

# CHAPTER 1

## INTRODUCTION

### **The Independent Group**

A large section of the national workforce is predominantly home-based workers who tend to remain invisible, both physically as they are working inside their homes and statistically as very little data are available on them .In January 2007, while inaugurating the South Asian Regional Conference on Home-based Workers which was organized jointly by United Nations Development Fund for Women (UNIFEM) and Self Employed Women's Association (SEWA), the Prime Minister referred to the statistical invisibility of home-based workers in the national statistics of the country. In this background, the Ministry of Statistics and Programme Implementation decided in May 2007 to set up an Independent Group on Home-based Workers in India, under the chairmanship of Dr.N.S.Sastry, in which some of the other stake-holders may work jointly with the Ministry to examine the existing data sources and suggest means to capture the data related to home-based workers .The terms of reference of the Group were the following:

- (i) To firm up the concepts and definitions of home-based workers and their categories for data collection purpose.
- (ii) To provide a framework for key tabulations and analysis of available data on home-based workers from surveys on employment and unemployment, unorganized/informal sectors and economic censuses.
- (iii) To identify data needs, assess the available data sources and specify data gaps and make recommendations on pilot data collection programmes for filling these gaps in respect of home-based workers.

The composition of the Group was as under:

Chairman-Dr.N.S.Sastry, Independent Consultant

Members- Dr.S.K.Nath, Director General, Central Statistical Organisation

Dr.Jeemol Unni, Professor, Gujarat Institute of Developmental Research

Ms.Renana Jhabwala, National Coordinator, Self Employment Women's  
Association

Shri S.K.Das, Additional Director General, Central Statistical Organisation

Sri G.C.Manna, Deputy Director General(SDRD), National Sample Survey  
Organisation

Ms. Meenakshi Ahluwalia, Senior Programme Officer, UNIFEM

Ms. Sapna Joshi, Coordinator, Home Net South Asia

Ms. Firoza Mehrotra, Deputy Regional Programme Director, UNIFEM,  
Member- Secretary

Consequent upon his transfer from Central Statistical Organisation, Shri S.K.Das was replaced by Shri J.Dash, Additional Director General, Central Statistical Organisation. The full text of the office orders constituting the Group and extending its term are given in Annexes-1 & 2. The Group held seven meetings during June 2007-March 2008.

## **Lay Out of the Report**

The Report contains five chapters including this introductory chapter. In order to provide the contextual background for the task assigned to the Group, a brief review of international and national literature on home-based workers, homeworkers, place of work and classification of status in employment is included in this chapter. The second chapter is on the definition of home-based workers as evolved by the Group, which may be used for data collection purpose, keeping in view the realities of Indian conditions of work at home in rural and urban areas. The third chapter provides the framework for key tabulations on certain categories of home-based workers that are possible to be generated from existing data sources. The fourth chapter identifies the data requirements for formulating and implementing a national policy on home-based workers in India and

delineates the data gaps. The fifth chapter brings together the recommendations of the Group for creating and improving the database on home-based workers in the national official statistical system. In addition an Executive Summary containing the main issues considered and recommendations is given in the beginning of the Report..

## **Review of Literature**

Home-based workers are found in labor-intensive manual economic activities as well as capital or information-intensive professional or clerical services .Examples of such activities are : stitching of garments, preparation of shoe-uppers, making of incense sticks ,rolling of beedies ( a form of cigarettes ), laundry services, assembling of electrical plugs or electronic components, professional and technical consultancy services , and data entry, processing and analysis services offered to individuals and businesses. Women tend to be engaged relatively more than men in home-based economic activities.

There is a felt need to collect reliable statistics on home-based workers to help formulate and implement a ‘National Policy on Home-based Workers’. Efficient enumeration of women home-based workers is likely to improve female work participation rates in labour statistics. The major difficulty in identifying home-based workers in data collection programmes is lack of a clear statistical definition for home-based workers. There are, however, definitions of related terms like ‘outworkers’ and ‘homeworkers’. It is in this context, international developments are first reviewed, followed by Indian experience in this introductory chapter.

## **International developments**

### **Outworkers**

The Resolution concerning the International Classification of Status in Employment 1993 (ICSE-93) in paragraph 14,h) (ILO.1993a) defined outworkers and provided guidelines for classifying them as part of the categories of status in employment. These are quoted in the following:

*“Outworkers are workers who: a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by*

*prior arrangement or contract with that enterprise; but b) whose place of work is not within any of the establishments which make up that enterprise. These workers may be classified as being in “paid employment” or in “self-employment” according to the specific terms of their contract; they may be classified as “employers” if they engage other workers on a continuous basis.”*

The Resolution on Statistics of Employment in the Informal Sector, 1993(ILO, 1993b), in paragraph 18, dealt with the treatment of outworkers practically in the same terms as follows:

*“(1) Outworkers are persons who agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise, but whose place of work is not within any of the establishments which make up that enterprise.*

*(2) In order to facilitate data collection, all outworkers should be potentially included in the scope of informal sector surveys, irrespective of whether they constitute production units on their own (self-employed outworkers) or form part of the enterprise which employs them (employee outworkers). On the basis of the information collected, self-employed and employee outworkers should be distinguished from each other by using the criteria recommended in the United Nations System of National Accounts (Rev.4).*

*Outworkers should be included in the informal sector, or in the population employed in the informal sector, if the production units which they constitute as self-employed persons or for which they work as employees fulfill the requirements of informal own-account enterprises or enterprises of informal employers.*

*(3) In situations where the number of outworkers is significant or where outworkers represent a group of particular concern for data users, self-employed outworkers should be identified as separate sub-categories of informal own-account enterprises and enterprises of informal employers or of the owners of such enterprises.*

*(4) For purposes of distinction between employment on a continuous basis and employment on an occasional basis, and in application of the definition of registered employees (i.e. if they are employed on the basis of an employment or apprenticeship contract which commits the employer to pay relevant taxes and social security contributions on behalf of the*

*employee or which makes the employment relationship subject to standard labour legislation), employee outworkers should be treated in the same way as other employees. Where relevant, employee outworkers may be identified as a separate sub-category of informal sector employees.”*

It may be inferred from the 1993 definition of the outworkers, that this category of workers may be present both in the informal and the formal sectors, making it difficult to be captured as a single category of the labour force. Moreover employers would not spontaneously declare these workers who must be identified at the household level rather than at the enterprise level. Capturing reliable data on outworkers is a major issue for labour statistics.

*It may be noted that the ‘place of work’ of an ‘outworker’ is not within any of the establishments which make up the particular enterprise for which he or she agrees to work. Consequently, the ‘place of work’ of an ‘outworker’ may be his or her home or in other premises of his or her choice, other than the workplace of the employer.*

### **Homeworkers**

Apart from the term ‘outworker’, the other related term to ‘home-based worker’ is the term ‘homeworker’. The ILO Convention on Homework (ILO, 1996) defined the ‘homeworker’ as follows:

*“the term “homework” 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 services as specified by the employer, irrespective of who provides the equipment, materials or other inputs used,*

*unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions*

*Persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;*

*The term “employer” means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.”*

From the above definitions of ‘outworker’ and ‘homeworker’, it is evidently clear that both these terms mean the same category of worker. The workplace of a ‘homeworker’ is not limited only to his or her home, but it can extend to any place of his or her choice, except the workplace of the employer. Although the term “homeworker” is synonymous of “outworker”, the latter term is somewhat more logical as it is required from the worker that he or she perform the economic activity outside the premises of the enterprise for which he or she agrees to work.

### **Recommendations of Delhi Group**

Collection of data on the key variable ‘place of work’ in labour force and informal sector surveys is a necessary step for capture of data on homeworkers. Along with data on workplace, more difficult and complex data on ‘types of contractual arrangements’ are required to identify homeworkers. ‘Place of work’ as a tool to identify homeworkers/outworkers in labour force and informal sector surveys attracted consideration as early as in the second meeting of the Expert (Delhi) Group on Informal Sector Statistics held in Ankara(1998).

The 4<sup>th</sup> Meeting of Delhi Group, held in Geneva from 27-29 August 2000, adopted the following recommendation: ([http://mospi.nic.in/report\\_4.htm](http://mospi.nic.in/report_4.htm))

*“The Expert Group on Informal Sector Statistics recommends that countries include the variable “place of work” in labour force and informal sector surveys and endorses recommendations of the ILO Project on Measurement of Place of Work, as follows:*

*The physical place of work - where the worker spends most of the time - rather than the place of the economic unit to which he or she is attached, is the appropriate unit of classification when the unit of analysis is the worker.*

*One well-designed single question may be sufficient for the identification of place of work. However, in order to identify specific types of workers such as home-based workers, home workers, and street vendors, data on “place of work” will have to*

*be cross-classified at least by industry, occupation and status in employment.*

*An appropriate typology of “place of work” should be developed based on a conceptual framework.*

*A main analytical objective for inclusion of “place of work” in household surveys is to identify groups of workers such as home workers, street vendors and domestic workers who are particularly vulnerable in relation to the lack and difficulty of organising, the physical risks associated with the place of work, and the absence of social protection.*

*With respect to informal sector survey methods, the use of “place of work” in the construction of sampling frames may be explored and studied.”*

It is interesting to note separate use of terms ‘home-based workers’ and ‘homeworkers’ in the above recommendations.

The Delhi Group considered the possibility of providing a separate category for homeworkers in the classification of status in employment in the 5<sup>th</sup> meeting, held in Delhi during 19-21 September, 2001, and made the following recommendations:

( [http://mospi.nic.in/report\\_5.htm](http://mospi.nic.in/report_5.htm))

*(a). Depending upon their employment relationships and types of contracts, home workers can be found in any category of status in employment. Homeworkers should, therefore, be identified through the variable “place of work” in conjunction with existing other classifications, such as industrial and occupational classifications, rather than as a separate category of status in employment.*

*(b) In order to define the criteria for the distinction between independent and dependent homeworkers, as well as between own-account workers and employees in general, questions on the type of contractual arrangements should be used in surveys. Such questions provide better results than a mere self-assessment by respondents of status in employment.*

**It may be noted that the 5<sup>th</sup> Meeting of Delhi Group did not recommend a separate category of homeworkers in the Classification of Status in Employment.**

## Employment status of homeworkers

The following table quoted from ILO (2002) report on “*Women and men in the informal economy: A statistical picture*”, summarizes the intermediate status of homeworkers between the self-employed and employees in terms of the characteristics, such as nature of contract, form of remuneration, means of production, place of work, and degree of supervision..

<b>Characteristics</b>	<b>Self-Employed</b>	<b>Homeworkers</b>	<b>Employees</b>
<b>Contract</b>	sales contract	employment contract	employment contract
<b>Remuneration</b>	from sale of goods/ services	for work (typically piece rate)	for work (time or piece rate)
<b>Contract with</b>	Self	employer/intermediary	employer
<b>Means of Production</b>	provided by self	provided by self	provided by employer
<b>Workplace</b>	provided by self	provided by self	provided by employer
<b>Supervision</b>	Autonomous	indirect or no supervision	direct supervision

The report(ILO, 2002) points out that” *the current international standards for classifying workers would need to be re-examined to determine whether existing categories can be subdivided to accommodate these intermediate employment statuses or whether whole new categories that cut across existing ones would need to be introduced*”.

In the document ESA/STAT/AC.94/5: “ILO’s work with classifications” prepared by ILO for consideration at the Meeting of the Expert Group on International Economic and Social Classifications, New York, 8-10 December 2003, the following was reported; *At its 91st Session (2003), the International Labour Conference( ILC) discussed a report on “The employment relationship (ILO, 2003)” that provided a comprehensive review of the employment relationship worldwide and of the global problem of dependent workers whose status of employment is unclear, either because they are (i) in a situation similar to ‘paid employment’ but which is disguised as a self-employment situation; or (ii) in an*

*ambiguous situation with characteristics of both 'paid employment' and 'self-employment' or (iii) working under a triangular employment relationship in which it is not clear who the real employer is, what the workers' rights are and who is responsible for them*

There is thus clear recognition, at the international level, of the ambiguous status of employment in the case of some categories of workers such as homeworkers.

### **Home-based workers**

In the ILO (2002) report on "*Women and men in the informal economy: A statistical picture*", home-based workers are defined and related to homeworkers as follows:

*The term "home-based worker" is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed) and those who work for others (mainly as industrial outworkers).*

*The term "homeworker" is used to refer to a sub-set of home-based workers : namely, industrial outworkers who carry out paid work from their home. It is important to distinguish, both conceptually and statistically, between the following two categories (and related terms):*

*Home-based workers: all those who carry out market work at home or in adjacent grounds or premises whether as self-employed or as paid workers.*

*Homeworkers : those home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis.*

The important point to be noted in the above formulation is that the concept of 'home-based workers' is broader than that of 'homeworkers' and the two terms need to be related and yet differentiated. While there is an internationally recognized definition of 'homeworker' given in the ILO Convention on Home Work (1996), there is no such status, as yet, for a definition of 'home-based worker'.

## **Indian experience**

According to the web-site of Directorate General of Labour Welfare, Ministry of Labour and Employment (<http://labour.nic.in/dglw>):

*In India home-based workers are mainly engaged in beedi rolling, garment making, aggarbatti making, gem cutting, preparation of food items like papad, pickle, etc., handloom, lace and chikan work, etc..... With a view to providing legislative protection, welfare measures and social security to the large body of home-based workers who have been hitherto neglected, Government proposes to formulate a National Policy on Home-Based Workers. The elements that could go into the preparation of this document could, inter-alia, include survey of home-based workers, provision of legislative protection, occupational health and safety, provision of social security, prevention of child labour and forced labour, access to training, provision of welfare measures, etc.*

## **Employment and Unemployment Surveys of NSSO**

In the Employment and Unemployment Survey conducted by National Sample Survey Organisation (NSSO) in India during 55<sup>th</sup> round, 1999-2000, the data item on “location of workplace” for the usual principal and subsidiary activity status workers was introduced for the first time with provision for separate codes for the following:

no fixed workplace; own dwelling; own enterprise/office/shop outside own dwelling; employer’s dwelling; employer’s enterprise/office/shop but outside employer’s dwelling; street with fixed location; construction site; and others.

The same survey also has taken some pioneering steps in an effort to collect data on outwork in general and homework in particular. A series of questions/data items were addressed to/collected from self employed (employer, own account and unpaid) non-agricultural workers in the usual principal and subsidiary activity status, as follows:

- Whether worked under given specifications? (yes: wholly/mainly/partly, no, not known).
- Who provided credit/raw material/equipments?(own arrangement, provided by the enterprise-credit only/raw material only/equipment only/credit and raw material

- only/credit and equipment only/raw material and equipment only/credit, raw material and equipment, not known).
- Number of outlets of disposal: (1/2/3 or more/not known).
  - Basis of payment: (piece rate/ contract basis).
  - Type of specification: (written/oral/not known).

The data relating to the first question: “whether worked under given specifications “can be used in conjunction with the data on workplace to identify homeworkers. Additional data collected in the survey can be used to identify various categories of homework such as vertical subcontracting (dependent on contractor for supply of raw material, etc) or horizontal subcontracting (not dependent on the subcontractor for raw material, etc.).

In the Instructions to Field Staff (Vol.1) for the 55<sup>th</sup> round Employment and Unemployment survey, 1999-2000, the following guidelines were included:

*“There is a category of workers who work at a place of their choice which is outside the establishment that employs them or buys their product. Different expressions like “home workers”, “home-based workers” and “outworkers” are synonymously used for such workers. For the purpose of this survey, all such workers will be commonly termed as “home workers” and will be categorized as “self-employed”.*

*Home worker: A “home worker”, for the purpose of this survey, is one who:*

- carries out the work in his or her home, or in other premises of his or her own choice, but not in the work place of the employer. There is usually no direct supervision by the “employer”. The term “employer” means a person who either directly or through intermediary gives out work to the “home workers”. The “employer” may or may not provide the equipment, raw material or other inputs used;*
- carries out the work as per the product-specifications (i.e., mainly or solely under order/contract) of the “employer”, and*
- receives remuneration for work based on output, normally on piece-rate basis.*

*The “home workers” have some degree of autonomy and economic independence in carrying out the work and their work is not directly supervised as for the employees. Like the other self-employed, these workers have to meet certain costs, like actual or imputed rent on the buildings in which they work, costs incurred for heating, lighting and power, storage or transportation, etc. That means, they have some tangible or intangible means of production. Note that employees are not required to provide such inputs for production.*

*Note that the “home workers” are to be classified as self-employed.*

*It may further be elaborated that the “putting out” system prevalent in the production process in which a part of production which is “put out” is performed in different household enterprises ( and not at the employer’s establishment). For example, bidi rollers obtaining orders from a bidi manufacturer will be considered as home workers irrespective of whether or not they were supplied raw material( leaves, masala, etc.), equipment( scissors) and other means of production. The fee or remuneration received consists of two parts-the share of their labour and profit of the enterprise. In some cases, the payment may be based on piece- rate. Similarly, a woman engaged in tailoring or embroidery work on order from a wholesaler, or making pappad on order from particular unit/contractor/trader at her home will be treated as” home worker”. On the other hand, if she does the work in the employer’s premises, she will be treated as employee. Again, if she is not undertaking these activities on orders from outside, but markets the products by herself/other household members for profit, she will be considered as an own account worker, if of course, she dose not employ any hired help more or less on a regular basis.”*

The subsequent Employment and Unemployment survey in India, NSS 61<sup>st</sup> round in 2004-05 changed the question “whether worked under given specifications “of 55<sup>th</sup> round as ‘worked under specification or sub-contract’. In fact the question in 2004-05 was asked only to wage employed workers. This does not allow the capture of homeworkers who are not employees, but self- employed workers working on contract in varying degrees of

dependency. Addressing this question to only employees will not provide the information on homework.

**Thus the pioneering effort made in 55<sup>th</sup> round (1999-2000) Employment and Unemployment survey to collect data on identification of homeworkers and the experience gained was lost in the 61<sup>st</sup> round (2004-05) Employment and Unemployment survey.**

### **Informal/Unorganized Sector Enterprise Surveys of NSSO**

During the 55<sup>th</sup> round (1999-2000) of National Sample Survey (NSS) along with the Employment and Unemployment household survey, an Informal Sector enterprise survey was also conducted. In this enterprise survey, all non-agricultural private unincorporated enterprises which operate on either proprietary or partnership basis constitute the informal sector. As a follow-up to fourth economic census (1998), a sample survey of unorganized manufacturing enterprises was conducted during the 56<sup>th</sup> round (2000-01) of NSS. A survey on unorganized enterprises in services sector (covering hotels and restaurants, transport, storage and communication, real estate, renting and business activities, education, health and social work and other community, social and personal services) was conducted using economic census 1998 sampling frame, during 2001-2002 in the 57<sup>th</sup> round of NSS. The survey was similar to the survey on unorganized enterprises in manufacturing sector (2000-2001). Similar unorganized enterprise surveys have also been conducted in 62(2005-06) and 63(2006-07) rounds of NSS.

In these enterprise surveys, various characteristics of the enterprise which enable the classification of the enterprise into informal sector, location of enterprise, and type of contract on the basis of which the enterprise undertakes any work, have been collected. These items include:

type of ownership (proprietary male, proprietary female, partnership with members of the same household, partnership between members not all from the same household, cooperative society, private limited company, others);

location of the enterprise (within household premises, outside household premises: - with fixed premises and with permanent structure, with fixed premises and with

temporary structure/kiosk/stall, with fixed premises but without any structure, mobile market, without fixed premises such as street vendors, etc.);

whether the enterprise undertakes any work on contract basis (yes or no);

and if work on contract basis is undertaken, type of contract (working solely for enterprise/contractor, mainly on contract but also for other customers, mainly for customers but also on contract, solely for customers); equipment supplied (by the master unit/contractor, self-procured, both); raw materials supplied (by the master unit/contractor, self-procured, both); and design specified by contractor (yes or no).

Employment details of the enterprise, such as working owners, hired workers and other workers/helpers, have also been obtained.

In these enterprise surveys, location of workplace relates to the enterprise/its owner. Details of location are not collected for each worker employed by the enterprise. Thus, it is quite possible that an enterprise may be operating within the household premises (of the owner) but all workers of the enterprise (for example, hired workers) may not be home-based workers. All workers of own account enterprises (undertaking work on contract basis or not) but operating within household premises qualify to be home-based workers.

### **Fifth Economic Census (2005)**

The Fifth Economic Census conducted in India during 2005 provides a good example in identifying informal sector enterprises. All sectors of the economy (except crop production and plantations) were covered in the census. All units engaged in the production or distribution of goods or services other than for the sole purpose of own consumption were counted. The census covered businesses with hired employees or without hired employees. There were mainly two reporting forms (i) house- list schedule and (ii) enterprise schedule. Key data variables collected in house- list included: (i) census house category (residential only, residential-cum-enterprise unit, enterprise unit only, others including vacant), (ii) entrepreneurial unit number, (iii) household number, (iv) name of the enterprise/head of the household, (v) whether any member of the household is engaged in entrepreneurial activity within the premises or outside without

fixed structure (yes or no), (vi) number of enterprises within the household/unit, (vii) number of enterprises outside the household/unit and not having any structure (a) without fixed location and (b) with fixed location. Key data variables collected in the enterprise schedule included: (i) enterprise premises status (without premises or with premises), (ii) description of economic activity of enterprise, (iii) major activity or subsidiary activity, (iv) national industrial classification code (to be filled at supervisory level only), (v) classification of enterprise (agricultural or non-agricultural), (vi) operation code (perennial or non-perennial), (vii) ownership of enterprise (government or public sector, private-non-profit institution, unincorporated proprietary, unincorporated partnership, corporate non-financial, corporate financial, cooperative), (viii) number of persons usually employed (adult/children-male/female), (ix) number of unpaid or non-hired persons usually employed - (adult/children-male/female).

**It is possible to generate from this economic census data on number of home-based own-account enterprises and workers therein.**

#### **Availability of tabulated data from official statistical agencies**

Although NSS defined homeworkers, outworkers and home-based workers as synonymous terms and called them as homeworkers, tabulation of data collected on such workers by NSSO in the 55<sup>th</sup> round (1999-2000) was limited. From the Employment Unemployment Survey only one relevant table was generated: Per 1000 distribution of self-employed persons in non-agricultural sector working under given specification by extent of production under specification for each location of workplace (NSSO Report No.460). From the data collected in the Informal(55<sup>th</sup> Round) /Unorganized Sector enterprise surveys, which may throw some light on home-based enterprises and workers, again only one relevant table was generated: Proportion (per thousand) of home based enterprises by type of contract (NSSO Report No. 459). Final results of fifth economic census (2005) have not yet been released by Central Statistical Organisation (CSO).

While some effort has been made to collect data on home-based workers and enterprises working under specification (or contract), comprehensive and detailed estimates on home-based /home workers are so far not tabulated by the official statistical agencies in India. The individual unit level data collected by the NSSO in these household/enterprise surveys have, however, been made available to individual researchers.

#### **Non-official estimates compiled from NSS micro data**

Making use of household level micro data from 55<sup>th</sup> round(1999-2000) Employment and Unemployment survey by NSSO, Jeemol Unni and Uma Rani (2005) estimated home-

based workers in India *by treating home-based workers as falling into a continuum of production systems with varying relationship of dependence along the following groups:*

*A. Independent Producer: Own account worker/employer working on household premises*

*B. Dependent Producer: Outworkers who work at home, in another's home, other than the employer/contractor's premises under sub-contract arrangements.*

*- Horizontal sub-contracting: Not dependent on employer/contractor for raw material*

*- Vertical sub-contracting: Dependent on employer/contractor for raw material*

*C. Wage-worker: Persons working for wages or salaries in enterprises located in the employer's house.*

*This continuum of production systems and relationships could extend from the informal to the formal sectors of the economy*

Utilising enterprise level micro data from 56<sup>th</sup> round(2000-01) Unorganized Manufacturing sector survey conducted by NSSO, Jeemol Unni and Uma Rani(2005) also estimated home-based manufacturing workers in India.

### **Main issues for consideration of the Independent Group**

Based on the above review of literature, the main issues for the consideration of the Independent Group may be formulated as follows:

- (i) What constitutes “home” as a “place of work” in the rural and urban areas of India?.
- (ii) Is there a need to differentiate “home-based worker” from “homeworker” as defined by ILO Convention (1996)?
- (iii) If it is necessary to have a different definition for “home-based worker”, what is its relation with the definition of “homeworker”?
- (iv) Whether a “homeworker” not working at home but whose place of work is in other premises of his/her choice, other than the workplace of the employer, qualifies to be a “home-based worker”?

- (v) Which categories of workers classified by “status of employment” such as own-account workers, contributing family workers, etc., working at home, form part of “home-based workers”?
- (vi) Is it possible to identify unambiguously the “status of employment” of a “home-based” worker?
- (vii) Whether workers working from home but not at home, such as mobile vendors, taxi drivers, etc., form part of “home-based workers”?
- (viii) Keeping in view the definition of “home-based worker” to be formulated by the Group and the data collected from past labour force and enterprise surveys and economic census on “place of work” and other relevant characteristics of workers, what formats of key tabulations are possible to generate estimates on “home-based workers” and their characteristics from these existing data sources?
- (ix) What are the key data requirements for formulating and implementing a national policy for “home-based workers”?
- (x) What are the major data gaps on “home-based workers” and which are the possible data collection instruments in the official statistical system to fill up the identified data gaps?

The following chapters in the Report will deal with the above issues.

## CHAPTER 2

### DEFINITION OF HOME-BASED WORKERS

It is clear from the review of literature and main issues formulated in the introductory chapter that any attempt to provide a definition for home-based workers involves consideration of several factors. The Independent Group held intensive and in-depth discussions in seven meetings and considered a report on the results of a field-test of the proposed definition before formulating its recommendation on the definition of home-based workers. It is difficult to record all the forcible arguments advanced by the members of the Group in the process of evolving the recommendation. It must be categorically stated that considerable effort has often been spent in reconciling differing points of view presented on technical and administrative grounds. The Group benefited from the rich experience of its members and the officials of the Field Operations Division of National Sample Survey Organisation involved in the field-test.

#### **Need for Statistics on Home-based Work**

Why are we concerned with a definition of home-based work? This definition is required in order to obtain separate statistics on home-based workers. Home-based workers are an invisible and vulnerable group of workers and, therefore, there has been a felt demand for a “National Policy on Home-based Workers”. The vulnerability of home-based workers stems from two main features:

- Small scale of operation and economic risk in their economic activity
- Lack of employment and social security

In order to formulate a “National Policy for Home-based Workers”, it is first necessary to make them visible through statistics. A clear definition of home-based workers and the sub-categories within them is required to enable data collection through the official statistical systems. In the discussions of the Group, the definition of the home-based worker evolved through careful consideration of two important characteristics: the “place of work” and the “status in employment”.

#### **Place of work and Status in Employment**

The Group recognized the central role played by “place of work” in defining “home-based worker”. In the ILO Home Work Convention, 1996 the workplace of a “homeworker” is “*his or her home or other premises of his or her choice, other than the workplace of the employer*”. As mentioned in the introductory chapter, the logic of defining the workplace of an “outworker” has been used in defining the workplace of “homeworker” and consequently “outworker” and “homeworker” are used synonymously in the literature.

**The Group is of the considered view that the workplace should be only the “home” of the worker in defining “home-based worker”.** This is because home-based work carried out at home enables household members, especially women and contributing family workers, to combine such economic activities with household chores and care of children, sick and elderly family members. Preponderance of women in home-based workers justifies this argument. The economic activities at home such as weaving, pottery, basket-making with bamboo materials, tailoring, embroidery, jewelry-making, toy-making, sale of grocery, etc., are performed not only in the space used for living purpose but also in a structure attached to living place, and/or open area/detached structure adjacent to the living place. Taking into consideration such ground realities regarding the use of space for carrying out economic activities at home by a worker, the Group recognized the need to define “home” in the context of defining a “home-based worker”. After intensive discussions, the Group *initially proposed* the following definition of “home” for use in defining a “home-based worker”:

‘Home’ is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

This definition of ‘home’ was field tested and in the process of evolution of the definition it was redefined as we shall discuss later.

After proposing a definition of ‘home’, the Group examined the possible categories:

(1) employees,(2) employers,(3)own-account workers,(4) members of producers’ cooperatives and(5)contributing family workers (according to the classification of status in employment),

to which ‘persons working at home’ may belong.

Work at home involves incurring of expenses on the actual or imputed rent, cleaning, heating, electricity, etc. Employees do not incur such expenses and hence do not qualify for inclusion in the group of ‘persons working at home’. Here the feature of economic risk was assessed to distinguish home-based workers from employees working at home.

Employers and members of producers’ cooperatives, in general, carry out their businesses at fixed places other than their homes. Employers engage on a continuous basis one or more persons as employees to work for them in their businesses and their scales of operations are usually higher than those of ‘persons working at home’. For these reasons, employers or members of producers’ cooperatives, in general, do not figure prominently in the group of ‘persons working at home’. Here the feature of scale of operation was used to distinguish home-based own account workers from employers and members of producers’ cooperatives.

Own-account workers, who by definition do not engage a hired worker on a continuous basis, and contributing family workers helping them can work at home or at a place away from home or with no fixed workplace. It is important to note that a contributing family worker holds a ‘self-employment’ job in a market-oriented enterprise operated by a related person.

Own-account workers and contributing family workers helping such own-account workers, having their workplaces in their own homes, qualify for inclusion in the group of 'home-based workers'. Compared to employees, employers and members of producers' cooperatives, the group of **own-account workers and contributing family workers helping them in carrying out economic activities at home** have a smaller scale of operation and undertake economic risk. They do not have employment security, often due to seasonal nature of operations, and lack social security. They also tend to remain isolated and, therefore, to be less well organized and more vulnerable, and have less voice vis-à-vis public authorities.

Homeworker, according to ILO Convention (1996), works *in his or her home or in other premises of his or her choice, other than the workplace of the employer*. A homeworker, who works in his or her home has the same features of small scale of operation, undertaking economic risk, having no employment and social security. On this score he/she qualifies for inclusion in the group of 'home-based workers' .

As mentioned in the introductory chapter, however, a homeworker cannot be classified unambiguously into any one of the categories of the classification of status in employment. But a homeworker working in his or her home, for reasons explained in the above paragraphs, may be classified as an own-account worker for data collection purpose and included in the group of 'home-based workers'. Contributing family workers, helping homeworkers in carrying out economic activities in their homes, also qualify for inclusion in the group of 'home-based workers'.

Based on the above arguments,

(a) own-account workers, engaged in economic activities at home, and contributing family workers helping them and

(b) homeworkers, whose places of work are their homes, and contributing family workers helping them,

were identified for inclusion in a group of persons working at home to be named as 'home-based workers'.

Based on the above logic, the Group initially proposed the following definition of home-based workers for the purpose of conducting a field-test:

Home-based workers are-

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and
- (b) those homeworkers, who work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such homeworkers.

Such homeworkers cannot be classified unambiguously into any one of the existing 'status in employment' categories. For data collection purpose, such homeworkers may be classified as own-account workers.

'Home', referred to above, is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

It may be noted that in the above definition of home-based worker, *a homeworker carrying out work not in his or her home but in other premises of his or her choice, other than the workplace of the employer, is excluded.*

Although the employment status of homeworkers forming part of home-based workers may be recorded as own-account workers for data collection purpose, these workers should be separately identified and not clubbed with own-account home-based workers, for valid reasons, as aptly brought out in ILO (2002) and quoted in the following: *The problems and constraints faced by self-employed home-based workers and homeworkers are quite different, although both typically lack bargaining power and have to provide their own social protection. Homeworkers are often forced by circumstances to work for low wages without secure contracts or fringe benefits and to cover some production costs (in particular, equipment, space, utility costs). Most self-employed home-based workers, except high-end professionals, face limited access to and/or competition in relevant markets. To improve their situation homeworkers need to strengthen their capacity to bargain for regular work orders, higher piece-rates, and overdue back-pay (a common problem faced by homeworkers); while home-based self-employed need better access to financial markets and enhanced capacity to compete in product markets. In effect, homeworkers often face problems of exploitation while the self-employed often face problems of exclusion. The strategies to address problems of exploitation in labour markets – such as collective bargaining for higher wages – are different than the strategies to address problems of exclusion in capital and product markets – such as providing access to financial, marketing, and business services.*

### **Field-test of the definition**

To assess the difficulties, if any, in collecting data on home-based workers by adopting the above proposed definition for home-based workers, the Group desired to have a field-test. The best data source to collect data on home-based workers in the country is the NSSO household survey on employment-unemployment (Schedule 10 of quinquennial round). In the 55<sup>th</sup> round (1999-2000) survey on employment-unemployment, data on homeworkers (as defined by ILO Convention on Home Work) were collected. Apart from 'status code of activity', information on location of workplace of the enterprise, where the worker (*either in the capacity of usual principal status or subsidiary status*) was employed, had been collected. The relevant code structures for the 'status' and 'location of workplace' can be extended slightly to meet the requirement of the proposed definition in the field-test. The proposed code structures are given below:

<b>activity status</b>	<b>code</b>
worked in household (hh.) enterprise (self-employed) as own account worker	...11
worked in hh. enterprise (self-employed) as employer	...12
worked as helper in hh. enterprise (unpaid family worker):	
helping own account worker	...211
helping employer	...212
worked as regular salaried/wage employee	...31
worked as casual wage labour : in public works	...41
in other types of work	...51
did not work but was seeking and/or available for work	...81
attended educational institutions	...91
attended domestic duties only	...92
attended domestic duties and was also engaged in free collection of goods (vegetables, roots, firewood, cattle-feed etc.) sewing, tailing, weaving etc. for hh. use	...93
rentiers, pensioners, remittance recipients, etc.	...94
not able to work due to disability	...95
beggars, prostitutes	...96
others	...97

**Location of workplace:**

no fixed workplace -1

*workplace in rural areas and located in: living place/ own dwelling-2, structure attached to living place-3, open area/detached structure adjacent to living place-4, own enterprise/unit/office/shop but away from own dwelling/living place-5, employer's dwelling -6, employer's enterprise/unit/office/shop but outside employer's dwelling -7, street with fixed location-8, construction site-9, others -10*

*workplace in urban areas and located in: living place/ own dwelling-11, structure attached to living place-12, open area/detached structure adjacent to living place-13, own enterprise/unit/office/shop but away from own*

*dwelling/living place-14, employer's dwelling -15, employer's enterprise/unit/office/shop but outside employer's dwelling -16, street with fixed location-17, construction site-18, others -19*

The schedule tested in the field is placed as Annex-3. The relevant instructions are at Annex-4

Five members of the Group including the Chairman and Director General, Central Statistical Organisation met at Mahalanobis Bhavan, Kolkata on 2<sup>nd</sup> January 2008 to train the field staff of local NSSO Regional Office about the field test of the definition of home-based workers (HBW).. A field visit was organized on 3<sup>rd</sup> January 2008 in one village and one urban block in New Barrackpore area of the district of 24 Parganas (North). In all, 18 households (mostly having HBW) were visited to assess difficulties, if any, in collecting the information on activity status and location of workplace of the workers as per the modified code structure proposed to identify HBW according to the proposed definition.

- For field test, the village Saharpur, district 24 Parganas (North) and ward no.1 belonging to Madhyamgram municipality of district 24 Parganas (North) were selected.
- **Members of the Group present during field-test:**
  1. Dr. N. S. Sastry, Ex DG & CEO, NSSO (Chairman of the Group),
  2. Prof. Jeemol Unni ,3. Ms. Meenakshi Ahluwalia,4. Shri G. C. Manna
- **Participating field officials of NSSO(FOD):**
  1. Shri S.K. Sarkar, Sr. Superintendent, 2.Shri S. K. Gan, Superintendent, 3.Shri Samar Das, Sr. Investigator, 4.Shri D. Mukherjee, Sr. Investigator,5.Shri Samiran Dutta, Investigator, 6.Shri S.K. Mukherjee, Investigator

The concepts and definitions associated with the identification of HBW were discussed at length on 2<sup>nd</sup> January 2008 with the field officials before proceeding towards the field. A feedback session was also held after field-test on 3<sup>rd</sup> January 2008 to discuss the problems, confusions and difficulties faced in the field.

A sample of 18 households, 9 from rural and urban each, was selected purposively having own account workers and contributing family workers helping them. Information collected from them included (a) Demographic particulars of members of household (Block 1), (b) Activity particulars of household members (Block- 2), and (c) Particulars of field operations (Block 3). Difficulties, problems and confusions that arose during collection of information, in general, and field difficulties faced, in particular. on status code vis-à-vis location of work place were recorded.

A summary of household level key information is furnished in the following:.

**RURAL**

Sr no	Hh size	Description of Principal activity	No of persons with		Location of work place (code)	Whether working under specification (code)
			Code 11	Code 211		
1	6	RT Grocery	1	2	4	4
2	5	RT Grocery	1	-	3	4
3	6	Mfg Steel furniture	1	-	3	4
4	4	i) RT fish	1	-	5	4
		ii) RT Grocery	1	-	3	4
5	6	Laundry	1	1	4	3
6	5	Mfg of coal briquette	1	-	4	4
7	7	i) Mfg of bidi	1	1	2	1
		ii) Tailoring	1	-	2	1
8	4	Mfg of bidi	1	1	2	1
9*	5	RT Grocery	1	-	5	4

\*REJECTED: The own shop is situated on the other side of the owned house across the road.

The above table depicts that out of 8 eligible households under survey, only 4 households are having contributing family members helping in the entrepreneurial activities and 2 households have more than one eligible activity. Three households run their business from their dwelling units, 3 households from their structure attached to their dwelling units and other 3 households run from the detached structure but adjacent. Two households with 3 enterprises get specifications wholly, 1 household partly and 6 households with 7 enterprises work with no specifications.

**URBAN**

Sr no.	Hh size	Description of Principal activity	No of persons with		Location of work place (code)	Whether working under specification (code)
			Code 11	Code 211		
1	3	Private Tuition	1	-	11	4
2	3	Mfg of Garments	1	1	12	1
3	11	Mfg of amplifier box	1	1	11	3
4	4	Mfg of Garments	1	-	11	1
5	3	Tailoring	1	2	11	1
6	4	Tailoring	1	-	11	2
		i) RT in Grocery	1	-	13	4
		ii) Mfg of Garments	1	-	12	1
8	3	RT in Grocery	1	1	11	4
9	3	Mfg paper packet	1	-	11	1

*The table in urban area shows that out of the 9 eligible households surveyed, 4 households have only contributing family members and 5 households are fully dependent on the single owner to run the enterprise. Out of the total households, 7 households run the enterprise from their dwelling units only. 5 households get specification wholly, 1 household mainly and 1 partly and 2 households with no specifications for 3 enterprises.*

**Major difficulties/confusions and suggestions noted in field-test:**

1. Field difficulties were faced mainly to ascertain the appropriate code for the location of work place. Confusion emerged for proper codification due to lack of clarity in defining the following terms:

Living place

Adjacent to living place

The definition of living place was lacking precision. Treatment of the open space in between the dwelling and structure of the enterprise within the boundary walls of the residential premises was not clear. Whether the “open space” should be included along with the dwelling unit or not?

SUGGESTION:

(i) So far NSSO followed either household or enterprise approach to conduct socio-economic surveys. There was no concept or definition of “living place” in the NSS terminology. Hence the confusion is. It would be better to use the concepts which were/are already in use (e.g. dwelling unit) and the field personnel are well conversant. Under the circumstance the term “living place” may be dropped and the “dwelling unit” should consider the “open space” within it.

(ii) Clarification is required on the term “adjacent” in terms of the closeness or the proximity in order to bring uniformity in the concept.

2. Confusions were there about the structure attached to the living place. As per NSS practice, attached structure should imply the connectivity with the main structure either by roof or ground level.

3. There were some household workers who carried out their activities both at home and outside. There is a chance of losing them in either way if the present method to catch them either by time disposition or major earning is followed.

4. In the code structure of the specifications (BI-2, col-14), the line of demarcation between Wholly – 1 and Mainly – 2 is not conspicuous. It may be expressed in terms of percentage.

5. Principal activity status is being determined by major time disposition. A housewife having code 93 for principal usual activity status could not be ascertained with proper code for her subsidiary activity. Provision of incorporation of the subsidiary activity code (211) should be made in the schedule.

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After the field-testing was over, a feed back session was held in the afternoon. Exchange of views took place amongst the participating members of the Independent Group and field officials. In this deliberation, it was felt by the field officials that if the instructions as well as the concepts and definitions are provided with precision and if proper training is provided to the field officials, there would be *no difficulty* for them to collect information with reasonable accuracy..

## Consideration of findings of the field-test by the Independent Group

The Group carefully considered the findings of the field-test and after detailed discussion decided to replace 'living place' with 'dwelling unit' in the definition of 'home'. In the surveys conducted by NSSO, the following definition is used :

***Dwelling unit** is the accommodation availed of by a household for its residential purpose. It may be an entire structure or a part thereof or consisting of more than one structure. There may be cases of more than one household occupying a single structure such as those living in independent flats or sharing a single housing unit, in which case, there will be as many dwelling units as the number of households sharing the structure. There may also be cases of one household occupying more than one structure (i.e. detached structures for sitting, sleeping, cooking, bathing etc) for its housing accommodation. In this case, all the structures together constitute a single dwelling unit. In general, a dwelling unit consists of living room, kitchen, store, bath, latrine, garage, open and closed veranda, etc. A structure or a portion thereof used exclusively for non-residential purposes or let out to other households does not form part of the dwelling unit of the household under consideration. However, a portion of a structure used for both residential and non-residential purposes is treated as part of the dwelling unit except where the use of such portion for residential purpose is very nominal. The dwelling unit covers all pucca, semi-pucca, and kutcha structures used by a household. Households living more or less regularly under bridges, in pipes, under staircase, in purely temporary flimsy improvisations built by the roadside (which are liable to be removed any moment) etc., are considered to have no dwelling.*

Within the definition of 'home', detached structure adjacent to living place has been included in the field-test. The field team saw cases where there was a courtyard or a public road in between a home and the shop. This led to scope for subjectivity in determining whether the structure is detached or not. The Group discussed at length the pros and cons of including detached structure. The Group has decided to drop 'detached structure adjacent to living place' in the definition of 'home' as it is causing confusion in the field and considered to be an independent premises separate from home.

The Group has not found it possible to replace the term 'adjacent' with a more precise term in the definition of 'home'.

Taking into account the above decisions, after the field-test, the Group modified the definition of 'home' as follows:

'Home' is defined as (i) **dwelling unit** and/or (ii) structure attached to **dwelling unit** and/or (iii) open area adjacent to the **dwelling unit**.

These changes are incorporated in the definition of home-based workers.

**The Group recommends that:**

**Home-based workers are-**

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and**
- (b) workers carrying out work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such workers.**

**Workers referred in (b) above are homeworkers working in their homes according to ILO Convention 177 on Home Work,1996.Such homeworkers cannot be classified unambiguously into any one of the existing ‘status in employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.**

**‘Home’, referred to above, is defined as (i) dwelling unit and/or (ii) structure attached to dwelling unit and/or (iii) open area adjacent to the dwelling unit.**

**Finalization of Codes on the Location of the Workplace in the employment unemployment survey.**

**Based on the definition of home-based workers recommended by the Group, the following codes for location of workplace are recommended for the employment-unemployment survey.**

**location of workplace:**

**no fixed workplace -1,**

**workplace in rural areas and located in: own dwelling unit-2, structure attached to own dwelling unit-3, open area adjacent to own dwelling unit-4, detached structure adjacent to own dwelling unit- 5, own enterprise/unit/office/shop but away from own dwelling-6, employer’s dwelling unit -7, employer’s enterprise/unit/office/shop but outside employer’s dwelling -8, street with fixed location-9, construction site-10, others -11**

**workplace in urban areas and located in: own dwelling unit-12, structure attached to own dwelling unit-13, open area adjacent to own dwelling unit-14, detached structure adjacent to own dwelling unit- 15, own enterprise/unit/office/shop but away from own dwelling-16, employer’s dwelling unit -17, employer’s enterprise/unit/office/shop but outside employer’s dwelling -18, street with fixed location-19, construction site-20, others -21**

**The location of workplace for homeworkers by the definition of home-based workers given by the Group will include codes 2, 3 and 4 in rural areas and the corresponding codes in the urban areas 12, 13 and 14.**

**The location of workplace for homeworkers by ILO Convention definition of homeworkers will include codes 2-6, 9, 10, in rural areas and corresponding codes in the urban areas 12-16, 19 and 20.**

**The Group recognizes the possibility of capturing data on home-based workers in the unorganized sector enterprise surveys conducted by NSSO, as mentioned in the introductory chapter. The code structure used for ‘location of workplace of the enterprise’ in these surveys needs suitable modification, particularly for the location: ‘within household premises’ on the lines recommended for employment-unemployment survey. The Group recommends expansion of code 1 (within household premises) in the unorganised enterprise survey to include own dwelling unit, structure attached to own dwelling unit and open area adjacent to own dwelling unit.**

## **CHAPTER 3**

### **MAJOR RESULTS AND FRAMEWORK FOR KEY TABULATION FROM EXISTING DATA SOURCES**

It may be recalled that the second term of reference for the Independent Group is to provide a framework for key tabulation and analysis of available data on home-based workers from surveys on employment and unemployment, unorganized/informal sectors and economic censuses. This chapter provides:

- (a) major results available from published reports of official statistical agencies and
- (b) a framework that is possible to be used for generating key tables from unit (household/enterprise) level data collected in completed surveys/economic census, by adopting the recommended definition of home-based workers to the extent feasible.

As may be seen from the definition of home-based workers (HBW) recommended by the Group, key features instrumental in the identification of HBW are: (i) location of workplace of the worker (i.e. whether working in his/ her 'home' or not), (ii) 'activity status' of the person (i.e. whether own-account worker / contributing family worker or not), and.(iii) whether the work results in a product/ service for market or as specified by the 'employer'.

Within the National Sample Survey (NSS), there are two sources from which one can obtain some information about the HBW. One, the unit (household) level data collected in the Employment-Unemployment Surveys (EUS) on: (i) 'usual activity status', (ii) 'location of workplace' of the enterprise where the worker is employed and (iii) type of contract, if any, can be cross-classified for this purpose by state, sector, industry etc. And second, the unit (enterprise) level information collected in Enterprise Surveys (ES) for informal sector/ unorganized manufacture and services sectors on: (i) location of the

enterprise and (ii) type of contract. if any, in respect of own-account enterprises (OAE) can also be analyzed.

From fifth Economic Census (2005), data collected for own-account enterprises on location of enterprise (within household premises) and workers employed therein can be tabulated by state, rural/urban sector, industry, etc.

### **Employment-Unemployment Surveys of NSSO**

Although information on usual activity status is being collected in almost all the surveys through Schedule 10 of EUS, question on location of workplace of the enterprise where the person is employed was introduced for the first time in the 55<sup>th</sup> round (1999-2000) of NSS. The question is repeated in the 61<sup>st</sup> round (2004-05) of NSS as well. For the self-employed, information on “whether working under given specifications” was also collected in NSS 55<sup>th</sup> round. Analysis of this information would help in assessing the size of homeworkers. But this scope has been curtailed in the 61<sup>st</sup> round of NSS since this question was dropped.

It would be useful to discuss the code structures of the relevant items to know to what extent the information about HBW can be retrieved from these surveys. As regards the ‘activity status’, code structure is quite elaborate. It has provisions to give separate codes to own account workers and unpaid (contributing) family workers. For location of workplace, ‘own dwelling’ has been assigned a specific code (with provision to identify whether the workplace is in rural or urban areas) in both the rounds stated above. But obviously, this code will identify only a sub-set of HBW. This is because the term ‘home’ in the definition of HBW recommended by the Group includes other locations of working in (a) structure attached to dwelling unit, and (b) open area adjacent to dwelling unit, which are not assigned separate codes in the NSS rounds. To overcome this situation, the Group recommends in Chapter 2 modification of the code structure of the subsequent quinquennial NSS rounds.

As stated already, information on “whether working under given specifications (with separate provisions in code structure for working wholly/mainly/partly under specifications)” collected in NSS 55<sup>th</sup> round would help identify the homeworkers as a

subset of HBW. **The Group recommends that the question on “whether working under given specifications” put to self-employed in 55<sup>th</sup> round, but dropped in the 61<sup>st</sup> round of NSS, needs to be re-introduced in the subsequent surveys for meeting the data requirements on homeworkers as a separate category of home-based workers.**

### **Enterprise Surveys of NSSO**

The relevant items of information in the ES for relating them with HBW are ‘enterprise type’, ‘location of the enterprise’ and ‘type of contract, if any’. As per the definition of HBW, only the own- account enterprises (OAEs) and not the ‘establishments’ (i.e. the enterprises running with the help of at least one hired worker on a fairly regular basis) would qualify for the linkage of the workers of these enterprises with HBW. Since OAEs are given separate enterprise type code, this information would be useful. As regards location of the enterprises, those operating ‘within household premises’ have been assigned specific code in the recent ES for which results are available, namely, 55<sup>th</sup> round informal sector survey, 56<sup>th</sup> round and 62<sup>nd</sup> round (surveys on unorganized manufacture) and 57<sup>th</sup> round (survey on services sector other than trade and finance). Through this code, one would be in a position to identify the subset (major part) of all target enterprises engaging HBW. The remaining subset of enterprises which are, for example, operating in structure attached / open area adjacent to household premises cannot be probably netted. In Chapter 2, **the Group recommends expansion of code (within household premises) in the unorganised enterprise survey to include own dwelling unit, structure attached to own dwelling unit and open area adjacent to own dwelling unit.**

The information on type of contract (with details of working solely for enterprise/contractor, working mainly on contract but also for other consumers, mainly for customers but also on contract, and solely for customers) collected in the recent ES, if analyzed, would throw useful light on the functioning of homeworkers forming part of HBW.

### **Key findings from the published data of recent NSS rounds**

Certain key findings from the NSS 61<sup>st</sup> and 55<sup>th</sup> rounds of EUS and NSS 62<sup>nd</sup> round (survey on unorganized manufacture enterprises), 57<sup>th</sup> round (survey on services

sector enterprises excluding trade and finance) and 55<sup>th</sup> round survey of informal sector enterprises are presented below. Although the relevant surveys were not in a position to identify the whole set of HBW exclusively (due to the inherent limitation in the code structures of location of workplace/enterprise), the information would indeed be useful to form some rough idea about the size of HBW in the country.

## Results from employment-unemployment surveys

Table 1, that follows, gives the number of workers, usual principal and subsidiary statuses (ps+ss) taken together, by broad industry, residing in rural and urban India separately, for those working in proprietary and partnership enterprises only as per NSS 61<sup>st</sup> round (2004-05) EUS. Percentages of workers working in their own dwellings are also presented. Since separate estimates for own account workers and contributing family workers helping such own account workers were not readily available, the data on workers presented in this table include other types of workers like employers and employees. *It is to be noted from this table that percentage of workers working in own dwelling is much higher for females as compared to males.*

**Table 1: Percentage of workers working in their own dwellings, NSS 61<sup>st</sup> round (2004-05)**

Industry	Number of workers ('00) (P&P)			Percentage of workers (P&P) working in own dwelling		
	Male	Female	Person	Male	Female	Person
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Rural India</b>						
Agriculture*	61,697	161,698	223,394	39.7%	72.4%	63.3%
Non-agr.	527,733	149,287	677,020	17.5%	59.3%	26.8%
Combined	589,429	310,985	900,414	19.8%	66.1%	35.9%
<b>Urban India</b>						
Agriculture*	7,691	9,796	17,487	35.7%	76.2%	58.4%
Non-agr.	489,456	102,424	591,880	11.7%	49.8%	18.3%
Combined	497,147	112,220	609,366	12.1%	52.1%	19.5%

Note: Figures presented above under the caption P&P correspond with workers (usual principal and subsidiary statuses taken together) engaged in proprietary and partnership enterprises only, irrespective of activity status of the workers (i.e. they include employees in addition to self-employed)

\*Excluding growing of crops, market gardening, horticulture and growing of crops combined with farming of animals

Source: Appendix Table 3, NSS Report No. 519 (Part-I), NSS 61<sup>st</sup> Round

In the 55<sup>th</sup> round (1999-2000) EUS, percentages of non-agricultural workers (usual principal and subsidiary statuses taken together) engaged in proprietary and partnership enterprises(P&P),with own dwelling as workplace, were as follows(Source: NSSO Report No.460,Chapter 4, Table 8):

Rural India-Male (21.2%), Female (59.0%), Person (29.9%);

Urban India-Male (12.4%), Female (40.0%), Person (17.3%)

*From the above results of 55<sup>th</sup> and 61<sup>st</sup> rounds of EUS, it may be noted that between 1999-2000 and 2004-05, percentage of non-agricultural female workers engaged in P&P enterprises with own dwelling as workplace increased from 40% to 49.8% in urban India.*

Another important result from 55<sup>th</sup> round EUS (Source: NSSO Report No.460, Chapter 4, Table 10) on percentage of self-employed (including own-account workers, contributing family workers, employers and members of producers' cooperatives) non-agricultural usual status (ps+ss) workers reporting own dwelling as workplace was:

Rural India- Male (31.6%), Female (70.3%), Person (42.2%);

Urban India- Male (20.4%), Female (61.8%), Person (28.3%).

*It may be noted that substantially higher share of women compared to men used own dwelling as workplace in both rural and urban areas among the self-employed. Own dwelling as workplace to carry out non-agricultural economic activities was observed more in rural areas compared to urban areas among the self-employed.*

Among non-agricultural self-employed usual status (ps+ss) women workers with own dwelling as workplace, those working under given specifications constituted 46.4% compared to 24.7% among corresponding male workers in rural India, while in urban India the respective percentages were 33 and 25.3,during 1999-2000(Source: NSSO Report No.460, Chapter 4, Table 11) .*Sub-contracted work was thus more prevalent among self-employed women workers carrying out non-agricultural economic activities in their own dwellings than among similarly situated male workers.*

## **Results from enterprise surveys**

Table 2, given in next page, presents estimated number of own- account manufacturing enterprises (OAMEs) and percentage of OAMEs working within household premises by industry code for all-India as per NSS 62<sup>nd</sup> round ES (2005-06) on unorganized manufacture. The corresponding information with respect to number of workers is not available in the published report.

*It may be seen that about 83% of OAMEs in rural India and 74% of OAMEs in urban India were operating in household premises as per this survey.*

*.About 90% and above OAMEs in both rural and urban areas operated within household premises in respect of the unorganized manufacturing industries:*

*Tobacco Products,*

*Textiles,*

*Paper and Paper Products,*

*Chemicals and Chemical Products.*

*About 60 to 90% OAMEs in both rural and urban areas operated within household premises in respect of the unorganized manufacturing industries:*

*Wearing Apparel, Dressing and Dyeing of Fur;*

*Tanning and Dressing of Leather, manufacture of Luggage, Handbags, Saddlery, Harness and Footwear;*

*Wood and of Products of Wood and Cork except Furniture, Manufacture of Articles of Straw and Plaiting Materials;*

*Rubber and Plastics Products;*

*Manufacture of Other Non-Metallic Mineral Products.*

**Table 2: Percentage of enterprises working within household premises by sector for each industry, NSS 62<sup>nd</sup> round (2005-06)**

Industry* (NIC 2004)	OAME			
	Rural India		Urban India	
	Estimated number of enterprises	Percentage of enterprises working within household premises	Estimated number of enterprises	Percentage of enterprises working within household premises
(1)	(2)	(3)	(4)	(5)
01405	6063	78.6	1671	36.5
15	1777603	62.8	346262	53.7
16	2336177	99.1	468361	99.3
17	1589000	94.4	587131	89.8
18	1815185	82.3	1020685	74.9
19	32729	62.7	58191	69.5
20	1836581	81.8	159382	65.4
21	102294	99.2	45637	95.2
22	9750	40.2	44652	44.2
23	2455	4.8	656	27.1
24	279805	98.5	105788	96.2
25	15074	91.6	15190	71.5
26	458791	80.5	68437	76.3
27	9608	69.6	9380	58.8
28	302545	76.3	84071	42.8
29	58709	48.9	37355	26.9
30	57	100.0	98	100.0
31	43847	31.0	27359	34.7
32	1379	36.9	921	54.5
33	110	0	3796	38.8
34	651	78.1	907	13.3
35	4482	14.7	5018	36.9
36	425621	58.2	411325	52.2
37	205	100.0	1913	17.6
All	11108720	83.3	3504186	74.1

Source: NSS Report No. 524, Table 7, page nos. A-129 & A-133

- Industry code descriptions are given in the next page

**Description of industry codes for manufacturing activities under the survey  
coverage of NSS 62<sup>nd</sup> round  
(Reference: Table 2)**

<b>Division</b>	<b>Description</b>
01405	Cotton ginning, cleaning and baling
16	Manufacture of Tobacco Products
17	Manufacture of Textiles
18	Manufacture of Wearing Apparel; Dressing and Dyeing of Fur
19	Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear
20	Manufacture of Wood and of Products of Wood and Cork, Except Furniture; Manufacture of Articles of Straw and Plaiting Materials
21	Manufacture of Paper and Paper Products
22	Publishing, Printing and Reproduction of Recorded Media
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel
24	Manufacture of Chemicals and Chemical Products
25	Manufacture of Rubber and Plastic Products
26	Manufacture of Other Non-Metallic Mineral Products
27	Manufacture of Basic Metals
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipment
29	Manufacture of Machinery and Equipment N.E.C.
30	Manufacture of Office, Accounting and Computing Machinery
31	Manufacture of Electrical Machinery and Apparatus N.E.C.
32	Manufacture of Radio, Television and Communication Equipment and Apparatus
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers
35	Manufacture of Other Transport Equipment
36	Manufacture of Furniture; Manufacturing N.E.C.
37	Recycling

N.E.C.- Not Elsewhere Classified

*Table 3R/U gives percentage of enterprises/workers working within household premises by tabulation category for own account enterprises (OAEs) as per NSS 57<sup>th</sup> round (2001-02) ES on services sector (excluding trade and finance). As per the survey, about 35% of workers ( engaged in OAEs only) of rural India and 25% of such workers in urban India were found to be working within the household premises.*

**Table 3R: Percentage of enterprises and workers working within household premises by tabulation category / activity, NSS 57<sup>th</sup> round, 2001-02**

**Rural**

Tabulation category / activity		OAE		All-India	
Code	Description	Estimated number of enterprises	Percentage of enterprises working within household premises	Estimated number of workers	Percentage of workers working within household premises
(1)	(2)	(3)	(4)	(5)	(6)
H1	hotels	2314	9.9	9337	5.9
H2	restaurants	1055943	24.1	1779063	26.6
H	Hotels and restaurants	1058257	24.1	1788401	26.5
I1	Storage and warehouse	1323	37.2	1885	32.6
I2	mechanized road transport	742929	18.0	878635	19.8
I3	other transport and related activities	1668149	20.0	1774458	19.6
I4	communication	194362	23.6	261207	25.5
I	Transport, storage and communications	2606762	19.7	2916186	20.2
K	real estate, renting and business activities	442547	45.3	583107	42.7
M	education	466940	67.8	499063	65.7
N	health and social work	836614	46.8	894420	46.4
O	other community social and personal service activities	2122500	39.9	3237174	44.3
All		7533621	33.5	9918351	35.2

Source: NSS Report No. 483, Table 12 (page no. A-92), Table 14 (page no. A-110).

*From the above table, it may be noted that in rural India in the unorganised sector, about 68% of education OAEs were located in household premises and employed 66% of workers; 47% of health and social work OAEs were situated in household premises and employed 46% of workers, during 2001-02.*

**Table 3U: Percentage of enterprises and workers working within household premises by tabulation category / activity, NSS 57<sup>th</sup> round**

**Urban**

Tabulation category / activity		OAE		All-India	
		Estimated number of enterprises	Percentage of enterprises working within household premises	Estimated number of workers	Percentage of workers working within household premises
(1)	(2)	(3)	(4)	(5)	(6)
H1	hotels	4527	33.1	11313	27.1
H2	restaurants	588042	20.3	1044713	21.8
H	Hotels and restaurants	592568	20.4	1056026	21.9
I1	Storage and warehouse	6728	19.5	7752	18.1
I2	mechanized road transport	809464	8.2	841572	8.3
I3	other transport and related activities	954134	11.4	1021070	12.2
I4	communication	269040	15.0	397320	15.4
I	Transport, storage and communications	2039366	10.6	2267715	11.3
K	real estate, renting and business activities	522812	39.5	677407	35.9
M	education	408682	60.3	457588	59.7
N	health and social work	269573	28.7	308161	27.7
O	other community social and personal service activities	717499	31.6	1151774	32.8
All		4550500	24.1	5918671	24.8

Source: NSS Report No. 483, Table 12 (page no. A-95), Table 14 (page no. A-113).

*From Table 3U it may be noted that in urban India in unorganized services, about 60% of education OAEs were located in household premises and employed 60% of workers; 40% of real estate, renting and business activities OAEs were situated in household premises and engaged 36% of workers.*

In the 55<sup>th</sup> round(1999-2000) informal sector survey of non-agricultural enterprises, estimated number of OAEs located within household premises were 109,38,000 constituting 46.2% of OAEs in rural India, and 42,62,000 constituting 28.1% of OAEs in urban India(Source:Tables17&20,NSSO Report No.459). Those OAEs working solely or mainly on contract constituted 10.5% of estimated number of 236,57,000 OAEs in rural India and 7.5% of estimated number of 151,42,000 OAEs in urban India (Source:Table18 ,NSSO Report No.459).

### Framework of recommended key tabulation from surveys of NSSO

The Group recommends the following framework of key tabulation, using unit (household/enterprise) level micro data available from the EUS and ES of NSSO to throw useful inputs on the size of HBW and other details It would be useful if these tables are generated on a regular basis in order to study the trends in the percentage of HBW over time. The recommended tables would also provide information on percentage of homeworkers. These tables would also help in identifying the major states and industries with concentration of HBW and homeworkers.

**Table 4: Percentage of HBW (principal plus subsidiary statuses) by broad industry group, Schedule 10, NSS 61<sup>st</sup> & 55<sup>th</sup> rounds**

Rural/urban status: 11/21/11+21 industry: agr (NIC 0)\* / non-agr (NIC 1-9) / comb

State	Male		Female		Person	
	All workers	% of HBW	All workers	% of HBW	All workers	% of HBW
All-India						

\* Not applicable for 55<sup>th</sup> round; NIC 0 to cover NIC codes 012, 014, 015, 02 & 05 only (61<sup>st</sup> round only)

% of HBW = [(no. of HBW) / (all workers)] x 100, to be expressed in two places of decimal

HBW are those with location of workplace code as: 11 or 21

**Table 5: Percentage of HBW (principal plus subsidiary statuses) by industry 1-digit, Schedule 10, NSS 61<sup>st</sup> & 55<sup>th</sup> rounds**

Rural/urban status: 11/21/11+21 industry: 0 / 1 / 2 /...../ 9 / comb

State	Male		Female		person	
	All workers	% of HBW	All workers	% of HBW	All workers	% of HBW
All-India						

Footnotes of table 4 apply to table 5; NIC 0 to cover NIC codes 012, 014, 015, 02 & 05 only (61<sup>st</sup> round only)

**Table 6: Estimates of number of HBW working with specifications (wholly or mainly i.e. code 1 or 2 in col.14 of block 5.1/5.2), Schedule 10, NSS 55<sup>th</sup> round**

Rural/urban

industry: 1 / 2 / ..... / 9 / comb

State	Status code 11		Status code 21				Total number of home-workers*	
	Total no. of HBW	No. of HBW working with specfns.	Total no. of HBW	Among all the HBW under this status, different categories (Cat) of workers:				
				Cat 1	Cat 2	Cat 3		Cat 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
India								

Footnotes of table 4 apply to table 6; \* Col.9 = Cols. [(3) + (5) + (6) + (7) + (8)]

Cat 1 = [status 21 with specfns] + [status 11 with specfns] + [no member in hh with status 12]

Cat 2 = [status 21 with specfns] + [status 11 with specfns] + [member in hh with status 12 but with no specfns]

Cat 3 = [status 21 but with blank specfns] + [status 11 with specfns] + [no member in hh with status 12]

Cat 4 = [status 21 with no specfns] + [status 11 with specfns] + [no member in hh with status 12]

**Table 7: Estimated number of workers in different categories for OAEs working in household premises, Schedule 2.0, NSS 55<sup>th</sup> round**

Rural/urban

OAEs

All

industries

combined

State	No. of OAEs		For OAEs working in household premises					
	Total	WHP	Total no. of workers		No. of working owners		No. of other not-hired workers	
			Male	Female	Male	Female	Male	Female
India								

WHP: Working within household premises

**Table 8: Estimated number of workers in different categories for OAEs working in household premises and working on contract, Schedule 2.0, NSS 55<sup>th</sup> round**

Rural/urban

OAEs

All

industries

combined

State	Total no. of such OAEs	For the OAEs under reference					
		Total no. of workers		No. of working owners		No. of other not-hired workers	
		Male	Female	Male	Female	Male	Female
India							

**Table 9: Estimated number of workers for OAEs working within household premises, Schedule 2.2 / 2.345, NSS 56<sup>th</sup> / 57<sup>th</sup> / 62<sup>nd</sup> round**

Rural/urban OAEs Mfg / Services: Each NIC 1-digit code & all codes comb.

State	No. of OAEs		Among OAEs classified as WHP					
	Total	WHP	Total no. of workers		No. of working owners		Helpers / No. of other not-hired workers	
			Male	Female	Male	Female	Male	Female
India								

**Table 10: Estimated number of workers in different categories for OAEs working within household premises & working on contract, Sch. 2.2/ 2.345, NSS 56<sup>th</sup> / 57<sup>th</sup> / 62<sup>nd</sup> round**

Rural/urban OAEs Mfg / Services: Each NIC 1-digit code & all codes comb.

State	Total no. of such OAEs	For the OAEs under reference					
		Total no. of workers		No. of working owners		Helpers / No. of other not-hired workers	
		Male	Female	Male	Female	Male	Female
India							

### Recommended table from Economic Census

The Group recommends the generation of the following table (11) from the data collected in 5<sup>th</sup> Economic Census (2005).

**Table 11: Percentage of OAEs and percentage of workers working within household premises (WHP) as per fifth Economic Census**

Rural/urban OAEs

State	Total no. of enterprises	% of WHP enterprises	Total no. of workers	% of workers working in WHP enterprises
India				

## **CHAPTER 4**

### **Data Requirements on Home-based Workers**

A large section of women workers in India work at their home producing goods and services for sale, and increasingly linked in to the global economy. Although their products are appreciated, the workers themselves remain invisible, unprotected and poor. However, workers are now becoming more aware, organizing themselves, asking for better policies and reaching directly to markets. In the context of inclusive growth being considered the goal of the 11<sup>th</sup> Plan, it is important to help improve conditions of work and enable benefits of globalization to reach the various segments of the workers, including the home-based.

This Chapter is intended to put forward a case for better data generation and dissemination in the National Statistical System to enable a better understanding of the conditions of work and contribution of the home-based workers. Such data are also required in order to improve the participation or insertion of the home-based workers on better terms in the global markets.

The Chapter consists of two sections. The first section discusses the principal data requirements for a formulation of “National Policy on Home-based Work”. It also briefly reviews the existing data on home-based work to meet data requirements and identifies the data gaps. The second section identifies the principal data sources to meet the data gaps and discusses the key instruments currently being canvassed in the official statistical systems that can be used to collect data on home-based workers.

#### **Principal Data Requirements and Data Gaps**

A “National Policy on Home-based Work” is being formulated by the Government of India, which requires better statistics for its implementation and monitoring. The major

issues on which data are required, the existing data on these issues and the data gaps are highlighted below.

***1. Estimation of home-based workers, size and spread and gender desegregation.***

For an estimation of the size of the home-based workers the first requirement is a clear definition. The Chapter 2 of this report has made a unique contribution in this direction. One of the key variables in order to recognize a home-based worker is the concept of the “home”. Again the Chapter 2 of this report has made pioneering efforts to define the “home” in the Indian context. Estimation of home-based workers is required by gender (male/female), by age, and rural/urban residence. The geographical spread of home-based workers by state and region are important. Further the industry and occupation groups in which home-based workers are prevalent also require to be identified.

The definition of home-based workers recommended in Chapter 2 made a distinction between own account workers and ‘homeworkers’ (sub-contracted workers working within the home). The nature of problems faced by own account workers, who independently produce and market their products, and homeworkers, who are dependent on the contractor for work under specification, are quite different.

The enterprises run by own account workers constitute a large proportion of the enterprises in the country and operate with low fixed capital and on a small scale. They could be manufacturing various products, providing services such as plumbing or engaged in retail trade. With the advent of large enterprises in all these activities, including retail trade, the own account enterprises have to devise methods to remain competitive and grow in the current economic context.

Economic reforms have induced greater labour flexibility into the economy. The large firms are increasingly hiring contract labour or even sub-contracting part of the production process to smaller enterprises and further down the chain to ‘homeworkers’. The homeworkers, form part of a value chain within the domestic market or even form part of a global value chain. This system of subcontracting leads to both opportunities and threats to the homeworkers. Given the varying nature of the home-based work, it becomes important to separately estimate the proportion of own account workers and homeworkers.

**Existing Data:** In the National Sample Survey(NSS) 55<sup>th</sup> Round Employment and Unemployment Survey, 1999-2000 for the first time innovative efforts were made to include certain questions on the type of enterprise to which the worker belonged, place of work, nature of contract and mode of operation in case of non-agricultural activities. As a result, groups of workers in informal sector and some of those with informal employment outside informal sector could be identified in 55<sup>th</sup> Round including more vulnerable groups such as home-based workers, homeworkers on sub-contract work and street vendors.

#### *Inclusion in 55<sup>th</sup> Round*

1. The 55<sup>th</sup> Round Employment and Unemployment Survey, 1999-2000 included a question on the place of work. This enabled direct estimation of home-based workers carrying out work in their own dwellings for the first time in India.
2. The question on the nature of contract asked to self-employed non-agricultural workers allowed estimation of homeworkers.

#### *Exclusion in 61st Round*

While the type of enterprise and place of work questions were retained in NSS 61<sup>st</sup> Round Employment and Unemployment Survey,2004-05, questions on nature of contract and mode of operation needed to identify sub-contract work were dropped. It was therefore **not possible** to estimate homeworkers in the 61<sup>st</sup> Round.

It is, therefore, necessary to examine in detail the survey instruments of 55<sup>th</sup> and 61<sup>st</sup> Rounds of NSS Employment and Unemployment Surveys to learn about the gains, losses and data gaps and to fine-tune further the needed modifications so as to capture better data and provide separate estimates for all vulnerable groups of informal workers including home-based workers.

#### *Unorganised Manufacturing Sector Surveys*

The unorganised manufacturing sector surveys of the NSS, in 1994-95 and 2000-01 canvassed a question on the place/location of work from which it is possible to identify

home-based enterprises and workers (See, Unni and Rani, 2005). The NSS 2000-01 survey of unorganised manufacturing sector also canvassed questions on the nature of contracting arrangements of the enterprises, from which it is possible to identify if some of these home-based enterprises were actually homeworkers' enterprises.

*Data Gap:* As noted above the key items of data to net in homeworkers , introduced in the 55<sup>th</sup> Round, were removed from the 61<sup>st</sup> Round. Information on homeworkers therefore remains a data gap.

**The Group recommends that questions on the type of contract as in the NSS 55<sup>th</sup> Round Employment and Unemployment survey should be re-introduced to all self-employed workers in such future surveys as follows:**

- **Whether worked under given specifications? (yes: wholly/mainly/partly, no, not known).**
- **Who provided credit/raw material/equipments?(own arrangement, provided by the enterprise-credit only/raw material only/equipment only/credit and raw material only/credit and equipment only/raw material and equipment only/credit, raw material and equipment, not known).**
- **Number of outlets of disposal: (1/2/3 or more/not known).**
- **Basis of payment: (piece rate/ contract basis).**
- **Type of specification: (written/oral/not known).**

**The Group also recommends that similar questions can be introduced in the Enterprise Surveys to obtain estimates and characteristics of home-based and home workers.**

## ***2. Working conditions of homeworkers***

The status of homeworkers is somewhere between the self-employed and wage worker. As in the case of the self-employed worker, the homemaker has some control over his use of time, provides part of the infrastructure such as the home and also some of the tools for production. However, like a wage worker, the homemaker takes orders from the contractor/middleman and accepts remuneration on a piece-rate basis. In order to enlarge his profit share and squeeze the workers, the contractor sometimes delays or defers payment, and also deducts pay by rejecting part of the product on the grounds of poor

quality. In order to develop a policy for such homeworkers we require information on their working conditions, some of which are listed below.

- Actual and relative wage between males and females: Homeworkers are often paid by piece-rate and whether this actually attains minimum wage is an issue.
- Hours of work: Homeworker may be engaging in self-exploitation by working for long hours in order to obtain at least minimum income for sustenance.
- Frequency of payment and delays in receipt of payments: As mentioned one of the methods of reducing the payment due to workers is by not making the payments when it is due.
- Record books, pass books: In order for the worker to demand his rights in terms of wages, he/she requires some record of his engagement as a contracted worker, Whether the contractor maintains such records and whether the worker is given a passbook with such records become important issues.

Certain conditions such as quality of housing, social security for all workers and skill training will be considered separately.

***Data Gap on working conditions of homeworkers:*** For purposes of measurement, homeworkers were classified as self-employed workers in the NSS 55<sup>th</sup> Round. It was therefore not possible to obtain the actual wages or piece-rate wages received by these workers. The NSS does not collect data on the actual hours of work of workers. It only collects information on half-day units during the course of a reference week. Most of the information on conditions of work of homeworkers that we listed above is not collected in the NSS. Issues on working conditions of home-based and home workers, listed above, remain a data gap.

**The Group recommends collection of following data in NSS five-yearly Employment and Unemployment surveys:**

- (i) **average earnings and hours and periods of work both from self-employed and wage workers;**

- (ii) **frequency of payments and delays in payment for contracted homeworkers; and**
- (iii) **maintenance of registers by contractors and provision of pass books to contracted homeworkers.**

## *2. Skills: identification and valuation of skills and training.*

In order for the workers to progress in their career it is important to acquire new skills or upgrade their current skills through re-training. In the competitive labour market, lack of skills or out-dated skills can be a major impediment to progress for the worker and also for the economy. There is no clear definition of skills that can allow us to assess the skill level of the worker. The level of education is often used as a proxy for skills. However, in the country with very high level of illiteracy and a large proportion of workers trained in the traditional industries, this may not be a good indicator of the level of skill. Therefore some information based on self-perception may also be collected. The level of skill is also affected by the kind of technology that the worker uses. For individual home-based workers we require information on the following:

- Years of experience,
- Own perception of level of skill,
- Where they learnt the skill (more options such as own family, neighbors, co-workers)?,
- Whether skill is modern or traditional?,
- Whether machines or tools are used (with or without electricity)?,
- When was the last upgrade of machines or tools?

**Existing Data:** The NSS 55<sup>th</sup> and 61<sup>st</sup> Rounds Employment and Unemployment surveys collected information on the general and technical education of all workers. This together with information on location of work would allow us to obtain information on broad skill categories of home-based workers. The 61<sup>st</sup> Round further enquired of persons aged 15 to 29 years whether they received any vocational training. Further, for those who reported to have received formal training, information was collected on the field of training, duration of the training and source from which degree/diploma/certificate was received.

**Data Gap:** Skill is viewed in the NSS as only formal training and a very cursory question on informal training is asked. It therefore nets in a very small proportion of workers reporting as having skills. The data needs listed above with regarding to skills as perceived by the worker or employer, and with respect to the use of technology all remain data gaps.

**The Group recommends that questions related to skills and technology need to be asked to all self-employed workers in NSS five-yearly Employment and Unemployment surveys as follows:**

- **Years of experience,**
- **Own perception of level of skill,**
- **Where they learnt the skill (more options such as own family, neighbors, co-workers)?,**
- **Whether skill is modern or traditional?,**
- **Whether machines or tools are used( with or without electricity)?,**
- **When was the last upgrade of machines or tools?**

### **3. Market access**

The scale of operation, incomes and profits earned by an own account worker is dependant on the access to markets or demand for the product or service. In order to consider policy for up-scaling the activities of the own account worker, it is important to improve access to markets. The following information needs to be collected:

- **Do you sell in local, national or international market?**
- **Do you sell to consumer, wholesaler, middle men or to a processing unit?**

**Data Gap:** There is no systematic effort to capture the issues related to market access of self-employed or home-based workers in the statistical systems. Hence this remains a data gap.

**The Group recommends that the following questions be canvassed in NSS five-yearly Employment and Unemployment surveys to self-employed workers:**

- **Do you sell in local, national or international market?,**
- **Do you sell to consumer, wholesaler, middle men or to a processing unit?.**

### **4. Credit:**

Another way to upscale the economic activities of the home-based workers is with further investment. However, this requires access to credit at some reasonable rates. Information regarding credit that would be useful for policy making is:

- Whether the workers can access loan if required?.
- Amount of loan accessed / amount outstanding,
- Duration of loan,
- Rate of interest on the loan,
- Collateral or security required,
- Source of loan.

**Existing Data:** The Unorganised Sector Enterprise Survey includes questions on loans from institutions and non-institutions, subsidies etc. These questions are also in the Debt and Investment Survey of households. We examined the Debt and investment survey and noted that it also includes questions on the purpose of loan, rate of loan etc.

The NSS Employment Unemployment Surveys contain a special block on indebtedness of rural labour households where information on nature of loan, source, purpose and amount outstanding including interest are collected.

Such information needs to be collected for all households, particularly those with home-based workers.

**The Group recommends that the 61<sup>st</sup> Round Employment Unemployment Survey, Schedule 10, Block 3.1 on indebtedness of rural labour households should be canvassed to all self employed-households.**

**In addition the following information should be collected:**

- **Duration of the loan or when the loan was taken**
- **Rate of interest on the loan, separately**
- **If collateral or security was required.**

### ***5.Housing***

Since home is the place of work of the home-based workers, the physical condition and space available in the home can act as constraints on their work. The information that is needed includes:

- Kutchha, pucca, semi-pucca house

- Number of rooms/space used for work
- Whether same rooms/space used for work and residence?
- Is electricity available
- Whether electricity is available during working hours?
- Alternative arrangements for lighting
- Does the work require the use of water? If so, is water available easily and sufficiently?.

**Data Gaps:** The Housing Survey of the NSS is a household survey and does include questions on whether the house is kutcha/pucca and the availability of electricity. However, questions on whether the house is used as a place of work and the related questions identified earlier are not asked. The question on the place of work in the NSS employment unemployment survey allows us to identify workers who use house as a place of work. However, no further questions are canvassed on the nature of this workplace or facilities available in the NSS employment unemployment survey.

**The Group recommends that key questions on the dwelling unit as a workplace are canvassed to home-based workers in the Employment and Unemployment Survey as follows:**

- **Whether house is kutcha, pucca, semi-pucca?**
- **Number of rooms/space used for work**
- **Whether same rooms/space used for work and residence?**
- **Is electricity available**
- **Whether electricity is available during working hours?**
- **Alternative arrangements for lighting**
- **Does the work require the use of water? If so, is water available easily and sufficiently?.**

### **5. Social Security**

The issue of social security has been hotly debated and various Social Security Bills have been put forth in recent years. It is important to know to what extent home-based workers are able to avail of any form of social security. Data collection is required on whether home-based workers obtained the following benefits:

- Death and Disability Benefits
- Life insurance and Accident insurance
- Medical Benefits (Self Paid, contractor, employer, government, other-specify)
- Pension and Provident Fund

- Who looks after the children- self, family member or neighbour/ child care center, paid help?
- Maternity benefit
- Paid leave

**Existing Data:** Since the 55<sup>th</sup> Round employment-unemployment survey, which had introduced the concept of the informal sector, some basic questions on access to social security were canvassed. However, while the 55<sup>th</sup> Round canvassed the question on availability of provident fund/ pension to all workers, the 61<sup>st</sup> Round restricted the question to only employees, thereby missing out on home-based workers.

**Data Gaps:** While the questions canvassed to employees in the 61<sup>st</sup> Round of the NSS are essential to: enquire about social security,. the set of questions need to be canvassed to the self-employed as well. Further questions should include access to the benefits detailed above.

**The Group recommends that the following questions should be canvassed to all workers in five-yearly employment and unemployment surveys:**

- **Death and Disability Benefits(Self-Paid, contractor, employer, government, other-specify)**
- **Life insurance and Accident insurance (Self-Paid, contractor, employer, government, other-specify)**
- **Medical Benefits (Self-Paid, contractor, employer, government, other-specify)**
- **Pension and Provident Fund (Self-Paid, contractor, employer, government, other-specify)**
- **Who looks after the children- self, family member or neighbour/ child care center, paid help**
- **Maternity benefit (Self Paid, contractor, employer, government, other-specify)**
- **Paid leave**

## **6. Child Labour**

It is the general perception that home-based workers employ their children in the economic activity. This could act as an impediment to the physical and educational development of the child. It is necessary to obtain evidence on this issue. The following questions could be asked to home-based workers

- Do any of your children up to 14 years (male/female) help you in your work?
- Age of children engaged in labour (<5 years, 5-10 years, 11-14 years)
- How many hours does the child work?

- Does the child go to school?

**Data Gap:** There was a long discussion on the issue. It was decided that we need a specialized survey on child labour, as India does not have specialized data collection instruments to correctly capture child labour.

**While the issue of a specialised survey on child labour is separately worked out, the Group recommends that the following questions may be canvassed in the five-yearly Employment/Unemployment survey:**

- **Do any children up to 14 years (male/female) help in economic activity in the household?**
- **Age of children engaged in labour (<5 years, 5-10 years, 11-14 years)**
- **How many hours does the child work?**
- **Does the child go to school?**

## **Principal Data Sources and Key Instruments**

The key instruments that are currently in use in the Indian Statistical System that are relevant to the issue of home-based workers are the following.

- 1. Population Census**
- 2. Employment Unemployment Survey**
- 3. Enterprise Surveys**
- 4. Economic Census**

The discussion above has already covered adequately the Employment and Unemployment Survey and the Enterprise Surveys.

### **Population Census**

The Population Census in India is conducted once every ten years. This is unique system for the estimation of the population of the country, its geographical, social and religious spread. The age distribution, level of education and work participation of the entire population by gender is also obtained from the Census. While there has been a lot of criticism with regard to the level of women's work participation that is netted by the Census, it provides the industry and occupational distribution of the workforce by state, and is the only source to provide this information at the sub-state level of the district and down to the level of the village.

The Census, however, does not collect information on the location of work and therefore cannot currently be used to estimate home-based workers. However, a number of countries in Africa and Latin America do collect information on the place of work in their Censuses.

**Since the Population Census in India does include an individual slip for each person in the household, the Group recommends the inclusion of a single question with appropriate codes on the "place of work" of the worker. This would help in estimating home-based workers at the disaggregated level of the urban block or village as well.**

### **Economic Census**

The Economic Census is conducted every five years and records the number of enterprises operating in non-agriculture and allied agricultural activities. The recent Economic Census does record whether the enterprises are located within the household premises and therefore can identify home-based enterprises. The Economic Census is currently used only to constitute a sampling frame for the unorganised sector enterprise surveys. A detailed discussion on Economic Census is included in the introductory Chapter 1.

**The Group recommends expansion of code (within household premises) in the Economic Census to include own dwelling unit, structure attached to own dwelling unit and open area adjacent to own dwelling unit to capture home-based own-account enterprises and workers therein.**

### **Value Chain Studies**

The Statistical Commission headed by Dr. Rangarajan had suggested that the NSS could undertake short-term surveys of 3 to 6 months in order to enquire about any issue that may be of significance to the country.

As we described in the beginning of this chapter, homeworkers are most often found to operate within a production chain, which may extend to the global markets or remain within the domestic sphere. While large-scale quantitative survey may not be the correct instrument to collect information on such value chains, short-term quantitative cum qualitative surveys may help to better understand this system of production and the role

of homeworkers within it. There is a clear methodology for conducting studies on the value chains.

**The Group recommends that NSSO may conduct or commission Value Chain Studies of specific sectors, which are known for sub-contracting activity such as the garments sector, textiles, auto-components, etc. These studies may be restricted to specific states or cities where such economic activity is most prevalent.**

## CHAPTER 5

### RECOMMENDATIONS

The Independent Group on Home-based Workers makes the following recommendations in Chapters 2, 3 and 4.

#### Chapter 2: Definition of Home-based Workers

1. Home-based workers are defined as:-

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and
- (b) workers carrying out work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such workers.

Workers referred in (b) above are homeworkers working in their homes according to ILO Convention 177 on Home Work, 1996. Such homeworkers cannot be classified unambiguously into any one of the existing 'status in employment' categories. For data collection purpose, such homeworkers may be classified as own-account workers.

'Home', referred to above, is defined as (i) dwelling unit and/or (ii) structure attached to dwelling unit and/or (iii) open area adjacent to the dwelling unit.

2. Based on the definition of home-based workers, the following codes for location of workplace are recommended for the NSS employment-unemployment survey.

location of workplace:

no fixed workplace -1,

workplace in rural areas and located in: own dwelling unit-2, structure attached to own dwelling unit-3, open area adjacent to own dwelling unit-4, detached structure adjacent to own dwelling unit- 5, own enterprise/unit/office/shop but away from own dwelling-6, employer's dwelling unit -7, employer's enterprise/unit/office/shop but outside employer's dwelling -8, street with fixed location-9, construction site-10, others -11

workplace in urban areas and located in: own dwelling unit-12, structure attached to own dwelling unit-13, open area adjacent to own dwelling unit-14, detached structure adjacent to own dwelling unit- 15, own enterprise/unit/office/shop but away from own dwelling-16, employer's dwelling unit -17, employer's enterprise/unit/office/shop but outside employer's dwelling -18, street with fixed location-19, construction site-20, others -21

3. The locations of workplace for homeworkers forming part of home-based workers will include codes 2, 3 and 4 in rural areas and the corresponding codes in the urban areas 12, 13 and 14.

4. The locations of workplace for homeworkers by ILO Convention definition of homeworkers will include codes 2-6, 9, 10, in rural areas and corresponding codes in the urban areas 12-16, 19 and 20.

5. The Group recognizes the possibility of capturing data on home-based workers in the unorganized sector enterprise surveys conducted by NSSO. The code structure used for 'location of workplace of the enterprise' in these surveys needs suitable modification, particularly for the location: 'within household premises' on the lines recommended for employment-unemployment survey. The Group recommends expansion of code 1 (within household premises) in the unorganised enterprise survey to include own dwelling unit, structure attached to own dwelling unit and open area adjacent to own dwelling unit.

### **Chapter 3: Major Results and Framework of Key Tabulation from Existing Data Sources**

6. The question on "whether working under given specifications" put to self-employed in NSS 55<sup>th</sup> round employment and unemployment survey, but dropped in the 61<sup>st</sup> round survey, needs to be re-introduced in the subsequent employment and unemployment surveys for meeting the data requirements on homeworkers as a separate category of home-based workers.

7. The Group recommends the following framework of key tabulation, using unit (household/enterprise) level micro data available from the Employment and Unemployment Survey (EUS) and Unorganized Enterprise Survey (ES) of NSSO to throw useful inputs on the size of Home-based Workers (HBW) and other details. It would be useful if these tables are generated on a regular basis in order to study the trends in the percentage of HBW over time. The recommended tables would also provide information on percentage of homeworkers. These tables would also help in identifying the major states and industries with concentration of HBW and homeworkers. The list of these tables is as follows. Details of these tables are given in the Chapter 4.

Table 4: Percentage of HBW (principal plus subsidiary statuses) by broad industry group, Schedule 10, NSS 61<sup>st</sup> & 55<sup>th</sup> rounds EUS

Table 5: Percentage of HBW (principal plus subsidiary statuses) by industry 1-digit, Schedule 10, NSS 61<sup>st</sup> & 55<sup>th</sup> rounds EUS

Table 6: Estimates of number of HBW working with specifications (wholly or mainly i.e. code 1 or 2 in col.14 of block 5.1/5.2), Schedule 10, NSS 55<sup>th</sup> round EUS

Table 7: Estimated number of workers in different categories for OAEs working in household premises, Schedule 2.0, NSS 55<sup>th</sup> round Informal Sector enterprise survey

Table 8: Estimated number of workers in different categories for OAEs working in household premises and working on contract, Schedule 2.0, NSS 55<sup>th</sup> round Informal Sector enterprise survey

Table 9: Estimated number of workers for OAEs working within household premises, Schedule 2.2 / 2.345, NSS 56<sup>th</sup> / 57<sup>th</sup> /62<sup>nd</sup> round ES

Table 10: Estimated number of workers in different categories for OAEs working within household premises & working on contract, Sch. 2.2/ 2.345, NSS 56<sup>th</sup> / 57<sup>th</sup> /62<sup>nd</sup> round ES

Table 11: Percentage of OAEs and percentage of workers working within household premises (WHP) as per fifth Economic Census, 2005

#### **Chapter 4: Data Requirements on Home-based Workers**

##### ***Estimation of home-based workers, size and spread and gender desegregation***

8. Estimation of home-based workers is required by gender (male/female), by age, and rural/urban residence. The geographical spread of home-based workers by state and region are important. Further the industry and occupation groups in which home-based workers are prevalent also require to be identified.

9. The Group recommends that questions on the type of contract as in the NSS 55<sup>th</sup> Round Employment and Unemployment survey should be re-introduced to all self-employed workers in such future surveys as follows:

- Whether worked under given specifications? (yes: wholly/mainly/partly, no, not known).
- Who provided credit/raw material/equipments?(own arrangement, provided by the enterprise-credit only/raw material only/equipment only/credit and raw material only/credit and equipment only/raw material and equipment only/credit, raw material and equipment, not known).
- Number of outlets of disposal: (1/2/3 or more/not known).
- Basis of payment: (piece rate/ contract basis).
- Type of specification: (written/oral/not known).

10. The Group also recommends that similar questions can be introduced in the Enterprise Surveys to obtain estimates and characteristics of home-based and home workers.

***Working conditions of homeworkers***

11. The Group recommends collection of following data in NSS five-yearly Employment and Unemployment surveys:

- (i) average earnings and hours and periods of work both from self-employed and wage workers;
- (ii) frequency of payments and delays in payment for contracted homeworkers; and
- (iii) maintenance of registers by contractors and provision of pass books to contracted homeworkers.

***Skills: identification and valuation of skills and training***

12. The Group recommends that questions related to skills and technology need to be asked to all self-employed workers in NSS five-yearly Employment and Unemployment surveys as follows:

- Years of experience,
- Own perception of level of skill,
- Where they learnt the skill (more options such as own family, neighbors, co-workers)?,
- Whether skill is modern or traditional?,
- Whether machines or tools are used( with or without electricity)?,
- When was the last upgrade of machines or tools?

***Market access***

13. The Group recommends that the following questions be canvassed in NSS five-yearly Employment and Unemployment surveys to self-employed workers:

- Do you sell in local, national or international market?,
- Do you sell to consumer, wholesaler, middle men or to a processing unit?.

***Credit***

14. The Group recommends that the 61<sup>st</sup> Round Employment Unemployment Survey, Schedule 10, Block 3.1 on indebtedness of rural labour households should be canvassed to all self employed-households.

In addition the following information should be collected:

- a. Duration of the loan or when the loan was taken
- b. Rate of interest on the loan, separately
- c. If collateral or security was required.

### ***Housing***

15. The Group recommends that key questions on the dwelling unit as a workplace are canvassed to home-based workers in the Employment and Unemployment Survey as follows:

- Whether house is kutcha, pucca, semi-pucca?
- Number of rooms/space used for work
- Whether same rooms/space used for work and residence?
- Is electricity available
- Whether electricity is available during working hours?
- Alternative arrangements for lighting
- Does the work require the use of water? If so, is water available easily and sufficiently?.

### ***Social Security***

16. The Group recommends that the following questions should be canvassed to all workers in five-yearly employment and unemployment surveys:

- Death and Disability Benefits(Self-Paid, contractor, employer, government, other-specify)
- Life insurance and Accident insurance (Self-Paid, contractor, employer, government, other-specify)
- Medical Benefits (Self-Paid, contractor, employer, government, other-specify)
- Pension and Provident Fund (Self-Paid, contractor, employer, government, other-specify)
- Who looks after the children- self, family member or neighbour/ child care center, paid help
- Maternity benefit (Self Paid, contractor, employer, government, other-specify)
- Paid leave

### ***Child Labour***

17. While the issue of a specialised survey on child labour is separately worked out, the Group recommends that the following questions may be canvassed in the five-yearly Employment/Unemployment survey:

- Do any children up to 14 years (male/female) help in economic activity in the household?
- Age of children engaged in labour (<5 years, 5-10 years, 11-14 years)
- How many hours does the child work?
- Does the child go to school?

### **Population Census**

18. Since the Population Census in India does not include an individual slip for each person in the household, the Group recommends the inclusion of a single question with appropriate codes on the "place of work" of the worker. This would help in estimating home-based workers at the disaggregated level of the urban block or village as well.

### **Economic Census**

19. The Group recommends expansion of code (within household premises) in the Economic Census to include own dwelling unit, structure attached to own dwelling unit and open area adjacent to own dwelling unit to capture home-based own-account enterprises and workers therein.

### **Value Chain Studies**

20. The Group recommends that NSSO may conduct or commission Value Chain Studies of specific sectors, which are known for sub-contracting activity such as the garments sector, textiles, auto-components, etc. These studies may be restricted to specific states or cities where such economic activity is most prevalent.

Annex-3: Schedule tested in the field

**ANNEX-3: SCHEDULE TESTED IN THE FIELD**

**Block 1: Identification of village/block/household and demographic particulars of household members**

1. state: West Bengal
2. district/town:
3. village name / identification of UFS block (town name / IV Unit No. / Block No.):
4. name of head of household:
5. household size:
6. demographic particulars of members of the household:

srl. no.	name	age (years)	Sex (M-1, F-2)	marital status	educational level	relation to head
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Col.5 (marital status): never married-1, currently married-2, widowed-3, divorced/separated-4

Col.6 (educational level): not literate-1, literate without schooling-2, below primary-3, primary-4, middle-5, secondary-6, higher secondary-7, others-8

Col.7 (relation to head): self-1, spouse of head-2, married child-3, spouse of married child-4, unmarried child-5, grandchild-6, others-7



## CODES FOR BLOCK 2

- col. (3): **status** : worked in h.h. enterprise (self-employed) : own account worker -11, employer-12, worked as helper in h.h. enterprise (unpaid family worker): helping own account worker-211 / helping employer-212, worked as regular salaried/wage employee-31, worked as casual wage labour: in public works-41, in other types of work-51; did not work but was seeking and/or available for work-81, attended educational institution-91, attended domestic duties only-92, attended domestic duties and was also engaged in free collection of goods (vegetables, roots, fire-wood, cattle feed, etc.), sewing, tailoring, weaving, etc. for household use-93, rentiers, pensioners , remittance recipients, etc.-94, not able to work due to disability-95, beggars, prostitutes-96, others-97.
- col. (5) : **industry** : 5-digit code as in NIC-2004.
- col. (6) : **occupation** : 3-digit code as in NCO-2004.
- col (8): **no. of subsidiary activities during last 365 days**: one activity-1, two activities-2, three or more activities-3.
- col. (9): **location of workplace: no fixed workplace** -1,  
**workplace in rural areas and located in**: living place/ own dwelling-2, structure attached to living place-3, open area/detached structure adjacent to living place-4, own enterprise/unit/office/shop but away from own dwelling/living place-5, employer's dwelling -6, employer's enterprise/unit/office/shop but outside employer's dwelling -7, street with fixed location-8, construction site-9, others -10  
**workplace in urban areas and located in**: living place/ own dwelling-11, structure attached to living place-12, open area/detached structure adjacent to living place-13, own enterprise/unit/office/shop but away from own dwelling/living place-14, employer's dwelling -15, employer's enterprise/unit/office/shop but outside employer's dwelling -16, street with fixed location-17, construction site-18, others -19
- col. (10): **enterprise type**: proprietary: male -1, female -2; partnership: with members from same hh. -3, with members from different hh. -4; public sector -5, semi-public -6, others -7 (includes co-operative society, public limited company, private limited company and other units covered under ASI), not known -9
- col. (12): **number of workers**: less than 6 -1, 6 to 9 -2, 10 & above but less than 20 -3, 20 & above -4, not known -9
- col. (14): **whether worked under given specifications**: yes: wholly -1, mainly -2, partly -3; no-4, not known -9
- col. (15): **who provided credit / raw material / equipments**: own arrangement -1, provided by the enterprise: credit only -2, raw material only -3, equipments only -4, credit and raw material only-5, credit and equipments only -6, raw material and equipments only -7, credit, raw material and equipments -8, not known -9
- col. (16): **no. of outlets of disposal**: one outlet -1, two outlets -2, three or more outlets -3; not known -9

**Annex-4: Instructions for Field Testing**

**ANNEX-4: INSRUCTIONS FOR FIELD TEST**

## Instructions for Field Testing

**Block 1:** Self explanatory.

**Block 2: Usual principal activity particulars of household members:** The usual principal activity particulars of each member of the household will be collected in this block. This will include information on industry-occupation of the working members and the particulars of the enterprises in which they are working. The particulars of usual activity are collected with reference to a period of 365 days preceding the date of survey.

*Columns (1), (2), (4) to (8), (11) to (13): Self explanatory*

**Column (3): Status:** For each of the members, the principal usual activity status will be recorded in this column. In the first instance the broad principal usual activity of the person will be identified based on the various activities pursued by the person during the reference period of last 365 days adopting a 'relatively long time (or major time)' criterion, not necessarily for a continuous period. The broad principal usual activity status will be one of the three categories viz. 'employed' (working), 'unemployed' (available for work) or 'not in labour force' (neither working nor available for work). It is to be noted that in deciding this, only the normal working hours available for pursuing various activities need be considered, and not the 24 hours of a day. Identification of this broad usual status category is explained below. The broad principal usual activity status will be obtained on the basis of a two stage dichotomous classification depending on the major time spent. Persons will be classified in the first stage into (i) those who are engaged in any economic activity (i.e. employed) and / or available for any economic activity (i.e. unemployed) and (ii) who are not engaged and also not available for any economic activity (i.e. not in labour force). Thus, the persons will be first classified as those in the labour force and those not in the labour force depending on in which of these two statuses the person spent major part of the year. In the second stage, those who are found in the labour force will be further classified into working (i.e., engaged in economic activity or employed) and seeking and/or available for work (i.e. unemployed) based on the major time spent. Thus, we can obtain the broad principal usual status as one of the three viz. employed, unemployed and out of labour force.

With the broad category identified for a person, detailed activity status will be assigned on the basis of relatively longer time spent on a detailed activity. The detailed principal status activity codes are as given below:

activity status	code
worked in hh. enterprise (self-employed) as own account worker	...11
worked in hh. enterprise (self-employed) as employer	...12
worked as helper in hh. enterprises (unpaid family worker): helping own account worker	...211



(iii) Carpenters, masons, plumbers, etc., who move from place to place in search of work and carry out the work on a contract basis (not on wage basis) whenever work is available, will be considered as 'own-account worker'. But if such persons are working on a wage basis or so under a contractor, they will be considered as employee.

**Columns (9) to (18): Particulars of enterprise for persons with industry divisions 10 to 99 in col. 5:** In these columns, particulars of the enterprises where household members are usually engaged will be recorded. These items are to be filled in for the members working in the non-agricultural enterprises (i.e., for those with entries 10 to 99, but not with entry 00, in col. 5 of the block). **Note that the particulars to be collected in columns 9 to 18 will pertain to the principal status (col. 3) and industry (col. 5) obtained for the person.** Item-wise details follow.

**Column (9): Location of workplace (code):** The location of the workplace of each of the working members of the household is to be ascertained and recorded in terms of code under this column. The detailed codes are:

**no fixed workplace -1**

*workplace in rural areas and located in: living place/ own dwelling-2, structure attached to living place-3, open area/detached structure adjacent to living place-4, own enterprise/unit/office/shop but away from own dwelling/living place-5, employer's dwelling -6, employer's enterprise/unit/office/shop but outside employer's dwelling -7, street with fixed location-8, construction site-9, others -10*

*workplace in urban areas and located in: living place/ own dwelling-11, structure attached to living place-12, open area/detached structure adjacent to living place-13, own enterprise/unit/office/shop but away from own dwelling/living place-14, employer's dwelling -15, employer's enterprise/unit/office/shop but outside employer's dwelling -16, street with fixed location-17, construction site-18, others -19*

It may be noted that the location of the sample household (rural or urban) is not to be considered for entry in this column; location of the enterprise will be determined and appropriate code is to be recorded. For the working members, if the enterprise in which they are working does not have a fixed premises or in other words they do not have a fixed place of work (as in the case of an artisan like carpenter, cobbler, knife-grinder, own-account carpenters, etc.) and who perform their activity in different houses or other places where they are engaged and not at any fixed place, will be assigned code 1, irrespective of whether the enterprise is operational in rural or urban areas. For those working in enterprises with fixed location, two sets of codes have been provided, one for the enterprises which are located in the rural areas and the other for those which are in the urban areas. The two sets are identical in their classification. Code 9 / 18 is relevant only for persons engaged in construction industry. The workplace of the workers engaged in construction activity is normally the site of construction and may change frequently. For them appropriate entry will be 9 / 18 and not 1.





<b>provided by the enterprise:</b> credit only .....	2
raw material only .....	3
equipments only .....	4
credit and raw material only.....	5
credit and equipment only .....	6
raw material and equipment only .....	7
credit, raw material and equipment.....	8
not known .....	9

**Column (16): No. of outlets of disposal:** Here, the outlet means the ‘employer’ for whom the self-employed is working. There may be cases where the self-employed may be working under the specifications of more than one ‘employer’. Appropriate code depending upon the cases may be recorded as given below:

one outlet .....	1
two outlets .....	2
three or more outlets .....	3
not known .....	9

**Column (17): Basis of payment:** In most cases, the payment received for the work done on order/contract is on the basis of piece rate. For those cases, code 1 will be recorded, otherwise code 2.

piece rate .....	1
contract rate .....	2

**Column (18): Type of specifications:** The specifications laid by the ‘employer’ may be written one or oral and accordingly, code 1 or 2 will be recorded.

written .....	1
oral .....	2
not known .....	9

rural and urban areas. The third chapter provides major results available from published reports of National Sample Survey Organization (NSSO) and the framework for key tabulation on certain categories of home-based workers that are possible to be generated from existing data sources. The fourth chapter identifies the data requirements for formulating and implementing a national policy on home-based workers in India and delineates the data gaps. The fifth chapter brings together the recommendations of the Group for creating and improving the database on home-based workers in the national official statistical system.

Home-based workers are found in labor-intensive manual economic activities as well as capital or information-intensive professional or clerical services. Examples of such activities are : stitching of garments, preparation of shoe-uppers, making of incense sticks ,rolling of beedies ( a form of cigarettes ), laundry services, assembling of electrical plugs or electronic components, professional and technical consultancy services , and data entry, processing and analysis services offered to individuals and businesses. Women tend to be engaged relatively more than men in home-based economic activities.

There is a felt need to collect reliable statistics on home-based workers to help formulate and implement a ‘National Policy on Home-based Workers’. Efficient enumeration of women home-based workers is likely to improve female work participation rates in labour statistics. The major difficulty in identifying home-based workers in data collection programmes is lack of a clear statistical definition for home-based workers. There are, however, definitions of related terms like ‘outworkers’ and ‘homeworkers’

. The ILO Convention on Homework (ILO, 1996) defined the ‘homeworker’ as follows:

*“the term “homework” 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 services as specified by the employer, irrespective of who provides the equipment, materials or other inputs used,*

*unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions*

*Persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;*

*The term “employer” means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.”*

The workplace of a ‘homeworker’ is not limited only to his or her home, but it can extend to any place of his or her choice, except the workplace of the employer. Although the term “homeworker” is synonymous of “outworker”, the latter term is somewhat more logical as it is required from the worker that he or she perform the economic activity outside the premises of the enterprise for which he or she agrees to work.

The Expert (Delhi) Group on Informal Sector Statistics, constituted by United Nations Statistical Commission, considered the possibility of providing a separate category for homeworkers in the classification of status in employment in the 5<sup>th</sup> meeting, held in Delhi during 19-21 September, 2001, and made the following recommendations:

( [http://mospi.nic.in/report\\_5.htm](http://mospi.nic.in/report_5.htm))

*(a). Depending upon their employment relationships and types of contracts, home workers can be found in any category of status in employment. Homeworkers should, therefore, be identified through the variable “place of work” in conjunction with existing other classifications, such as industrial and occupational classifications, rather than as a separate category of status in employment.*

*(b) In order to define the criteria for the distinction between independent and dependent homeworkers, as well as between own-account workers and employees in general, questions on the type of contractual arrangements should be used in surveys. Such questions provide better results than a mere self-assessment by respondents of status in employment.*

**It may be noted that the 5<sup>th</sup> Meeting of Delhi Group did not recommend a separate category of homeworkers in the Classification of Status in Employment.**

The following table quoted from ILO (2002) report on “*Women and men in the informal economy: A statistical picture*”, summarizes the intermediate status of homeworkers between the self-employed and employees in terms of the characteristics, such as nature of contract, form of remuneration, means of production, place of work, and degree of supervision..

<b>Characteristics</b>	<b>Self-Employed</b>	<b>Homeworkers</b>	<b>Employees</b>
<b>Contract</b>	sales contract	employment contract	employment contract
<b>Remuneration</b>	from sale of goods/ services	for work (typically piece rate)	for work (time or piece rate)
<b>Contract with</b>	Self	employer/intermediary	employer
<b>Means of Production</b>	provided by self	provided by self	provided by employer
<b>Workplace</b>	provided by self	provided by self	provided by employer
<b>Supervision</b>	Autonomous	indirect or no supervision	direct supervision

The report(ILO, 2002) points out that” *the current international standards for classifying workers would need to be re-examined to determine whether existing categories can be sub-divided to accommodate these intermediate employment statuses or whether whole new categories that cut across existing ones would need to be introduced*”.

In the Employment and Unemployment Survey conducted by National Sample Survey Organisation (NSSO) in India during 55<sup>th</sup> round, 1999-2000, the data item on “location of workplace” for the usual principal and subsidiary activity status workers was introduced for the first time with provision for separate codes for the following:

no fixed workplace; own dwelling; own enterprise/office/shop outside own dwelling; employer's dwelling; employer's enterprise/office/shop but outside employer's dwelling; street with fixed location; construction site; and others.

The same survey also has taken some pioneering steps in an effort to collect data on outwork in general and homework in particular. A series of questions/data items were addressed to/collected from self employed (employer, own account and unpaid) non-agricultural workers in the usual principal and subsidiary activity status, as follows:

- Whether worked under given specifications? (yes: wholly/mainly/partly, no, not known).
- Who provided credit/raw material/equipments?(own arrangement, provided by the enterprise-credit only/raw material only/equipment only/credit and raw material only/credit and equipment only/raw material and equipment only/credit, raw material and equipment, not known).
- Number of outlets of disposal: (1/2/3 or more/not known).
- Basis of payment: (piece rate/ contract basis).
- Type of specification: (written/oral/not known).

The data relating to the first question: “whether worked under given specifications “can be used in conjunction with the data on workplace to identify homeworkers. Additional data collected in the survey can be used to identify various categories of homework such as vertical subcontracting (dependent on contractor for supply of raw material, etc) or horizontal subcontracting (not dependent on the subcontractor for raw material, etc.).

Although NSS defined homeworkers, outworkers and home-based workers as synonymous terms and called them as homeworkers, tabulation of data collected on such workers by NSSO in the 55<sup>th</sup> round (1999-2000) was limited. From the Employment Unemployment Survey only one relevant table was generated: Per 1000 distribution of self-employed persons in non-agricultural sector working under given specification by extent of production under specification for each location of workplace (NSSO Report No.460).

In the ILO (2002) report on “*Women and men in the informal economy: A statistical picture*”, home-based workers are defined and related to homeworkers as follows: *The term “home-based worker” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed) and those who work for others (mainly as industrial outworkers). The term “homeworker” is used to refer to a sub-set of home-based workers : namely, industrial outworkers who carry out paid work from their home. It is important to distinguish, both conceptually and statistically, between the following two categories (and related terms):*

*Home-based workers: all those who carry out market work at home or in adjacent grounds or premises whether as self-employed or as paid workers.*

*Homeworkers : those home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis.*

The important point to be noted in the above formulation is that the concept of ‘home-based workers’ is broader than that of ‘homeworkers’ and the two terms need to be related and yet differentiated. While there is an internationally recognized definition of ‘homeworker’ given in the ILO Convention on Home Work (1996), there is no such status, as yet, for a definition of ‘home-based worker’.

Based on the above review of literature, the main issues for the consideration of the Independent Group may be formulated as follows:

- (i) What constitutes “home” as a “place of work” in the rural and urban areas of India?.
- (ii) Is there a need to differentiate “home-based worker” from “homeworker” as defined by ILO Convention (1996)?
- (iii) If it is necessary to have a different definition for “home-based worker”, what is its relation with the definition of “homeworker”?

- (iv) Whether a “homeworker” not working at home but whose place of work is in other premises of his/her choice, other than the workplace of the employer, qualifies to be a “home-based worker”?
- (v) Which categories of workers classified by “status of employment” such as own-account workers, contributing family workers, etc., working at home, form part of “home-based workers”?
- (vi) Is it possible to identify unambiguously the “status of employment” of a “home-based” worker?
- (vii) Whether workers working from home but not at home, such as mobile vendors, taxi drivers, etc., form part of “home-based workers”?
- (viii) Keeping in view the definition of “home-based worker” to be formulated by the Group and the data collected from past labour force and enterprise surveys and economic census on “place of work” and other relevant characteristics of workers, what formats of key tabulations are possible to generate estimates on “home-based workers” and their characteristics from these existing data sources?
- (ix) What are the key data requirements for formulating and implementing a national policy for “home-based workers”?
- (x) What are the major data gaps on “home-based workers” and which are the possible data collection instruments in the official statistical system to fill up the identified data gaps?

The Group recognized the central role played by “place of work” in defining “home-based worker”. In the ILO Home Work Convention, 1996 the workplace of a “homeworker” is *“his or her home or other premises of his or her choice, other than the workplace of the employer”*. The logic of defining the workplace of an “outworker” has been used in defining the workplace of “homeworker” and consequently “outworker” and “homeworker” are used synonymously in the literature.

**The Group is of the considered view that the workplace should be only the “home” of the worker in defining “home-based worker”.** This is because home-based work

carried out at home enables household members, especially women and contributing family workers, to combine such economic activities with household chores and care of children, sick and elderly family members. Preponderance of women in home-based workers justifies this argument. The economic activities at home such as weaving, pottery, basket-making with bamboo materials, tailoring, embroidery, jewelry-making, toy-making, sale of grocery, etc., are performed not only in the space used for living purpose but also in a structure attached to living place, and/or open area/detached structure adjacent to the living place. Taking into consideration such ground realities regarding the use of space for carrying out economic activities at home by a worker, the Group recognized the need to define “home” in the context of defining a “home-based worker”. After intensive discussions, the Group *initially proposed* the following definition of “home” for use in defining a “home-based worker”:

‘Home’ is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

This definition of ‘home’ was field tested and in the process of evolution of the definition it was redefined as we shall discuss later.

After proposing a definition of ‘home’, the Group examined the possible categories:

(1) employees,(2) employers,(3)own-account workers,(4) members of producers’ cooperatives and(5)contributing family workers (according to the classification of status in employment),

to which ‘persons working at home’ may belong.

Work at home involves incurring of expenses on the actual or imputed rent, cleaning, heating, electricity, etc. Employees do not incur such expenses and hence do not qualify for inclusion in the group of ‘persons working at home’. Here the feature of economic risk was assessed to distinguish home-based workers from employees working at home.

Employers and members of producers’ cooperatives, in general, carry out their businesses at fixed places other than their homes. Employers engage on a continuous basis one or more persons as employees to work for them in their businesses and their scales of operations are usually higher than those of ‘persons working at home’. For these reasons,

employers or members of producers' cooperatives, in general, do not figure prominently in the group of 'persons working at home'. Here the feature of scale of operation was used to distinguish home-based own account workers from employers and members of producers' cooperatives.

Own-account workers, who by definition do not engage a hired worker on a continuous basis, and contributing family workers helping them can work at home or at a place away from home or with no fixed workplace. It is important to note that a contributing family worker holds a 'self-employment' job in a market-oriented enterprise operated by a related person.

Own-account workers and contributing family workers helping such own-account workers, having their workplaces in their own homes, qualify for inclusion in the group of 'home-based workers'. Compared to employees, employers and members of producers' cooperatives, the group of **own-account workers and contributing family workers helping them in carrying out economic activities *at home*** have a smaller scale of operation and undertake economic risk. They do not have employment security, often due to seasonal nature of operations, and lack social security. They also tend to remain isolated and, therefore, to be less well organized and more vulnerable, and have less voice vis-à-vis public authorities.

Homeworker, according to ILO Convention (1996), works *in his or her home or in other premises of his or her choice, other than the workplace of the employer*. A homeworker, who works in his or her home has the same features of small scale of operation, undertaking economic risk, having no employment and social security. On this score he/she qualifies for inclusion in the group of 'home-based workers' .

As mentioned earlier, however, a homeworker cannot be classified unambiguously into any one of the categories of the classification of status in employment. But a homeworker working in his or her home, for reasons explained in the above paragraphs, may be classified as an own-account worker for data collection purpose and included in the group of 'home-based workers'. Contributing family workers, helping homeworkers in carrying

out economic activities in their homes, also qualify for inclusion in the group of ‘home-based workers’.

Based on the above arguments,

(a) own-account workers, engaged in economic activities at home, and contributing family workers helping them and

(b) homeworkers, whose places of work are their homes, and contributing family workers helping them,

were identified for inclusion in a group of persons working at home to be named as “home-based workers”.

Based on the above logic, the Group initially proposed the following definition of home-based workers for the purpose of conducting a field-test:

Home-based workers are-

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and
- (b) those homeworkers, who work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such homeworkers.

Such homeworkers cannot be classified unambiguously into any one of the existing ‘status in employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.

‘Home’, referred to above, is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

It may be noted that in the above definition of home-based worker, *a homeworker carrying out work not in his or her home but in other premises of his or her choice, other than the workplace of the employer, is excluded.*

Although the employment status of homeworkers forming part of home-based workers may be recorded as own-account workers for data collection purpose, these workers should be separately identified and not clubbed with own-account home-based workers, for valid reasons, as aptly brought out in ILO (2002) and quoted in the following:

*The problems and constraints faced by self-employed home-based workers and homeworkers are quite different, although both typically lack bargaining power and have to provide their own social protection. Homeworkers are often forced by circumstances to work for low wages without secure contracts or fringe benefits and to cover some production costs (in particular, equipment, space, utility costs). Most self-employed home-based workers, except high-end professionals, face limited access to and/ or competition in relevant markets. To improve their situation homeworkers need to strengthen their capacity to bargain for regular work orders, higher piece- rates, and overdue back-pay (a common problem faced by homeworkers ); while home-based self-employed need better access to financial markets and enhanced capacity to compete in product markets. In effect, homeworkers often face problems of exploitation while the self-employed often face problems of exclusion. The strategies to address problems of exploitation in labour markets – such as collective bargaining for higher wages – are different than the strategies to address problems of exclusion in capital and product markets – such as providing access to financial, marketing, and business services.*

To assess the difficulties, if any, in collecting data on home-based workers by adopting the above proposed definition for home-based workers, the Group desired to have a field-test. A field visit was organized in one village and one urban block in New Barrackpore area of the district of 24 Parganas (North), in the State of West Bengal. In all, 18 households (mostly having home-based workers) were visited to assess difficulties, if any, in collecting the information on activity status and location of workplace of the workers as per the code structure proposed to identify home-based workers according to the proposed definition.

After the field-testing was over, a feed back session was held in the afternoon. Exchange of views took place amongst the participating members of the Independent Group and field officials. In this deliberation, it was felt by the field officials that if the instructions

as well as the concepts and definitions are provided with precision and if proper training is provided to the field officials, there would be *no difficulty* for them to collect information with reasonable accuracy.

The Group carefully considered the findings of the field-test and after detailed discussion decided to replace 'living place' with 'dwelling unit' in the definition of 'home'

Within the definition of 'home', detached structure adjacent to living place has been included in the field-test. The field team saw cases where there was a courtyard or a public road in between a home and the shop. This led to scope for subjectivity in determining whether the structure is detached or not. The Group discussed at length the pros and cons of including detached structure. The Group has decided to drop 'detached structure adjacent to living place' in the definition of 'home' as it is causing confusion in the field and considered to be an independent premises separate from home.

The Group has not found it possible to replace the term 'adjacent' with a more precise term in the definition of 'home'.

Taking into account the above decisions, after the field-test, the Group modified the definition of 'home' as follows:

'Home' is defined as (i) **dwelling unit** and/or (ii) structure attached to **dwelling unit** and/or (iii) open area adjacent to the **dwelling unit**.

These changes are incorporated in the definition of home-based workers.

**The Group recommends that:**

**Home-based workers are-**

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and**
- (b) workers carrying out work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such workers.**

**Workers referred in (b) above are homeworkers working in their homes according to ILO Convention 177 on Home Work,1996.Such homeworkers cannot be classified unambiguously into any one of the existing ‘status in employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.**

**‘Home’, referred to above, is defined as (i) dwelling unit and/or (ii) structure attached to dwelling unit and/or (iii) open area adjacent to the dwelling unit.**

Considerable space has been devoted above to the logic and the process of evolving the definition of home-based workers by the Independent Group, as it is clear from the review of literature and main issues formulated in the beginning that any attempt to provide a definition for home-based workers involves consideration of several factors. The Independent Group held intensive and in-depth discussions in seven meetings and considered a report on the results of a field-test of the proposed definition before formulating its recommendation on the definition of home-based workers. It is difficult to record all the forcible arguments advanced by the members of the Group in the process of evolving the recommendation. It must be categorically stated that considerable effort has often been spent in reconciling differing points of view presented on technical and administrative grounds. The Group benefited from the rich experience of its members and the officials of the Field Operations Division of National Sample Survey Organisation involved in the field-test.

Other important recommendations made in Chapters 2, 3, and 4 may be seen at one place in Chapter 5.These are not discussed here due to limitation of space. It is suggested that Chapter 5 may be read and the logic and justification for different recommendations may be found in Chapters 2-4.

## **EXECUTIVE SUMMARY**

A large section of the national workforce is predominantly home-based workers who tend to remain invisible, both physically as they are working inside their homes and statistically as very little data are available on them. In January 2007, while inaugurating the South Asian Regional Conference on Home-based Workers, the Prime Minister referred to the statistical invisibility of home-based workers in the national statistics of the country. In this background, the Ministry of Statistics and Programme Implementation decided in May 2007 to set up an Independent Group on Home-based Workers in India, under the chairmanship of Dr.N.S.Sastry, in which some of the other stake-holders may work jointly with the Ministry to examine the existing data sources and suggest means to capture the data related to home-based workers. The terms of reference of the Group were the following:

- (i) To firm up the concepts and definitions of home-based workers and their categories for data collection purpose.
- (ii) To provide a framework for key tabulations and analysis of available data on home-based workers from surveys on employment and unemployment, unorganized/informal sectors and economic censuses.
- (iii) To identify data needs, assess the available data sources and specify data gaps and make recommendations on pilot data collection programmes for filling these gaps in respect of home-based workers.

The full text of the office orders constituting the Group including its composition and extending its term are given in Annexes-1 & 2. The Group held seven meetings during June 2007-March 2008.

The Report contains five chapters. In order to provide the contextual background for the task assigned to the Group, a brief review of international and national literature on home-based workers, homeworkers, place of work and classification of status in employment is included in the introductory chapter one. The second chapter is on the definition of home-based workers as evolved by the Group, which may be used for data collection purpose, keeping in view the realities of Indian conditions of work at home in

rural and urban areas. The third chapter provides major results available from published reports of National Sample Survey Organization (NSSO) and the framework for key tabulation on certain categories of home-based workers that are possible to be generated from existing data sources. The fourth chapter identifies the data requirements for formulating and implementing a national policy on home-based workers in India and delineates the data gaps. The fifth chapter brings together the recommendations of the Group for creating and improving the database on home-based workers in the national official statistical system.

Home-based workers are found in labor-intensive manual economic activities as well as capital or information-intensive professional or clerical services. Examples of such activities are : stitching of garments, preparation of shoe-uppers, making of incense sticks ,rolling of beedies ( a form of cigarettes ), laundry services, assembling of electrical plugs or electronic components, professional and technical consultancy services , and data entry, processing and analysis services offered to individuals and businesses. Women tend to be engaged relatively more than men in home-based economic activities.

There is a felt need to collect reliable statistics on home-based workers to help formulate and implement a ‘National Policy on Home-based Workers’. Efficient enumeration of women home-based workers is likely to improve female work participation rates in labour statistics. The major difficulty in identifying home-based workers in data collection programmes is lack of a clear statistical definition for home-based workers. There are, however, definitions of related terms like ‘outworkers’ and ‘homeworkers’

. The ILO Convention on Homework (ILO, 1996) defined the ‘homeworker’ as follows:

*“the term “homework” 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 services as specified by the employer, irrespective of who provides the equipment, materials or other inputs used,*

*unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions*

*Persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;*

*The term “employer” means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.”*

The workplace of a ‘homeworker’ is not limited only to his or her home, but it can extend to any place of his or her choice, except the workplace of the employer. Although the term “homeworker” is synonymous of “outworker”, the latter term is somewhat more logical as it is required from the worker that he or she perform the economic activity outside the premises of the enterprise for which he or she agrees to work.

The Expert (Delhi) Group on Informal Sector Statistics, constituted by United Nations Statistical Commission, considered the possibility of providing a separate category for homeworkers in the classification of status in employment in the 5<sup>th</sup> meeting, held in Delhi during 19-21 September, 2001, and made the following recommendations:

( [http://mospi.nic.in/report\\_5.htm](http://mospi.nic.in/report_5.htm))

*(a). Depending upon their employment relationships and types of contracts, home workers can be found in any category of status in employment. Homeworkers should, therefore, be identified through the variable “place of work” in conjunction with existing other classifications, such as industrial and occupational classifications, rather than as a separate category of status in employment.*

*(b) In order to define the criteria for the distinction between independent and dependent homeworkers, as well as between own-account workers and employees in general, questions on the type of contractual arrangements should be used in surveys. Such questions provide better results than a mere self-assessment by respondents of status in employment.*

**It may be noted that the 5<sup>th</sup> Meeting of Delhi Group did not recommend a separate category of homeworkers in the Classification of Status in Employment.**

The following table quoted from ILO (2002) report on “*Women and men in the informal economy: A statistical picture*”, summarizes the intermediate status of homeworkers between the self-employed and employees in terms of the characteristics, such as nature of contract, form of remuneration, means of production, place of work, and degree of supervision..

<b>Characteristics</b>	<b>Self-Employed</b>	<b>Homeworkers</b>	<b>Employees</b>
<b>Contract</b>	sales contract	employment contract	employment contract
<b>Remuneration</b>	from sale of goods/ services	for work (typically piece rate)	for work (time or piece rate)
<b>Contract with</b>	Self	employer/intermediary	employer
<b>Means of Production</b>	provided by self	provided by self	provided by employer
<b>Workplace</b>	provided by self	provided by self	provided by employer
<b>Supervision</b>	Autonomous	indirect or no supervision	direct supervision

The report(ILO, 2002) points out that” *the current international standards for classifying workers would need to be re-examined to determine whether existing categories can be sub-divided to accommodate these intermediate employment statuses or whether whole new categories that cut across existing ones would need to be introduced*”.

In the Employment and Unemployment Survey conducted by National Sample Survey Organisation (NSSO) in India during 55<sup>th</sup> round, 1999-2000, the data item on “location of workplace” for the usual principal and subsidiary activity status workers was introduced for the first time with provision for separate codes for the following:

no fixed workplace; own dwelling; own enterprise/office/shop outside own dwelling; employer's dwelling; employer's enterprise/office/shop but outside employer's dwelling; street with fixed location; construction site; and others.

The same survey also has taken some pioneering steps in an effort to collect data on outwork in general and homework in particular. A series of questions/data items were addressed to/collected from self employed (employer, own account and unpaid) non-agricultural workers in the usual principal and subsidiary activity status, as follows:

- Whether worked under given specifications? (yes: wholly/mainly/partly, no, not known).
- Who provided credit/raw material/equipments?(own arrangement, provided by the enterprise-credit only/raw material only/equipment only/credit and raw material only/credit and equipment only/raw material and equipment only/credit, raw material and equipment, not known).
- Number of outlets of disposal: (1/2/3 or more/not known).
- Basis of payment: (piece rate/ contract basis).
- Type of specification: (written/oral/not known).

The data relating to the first question: “whether worked under given specifications “can be used in conjunction with the data on workplace to identify homeworkers. Additional data collected in the survey can be used to identify various categories of homework such as vertical subcontracting (dependent on contractor for supply of raw material, etc) or horizontal subcontracting (not dependent on the subcontractor for raw material, etc.).

Although NSS defined homeworkers, outworkers and home-based workers as synonymous terms and called them as homeworkers, tabulation of data collected on such workers by NSSO in the 55<sup>th</sup> round (1999-2000) was limited. From the Employment Unemployment Survey only one relevant table was generated: Per 1000 distribution of self-employed persons in non-agricultural sector working under given specification by extent of production under specification for each location of workplace (NSSO Report No.460).

In the ILO (2002) report on “*Women and men in the informal economy: A statistical picture*”, home-based workers are defined and related to homeworkers as follows: *The term “home-based worker” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed) and those who work for others (mainly as industrial outworkers). The term “homeworker” is used to refer to a sub-set of home-based workers : namely, industrial outworkers who carry out paid work from their home. It is important to distinguish, both conceptually and statistically, between the following two categories (and related terms):*

*Home-based workers: all those who carry out market work at home or in adjacent grounds or premises whether as self-employed or as paid workers.*

*Homeworkers : those home-based workers who carry out paid work for firms/businesses or their intermediaries, typically on a piece-rate basis.*

The important point to be noted in the above formulation is that the concept of ‘home-based workers’ is broader than that of ‘homeworkers’ and the two terms need to be related and yet differentiated. While there is an internationally recognized definition of ‘homeworker’ given in the ILO Convention on Home Work (1996), there is no such status, as yet, for a definition of ‘home-based worker’.

Based on the above review of literature, the main issues for the consideration of the Independent Group may be formulated as follows:

- (i) What constitutes “home” as a “place of work” in the rural and urban areas of India?
- (ii) Is there a need to differentiate “home-based worker” from “homeworker” as defined by ILO Convention (1996)?
- (iii) If it is necessary to have a different definition for “home-based worker”, what is its relation with the definition of “homeworker”?

- (iv) Whether a “homeworker” not working at home but whose place of work is in other premises of his/her choice, other than the workplace of the employer, qualifies to be a “home-based worker”?
- (v) Which categories of workers classified by “status of employment” such as own-account workers, contributing family workers, etc., working at home, form part of “home-based workers”?
- (vi) Is it possible to identify unambiguously the “status of employment” of a “home-based” worker?
- (vii) Whether workers working from home but not at home, such as mobile vendors, taxi drivers, etc., form part of “home-based workers”?
- (viii) Keeping in view the definition of “home-based worker” to be formulated by the Group and the data collected from past labour force and enterprise surveys and economic census on “place of work” and other relevant characteristics of workers, what formats of key tabulations are possible to generate estimates on “home-based workers” and their characteristics from these existing data sources?
- (ix) What are the key data requirements for formulating and implementing a national policy for “home-based workers”?
- (x) What are the major data gaps on “home-based workers” and which are the possible data collection instruments in the official statistical system to fill up the identified data gaps?

The Group recognized the central role played by “place of work” in defining “home-based worker”. In the ILO Home Work Convention, 1996 the workplace of a “homeworker” is “*his or her home or other premises of his or her choice, other than the workplace of the employer*”. The logic of defining the workplace of an “outworker” has been used in defining the workplace of “homeworker” and consequently “outworker” and “homeworker” are used synonymously in the literature.

**The Group is of the considered view that the workplace should be only the “home” of the worker in defining “home-based worker”.** This is because home-based work

carried out at home enables household members, especially women and contributing family workers, to combine such economic activities with household chores and care of children, sick and elderly family members. Preponderance of women in home-based workers justifies this argument. The economic activities at home such as weaving, pottery, basket-making with bamboo materials, tailoring, embroidery, jewelry-making, toy-making, sale of grocery, etc., are performed not only in the space used for living purpose but also in a structure attached to living place, and/or open area/detached structure adjacent to the living place. Taking into consideration such ground realities regarding the use of space for carrying out economic activities at home by a worker, the Group recognized the need to define “home” in the context of defining a “home-based worker”. After intensive discussions, the Group *initially proposed* the following definition of “home” for use in defining a “home-based worker”:

‘Home’ is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

This definition of ‘home’ was field tested and in the process of evolution of the definition it was redefined as we shall discuss later.

After proposing a definition of ‘home’, the Group examined the possible categories:

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to which ‘persons working at home’ may belong.

Work at home involves incurring of expenses on the actual or imputed rent, cleaning, heating, electricity, etc. Employees do not incur such expenses and hence do not qualify for inclusion in the group of ‘persons working at home’. Here the feature of economic risk was assessed to distinguish home-based workers from employees working at home.

Employers and members of producers’ cooperatives, in general, carry out their businesses at fixed places other than their homes. Employers engage on a continuous basis one or more persons as employees to work for them in their businesses and their scales of operations are usually higher than those of ‘persons working at home’. For these reasons,

employers or members of producers' cooperatives, in general, do not figure prominently in the group of 'persons working at home'. Here the feature of scale of operation was used to distinguish home-based own account workers from employers and members of producers' cooperatives.

Own-account workers, who by definition do not engage a hired worker on a continuous basis, and contributing family workers helping them can work at home or at a place away from home or with no fixed workplace. It is important to note that a contributing family worker holds a 'self-employment' job in a market-oriented enterprise operated by a related person.

Own-account workers and contributing family workers helping such own-account workers, having their workplaces in their own homes, qualify for inclusion in the group of 'home-based workers'. Compared to employees, employers and members of producers' cooperatives, the group of **own-account workers and contributing family workers helping them in carrying out economic activities *at home*** have a smaller scale of operation and undertake economic risk. They do not have employment security, often due to seasonal nature of operations, and lack social security. They also tend to remain isolated and, therefore, to be less well organized and more vulnerable, and have less voice vis-à-vis public authorities.

Homeworker, according to ILO Convention (1996), works *in his or her home or in other premises of his or her choice, other than the workplace of the employer*. A homeworker, who works in his or her home has the same features of small scale of operation, undertaking economic risk, having no employment and social security. On this score he/she qualifies for inclusion in the group of 'home-based workers' .

As mentioned earlier, however, a homeworker cannot be classified unambiguously into any one of the categories of the classification of status in employment. But a homeworker working in his or her home, for reasons explained in the above paragraphs, may be classified as an own-account worker for data collection purpose and included in the group of 'home-based workers'. Contributing family workers, helping homeworkers in carrying

out economic activities in their homes, also qualify for inclusion in the group of ‘home-based workers’.

Based on the above arguments,

(a) own-account workers, engaged in economic activities at home, and contributing family workers helping them and

(b) homeworkers, whose places of work are their homes, and contributing family workers helping them,

were identified for inclusion in a group of persons working at home to be named as “home-based workers”.

Based on the above logic, the Group initially proposed the following definition of home-based workers for the purpose of conducting a field-test:

Home-based workers are-

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and
- (b) those homeworkers, who work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such homeworkers.

Such homeworkers cannot be classified unambiguously into any one of the existing ‘status in employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.

‘Home’, referred to above, is defined as (i) living place and/or (ii) structure attached to living place and/or (iii) open area / detached structure adjacent to the living place.

It may be noted that in the above definition of home-based worker, *a homeworker carrying out work not in his or her home but in other premises of his or her choice, other than the workplace of the employer, is excluded.*

Although the employment status of homeworkers forming part of home-based workers may be recorded as own-account workers for data collection purpose, these workers should be separately identified and not clubbed with own-account home-based workers, for valid reasons, as aptly brought out in ILO (2002) and quoted in the following:

*The problems and constraints faced by self-employed home-based workers and homeworkers are quite different, although both typically lack bargaining power and have to provide their own social protection. Homeworkers are often forced by circumstances to work for low wages without secure contracts or fringe benefits and to cover some production costs (in particular, equipment, space, utility costs). Most self-employed home-based workers, except high-end professionals, face limited access to and/ or competition in relevant markets. To improve their situation homeworkers need to strengthen their capacity to bargain for regular work orders, higher piece- rates, and overdue back-pay (a common problem faced by homeworkers ); while home-based self-employed need better access to financial markets and enhanced capacity to compete in product markets. In effect, homeworkers often face problems of exploitation while the self-employed often face problems of exclusion. The strategies to address problems of exploitation in labour markets – such as collective bargaining for higher wages – are different than the strategies to address problems of exclusion in capital and product markets – such as providing access to financial, marketing, and business services.*

To assess the difficulties, if any, in collecting data on home-based workers by adopting the above proposed definition for home-based workers, the Group desired to have a field-test. A field visit was organized in one village and one urban block in New Barrackpore area of the district of 24 Parganas (North), in the State of West Bengal. In all, 18 households (mostly having home-based workers) were visited to assess difficulties, if any, in collecting the information on activity status and location of workplace of the workers as per the code structure proposed to identify home-based workers according to the proposed definition.

After the field-testing was over, a feed back session was held in the afternoon. Exchange of views took place amongst the participating members of the Independent Group and field officials. In this deliberation, it was felt by the field officials that if the instructions

as well as the concepts and definitions are provided with precision and if proper training is provided to the field officials, there would be *no difficulty* for them to collect information with reasonable accuracy.

The Group carefully considered the findings of the field-test and after detailed discussion decided to replace 'living place' with 'dwelling unit' in the definition of 'home'

Within the definition of 'home', detached structure adjacent to living place has been included in the field-test. The field team saw cases where there was a courtyard or a public road in between a home and the shop. This led to scope for subjectivity in determining whether the structure is detached or not. The Group discussed at length the pros and cons of including detached structure. The Group has decided to drop 'detached structure adjacent to living place' in the definition of 'home' as it is causing confusion in the field and considered to be an independent premises separate from home.

The Group has not found it possible to replace the term 'adjacent' with a more precise term in the definition of 'home'.

Taking into account the above decisions, after the field-test, the Group modified the definition of 'home' as follows:

'Home' is defined as (i) **dwelling unit** and/or (ii) structure attached to **dwelling unit** and/or (iii) open area adjacent to the **dwelling unit**.

These changes are incorporated in the definition of home-based workers.

**The Group recommends that:**

**Home-based workers are-**

- (a) own-account workers and contributing family workers helping the own-account workers, involved in the production of goods and services, in their homes, for the market and**
- (b) workers carrying out work in their homes for remuneration, resulting in a product or service as specified by the employer(s), irrespective of who provides the equipment, materials or other inputs used; and those contributing family workers helping such workers.**

**Workers referred in (b) above are homeworkers working in their homes according to ILO Convention 177 on Home Work,1996.Such homeworkers cannot be classified unambiguously into any one of the existing ‘status in employment’ categories. For data collection purpose, such homeworkers may be classified as own-account workers.**

**‘Home’, referred to above, is defined as (i) dwelling unit and/or (ii) structure attached to dwelling unit and/or (iii) open area adjacent to the dwelling unit.**

Considerable space has been devoted above to the logic and the process of evolving the definition of home-based workers by the Independent Group, as it is clear from the review of literature and main issues formulated in the beginning that any attempt to provide a definition for home-based workers involves consideration of several factors. The Independent Group held intensive and in-depth discussions in seven meetings and considered a report on the results of a field-test of the proposed definition before formulating its recommendation on the definition of home-based workers. It is difficult to record all the forcible arguments advanced by the members of the Group in the process of evolving the recommendation. It must be categorically stated that considerable effort has often been spent in reconciling differing points of view presented on technical and administrative grounds. The Group benefited from the rich experience of its members and the officials of the Field Operations Division of National Sample Survey Organisation involved in the field-test.

Other important recommendations made in Chapters 2, 3, and 4 may be seen at one place in Chapter 5.These are not discussed here due to limitation of space. It is suggested that Chapter 5 may be read and the logic and justification for different recommendations may be found in Chapters 2-4.



