

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

National Capacity Building and Planning Workshop
for CTUs and membership based institutions engaged working for
informal workers in lower tiers of supply chains and home based workers

30 – 31 January, 2019, Hotel Royal Plaza, New Delhi

Concept Note

1. Background

“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 will build 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 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.

The project will contribute to the ILO’s agenda of Decent Work for All, as well as to the Sustainable Development Goals that have the principle of “Leaving No One Behind” - particularly Goal 5 on Gender Equality and Goal 8 on Decent Work and Economic Growth.

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.

2. Context

Formal enterprises have linkages with enterprises within both formal and informal economies as we move below the global 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, unless the workers' demand for it in a collective voice. With low wages, lack of social and income security, poor working and living conditions, and exploitative work arrangements, retention of wages, forced overtime, many times workers' find themselves in situations similar to forced labour. Often child labour and children working in hazardous work is also seen, as many work in home settings as (unpaid) family workers or as helpers or apprentices.

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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.

Often workers' of home based work can be either home workers (who work for the supply chains) or own-account workers, but many time, 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, 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 – casual and contract workers, working in both formal and informal enterprises in lower tiers of the global 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.

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.

3. Need for the workshop

This National Capacity Building and Planning Workshop 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:

- a) **Conceptual clarity on C177 – Home Work Convention, 1996 (No.177) and 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) – these terms often overlap often creating a challenge for the policy advocacy as well as for measuring the numbers of workers' and contributions of these workers' to the economy.

b) Understanding labour rights and key decent work deficits for workers' in the lower tiers of the global supply chains: 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.

c) Organizing and unionizing 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 a skilled craftsmen. The unions in India and membership based organizations are organizing home-based workers' and there is a need for greater momentum to build up this process to enable collective voice and strength of the workers, especially women workers. This requires inputs and discussion on:

- Enhancing union membership/organizing by membership based organizations
- Development and capacity building of local leadership
- Innovative methods of collectivization and cooperative formation
- Initiating pilot initiatives to promote collective bargaining
- Enabling dispute resolution and grievance redressal

d) Need for joint platform/working group for advocacy and action: The unions and membership/community based organizations have been working on the issue of home workers' and informal workers. There is a need to create momentum and push the agenda, especially in the current context, when new forms of such non-standard forms of employment are increasing, as nature of work and employment is changing. Such platform/working group can deliberate and prioritize the key policy areas for advocacy, identify future technical capacity building needs, create and share knowledge, deliberate and analyze key issues that need attention, such as law and policy, statistical measurements, and evidence gathering etc., This requires formulation of jointly agreed medium and long term goals backed by joint and individual organization level action plans.

This workshop is being held to build stakeholders' capacity on the above areas, and to develop a medium term action plan for joint advocacy and action. Wide range of topics for delivery and stakeholders involved requires that workshop be held over 2 days. A collaborative environment will be created to build rapport among stakeholders towards workshop objective.

4. Objectives

Workshop objectives are to:

- a) Develop common understanding, conceptual clarity and coherence in advocacy initiatives among stakeholders with regard to workers in the lower tiers of the global 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, including home workers' and other home-based workers, international labour standards (core/fundamental conventions, convention on home workers C177 etc.), labour rights and entitlements, wages, social protection, OSH under the labour law and gaps and challenges in law and implementation etc.,
- c) Conceptualize a Joint Working Group on informal economy workers, for advocacy and action, develop medium term action plan, identify future technical capacity building needs and enable the stakeholders to work towards a collective goal (not necessarily work together, as both TUs and CBOs work differently).

Expected outcomes of the Workshop are:

- a) The workers and membership based organizations are able to develop more coherent advocacy plans and are engaged in joint advocacy.
- b) There is a common understanding on law and policy related to rights and entitlements of informal economy workers, including home workers and other home-based workers, including entitlements, wages, social protection, OSH etc. and key challenges that need to be focused on.
- c) Medium to long term and individual action plans are formed.
- d) A Joint Working Group on informal economy workers in lower tiers of the global supply chains is conceptualized

5. Participants

Participants (approx. 40) will include:

- a. *Central Trade Unions*
- b. *Smaller sectoral trade unions/membership based organizations*
- c. *Civil society organizations/rights based organizations working on issue of home based workers etc.*
- d. ILO Resource persons and invited panellists