

68 The invisible worker: who's stitching your shoes?

Authors

Amy V. Benstead
School of Materials University of Manchester, UK

Linda C. Hendry
Lancaster University Management School, UK

Corresponding author amy.benstead@manchester.ac.uk

Keywords

Homeworking, global supply chains, social sustainability, exploitation, identity

Abstract

This paper investigates how vulnerable homeworkers are supported in global supply chains. Home workers are the hidden workforce in the fashion industry and products such as footwear require hand stitching which often takes place by women in their homes in rural, low income areas. Current social sustainability practices in the industry focus on the visible workforce in Tier 1 factories. Yet homeworking takes place in dispersed global supply chains often organised through a network of agents resulting in a lack of visibility. Legislation protecting the workers is also often weaker. Homeworkers are therefore a vulnerable workforce and can be subject to exploitation

Current sustainable supply chain management (SSCM) literature has considered the link between buyers and first tier suppliers for managing sustainability and researchers are beginning to consider how responsibility can be delegated amongst sub-suppliers in complex multi-tier supply chains. In the context of homeworking, research has focussed on non-governmental organisation (NGO) led initiatives rather than buyer driven action for improving working conditions. Using a longitudinal case study, this paper considers the buyers' perspective and their ability to drive change.

Initial findings suggest that homeworking gives women an identity, the opportunity to access flexible work and support their family. Evidence shows improvements can be made through working with a local and international NGO to map the supply chain and further understand the challenges facing the homeworkers. This has led to internal changes relating to policy and purchasing practices and external improvements to the working conditions for the homeworkers such as fairer pay. These research findings will be of benefit to the fashion industry aiding managers to improve their social sustainability in the context of homeworking.

Introduction

A recent media report has highlighted shadow economies whereby homeworkers in global fashion supply chains are underpaid without employment contracts and insurance (The New York Times, 2018). Homeworking is an example of product assembly that takes place outside of the factories, and is therefore beyond the immediate first tier (ETI, 2010). Therefore, home workers are the hidden workforce in

the fashion industry and products such as embroidered garments and footwear require hand stitching which often takes place by women in their homes in rural, low income areas, resulting in a lack of visibility (ETI, 2010; HWW, LBL & Cividep, 2016). However, current social sustainability practices in the industry focus on the visible workforce in Tier 1 factories (Archana & Dickson, 2017). Homeworking takes place in dispersed global supply chains often organised through a network of agents further contributing to their lack of visibility. Further, legislation protecting the workers is often weaker. Homeworkers are therefore a vulnerable workforce and can be subject to exploitation (Barrientos et al. 2011). As a result, brands and retailers are being encouraged by Non-Governmental Organisations (NGOs) to acknowledge homeworking in their global supply chains and take positive action to improve working conditions (HWW, LBL & Cividep, 2016; OECD, 2017).

This paper therefore addresses the following research question:

How can buyers ensure better support for vulnerable home workers within global supply chains?

The remainder of this paper is organised as follows. First, a brief review of the relevant literature is provided. The research method is then outlined followed by the findings to date, which are discussed, before finally drawing the paper together in a conclusion.

Literature review

The literature review is divided into two sections. Firstly, a brief overview of the literature on sustainability and multi-tier supply chains is provided. The second section focuses on homeworking.

Sustainability and multi-tier supply chains

Many researchers within the Sustainable Supply Chain Management (SSCM) literature have recognised that companies should extend their Corporate Social Responsibility (CSR) strategies in supply chains beyond the first tier (Gimenez and Tachizawa, 2012). There is however a lack of understanding in the literature with regards to how this can be achieved. It has also been acknowledged that it is challenging in complex global multi-tier supply chains as distance between the focal firm and suppliers increases resulting in reduced visibility (Seuring and Gold, 2013). Further, sustainability issues usually occur in these less visible suppliers, often in developing countries where law enforcement is weak (Barrientos 2008; Carter et al. 2015).

In their literature review of SSCM in global supply chains, Koberg and Longoni (2018) found that the majority of articles reviewed have considered sustainability within the traditional supply chain where there is a link between the buyer and first tier suppliers but no direct link with sub-suppliers. There are however examples of a few recent studies that have considered how responsibility for managing sustainability is delegated amongst sub-suppliers in complex multi-tier supply chains (Wilhelm et al. 2016a; Wilhelm et al. 2016b; Grimm et al. 2018). Grimm et al. (2016) have also suggested mapping the supply chain to understand the structure of the end to end supply chain for reaching sub suppliers.

Research has also considered collaboration amongst buying firms and third parties such as NGOs for extending sustainability within the supply chain (Pagell and Wu, 2009; Rodriguez et al. 2016; Benstead et al. 2018). Studies are beginning to explore how NGOs can support buyers in multi-tier supply chains and complement supplier assessment (Koberg and Longoni 2018). For example, research has highlighted NGOs ability to provide knowledge sharing and support particularly those familiar with the local context (Hahn and Gold, 2014). There is therefore scope to further investigate how sustainability can be achieved within the multi-tier supply chains

Homeworking in global supply chains

According to the International Labour Organisation (ILO) Home Work Convention (1996, C177, Article 1) which promotes the equal treatment of home workers and other wage earners, home work and the homeworker are defined as follows:

“(a) the term home work means work carried out by a person, to be referred to as a homeworker,

(i) in his or her home or in other premises of his or her choice, other than the workplace of the employer;

(ii) for remuneration;

(iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used.”

Homeworking is found in global supply chains in both developed and developing countries (Barrientos et al. 2011). In the fashion industry, female based homeworkers are a significant proportion of employment in countries such as India, Thailand and Pakistan (Chen, 2014). It can include both paid and unpaid family labour often resulting in a risk of child labour (Barrientos et al. (2011). It is also widely acknowledged that homeworking provides the female worker with the ability to satisfy their traditional gender roles and meet cultural norms by balancing being carers and workers (Anchana and Dickson, 2017; Tartanoglu, 2018).

Current literature has considered the characteristics of homeworking in the supply chain. Homeworkers are invisible, low paid and not always identified as workers (Delaney et al. 2015). Additionally, they are often invisible to the state and regulations (Barrientos, 2014; Burchielli et al. 2014). Further, they are typically isolated from others workers in their sector with limited knowledge of their markets and prices. (Chen, 2014). Work is often distributed via agents and subcontractors and they are therefore disconnected from brands, suppliers and trade unions (Delaney et al. 2015). Their lack of representation makes them vulnerable with little protection. As a result, they are subject to exploitation often with short term contracts, irregular work and at risk of forced labour (Barrientos et al. 2011).

Studies have considered how homeworkers can gain more bargaining power within global supply chains. However, research focusses on NGO led projects rather than

buyer driven action. For example, Delaney et al. (2015) conducted research in the leather footwear sector in India and observed the work of the Federation of Homeworkers Worldwide (FHWW), an international NGO. Their paper focussed on how NGOs can help form cooperative networks amongst homeworkers to help provide connections with suppliers and gain greater power and influence when negotiating working conditions. Similarly, Anchana and Dickson (2017) focus on the effect of NGOs' CSR initiatives and practices for empowering homeworkers and influencing suppliers and brands. Their research encourages brands to acknowledge homeworkers, map their supply chains and extend CSR practices beyond the first tier. There is therefore an opportunity to study homeworking to further understand how buyers can improve sustainability in multi-tier supply chains.

Methodology

A single in depth longitudinal case study company is used (Yin, 2018), referred to hereafter as Company X, a multi £billion turnover company. The focus is on the fashion and sports industry, given that the literature suggests that homeworking is common in this context (e.g. HWW, LBL & Cividep, 2016). Data collection included interviews and secondary data. An initial 10 interviews were conducted in 2016 with employees in different roles across the organisation including e.g. sourcing and corporate responsibility (CR). A further 4 follow up interviews with members of the CR team were conducted in 2018. All interviews have been fully transcribed. Secondary evidence from modern slavery statements, policies, reports and website material was also used to provide triangulation.

Findings

The findings below begin with an overview of homeworking in the company's supply chain and the issues uncovered followed by a brief outline of the strategies used to improve the working conditions for homeworkers.

Homeworking mainly takes place in the company's leather footwear supply chain in Tamil Nadu in southern India, where the leather uppers for footwear are hand stitched. Unlike many companies, Company X decided not to ban homeworking as this would not improve the lives of homeworkers. It was argued that prohibiting homework could lead to suppliers continuing to use homeworking but declining to disclose, which would then make tackling issues more difficult and ultimately have a negative impact for homeworkers. Instead, the company have taken a positive approach to homeworking and made a commitment to improve the situation for what they believe is a vital part of their supply chain for footwear. Additionally, they acknowledge that many women have few alternatives and rely on homeworking as a valuable and flexible income stream alongside their family and domestic duties. Homeworking also provides women with the ability to work if they are unable to travel or work in a facility with men due to marital and cultural norms.

Company X have however recognised that there are many risks involved with homeworking. The work is low paid often below the legal minimum wage and typically informal without a contractual agreement. This means that the workers are not

receiving the same rights as contractual workers with no security of employment and no control over their employment conditions. The work is often organised through a network of agents which results in a lack of visibility of homeworking in the supply chain.

As a result, in 2016, Company X partnered with an international and a local NGO to pilot a programme as part of their first phase to provide improved working conditions for homeworkers. This was followed by a second phase operationalise the plan more widely. Key elements of both phases are outlined below:

First Phase – pilot programme – improving employment for homeworkers

Supply chain mapping

The NGOs assisted in mapping the supply chain for one supplier in the leather shoe supply chain that Company X deals with directly. The supplier owns its own factories but uses homeworkers for some hand stitching work which is subcontracted to agents who distribute the work to homeworkers. Through tracing the supply chain, they were able to understand the patterns of distribution, the different actors involved and the prices given. Through this mapping process it became apparent that the homeworkers are paid by the piece but rarely keep a record of the number of hours worked.

Interviews

The local NGO conducted interviews with 30 homeworkers to further understand their situation, issues, challenges and find solutions.

Regional Conference

Company X organised a conference in India with other brands, suppliers and homeworkers to share learning from their pilot programme to encourage change and improvements within the industry.

Second Phase – operationalising the plan – improving employment for homeworkers

Following the key learnings gained from the first phase, the company embarked on a second phase to operationalise their plan to improve working conditions for homeworkers. The second phase is ongoing and involves the following:

Improved homeworker employment system

The company are working with the NGOs to establish fairer piece rates and improved payment systems. Additionally, they are ensuring that homeworkers are recognised as part of the workforce.

Homeworking policy

A key step has been the introduction of a detailed homeworker policy to provide suppliers with a set of guidelines. This clearly outlines the expectations of suppliers and stipulates that homeworking is accepted but must be disclosed. It is also the responsibility of the supplier to establish transparency with the agents that they work with.

Purchasing Practices

The company are aware that their purchasing practices can impact homeworkers. As a result they are ring-fencing costs so that buyers are not allowed to negotiate on prices that involve homeworking.

Agent commission

Conversations are taking place with agents to further understand the cut that they are taking. Together, they are also considering how the cost of the hand work can be valued by creating a system for categorising work carried out by complexity which will then be documented.

Training suppliers and agents

Training is being conducted with suppliers and agents to inform them of the issues concerning homeworking and how to meet the company's policy guidelines

Empowering homeworkers

Workers are also receiving training to inform them of their rights. Additionally, they are being encouraged to keep records. Once a system has been created to categorise the value of the work carried out, workers will receive this documentation and therefore be better informed with regards to the prices they should be receiving. It is intended that workers become empowered through knowing their entitlements and are able to collectively bargain and negotiate better working conditions with the agents.

Discussion and conclusion

A single in depth longitudinal case study has been used within the fashion industry to investigate how homeworkers can be supported within global footwear supply chains. Empirical data has provided insights into the action that a buying firm has taken through working with a local and international NGO.

First, the findings suggest that homeworking gives women an identity, the opportunity to access flexible work and support their family. Supporting, Anchana and Dickson (2017) and Tartanoglu (2018) they are able to satisfy their traditional gender roles and cultural norms by balancing being carers and workers. The findings however confirm that these workers are not often paid a fair wage given the volume of work (Barrientos et al. 2011).

The findings extend the literature by furthering our understanding of extending CSR strategies beyond the first tier (Koberg and Longoni, 2018; Gimenez and Tachizawa, 2012). Evidence is provided to demonstrate the links that have been made between the buyer, supplier, agents and homeworkers. The findings confirm the importance of the role of homeworkers in the footwear supply chain and highlight how to tackle the disconnect homeworkers face between the different actors in multi-tier supply chains (Delaney et al. 2015). This has been achieved by collaborating with a local and international NGO and therefore extends the literature by furthering our understanding of the benefits of NGO involvement for achieving sustainability (Rodriguez et al. 2016; Hahn and Gold, 2014). In the case of homeworking, our research has demonstrated how initiatives can be buyer driven rather than being NGO led. This provides a different perspective compared to previous research such as Delaney et al. (2015) and Anchana and Dickson (2017) which has focussed on NGOs leading projects and introducing initiatives.

Evidence shows improvements can be made through working with local NGOs to further understand the challenges facing the homeworkers and how work is distributed by mapping the supply chain (Grimm et al. 2016; Anchana and Dickson, 2017). A system has been developed to monitor homeworking standards and ensure that homeworkers are better protected through establishing formal practices relating to pay, working hours and working conditions.

Company X acknowledged and allowed homeworkers in their supply chain and took a positive approach to homeworking driving improvements in the supply chain. Additionally, this adds evidence to the conclusion of Anchana and Dickson (2017) that encouraged brands to acknowledge homeworkers and extend their CSR practices beyond the first tier. Likewise our findings demonstrate how the buyer can make internal changes to their purchasing practices that can impact homeworkers. For example, ring-fencing costs to prevent buyers negotiating on prices that involve homeworkers.

Furthermore, the findings provide evidence of a buyer giving responsibility to suppliers (outlined in their homeworking policy) to ensure that they are establishing transparency with agents that they work with. Company X has organised training with both suppliers and agents to inform them of issues and support them in meeting their homeworking policy. This provides insights into how responsibility can be delegated to sub suppliers (Wilhelm et al. 2016a; Wilhelm et al. 2016b; Grimm et al. 2018).

We also build on previous literature regarding empowering homeworkers (Anchana and Dickson, 2017). This has been achieved through giving them information on their rights e.g. through training which allows them to collectively bargain and negotiate better working conditions with the agents. Additionally, the current plans to categorise and document the value of hand work will also ensure that the homemaker is aware of the payment they should be receiving. This therefore tackles the issue of isolation leading to limited knowledge of markets and prices that has been highlighted in the literature (Chen, 2014)

These research findings will benefit managers aiming to improve their SSCM in the context of modern slavery and homeworking.

References

- Archana and Dickson M.A. (2017), Social Sustainability in Apparel Supply Chains: Organizational Practices for Managing Sub-Contracted Homework' In: Henninger C. et al. (eds) *Sustainability in Fashion: A Cradle Upcycle Approach*, Palgrave Macmillan, Cham, Switzerland, ISBN: 9783319512532.
- Barrientos, S. (2008), Contract labour: The 'Achilles heel' of corporate codes in commercial value chains. *Development and Change*, 39(6), 977-990.
- Barrientos, S. et al. (2011), Economic and social upgrading in global production networks: A new paradigm for a changing world. *International Labour Review*, 150(3-4), 319-340.
- Benstead A.V. et al. (2018), Horizontal Collaboration in response to modern slavery legislation: An action research project, *International Journal of Operations and Production Management*, 38(12), 2286-2312.
- Burchielli, R. et al. (2014), Garment homework in Argentina: Drawing together the threads of informal and precarious work. *The Economic and Labour Relations Review*, 25(1), 63-80.
- Carter, C.R. et al. (2015), Toward the theory of the supply chain. *Journal of Supply Chain Management*, 51(2), 89-97.
- Chen, M.A. (2014), Informal economy monitoring study sector report: Home-based workers. Cambridge, MA, USA: WIEGO.
- Delaney, A. et al. (2015), Positioning women homeworkers in a global footwear production network: How can homeworkers improve agency, influence and claim rights? *Journal of Industrial Relations*, 57(4), 641-659.
- Ethical Trade Initiative (ETI). (2010), *Homeworker Briefing*, [Online] Available at https://www.ethicaltrade.org/sites/default/files/shared_resources/homeworkers_and_homeworking.pdf (Accessed October 2018).
- Gimenez, C. and Tachizawa, E.M. (2012), Extending sustainability to suppliers: a systematic literature review, *Supply Chain Management: An International Journal*, 17(5), 531-543.
- Grimm, J.H. et al. (2018), Interrelationships amongst factors for sub-supplier corporate sustainability standards compliance: An exploratory field study. *Journal of Cleaner Production*, 203, 240-259.
- Grimm, J.H. et al. (2016), Exploring sub-suppliers' compliance with corporate sustainability standards. *Journal of Cleaner Production*, 112, 1971-1984.
- Hahn, R. and Gold, S. (2014), Resources and governance in "base of the pyramid" partnerships: Assessing collaborations between businesses and non-business actors. *Journal of Business Research*, 67(7), 1321-1333.

Homeworkers Worldwide (HWW), Labour Behind the Label (LBL) and Cividep. (2016), 'Stitching Our Shoes', [Online] Available at <http://labourbehindthelabel.net/wp-content/uploads/2016/03/Homeworkers-Document-WEB.pdf> (Accessed August 2018).

International Labour Organisation (1996), C177 - *Home Work Convention, 1996* (No. 177), Available at https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312322 (Accessed November 2018)

Koberg, E. and Longoni, A. (2018), A systematic review of sustainable supply chain management in global supply chains. *Journal of Cleaner Production*. 207, 1084-1098

OECD. (2017), 'OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector'. [Online] Available at <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-Garment-Footwear.pdf> (Accessed August 2018).

Pagell, M. and Wu, Z. (2009), Building a more complete theory of sustainable supply chain management using case studies of 10 exemplars. *Journal of supply chain management*, 45(2), 37-56.

Rodríguez, J.A. et al. (2016), NGOs' initiatives to enhance social sustainability in the supply chain: poverty alleviation through supplier development programs. *Journal of Supply Chain Management*, 52(3), 83-108.

Seuring, S. and Gold, S. (2013), Sustainability management beyond corporate boundaries: from stakeholders to performance. *Journal of Cleaner Production*, 56, 1-6.

Tartanoğlu, Ş. (2018), The voluntary precariat in the value chain: The hidden patterns of home-based garment production in Turkey. *Competition & Change*, 22(1), 23-40.

The New York Times. (2018), *Inside Italy's Shadow Economy*, Available at <https://www.nytimes.com/2018/09/20/fashion/italy-luxury-shadow-economy.html>. (Accessed October 2018).

Wilhelm, M. et al. (2016a), Implementing sustainability in multi-tier supply chains: Strategies and contingencies in managing sub-suppliers. *International Journal of Production Economics*, 182, 196-212.

Wilhelm, M.M. et al. (2016b), Sustainability in multi-tier supply chains: Understanding the double agency role of the first-tier supplier. *Journal of Operations Management*, 41, 42-60.

Yin, R.K. (2018), *Case study research: Design and methods*, 6th edn, SAGE, Thousand Oaks, Calif, ISBN 9781506336169.