Meet the ‘Invisible Workforce’ Brands Aren’t Talking About

By Jasmin Malik Chua

There’s a good reason why home workers are known as the “invisible workforce” or the “shadow economy” of the garment industry.

Far less regulated than factory work, home-based work—that is, work performed in households and small workshops rather than the traditional four-wall setting—is little understood by brands and retailers and virtually unknown to the general consumer.
Yet home workers, who operate informally at the bottom of the supply chain, are among the sector’s most exploited, perhaps more so than the typical factory worker. They may not work under sweatshop-like conditions per se, but the irregular, extremely low-paid and piece-rate nature of the job means home workers frequently lack job security or stable incomes. Neither are they afforded the usual social protections or the right to legal restitution if a contractor reneges on a payment.

“Most homeworkers work in isolation,” said Dominique Muller, director of policy at the Clean Clothes Campaign, a global consortium of workers-rights groups and labor unions. “They don’t have access to any of the employment-related benefits: maternity pay, sick leave, things like that. They’re often not given training in terms of health and safety or any of the chemicals that they might use.”

Though the precise number of home workers globally is nigh impossible to quantify, their ranks likely run in the hundreds of millions, according to the International Labour Organization. Artisan activity, per the nonprofit Aspen Institute, is the second-largest employer behind agriculture in the developing world.

Predominantly female, homeworkers prevalent in developing economies like Bangladesh, China, India and Vietnam, but they can also be found in countries like Italy, which the luxury industry portrays as a near-mythic idyll of highly skilled craftspeople who are compensated fairly for their efforts despite the absence of a national minimum wage.

Brands and retailers aren’t always aware they use home workers because few operate their own manufacturing facilities. Instead, they outsource to contractors who may, in turn, tap subcontractors who fall outside of regulatory sight lines. Home-based work, said Lucy Brill, programme director of the not-for-profit Homeworkers Worldwide in the United Kingdom, is often distributed through these unofficial channels.

“Work tends to get subcontracted to home workers either because it’s very specialist like embroidery or embellishing, or it’s very labor-intensive, semi-skilled work like the hand-stitching of uppers for shoes,” Brill said.

Despite their ubiquity, home workers are a half-concealed presence in many value chains. Since they're often not flagged as legitimate workers—not even by themselves, in some cases—they may not show up during business audits.

“Sometimes women don’t even recognize that it is work,” Brill said. “Or if they do recognize it, it might be work that they’re frightened to say that they do it.”

There’s no doubt home-based work can be an attractive proposition, particularly to women who aren’t
the breadwinners of the family. There's the extra income, of course, which provides a financial buffer against illness or unemployment. At the same time, the hours are flexible and work can be performed while tending to children or between household chores like cooking.

“For the women, this work is very important,” Brill said. “It may be very badly paid but equally, for them, that’s their livelihood.”

Brands and retailers, loathe to public criticism, are quick to denounce a problem, write it off and move on, but doing so only complicates matters for home workers, who get herded into more formal settings, lose their jobs altogether, or are “further hidden” and therefore even more vulnerable to exploitation, Muller said.

“One of the brands' reactions to any negative publicity is to deny it or to say, ‘Well, we're not going to have it,' and that means suppliers are less willing to actually be open about the home workers they have,” she added.

“Visible and safe”

Rebecca Bergen, founder and executive director of Nest, a New York-based nonprofit that works with artisans and their communities worldwide, knew home-based work was a challenge for businesses, but even she was unprepared for the extent of the issue. Nest estimates between 20 and 40 percent of garment production can take place outside the factory.

“It's been sort of like an onion that we keep peeling back the layers and learning more about this population,” she said, using the term “hand worker” in lieu of “artisan” because home-based work isn’t necessarily synonymous with skilled craftsmanship. “A lot of this work is happening underground or undisclosed, which leads to a big uncertainty of what is really being produced in the factory and what is being subcontracted.”

Rather than take the easy way out and place a blanket ban on home workers, companies should use their clout to advocate for this group instead, she said. It’s not that the work itself is bad—many women rely on it as a lifeline, after all—“it just needs to be visible and safe,” she said.
Homeworkers stitching shoes for export in Tamil Nadu, South India.

Last December, Nest, together with a steering committee that includes Eileen Fisher, Maiyet, Patagonia, PVH Corp., Target, the Children’s Place and West Elm, launched the Nest Compliance for Homes and Small Workshops, a compliance standards, training and assessment program designed to improve “global hand worker well-being and compliance beyond the factory,” Bergen said.

Nest and its brand partners piloted the program at more than 42 artisan businesses, covering 11,000 home workers across India, Kenya, Mexico, the Philippines and Peru. In January, two major American retailers will debut a consumer-facing Nest Seal of Handworker Wellbeing that will allow consumers to choose responsibly handmade items at the point of sale.

While Nest wasn’t the first to consider the problem of home workers, previous efforts chose to focus on a specific geography or a particular product category, like rugs—hardly useful for businesses that source multiple assortments from multiple countries.

But standards for a factory, like strict no-child-labor policies or fire and safety regulations, don’t map well to a home or small-workshop setting.”There will be children in the home because it’s a home,” Bergen said, noting that children will sometimes learn the craft at the knees of their mothers. “And
you're not going to see fire extinguishers or exit signs. The lines are gray rather than black and white, so how can you find a middle ground?"

Having such a “tactical, implementable tool”—one that undergoes periods of review by a cross-industry committee—can help brands and suppliers fill in compliance gaps in their supply chain, said Ashia Sheikh Dearwester, Nest’s chief strategy and partnerships officer, though she understands if businesses would rather nibble around the edges of the problem than attack it head on.

“I think that it’s very intimidating and complicated to start talking about Tier 2 supply chains when many companies feel like even Tier 1 is something they don’t feel has been remediated and solved,” Dearwester said. “Very, very few industry players have started to look at their suppliers outside of the factory, but that actually has the largest risk implications for them.”

Those brands and retailers who aren’t ready to talk about home-based work aren’t Nest’s partners now, Bergen said, a little wryly. She’s grateful to the early adopters who are, however, willing to roll up their sleeves because they “don’t want to have unknowns in their supply chain.”

“I think technology and things like blockchain are on the horizon for people, and so I think understanding their supply chains, doing the mapping, being on the forefront of really understanding where goods are created come in advance of what I see as a coming technological wave in terms of technology use and in visibility in supply chains,” she said. “I think lots of companies are eager to be on the right side of that.”

Homeworkers Worldwide encourages businesses to include within their supplier contracts a formal recognition that home-based work is part of the supply chain and a valid means of employment, rather than something to be ashamed of or buried.

“There are ways to manage it in ways that it can be operated ethically,” Brill said. “So that’s the first step.” The next, she said, is to make sure home workers are involved in the process of improvement, “so you change the thing that is their priority first.”

“Home working is a very useful form of livelihood and so it’s important to work out ways to include homeworkers within supply chains but also to maintain minimum standards,” Brill said. “So I would encourage companies and other groups to get involved in trying to put things right.”

TAGS

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