

“Towards Fair and Sustainable Global Supply Chains: Promoting Decent Work for Invisible Workers in South Asia: Visiblising Home Based and Informal Workers in Supply Chains”

National Consultation

12 December 2019, Movenpick Hotel, Colombo, Sri Lanka

Concept Note

Introduction

“Towards fair and sustainable global supply chains: Promoting decent work for invisible workers in South Asia” is an ILO/Japan project that aims to contribute to the development of ethical and sustainable global supply chains. It is geared towards promoting decent work in global supply chains – *specifically for workers’ who are engaged at the lower tiers*. They are typically home-based workers, subcontractors, and workers in medium and small enterprises in the informal economy in South Asia.

This project will work towards developing successful models through integrated approaches that promote decent work at the lower tiers of global supply chains. This is the second phase of the project titled “*Way out of Informality in South Asia*” which has been implemented in Bangladesh, India and Nepal during 2012-2016. The second phase is working on progress made in the first phase and continue to address the negative aspects associated with informality and the need to promote decent work through formalization in supply chains.

The larger aim of the SGSC project is to contribute to the development of ethical and sustainable global supply chains. It is geared towards promoting decent work in the lower tiers of the chains, reaching out to workers in informal economy, home workers, home-based workers, subcontractors, medium and small enterprises, towards the attainment of Sustainable Development Goals 5 and 8 and ILO’s Decent Work Agenda.

The immediate objectives of the project are:

- Improved and effective implementation of policies/regulations to promote decent work for home-based workers’ and other informal economy workers’ and units engaged in global supply chains.
- Strengthened governance to promote decent work and contribute to the development of ethical and sustainable supply chains especially at the local levels.
- Improved living and working conditions of home-based workers and other informal economy workers’ engaged in selected supply chains.

As part of the project, a **National Consultation on Visiblising Home Based and Informal Workers in Supply Chains is being organised in Colombo on 12 December 2019**. The purpose of this national consultation is to discuss the issues and challenges of informal workers and home based workers in lower tiers of the global (and domestic) supply chains and possible actions to promote decent work for these invisible workers. The consultation will also discuss the issue of productive, competitive and sustainable enterprises, especially the micro and homebased enterprises, and how tri-partite and multi-stakeholder initiatives can contribute towards enabling decent work.

The project strategies and activities will be guided by ILO Core/Fundamental Conventions, C177 – Home Work Convention, 1996 (No.177) and Recommendation R 204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) of the ILO. The R204 recognizes that high incidence of the informal economy is a major challenge for the rights of workers, including the fundamental principles and rights at work, right to social protection, and decent working conditions. These decent work deficits, lack of quality employment and absence of social dialogue – are most pronounced in the informal economy. The gap between the formal and informal workers in the informal and formal economies can be reduced by effective and inclusive laws and policies enabling the rights of the workers, and at the same time promoting competitiveness and sustainability of enterprises.

Context

Formal enterprises have linkages with enterprises within both formal and informal economies as we move below the global (and domestic) supply chain. Due to competitive markets and demand for speedy delivery, these enterprises often adopt highly flexible production and work patterns. This results in informal working arrangements, piece-rate production, home-based work and non-standard forms of employment. With labour administration and labour inspection machinery under stress, the enforcement of labour rights, including wages, social protection, and working conditions, remain a challenge.

R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) of the ILO recognizes that high incidence of the informal economy is a major challenge for the rights of workers, including the fundamental principles and rights at work, right to social protection, and decent working conditions. These decent work deficits, lack of quality employment and absence of social dialogue – are most pronounced in the informal economy. The gap between the formal and informal workers in the informal and formal economies can be reduced by effective and inclusive laws and policies enabling the rights of the workers, by providing incentives to promote just transition to formal economy with decent work opportunities.

Home workers: In the global supply chains, and in lower tiers of the economy, the work is often sub-contracted through the chains of contractors and sub-contractors to workers’ in the informal economy, especially the casual, home workers’ and other home based workers. Defined by **C177 - Home Work Convention, 1996** (No. 177), home work is ‘work performed by a worker in his or her home or in other premises of his or her choice, other than the workplace of the employer for remuneration, which results in a product or service specified by the employer, irrespective of who provides the equipment, material, or other inputs used’. Enterprises under pressure to reduce costs (in multiple ways, including the labour and other laws), manage the seasonal demand pressure, lack of in-house capacity etc., contract out work to intermediaries who further subcontract to smaller informal enterprises with casual workers or to home workers/home based workers. As the work is outsourced, the principle enterprises do not assume responsibility for the wages, working conditions or the rights and entitlements of the workers. Even when minimum wages are notified, enforcement remains a challenge for these invisible workers, with most of them not even recognized as workers. One of the challenge with home-based workers’ is that these workers’ have multiple identities and some of them do not see them as workers, while others are invisible workers’ or ‘*help*’ male members of the family, who are seen as skilled craftsmen.

Often workers in home based work can be either home workers (who work for the supply chains) or own-account workers (self-employed – produce and sell the product directly to the market), but many times, the same worker may be at home work as well as home based worker. As work mainly take place at home by women, home based work is often not recognized as “real” work, and remains an invisible part of the informal economy. Home based workers are generally low paid and excluded from state mandated labour rights and social protection. Majority of home based workers tend to be women which makes them among the most disadvantaged group of workers.

Nationally representative statistical data on the prevalence of home-based workers’ is often contested and it is difficult to estimate workers’ engaged in the global supply chains. While, it is known that goods are produced for both national and international markets and this work is an important source of income for many women, it is also true that these workers’ face challenges in receiving fair wages and securing regular work and income. They also lack access to social protection and mostly lack collective strength and voice.

The home based workers, engaged in supply chains are often invisible and unaccounted for. While there have been many global and multi-lateral initiatives to promote labour law compliance and sustainable and ethical practices in global supply chains (which also improved business operations), most of these initiatives have been confined to the formal sector. Those who work in the informal economy are overlooked despite the fact that decent work deficits become more prominent towards the lower tiers of chains, with workers' who are in disadvantaged position. These workers' are often not covered by labour legislations (either in law or in practice), have no access or limited access to legal and social protection, do not have collective voice and strength, which are key instruments to achieve better working and living conditions.

Other informal economy workers in lower tiers of global supply chains: Workers' in non-standard forms of employment – causal and contract workers, working in both formal and informal enterprises in lower tiers of the global (and domestic) supply chains, are equally vulnerable and suffer from similar decent work deficits. They lack access to rights and entitlements which are available to regular workers in formal enterprises, including formal contracts, minimum wages, paid leaves, access to social protection etc. Experience shows that most of these workers' are also engaged in difficult and precarious work environments and often are exposed to occupational hazards. Often coming from excluded communities, these workers remain invisible and unorganized.

Informal, micro and home based enterprises: When strategizing for enabling decent work for informal economy workers, it is also important to keep in mind the challenges faced by smaller enterprises engaging these workers. Lack of access to resources and business support services to grow competitive and socially responsible, informal enterprises also at the lower tiers of supply chains face multiple challenges. There is a dire need to address decent work deficits experienced by the informal workers and the economic units so as to realize decent work for all and fair and sustainable global supply chains. How smaller informal units can be encouraged to formalize – what challenges they face, what are the capacity needs, what kind of initiatives and incentives that are needed to help them formalize, so that they become sustainable and grow. These smaller units are needed both by workers and larger businesses and form important part of the supply chain. They also enable workers to turn into entrepreneurs.

This National Consultation is being planned especially in the context promoting decent work for home-based workers' and informal economy workers' in the lower tiers of the global supply chain, especially women workers. The purpose is to build common understanding amongst the key stakeholders working with such workers, so that they can work in tandem, have a joint strategic plan of action and can engage in joint advocacy for promoting decent work. The workshop also aims to address the following issues:

- **Conceptual clarity on C177 – Home Work Convention, 1996 (No.177) and Recommendation 204 on Transition from Informality to Formality, and related key concepts:** There is a need to revisit the key provisions on ILO Home Work Convention number 177 (C177) and also understand the key concepts related to home workers, home based workers, self-employed workers, and domestic workers' (including nature of employment relationships determining these) – non standard forms of work etc. - these terms often overlap often creating a challenge for policy makers and other stakeholder, as well as for measuring the numbers of workers' and contributions of these workers' to the economy.
- **Understanding labour rights and key decent work deficits for workers' in the lower tiers of the global supply chains and how tri-partite partners can contribute:** Even when law covers informal workers, home workers and other home-based workers, often there are challenges in implementation, inspection and enforcement of labour laws for these workers. It is important to understand the laws and provisions applicable and where the gap remains in the law or its implementation. The new labour codes also intend to cover all workers, but in their present form, do they address and cover these workers. The key issues that need deliberations are:
 - Fundamental principles and rights at work
 - Determining employment/work relationships and conditions of work
 - Wages and calculation of wages (especially piece rate wages)
 - Social protection/social safety net and access to benefits and entitlements
 - Occupational health and safety issues for workers

- Skills development, upgradation, and diversification
 - Equal treatment of home workers' in relation to other wage earners performing similar nature of work.
- **Understanding Capacity Building Needs:** It is important to have a common understanding on the issues as well as building capacities to address the key challenges faced by these invisible workers. There is a greater need for tri-partite collaboration and multi-stakeholder initiatives. The aim will be to also identify the needs of the stakeholders in terms of capacity building. Based on initial discussions with some of the key stakeholders, training on wages and piece rate wages as well as occupational health and safety has been identified already.

Objectives

The key objectives of the consultation are to:

- a) Develop common understanding, conceptual clarity and identification of key issues and challenges related to workers in the lower tiers of the global (and domestic) supply chains, including home workers, casual and informal workers, and other home based workers, especially women workers.
- b) Build stakeholders' capacity on issues related to informal economy workers and international labour standards, labour rights and entitlements, wages and social protection under the labour law and gaps and challenges in law and implementation.
- c) Understand if any initiatives that are being undertaken currently in Sri Lanka in context of such invisible workers and what are the future capacity needs.
- d) Develop a common understanding and identify points of convergence that can promote rights home based and informal workers, especially women workers and enable their access to decent work, fair wage and social protection.

Consultation Outcomes

Towards the end, the workshop participants will be able to have:

- Enhanced understanding on needs and concerns of home based and informal workers.
- Enhanced learning through exchange of views and experiences among the ILO constituents.
- Possible development of a common roadmap/strategic action plan for enabling home based and informal workers overcome decent work deficits, access social protection and have a collective voice.
- Identifying the capacity needs of the tri-partite partners.

Participants

Approx. 40 participants comprising of:

- a) Government: Ministry of Labour, Department of Labour, National Craft Council, National Enterprise Development Authority under the Ministry of Industry and Commerce, Sri Lanka Export Development Board, Small and Medium Enterprise Development Authority
- b) Trade Unions
- c) Employer Organizations: Employers Federation of Ceylon, Ceylon Chamber of Commerce, Women's Chamber
- d) Other stakeholders: Women Workers organisations; Researchers; NGOs; private sector organizations; Homebased workers' organisations, and training institutes

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Thursday, 12 December 2019

Movenpick Hotel, 24 Srimath Anagarika Dharmapala Mawatha, Colombo 03

0830–0900	Registration and Refreshments
0900–1000	<p>Inaugural session</p> <p><i>Opening Remarks:</i> Ms. Simrin Singh, Country Director, ILO Sri Lanka and Maldives</p> <p><i>Inaugural Remarks:</i> Mr. B. Vasanthan, Senior Assistant Secretary, Ministry of Labour</p> <p><i>Challenges for promoting decent work for informal workers in lower tiers of supply chains including home based workers: Role of ILO</i> Mr. Sho Sudo, Overall Coordinator, ILO-Japan Bilateral Programme, ILO Regional Office for Asia and the Pacific, Bangkok</p> <p><i>Presentation on ILO project and its relevance in changing development paradigms and labour market inequalities</i> Ms. Bharti Birla, Chief Technical Advisor, Sustainable Global Supply Chains in South Asia, ILO Decent Work Team for South Asia, New Delhi</p>
1000-1030	Group Photo and Refreshments
1030-1115	<p>Technical Session</p> <p><i>Workers in informal economy: Understanding key concepts, and key ILO conventions (including Core Conventions, Home Workers Convention C177, Recommendation 204) with special focus on women workers in home based work</i> Ms. Bharti Birla, Chief Technical Advisor, Sustainable Global Supply Chains in South Asia, ILO Decent Work Team for South Asia, New Delhi</p>
Panel Discussion and Group Work	
1115-1215	<p>Panel 1: <i>Labour rights and key decent work deficits for workers in the lower tiers of the global (and domestic) supply chains, especially women workers</i></p> <p>Mr. Anton Marcus, Joint Secretary, Free Trade Zone & General Services Employees Union Mr. Dinusha Rajarathne, Director, SAARC Business Association of Home-Based Workers (SABAH) Sri Lanka Ms. K. Yogeshwari, General Secretary, Working Women’s Front (TBC)</p>
1215-1315	<i>Lunch</i>
1315-1415	<p>Panel 2: <i>Challenges for businesses and some examples of initiatives towards promoting decent work for informal and home based workers</i></p> <p>Ms. Selyna Peiris, Director of Business Development, Selyn Exporters (Pvt) Ltd Ms. Samantha Gonagala, Senior Industrial Relations Advisor, Employers Federation of Ceylon Mr. Lakshman Wijewardena, Director, National Enterprise Development Authority (TBC) Dr. Thomas Kring, Chief Technical Advisor, ILO Country Office for Sri Lanka and the Maldives</p>
1415-1530	<i>Possible strategies for action - in context of informal economy workers in lower tiers of supply chains (contract/causal), home workers and other home based workers (Group Work)</i>
1530-1600	<i>Open House (based on Group Work and proposals for Way Forward)</i>
1600-1615	<i>Closing Remarks</i>
1615-1700	Networking and Refreshments