the increased/reduced demand and the request to expedite the production from buyers by adjusting the number of workers according to the amount and the timeframe of the work order. Since production is done only upon the order, enterprises do not have a risk of having dead stock.
- To reduce the operational cost. Since the production location is home of homeworkers and enterprises do not have to have and maintain a facility for production, enterprises are able to reduce the operational cost (e.g. remuneration for workers when there is no order, rent for workplace, cost for work-related facilities such as medical facilities, utilities such as water, gas and electricity, purchasing and maintenance of machines and tools). Enterprises do not need additional capital to invest in a larger production facility either. The enterprises also acknowledged that it is cheaper to engage homeworkers because enterprises pay piece-rate

wage to homeworkers according to the amount completed and have no obligations to pay other remuneration which may have to be paid to permanent and formal employees.

- To provide jobs in the community with a lot of unemployed workers as part of social responsibility.

One employer in the garment sector explained that the steaming process is outsourced to homeworkers for business efficiency. Steaming generally uses 3kgs of gas which can iron as many as 20 scores or 400 pieces. However, the production output by the employers' enterprise does not usually reach 20 scores in one day, and the enterprise wastes the gas as the enterprise has less than 20 scores to steam. Therefore, the work is outsourced to homeworkers.

Figure 10: The main reasons for hiring homeworkers



Although the main reasons for engaging homeworkers are to improve efficiency, there were also a view from the employer that engaging homeworkers is a social responsibility to provide jobs. While acknowledging the important role that the enterprises play in creating jobs, it is important to promote a better understanding on the obligation of the enterprises in engaging homeworkers as the work done by homeworkers are work, and the employers have obligations to treat them as workers as provided in the Manpower Act No. 13 (2003).

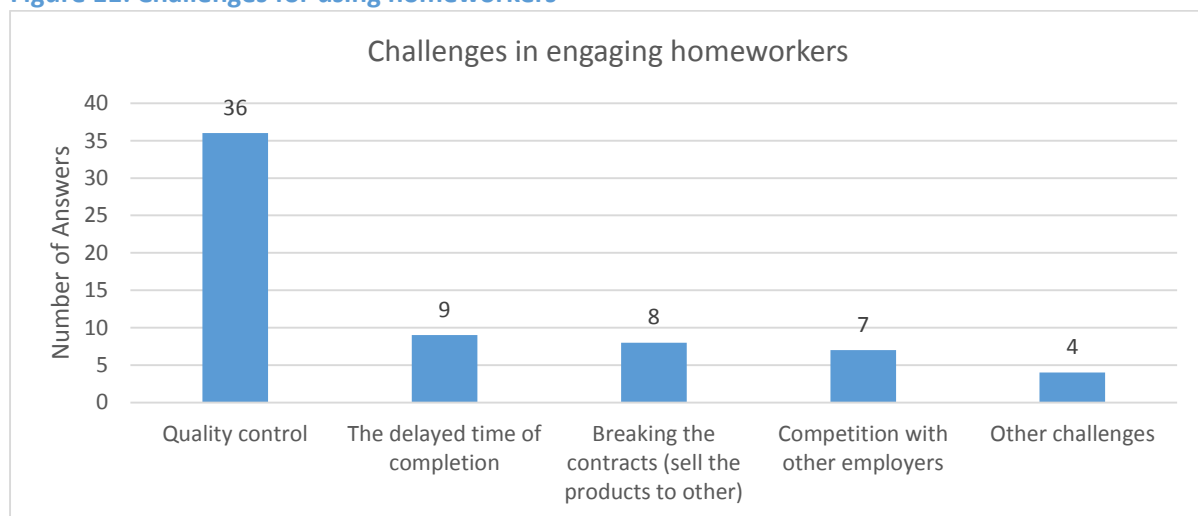
4.3 Challenges in engaging homeworkers

The research asked the enterprises about the main challenges they have with working with homeworkers and the results are show in Figure 11. Quality control was identified as the main challenge by more than half of the enterprises interviewed (80%). The employers expressed that the employers are not able to monitor the production process to ensure quality since homeworkers are working in their homes.

Other challenges raised by the employers were not meeting the completion deadline (20%), breaking the contracts (18%), competition with other employers in recruiting and securing workers (16%), and others (9%) (Figure 11). Although the employers engage homeworkers especially when the employers receive a big order or an order that needs to be done with a certain deadline, the employers could not ensure that the work given to homeworkers could be completed on time and they sometimes faced

delay in delivering the products to the customers. Fifteen out of the 45 employers (33 per cent) stated that the intermediaries and homeworkers they engage are able to meet production/delivery target on time. In terms of breaking the contracts, examples shared by some employers included homeworkers copying the model of a product which is patented by the buyer/customer of the employer and supplying it to other companies, and the use of capital provided to purchase raw materials for personal purposes by homeworkers. In terms of the competition with other employers, they shared that it is difficult to secure workers during the busy season as homeworkers may have been busy with orders from other companies. Examples of the other challenges included the need to deliver materials to homeworkers and pick up the completed work from homeworkers, and the need to train homeworkers whenever there is a new model.

Figure 11: Challenges for using homeworkers

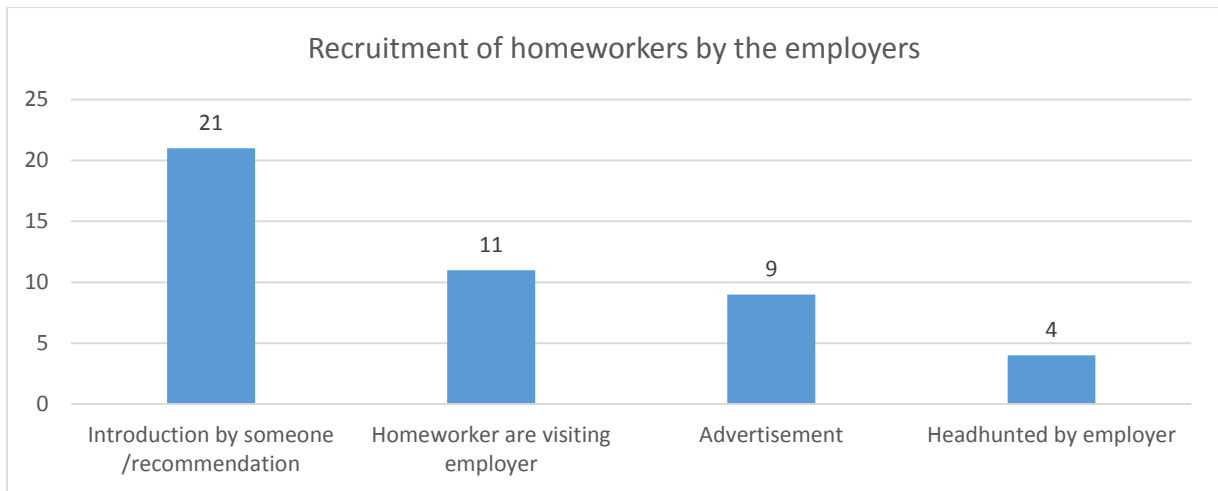


4.4 Recruiting homeworkers

The employers recruit homeworkers mostly in their communities, and about half of the employers recruit homeworkers through introduction or recommendation by someone. Eleven employers also shared that they recruit homeworkers when homeworkers visit the employers. In the garment industry in Bandung, many employers use homeworkers directly and the employers recruited homeworkers without engaging intermediaries since homeworkers mostly lived around the enterprise. Four employers shared that they go look for workers (headhunting) to identify workers with specific skills required for making products (e.g. carving furniture). One employer in the garment sector explained that knitting requires special skills and those homeworkers working on knitting are the ones who used to work at the employers' enterprise as permanent employees but quit after they got married.

In terms of the criteria for homeworkers, all the interviewed employers had criteria and examples of criteria included having appropriate occupational skills such as being able to sew garments, being able to complete the work neatly, being able to carve and do finishing, and being able to stitch neatly. In addition, other criteria were being honest, responsible, and hard working. In the garment sector, the employers also shared that they sometimes required homeworkers to have their sewing machines.

Figure 12: Recruitment of homeworkers by the employers



The employers were also asked for their preference on recruiting women or men workers, and recruiting younger or older persons. For the sex preference, about half of the employers interviewed (23) expressed their preference for hiring male homeworkers while only 3 employers showed preference for hiring female homeworkers (Figure 13). The number of employers who expressed no preference and the preference based on the type of job were 8 and 10 respectively. This result may indicate that many employers may have gender bias when recruiting homeworkers or intermediaries which may result in unfair or unequal treatment based on sex.

For the age preference as shown in Figure 14, about 50 per cent of the employer expressed preference for hiring younger persons. Only 1 employer expressed preference for employing older workers. The number of the employers who said no preference and it depends on the types of jobs were 15 and 6 respectively. The general preference over younger workers may be associated with the fact that most homeworkers interviewed were relatively young (with the youngest being 15 and the oldest being 40). However, the result also shows that the recruitment is based on the skills in many cases.

Figure 13: Worker preference by sex

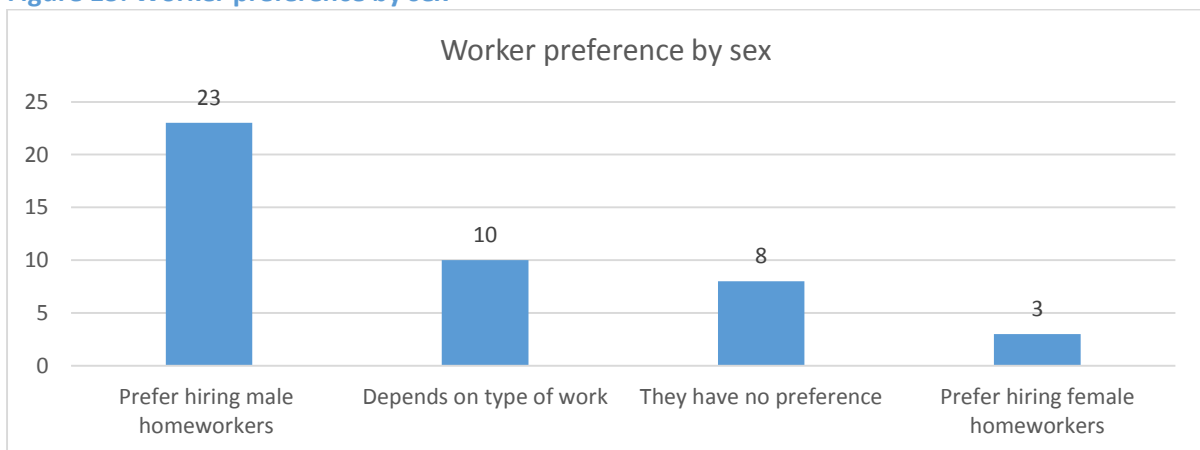
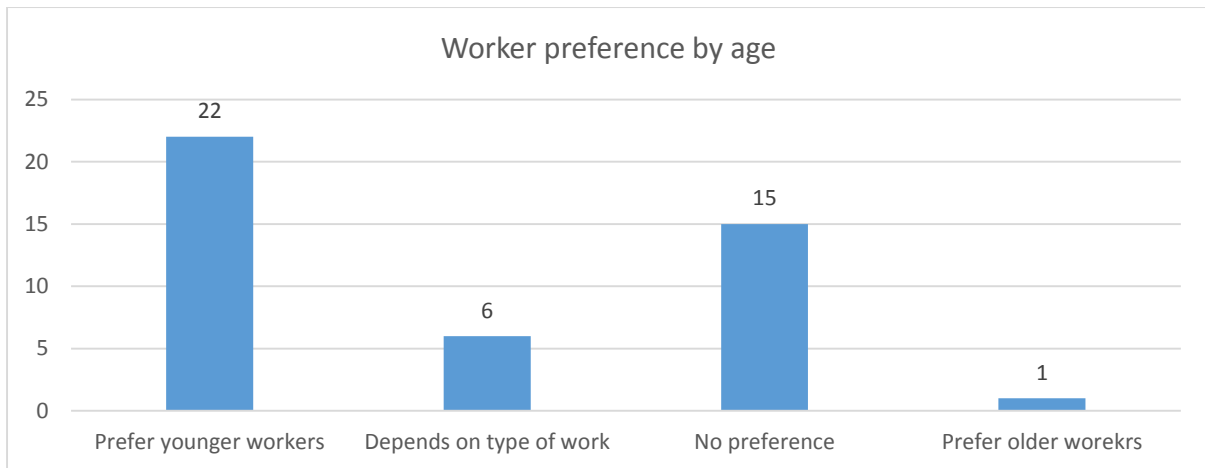
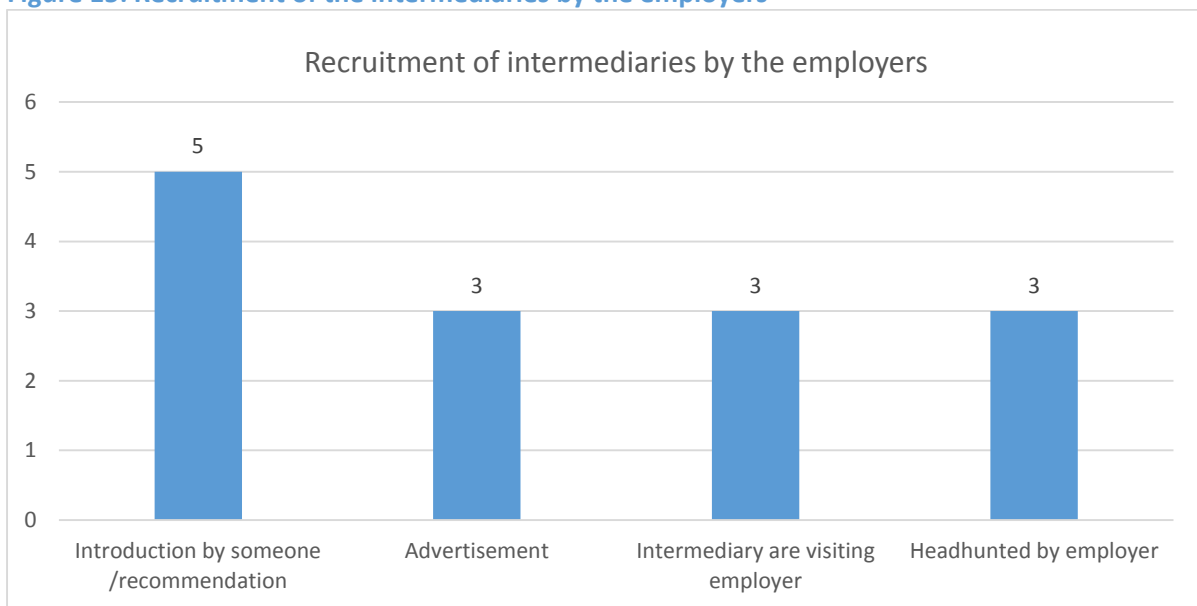


Figure 14: Worker preference by age



In terms of engaging intermediaries, 6 employers that engaged only intermediaries and 8 employers that engaged both intermediaries and homeworkers shared how they recruit intermediaries. Five of the employers recruit by introduction or recommendation by someone and the remaining recruit intermediaries through advertisement (3 employers), intermediary visiting the employer (3 employers), and headhunting (3 employers). All of the employers interviewed shared that they had criteria for the intermediaries to be honest, responsible and hard working.

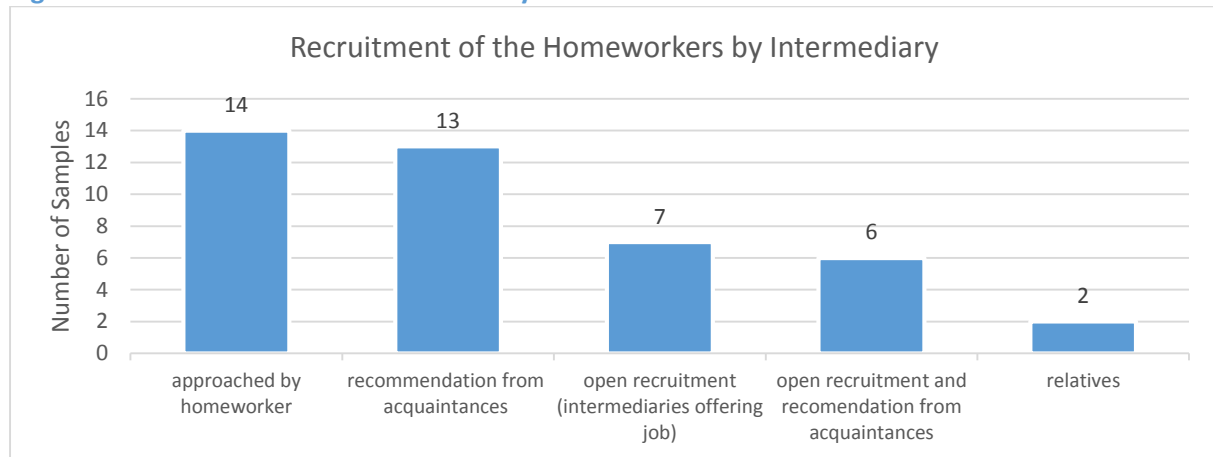
Figure 15: Recruitment of the intermediaries by the employers



The study asked the employers whether they have certain standards to be maintained by their intermediaries when their intermediaries recruit homeworkers. The study found that the employers left the responsibility of recruiting homeworkers to the intermediaries. The majority of employers interviewed did not require specific standards for the intermediaries when engaging homeworkers, though about 12 per cent of the employers engaging intermediaries included requirement related to working time, 10 per cent required about the minimum wage, and 5 per cent required about the minimum age. No employers had requirements related to the provision of health insurance to workers.

The study also looked into how the intermediaries recruit homeworkers. Among the 42 intermediaries interviewed, 14 shared that they are approached by homeworkers and 13 shared that they recruit homeworkers through recommendations from acquaintances (Figure 16). Like the employers, most intermediaries also recruit homeworkers through recommendations from someone or approach by homeworkers. When the intermediaries were looking for specific skills to complete the job order (e.g. caring for making furniture), the intermediaries searched for the homeworkers themselves. Open recruitment was done only when a lot of homeworkers are required, but it was not a commonly used method as it was said to be time-consuming and costly.

Figure 16: Recruitment of homeworkers by the intermediaries



The study asked whether the employers and the intermediaries require homeworkers to pay a deposit when homeworkers start working. Among the 45 employers, 1 employer in garment sector in Bandung said to require a payment of deposit. All of the 42 intermediaries interviewed said they do not require homeworkers to pay a deposit.

4.5 Work agreement

The Manpower Act No. 13 (2003) defines a worker/labour is any person who works and receives wages or other forms of remuneration. Since homeworkers work and receive wages, they are workers/labourers under this definition. The Act further explains that employment relation exists because of the existence of a work agreement between the entrepreneur and the worker/labourer (Article 50), and a work agreement can be made either orally or in writing (Article 51 (1)). The Act also states that if a work agreement for an unspecified time is made orally, the entrepreneur is under an obligation to issue a letter of appointment for the relevant worker/labourer, which shall contain the name and address of the worker/labourer, the date the work starts to work, the type of job or work, and the amount of wages (Article 63). The Manpower Act No. 13 (2003) states that a work agreement may be made for a specified time or for an unspecified time, and a work agreement for a specified time should be made based on a term of the completion of a certain jobs (Article 56). A work agreement for a specified time shall be made in writing (Article 57). If a work agreement for an unspecified time is made orally, the entrepreneur is under an obligation to issue a letter of appointment for the relevant worker/labourer, and should include a) the name and address of the worker/labourer, b) the date the worker starts to work, c) the type of job or work, and d) the amount of wages.

The study found that all the enterprises interviewed make a work agreement with homeworkers and intermediaries orally. A written agreement was not preferred by both intermediaries and homeworkers as they did not want to feel tied to one employer. The interviewed employer also explained that the relationship is based on “family principle” which builds on trust, and the agreement was made on the quantity of goods, wage and payment schedule. Exception was in furniture sector in Jepara where 1 intermediary was found to give written contracts to 3 homeworkers, and the reason for that was because the enterprise is a formal enterprise linked to export market and it is required to do so. The length of work agreement and the minimum wage are not covered in the agreement. One employer explained in the focus group discussion that the minimum wage is applicable to permanent workers and the employers are not comply with the payment of minimum wages to homeworkers.

Most of the employers included 1) quantity of products, 2) wage amount, and 3) wage payment system in the agreements. The majority of employers also had information on 4) delivery schedule, 5) holiday allowance, and 6) job assignment (design and type of products) in the oral agreement. However, other items such as working hours, social protection, leave, minimum age, scholarship, and duration of contract were included only by some employers. No employers included items related to the welfare of the workers such as health insurance, accident insurance, hospital expenses for delivery, public holiday, occupational safety and health.

Table 4: Contents of work agreement

Contents of contract/agreement	Yes	No
Health insurance	0	31
Accident insurance	0	31
Hospital expenses for delivery	0	31
Public holiday	0	31
Occupational safety and health	0	31
No forced labor	0	31
Health insurance access	0	31
Working hours	1	30
Maternity Leave	1	30
Minimum wage	1	30
Paid holiday	2	29
Minimum Age	3	28
Scholarship	5	26
Sick Leave	5	26
Duration of Contact	9	22
Location where work is conducted	14	17
Delivery Schedule	22	9
Holiday allowance (THR)	22	9
Jobs/assignment (design and type of products)	25	6
Quantity of products	30	1
Wage amount	30	1
Wage payment system	30	1

Sample size: 31 (Enterprises engaging only homeworkers).

The study also found that the employers do not have a written agreement with intermediaries. The employers explained that a written contract is not preferred by intermediaries and homeworkers because intermediaries do not want to feel tied to one employer. Nonetheless, the oral agreement generally covered the number of products ordered, delivery schedules, the amount of wage, and the payment schedule.

4.6 Recording

Although a written contract was not used by the employers in engaging homeworkers, the study found that all employers (39 employers including those engage only homeworkers and those engaging both intermediaries and homeworkers) kept the record of the number of homeworkers engaged by them as well as homeworkers' names and addresses, and 36 out of 39 employers kept the record of the work starting and completion dates of the homeworkers engaged by them to manage the income and outgoing goods or raw materials. The employers in garment sector in Bandung and leather and footwear sector in Bogor shared that the record is used not only to give jobs and raw materials, but also to map homeworkers with different skills.

The study found that the employers also kept records of the name and address of their intermediaries and matters dealing with their intermediaries such as the types and volume of work which have been discussed and agreed orally by the intermediaries. The employers kept the records to keep in touch so to avoid any deviations of the agreed work by the intermediaries (e.g. late delivery, different products). In terms of the starting and the completion dates, 13 out of the 14 employers engaging the intermediaries kept record. The employers in the garment sector explained that fashion trends change rapidly, and if the ordered products are not delivered in time, the products can be out-dated and can not sell, therefore, the recording of the starting and the completion dates was important for the employers.

The study found that the employers do not keep records of the homeworkers when the employers engage intermediaries to work with homeworkers. The employers kept the record of intermediaries (name, address, work order) only, but two employers out of 14 that engaged intermediaries kept a record of the number of homeworkers who work for the intermediaries engaged by them. The employers did not view themselves as responsible for homeworkers but viewed their intermediaries being responsible for homeworkers, and this was an important factor for the employers to engage intermediaries.

The interviews with the intermediaries confirmed this view. The intermediaries viewed that they are accountable to their employers, and they are responsible for the performance of the homeworkers. The intermediaries shared that it is important for them to record information related to orders to avoid delays or mistakes when giving instructions and specifications to homeworkers and when delivering the ordered items to the employers. Types and the amount of work were recorded by 95 per cent of the interviewed intermediaries (40 intermediaries out of 42). This made it easier to check and manage the process including the distribution of raw materials as well as to pay wages according to the work outputs. Starting and work completion dates, and homeworkers' data were recorded by 87 per cent (37 intermediaries) and 70 per cent (29 intermediaries) of the interviewed intermediaries respectively. The start and completion dates were used to determine whether the jobs given to homeworkers were completed in time or not and to avoid delays. The homeworkers' data (name and address) kept by 70 per cent of the intermediaries was used to facilitate the distribution of raw materials and to collect finished products from the homeworkers.

The information collected from the interviews showed that while the work agreement is mostly made orally, the employers and the intermediaries kept a record of work to be done by homeworkers. This practice could be utilized to have a written work agreement. The information also showed that it is important for the employers to work closely with their intermediaries to promote better labour compliance for homeworkers rather than leaving all the responsibilities to the intermediaries, since these homeworkers and the intermediaries are working to produce goods as specified by the employers.

4.7 Remuneration

The Manpower Act No. 13 (2003) states that every worker/labourer has the right to earn a living that is decent from the viewpoint of humanity (Article 88), and entrepreneurs are prohibited from paying wages lower than the minimum wages (provincial or district/city-based minimum wages or sectoral minimum wages) (Article 90 (1)). Entrepreneurs who are unable to pay minimum wages may be allowed to make postponement (Article 90 (2)). In case the worker/labourer's wage is paid on the basis on a piece-rate or commission basis, a day's wage shall equal the average daily wage for the last 12 (twelve) months on the condition that the wages must not be less than the provisions for the provincial or district/city minimum wages.

The study found that all the employers were not referring to the minimum wage for the payment to homeworkers as well as to intermediaries. The employers engaging homeworkers through intermediaries also did not take part in setting the wage for homeworkers as it was seen as the responsibility of intermediaries. One employer shared that "the minimum wage is not discussed because the government regulation on the minimum wage is only applicable to permanent workers, and the employers often can't pay the minimum wage even to the permanent workers". All the payments to homeworkers were based on a piece-rate basis and the rate per unit for each task to be done by homeworkers shared by the employers was as follows:

Table 5 Piece rate* for homeworkers as shared by the employers

District	Type of Work	Wages per Unit (Rp)
Bandung (garment)	Sewing	2800/garment
	Steaming/Steam Ironing	600/garment
	Fastening buttons	150/button
	Packing	2000/garment
Bogor (leather)	Sewing a bag	19000/bag
	Sewing a pair of shoes	4700/pair
	Sewing the soles of a pair of shoes	300/pair
Pekalongan (batik)	Printing batik/sarung	4000/batik
	Sewing	2000/batik
	Packing	1250/batik
Jebara (wood)	Making a non-feature cabinet	262900/cabinet
	Carving	150000/carving
	Making a non-feature Buffet (Cabinet)	50000/cabinet
	Making a non-feature bed	260000/bed

*The employers make deductions (e.g. cost of materials) from the piece rates presented above.

In addition to the piece-rate, about half of the interviewed employers (54%) provided Idul Fitri holiday allowance (THR) in form of in-kind such as rice. There was no binding rule regarding the THR and it

depended on the capacity of the employers. Although the Manpower Act No. 13 (2003) states that entrepreneurs who require their workers/labourers to work overtime are under obligation to pay overtime pay, no interviewed employers paid overtime as the payment was done on piece-rate basis.

The employers shared that they make payment in cash to both homeworkers and intermediaries, and the payment is made regularly. Most paid on weekly basis or upon delivery of the finished products. There were also some employers who make payment for the first order when they place the 2nd order, which indicates a delay in payment as homeworkers do not get paid upon completing the initial order.

The employers were also asked about their perceptions on the wages for women and men. More than half of the employers interviewed (61%) said women and men should get paid the same rate if they are doing the same job, while about a third (32%) said men should get paid more. Two per cent said women should get paid more, and 5 per cent said the payment should depend on the type and the quality of work. A close to one third of the employers said men should get paid more even when women and men do the same job and this perception can influence how the wage is set, with likely results of women receiving less pay. While many types of jobs are carried out by homeworkers, the types of jobs carried out by women may be undervalued due to this perception.

Homeworkers' income

As explained in the methodology section, in order to gain some understandings on the situation of homeworkers and intermediaries in the sectors covered in this study, homeworkers and intermediaries were also interviewed. The income of the interviewed homeworkers varied in each area and sector with the highest earners earning more than 5 million IDR per month in furniture and batik sectors and the lowest earner making only less than 250,000 IDR per month in batik sector (Figure 17). The lowest income level was found in batik industry and this industry also provided the lowest average of homemaker income, with a dominate range of income between 500,001-750,000 IDR per month. It was only in the furniture sector that all homeworkers had earning above the minimum wage (Table 6). The homeworkers in the furniture industry covered in this study were all men and generally had special skills, such as carving. This may indicate that the skills required for furniture are highly valued compared to skills required in other sectors covered in this study. For example, batik sector also requires special skills such as drawing paintings on clothes. While there was 1 homemaker receiving more than IDR 5,000,000, and another worker receiving more than IDR 2,000,001 in batik and sarong sector, the majority received less than IDR 1,500,000, with the biggest proportion of the homeworkers in batik and sarong sector (12) receiving between IDR 750,001 and IDR 1,000,000.

On average, the homeworkers were found to work 51 hours per week (Table 7). This indicates that more than half of the homeworkers interviewed do not earn the minimum wage despite working for full time.

Figure 17 Distribution of homeworkers according to income level per month

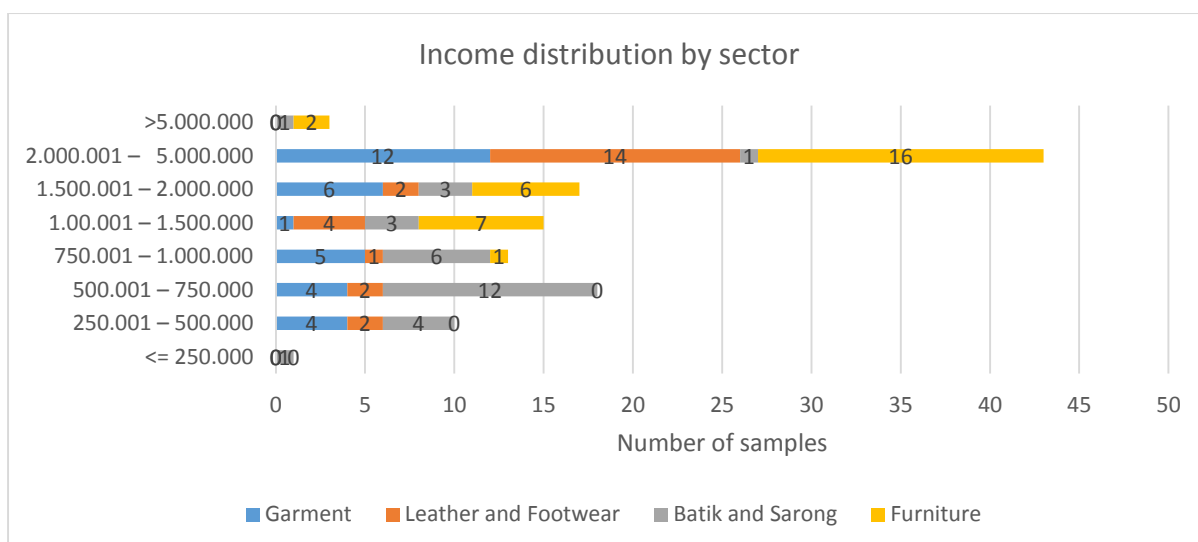


Table 6 Minimum regional wage and achievement of standard

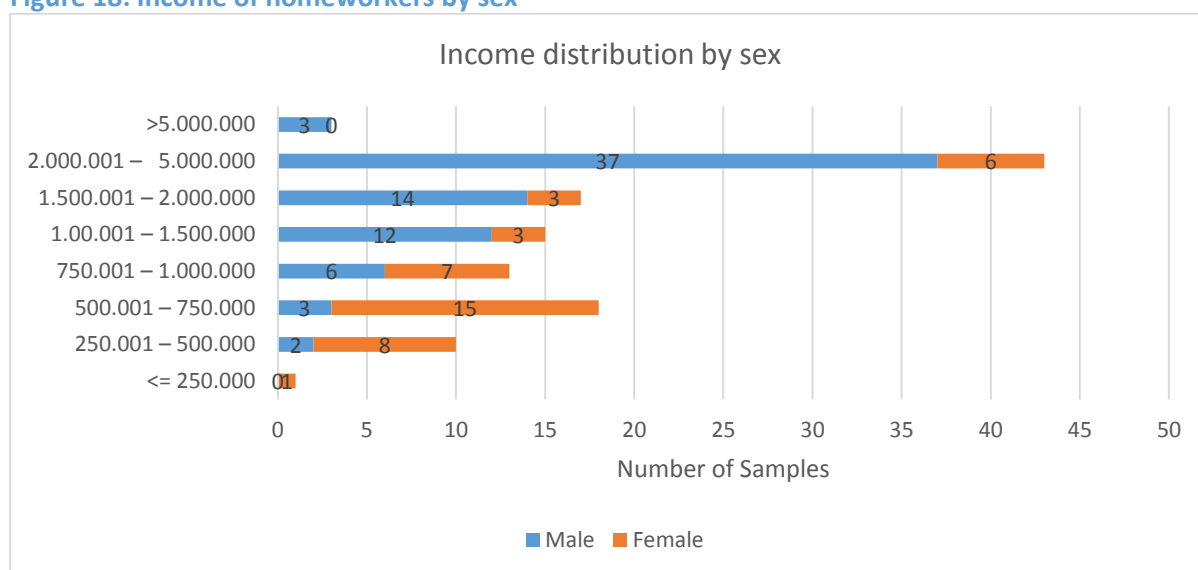
(1)	(2)	(3)	(4)	(5)
Sector	Minimum wage (IDR/month)	Poverty line (IDR/month)	Threshold	Ratio of homeworkers above the threshold in column (4)
Garment	1,735,473	285,013	2,000,000	37.5
Leather and footwear	2,242,240		2,000,000	56.0
Batik and sarong	1,145,000	273,056	1,000,000	25.8
Furniture	1,000,000		1,000,000	100
All				54.8

Table 7: Hours worked by homeworkers

Sector	Work hours per week (hours)		
	Average	Min	Max
Garment	65	36	105
Leather and footwear	51	30	66
Batik and sarong	38	20	72
Furniture	48	48	48
Total Average	51	20	105

As Figure 18 shows, the women homeworkers tended to be concentrated in lower income groups, while men tended to dominate higher income groups. Overall, about 62 per cent of the interviewed homeworkers earned less than IDR 2,000,000 per month, and 35 per cent earned less than IDR 1,000,000, far below the minimum wages of the districts included in the study (IDR 2,242,240 in Bogor, IDR 1,735,473 in Bandung, IDR1,145,000 in Pekalongan and IDR 1,000,000 in Jepara).

Figure 18: Income of homeworkers by sex



Intermediaries' income

The study also looked at the income of intermediaries and found that the income levels varied across and within sectors with the lowest being IDR 1,000,000 per month in batik and furniture sectors, and the highest being IDR 45 million per month in batik sector (Table 8). Some intermediaries in leather and footwear were earning less than the minimum wages. The intermediaries in Bandung and Pekalongang were found to have higher income than the intermediaries in Bogor and Jepara. In general, the incomes of the intermediaries were much higher than the incomes of the homeworkers. Although the income levels of the homeworkers in batik and sarong sector and garment sector were generally lower, the income levels of the intermediaries in these sectors were much higher than the intermediaries in the leather and footwear sector and furniture sector. When looking at the intermediaries' income women were found to have lower average income than men (Table 9). While none of the intermediaries were found below poverty line.

Table 8: Income of intermediaries per month

Sector	Minimum Wage (IDR)	Poverty Line (IDR)	Wage per month (IDR)		
			Average	Min	Max
Garment	1,735,473	285,013	8,833,333	2,500,000	20,000,000
Leather and footwear	2,242,240		4,445,882	1,200,000	15,000,000
Batik and sarong	1,145,000	273,056	9,933,846	1,000,000	45,000,000
Furniture	1,000,000		4,555,556	1,000,000	10,000,000
Total Average			6,481,429	1,000,000	45,000,000

*We can not provide work hours of intermediaries because we do not ask in questionnaire "how many hours they work in a day/week?"

Table 9: Income of intermediaries by sex

	Men (37 intermediaries)	Women (5 intermediaries)
Minimum	1,000,000	2,000,000
Maximum	45,000,000	8,000,000
Mean	6,811,351	4,040,000

4.8 Work arrangement

Supply of raw materials, equipment, and utilities, and delivery of finished products

The study asked the employers about the supply of raw materials, equipment and utilities. Generally responsibilities for equipment and cost of utilities were left to homeworkers and intermediaries, though the employers tended to be responsible for raw materials. In terms of raw materials, 32 out of the 45 employers said they supplied raw materials to intermediaries and homeworkers. Only 10 employers said they supply equipment while 34 employers said homeworkers and intermediaries are responsible for equipment. Almost all employers (44) also said homeworkers and intermediaries are responsible for covering the cost of utilities.

In terms of the finished products, the majority of the employers said the products are delivered by intermediaries or homeworkers. When asking about the delivery of the finished products to the homeworkers, out of 120 homeworkers interviewed, 70 said they delivery themselves, while 44 said the products are collected by intermediaries/employers. One homemaker each said the products are collected by a whole-seller, or gathered in one place. Two homeworkers explained that they are sent to other homeworkers to complete the process. Two homeworkers had a flexible arrangement where their employers and they take turns in delivering the finished products.

Faulty or damaged products

The employers were asked whether they have an agreement with their intermediaries and homeworkers in case of faulty or damaged products. Thirty-five employers said homeworkers and intermediaries are responsible for faulty products or products not meeting the standards. While the details on the agreement were not shared, the interviews with the intermediaries and homeworkers also indicated that the intermediaries as well as homeworkers are in most cases responsible for the faulty products or products not meeting the standards, and they have to bear the cost.

4.9 Protection and welfare

Minimum age

The study asked the employers whether they required their intermediaries to apply the minimum age when recruiting homeworkers. It was rare for the employers to have requirements related to ensuring the protection and welfare of workers. For instance, 3 of 14 employers (engaging intermediaries) required intermediaries to verify minimum age, and 3 of 31 employers (engaging homeworkers) directly checked the age of homeworkers. However, according to the employers, all of the homeworkers they engage are middle-aged women with grown-up children.

In terms of ensuring the minimum age for the intermediaries, the employers said all of the intermediaries engaged by the employers are over 16 years old with the youngest being 16 and the oldest being 43. Most of the intermediaries are ex-homeworkers.

The study also check the intermediaries' practices and found that more than half of the interviewed intermediaries (63%) said they always checked the ages of homeworkers to avoid employing underage children. However, the intermediaries shared that it is possible that children are assisting the work and it is an area that is difficult to check as the work takes place at home.

Occupational safety and health

The Ministry of Manpower Regulation on Personal Protective Equipment No. PER.08/MEN/VII/2010, Articles 2, 4, and 5 state that all workers must be provided with personal protective equipment for protection from workplace hazards, workers must be trained on how to use the safety equipment and be provided with reminders of their obligations to use safety equipment. The Manpower Act No. 13 (2003) Article 35 stipulate that in employing people who are available for a job, the employers are under an obligation to provide protection which shall include protection for their welfare, safety and health, both mental and physical. Article 86 states that every worker/labourer has the right to receive protection on occupational safety and health, and in order to protect the safety of workers/labourers and to realize optimal productivity, an occupational health and safety scheme shall be administered. Article 87 further states that every enterprise is under an obligation to apply an occupational safety and health management system that shall be integrated into the enterprise's management system.

Since homeworkers' workplace is their home where their family members including elderly and children are present, it is important to ensure the safety of their workplace. In the study, only 2 employer provided training on occupational safety and health to homeworkers and intermediaries they engage. The majority of the employers currently do not provide training or guidance on occupational safety and health. However, it is an important area of work as occupational injury or sickness can negatively affect the production of these workers, which can delay the completion of work by homeworkers.

Working hours, rest and leave

The Manpower Act No. 13 (2003) Article 79 stipulates that entrepreneurs are under obligation to allow their workers/labourers to take a rest and leave, including:

- The period of rest between working hours at least half an hour after working for 4 hours consecutively and this period of rest shall not be inclusive of working hours
- The weekly period of rest is 1 day after 6 workdays in a week or 2 days after 5 workdays in a week
- The yearly period of rest is 12 workdays after the worker/labourer works for 12 months consecutively
- A long period of rest of no less than 2 (two) months, which shall be awarded in the seventh and eighth year of work each for a period of 1 (one) month to workers/labourers who have been working for 6 (six) years consecutively at the same enterprise on the condition that the said workers/ labourers will no longer be entitled to their annual period of rest in 2 (two) current years. This provision shall henceforth be applicable every 6 (six) years of work.

The Manpower Act No. 13 (2003) Article 85 further states workers/labourers are not obliged to work on formal public holidays. Entrepreneurs may require their workers/labourers to work during formal

public holidays if the types and nature of...Entrepreneurs who require their workers/labourers to work on formal public holidays as mentioned under subsection (2) are under an obligation to pay overtime pay.

According to the interviewed employers, the issues related to working hours and leave were not included in the agreement with the homeworkers. Employers and intermediaries were also found to give work orders to homeworkers on national holidays.

Since homeworkers work at home and have flexible working hours, it is common that no attention is paid to the working hours and rest and leave periods of homeworkers. However, it is important for the employers as well as the intermediaries to work towards the application of the regular rest periods, ordinary hours of work (40 hours per week) and leave entitlements so that homeworkers' welfare is maintained which is also necessary for them to contribute to the increased productivity for the enterprises.

Health insurance and maternity protection

The employers were asked about providing homeworkers with access to social protection schemes such as health insurance, accident insurance, and maternity leave. The study found that none of the employers provided health insurance, accident insurance and maternity leave to homeworkers. However, a few employers shared that they provide financial support to cover medical expenses for serious illness.

The Manpower Act No. 13 (2003), Article 82 (1) stipulates that a female workers/labourers are entitled to a 1.5 month period of rest before the time at which they are estimated by an obstetrician or a midwife to give birth to a baby and another 1.5 month period of rest thereafter. The employers were asked about the actions they take when homeworkers become pregnant. Out of 31 employers engaging homeworkers directly, the biggest number of employers (16) answered "depends on the willingness of homeworkers to work" indicating that if the homeworkers want to keep working, they can work and get paid for outputs produced as usual, while 6 stated "dismiss immediately". While no employer provided paid maternity leave, 6 employers said they provide unpaid maternity leave for 1 month. Among 14 employers that work with intermediaries, 3 stated that "depends on the willingness of intermediary to work" and 3 answered "dismiss when they are about to deliver". One employer stated that they provide unpaid maternity leave for 1 months. Other employers' responses included "depends on the type of work" and "never had pregnant workers".

According to the Manpower Act No. 13 (2003), workers/labourers and their families shall each be entitled to social security (Article 99), and the entrepreneurs shall provide welfare facilities in order to improve the welfare of the workers/labourers (Article 100). While there were examples of the employer providing support such as financial support for medical expenses, the employers in general are not providing their homeworkers with access to social protection.

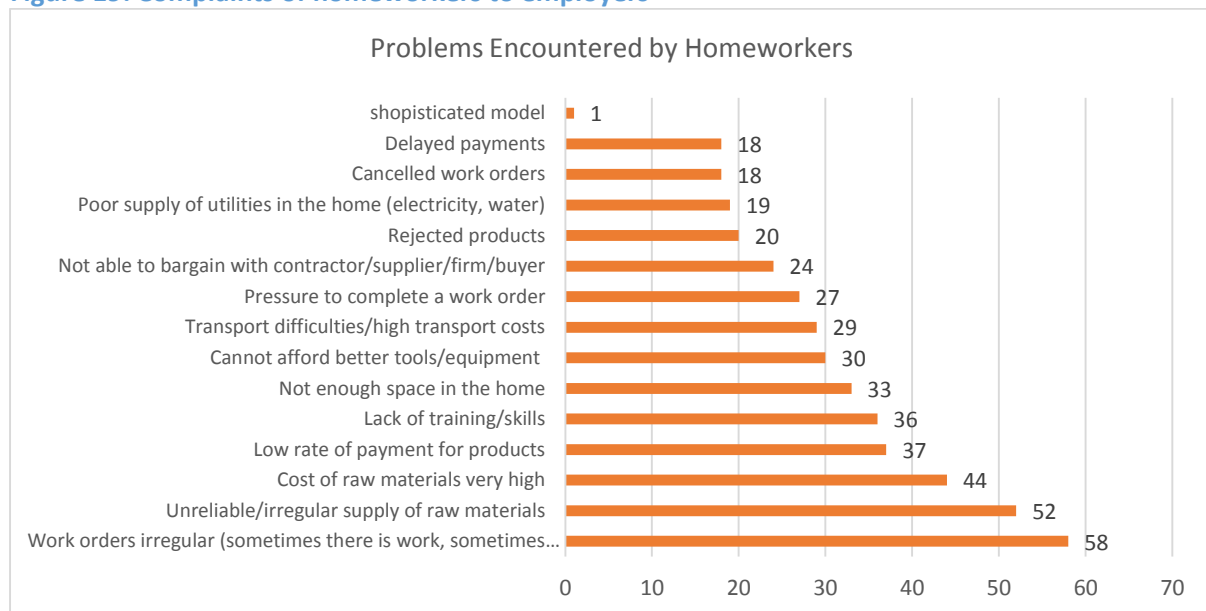
4.10 Dialogue with homeworkers and intermediaries

The study asked the employers whether they informed their homeworkers about the relevant provisions of the Manpower Act No. 13 (2003). The majority did not share information from the Manpower Act and only two employers out of 45 said that they shared information from the Manpower Act with the homeworkers they engage.

The study found that 21 out of 31 employers (67.7 per cent) have received feedback from the homeworkers about their working conditions. The feedback included challenges faced by homeworkers such as increasing prices of raw materials, late delivery of the raw materials, irregular or reduced work orders, complicated production process, introduction of new designs, and low wages.

The study also asked the homeworkers about the challenges faced by them. As shown in Figure 19, the biggest challenge was irregular work order, followed by unreliable supply of raw materials, high cost of raw materials and low rate of payment.

Figure 19: Complaints of homeworkers to employers



The employers have also received feedback from the intermediaries. Eleven out of 14 employers engaging intermediaries have shared that they have received feedback from the intermediaries that they engaged. The feedback included increasing wage of homeworkers (most frequent), increasing the contract amount to respond to increasing price of raw materials, working with homeworkers who are not able to produce according to the target which also affect the timely delivery of the products by intermediaries, and their homeworkers asking for increased wage and more down payment.

In terms of responding to the challenges shared by homeworkers and intermediaries, the majority of the employers (30 out of 31) said they usually do not take actions to address the challenges faced by homeworkers. However, some employers shared that if it is related to the wage increase, they would check the financial situation, and if they can maintain a certain profit levels, then they would increase the wage. For feedback related to issues beyond the control of the employers such as fluctuations of orders, the employers shared that they try to explain the situation to homeworkers and encourage them to find work from other companies. For the challenges shared by the intermediaries, the employers explained that they usually hold discussions with the intermediaries. If the price of the raw materials increases, then the employers adjust the price of their products. For increasing down payment for homeworkers (to buy raw materials), the employers respond positively as long as the homeworkers have credibility. For handling the homeworkers who do not meet the work target, the employers and intermediaries give a warning and encourage them to work more efficiently. In addition, the majority of the employers (engaging intermediaries) shared that they inform the intermediaries when there is no order/work to be carried out, so that intermediaries could contact other companies to get work orders.

4.11 Termination of employment relation

Although the employers do not have a written agreement, they have an oral agreement with homeworkers and intermediaries are based on jobs, and not a term. In the study the employers shared about their experiences in terminating the work relation with homeworkers. More than one third of the employers said they have unilaterally terminated work relation with homeworkers. For reasons for terminating the work relation, the late delivery was the biggest cause of work termination. The reason of the demand for wage increase by homeworkers, which is often feared most among the homeworkers as the cause for the job loss, was not the major reason for the termination of the work relation. For the agreement with intermediaries, the employers shared that unilateral termination of agreement happens quite frequently, and more than three quarters of the employers engaging intermediaries said they have ever terminated intermediary's contract. The most cited reason for agreement termination was wage increase (36% of the employers engaging intermediaries). Other reasons included breach of agreement, breaking some rules (e.g. use of materials that are not in agreement), not meeting the requirements of the order (quality & delivery timeline), dishonesty (e.g. misuse of materials), and products are often broken.

While more than a third of the employers have terminated work relation with homeworkers due to various reasons such as late delivery, the employers shared that the termination does not usually happen with one incidence of unsatisfactory work (e.g. late delivery, etc), and the termination was a result of repeated unsatisfactory work or a fatal mistake such as selling the products (that have special characteristics for the supplier) to other employers or selling materials to others. For unsatisfactory work, the employer shared that they tended to give homeworkers with some time without any work or chances to improve, but for such reasons as dishonesty, one time incidence could result in the immediate termination of work relation.

5. Conclusions

The study confirmed that the enterprises of all sizes from micro to large are engaging homeworkers either directly or through the engagement of intermediaries mainly to maintain business efficiency. Many employers supply raw materials but they leave responsibilities of having equipment and covering utilities cost to homeworkers. They also adjust the number of homeworkers depending on the work orders, allowing employers to avoid having a burden of operational cost which they have to cover if they had employees in their premises.

These employers recruit homeworkers mostly through recommendation from someone or when homeworkers approach them to ask for jobs. Some employers also engage their former employees with right skills who prefer to work at home after their marriage. They are engaged based on informal basis with oral agreement covering the information on the product (e.g. design, quantity), wage, and wage payment schedule. However, the employers keep the records of the employers and intermediaries to keep track of work orders and to map workers with special skills.

The employers generally do not pay attention to comply with the labour laws. While many employers pay attention to the age of the workers to avoid engaging child labour, the employers mostly do not pay attention to the welfare of the homeworkers or intermediaries and they do not share information on the labour laws in Indonesia, they do not provide training including occupational safety and health training, they do not refer to the minimum wages as the minimum wages are thought to be applicable for permanent workers only. They also do not provide support health or accident insurance though a few shared that they may provide financial support in case the injury is severe. The biggest challenge

shared by the employers for engaging homeworkers is quality control, however, it is uncommon for the employers to provide training.

As the findings indicate, employers have no or limited attention to work towards compliance of labour standards and ensure the well-being of the workers while the workers face many challenges such as low wage and unstable work order. Since these workers contribute to the operation of enterprises, it is important to increase awareness of employers on the status of homeworkers as workers and work towards improving the working conditions of homeworkers. Improving the working conditions of homeworkers can further contribute to the strengthened operation of enterprises with higher productivity and better enterprise images.

6. Ways forward

Understanding the contribution of enterprises to generate jobs and workers to provide labour, it is important to strengthen the capacities of both parties – enterprises to promote decent work through improved compliance of labour standards, and workers to understand their rights and obligations as workers. It may not be immediately feasible for the enterprises engaging homeworkers to realize the full application of standards for homeworkers, but steps should be taken to gradually improve the situation as ensuring the welfare of all workers is a basis for enhanced productivity and sustainable enterprises and development. Efforts by all stakeholders are imperative and each stakeholder may start with making improvements in areas where they can achieve a quick win. Some recommendations are listed below for considerations for taking actions:

- Raise awareness among the enterprises and intermediaries on the rights of homeworkers and the obligation of the enterprises to work towards better labour standards compliance when engaging homeworkers and intermediaries:
 - Awareness raising should be done at multiple levels from the international buyers to the local entrepreneurs operating in the informal economy.
 - Create awareness on the needs to ensure compliance of labour standards among employers and intermediaries throughout all the production chains.
 - The employers should be briefed or trained on their obligations such as the minimum age, minimum wage, working hours, and contracts.
- Maintain good practices currently carried out by the employers and build on them to improve the working conditions of homeworkers and compliance of labour standards for homeworkers:
 - E.g. checking the age of the intermediaries and homeworkers to avoid employing underage children and work to improve the situation.
 - Keeping the record of the homeworkers, which could be used further used to record other work-related information, payment of wages, working hours, etc, to monitor the progress towards improving the working conditions.
- Create awareness on the purpose and the benefits of using a written contract with the intermediaries and homeworkers they work with, and promote the use of written contracts.
- Encourage the employers to take active role in promoting decent work for homeworkers by guiding or setting requirements for the intermediaries engaged by them, so that when the intermediaries work with homeworkers, certain standards are observed (e.g. minimum age, minimum wage, working hours, rest period, OSH, etc).
- Work towards decent work for homeworkers and enhanced productivity for the enterprises:
 - Provide training on skills and occupational safety and health to homeworkers which could bring a win-win situation. Skills training will improve the quality of the products with less possibility to have faulty products. Occupational safety and health training

will promote good health of homeworkers which is imperative for them to work productively.

- Training may be organized in cooperation with the local government, or other enterprises with similar products.
- Efforts to promote health may be also done through various means such as the distribution of leaflets or information sheets designed to guide homeworkers to create a healthy working environment per sector.
- Provide training to homeworkers covering topics that are important for the homeworkers to complete the work well, including skills training and training on general working procedures to work effectively, etc. This can bring a positive impact on productivity.

For government:

- Recognize that homeworkers are workers and clarify homeworkers' status as workers among employers and intermediaries to promote better compliance of labour standards among homeworkers.
- Develop a regulation on home work as appropriate, and clarify various aspects related to home work so that the obligations of different stakeholders are clear so that all parties can work towards decent work for homeworkers.
- Identify and maintain record of enterprises engaging homeworkers to assess the situation, disseminate information, and monitor progress in promoting decent work for homeworkers (e.g. requiring enterprise to register about the engagement of homeworkers, creating database of homeworkers, etc).
- Promote better access to social protection by homeworkers.
- In consultation with the relevant stakeholders, identify key areas of work and steps to address decent work deficits faced by homeworkers.
- Recognize special skills held by homeworkers and value them fairly. If special skills are recognized and valued fairly, it would be easier to secure workers. When valuing certain skills, avoid gender bias, e.g. giving a lower value to skills associated with women, and giving a higher value to skills associated with men.
- Provide support to enterprises to strengthen their operation so that the enterprises will be able to better apply compliance of labour standards to homeworkers. The types of support may include:
 - Training or advice on business management.
 - Improved access to market.
 - Improved access to capital.
 - Networking.