



The Value of Organization

The effect of organization on the livelihoods of female
home based workers in Nepal

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Abstract

Under the process of informalization and feminization the number of female home based workers is growing and relegated to the bottom of global value chains. Organization has been identified as an important tool for improving the vulnerable position of female home based workers. The aim of this research is to get insight into the position in the value chain of female home based workers in the context of Kathmandu and Hetauda, Nepal, and to analyze how organization affects the position in the value chain of these female home based workers and their livelihood as a whole. It is found that the female home based workers in this study are part of a captive value chain, in which the buyers hold the power and control and in which the female home based workers are highly vulnerable and powerless, as they are women with little marketing skills and knowledge, and highly dependent on the work. It is argued that organization not only helps the female home based workers directly through access to savings and credit, awareness trainings, and the development of friendships, but also to increase their competence in the value chain through skill improvement, market knowledge, and collective bargaining. It might even lead to a change in chain governance from a captive towards a relational one, in which there is more trust and mutual dependence between producer and buyer. Furthermore, it is argued that organization is essential for creating an enabling environment for the home based workers to live and work. Advocating for more inclusive policies and government programs and working together with trade unions and NGOs can contribute significantly to this.

Keywords: Female home based workers, Organization, Global value chains, Informalization, Membership based organizations, Livelihood, Nepal.

Table of content

Acknowledgements	4
Abstract	5
Table of content	6
List of abbreviations	Fout! Bladwijzer niet gedefinieerd.
List of figures	8
List of tables	8
List of maps	8
List of text boxes	8
Introduction	9
1. Theoretical framework	11
1.1. Home based work	11
1.1.1. What is home based work?	11
1.1.2. Predominance of women in home based work	12
1.1.3. Conditions of home based work.....	13
1.2. The context of female home based workers	13
1.2.1. Economic Globalization	14
1.3. Global Value Chains.....	15
1.3.1. The global value chain concept	15
1.3.2. Chain governance	16
1.3.3. Female home based workers within the value chain	18
1.4. Informalization	20
1.4.1. Informalization around the world	22
1.4.2. Distributional dimensions of informalization	23
1.4.3. Home based workers within the informal economy	24
1.5. The role of organizing.....	24
1.5.1. Why organize as female home based worker	24
1.5.2. The difficulty of organising home based workers	25
1.5.3. How to organize home based workers.....	25
1.6. Conclusion	27
2. Regional framework	29
2.1. South Asia.....	29
2.2. Nepal	30
2.2.1. Politics.....	30
2.2.2. Sociocultural characteristics.....	31
2.2.3. Economy	31
2.2.4. Home based workers in Nepal	32
2.2.5. HomeNet Nepal	32

3. Methodology	34
3.1. Research objective and research questions.....	34
3.2. Operationalization of main concepts.....	35
3.3. Conceptual model	37
3.4. Research area and population	38
3.5. Methods of research	40
3.6. Limitations of research.....	42
4. Profile of subcontracted female home based workers	44
4.1. Characteristics of the subcontracted female home based workers	44
4.1.1. Personal characteristics.....	44
4.1.2. Household characteristics	46
4.1.3. Characteristics of the work.....	47
4.2. Livelihood conditions of the subcontracted female home based workers.....	53
4.2.1. Human capital.....	53
4.2.2. Physical capital	55
4.2.3. Financial capital	56
4.2.4. Social capital	59
4.2.5. Unorganized female home based workers.....	60
5. Position in the value chain of subcontracted female home based workers	62
5.1. Structure of the value chains	62
5.2. Relationships within the Value Chain.....	64
5.3. Chain Governance	65
6. Organization of subcontracted female home based workers.....	71
6.1. Ways of organization of the subcontracted female home based workers	71
6.1.1. Membership based organizations (MBOs)	71
6.1.2. National network organization: HomeNet Nepal.....	73
6.1.3. Business associations.....	74
6.2. Influence of organization on livelihood of female home based workers	75
6.2.1. Influence of MBOs on the livelihood	75
6.2.2. Influence of HNN on the livelihood	83
6.2.3. Influence of business associations on the livelihood	85
6.3. Conclusion	88
6.4. Unorganized subcontracted female home based workers	90
7. Discussion and conclusion	91
8. Recommendations	97
8.1. Future research	97
8.2. Practical recommendations	97
References.....	99
Appendices	105

List of figures

Figure 1. *Basic Value Chain*

Figure 2. *The smile of value creation*

Figure 3. *Global value chain governance types*

Figure 4. *Supply chain pressures create precarious employment*

Figure 5. *Informality around the world*

Figure 6. *Informal employment and GDP*

Figure 7. *The 'iceberg' of the informal economy*

Figure 8. *Contextual framework*

Figure 9. *Conceptual model*

Figure 10. *Distribution of research population by age compared with female non-agricultural informal workers in Nepal*

Figure 11. *Distribution of research population by caste*

Figure 12. *Household dependency of income of female home based workers*

Figure 13. *Education levels of the female home based workers*

Figure 14. *Average earnings from home based work*

Figure 15. *Structure of the value chains*

Figure 16. *Conceptual model 2*

List of tables

Table 1. *Location home based workers questionnaires*

Table 2. *Division of in-depth interviews*

Table 3. *Migration to the different locations*

Table 4. *Type of work according to location*

Table 5. *Type of work according to caste*

Table 6. *Stratification of different types of home based work*

Table 7. *Age and education*

List of maps

Map 1. *South Asia*

Map 2. *Nepal*

List of text boxes

Box 1. *The concept of informality*

Box 2. *Awareness of female home based workers on position in value chain*

Box 3. *Conference on Home Workers in Kathmandu, 2011*

Box 4. *From research to action research*

Currency conversion

Euros to Nepali Rupees, January 13th 2012

(Nepal Rastra Bank – The Central Bank of Nepal)

1 € = 105, 08 (buying); 105, 84 NRs (selling)

1 € = 100, - NRs for the purposes of the research

Introduction

Across the world there are as many as 100 million people working from their own home, of which around 50 percent are in South Asia alone. An estimated 80 percent of these workers are women, combining their work with domestic duties for their households. This part of the workforce is still growing rapidly and contributes substantially to the national and subsequently to the global economy. The home based workers are stitching clothes and embroidering; they are rolling incense sticks and rolls; they are packing medicines, sweets, or electrical parts; they are making candles and handicrafts. These are just a few of the many types of work that the female home based workers do. Literature suggests that home based work is the backbone of industries like garment, incense sticks, carpets, football making, and various other labour intensive handicraft exports in South Asia.

However, the female home based workers lack the voice in order to make their presence felt. Working behind closed doors, from their own homes, they generally are invisible. Often, they are not even seen as 'workers' and their skills are taken for granted and seen as just 'something that women do'. In fact, they are deprived both because of their status as semi-skilled workers in an unregulated informal economy, as well as because of their gender. Under the process of informalization and feminization the female home based workers are relegated to the bottom of the value chain. In the global value chains, large companies outsource and offshore their production to developing Asian countries where they have a growing access to the needed cheap, flexible and disposable forms of labour. This labour is informal, being outside of formal legal and social protection, and mostly female. As informal incomes tend to decline as one moves across the following types of employment: employer – self-employed – casual worker – subcontract worker, and as women tend to be underrepresented in high income and overrepresented in low-income activities, female subcontracted home based workers are at the most bottom end of the hierarchy of the informal economy and of the value chain.

Few studies have drawn attention to the plight and challenges of this highly invisible and growing segment of the workforce. The aim of this study is to make a small contribution by not only highlighting the vulnerable position of the female home based workers in the value chain, but also by trying to identify a way to improve their position. Organization is an important tool for improving the conditions of workers in general, and is especially needed within the informal economy, where a lack of voice is marginalizing workers in the labour market and in society at large. It is critical for shaping regulatory frameworks and institutional environments that help the workers move up in the value chain. A few case studies, especially in India, are found where organization helps female home based workers to improve their vulnerable position. While subcontracted female home based workers are mostly found in South Asia, little is known about their livelihood conditions and the ways of organization in the poorest country of South Asia; Nepal. Therefore, this research will focus on the subcontracted female home based workers in Nepal. The guiding question of this research is:

How does organization affect the position in the value chain and the livelihood of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

To answer this question, field research has been performed in the two large urban areas Kathmandu and Hetauda, Nepal. A great number of female home based workers have been visited at their homes and questionnaires and interviews have been conducted with them. Furthermore, focus group discussions have been held with the female home based workers, in five different locations. Besides the female home based workers, also leaders of member based organizations (MBO) have been interviewed, in order to get a clearer view of the structure and policy of the different organizations. Moreover, interviews with several subcontractors have been conducted, in order to get a better insight into the position and power relations in the value chain.

This research starts with the theoretical framework, which will present the main literature that already exist on the topic of female home based workers and will explain the global context in which female home based workers are situated by elaborating on the process of informalization within the global value chains. Thereafter, the role of organizing for improving the livelihoods of the female home based workers will be discussed. For any research it is essential to understand the social, cultural, political, and economic context of the research area, therefore, the second chapter will give an overview of the regional framework of Nepal. In chapter three the methodology of this research will be presented, in which the central research question and the four guiding sub questions will be put forward. Also, the operationalization, conceptual model, research area and population, and limitations of the research will be covered, and the different research methods used will be explained.

The empirical section of this research will start with chapter four, which will give an overview of the characteristics and livelihood conditions of the female home based workers in Kathmandu and Hetauda, Nepal. In chapter five the position in the value chain of the female home based workers will be analyzed, including the structure and governance type. Chapter six focuses on the organization of the female home based workers. First, the ways in which the female home based workers are organized will be presented. Subsequently, it will be examined how this organization is affecting the position in the value chain of the female home based workers and their livelihood in general. Finally, chapter seven forms the discussion and conclusion of this research, presenting the results of this research, followed by the recommendations for further research and for the different types of organization in chapter eight.

1. Theoretical framework

In this study the focus is on the affect of organization on the position in the value chain and the livelihoods of female home based workers. This theoretical framework is aimed to give an overview of the most pertinent, influential and up to date work on the topic of female home based workers. Therefore, it starts with an elaboration of the term home based workers. It will be explained what home based workers are, the role of gender will be discussed, and the conditions of home based workers will be put forward. Next, the global context in which female home based workers are situated will be set forth by explaining the concepts of global value chain and informalization. Both these concepts are part of the current economic globalization and together well describe the circumstances in which female home based workers are active and explain why there actually is a growing number of female home based workers. The position of the female home based workers in the value chain, influenced by the process of informalization, will be illustrated. Thereafter, an elaboration will follow on organization theory and how organizing could help female home based workers to improve their livelihood conditions.

1.1. Home based work

The field of home based manufacturing activities is one of the most understudied fields in informal economic activities in developing countries. There is little acknowledgement for home based workers, even though they are a significant and growing part of the global work force. (Mehrotra & Biggeri, 2007). In many cities in developing countries it is a widespread occurrence to use the home not only for shelter, but also for income generating activities. (Sinai, 1998). The main issue concerning home based workers is their invisible status, as they are often not even counted as workers, not included in labour laws or labour survey's, and not included in the GNP of most countries. Fortunately, more attention has been given to the issues of home based workers during the last decade. (Doane, 2007).

1.1.1. What is home based work?

The ILO Convention on Home Work (1996) defines home work as 'work carried out by a person, to be referred to as a homemaker, (i) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (ii) for remuneration; (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used [...]'. Work is defined here as 'any activity in which time and effort are expended in the pursuit of financial gain, or of material gain derived from other persons in exchange for the worker's labour or the products of such labour'. (Bromley, 1997). Home based workers may work either as *subcontracted piece-rate workers*, also referred to as homeworkers or industrial outworkers, as *self-employed workers*, also referred to as own account workers, or as workers who construct a combination of the two. (Doane, 2007). Subcontracted piece-rate workers 'complete specific steps in the production process for an employer or subcontractor in their homes' (Jhabvala & Tate, 1996). Basically, this means that a subcontracted piece-rate worker gets raw materials

from a contractor, trader, employer, or a firm, makes finished goods out of them at home, and then returns the finished goods to the same person, without having direct contact with the market. A self-employed worker does not have direct access to the market, as he or she buys the raw material and sells the finished products on the market directly. (Jhabvala & Tate, 1996).

Available literature suggests three main facts about home based work. First of all, in many parts of the world home based work is a highly valuable source of employment. Even though official data on the scope of home based work is scarce and shows low estimates, it is assessed that there are 250 million home based workers in the world. (Mehrotra & Biggeri, 2007). Furthermore, home based workers constitute a considerable share of the labour force in key industries. Home based workers are prominent in garment and textile industries, carpet making, and the leather industry. (Carr et al. 2000). And, third, home based work shows to be an important source of employment particularly for women. An estimated 80% of the home based workers in South Asia are women. (Doane, 2007).

1.1.2. Predominance of women in home based work

In understanding home based work gender is a crucial factor, as most home based workers are women. (Burchielli et al., 2008; Carr & Chen, 2004; Doane, 2007; ILO, 2002b). In India, for example, the share of women who are home based workers is about ten times that of men. (Carr & Chen, 2004). The invisibility of female home based workers is related to the traditional barriers in many communities that still restrict women from going outside their homes to work. Women's roles are often tied to the home, as they include the care for children, the elderly, and other household activities. (Doane, 2007).

Much has been written on the reasons for women to work at home. There are supply-side and demand-side factors that contribute to the concentration of women in home based work. First, there is a growing supply of female labour. Economic slowdown, rural-urban migration, and growing woman-headed households put pressure on women to enter the labour market. Some women prefer or choose freely to work at home, because of the flexibility and location, so that they are able to combine paid work, domestic chores and care work. Other women do not experience this as an option, but are forced to work at home and assume this triple workload due to prevailing gender norms. In many cultural contexts women are expected to have children, care for the children and elderly, and attend to all domestic responsibilities, and mainly stay inside the house, so that they have no choice but to work at home. (Burchielli et al., 2008).

Secondly, there is a growing demand for female labour. It has been found that there are gendered patterns in the employment opportunities, as there is a persisting high demand for low-wage female labour in export-oriented manufacturing. (Carr & Chen, 2004; ILO & Asian Development Bank, 2011). This 'feminization' of employment in export-oriented manufacturing, mainly in Asia, is due to manufacturers in global value chains preferring to hire women, as women are seen to be 'more tractable and subservient to managerial authority, less prone to organize into unions, more willing to accept lower wages because of their own lower reservation and aspiration wages, and easier to dismiss using life-cycle criteria such as marriage and childbirth' (UNESCAP 2002, p. 94). These reasons explain the predominance of women,

especially young women, in such export-oriented manufacturing activities, and they underscore gender norms and the vulnerability of women. (ILO & Asian Development Bank, 2011).

Women tend to be overrepresented in low-income activities and underrepresented in high-income activities. Female home based workers are the ones who earn some of the lowest wages worldwide and are highly vulnerable. (Carr et al., 2000; Doane, 2007; IDS, 2002). Moreover, due to social assumptions in many cultural contexts, women may suffer discrimination in educational opportunities and in access to resources. (IDS, 2002). Furthermore, they are often expected to do unpaid family labour, and whatever they earn goes to the family 'pool' to be marketed by male members of the family. (Doane, 2007).

Many of the women working as home based workers refer to themselves as 'housewives' or 'not employed' when asked for, even though they spend 14 to 16 hours a day earning income for the family 'pool'. (Bergan, 2009). This perception of oneself as not being a 'worker' is well depicted in a survey done among female home based workers in Ahmedabad, India, by SEWA. These women stated that they needed more work, even though they were already working about 16 hours a day. As they could not perceive themselves as being able to negotiate better working conditions, more work was the only solution they could see. This view gives contractors and middlemen the opportunity to exploit their vulnerability to their benefit. (Jhabvala & Tate, 1996).

1.1.3. Conditions of home based work

Subcontracted home based work has a dual character. On the one hand, it offers families employment and an opportunity to increase and diversify their income. On the other hand, there are many disadvantages for the home based worker, reflected in the exploitative and poor working conditions. (Mehrotra & Biggeri, 2007). Given their isolation and as most workers are women, home based workers tend to be at the low end of the labour hierarchy and of income scales. (Beneria & Floro, 2005). Their wage is irregular and low, and sometimes children assist homework, instead of going to school. Moreover, female home based workers still have to undertake domestic duties. (UNICEF, 2002). Working conditions in general are poor (bad lighting, seating, no protection) and most work for long hours. As with other informal workers, home based workers are usually not covered by laws regarding labour or social protection. These laws are either not implemented, or just do not exist. In the absence of such protection, and information about their rights, home based workers have little bargaining power and are generally not organized. (Homenet, 2010). Furthermore, as home based workers work out of the public eye, they are a largely invisible and uncounted part of the labour force. (Doane, 2007).

1.2. The context of female home based workers

As explained earlier, it is important to 'contextualise improved living conditions within a particular nation-state against increased inequality and immiseration at the global level' (Griffiths & Knezevic, 2010, p. 448). In other words, when examining the living conditions of female home based workers it is of importance to understand the global context in which they are situated and the global system in which they operate.

Female home based workers are affected by and take part in a number of developments tied to globalization. The most relevant interrelated global trends that are of highest concern for subcontracted female home based workers (completing specific steps in the production process for an employer or subcontractor) are the reorganization of production in global value chains and the informalization of labour. Both these changes in today's global economy are part of the process of economic globalization.

1.2.1. Economic Globalization

Under the pressure of globalization processes, the context of economic activities has changed significantly. The immediate causes of globalization are the spatial reorganization of production, international trade and the integration of financial markets. (Buckley, 2009). Due to the segmentation of the manufacturing process into multiple partial operations together with the advancements in communication networks and cheap transportation, there has been an increasing division of production into separate stages performed in different locations; the forming of *global value chains*. (Sideri, 1997).

The differentiation of labour markets is most perceptible between developed and less developed countries which are typically not part of the same region. The large companies are increasingly able to segment their activities and find the optimal location for specialized fragments of their production process. Moreover, the large companies are also able to co-ordinate these activities using a wide variety of mechanisms, of which subcontracting and outsourcing have set a trend. This more precise use of location and ownership strategies by large companies in order to maximize profits is referred to as the essence of the so-called 'global factory' (Buckley & Ghauri, 2004).

The increased ability of large companies to divide and relocate stages of their value chains has led to a great increase in capitalist labour in Asia. However, the Asian countries often have a productivity follower industry which is exposed to the productivity leader in another country. (Chang, 2009). The control over the economic activities remains strongly with the large firms based in the developed countries. (Buckley, 2009). Furthermore, the operation of global value chains and the described global factory is highly linked to the process of *informalization of labour*. The large companies need flexible labour, in order to meet consumers' demands and cheap labour, due to high downward pressure on prices through competition. Therefore, they outsource and offshore their production to developing (Asian) countries where they have a growing access to the needed cheap, flexible and disposable forms of labour. These informal workers work outside formal structures and therefore lack legal, institutional and union protection. This informalization process is a critical component of today's economic globalization.

Thus, the informalization process and the forming of global value chains are important components of today's economic globalization, which highly affect the context of economic activities. Therefore, it also highly affects the context of female home based workers, as they are active in the current global economy. Actually, the process of informalization within global value chains explains why there is a growing number of female home based workers and accounts for their vulnerable position within the value chain. How this works will be explained in the following sections. First, the global value chains will be presented and the

position of the female home based workers therein will be put forward. Thereafter, the informalization process and its effect on female home based workers will be analyzed. (Gereffi & Memodovic, 2003).

1.3. Global Value Chains

Global Value Chain (GVC) analysis is a valuable methodological tool for explaining the dynamics of the current economic globalization. GVC analysis helps to understand developments regarding the distribution of outcome of global production and exchange, thereby focusing on the manner in which actors participate. (Gibbon et al., 2008; Kaplinsky, 2000).

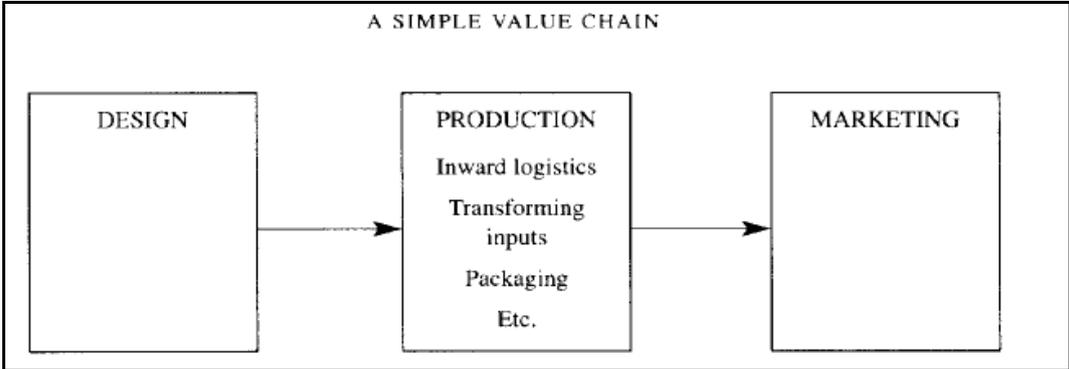
This section will elaborate on the concept of the global value chain, the actors involved, and the power relations between these actors. Furthermore, it will be illustrated how the business strategies of large companies, who are big actors in the value chain, of choosing optimal locations for specialized production activities and the outsourcing of these activities influences the position of subcontracted female home based workers. The vulnerable position of female home based workers in the global value chain will be demonstrated.

1.3.1. The global value chain concept

Facilitated by increasing trade liberalization, related economic reforms, and information communication technology, the world economy has changed significantly. Part of these changes is the reorganization of production into global production systems, as global value chains. The stages of production have spread all over the world, thereby linking economies of different countries through a chain of value-adding activities.

The value chain describes: ‘the full range of activities which are required to bring a product or service from conception, through the intermediary phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use’ (Kaplinsky, 2000). Furthermore, in every stage value is added. In its most basic form, it looks like the scheme in figure 1. In reality, however, value chains are much more extended than this. The term global value chain is used when this process takes place across different parts of the world. (Carr & Chen, 2004).

Figure 1. Basic Value Chain



Source: Kaplinsky, 2000

The concept of the value chain was already used in the 1960s and 1970s, but only after the writings by Michael Porter (1985, 1990) value chain analysis became popularised and widely used. Porter introduced the value chain as a tool within the firm for analysing what value is added by each activity or unit. Another source that contributed to the current prominence of the value chain concept derives from the work of Gereffi, building on Wallerstein's world system analysis. Wallerstein, together with Hopkins questioned 'whether and to what extent a capitalist world-economy was an organizing force and structural reality' (1986, p. 159). They invented the term 'commodity chains' to underline a basic process of capitalism: 'that is it involved linked production processes that had always crossed multiple frontiers and that had always contained within them multiple modes of controlling labour' (Wallerstein, 2000, p. 221). They believed that studying these chains would help to indicate how surplus-value was distributed and would explain how the system of unequal exchange worked in practice (Wallerstein, 2000).

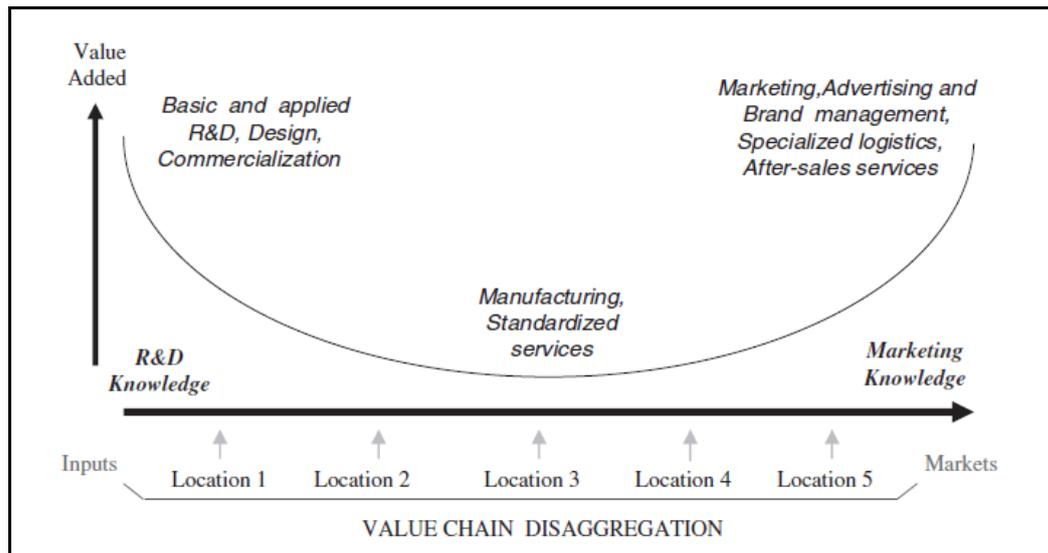
Instead of Wallerstein's holistic approach of world structures, Gereffi focuses on the organizational field of contemporary global industries. He identifies three dimensions of global commodity chains. The first is the input/output structure, which describes the flows of materials that transform into commodities. Second, geographical configuration refers to the spatial dispersions of the activities. Finally, the governance structure is about the power, control and coordination within the chain. (Gereffi, 1994). In the work of Gereffi attention is drawn to economically powerful actors that are capable of shaping the composition of the chains that they are part of. In the current global economy, this concept of *chain governance* is highly important, as large companies increasingly have the control over the whole value chain.

1.3.2. Chain governance

Chain governance is related to the coordination and control along the chain, as there are key actors who take responsibility for the division of labour and for the capacities of specific participants to upgrade their activities. The concept of 'governance' is used to express that some actors in the chain set and/or enforce the parameters under which the others operate. (Humphrey and Schmitz, 2008). Gereffi (1999) identifies large companies and retailers as critical agents in global production chains.

In the global value chains the barriers to entry in the production part of the chain have fallen, as countries developed their capabilities in industrial activities through mechanization and standardization, and competitive pressures on production heightened. This reduced the scope for value creation in production. Profit margins are highest in domains outside of production, at the start and tail of the value chain. (Mudambi, 2007). These activities at the upstream and downstream ends of the value chain are intensive in their application of creativity and knowledge. Therefore, the pattern of value-added along the value chain may be depicted by the 'smiling curve' as shown in figure 2.

Figure 2. *The smile of value creation*

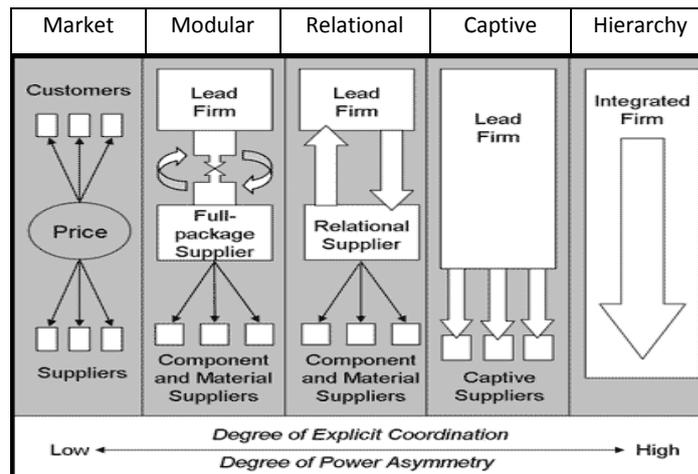


Source: Mudambi, 2007.

Large firms are the powerful actors in the chain and their strategy is to concentrate on retail and distribution activities, while production activities are outsourced to domestic companies in developing countries. Moreover, they continue to search for cheaper labour in other countries. (Carr & Chen, 2004).

Labour-intensive industries tend to be *buyer-driven chains*, in which the buyer plays the critical governing role. The large global firms design the product, specify the product quality and outsource its production to small local producers in developing countries. These firms also have the control over the quality and timing of the production, whereby flexibility, low costs, and time are important demands. Moreover, the large companies also control the marketing and branding of the products, bringing them great market power and large fortunes. (ILO, 2004). Thus, the global firms, the buyers, often play a decisive role in innovation and product design, and they tend to be the makers of global standards. In contrast, producers in developing countries tend to be the 'standard takers' instead of 'standard makers' and work to specifications that come from outside. (Humphrey and Schmitz, 2008). This type of value chain governance, where asymmetric power relationships force producers to link to their buyer under conditions that are set by and specific to that buyer, is called *captive*, see figure 3. (Gereffi et al., 2005).

Figure 3. Global value chain governance types



source: Gereffi et al., 2005

The chain governance type influences the scope for local initiatives. As explained, in the captive governance there is very low local autonomy, in hierarchy there is none at all, but in relational and modular there is more scope for local autonomous development.

1.3.3. Female home based workers within the value chain

Within the global value chains, large firms tend to concentrate on retail and distribution, while production activities are outsourced to domestic companies in developing countries. Due to high competition on the global market, companies try to maintain or increase their market share by cutting labour costs, creating a 'race to the bottom'. This race is possible as companies can move to other countries in search for cheaper labour or within a country they can outsource the labour to casual workers and home workers. (Carr & Chen, 2004).

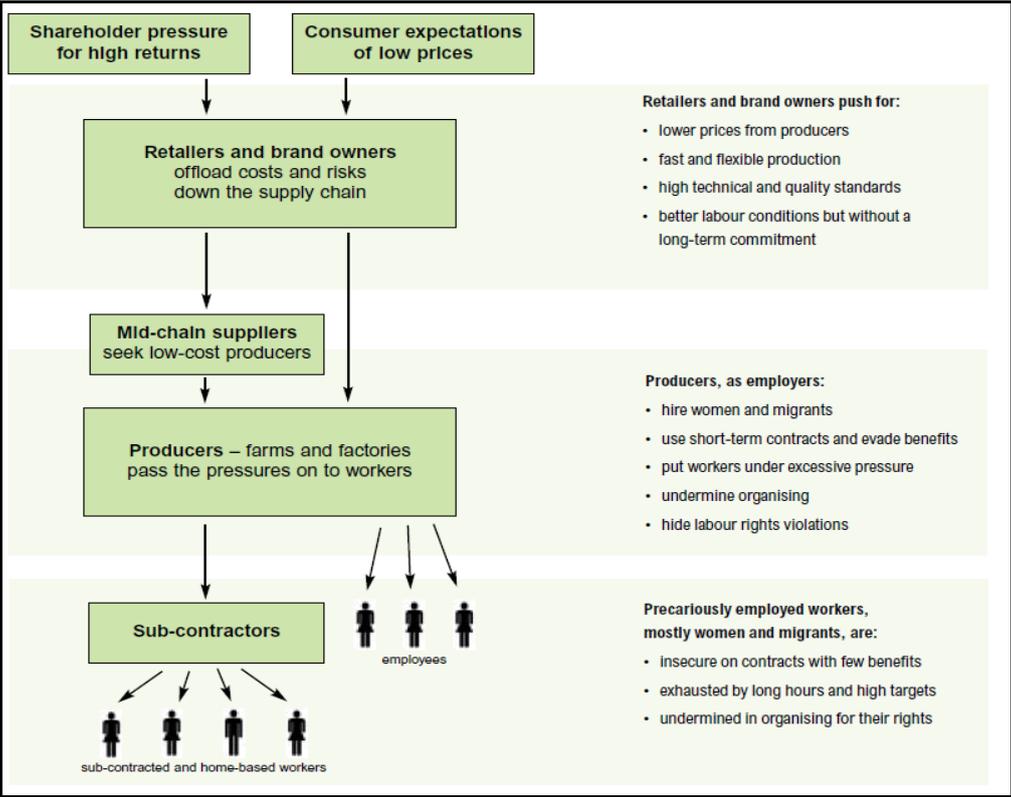
The labour-intensive buyer-driven commodity chains involve an abundant female workforce. The above mentioned trends in the global production chains have led to a creation of new employment for women in developing countries. They are increasingly integrated into the global economy. However, the terms on which they are included in the labour force are not optimum. Women are concentrated at the margins of the production process and at the lower end of the production chain. They have little say in their working conditions and lack the means of redressing the balance of power and returns. Employers tend to prefer young women in factory jobs, as they are seen as docile and unlikely to take union action. (Carr & Chen, 2004; ILO & Asian Development Bank, 2011).

The position of female home based workers in global production chains, as opposed to female factory workers in developing countries, is even more precarious. Home based workers are isolated and often have a weak link with their employer or subcontractor. Therefore, home based workers are paid less than those doing the same work in factories. (Carr & Chen, 2004). Furthermore, lead firms in the global production chain retain power and control as they usually negotiate directly with only the first tier of subcontracting firms, excluding those down the chain from direct negotiations and associated benefits. This

way home based workers are left at the low end of the chain without real bargaining power. (Carr & Chen, 2004).

As shown in figure 4. female home based workers at the bottom receiving the pressures of the supply chain. Large firms and retailers face pressures of both their shareholders and their customers, which influences their supply chain strategies. Shareholders expect maximising returns and customer loyalty demands high quality and low prices. In order to meet the expectations of both, many firms combine cutting-edge logistics with heavy bargaining power to push risks and costs down their value chain to the weakest link, the workers they employ. Thus, the need for flexibility in order to meet consumer demands and the downward pressure on prices through competition makes large firms to outsource their production together with risks and costs. The labour strategy of many producers is simple: make it cheap and flexible. Thus, they hire workers on short-term contracts and subcontract to sub-standard, invisible producers. Under high time pressure they demand workers to put in long hours in order to meet shipping deadlines. Furthermore, to avoid resistance, they hire workers who are less likely to join trade unions (often young women). (Buckley, 2009; Oxfam, 2004).

Figure 4. Supply chain pressures create precarious employment



Source: Oxfam, 2004

Employers see the benefits of using home based workers, as they are cheap, not given benefits, and not protected by labour laws. Moreover, factories save on overhead costs, as home based workers bear costs such as rent, machinery, and electricity. (Doane, 2007). Home based workers are in a vulnerable position in the face of powerful employers, as they are mainly unorganized and they have little bargaining power.

1.4. Informalization

Within the global value chains the process of informalization leads to the restructuring of labour. As explained, the strategy of large firms is to outsource production activities of their value chain because they need flexible, cheap, and disposable labour. Crucially, these firms have a growing access to this informal labour, mainly in developing countries, where there is also a growing female labour force that is available to them. Female home based workers form a substantial part of the informal economy in these developing countries. The number of informal workers is growing. These workers lack legal, institutional, and union protection. (Buckley, 2009; Chang, 2009). Because of the informalization process and the lack of protection, informal workers are often devalued, undermined, and have a very weak bargaining position.

This section focuses on the informalization process within the value chain. It will discuss the scope of the process, the distributional dimensions of informality, and the effect for female home based workers. In box 1. the different views and definitions of informal economic activity discussed by various scholars are put forward.

Box 1. The concept of informality

Views on informality

The concept of informal economy is often used to describe insecure forms of employment, without secure contracts, worker benefits or social protection. (Carr & Chen, 2004). However, defining the informal economy can be quite challenging, as there are various and often competing views which are reflected in a variety of definitions, instead of one single widely accepted concept. It has shown to be difficult to reach a consensus approach on the concept of informality, because researchers hold different beliefs regarding the origins and causes of informality. Furthermore, the distinction between formal and informal employment is somewhat blurred. (ILO & WTO, 2009). What has been acknowledged over time is the systemic connection of the informal sector with the formal sector. Research consistently shows that 'the informal sector is an integral component of total national economies, rather than a marginal appendix to them' (Castells & Portes, 1989, p.26). By now, it is clear that the formal and informal sector are interlinked and intertwined, as the formal sector is dependent on informal activities. (Beneria, 2005). Furthermore, many studies point out that necessity more often than choice drives workers into informal structures. Instead of assuming that informal enterprises try to avoid formality (such as registration and taxation), it is acknowledged that they actually would like the benefits of formality (secure work, workers benefits, social protection, and voice). (ILO, 2002; OECD, 2009).

Defining informal economic activity

The variety of views on informality is mirrored in the diversity of definitions that are suggested to render the concept. The term 'informal' is defined by many scholars in different ways ranging from simple to very complex definitions. (ILO, 2004). The approach taken by De Soto and his collaborators (de Soto, 1989, found

in Bromley, 1997) makes a clear distinction between natural laws, being moral principles that are socially necessary, right, and just, and formal laws, being artificial creations of governments. Economic activities can then be formal, when means and ends are legal; informal, when ends are legal, but means are nominally illegal; or illegitimate, when both ends and means are illegal/anti-social. An economic activity is informal when 'it neither produces a deterioration in the social situation nor an antisocial result when the law and the regulations applicable to it are disobeyed' (Bromley, 1997, p.127-128).

In 1993, the 15th International Conference of Labour Statisticians (ICLS) adopted a definition of the informal sector in which informal enterprises are described as: 'units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations – where they exist – are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees' (ILO, 1993).

For a long time the term 'informal sector' was widely used. However, as activities in one sector can be both formal and informal and production processes are often dependent on informal activities, there was a need for a broader, more encompassing term and definition for informality. Therefore, more recently, some researchers, activists and policy-makers encouraged a fundamental rethinking of informality, and the term 'informal economy' with a new and broader definition was used. (ILO & WTO, 2009; Kudva & Benería, 2005). This new definition, expanding on the 1993 ILO definition and endorsed by the general discussion on "Decent Work and the Informal Economy" at the 2002 International Labour Conference, reads: 'Informal employment is understood to include all remunerative work – both self employment and wage employment – that is not recognized, regulated or protected by existing legal or regulatory frameworks and non-remunerative work undertaken in an income producing enterprise' (ILO, 2002, p.12). Thus, the 'informal economy incorporates the whole of informality – including both enterprise and employment relations – as manifested in industrialized, transition, and developing economies, including all forms of employment without secure contracts, worker benefits, or social protection' (Kudva & Benería, 2005, p. 11).

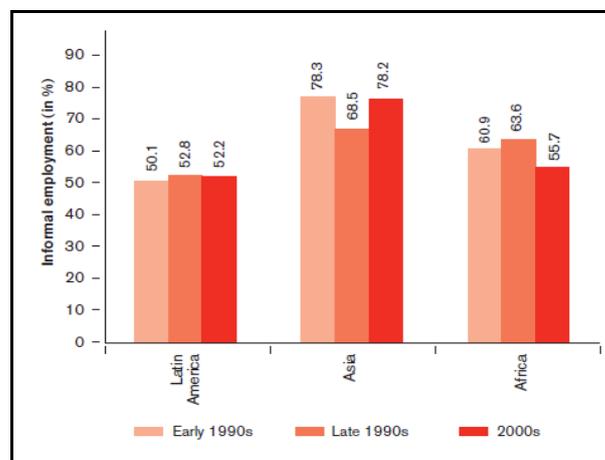
The more encompassing term of 'informal economy' is the product of the reconvergence of interest in informal employment since the late 1990s. In the context of increasing informalization and insecurity of labour, there was renewed attention in developing countries, of the sheer numbers and the precariousness, of the self-employed and of informal wage employment (especially those who work as industrial outworkers or homeworkers). (Kudva & Benería, 2005). This new framework takes into account the great variety of workers and economic units, in different sectors of the economy that are notably vulnerable and insecure; that experience poor working conditions; and that often remain trapped in low productivity and poverty. (ILO, 2007).

1.4.1. Informalization around the world

In many parts of the world informal employment is the norm, not the exception. The informalization process widened and deepened over the last decades. More than half of all non-agricultural employment in developing countries – comprising over 900 million workers- can be considered informal. (OECD, 2009).

Data collected by a study of the ILO and WTO show a substantial heterogeneity in terms of the dynamics of the informal economy across world regions (see figure 5.). The informality rate is the highest in the Asian countries, where informal employment initially decreased, but after the Asian crisis rose back again towards 78% of the total employment. In Africa informality rates seemed to have decreased a little, whereas a slight increase can be found in Latin American countries. (ILO & WTO, 2009).

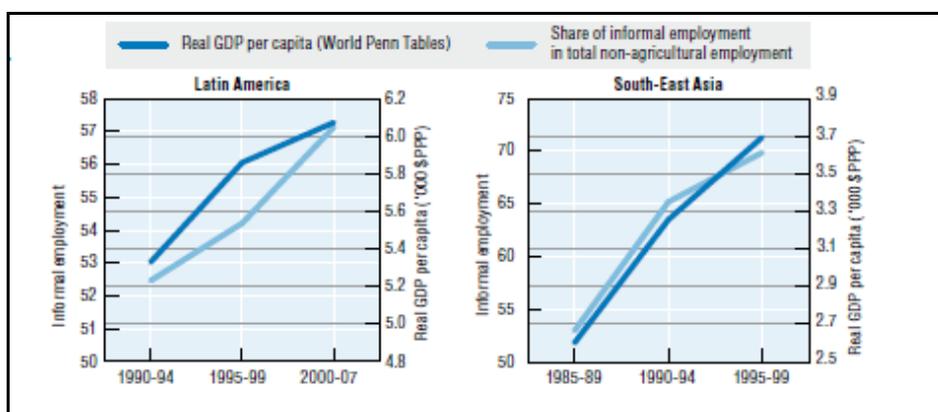
Figure 5. Informality around the world



Source: ILO & WTO, 2009

Economic development is important in determining the prevalence of informality. Periods of rapid economic growth often coincide with increasing informal work. This is reflected in figure 6., where informal employment and GDP are examined. However, sustainable economic development, for instance reflected in increasing per capita income, is associated with lower levels of informality. (OECD, 2009).

Figure 6. Informal employment and GDP



Source: OECD, 2009

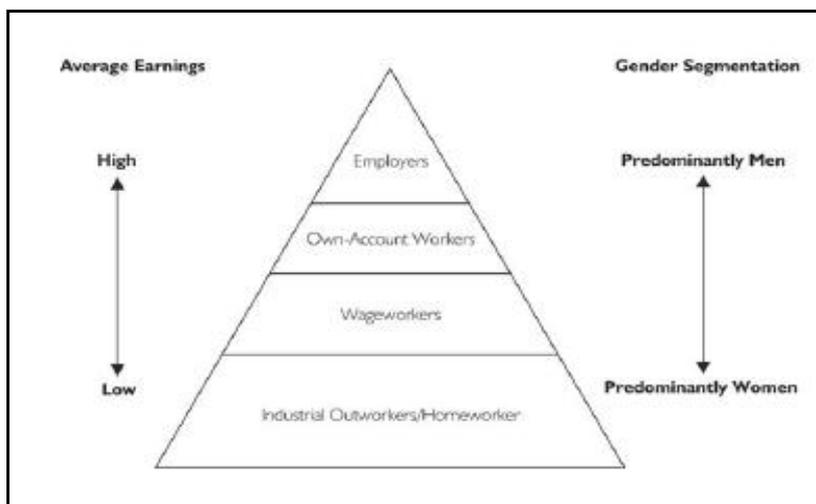
1.4.2. Distributional dimensions of informalization

The increase in employment opportunities that followed from the expansion of global trade has gone hand in hand with an increase in 'non-standard work contracts in developed economies – temporary work, part-time employment – and a persistently large informal economy in developing countries' (IILS, 2008). This growing informalization of the labour market amounted to a regressive process of redistribution. The precarious working conditions and low earnings associated with the informal economy can be attributed to economic, institutional, and socio-political factors. Important factors are: the increasing inequality in income distribution and decreasing bargaining power of workers, and socially ascribed positions in society. (Beneria, 2005).

There is an increasing inequality in income distribution and decreasing bargaining power of workers within the informal economy. In the informal economy, there often is no labour contract, which diminishes the bargaining power of labour. This contributed to unequal income distribution and social inequalities across skills, age, sectors, ethnicity, and gender. Moreover, socially ascribed roles in society influence the bargaining power and economic security of workers in the informal economy. Gender roles strongly affect the location of work, level of schooling, and ownership of assets.

The inequality in income and power distribution can be well depicted when analysing informal work by economic subsectors and by status of employment (employer, own-account operator, wageworker). (Kudva & Benería, 2005). To do so graphically, the following pyramid or 'iceberg' in figure 7. is a good way to show the different segments of the informal economy, categorized by status of employment.

Figure 7. *The 'iceberg' of the informal economy*



Source: Kudva & Benería, 2005

At the tip of this iceberg the employers and micro entrepreneurs are found, who are the most visible and best known segment of the informal economy. At the bottom, the industrial homeworkers are found to be the least visible and least understood segment. Many studies have found that around the world, men tend to be overrepresented in the highest segment, while women tend to be overrepresented in the lowest

segment. (Car & Chen, 2004; Mehrotra & Biggeri, 2007; Oxfam International, 2004). Furthermore, the average income declines as one moves down from the tip of the iceberg to the base. Moreover, even within the specific segments of the informal economy, women tend to earn less than men. (Kudva & Benería, 2005). Thus, within the informal economy there is a significant gender gap in income, with female workers earning less than their male counterparts, and mostly active in low-end jobs, and are hired as casual, subcontracted, or part-time workers.

1.4.3. Home based workers within the informal economy

Home based workers form a significant part of the informal economy. (Mehrotra & Biggeri, 2007). Because of the increasing informalization and feminalization of the labour force in developing countries, there has been a growth of subcontracted female home based workers. Concerning the hierarchy within the informal economy, shown in figure 7, female home based workers tend to be at the low end. They are isolated, have low incomes, and are likely to have little or no employment security.

As firms need to reduce costs due to the increased global competition, they require a flexible labour force. Through processes of decentralization, outsourcing, and subcontracting, more and more firms move outside the 'traditional workplace', and shift towards increasingly more informalized production. They make use of the seemingly abundant female supply of labour by subcontracting work to female home based workers. Labour increasingly moves from formal to informal activities, circumventing safety nets, labour rights, and shifting costs, such as rent, water, power, tools, and so on, from the employers to the workers. Thus, 'home based work demonstrates the 'spillover' mechanisms through which insecurity associated with informality of work shift some elements of market risk and volatility onto the informal sector and particularly women workers' (Beneria, 2005, p. 18).

1.5. The role of organizing

Organizing can play an important role in improving the livelihoods of female home based workers, moving up in the hierarchy of informality and enhancing their position in the value chain. It may counter the process of informalization, as organization can claim the rights and protection particularly undermined in the informal economy. As informal workers, home based workers do not have legal, institutional, and union protection. They can ask or demand this protection by organizing. Moreover, by getting together, they can strengthen their bargaining power and make a voice, thereby improving their position in the value chain.

This section will expand upon reasons for female home based workers to organize, the difficulty for them to organize, and it will describe ways in which female home based workers can organize.

1.5.1. Why organize as female home based worker

The ability to exercise the right to freedom of association (meaning to establish or join organizations of one's own choosing without fear of reprisal or intimidation) is critical for female home based workers in the informal economy in shaping institutional environments and regulatory frameworks that help them to get

out of poverty and to counter the informalization process. Lack of voice is 'marginalizing informal economic actors in the labour market and in society at large' (ILO, 2003). If organized, they can claim those institutions that are needed and lobby for regulatory frameworks to support them. This is the first step towards formalizing the informal situation.

Moreover, home based workers can move up the value chain through organising. Innovation is needed for that, which can be achieved through organization, so that home based workers can collectively market their products, collectively bargain, and collectively bring new products to the market. Their bargaining position increases by forming a collective. (World Bank, 2009). Local business-like associations increasingly play an important role in this. These associations can help their members to upgrade their production techniques and move up the value chain. Community-based organizations can help to secure land tenure, improve infrastructure, mobilize financial services, which has a great impact on the security of the economic activities and livelihoods found in low-income neighbourhoods. (ILO, 2007).

1.5.2. The difficulty of organising home based workers

Home based workers are mostly invisible, as they are unrecognised by governments and companies. Suppliers often hide the fact that they source out work to home based workers, as they fear the reactions of companies. Companies, factories, and subcontractors might deny that they employ home based workers, but many continue to put out work to them. (Bergan, 2009). Their invisibility, the poor working conditions, the predominance of women and the lack of labour protection highlights the vulnerability of home based workers. Female home based workers are afraid to speak out and claim their rights. These characteristics simultaneously suggest the imperative for, and the challenges inherent in, organizing home based workers. (Burchielli et al., 2008).

Only a very small portion of home based workers worldwide are organized. They are rarely member of a trade union, as they work outside a factory environment and often are isolated. In many countries, formal trade unions have found it difficult to adjust their methods to working with home based workers. As the traditional way of working of formal trade unions has been based on large workplaces and men-dominated structures, home based workers are often invisible to them or they find home based workers difficult to organize. However, female home based workers have begun to find their ways of organising and standing up for their rights. (Bergan, 2009).

1.5.3. How to organize home based workers

According to mobilization theory (Tilly, 1978) applied to employment relationships (Kelly, 1998), workers can be mobilized by identifying collective interest. This collective interest can be achieved by the promotion of injustice frames. An injustice frame is a collection of ideas and symbols that illustrate both how significant a collective problem is as well as what the movement can do to alleviate it. (Cragun et al., 2006). Furthermore, a social identity can be constructed that promotes positive in-group behaviour and negative out-group

behaviour. This is needed to attribute the injustice to an outside group, such as the government or the employer. (Burchielli et al., 2008).

For the mobilization of workers in the informal economy, and of female home based workers in particular, some steps are needed prior to the establishment of injustice frames and social identity. First the isolation of the individual needs to be acknowledged and the recognition of one's identity as a worker needs to be facilitated. Furthermore, the self-confidence of a vulnerable and isolated group of workers can be increased by education and training in order to develop effective leadership. (Hill, 2001).

Moreover, it has been found that interpersonal recognition plays an important role in activating worker identity and agency to achieve development. (Hill, 2001). In *The Struggle for Recognition* by Axel Honneth (1995) a philosophical framework is provided for dealing with the problem of 'activating human agency for work life reform'. Here, human agency can be understood as the ability to act on behalf of what you value and have reason to value. (Malhotra, 2003). In Honneth's framework moral injury and non-recognition are identified as key experiences that undermine human agency. He argues that 'a person's ability to identify, interpret and realise their needs and desires depends on the level of self-confidence, self-respect and self-esteem they enjoy' (Hill, 2001, p. 446). This positive relationship with oneself is argued to be derived from and remained through intersubjective recognition and respect. Thus, Honneth draws a link between interpersonal recognition, identity, and the ability to experience the fullness of one's human potential, or to achieve human development.

There has been a growing recognition of the importance of organizations that straddle and interact with, but are distinct from, the market and the state. This domain can be described as the civil society or third sector. It covers organizations such as trade unions, nongovernmental organizations (NGOs), political parties, and more. One essential slice of this domain is formed by the membership based organizations (MBOs). (Chen et al., 2007). MBOs are organizations in which the members elect their leaders and which operate on democratic principles that hold the elected officers accountable to the general membership. The principles of an MBO are: democratic ownership; transparency, the right of every member to see and understand the organization's workings (including its constitution and rules, decision-making processes, budgets and accounts, and recruitment processes for staff); solidarity, promoting unity, equality, and collective rights for the members; collective benefit; independence from governments, corporations, politicians, and religious organizations. An MBO has the commitment to collective action in order to change the conditions of its members. By that, an MBO is to be distinguished from an NGO, which operates as an outside entity without a membership base. (WIEGO, 2011).

There is a wide range of MBOs such as trade unions, savings-and-credit groups, community based finance institutions, producer groups, and cooperatives. A useful distinction can be made between on the one hand those MBOs that organize their members around their identity as workers and on the other hand MBOs that organize their members around other issues. Success of MBOs specifically focused at workers in the informal economy seems to be contingent on identifying entry points, such as skills training, safety and

health, social security, and livelihood and educational programmes, and building coalitions with other social organizations that are concerned with the protection of workers in the informal economy. (Chen et al., 2007).

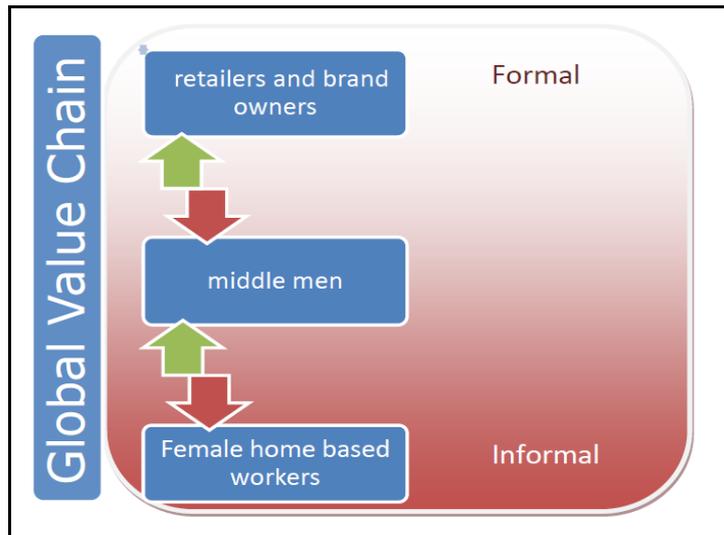
SEWA, the Self Employed Women's Association in India has been mentioned as the leading example when looking at MBOs for female workers in the informal economy. (Burchielli et al., 2008; Chen et al., 2007; WIEGO, 2010). It is governed by its members and by communicating the voice of its members to the government it helps to transmit the benefits of poverty focused programs to its members. SEWA focuses on economic activities in order to enhance income earning opportunities, and organization to claim their rights.

1.6. Conclusion

This theoretical framework serves as the foundation for the design of this research on female home based workers. It has been found in this chapter that female home based workers are a significant and growing part of the global work force. An important factor accounting for this is the growing supply of and demand for female labour. On the supply-side, economic slowdown, rural-urban migration, and growing woman-headed households put pressure on women to enter the labour market, while there are also gendered patterns in the employment opportunities, as there is a persisting high demand for low-wage female labour in export-oriented manufacturing. However, the working conditions of the female home based workers are very poor. They work for long hours under bad conditions for very low incomes, sometimes not even perceiving oneself as a 'worker'. One of the biggest issues is their invisible status, as they are often not even counted as workers, not included in labour laws or labour survey's, and not included in the GNP of most countries. Furthermore, they face traditional barriers that restrict women from going outside their homes, as they need to care for children, the elderly, and undertake other household activities. (Doane, 2007).

Moreover, the global economic context of the female home based workers has been outlined. It has been found that the contextual framework of subcontracted female home based workers, completing specific steps in the production process for an employer or subcontractor in their homes, can be roughly depicted as in figure 8. As explained in paragraph 1.2, the informalization process and the forming of global value chains are important components of today's economic globalization, which highly affect the context of female home based workers.

Figure 8. Contextual framework



As illustrated in figure 8., the female home based workers are positioned at the bottom of the global value chain where they produce the products that go up the chain and often receive the risks and costs that are pushed down the chain (paragraph 1.3). This happens under the process of informalization (paragraph 1.4), whereby large firms outsource their production activities to informal workers, such as female home based workers, in order to cut down on costs, responsibilities, and risks. This process of informalization within global value chains explains why there is a growing number of female home based workers and accounts for their vulnerable position. The informal female home based workers lack legal, institutional and union protection. The organization of the female home based workers can help to improve their position in the value chain and may counter this informalization process, which in turn positively influences their livelihood (paragraph 1.5). Literature suggests that organization can help female home based workers, but little is known on exactly how this is done.

This research is specifically focussed on subcontracted female home based workers in Hetauda and Kathmandu, Nepal. Taken into account this contextual background, it would be interesting to examine their livelihood conditions and position in the value chain, their ways of organization and whether this organization helps them to improve their position in the value chain and counteract the informalization process.

2. Regional framework

Before heading to the research design of this study, first, the regional context of the female home based workers needs to be included. The lives of the female home based workers in this research take place in Kathmandu and Hetauda, Nepal. In order to give an integral portrait of female home based workers and in order to understand the setting in which this research has been conducted, this chapter will provide the regional framework.

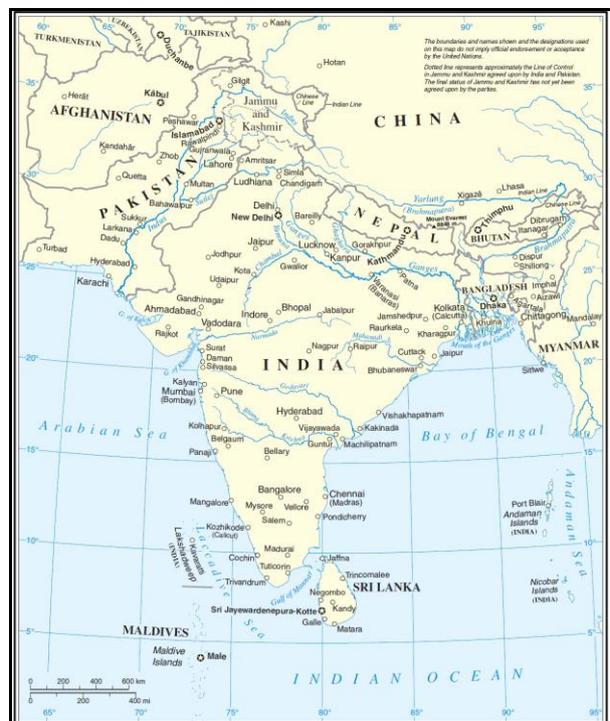
2.1. South Asia

Since 1980 South Asia has experienced rapid GDP growth, averaging nearly 6% per annum. However, there are many challenges, and there are two faces of South Asia. First, South Asia is dynamic, highly urbanized, growing rapidly, and is benefiting from global integration. Yet, the second South Asia is largely agricultural, land-locked, very poor, suffers from conflicts, and is lagging. The gap between these two faces of South Asia is increasing. Weak regional cooperation is one important constraint to progress. The costs of regional conflict and low intraregional trade tend to hurt the poor disproportionately. The two poorest countries in South Asia are Nepal and Pakistan. (Ahmed et al., 2010).

Key elements of a regional strategy for eliminating poverty are market integration and regional cooperation, in addition to policy and institutional reforms aimed at removing domestic constraints to growth and job creation. Land-locked countries, such as Nepal, need to be provided with a broader access to regional and global markets. Regional market integration could help the smaller land-locked countries that now lack the necessary scale economies to invest in infrastructure. Regional cooperation on water and climate would also have major benefits. (World Bank, 2010).

Nepal is the poorest country in South Asia. Its Human Development Index was the lowest of the five countries of the South Asian Association for Regional Cooperation (SAARC) in 2005. The main reason for Nepal's low economic growth is conflict and instability. (NHDR, 2009).

Map 1. South Asia



Source: UN Cartographic Section, 2004

2.2. Nepal

The Federal Democratic Republic of Nepal is a land-locked country in South Asia. It is bordered by China and India and is located in the Himalayas. It has a population of 29, 8 million and covers an area of 147,181 sq km. (UN, 2010). The country has three geographical regions; the plains region, the hills region, and the mountainous Himalayan belt (including 8 of the 10 highest mountain peaks in the world). With the lowland Terai almost at sea-level, and the Mount Everest at 8848 metres, Nepal has the greatest altitude variation on earth. The capital city is Kathmandu.

Map 2. Nepal



Source: UN Cartographic Section, 2007

Nepal is one of the poorest countries in the world and the poorest in South Asia. An estimated 40% of Nepalis live in poverty and GDP per capita in 2008 was on average 465.4 US\$. Furthermore, there are great differences in terms of gender, caste, ethnicity, and geographic location. (BBC, 2010). The country's development is highly intertwined with its political situation. (World Bank, 2010).

2.2.1. Politics

Throughout its modern history Nepal has been ruled by monarchs, until the remarkable elections in April 2008. In 1959 there was a short experiment with multi-party politics, but this was soon ended by King Mahendra taking sole charge. After popular protests democratic politics was introduced in 1991, but was characterized by repeated changes in government. (BBC, 2010). With the aim of overthrowing the monarchy the Maoist United People's Front began a violent insurgency, leaving more than 16,000 people killed and around 1,500 people displaced. (FCO, 2011). The conflict lasted from 1996 until 2006. In April 2006 King Gyanendra's direct rule ended, and 21 November 2006 the Comprehensive Peace Accord was signed. After

elections in April 2008, Maoists emerged as the largest parliamentary party, and the monarchy was abolished one month later.

At the moment, Nepal is a country at a juncture, at the brink of a new age. There is hope for a new, more egalitarian and fairer political system to be formed. In November 2006 the decade-long civil war was formally ended. Constituent assembly elections followed in April 2008, and an important goal was to re-write the constitution. (International Crisis Group, 2011). This new constitution was supposed to be promulgated by May 28, 2011, but because divided perspectives among various political parties and leaders it keeps being postponed. Even though most of the country appears relatively stable, extortions, threats, business closures, and bans (*Bandhas*) are still part of Nepali life. When a *bhanda*, a general strike, is called markets close, businesses shut, roads are deserted, and students stay at home. Often, participation is enforced and those who refuse can face serious property damage, injury, and even death. (Food Security Monitoring Network et al., 2010). The impact of these *bandhas* in the daily livelihoods of the Nepali is immediate and the poorest populations are worst hit.

2.2.2. Sociocultural characteristics

Nepal knows a diversity of ethnic groups and languages. The caste system has been and remains strong. The access to resources and opportunities is often defined by ones caste. It is extremely difficult to move upward within the caste system. Furthermore, gender inequalities are visible in all domains of the Nepalese society (politically, economically, professionally and socially). The country has one of the highest indices of son preference in the world, which stems from 'traditional socio-cultural structures [mainly the patriarchic society structure] that define the formal and informal rules for women's participation in relation to opportunity, decision-making, access to resources, and control over them' (UNDP, 2009: 18). Education and health gains have been unevenly distributed, also among different castes and ethnicities. For example, regarding literacy, women lag far behind men, with a difference of 22%. (UNDP, 2009). Women's access to fixed assets, property, and credit are very limited. There is legal discrimination regarding fundamental rights, such as citizenship and inheritance. Representation in political and administrative decision-making of women is very low. (UNFPA, 2007).

2.2.3. Economy

In order to reach sustainable peace in Nepal not only political solutions are needed, but key is to accelerate development and achieve higher and inclusive economic growth. (ADB, DFID & ILO, 2009). Nepal is one of the poorest countries in the world having 78 per cent of the population living on less than 2 US dollars a day. One of the major causes for the widespread poverty is the unfavourable environment for domestic and foreign investment, which seriously constrains the growth of employment opportunities. (United Nations Country Team, 2007).

Every year a number of 400.000 young people enter the labour market in Nepal. In rural areas most will go into subsistence agriculture, while in urban areas others will be absorbed into low-level trade and

manufacturing. One third of the labour force is not utilized to their maximum productivity capacity and half of the labour force earns less than the international poverty level of 1, 25 US dollars a day. Many leave the country to send remittances back home, amounting to 20 per cent of the national GDP (5th highest in the world and highest within South Asia). (ILO, 2011).

For half of the labour force which is women the figures are even worse. They are twice more likely to be illiterate and three times less likely to hold a lucrative paid job in the formal sector. They can assume to be paid a fragment of the earnings of men. Moreover, almost all women are vulnerable to the indiscretion of the informal sector. (ILO, 2009). As explained, the informal economy includes economic activities which are individually smaller, mainly unorganized and uncontrolled by the state. In Nepal, the informal economy is important, as 'it is a growing part of the local and national economy; although incomes are low, they are collectively large and valuable; and it contributes significantly to employment' (ILO, 2004).

It is difficult to determine the economic magnitude of the informal economy in Nepal, as there is a lack of consistent information. However, according to a National Labour Force Survey 1998/1999, more than 73% of the workers in the non-agricultural sector in Nepal have informal jobs. This type of employment is concentrated in urban areas. Moreover, it is a given that the informal economy is growing in Nepal, together with fast urbanization and changing patterns of consumption. (ILO, 2004).

2.2.4. Home based workers in Nepal

A large proportion of the informal workers in Nepal, and more general in South and South East Asia, are home based workers. More than 2 million people in Nepal work from their own homes. (HomeNet, 2011). They may work as subcontracted piece-rate workers, as self-employed workers, or some combination of the two. Generally, home based workers are not protected by labour or social laws. They are a large, but invisible and uncounted part of the labour force and those who work subcontracted are at the bottom end of the value chain.

An estimated 80% of the home based workers in South Asia are women. As a primarily female workforce, home based workers have not been recognized as workers, even though they often are the main breadwinner or co-breadwinner of their families. (Doane, 2007). Generally, women are classified as housewives in census data or seen as only supplemental earners. In Asia, women's roles are generally tied to the home, and the assumption may be that they should do unpaid family work. Whatever they earn will often be put into the family pool. Thus, female home based workers are found to be the lowest end workers, working for meagre earnings and lacking support. (Doane, 2007).

2.2.5. HomeNet Nepal

The host organization HomeNet Nepal (HNN) is an organization that is working towards the presentation, promotion and protection of home based workers in Nepal. It is a non profit, non political, nation-wide network organization of Home Based Workers and is part of HomeNet South Asia (HNSA). HNSA is a legal identity and a registered body under the Charitable Trust Act 2000 and was officially launched on January 17,

2007 in the conference 'Women Work & Poverty Policy Conference on Home based Workers of South Asia'. HomeNet Nepal has 21 thousand members, through 53 Organizations of HBWs. The vision of HomeNet Nepal is: 'Improve the livelihood of poor home based workers by bringing them and their contribution into the mainstream of the national economy' (HomeNet Nepal, 2009). Therefore, the objectives are:

- To bring home based workers in to the mainstream of labour force of the country
- To make the home based workers visible and protect them with legal instruments
- To provide them with social security
- To enhance their capacity
- To organize the unorganized home based workers
- To develop and strengthen the network of home based workers



3. Methodology

This chapter will provide an overview of the different research methods used in this study. First, the research objective and research question will be given, followed by the operationalization of the main concepts, and the conceptual model will be presented. Thereafter, the selection of the research area will be explained, and an elaboration will follow on the combined quantitative and qualitative methods used in this research. Finally, the limitations of this research will be covered.

3.1. Research objective and research questions

This research is aimed at examining the livelihoods of subcontracted female home based workers in Kathmandu and Hetauda, Nepal. As discussed in the theoretical framework, literature suggests that organization might help the female home based workers to improve their position in the value chain, thereby improving their livelihood conditions. However, organization might also have more direct impact on the personal lives of the female home based workers, besides influencing the position in their work. Therefore, the influence of organizing on both the position in the value chain and the livelihoods of the female home based workers will be examined in this research. Thus, the main objective of this research reads as follows:

To get insight into the position in the value chain of subcontracted female home based workers in Kathmandu and Hetauda, Nepal. And subsequently to analyze how organization affects the position in the value chain of these female home based workers and their livelihood as a whole.

From this research objective the methodological point of departure can be deduced in the form of the following research question:

How does organization affect the position in the value chain and the livelihood of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

Thus, the effect of organization on the position in the value chain and the livelihood conditions of subcontracted female home based workers is at the centre of this research. It will not be a baseline study measuring the livelihood conditions before and after organizing. This is not possible and also not the aim of this research. It is about understanding the role of organization for the livelihoods of subcontracted female home based workers in Kathmandu and Hetauda, Nepal.

In order to answer the research question four sub questions have been drawn up. First it needs to be established who the female home based workers are and how they live. Therefore, the first sub question reads:

1. *What are the characteristics and livelihood conditions of the subcontracted female home based workers in Kathmandu and Hetauda, Nepal?*

This question is aimed to outline the daily reality of the female home based workers in Kathmandu and Hetauda. This will be based on the personal, household, and working characteristics of the female home based workers, as well as their livelihood capitals. This first sub question will be covered in chapter 4. The second sub question is:

2. *What is the position of subcontracted female home based workers in Kathmandu and Hetauda, Nepal, in the value chain?*

This second question specifically focuses on the value chains that the female home based workers are part of and takes a closer look at the position of the female home based workers therein. This second sub question will be dealt with in chapter 5. The third sub question reads:

3. *How are the subcontracted female home based workers in Kathmandu and Hetauda, Nepal, organized?*

Before examining the role of organization for the female home based workers it needs to be established what this organization entails. Therefore, this third sub question refers to the ways in which the female home based workers are organized. This will be discussed in chapter 6. Then, the fourth sub question reads:

4. *How does organization affect the livelihood conditions of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?*

This question will specifically look at the influence of organization. It will examine both the affect of organization on the position in the value chain of the female home based workers, thereby influencing their livelihood, as well as the direct effect on the livelihoods of the female home based workers.

3.2. Operationalization of main concepts

As this study examines the effect of organizing on the livelihoods of female home based workers, the main concepts that need to be made clear and measurable in order to be understood in terms of empirical observations are: Livelihood and organization.

Livelihood

In this research, the livelihood status of the subcontracted female home based workers will be measured according to one component of the Sustainable Livelihood Approach (SLF), being the livelihood capitals. The

SLF is aimed to identify the main factors affecting people's livelihoods and the relationships between them. It is useful for the better understanding of local livelihoods, designing new development activities and evaluating the effect of existing development interventions. (Potter et.al., 2008).

'A livelihood comprises 'the capabilities, assets (stores, resources, claims and access) and activities required for a means of living' (Potter et al, 2008, p. 485). The five assets that form the bases for pursuing one's livelihood are the human, financial, social, physical and natural capitals of the SLF. (Krantz, 2001).

Applied to the subcontracted female home based workers, human capital consists of the skills and education of the women. Besides that, health is of great importance for their lives and the ability to work. These elements are both a means to achieve a better livelihood outcome and an end in itself, as it is 'the highest good'. The financial resources available to subcontracted female home based workers form the financial capital, the second capital. Not only income, but savings, credit, remittances and pension can provide women's livelihood options. Social capital of the subcontracted female home based workers are formed by the networks, the support of institutions, the relationships with other people and the membership of groups (like trade unions and employer' organizations). Especially in the case of poor people, social networks form the informal safety nets in times of need. The degree of social cohesion can help providing insurance, and generalized reciprocity leads to the sharing of each other's risks. Physical capital enables women to meet their basic needs: shelter, water, sanitation and energy. The availability of making use of transportation means and information channels are also affecting the functioning of subcontracted female home based workers and are part of these physical assets. The last capital of the SLF, natural capital, encompasses the natural resource stock. This includes land and trees, but also biodiversity and atmosphere that are used. (Kudva & Benería, 2005; Potter et al, 2008). However, as the subcontracted female home based workers studied in this research live in urban areas and nature is of less importance for their livelihood, the natural capital is found to be of little relevance for the purpose of this research. Therefore, natural capital will not be included in this study.

The four capitals used in this study will be measured as follows:

- *Human capital*: skill improvement, education level, sufferings from illness, health hazards, and access to health facilities.
- *Financial capital*: Earnings, ability to save money, remittances, and access to credit.
- *Social capital*: membership of an MBO or other organizations, a good relationship with neighbours and friends, contact with other home based workers, and protection of municipality.
- *Physical capital*: housing conditions, energy supply, water supply, access to safe drinking water, access to safe sanitation facilities, and information and communication facilities.

Organization

In this study organizing refers to 'efforts to engage individuals and groups in collaborative efforts, coalitions, constituency development or community building around a specific viewpoint, or to inform the public about a particular set of issues' (Spann, 1996). Organizational activities of female home based workers might be protests, public recognition campaigns, MBO meetings, collective production centres, or collective bargaining.

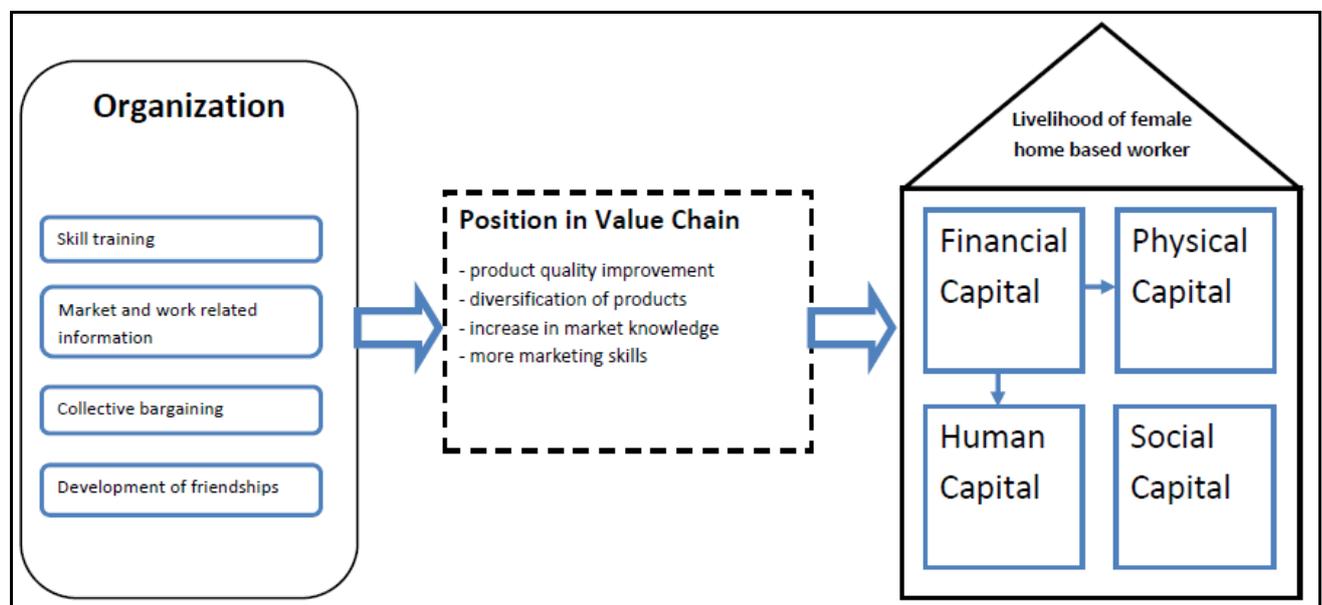
Being organized as a subcontracted female home based worker means being a member of a trade union, some association or cooperative, an NGO or an informal affiliation. This also includes the engagement and active participation of subcontracted female home based workers in decision making, campaigns and reflective processes. (Cregan, 2005; Crosby, 2005).

In this study the respondents are asked whether they are organized, of what affiliations they are a member, how often they meet, where they meet, what they talk about, and to what results this leads. These data give a clear indication of how the subcontracted female home based workers are organized in Kathmandu and Hetauda, Nepal.

3.3. Conceptual model

Based on the concepts described above and found in the literature, together with the assumed relationships between the concepts, the following conceptual model shows a schematic reproduction of the hypothesis and assumptions of this research.

Figure 9. *Conceptual model*



It is assumed that organization can influence the livelihood of the female home based workers directly as well as via improving their position in the value chain. First, the affect of organization on the position in the value chain is assumed to be multiple. It is expected that the female home based workers will learn more skills by organizing, which leads to better products, thus product quality improvement, and the ability to

make different kind of products, thus the diversification of products. Quality improvement can lead to better prices of the products, so an increase in financial capital, while the ability to make different kind of products can help to mitigate financial risks, as the risks are spread by having diverse income streams. (Beneria&Kudva, 2005). Furthermore, it is expected that by organization the female home based workers will receive information about the market and how to bargain, increasing their market knowledge and marketing skills. This increases their power to bargain, which might lead to a higher price for their products, hence again an increase in financial capital. Also, organization offers the possibility to collectively bargain, which gives the female home based workers a stronger position, an increase in marketing skills and power, and again might cause an increase in income.

The direct affect might be mostly in the social dimension, as through organizing the female home based workers come together with women who are in similar situations. This might create a bond, allows for friendships to develop, increasing the social capital of the female home based workers. Furthermore, concerning the livelihood capitals, it is expected that whenever the financial capital is increased this may transmit to the human and physical capital, as there is more income to pay for medical expenses and/or improving the house.

3.4. Research area and population

The research areas of this study are Kathmandu and Hetauda in Nepal. Nepal is a country in which as many as 2.2 million home based workers are active, the majority being women, and where the organization HomeNet has insight into this growing number of female home based workers. Furthermore, the home based workers are mostly concentrated in urban areas. (HomeNet, 2011). As Kathmandu is the biggest urban area of Nepal, where many Nepali migrate to in search of better employment opportunities, there are also many home based workers to be found in the capital. Therefore, the choice for Kathmandu as one of the research areas was an obvious one. Hetauda Municipality is located 110 kilometres south of the Kathmandu Valley in the Terai part of the country. The industrial district of Hetauda is one of the biggest industrial districts in Nepal. However, due to political instability many factories cut down on the number of labourers, in fear of strikes being called by the trade unions. For the continuation of their production, these factories started outsourcing to home based workers. Therefore, many residents of Hetauda, the majority from indigenous and deprived communities, are engaged in home based work. For that reason, Hetauda was chosen as the second research area.

Within these research areas, three urban districts are selected, being Kathmandu, Bhaktapur, and Makwanpur. For the purpose of this research it has been decided to select those locations where female home based workers are mostly present. These locations, identified by HomeNet Nepal, are: Koteshor, Pharping, Basundhara, Panga (districts of Kathmandu), Byasi (district of Bhaktapur) and Hetauda (district of Makawanpur). The home based workers were approached through and together with the MBO leaders of each location.

The research population on which generalizations are to be made in this study contains all subcontracted female home based workers living in Kathmandu and Hetauda, Nepal. Exact data on the number of home based workers in Kathmandu and Hetauda are not available, as the home based workers are active in the informal economy and therefore not registered. Moreover, they are difficult to find, as they work behind the doors of their own homes. However, it has been estimated that more than two million home based workers are active in Nepal, of which 78 percent are women. (HomeNet, 2009). Furthermore, exact data are on the way, as the Nepal Labour Force Survey 2011 by the Central Bureau of Statistics (CBS) will for the first time include home based workers. This is accomplished through the lobbying project 'Statistics on home based workers in Nepal' by HomeNet Nepal with support of UNIFEM. (HomeNet, 2011). However, for now, no exact data is available on the amount of female home based workers in Nepal, or specifically in Kathmandu and Hetauda, Nepal.

The home based workers are found through the MBOs in all the different districts. These MBOs are:

- *The Environment Improvement Coordination Committee*, Hetauda Municipality, Makawanpur district. This location includes a slum cluster and there are mostly subcontracted home based workers making 'dhoop' [incense rolls].
- *The Ishibu Dhaka Weavers' Group*, Byasi, Bhaktapur Municipality, Bhaktapur District. In this location all members of the MBO are migrated from the Eastern part of the country. They do their traditional work, which is weaving 'dhaka' [type of cloth].
- *The Radi Weavers' Group*, Lokanthali, Madhapur Sub-Municipality, Bhaktapur District. In this location all members are migrated from Sindhupalchok District in Nepal. They continue to work with their traditional skill weaving 'radi' [rugs].
- *Didi Bahin Sewa Samaj*, Koteshor, Kathmandu Metropolitan City, Kathmandu District. The members just started a group based production centre making Nepali wedding decoration.
- *Jyoti Mahila Sansar*, Basundhara, Kathmandu Metropolitan City, Kathmandu District. This is a mixed group of home based workers, and the area also includes a slum cluster.
- *Naidole HBWs Group*, Dhapasi, (VDC/emerging city) Kathmandu District. Most of the members are migrated from different parts of the country.
- *Panga Women Jagaran Saving & Credit Cooperative*, Kritipur Municipality, Kathmandu District. This is a mixed group of home based workers based in a Newari cluster.

The subcontracted female home based workers in this research are part of various value chains. The value chains that can be differentiated are of the following products: Dhaka fabrics, dhoop (incense rolls), Nepalese wedding decoration, embroidery patchwork, and carpets and bags made of felt. It often depends on the location, skills, status, and social group in which value chain one takes part. The characteristics of the home based workers in each value chain will be asserted in chapter 4.

3.5. Methods of research

In order to get the best results for this study, a combination of quantitative and qualitative approaches has been used, also known as the Q-square method (Hulme, 2007). The Q-square method is argued to offer substantial benefits in terms of the quality of data, the depth of understanding and policy analysis. (Bryman, 2004). Moreover, it permits the strengths of both quantitative and qualitative approaches to be captured and some of the weaknesses of one single approach to be avoided or overcome. For clarity's sake, quantitative approaches are characterized by mainly statistical analysis to data collected by standardized questionnaires, while qualitative approaches are characterized by mainly narrative analysis addressing the meanings that actions have for people. (Hulme, 2007).

The methods used in sequence are as follows:

1. Questionnaires amongst female home based workers.
2. Focus Group Discussions (FGDs) with female home based workers.
3. In-depth interviews with organized and unorganized female home based workers, MBO leaders, and employers.

Moreover, observations have been made during the research period by visiting awareness trainings of MBOs given to female home based workers, but also while visiting the female home based workers at home. The observations on housing and working conditions during the home visits have been standardized in the questionnaires.

Thus, this study consisted of three phases: questionnaires, Focus Group Discussions (FGDs), and in-depth interviews. The questionnaires form the quantitative basis for this study, while the FGDs and the in-depth interview provide very valuable and profound qualitative information.

1. Questionnaires: The purpose of the questionnaire is to get a better understanding of the characteristics and livelihood capitals of the female home based workers. The questionnaire is very extensive and consists of questions regarding the general characteristics of the HBWs and their household, their specific livelihood capitals, and their position in their work and in the value chain that they are part of. The questionnaire is composed of the following blocks: Personal profile, family earnings and expenditure, home based work and the value chain, skills and training, earnings, savings and credit, other livelihood activities, housing condition, housing utilities and facilities, working conditions, health, organization and social networks, and housing condition and working environment (based on observation). With this questionnaire quantitative data on these topics was gathered.

For the urban study of HomeNet Nepal, within which this research took part (see 3.6. limitations of research), a total of 128 questionnaires are completed, proportionally divided over all 7 research districts. The respondents were randomly selected through the MBOs. For the purpose of this research 66 of these questionnaires will be used, namely the ones of those who are women and who are part of a value chain (the subcontracted female home based workers).

These 66 female subcontracted home based workers are spread over the 7 research districts. In Koteshor and Pharping respectively 12,1 per cent and 9,1 per cent of the subcontracted female home based workers are located. 28,8 per cent of the home based workers live in Basundhara and 24,2 per cent resides in Panga. One quarter is staying in Byasi (3,0 per cent) and Hetauda (22,7 per cent) (see table 1.).

Table 1. *Location home based workers questionnaires*

Location	Frequency	Per cent
Koteshor	8	12,1
Pharping	6	9,1
Basundhara	19	28,8
Panga	16	24,2
Byasi	2	3,0
Hetauda	15	22,7
TOTAL	66	100,0

2. *Focus Group Discussions (FGDs)*: In the second phase of the research the FGDs were arranged, in order to get more background information on the topics explored in the questionnaires. A number of 5 FGDs were performed in the different districts, covering the following themes: Main problems of female home based workers, livelihood issues in urban areas, employment and working conditions, organizing, and power division. With some small games as tools, and fruitful discussions afterwards, the participants were able to express many of their main concerns regarding work, power, and living conditions.

3. *In-depth interviews*: Thirdly, a total of 33 in-depth interviews with female home based workers were conducted, 7 interviews with unorganized female home based workers, 6 interviews with MBO leaders, and 7 interviews with subcontractors / employers of female home based workers.

Table 2. *Division of in-depth interviews*

Interviewee	Number
Organized female home based workers	33
Unorganized female home based workers	7
MBO leaders	6
Employers / subcontractors	7
TOTAL	53

All these in-depth interviews provide a great source of valuable qualitative information for this study. The interviews with the female home based workers, both organized as unorganized, cover topics on knowledge on the value chain, judgement on and relevance of position in value chain, and action and organizing. The MBO leaders were questioned on their activities, the role of organizing, and contact with employers. In the interview with the subcontractors, questions were on the value chain of the product, the relationship with the female home based workers, and the role of home based workers collectives.

3.6. Limitations of research

This research is part of a bigger urban study of HomeNet Nepal. HomeNet Nepal composed a research team for a study on 'Urban issues of home based workers in selected cities of Nepal: issue based study in two cities Kathmandu Valley and Hetauda'. The urban study focuses on the urban aspects of the livelihoods of home based workers (both self employed as subcontracted) in Kathmandu and Hetauda. This research, together with the research of my co-researcher (my classmate researching the relationship between the employer and the female home based workers), was placed within the urban study.

On the one hand, this benefitted this research and that of my co-researcher, as we could make use of all facilities and staff made available for the bigger urban study. Furthermore, we could combine our different foci in the questionnaires, FGDs, and interviews, work together with the whole staff, and reach many more respondents than we could have done otherwise. On the other hand, as a consequence, some limitations were difficult to avoid. As three different foci needed to be included in the field research, the questionnaire in particular became quite lengthy. Still, for the focus of this research the field research could have been more elaborative. Furthermore, it proved to be difficult to get the whole research team focused on the value chain aspect.

Furthermore, in this research the female home based workers are reached through HomeNet Nepal and the affiliated MBOs. Thus, all these home based workers are already organized by being a member of an MBO. It was inevitable to reach them through small organizations, as home based workers are very difficult to find in other ways, seen the invisible character of their work. However, this might also create a large bias when examining the role of organization for female home based workers. In order to partly overcome this, we managed to find seven unorganized female subcontracted home based workers who have been interviewed. Moreover, this study aims to measure the manner in which organization influences the livelihoods of female home based workers. It is not a baseline study of the livelihoods of home based workers who are not organized compared with livelihoods of those who are organized. Thus, the fact that the female home based workers are reached through the MBOs does not limit this study much regarding the examination of the role of organizing.

Also, a restriction in this research is language. The researcher did take Nepali classes, but was not able to hold long conversations. Therefore, all data are obtained through a translator or interpreter. It has been taken into account that through translation data can be lost or degenerated. In order to compromise well for that, the interpreters were thoroughly trained and instructed. The interpreters showed to fully comprehend the research questions and were very well capable of transcribing the responds accurately.

Further, few facilities were available at the office of HomeNet Nepal in Kathmandu. There turned out to be no computer or laptop for the two researchers, which meant that the two researchers worked

together on one mini netbook, being less effective. Moreover, on average there was only two hours of power per day, because of load shedding, and very limited to no internet access.

Additionally, due to the political situation of Nepal, frequent bans (*Bandhas*) took place during the research period. This hampered the research at times, as during these bandhas the whole Nepali society is inactive, which makes it impossible to go out for visits, taking surveys, or conducting interviews. For this reason, among others, it was decided to spend more days in the field than officially required. It is believed that this benefited the research, as these extra weeks in the field were experienced as very useful.

4. Profile of subcontracted female home based workers

The aim of this first empirical chapter is to give a profile of the subcontracted female home based workers studied in this research. In order to get a clear picture of who the female home based workers in Kathmandu and Hetauda, Nepal, are, how they live and work, this chapter will give an overview of the findings thereof. Thereby an answer will be formed to the first sub question of this research:

1. *What are the characteristics and livelihood conditions of the subcontracted female home based workers in Kathmandu and Hetauda, Nepal?*

This first empirical chapter will mainly make use of the findings from the questionnaires, supplemented with information obtained from the interviews and focus group discussions.

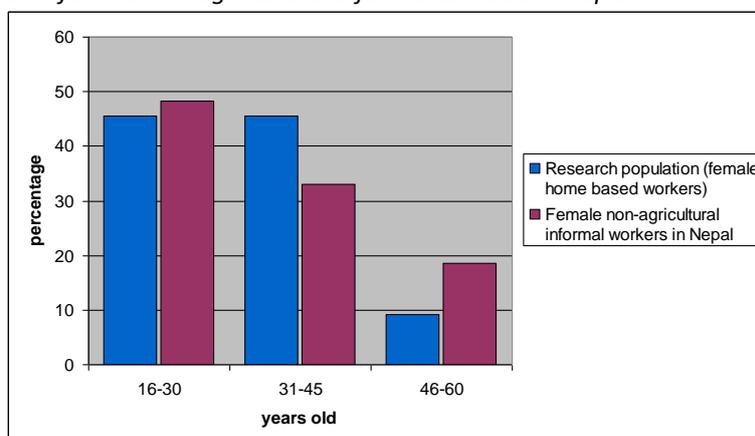
4.1. Characteristics of the subcontracted female home based workers

First the characteristics of the subcontracted female home based workers in Kathmandu and Hetauda, Nepal, will be introduced. This will include information on themselves, their households, and the work they do. Subsequently, the livelihood conditions of the female home based workers will be described, giving a clearer picture on the human, physical, financial, and social assets of the women.

4.1.1. Personal characteristics

From the questionnaires among the 66 subcontracted female home based workers in Kathmandu and Hetauda, Nepal, it can be deducted that the majority of the women is younger than 46 years old and married. Out of the total 66 home based workers 61 are married, which is 92,4 per cent. Of the few women who are unmarried, almost all are younger than 30 years old. There is quite a chance that these few women will get married in the future. Of all home based workers 45,5 per cent is between the age of 16 and 30 years. Another 45,5 per cent is between 31 and 45 years old. Only 9,1 per cent of the women is aged older than 46 years (see figure 10.).

Figure 10. *Distribution of research population by age compared with female non-agricultural informal workers in Nepal*



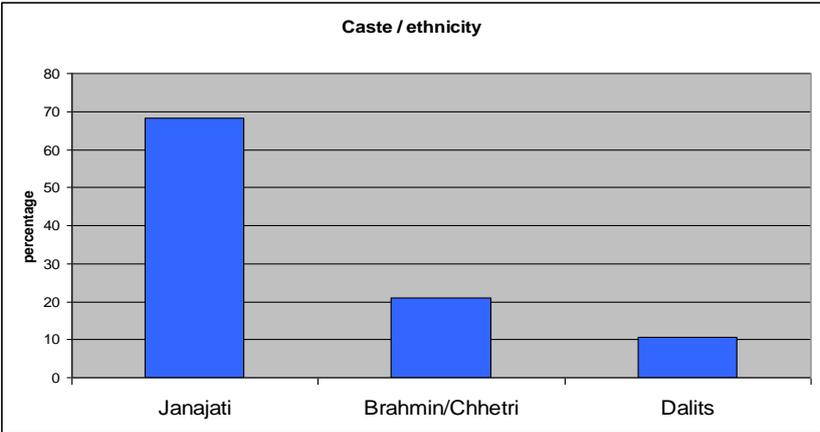
Adapted from: *Nepal Labour Force Survey, 2008*

In order to put it into perspective, figure 10. also illustrates the distribution of women working in the non-agricultural informal economy in Nepal by age. As measured by the Nepal Labour force Survey in 2008, most women (48,4 per cent) working in the non-agricultural informal economy in Nepal are between 16 and 30 years old. One third of the women are 31 to 45 years old, and only 18,6 per cent is 46 to 60 years of age. Comparing the research population to these national figures, it shows that women aged 31 to 45 are particularly well represented in this research. Fewer women of the research population are aged older than 46 years.

With respect to religion the female home based workers correspond with the national percentages, as most of them are Hindu and only few are Christian or Muslim. 81,8 per cent of all questioned female home based workers is Hindu. The second largest group are the Buddhists, with 12,1 per cent. Further, 4,5 per cent is Christian and only 1,5 per cent is Muslim. The national figures are almost identical, as Hindu constitute 81 per cent of the total Nepalese population, Buddhist 11 per cent, Muslim 4 per cent, and Christians 3 per cent. Most Christian churches are operating within the Kathmandu Valley, which may account for the somewhat higher percentage of Christians in the research population. Overall, the distribution of the national population by religion is strongly represented in the research population of the female home based workers.

The female home based workers represent three castes: most are Janajati, some are Brahman/Chhetri and there are a few Dalits. 21,1 per cent belongs to the high Brahman/Chhetri caste. The majority of the female home based workers (68,2 per cent) belongs to the mixed Janajati caste and 10,6 per cent belongs to the lowest caste of Dalits (see figure 11.). Caste discrimination is still present in the Nepali society. The female home based workers report that they do experience caste discrimination sometimes, but mostly not so much within their own community. A Janajati woman in Hetauda explains that it used to be worse. Now she only experiences it when she goes to another location 12 kilometres from where she lives. There the Brahmins and Chhetri do not enter the same room as Janajati and do not touch their food or drinking water.

Figure 11. *Distribution of research population by caste*



One third of the female home based workers have migrated to the location they now live. As described earlier, the female home based workers of this research are situated in six different locations, being Koteshor, Panga, Basundhara, Hetauda, Byasi, and Pharping. Being migrated to the city is highly related to the location in which a female home based worker lives. As shown in table., Byasi is a distinct migrant neighbourhood, while there are no migrant home based workers in Pharping or Panga. Koteshor and Basundhara are mixed, but mostly have migrant residents, whereas there are few migrants living in Hetauda.

Table 3. *Migration to the different locations*

Have you migrated to this district?								
		Location						Total
		Koteshor	Panga	Basundhara	Hetauda	Byasi	Pharping	
Have you migrated to this district?	Yes	75,0%	,0%	68,4%	6,7%	100,0%	,0%	33,3%
	No	25,0%	100,0%	31,6%	93,3%	,0%	100,0%	66,7%
Total		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

The main reason for migration to the city was reported by 77,3 per cent to be better economic opportunities. Other reasons mentioned were marriage and conflict in the place of origin (both 9,1 per cent). Few mentioned natural disasters as a cause for migration.

Thus, it has been found that most female home based workers in this research are younger than 46 years old, married, follow the Hindu religion and belong to the mixed caste of Janajati. Most did not migrate to their location, but the one third who did mostly lives in particular migrant neighbourhoods and migrated because of better economic opportunities.

4.1.2. Household characteristics

The following section will provide an overview of the characteristics of the household of the female home based workers. Focus will be on the size of the household, the education of the children, and the household income.

The family size of the female home based workers is in general quite small. The household of half of female home based workers consists of four to five members. 28,8 per cent has less or equal to three members in their family, while 21,2 per cent has six or more family members. This is consistent with the average of 4,9 persons as the size of a household in Nepal measured in 2008 (CBS, 2008).

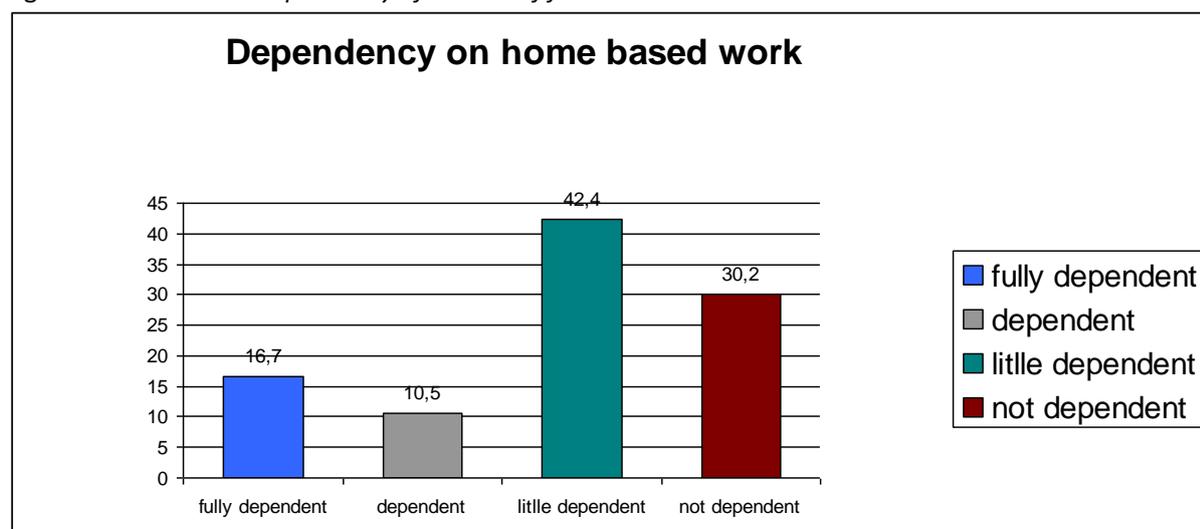
A large majority of all female home based workers has less than four children (88 per cent). With an average of 2,3 children, ranging from no children to exceptionally 9 children, a number of two children is most common (41 per cent). All school age children of the home based workers go to school. However, about one third of them does assist their mother with the home based work activities. This is in line with

observations made during the home visits, as we occasionally found children helping with the work of the home based workers. Helping with the work is only done outside school hours.

As discussed, 92,4 per cent of the female home based workers has a husband. However, not all husbands (are able to) work. 83,3 per cent of the women have a husband who is employed. This means that 16,7 per cent of the female home based workers in this research are the only wage earner in their household. Their household depends fully on their income of the home based work. The income of these women varies greatly, from 500 rupees, which is extremely little, to 48.000 rupees, which is exceptionally much.

Regarding those wage earning husbands, 36,4 per cent earns 10.000 Rupees per month or more. Then, half of these husbands earn between 5.000 rupees and 10.000 rupees per month. The other 12,7 per cent earns less than 5.000 rupees per month. Thus, the matter of dependency of the household on the income of the female home based workers can be depicted as shown in figure 12. It is shown that most of the households are not that much dependent on the income of the female home based workers. 72,6 per cent of the households mostly depend on the husband’s earnings. However, still more than 1 in 4 households depend considerably or even fully on the earnings of the female home based workers.

Figure 12. Household dependency of income of female home based workers



4.1.3. Characteristics of the work

In order to substantiate the work that the female home based workers in this research do, an overview will follow on the working characteristics. It will be made clear how much the women work, why they work, what they actually do, and how the work relates to the location, skills, status, and the social group the women belong to.

The female home based workers spend much time on their home based work. Most of the women (55 per cent) work at least six days a week. Others (38 per cent) work four to five days a week. Only five home based workers work one to three days a week, representing 8 per cent of the total population. On average the

women work 6,62 hours per day. An average working day of a female home based worker may look similar to the following:

'In the morning I cook and I am busy with my children. After that I do my work. At the end of the afternoon, at 4pm I again stop working and look after my children. Then we have dinner and after that I work again until twelve in the evening.'

The reasons for doing this work are to support their family, because it can be combined with other domestic responsibilities and because they have no other employment opportunities. Altogether 74 per cent of the women mentioned these three reasons as their main reason for working at home. Furthermore, 20 per cent of the women said that they do this work to be independent, in order to have their own earnings. The loss of earnings of other members of the household led in only 3 per cent of all cases to the decision to work at home. Few mentioned utilizing free time and the easiness to do this work, as the reasons for working at home. They were able to give multiple reasons for doing this work.

The subcontracted female home based workers in this research are active in different types of work. It often depends on the location, skills, status, and social group what type of work one undertakes. The types of work that can be differentiated are:

Dhaka weaving

Dhaka weaving is done by 12 per cent of the female home based workers. Dhaka is a cotton fabric hand woven in various colours with an infinite number of patterns. The complexity of the pattern determines the duration of weaving and the price. The more complex the pattern is, the higher the price. Dhaka weaving has its roots in the Eastern part of Nepal and is a traditional form of weaving. One needs to be skilled in order to be able to handle the hand looms, and to make dhaka's of good quality and of different types of patterns. Most female home based workers learn these skills from their mother or from friends. Hand looms are expensive; therefore most female home based workers rent them for approximately 600 Rs per year.

Dhoop

Dhoop is an extruded incense made of dry ingredients. Dhoop has a very concentrated scent and puts out a lot of smoke when burned. The incense rolls are commonly used in Nepal at ceremonies, religious celebrations, and small shrines at home. Of the female home based workers in this research, 17 per cent makes dhoop. Rolling dhoop is a low skilled job and it takes a small investment, as the raw material costs one rupee per package of dhoop.



Embroidery patchwork

Embroidery patchwork is done by 26 per cent of the female home based workers and is mostly done for clothing. The cloths are provided by a factory and the patchwork is done by the female home based workers. As the raw material is provided, it takes very little investment from the home based workers. They only need to buy the needle. The complexity of the design determines the skill needed, but in general the skill is easily learnt. However, the more skilled a home based worker is, the faster the rate at which the patchwork is done.

Felt

Six per cent of the female home based workers in this research make carpets out of felt rolls. The felt rolls are glued together in the form of a round carpet. It is a low skilled job and does not take much investment from the home based workers, as the raw material is provided by the subcontractor.



Bead work

Ten per cent of the female home based workers does bead work. They make necklaces of red or green beads worn in Nepal and India. It is a low skilled job with a low status, as one subcontractor expresses: 'everyone can do this'. The raw material is provided by the subcontractor, so no investment is needed from the home based workers.

Knitting

Knitting is done by 18 per cent of the questioned female home based workers. They knit so called *topi's* (woollen hats) and gloves. The raw material is provided by the subcontractor, so the home based workers only need to buy the needles. One needs some skills to be able to make the hats and gloves. The more difficult the design is, the more skills one needs. The home based workers mostly learnt it from friends or their employer.

Wedding decoration



Twelve per cent of the female home based workers of this study make wedding decoration. A traditional Nepalese wedding cannot be complete without the right decoration. This is made of red cloth decorated with beads covering the bride and groom, all wedding attributes, and even the food, like fish and nuts. The home based workers making this decoration do need some level of skills, as it takes precision and literacy, as sometimes words are written with the beads. The work is only available seasonal, as there are specific marriage seasons in Nepal. These seasons are spread throughout the year, together accounting for eight to nine months. The making of wedding

decoration is different from the other types of work, because it is done in a collective production centre. It is started by five female home based workers, and now has seven members. The members who earn receive 100 rupees per workday, but not all members earn yet. The ones who need the income the most earn, the others wait until the centre has grown, which they all believe it will.

As depicted in table 4. the type of work a female home based worker does strongly correlate with the location in which she lives. It is found that the female home based workers are clustered according to their work. Each type of work is done in a specific location. For instance, it shows that Dhaka weaving is done in Byasi, rolling dhoop is mostly done by women in Hetauda, and the collective production centre of the women making wedding decoration is located in Koteshor.

Table 4. Type of work according to location

What type of work do you do?	Location						Total
	Koteshor	Panga	Basundhara	Hetauda	Byasi	Pharping	
Dhoop			9,1%	90,9%			100,0%
Dhaka weaving					100,0%		100,0%
Bead work			33,3%			66,7%	100,0%
Wedding decoration	100%						100,0%
Embroidery patchwork		9,1%	90,9%				100,0%
Knitting	8,3%	50,0%	41,7%				100,0%
Felt		100,0%					100,0%

Furthermore, as was shown in table 3., some of the locations are particular areas where migrants live. This is often also related to the type of work that is done in a location. Byasi, for instance, is an area where most people from the eastern part of the country have migrated to. Dhaka weaving traditionally comes from East Nepal and has been brought to the Kathmandu Valley by migrants looking for more job opportunities. Byasi is an area in which many of these Dhaka weavers currently live. Furthermore, the percentage of migrant in Basundhara is also quite high. Different in this case is that the home based workers in Basundhara migrated from different regions in the country. They also describe that their social network is much smaller now in Basundhara than it was in the region they came from. For some it is difficult to find the same job that they used to have, others did not work before, but do want to earn some money now they live in the city. There is one factory located near Basundhara and most home based workers do embroidery work for this factory.

Moreover, the type of work a female home based worker does is also associated with the caste of the worker. As shown in table 5. some types of work correspond with the high caste of Brahmin or Chhetri, while others are associated with the lowest caste of Dalits. Thus, beads work for instance is a low status job, mostly done by women of the Dalit caste. It is a low skilled job, earning less than 2000 Rs. per month, and

mostly done in slum areas. Whereas the wedding decoration is made by mostly Brahmin or Chhetri caste women workers who are member of a small collective, and live in the high class neighbourhood of Koteshor.

Table 5. *Type of work according to caste*

		Caste/ethnicity			Total
		Janajati	Brahmin/Chhetri	Dalits	
What type of work do you do?	Dhoop	72,7%	27,3%		100,0%
	Dhaka weaving	100,0%			100,0%
	Bead work	16,7%	33,3%	50,0%	100,0%
	Wedding decoration	9,1%	90,9%		100,0%
	Embroidery patchwork	100,0%			100,0%
	Knitting	100,0%			100,0%
	Felt	100,0%			100,0%
Total		68,2%	21,2%	10,6%	100,0%

With this information it is possible to make a stratification of the different types of work of the female home based workers in terms of earnings, status, and barriers to entry, as depicted in table 6. The earnings are measured in average wage earnings per month for each type of work as reported in the questionnaires, and the findings thereof are elaborated in appendix 1. One modification thereto needs to be made concerning the earnings of knitting. Through the interviews it was found that, in contrast to the findings of the questionnaire, knitting is more lucrative than embroidery work, as female home based workers who switched from the latter to the former reported. All the other findings concerning the average wage earnings per month per type of work are well supported by the outcomes of both the interviews with the female home based workers and the subcontractors, as well as the conversations with MBO leaders and HomeNet Nepal staff. The status of the home based workers per type of work is expressed in caste and barriers to entry are based on the skills needed and the investment needed. This information was found through the interviews.

Bead work arrives at the bottom end of the seven types of work. The earnings of bead work are very low and it has a low status, as it is mostly done by the lowest caste in Nepali society, Dalits, living in the slums of Kathmandu. Moreover, the work is very accessible, no skills are needed, and everyone who wants to do it can do it. The low status of bead work is widely acknowledged, and many bead workers do not want to make their work publicly known.

Next is rolling dhoop, which also generates little money, but a bit more than the bead work. Furthermore, it has a better status than the bead work, as most women rolling dhoop are of the janajati caste and some even from the high Brahmin/Chhetri caste. Rolling the dhoop takes some skills, but is easy to

learn. However, the home based workers need to buy the raw material themselves; they buy the paper from the market, and the dust is bought at a furniture shop. Thus, it needs some investment.

Embroidery patchwork is very comparable with rolling dhoop in terms of earnings. Rolling dhoop actually has a more secure average wage income of 1001 to 2000 rupees, but for embroidery patchwork there is more chance of earning more than 2000 rupees per month. The skills are easily learnt and the raw material is provided, so the barriers to entry are very low.

The knitting work is placed above the embroidery work, as the income of knitting is, as explained, higher than that of embroidery patchwork. Knitting is more difficult to learn than the embroidery work, as reported by two home based workers that shifted from doing embroidery work to knitting. The felt work is more accessible than the knitting, and the earnings are higher. Therefore, felt work is placed third in the stratification.

Dhaka weaving and making wedding decoration are by far the better occupations. The earnings of both are the best of the seven different types of work among the female home based workers. For Dhaka the barriers to entry are very high, as the skill is quite difficult to learn and belongs to a certain social group migrated from the Eastern part of Nepal. Making wedding decoration is easier to learn, but one needs to be invited by the group of women forming the collective. The average wage earnings per month from wedding decoration is slightly higher than that of Dhaka weaving, but it needs to be taken into account that not all female home based workers in the collective making wedding decoration earn money with this work. Some are still doing the work for free. Therefore, Dhaka weaving is placed on top of the stratification.

Table 6. *Stratification of different types of home based work*

Stratification (1=highest; 7=lowest)	Type of work	Earnings	Caste / ethnicity	Migrated	Barriers to entry	Percentage of research population
1	Dhaka weaving	2	Janajati	Yes	Very high	12
2	Wedding decoration	1	Brahmin/ Chhetri	Yes	Very high	12
3	Felt	3	Janajati	No	Low	6
4	Knitting	4	Janajati	No	High	18
5	Embroidery patchwork	5	Janajati	Yes	Very low	26
6	Dhoop	6	Janajati	No	Low	17
7	Bead work	7	Dalits	No	Very low	10

4.2. Livelihood conditions of the subcontracted female home based workers

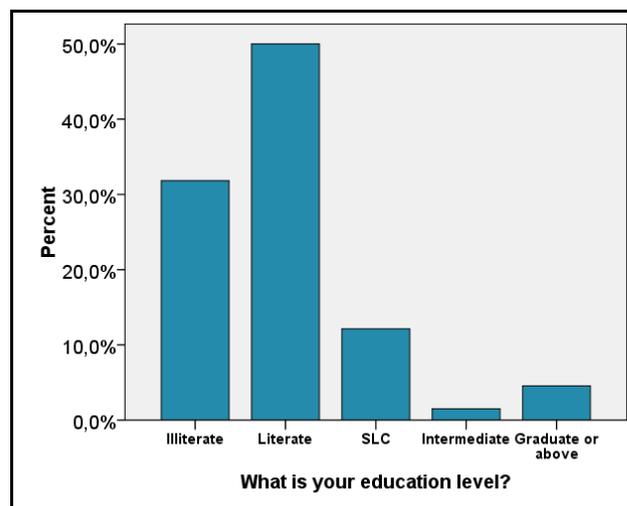
As explained earlier, in this research, the livelihood status of the subcontracted female home based workers will be measured according to one component of the Sustainable Livelihood Approach (SLF), being the livelihood capitals. The livelihood capitals of the female home based workers measured in this study are human capital, physical capital, social capital, and financial capital. Human capital relates to the ability to work and function and consists of the skills, knowledge, and health of the female home based workers. Physical capital enables them to meet their basic needs, being shelter, water, sanitation, energy, and information channels. Social capital is reflected in the networks, the support of institutions, the relationships with other people and the membership of groups. Finally, the financial capital is formed by the financial resources available to the female home based workers.

4.2.1. Human capital

The human capital relates to the education, skills and health of the women and comprises: skill improvement, education level, sufferings from illness, health hazards, and access to health facilities.

Most of the female home based workers are found to be low educated. As depicted in the graph below, almost one third of the questioned home based workers are illiterate. Half of the women can read and write, but on quite a low level. Only 18 per cent of the women received her SLC or higher. SLC refers to the School Leaving Certificate, which is given in Nepal when one passes class ten of primary school.

Figure 13. Education levels of the female home based workers



As presented in table 7. the level of education is highly related with the age of the female home based workers. It is clearly shown that the younger the female home based workers are, the higher their education level is. For example, the illiteracy rate of the home based workers aged between 16 and 30 years (16,7 per cent) is more than four times lower than that of the home based workers aged between 46 and 60 years

(83,3 per cent). The literacy rate of the female home based workers aged between 16 and 30 years of 83,3 per cent is in line with the literacy rate of the national population aged between 15 and 24, which was 79,4 per cent measured in 2007. (CBS, 2007). As some older women also indicate during the interviews: 'Today's generations are better educated than we are'.

Table 7. *Age and education*

		What is your education level?					Total
		Illiterate	Literate	SLC	Intermediate	Graduate or above	
What Is your Age?	16-30	16,7%	60,0%	20,0%	0,0%	3,3%	100,0%
	31-45	36,7%	46,7%	6,7%	3,3%	6,7%	100,0%
	46-60	83,3%	16,7%	,0%	0,0%	0,0%	100,0%
Total		31,8%	50,0%	12,1%	1,5%	4,5%	100,0%

The skills of the home based workers are mostly passed on by family members, friends, or neighbours (77 per cent of the cases). Others learnt their skills from training institutions (9 per cent), their subcontractor (8 per cent), or through the MBO (6 per cent). The home based workers are not completely satisfied with the skills they have, as 29 per cent states that their skills are not sufficient for their work, 59 per cent says it is somewhat sufficient, and only 12 per cent finds their skills very sufficient. Being confident about one's skills is not related with the education level of the home based workers. One third of the correspondents did take skill training to improve their skills, but still most home based workers (86 per cent) want to learn more. The main thing that they want to learn is to improve the quality of their product.

Health is a very great concern of the female home based workers. Almost all home based workers (99,5 per cent) experience health hazards associated with their work. Two thirds even experiences more than one health problem. The main problems that the female home based workers suffer from are headache, back pain, eye soar, and respiratory problems. Most home based workers report that these problems are caused by the work that they do. The back pain is often due to sitting for long periods on the ground in the lotus position. Eye soar and respiratory problems are often caused by fine particles of dust or incense. 40 out of the 66 questioned home based workers feel restricted in their work due to these health problems.

Almost half of the home based workers states that they suffered from an illness during the past two months, the main diseases being: diarrhoea, dysentery, respiratory problem, high fever, and headache. Furthermore, one out of five questioned home based workers has an injury, of which all are injuries on the hand and/or fingers. Many female home based workers reported that the work they do can be quite damaging for their hands. It is very likely that the hand injuries of the home based workers are caused by or related to the work that they do. This can form a serious problem for the home based workers, as in case the injury is too severe, they cannot continue their work and thereby loose the (extra) income.

In terms of the human capital of the female home based workers it has been found that the women in general are low educated, but most are literate. Moreover, the education level is improving, as the younger women are higher educated than the older women. Further, the home based workers are not completely satisfied about their skills, some have had skill training, but most still want to improve their skills. Moreover, health is an enormous concern of the female home based workers, as practically all experience health hazards related to their work.

4.2.2. Physical capital

The physical capital of the female home based workers relates to the physical surrounding in which they live and work and the facilities present in this surrounding. Their physical capital is measured by the housing conditions, energy supply, water supply, access to safe drinking water, access to safe sanitation facilities, and information and communication facilities.

In relation to the housing of the female home based workers, they rarely own the house they live in. Two third of the women are living in a house which is owned, the other one third rents their dwelling. In case the house is owned, it is mostly owned by the father and mother in law (in 56, 5 per cent of the cases) or by their husband (26. 1 per cent of the cases). Only 8,7 per cent of the women own the home themselves.



Most home based workers report to have more than one room in the house they live and work in. Almost half of all the home based workers have three or more rooms in their house (47 per cent). However, the workplace of most women is only four squared meters (54 per cent). Some have a workplace of nine squared meters (14 per cent), but it is rarely bigger than this. As a consequence of their small workplace



many home based workers do not have adequate storage place for preserving the raw material and/or the finished products properly. Sixty-four per cent of the home based workers points out that they do not have enough space. More than half of the home based workers are not satisfied with their work space. During the home visits it was observed that there was a great difference in conditions of the workplaces of the home based workers. However, most rooms were very small, dark, damp and warm. They were made of concrete, but with low roofs of corrugated sheets. These houses were mostly found in slum areas and intermediate districts. Some, more wealthy, home based workers lived in bigger, light, bright and luxurious houses, with a decent working place. These few

were found primarily in the middle class neighbourhood Koteschor.

All home based workers have electricity, but for the majority of them it is provided by a shared energy source. However, the lack of electricity in Nepal leads to load shedding every day, resulting in only ten hours a day with power. This is hampering the women in their home-based work, as 47 per cent of the female home based workers do not continue their work when there is no power. In terms of hours per day, load shedding impedes more than three hours on the work of the women.

In more than half of the cases, the drinking water is piped into the house of the female home based workers. Almost 30 per cent of the women have a source within their compound, while 8 per cent uses a well as source of drinking water. Other sources the women use are a public tap or a jar. In only a few cases home based workers use the water from neighbours, get it from a tanker or pump the water. However, there are quite some periods of water scarcity in Nepal. Six out of seven female home based workers reports to experience periods of insufficient water supply. In case of shortage, the women mostly source the water from a tube-well. The quality of this water fluctuates. This is also reflected when comparing with the health status of these women, as half of them suffered from an illness recently, the other half did not. Other women use the water from the river or a public tap. The quality of the water from these sources is not very good, and may cause a threat to one's health. Two thirds of the women using these sources have suffered from an illness recently. Few women do manage to access clean water in times of shortage, as they may use the water from neighbours, buy it from private suppliers, use mineral water jars or get water from the owner of the house. In these cases most women did not suffer from an illness recently.

With respect to the sewage facilities, half of the questioned women have good sewage facilities, but over 40 per cent has no sewage facilities at all. 5 per cent uses an open drain, only one home based worker reported to have a safety tank.

Having a mobile phone is quite common: 60 per cent of all female home based workers have a cell phone, while only 20 per cent has a telephone at home. More than half of the home based workers also have cable TV (54 per cent) and some have a radio (31 per cent). A computer with internet is rarely seen, only 12 per cent has a computer at home. The home based workers who have a cell phone all report to also use it for their home based work. They call their subcontractor to ask about work and also to other home based workers, in order to meet and work together in one place.

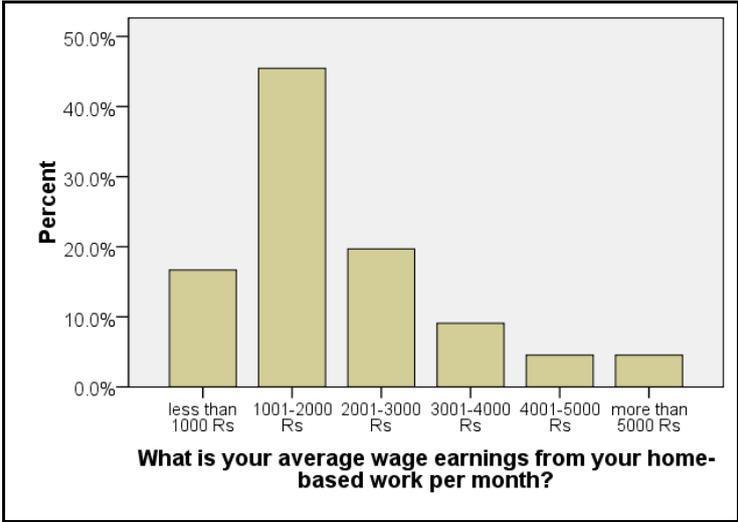
Thus, the physical capital of the female home based workers in this research can be described as follows. The women mostly do not own the house they live in, they have a small workplace of poor conditions, energy and water is somewhat scarce, but the majority has communication facilities, such as a cell phone and a television.

4.2.3. Financial capital

The financial capital of the female home based workers refers to the financial resources available to them and is measured by: earnings, remittances, the ability to save money, and access to credit.

On average the income of the female home based workers is 2108 Rupees per month. This is equivalent to 21 euro’s. Moreover, most female home based workers (82 per cent) earn less than 3000 rupees per month. As shown in the bar chart below, 46 per cent of the women earn between 1001 and 2000 rupees per month. As discussed in the profile of the female home based workers, the women work 5 days a week on average. Taken together with the mean income of 2108 rupees per month, this means that the women earn about 105 Rupees per day.

Figure 14. Average earnings from home based work



Moreover, those women who are married, very often earn significantly less than their counterpart. As stated, the mean income of the women is 2108 rupees, while the income of their husbands on average is almost five times more, being 10,092 rupees per month. The national figures also show a discrepancy in monthly earnings between the sexes, but the difference in earnings between males and females measured in this research is wider than the average in Nepal. Nationally, men earn on average 5,700 Rs. Per month, while the average income of women is 3,400 Rs. Per month. (CBS, 2008). However, in elementary occupations and occupations like crafts and related trades females are most disadvantaged, which may be similar to the big difference in earnings found at the home based workers. Thus, these figures render the socially ascribed roles that men need to bring in the money for the household and women should not work or earn little just to complement to this household ‘pool’.

‘I experience discrimination concerning gender. With this work I only earn 25 Rupees a day, which is of no worth. It is thought that girls do not work, but have to look after the home. However, I want to work! Luckily, I do get good support from my family. My son is too small to understand, and my husband thinks it is okay.’

The level of satisfaction on the earnings of the women is mixed. Half of the women states to be satisfied with the earnings, while the other half reports to be unsatisfied. However, it needs to be noted that when asked during the interviews in a later stage of the research most home based workers reported to be unsatisfied with their earnings. Most are content with having the work and thereby earning money by

themselves, as this is not very common in Nepal. However, the amount of money that they earn for this work is mostly not appreciated. As one woman explains:

'Somehow I am satisfied, as I make use of my wasted time. But, I am not satisfied about the wage, as it is not fair what I get. I am satisfied with my work, but not with my wage.'

Moreover, the amount of earnings is not appreciated when taken into account the expenditures. One home based worker living in Kathmandu explains:

'My work is hard, it takes much effort, but the earnings are low according to my work. It is not enough money to buy food, so we are hungry. In Kathmandu a room is 2000 to 2300 Rs per month, while the same room in Bhaktapur costs 1200 Rupees per month. So the costs for housing in Kathmandu are much higher!'

The female home based workers report that the total household expenditures per month are 14,751 rupees on average. The income of both women and husband together (12,200 rupees per month income) is not sufficient for this expenditure. To fill this gap, more than half of the women report to have a loan. The structure of this loan system mostly is as follows. 90 per cent of the home based workers save money from their earnings, but mostly in very small amounts. The majority saves less than 10 per cent of their earnings, some save about 25 per cent of their earnings. These savings go to a fund at a group, a saving & credit cooperatives, micro-financing agencies, or relatives. Few go to a commercial bank. Then, in times of need, the women get a loan from this fund, mostly meant for house repair, family work, education, or consumer goods. It can be difficult for the women to get a loan sometimes. Half of the questioned home based workers points out that they somewhat experience constraints in getting access to credit. Concerning the insurance of the home based workers, most women (61 out of 66) mention not to be insured with a life insurance scheme.

The fact that the female home based workers earn money with their home based work might affect the situation within the household, taken into account the social expectations of Nepali women just discussed.

Some women express that they feel empowered by doing the work:

'I decided to work in order to improve my situation. Before I had to ask money from my husband, but now I can use my own money. I feel more powerful within the household. I like that! [laughing]'

'My husband is also supportive. Some women do not work, at least I can work, earn money, and use my time. I feel stronger, as I am not fully dependent upon my husband.'

Some women do have to defend it or explain it to their household:

'I only earn 10 rupees per piece and it's difficult to combine with household work. If I explain it to my husband, he asks me: Why do you work then? I just want to earn some money for my own, to give to my children.'

4.2.4. Social capital

The social capital of the female home based workers is measured by: membership of an MBO or other organizations, a good relationship with neighbours and friends, contact with other home based workers, and protection of municipality. In chapter six there will be more focus on the way of organization and its effect on the livelihoods of the female home based workers. Therefore, this paragraph will mainly give a basic overview of the social network of the home based workers.

The female home based workers included in the questionnaires are all member of an MBO. Thus, most of the questioned female home based workers (94 per cent) are frequently in contact with other home based workers. The benefits that the home based workers experience from these contacts will be elaborated on in chapter six. The home based workers are not a member of many other organizations. Some are member of community-based organizations, but none of the female home based workers is a member of a political party or any other type of organization. Reasons that the home based workers give for not being organized otherwise are not seeing the benefits, but mostly being too occupied with the work. One home based worker explains: 'we don't have time for thinking about other things, we have to bear health problems, and we also do not have regular work.' Moreover, related to the socially ascribed roles concerning gender, the women do not have the time and opportunity to move outside of the house that much, and therefore do not get in contact with other organizations very easily.

In case of problems, almost all home based workers do have a social network of people around them to form a safety net. In times of need many home based workers would count on their close surroundings. Most of the women would ask friends for help (25 out of 66), or relatives (20 out of 66) or neighbours (17 out of 66). 2 out of the 66 correspondents would have no one to ask for help.

In general, the home based workers do not feel protected by government authorities in their home based work. 96 per cent of the women note not to feel protected by law, and 91 per cent does not find that their municipality includes home based workers in its policies. When asked why they feel like that, most home based workers (72 per cent) do not know. Some (22 per cent) argue that no one is interested in home based workers.

Thus, the social capital of the female home based workers consists mainly of their close surroundings – being friends, relatives, and neighbours–, and of their MBO membership. The female home based workers are not linked to many other organizations or networks, primarily because of the lack of time and opportunity to leave their home. Furthermore, the female home based workers do not feel protected by the government authorities. They find it difficult to explain why they feel this, but some report that they find that no one is interested in home based workers.

Conclusion

By means of the questionnaires among the female home based workers reached through the MBOs during the first stage of the research it was found who the female home based workers are and what their living conditions are. As just presented, most female home based workers are young, married, have small families, and work 6,6 hours 4 to 7 days a week. They are low educated, as the majority did not receive the school leaving certificate, and most of them want to improve their skills. Health is an enormous concern of the female home based workers, as practically everyone experiences health hazards related to their work. Moreover, almost half of the home based workers states that they suffered from an illness during the past two months. Concerning their physical capital, they mostly do not own the house they live in, they have a small workplace of poor conditions, and energy and water is somewhat scarce. Furthermore, the majority has communication facilities, such as a cell phone and a television, but most do not have a computer or radio. The cell phone is used for work related matters. |With regards to their financial capital, their income is 2108 rupees per month on average, they save small amounts of money, and more than half of them has a loan. Finally, regarding their social capital, most of the female home based workers questioned in this research are member of an MBO, have regularly contact with other home based workers, and are also members of other social organizations. They do not feel protected by government authorities, and ask help from friends, relatives, or neighbours in times of need.

4.2.5. Unorganized female home based workers

The information on the living and working conditions just described only goes for the female home based workers who are organized through the MBOs. Would the living and working conditions be the same for unorganized female home based workers? As explained in paragraph 3.5 of the methodology chapter, the unorganized home based workers could not be incorporated in the questionnaires, but 7 unorganized home based workers were found to be interviewed. From these interviews information was found concerning their livelihood conditions.

The livelihood conditions of the unorganized female home based workers are in many aspects the same as those of the organized home based workers. Most are younger than 45 years old, married and have small families, with two, sometimes 3 children. Health is a great problem for all of them. No one has had skill training, but learnt their skill from neighbours or friends. The workplaces of the women are small, very basic and most women are not satisfied with it.

Some small differences between the unorganized and the organized home based workers can be detected. The education level tends to be lower for the unorganized home based workers, as 5 out of 7 are illiterate. The other two are literate, but did not get their SLC. Concerning their financial resources, the women do not want to share their exact income. It might be similar to that of the organized home based workers, or somewhat lower. The unorganized home based workers report to earn too little, somewhere between 1000 and 2000 rupees per month. One reports to have problems supporting the education of the children, and many note the inability to save money as a reason for not joining an MBO in which one is

assumed to save money. Quite logically, the contact of the unorganized home based workers with other home based workers is less than that of the organized home based workers. Four out of seven do not have contact with other home based workers. Moreover, they seem to have less contact with other people in general, as they mention feeling lonely at times. This indicates that, quite logically, their social capital is much lower than that of the organized home based workers. Three interviewees do have contact with other home based workers, as their neighbours and friends are home based workers. In these cases, they report to talk together about the product, raw materials, and urban issues, such as load shedding, drinking water, and pollution.

5. Position within the value chain of subcontracted female home based workers

This second empirical chapter aims to specifically focus on the value chains that the female home based workers are part of and takes a closer look at the position of the female home based workers therein. Therefore, this chapter will focus on the structure of the value chains, the relationships within the chains, and the chain governance. Thereby, an answer will be formed on the second sub question, being:

2. *What is the position of subcontracted female home based workers in Kathmandu and Hetauda, Nepal, in the value chain?*

This second empirical chapter will mainly make use of the interviews conducted with the female home based workers and with the subcontractors.

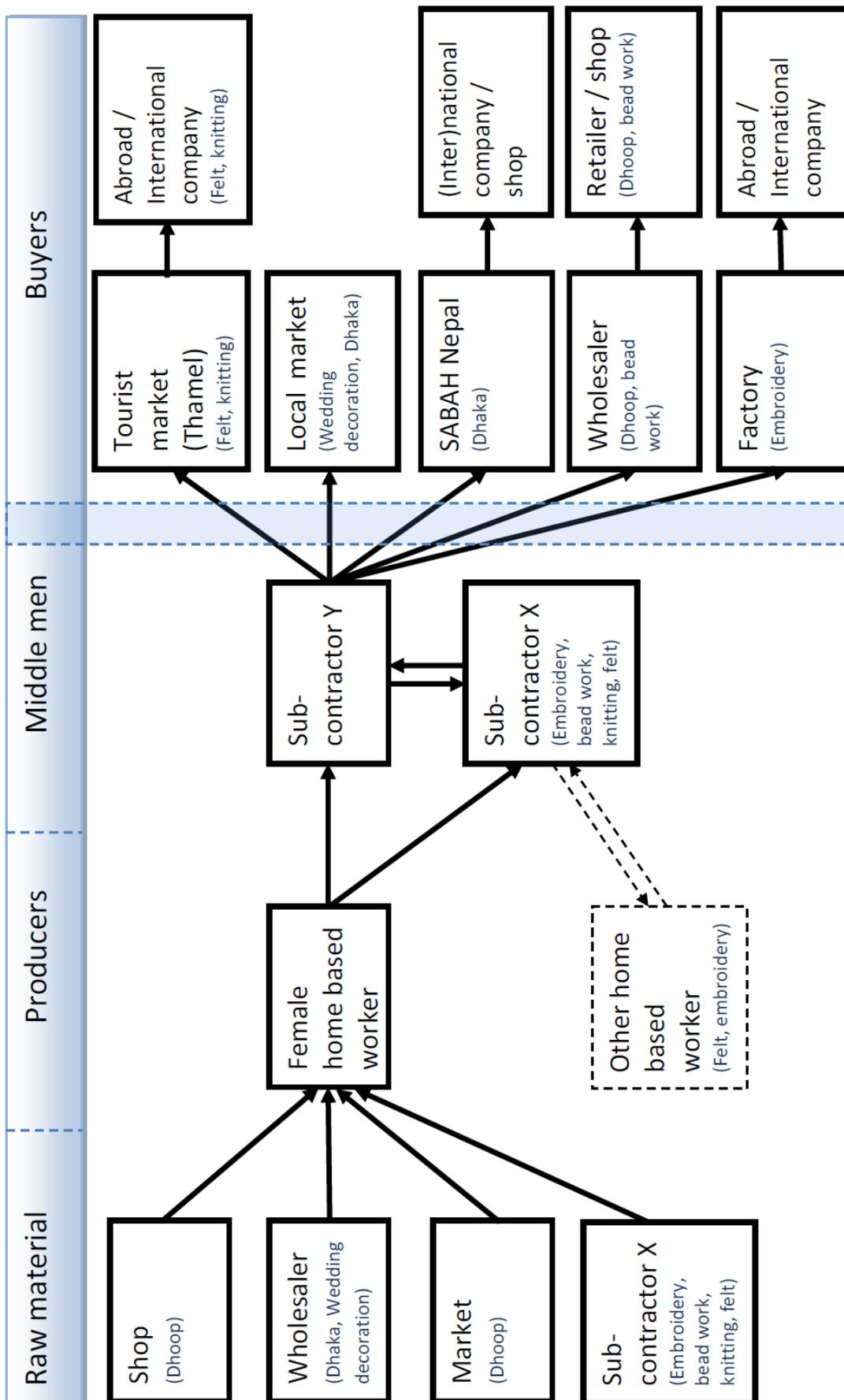
5.1. Structure of the value chains

The subcontracted female home based workers in this research are part of various value chains. As explained, it often depends on the location, skills, status, and social group in which value chain one takes part. The value chains of the different types of work the home based workers have different structures. In general, the value chain of the female home based workers in this research can be depicted as in the sketch of figure 15 on the next page.

As illustrated in figure 15, the raw material for the products can be provided by the subcontractor (for embroidery, bead work, knitting, and felt), or it can be bought by the home based workers themselves. In case the home based workers buy the raw material themselves, they can buy it from a wholesaler (dhaka, wedding decoration), on the market (dhoop), or from a shop (also dhoop). Sometimes the home based workers have no choice but to buy the raw material from their subcontractor. For instance, in the case of the wedding decoration, the home based workers have to buy the raw material from their subcontractor whenever it is unavailable at the wholesaler. However, the price of the raw material is higher at their subcontractor, and the knowledge on the price of the raw material gives him a stronger bargaining power when they sell the finished products back to him.

Next, after obtaining the raw material, the home based workers make the finished products. All home based workers sell these products to their subcontractor(s). In the case of embroidery and felt, part of the production process is done by other home based workers located in a place only the subcontractor knows of. It proved difficult to determine how many subcontractors are in between the home based workers and the final market. Therefore, the area between the middle men and the buyers is blurry. However, for most of the products it seems that there are many middle persons in this area.

Figure 15. Structure of the value chains



It is possible to identify the final markets of the products made by the female home based workers. Many products are made for export. Felt, dhaka, embroidery, and knitted work all go abroad. Felt and knitted work goes to Thamel, the centre of the tourist industry in Kathmandu, from where large companies buy in bulk or tourists buy for private use. The embroidery patchwork goes to a factory that is connected to a large international company. The dhaka that is bought by SABAH, the SAARC Business Association of Home Based Workers in Nepal, goes to international companies, but also to the bigger, exclusive shops in Kathmandu. However, some of the dhaka's are also sold on the local market by other subcontractors. The wedding decorations are also sold on the local market, as it is part of the Nepali tradition. Finally, the dhoop and the bead work also stays at the national market, but is first sold to a wholesaler nearby, who sells it again to a retailer or shop.

5.2. Relationships within the Value Chain

Through the questionnaires with the 66 organized female home based workers it was found that most of the women have one subcontractor. Only 18 per cent of the home based workers have two or more subcontractors. Many state that it is quite difficult to find other subcontractors. This implies that the home based workers are considerably dependent upon their subcontractor. They describe the relationship with their subcontractor as a good one. The reasons they mostly give are that he or she provides them work and pays them on time. However, the majority of the female home based workers do state that they find it difficult to get orders or to sell their product. It may depend on the season, the availability of orders for the subcontractor, or the relationship between the subcontractor and the home based worker.

The subcontractors or buyers of the female home based workers are mainly situated in the local market within the same district as the homes of the female home based workers. A small 20 per cent of the female home based workers need to go to the regional market outside their district in order to see their buyer. No one needs to travel further than the regional market.

The raw material of the products the female home based workers make is in 70 per cent of the cases provided by their subcontractor. The dependency of the female home based workers on their subcontractor is higher when the raw material is provided by the subcontractor. In that case they do not know about the relative price of the raw material and they do not easily get in contact with other home based workers making the same products. One fourth of the home based workers find it impossible to negotiate the price for the raw materials. Others state that it is somewhat possible to negotiate, but rarely with a positive result. Furthermore, almost all female home based workers (99 per cent) work without a contract with their subcontractor. Only one home based worker reported to work on a contract bases. Working without a contract means for many that the subcontractor sets the price for the product and the price might fluctuate as the subcontractor wishes. It also means that the subcontractor may end the relationship whenever he or she likes and the rights of both subcontractor and home based worker are not agreed upon.

There are differences in the relationships with the female home based workers and the subcontractors. Noteworthy, the relationship with the subcontractor is better in case he or she lives close to the home based workers. For instance, in Hetauda ward five, the subcontractor lives in the same street and sells the dhoop of her neighbours on the market. The relationship with the home based workers and this neighbour subcontractor is closer than that of subcontractors who live in another district. An explaining factor can be that as a neighbour you directly see the living and working conditions of each other and you might feel more involved. A woman working for the subcontractor in Hetauda ward five explains: 'My subcontractor feels responsible for my conditions, as she is giving me money to invest in housing and work place conditions. After a while I have to give it back to my subcontractor. She is concerned about me, as we live in the same place.'

Moreover, the relationship is significantly different with female subcontractors than with male subcontractors. There are big gender differences in Nepal in general, which also influences the relationships of the female home based workers. The female subcontractors tend to be more empathetic and considerate towards the female home based workers than the male subcontractors. However, still the female subcontractors feel higher in power, and business comes first. The female subcontractor in Hetauda ward five explains: 'it is only business. We only became friends because of the business, we are not really friends, we are only neighbours'.

5.3. Chain Governance

As explained in the first chapter, chain governance is related to the coordination and control along the chain, hence is associated with the division of power. It is found that the chain governance in the value chains of the female home based workers in general is captive. The buyers wield the most power and control. The captive subcontractors are bound to the conditions set by the buyers, and the female home based workers hold significantly less power than these subcontractors. Thus, the power of the actors involved tends to decrease the further down the value chain you go, with the female home based workers at the bottom end. This is endorsed in the interviews by both the female home based workers as well as the subcontractors.

When specifically asked about the power divisions, almost all female home based workers respond that they have a very low level of power, and their subcontractor and other actors further up in the value chain have a higher level of power. They explain that they are not able to go to the market, do not have the bargaining skills and the self-confidence. This makes them dependent on their subcontractors, who offer them access to the market. One female home based workers states: 'We are somehow less powerful, we need money, and without access to the market we cannot sell, so we need the subcontractors, they are powerful'.

Furthermore, many female home based workers do know that there often is a person above their subcontractor. Some explain that their subcontractor is also dependent on someone else. Few home based workers can explain what type of persons there are giving orders to their subcontractor. One home based worker does know:

Mostly, the people above Narayan [the subcontractor] are the 'marne' [high caste], a group of Indian businessmen. They have a high status and are businessmen or entrepreneurs. They are known to be very clever and can catch a worker everywhere. The businessmen are very rich in money and ideas, thereby they suppress us, as for us meeting our daily needs is the most important. It is very difficult. They know our weakness, as meeting the basic needs is not that difficult for them.

The subcontractors themselves mostly acknowledge that they have more power than the female home based workers. When asked about the power relation with the home based workers, most answer to be on a higher power level than the home based workers. Furthermore, they also stress their dependence on the persons they sell the products to, being the retailers, wholesalers, other subcontractors, factory managers, or shopkeepers. They report that the profit is often made further up in the value chain. For instance, a subcontractor of dhoop in Hetauda reported to feel cheated, as per package a home based workers made a profit of 1 rupee, she made a profit of 1 or 2 rupees, the wholesaler would make a profit of 10 rupees, and the retailer would make a profit of 20 rupees. This shows that the profit margin is significantly higher further up in the value chain, with the subcontractor and home based worker receiving only a little share of the overall profit. Again, the female home based workers end up with the smallest share, especially taken into account the input of time and effort per product.

Power level of home based workers

Together with the global economic dynamics within the chains, there are several factors contributing to the low level of power of the female home based workers. Important factors found in this research are: the lack of market knowledge, skills and education; gender; and dependency on work for household income.

The biggest limitation the female home based workers in Kathmandu and Hetauda experience is in knowledge and in skills. Many responses of the home based workers are equal to: 'My subcontractor is higher on the level of power than I am, because my subcontractor knows more and is more experienced'.

In general, the amount of factual knowledge of the female home based workers on their value chain is very limited. Mostly, they only know their own subcontractor and the price they get paid for their product. Furthermore, the questionnaire shows that most home based workers have some (67%) or very much (26%) knowledge on the other home based workers that their subcontractor sources from. Only 5 out of 66 respondents did not know anything about that. However, the knowledge the home based workers feel they lack is on where the raw material comes from, where the products go, what the price is of their products, and whether they get a fair share of the final price. They want to know the price, so that it is easier to bargain; they want to know where the products go, so that they can sell it themselves to that person or on that market; and they want to know where the raw material comes from, so that they can buy this themselves. However, the information on these issues is difficult for them to find and the subcontractors do not want to give the information.

Furthermore, the skills the female home based workers feel they are lacking are mostly in marketing. Besides wanting to increase the quality of their products, they want to learn how to make contact on the market and how to bargain a good price for their products. As one female home based worker acknowledges: 'It is difficult for me to bargain and win. I try by telling the subcontractor the costs of the product, but that does not work. I am not good at marketing. I need skills in that.'

Moreover, the low level of education is found to influence the low power level of the female home based workers. As a group of female home based workers in Kathmandu express: 'Our general education level hampers us. We feel we are backward. Moreover, we feel not able to speak, because we think that what we say will be wrong. We also cannot write well'. This keeps them from talking to their subcontractor and makes them feel insecure. Those few women who are higher educated experience many benefits. For example: 'Education helps me to get information, to understand something, to read something. It helps in my work, I can count the money, read and put my signature. Education made me aware, so people cannot cheat me easily.' Still, almost all female home based workers in this research want to be more educated than they currently are.

'Thus, we [home based workers] are suppressed not by ourselves, but by the ideas (and money) that we have. Our education level is not that high, we don't have the skills of talking and of keeping PR relations, so we feel that thereby the richer become richer and the poorer become poorer. Even if we collectively produce, we will not reach their level. It is difficult to meet their level. It is like a wetland, if you try to go up, you will still go back down.'

The low level of education is highly related to being a woman, another factor influencing the power level of the female home based workers. Many of the female home based workers report to be kept inside the house and out of education, because of their gender.

As discussed in the first chapter in relation to the feminization of labour, large companies in global value chains prefer to hire women. They do so because they perceive women as more tractable and subservient to managerial authority, more willing to accept lower wages because of their own lower reservation and aspiration wages, less prone to organize into unions, and easier to dismiss using life-cycle criteria such as marriage and childbirth. Related to the female home based workers of this research in Kathmandu and Hetauda, many of these characteristics are reflected in varying degrees – except for being less prone to organize into unions, as most of the female home based workers included in this research are organized –.

First, the responsibilities of looking after children and the house(hold) are influencing the opportunities in and the expectance of the work of the female home based workers. Many indicate that the care for their family and the daily needs leaves little time and energy to try and change the conditions of their work. All women find the household responsibilities self-evident, and some experience this as a burden. One female home based worker explains: 'I experience gender discrimination. Being a woman you

are not free to work, as you have household responsibilities and need to spend time caring for your children.’

Furthermore, the case of the Dhaka weavers illustrates well how the women are sometimes accepting lower wages. The female home based Dhaka weavers explain:

Also men do this type of work, but then they weave with machines. There is a factory nearby, so we could do the same work there on machines, which is easier and earns better. However, only men work there. Because of load shedding, they have to work on different times, sometimes at night. We cannot work there, as we have a household and we have to care for that. Therefore, we cannot stick to these times. Moreover, as we are women, we cannot go on the streets at night. That is not appropriate for us [women] to do.

Finally, the dependency on the work is also contributing to the lower level of power of the female home based workers. They explain that they are insecure of getting the work that they need. Most state that they do not have the idea that their subcontractor has a sense of responsibility to provide them work. They feel it can be dangerous to speak up or ask too much about their rights, as they might lose their job because of asking. As one home based worker points out: ‘When we meet Dai [Nepalese for ‘brother’ referring to the subcontractor, as she does not know his name] we talk about the work, but we are not allowed to talk about the price. I did not try because I am afraid to lose my job. Because of that, I feel powerless’. Moreover, the home based workers are aware that there are many other home based workers prepared to do their job under the same conditions. One female home based worker reports:

I am not able to raise problems or to present my views. If I ask these kind of questions I won’t get work anymore. It is not possible to bargain, but I also don’t want to, because then I will lose my job. [...] There are a lot of home based workers and, if I complain, he can go to other women. The other home based workers want to do this work.

All these factors together result in a very weak position in the value chain for the female home based workers in this research. An increase in power might bring them more bargaining power, a fairer share of the market price of their products, and an increase in defensibility. This might be reached through an increase in market knowledge, improvement in skills and education, and development of voice or leadership. Many of the female home based workers themselves find that their power would increase in case they could have more direct access to the market. As one female home based Dhaka weaver explains:

I work hard, but my profit is only 175 rupees. He only sits in his shop and sells it, and his profit is 200-300 rupees per piece. It would be better if we would have our own shop and have direct access to the market.

Box 2. Awareness of female home based workers on position in value chain

This chapter discussed the position of the female home based workers of this research in the value chain. However, during the preparation and performing of this research curiosity aroused to how these female home based workers experience their position. Little is known about how the female home based workers themselves perceive their position in the value chain. What do they know about their position, what is their opinion on this, and to what extent are they concerned about it? One study by SEWA in Ahmedabad, India reported that the women working there as home based workers do not perceive themselves as being a 'worker'. (Jhabvala & Tate, 1996). What would be the perception of female home based workers in Kathmandu and Hetauda, Nepal, in 2011?

This perception can be evaluated according to their level of awareness. The awareness level of the subcontracted female home based workers can be described as the state or ability to perceive, or to be alert of their position within the value chain and the cognitive reaction to this position. Three dimensions of awareness can be distinguished. First, the descriptive knowledge is about the factual knowledge the female home based workers have on the value chain. Second, the moral judgment describes the attitude or feelings that they have with regards to their position in the value chain. Third, the relevance examines whether the home based workers find their position in the value chain important, and whether they are concerned about this. (adapted from Rubble et al., 2004).

The first dimension of descriptive knowledge is already covered in the chapter. It is found that the female home based workers have little factual knowledge on the final market of their products, the final price of their products, and the actors involved in the value chain, but that many are able to make an estimation on the distribution of profit and power dimensions within the value chain. Furthermore, they do have some knowledge on the other home based workers that their subcontractor sources from. However, what is the moral judgment of and relevance for the female home based workers concerning their position in the value chain?

The female home based workers surely have an opinion, or *moral judgment*, on their position in the value chain. Almost all home based workers declare that they do not feel they receive a fair wage. In their evaluation, they take into account both the wage of their subcontractor, as well as the time and effort for making their product. Moreover, several women point out what would be a fair wage for them. For instance one woman making felt carpets in Khadipakha: 'If I see my work and the payment, it is not fair. I think that for 90 cm I should get at least 300 rupees, and for 140 cm I should get at least 600 rupees.' Moreover, most home based workers also feel negative about the division of profit all over the chain: 'it is not just; the division is not in the right proportions. It is like the 'black market', it is not fair to the people who buy the product and not fair to us.'

Even though, they feel their position in the value chain is not fair, they are acceptant, because it is not their priority or of high *relevance* to them. This research almost automatically assumes that the position in the value chain is important for the female home based workers, and it's been explained why it is, but it needs to be acknowledged that there are other pressing issues from the perspective of the home based

workers that are important for their livelihood. The women live day by day, and sometimes health problems, family issues, or care for children leave no time to worry about concerns regarding their work.

We don't have the confidence [to try and change something in the value chain], because we are only involved in our household activities. As we are poor, the eating for today and tomorrow is the most important matter for us; we are mostly concerned about the household expenses. We don't have the interest to start on our own, as if the money comes, it is okay for us.

Furthermore, the female home based workers in this research do perceive themselves as being 'workers', in the sense that they put time and effort into making a product in the pursuit of sufficient financial gain. However, they do not always worry too much about the conditions under which they do this work, particularly not in relation to other actors involved in the value chain:

I don't know about these things [division of profit in the value chain], I am more concerned about my own work. I don't have time to go and sit there. I have not asked my subcontractor for information, so I don't know. I am more concerned about having my work and I don't want to ask. I just go to the tailor, get my work, go home and do the work, and then give it to the tailor. That's what I do.

It needs to be noted that this level of awareness goes for the female home based workers that are organized in MBOs, referred to in this research. During field visits to MBO trainings it was observed that some new members, indeed, did not perceive themselves as being 'workers' and were not much aware on their home based activities. Talking to other home based workers slowly made them form an opinion on their work. Furthermore, the awareness and leadership trainings given by the MBOs bring attention to the value of the home based work. In the next chapter it will be further examined how organization can influence the livelihood of the female home based workers also by affecting the level of awareness.

6. Organization of subcontracted female home based workers

sangiyatale hamilai kaamra byaktigat jeewanma sahayog garcha

[Organization helps us in our work and in our daily life]

As suggested in this research, the organization of female home based workers can help them to improve their position in the value chain and to increase their livelihood conditions. In this chapter it will be examined how the female home based workers in Kathmandu and Hetauda, Nepal, are organized, and how this organization affects their livelihoods. The aim is to answer the second and third sub questions of this research. The first section will examine the third sub question, being:

How are the subcontracted female home based workers in Kathmandu and Hetauda, Nepal, organized?

Afterwards, the second section will focus on the effect of organization, discussing the fourth sub question:

How does organizing affect the livelihood conditions of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

This third empirical chapter will mainly make use of the interviews conducted with the female home based workers and the interviews conducted with the MBO leaders.

6.1. Ways of organization of the subcontracted female home based workers

There are different ways in which the female home based workers in Kathmandu and Hetauda can be organized. In this research the focus is mostly on the organization of the female home based workers through MBOs. Therefore, it will be first explained how these MBOs work. Two different types of MBOs can be distinguished. There are MBOs that organize their members around their identity as workers and there are MBOs that organize their members around other issues. Both types will be discussed below. Furthermore, the MBOs are all part of the national network organization HomeNet Nepal. Thus, subsequently it will be explained how this national organization of the female home based workers works. Moreover, numerous female home based workers are also member of a business association, either through local collective production centres or through the national business association for home based workers in Nepal (SABAH). These business-like associations will, finally, also be considered.

6.1.1. Membership based organizations (MBOs)

All 66 surveyed home based workers and 33 interviewed home based workers are member of an MBO. There is a wide range of MBOs, such as trade unions, savings-and-credit groups, community based finance institutions, producer groups, and cooperatives. A useful distinction among the MBOs can be made between on the one hand those that organize their members around their identity as workers and on the other hand

those that organize their members around other issues. Many female home based workers in this research are found to be a member of both these types of MBOs.

MBOs specifically for and of home based workers

First, all organized female home based workers are member of an MBO that organizes their members around their identity as workers. The female home based workers are asked about the work of their MBO and interviews are conducted with board members of such worker focused MBOs, being *the Consumer Home Based Worker Cooperative* in Hetauda 5, *Jyoti Mahila Samsaar* in Basundara, *Naindole Home Based Workers Group* in Dhapasi, and *Isibhu Dhaka Samuha* in Byasi. These types of MBOs are wholly focused on home based workers and comprised of home based workers. This includes all (board) members of the MBOs and it means that the activities and facilities of the MBOs are aimed specifically at the problems associated with their members' identity as home based workers. The topics the home based workers mostly talk about in the MBO meetings are their earnings, market access, workplace, and urban issues. As money is reported to be the biggest concern for the home based workers, savings and credit is one of the main activities of all these MBOs. The amount of money that they are expected to save is either 100 or 200 RS per month, depending on the MBO. This is put in a savings fund of which members can borrow in times of need. Furthermore, most MBOs focus on the awareness of the members on the value of their work, what a home based workers is, and what facilities there are for them. Moreover, skill trainings are often arranged specifically related to the work of the members, such as tailoring or knitting trainings. Some MBOs also coordinate orders from employers such as SABAH, the SAARC Business Association of Home Based Workers in Nepal, which will be discussed below in paragraph 6.1.3.

The home based workers in these MBOs are not organized according to the products that they make, but mainly according to their location. However, as found in the previous chapter, they often live clustered based on the type of work. Thus, most home based workers within one MBO make the same or similar types of products. The number of members of these MBOs range from 20 to 80. All these members are required to pay an entry fee of 25 rupees once, sometimes this is 100 rupees. The board is always chosen by the members themselves in one of the first meetings and mostly consists of 4 to 10 people. All MBO members come together in meetings regularly, at least once a month. Furthermore, these type of worker focused MBOs are all linked to HomeNet Nepal, the national network organization of home based workers. Thus, members of these types of MBOs are consequently also member of HomeNet Nepal. The activities of HomeNet Nepal will be further discussed in paragraph 6.1.2. The MBOs range in size, age and professionalism. Mostly, they start very small and basic, with meetings outside on the road, and, with the help of HomeNet Nepal, grow bigger and professionalize, trying to meet in a room.

MBOs that organize their members around other issues

Secondly, many home based workers in this research also reported to be a member of an MBO that organizes their members around other issues than work. These other issues can be social, religious, or

cultural. Examples of these types of MBOs are the *Panga Mahila Savings and Credit Cooperative Ltd.* in Panga, which is a community-based savings and credit cooperative specifically for women, and the *Hetauda Municipality Environmental Improvement Coordination Committee*, which is a sister organization of the Hetauda municipality, community-based and focused on environmental issues. Even though both these MBOs have a significant number of home based workers as member, a reported 25 to 50 per cent, the membership is not on the basis of work. The first mentioned MBO in Panga organizes activities and facilities aimed specifically at the problems associated with their members' identity as women. Their activities are on awareness related to women issues, such as human trafficking and gender discrimination. They organize health camps, specifically for reproductive health and prolapsed uterus, and they arrange literacy class and skill trainings. Furthermore, all members save 100 Rs. per month, which will be increased to 200 Rs. in the future.

On the other hand, the MBO in Hetauda organizes activities and facilities aimed specifically at environmental issues. As the community in Hetauda experiences many problems concerning pollution, the main activities of this MBO are education on environmental matters, recycling of waste material, and skill trainings. Furthermore, all members of the environmental MBO save 100 rupees per month.

Both MBOs are community-based, thus the members are organized according to their location together with their identity as either being a woman or being concerned with the environment. The amount of members is large, as both MBOs have more than 500 members. This can be due to a larger target group of both MBOs. The board of these MBOs is also chosen by its members and consists of 10 to 15 people. As both MBOs also have home based workers as members, they do link with programs run by HomeNet Nepal that they deem important for their members.

6.1.2. National network organization: HomeNet Nepal

HomeNet Nepal (HNN) is the network organization of home based workers at the national level. It has more than 22 thousand members through 53 MBOs that organize their members around their identity as home based workers. Thus, by being a member of one of those MBOs, the organized home based workers in this study automatically are members of HomeNet Nepal. The board of HomeNet Nepal also consists of home based workers. However, HomeNet Nepal is more than just the network of home based workers in the country, as it is also an NGO that engages with the government, generates funds, and provides various facilities for the workers. The home based workers mainly are in contact with HomeNet Nepal through their MBO, for instance through skill trainings or awareness raising meetings organized at their location. However, through this national network organization the home based workers also have contact with home based workers from different districts, and sometimes even from different countries. HomeNet Nepal arranges exposure visits for home based workers to other districts or abroad. It also brings home based workers together by organizing (international) conferences and by organizing social forums and rallies to stand up for the rights of home based workers. Towards the government HomeNet Nepal aims to give visibility to home based workers and aims to create an atmosphere conducive for policy advocacy.

6.1.3. Business associations

A number of the female home based workers in this research are organized through business association. These associations specifically focus on the marketing and trading of the products that the female home based workers make. These business associations can be small on the local level, such as local collective production centres, while others operate on a bigger scale at the national level, such as the Business Association of Home Based Workers in Nepal.

SABAH is the SAARC Business Association of Home Based Workers in Nepal. It is a sister organization of HomeNet Nepal and supported by SAARC (South Asian Association for Regional Cooperation). It started in 2008 after a conference in which it was discussed how home based workers lack (marketing) skills and found that there should be a separate body to look at these issues. Thus, SABAH focuses on facilitating trade and market related skills for the home based workers. Therefore, it provides capacity building, production and marketing services. SABAH buys the products of the home based workers and sells it within the country and abroad. The products are marketed under the SAARC label and SABAH brand. It is a strong brand and the organization has a good relationship with the (inter)national buyers. The prime objective of this organization lies in building a strong social-business organization for poor home based workers. Through this, it aims to provide income to the maximum number of the home based workers, at each stage in the value-added supply chain. The entrance fee for SABAH is 600 rupees per person, and the membership costs 100 Rupees per year.

One small form of a business association observed at the female home based workers in this research is the local collective production centre. Some home based workers in the same neighbourhood, making the same products, decided to come together and form a collective production centre. For example, five women in Koteshor started a collective and invested 10.000 rupees per person. They bought the raw material and equipment and shared their skills. Now the group consists of seven members, all friends from the same neighbourhood. They work collectively in one location and each woman has her own specialization. The female home based workers in Koteshor make wedding decoration in their collective production centre. They arranged a room in which they can work together, and followed the principle of the assembly line. For instance, when making one type of wedding ornament, the first woman makes the design, the other woman cuts the cloth for the ornament, the next woman sews the beads on the cloth, and another woman puts a nut in the cloth and stitches it up. Two other home based workers, the highest educated, go to the market to buy the raw material and to sell the products. Every female home based worker has her own role in this collective. As they work together, they meet each other every working day, which comes down to 6 to 7 days a week.

6.2. Influence of organization on livelihood of female home based workers

The previous section discussed how the female home based workers in this research are organized. Almost all are a member of an MBO, thereby they are organized through HomeNet Nepal, and numerous are also affiliated with a business association. These different types of organization also differently affect the livelihoods of the female home based workers and their position in the value chain. Therefore, it will be discussed how these different types of organization influence the livelihoods of the female home based workers. Thus, this section will try to find an answer to the fourth sub question of this research, being:

How does organizing affect the livelihood conditions of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

As organization can influence the livelihood of female home based workers by improving their position in the value chain, as well as have a more direct influence on their livelihoods, both ways will be examined. With this, the effect on the four distinguished livelihood capitals will be specifically taken into account.

6.2.1. Influence of MBOs on the livelihood

As explained, there are MBOs that organize their members around their identity as home based workers and there are MBOs that organize their members around other issues. Both their influence on the livelihoods of the female home based workers will be examined separately.

MBOs specifically for and of home based workers

The MBOs specifically for home based workers greatly affect the livelihoods of the female home based workers in this research. The majority of the members report to experience quite some benefits from the contact with other home based workers (62 per cent), 18 per cent even argues to experience a lot of benefits. The main benefits they mention are savings and credit, skill training, a boost in awareness level, increase in bargaining position and market knowledge, and support of group and forming of friendships. All benefits experienced by the female home based workers will be explained and illustrated.

Savings and credit

First of all, almost all female home based workers mention the savings and credit as one of the main benefits they receive through their MBO. In every MBO they have to save money, which is mostly 100 or 200 rupees per month. Some home based workers do indicate that even the small amount of 100 rupees per month can be difficult to save, as they earn little and their household expenditure is difficult to manage. In some cases in which the earnings are a little higher, the home based workers sometimes save 500 rupees per month. Several MBOs even came into existence because of money problems of the home based workers and their wish to save. Now, every MBO has a savings fund, of which members can borrow money in times of need.

This helps the members enormously, as they experience much constraints in access to credit from other sources, especially from commercial banks. They use the loan of the MBO in case they are ill and cannot work, or in case they need a larger investment, for instance for buying raw material.

Skill training and exchange

The MBOs for home based workers provide various skill trainings. These are often organized in collaboration with HomeNet Nepal, but sometimes also by the MBOs themselves, or in association with other organizations. In Hetauda, for example, the MBO for home based workers cooperates with the municipality for arranging skill trainings. The skill trainings for the home based workers range from sewing and tailoring, to stitching and cutting, but also accounting and marketing. The female home based workers attend these trainings either to increase the skills they have or to learn completely new skills. This might lead to new job opportunities, as one woman explains:

'I did a knitting training one year ago, which I did not use yet, and a tailoring and stitching training 4 years ago, which I use in my work. This training helped me to do this work and earn some money. My skills have increased and I learnt to stitch and work at home.'

The training contributes significantly to the skills of the female home based workers. However, the trainings are not the only source by which the home based workers learn their working skills. Some of them point out that they also learnt from their fellow MBO members. In the group they share their skills with each other, for instance by exchanging drawings and designs of new models of clothes. They report to learn a lot by this, both concerning working skills and marketing skills. One Dhaka weaver explains:

'In the beginning I did not know anything. Alone I could not know, but through contact with my friends I learnt about the market, how to bargain, and I also learnt to make different patterns for the Dhaka.'

By talking about the designs of their products, looking critically at the demand, and by sharing their skills, the home based workers increase the quality of their products. Some also talk about their design and change it every year, thereby diversifying their product. Therefore, they sometimes get more orders, also from SABAH, an organization that is known for its demand of higher standards of the products, but also fairer prices for the products. The home based workers report to earn more, which leads to improvement in working and housing conditions and in their health.

Additionally, many MBOs specifically have programs focusing on the education of the female home based workers, but also of their children. As described in chapter four, many female home based workers are illiterate or low educated. Therefore, the more developed MBOs provide literacy classes for the illiterate home based workers. Furthermore, the educated home based workers help others in the group with activities like accounting, writing, and reading. Moreover, the education of the children is supported by linking to NGOs and governmental programs. Sometimes, the MBO leaders even visit the schools of the home based workers' children to ask for available scholarships.

Leadership and awareness

Next to the skill trainings, many MBOs find it helpful for their members to provide leadership training and awareness training at first. They describe that when home based workers come to join the MBO they mostly do not appreciate their work as valuable work and they cannot speak up easily. The awareness training is aimed at regarding the home based work that they do as a real occupation. As an MBO leader in Basundhara explains:

'They [the MBO members] become aware of their occupation through the trainings they receive, explaining who they are and that there are more home based workers. [...] They learn what they are, as first they didn't know what a home based worker is. They learn about the facilities that are available for them and how to get access to these facilities. Thereby, they are able to get their rights.'

Furthermore, the leader of the MBO for home based workers in Hetauda elaborates:

'The feeling of hesitation is removed by joining the MBO. They [the members] become dedicated towards their work. They come to know about their rights and duties. They think that this MBO is their own and there is a 'we-feeling'. In the beginning they were only able to say their name, but now they can express their feelings easily because of the MBO.'

Thus, the members also learn to express themselves and to speak to more than one person. In the leadership trainings they learnt to speak out in front of the group. For the women who are shy and hesitant these trainings help to construe their own view and express this in a group.

Besides, the female home based workers do not only learn these communication skills through the trainings, but also from each other by sitting together in meetings of their MBO. They report to have learnt to speak in front of people and present their views by meeting up with other female home based workers and discuss their issues. For many this has built their self-confidence. As one home based worker articulates:

'Being organized in the group has raised my self-confidence. Before, I could not speak to more than two people, but now I can! I learn many things, which I can share with my family and friends. This is beneficial for my self-development.'

The home based workers also share information on health issues, sanitation, education, and politics. They report to experience improvements concerning their health because of this flow of information, and they enjoy being more up to date about political issues and 'all the things happening around us'. Various home based workers find that the MBO brings them a form of 'informal education', as they learn much from each other on various issues, both work and non work related.

Market and work related information

However, the home based workers emphasize more extensively the information they receive through the MBO concerning their work. The first thing they report to learn is that there are many more female home based workers like them doing similar work under similar conditions. Furthermore, in the MBO meetings, which they have at least once a month, they discuss about their income, the price of the products, the designs of the products, how they work, and they exchange their knowledge on the market and on ways to

bargain. These meetings are regarded as very instructive and helpful by the home based workers. As some of the women make clear:

'I receive knowledge on how to work, how the market works, how to bargain. In the MBO we talk about the demand of the market, new products, how to work more effectively, and about the price of the products. [...] I increased my position, and I know more now through my friends and by copying them.'

Thus, the home based workers learn from each other by sharing how they work and linking the knowledge that they have regarding their work, the products, and the market. As a home based worker phrases it: 'In the group there is an exchange in skills and ideas. If I know something, I can make others to know about it also'. By sharing their knowledge on the market and the prices of the products during the MBO meetings, the home based workers increase their bargaining position. They report to learn from each other how to bargain.

Collective bargaining

Moreover, in some instances the home based workers make use of collective bargaining. Naturally, the bargaining is mostly done for better wages, but sometimes also for better working conditions or higher interest on savings. The collective bargaining for higher earnings does not always have a positive result, and if so, the earnings are mostly increased with only a few rupees. The home based workers talk about the earnings in the MBO meetings, find that the earnings are not enough, and collectively ask the subcontractor or buyer to raise their earnings. This sometimes leads to an increase of a few rupees. However, as the home based workers express, this does take them much effort and time. In one case the home based workers collectively went on a strike in order to enforce their subcontractor to increase the price of their product, as asking for a higher price did not help. The home based workers in Hetauda explain:

'Before Gauri [subcontractor] took our dhoop for 11 rupees per package. Now this amount has increased. We did not give the dhoop to the subcontractor as a group, in order to bargain on a higher price. That worked, as now she pays us 13 rupees per package.'

Other home based workers in Panga also experienced that it takes time for collective bargaining to achieve results. Their negotiation with the buyer on their working conditions illustrates this:

'We have negotiated with Ramesh [the buyer] about the working place, and fair wages. But Ramesh and his supervisor did not listen. Even though Ramesh did not listen, we still continuously asked for more demands. After a while, Ramesh fulfilled our demands. So slowly he is giving us the things we asked for. Like a fan in our own workplace, as it is very hot, and we get the transportation costs to go to Ramesh' place for getting the orders.'

Thus, collective bargaining can, in the long run, increase the income and improve the working conditions of the female home based workers. The contact they have with each other through the MBO makes it easier and often stimulates them to try collective bargaining.

Development of friendships

Another way in which membership of an MBO can help the female home based workers is related to the social dimension of organizing, as they get the chance to know other home based workers. Many female home based workers explain that they have become good friends with the other women of their MBO. As it is still expected of women in Nepal to stay inside the house, the female home based workers often already feel privileged for being able to go out of the house sometimes and to be in contact with other home based workers. As they learn to speak out – a skill learnt through the leadership trainings and the contact with each other - , they are able to share ideas and thoughts together. The bond between the female home based workers becomes very strong, as they are all in really similar situations. Many express that through the MBO they make new friendships. In times of need they can ask their friends for help, but the friendships also positively influence their general frame of mind. The contacts enrich their lives. As one home based worker in Dhapasi shares:

‘My friends are also female home based workers. We live near each other and talk and joke and help each other with different matters.’

On top of that, these MBOs can be the outset of a collective production group. In particular locations, like Koteshor, Dhapasi and Basundhara, the female home based workers regularly sit together in one place to work. This can be in a room, but also just outside on the street. This way of working may lead to the start of a collective. Some home based workers start to raise the issue of collective production in their MBO. In Byasi, for example, the home based workers talked about working together and selling their products in their own shop. Two female home based workers making Dhaka in Byasi explain:



‘Our situation can change, but only through getting direct market access. Alone, I cannot do it, as I cannot afford a shop in Kathmandu. However, with a collective, with the MBO, it may be possible.’

‘If I had money, I could open a shop. As a group we can do this and we want to do this in the future. We have talked about it.’

Altogether, The main benefits of being organized in an MBOs specifically for and of home based workers are the savings and credit, skill training and exchange, increase in leadership and awareness, market and work related information, collective bargaining, and the development of friendships. These benefits positively both affects the position in the value chain of the female home based workers in this research, as well as it more directly effects their livelihood in various ways.

The position in the value chain of the female home based workers is mostly influenced by the skill training and exchange, the market and work related information, and the collective bargaining. The skill training and exchange may help the female home based workers to improve the quality of their product, which can lead to a higher price for their product from their subcontractor – as they provide a better product -, or it may help them to switch to a better subcontractor, such as SABAH, an organization with high standard for the products, but paying fairer prices. Thereby, their earnings will increase. Moreover, through the skill trainings and exchange, the female home based workers learn to make different types of products. By this diversification, they may get more and better orders, and they get the opportunity to reduce their dependence by relying on the purchase of different types of products instead of one type of product, which positively influences their bargaining position. All together, getting more and better orders increases their earnings, so their financial capital, and it also positively influences their confidence.

The market and work related information that the female home based workers get through the MBO increases their knowledge on prices, market demands, and how to bargain. By increasing their market knowledge, the female home based workers can make a small step up the smiling curve, as depicted in figure 2. in section 1.3.2. It is found that the female home based workers experience an increase in bargaining position through the increase in market knowledge. Thereby, they are able to negotiate a better price for the products that they make, hence increase their earnings.

Their bargaining position not only increases because of the market information, but also through the collective bargaining that the women sometimes make use of. As explained, the female home based workers who come together in the MBO sometimes collectively bargain for higher prices and/or better working conditions, occasionally leading to some positive changes. It proved to help them to increase the price of the products a few rupees, get transportation costs covered, or improve the working place by demanding better facilities. So ultimately, collective bargaining can help to increase the financial and physical capital of the female home based workers.

To a lesser extent, but still the position of the female home based workers in the value chain is also influenced by the savings and credit, increase in leadership and awareness, and the development of friendships. The credit that the female home based workers borrow is sometimes used as an investment for raw material. Through this, they are able to provide more products to their subcontractor, which may lead to a preferential status. Furthermore, the increase in leadership and awareness together with the development in friendship result in higher self-esteem and power of the female home based workers. This contributes to their bargaining power, as they feel more secure to negotiate.

Besides improving the position in the value chain, organizing in an MBO for and of home based workers has been found to influence the lives of the home based workers more directly as well. It has been described how the opportunity to save and borrow money from the MBO fund means a lot for the home based workers. They mention they can save money for the future, and borrow money in case they are ill and cannot work. This financial system helps them considerably to increase their financial capital.

Furthermore, through the skill trainings and the literacy classes, the skills of the female home based workers improve and their education level increases. This is valuable in itself. The education level is not only increased by the classes, but also through the described 'informal education' the women experience through the contact with each other. Through this 'informal education', they also learn about health and sanitation issues, and even political issues. The human capital of the female home based workers hereby significantly increases.

Finally, the MBO strongly affects the confidence and state of mind of the female home based workers. Through the leadership and awareness trainings, but mostly through the identifying with each other and the sharing of one's situation, it is seen that the female home based workers become stronger characters. Or, in the words of one of the female home based workers, it positively influences their 'self-development'. It is a precious effect on the livelihoods of the female home based workers, as it brings added value to their overall well-being. Moreover, it makes it possible to become good friends with each other, thereby increasing their social capital.

In general, it has been found that an increase in financial capital also positively affects the physical and human capital of the female home based workers. Several women report that the increased earnings are spent on improving the housing conditions and on health expenses. Thus, when something positively affects the financial capital of the female home based workers, it also secondarily affects their physical and human capital.

MBOs that organize their members around other issues

The MBOs that organize their members around other issues than work, logically, have a different influence on the livelihoods of female home based workers. Two such MBOs in this research focused specifically on women or on environmental issues. These MBOs are the *Panga Mahila Savings and Credit Cooperative Ltd.* in Panga, and the *Hetauda Municipality Environmental Improvement Coordination Committee*, in Hetauda.

First, the activities of the MBO for women in Panga do not focus on the working conditions, but on issues specifically related to women living in Nepal. These issues are often also of high concern for the female home based workers. The main focus of the MBO is on women's health. They organize health camps related to eye problems and reproductive health, including health trainings related to uterine prolapse. The female home based workers report that they benefit from these programs and that their awareness on health related issues has grown. Furthermore, the MBO has trainings regarding domestic violence, gender discrimination, and women trafficking. The organization also provides leadership trainings and literacy programs. The members appreciate these trainings, as one female home based worker in Panga explains:

'I get useful information from my MBO, like awareness raising about various things, health care, education and I am able to speak out loud. I get leadership training. Yes, I can participate in many programs of the MBO.'

Moreover, all members of this MBO for women save 100 rupees per month through the MBO and they can borrow money from the MBO fund. Also, there are many religious and cultural festivals organized in Panga. During these festivals the women of the MBO help each other with making sure that everyone has the right clothes and decoration.

Thus, the focus of the MBO for women in Panga is mostly on health and education, thereby increasing the human capital of the female home based workers that are member. The savings and credit contribute significantly to their financial capital in the same way as described at the MBOs for home based workers. Furthermore, their social capital is strengthened by being a member of the women MBO, not only by the leadership trainings, but also through the support of the other women in times of important public festivities.

The Hetauda Municipality Environmental Improvement Coordination Committee is an MBO that specifically focuses on environmental issues. It was started 8 years ago, because there were a lot of problems concerning pollution and waste in the area. As the president of the MBO explains:

'I have to help decrease the pollution of vehicles and the waste of factories. We help improving conditions of poor people by giving them jobs. We also provide awareness education.'

The members of this MBO, including female home based workers, receive education on environmental matters and skill training in recycling waste. The female home based workers benefit from this, mainly because the infrastructure – part of their physical capital – improves. The Hetauda municipality currently claims to be the cleanest municipality of Nepal, with the help of the environmental MBO. Again, savings and credit is part of the MBO, helping the members in their financial capital.

Altogether, being organized in an MBO that organize their members around other issues than work mostly affects the female home based workers on their livelihoods directly. Logically, it depends of the focus of the MBO, but as the organization is not focused on workers specifically these MBOs do not influence the position in the value chain much.

The specific two MBOs in this research are found to directly affect mostly the health, education level, access to savings and credit, friendships, and infrastructure of the female home based workers that are a member. Again, when there is an increase in financial capital, this also positively affects the physical and human capital of the female home based workers, as the increased earnings are spent on improving the housing conditions and on health expenses. Thus, through being organized in these types of MBOs the female home based workers experience direct improvements in their human, financial, social, and physical capital. This corresponds with findings of the ILO (2007), which state that these types of community-based organizations can help to improve infrastructure and mobilize financial services, which greatly affect the livelihoods found in low-income neighbourhoods.

Concerning the influence of the MBOs, it revealed that the MBOs specifically for and of home based workers have a more significant influence on the livelihood of the female home based workers in this research than the MBOs focusing on other issues, namely gender and environment. Moreover, it can be argued that organizing the female home based workers around their identity as workers has more advantages than organizing them around other identities, such as gender. Being organized as workers helps to bring attention to them as economic agents, actually contributing to the national economy. It may help to minimize attention to other identities, such as gender, caste or religion, that are too often used to divide people. It rather brings people together around the need to earn a living and the need for a sense of dignity. As one leader of an home based workers' MBO explained:

'This organization plays an important role to remove discrimination on basis of caste, class, and gender. It focuses on the modern concept that girls and boys, daughter and sons are equal. The feeling of equality is raised by this organization. Each and every person is equal and of equal value. We look at the work and action, not at caste, class, or gender. Action is valued more. This is reflected in our entire approach (no specific programs).'

Nonetheless, MBOs and other organizations around social, religious or cultural issues remain highly valuable and needed, not only because they prove to greatly affect the livelihoods of its members (including female home based workers), but also because of the consideration of disadvantaged social cultural or religious groups. Especially the focus on women in the male-dominated society of Nepal is highly important and helpful.

6.2.2. Influence of HNN on the livelihood

As a network organization for home based workers, HomeNet Nepal aims to improve the livelihoods of the female home based workers. It has been found in this research that HomeNet Nepal does greatly influence the livelihoods of the female home based workers. It does so through MBO building, linking home based workers nationally with each other and with important organizations, and by trying to create an atmosphere conducive for policy advocacy.

First of all, much of the positive influences of the MBOs for and of home based workers are enabled by HomeNet Nepal. HomeNet Nepal supports the MBOs and sometimes initiates them. It often facilitates the trainings and helps the MBOs with the structure and bureaucratic organization. HomeNet staff attends the MBO meetings every month and helps building the organizations. However, HomeNet Nepal is also particularly important for linking home based workers all over the country and region, for being the channel for the voices of the home based workers to the government and for helping to transmit the benefits of poverty focused (government) projects and programs to the home based workers.

HomeNet Nepal is the bigger actor with the broad overview that can link important organizations with the home based workers. For instance, it links the home based workers with SABAH, its sister organization that offers work for fairer wages. The Dhaka weavers explain that when they became a member of HomeNet, they immediately got work from SABAH. Furthermore, HomeNet Nepal is in contact with other

NGOs and government, so they can also link the home based workers with programs by these other actors. For instance, it can link them to programs by the municipality on urban issues or educational programs of specialized NGOs. Moreover, they organize various programs for home based workers together with the Nepal Trade Union Congress (NTUC) and the General Federation of Nepalese Trade Unions (Gefont), mostly focused on increasing the voice of home based workers.

The home based workers that are a member of HomeNet Nepal can, through the organization, get in contact with other home based workers outside their own location. They are invited to join exposure visits or attend workshops and conferences of HomeNet Nepal. The exposure visits can be trips to other places in Nepal, but also to other countries in which home based workers are active. These trips influence the lives of those who go, but also of the home based workers around them. A MBO leader in Basundhara explains:

‘Through HomeNet the home based workers also get the exposure. For example Shoba Maharjan [a home based worker] got the chance to go to India for a leadership training of 15 days. Another home based worker, Sarmila, who is now is in the board of HomeNet Nepal, also got the chance to go and visit other countries, like Pakistan and India. When they came back, it changed something! The two are very active and they started to organize other home based workers. They advocate strongly for the MBO and for the need of organising.’

Moreover, these exposure visits can also serve as an inspiration for starting a collective production centre, as it was for one woman from Koteshor:

‘I got the opportunity to go to India with a group of HomeNet Nepal. The group encouraged me to go. There I saw home-based workers working in a collective. I learnt from that, and discussed this with Renu Dhakal [home based worker in Koteshor]. I had the idea to start the collective with the skills of Renu. After that my position improved, also socially. Compared to before, I can speak now and discuss. I get more information, and become wiser.’

As discussed, the women in Koteshor currently have started their collective production centre, which is still growing. The women in Byasi also got inspired by exposure visits to work collectively. As one home based worker there explains: ‘There are also other groups who started like us and they grew bigger. We should also work jointly and make a great effort’.

Another way in which membership of HomeNet Nepal can help the female home based workers is through national representation. HomeNet Nepal represents home based workers nationally and engages with the government. HomeNet Nepal is carrying out a project called ‘Advocacy for Change’, which is aimed at creating a conducive environment for the drafting of a separate policy on Home Based Work and creating pressure on the government to ratify ILO Convention 177 on Home Work. It has succeeded in convincing the government to form a special Task Force for the preparation of this policy on Home Based Work. Moreover, in another project called ‘Statistics on HBWs in Nepal’ HomeNet has managed to get home based workers included in the national labour force survey, done every year by the Central Bureau of Statistics (CBS). In the survey of 2011 the home based workers in Nepal are included for the first time. These two projects are very big first steps towards bringing the home based workers and their contribution into the mainstream of the Nepali national economy.

Thus, the voice and visibility of the female home based workers in this research is increased by HomeNet Nepal, as this organization represents the home based workers nationally and advocates for their rights. Furthermore, the awareness and market knowledge of the female home based workers increase significantly through the exposure visits arranged by HomeNet. Moreover, as HomeNet Nepal is also the umbrella organization of the MBOs for and of home based workers, the many positive affects attributed to these MBOs are often facilitated by HomeNet Nepal. HomeNet creates an enabling environment and is the driving force behind the organization of home based workers.

Box 3. Conference on Home Workers in Kathmandu, 2011

On the 8th of June, 2011, HNN, in association with GEFONT and NTUC-I, organized the Conference on Home Workers in Kathmandu. On this day 700 female home based workers were brought together from all over Nepal, but also from Bangladesh, India, Pakistan, and Sri Lanka. For all these women, dressed beautifully in colourful traditional dresses, this was an important day of getting together, uniting their voices, and exchanging ideas with each other. A small market was arranged at the conference hall, where the female home based workers could sell and exchange their own products. Speeches were given by government officials and spokespersons of home based workers of all SAARC countries. Also an ILO representative was there to encourage the home based workers and to emphasize the importance of the ratification of ILO Convention 177 on Home Work. At the end of the day, an amusing theatre play was performed by a group of home based workers on the importance of voice for female home based workers.



6.2.3. Influence of business associations on the livelihood

In examining the influence of organization through business associations on the livelihoods of female home based workers a distinction has been made between smaller business associations on the local level, and a business association operating on the national level, SABAH Nepal.

SABAH Nepal

SABAH Nepal is the national business organization for home based workers. About one third of the female home based workers in this research are a member of SABAH and get orders from this organization or are in the application process. As they become a member, they get skill trainings and their products are bought by SABAH. Thereby, the business association provides them work. Moreover, the home based workers that are

a member report that the prices they get from SABAH are better than the prices of other buyers. Therefore, the home based workers prefer getting all the orders from SABAH.

However, this is one of the difficulties with SABAH; it is not (yet) able to provide sufficient and regular work to the home based workers. The Dhaka weavers in Byasi, for example, do not get enough orders from SABAH and still have to find other buyers on the local market. They want more orders from SABAH, so that they are not compelled to work for others. Furthermore, the requirements of the products are sometimes experienced as too strict by the home based workers. As a home based worker in Basundara explains:

'SABAH is so strict for their work! If there is a little mistake in the product, they will return it. There is also another problem. SABAH is not able to give the regular work to home based workers.'

Furthermore, some well skilled female home based workers reported that they were not able to join SABAH, because of the high registration costs. The entrance fee of 600 rupees per person is considered to be too high.

'You have to pay a membership fee to SABAH, otherwise you cannot get trainings. Most home based workers cannot pay that in one time. That is why only two of our group could join and get orders from SABAH. The others want to join, but they do not have the money, so it is not possible for them.'

Despite these complaints, SABAH does contribute to the working conditions of the home based workers. It improves the position in the value chain in different ways. First of all, the trainings are specifically aimed at improving the quality of the products and the international marketability of the products. This adds value to the products and contributes to higher prices for the products. SABAH is able to design the products themselves according to (inter)national demands. Moreover, the members get all the market information and learn marketing skills, so that, in the long run, the home based workers can design their products and sell their products on the markets themselves. Furthermore, the home based workers are provided work through SABAH and receive higher earnings.

Thus, SABAH mostly focuses on improving the position in the value chain of the female home based workers, thereby improving their livelihoods. The product quality improves, the market knowledge of the female home based workers increases, they learn marketing skills, and they receive fairer prices for their products.

SABAH is able to help the home based workers, because it developed the capability to monitor product quality, guarantee on-time delivery, and meet the price and demands of the international companies that buy their products. Hence, they deliver internationally competitive consumer goods and have backward linkages to the female home based workers in Nepal. As SABAH has this much competence, the governance of the global value chain including SABAH is not *captive* – as the value chains of female home based workers normally are -, but *relational*, in which there is more trust and mutual dependence between producer and buyer. (see figure 3.) However, as described, the backward linkages to the female

home based workers in Nepal need to be more developed, as the female home based workers indicate that they need more orders and the registration costs are not affordable to everyone.

Collective production centres

Besides being associated with the national business organization SABAH, some cases have been found of local business associations, in the form of collective production centres. The best example in this research is the collective in Koteshor.

In Koteshor, the female home based workers experience many benefits from working together. They work more efficiently, as they all have different tasks and, as one member described, 'there are more hands to do the work'. They learn skills from each other and talk about marketing and even diversifying their products:

'By working here and interacting I receive useful information. I receive information regarding the work, on skill development and marketing strategies. At the moment it is the season for weddings, but there are also seasons without the work. We also talk about what to make during that time, and thinking about targeting other festivals in those months.'

The female home based workers explain that working in a collective helps, as there are different views and efforts for solving a problem, such as thinking of other products to make in low wedding seasons. Furthermore, there is a strong feeling of ownership, as the whole collective is run by themselves. This increases their feeling of power and self-confidence. By forming a group, the female home based workers also experience an increase in bargaining power, and they discuss about ways to negotiate with their subcontractor.

Furthermore, as the members of the collective meet almost every day, they also talk about other things than work. This is also observed with the female home based workers doing embroidery, who sit together every day to work together on the sidewalk in their neighbourhood. They talk together about politics, health, family issues, and more. This increases their awareness in many issues, again like the 'informal education' described earlier, and increases their friendships.

In this collective we interact. This increased my confidence, made me more aware on health related issues, but also politics and other things happening all around us. We discuss the news. There are differences in the lives of all of us within this group, and by meeting we think together about how to help to get the right facilities.

Not all members of the collective earn yet, but the ones who do, are satisfied. The earnings of 100 rupees a day help them to meet some of their basic needs, as for some it is the only household income. One woman explains:

'Before I used to work in piece-rate, sewing buttons on bags, at home. I left this job, because I got the membership at the collective, the earnings are good, and I could work with friends. The work I did before was irregular, now it is more regular, so on a whole the work is better now. I have a good time here!'

Altogether, organizing as a collective has many benefits for the female home based workers. It can help improve their position in the value chain by the collective marketing of products and bringing new product to the market. By being a collective their bargaining position increases. This contributes to better prices for their products, diversification, and an increase in voice. In turn, this increases mainly the financial, but also the human and physical capital of the female home based workers. Furthermore, if a collective is able to monitor the product quality and meet the prices and demands of the market, this can also be a way to increase the position in the value chain and move from a captive form of governance to a more relational one.

Additionally, the collective also has more direct effect on the livelihoods of the female home based workers. Their human capital increases through talking about politics, health, family issues, and more. Because of these talks they experience improvements in their health and feel wiser concerning the ‘things happening all around them’. Furthermore, their social capital becomes stronger, as they can rely on each other for help in case of family problems.

Box 4. From research to action research

For the purpose of conducting the interviews for this research, three visits of the researcher to the collective production centre in Koteshor took place on three subsequent days. On the second day one member of the collective, who we interviewed the day before, came back from the market and told us very enthusiastically:

‘Our power just increased! Because of your visit yesterday, we sat together afterwards and talked about asking more for our products. So when we went to the market we bargained for more: Instead of 250 rupees, we got 280 rupees for our product! We are really happy about that!’

Thus, due to meeting us the first day and talking about their position in the value chain, the home based worker was made to think about their position and discussed this with the others, which led to an increase in her awareness level on their position in the value chain. Therefore, she took action and bargained with their subcontractor at the market. As her bargaining was successful, they earned more per product and their financial capital increased.

6.3. Conclusion

Finally, in this chapter it has been found that the female home based workers in this research are organized in MBOs – both MBOs specifically for and of home based workers, as well as MBOs that organize their members around other issues –, the national network organization HomeNet Nepal, and different types of business associations. All these types of organization have proven to substantially improve the livelihoods of the female home based workers whether directly or through strengthening their position in the value chain.

In the focus on the MBOs it has been specified how the MBOs focussing on other issues than work, namely gender and environment, directly influenced the livelihoods of the female home based working members, but, logically, do not have much influence on their work. As explained, these types of community-

based MBOs are very helpful in improving infrastructure and mobilizing financial services, but also improving health facilities and social support, which greatly affect the livelihoods of the female home based workers. However, the MBOs specifically for and of home based workers influence the livelihoods of the female home based workers more, as they showed to influence their livelihood directly, but also via strengthening the position in the value chain of the female home based workers. The access to credit, (informal) education, and increase in leadership are the most important direct influences on their livelihood, improving mainly their financial, human, and social capital. Plus, their position in the value chain is mainly influenced by the skill training and exchange, the market and work related information, and the collective bargaining. Improvements in product quality, diversification of products, increase in market information and bargaining position leads to better and more orders, better working conditions and more power. Thus, this positively influences mainly the financial, but also the physical and human capital of the female home based workers. Besides having more influence on the livelihoods of the female home based workers, the MBOs specifically for and of home based workers are suggested to have more advantages, as they bring attention to the female home based workers as economic agents, significantly contributing to the national economy. They organize people around two common basic needs, being the need to earn a living and the need for a sense of dignity.

The business associations focus mainly on improving the position in the value chain of the female home based workers, which in turn positively affects their livelihood. As explained in chapter five, the female home based workers in this research essentially have a vulnerable position in the value chain, which has a captive form of governance. Joining SABAH or forming a collective production centre can help the female home based workers to increase their competence and upgrade in the value chain, thereby shifting the captive form of governance a bit more towards a relational one, in which there is more trust and mutual dependence between producer and buyer. The organizations increase their competence by quality improvement, diversification, and increasing their market knowledge and marketing skills. SABAH is quite far in developing this competence, as it has a strong reliable relationship with its (international) buyers, and is able to meet the price and quality demands. However, SABAH needs to keep an eye on the backward linkages to the female home based workers that are its members. The (starting) collective production centres in this research still need to develop their competence further by growing bigger, and developing their product quality and market knowledge and skills. But it has been found that already at this moment they help strengthening the position in the value chain of the female home based workers. Moreover, the collectives also influence the livelihoods of the female home based workers directly, as their human capital increases through talking about politics, health, family issues, and more and their social capital becomes stronger, as they can rely on each other for help in case of family problems.

Lastly, HomeNet Nepal is the national network organization for and of home based workers. As HomeNet Nepal is also the umbrella organization of the MBOs specifically for and of home based workers, the many positive affects attributed to these MBOs are often facilitated by HomeNet Nepal. Furthermore, HomeNet Nepal arranges exposure visits that increase the awareness and market knowledge of the female

home based workers, sometimes inspiring the female home based workers to form a collective or to join SABAH. However, besides these effects HomeNet Nepal is mainly important for increasing the voice and visibility of the female home based workers by representing them nationally and advocating for their rights. By advocating and working together with government agencies, trade unions, municipalities, and NGOs it tries to create an enabling environment for home based workers to work and live.

6.4. Unorganized subcontracted female home based workers

In this chapter it is discussed how the female home based workers in this research are organized and how that influences their position in the value chain and their livelihoods. However, there are many, if not most, female home based workers that are not organized in any type of organization. As these unorganized female home based workers are highly invisible and difficult to reach, little is known about their situation. For the purpose of this research we managed to interview seven unorganized subcontracted female home based workers to ask them about the usefulness of organizing.

The reasons for not being organized as a female home based worker are found to be varied. The belief or tradition that women should not go outside their homes is one important reason. Other women do not see the use of being organized. As an unorganized home based worker in Hetauda frankly expresses it: 'Why would I want to know more? It would not help! If I go to that MBO, what do I get? What are the advantages for me?'. In this case, it could help the home based worker to know more and to be organized, - as she reported to feel lonely and wanted to know more on the market - , and to talk with other home based workers. An MBO could give here the information about other home based workers and the market. However, this woman maintained the view that it would not help her. Other unorganized female home based workers are afraid, because they do not trust the organization. As the organizations ask every member to save money and some ask for a registration fee, they think that it is a trick to steal money. One unorganized female home based workers explains: 'In Nepal there are many organizations that will vanish and take your money'.

Some unorganized female home based workers would want to be organized, but cannot afford it. All MBOs expect their members to save money, at least 100 rupees per month, which is simply not feasible for many female home based workers. Thus, the ability or demand to save is a benefit of the MBOs, as well as a barrier to join. As explained, the barrier for joining SABAH is higher, as the entry fee is 600 rupees per person, which most female home based workers cannot pay at once.

7. Discussion and conclusion

The aim of this research was to get insight into the position in the value chain of subcontracted female home based workers in Kathmandu and Hetauda, Nepal, and to analyze how organization affects the position in the value chain of these female home based workers and their livelihood as a whole. Therefore, the guiding question central to this research was as follows:

How does organization affect the position in the value chain and the livelihood of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

Making use of the sustainable livelihood framework, value chain analysis, and organization theories the answer to this central question has been found through four different sub questions. First, it needed to be established who these subcontracted female home based workers in this study are and what the reality of their daily lives is. Therefore, the first sub question reads:

1. What are the characteristics and livelihood conditions of the subcontracted female home based workers in Kathmandu and Hetauda, Nepal?

As found in this research, the female home based workers in Kathmandu and Hetauda are mostly younger than 45 years old, married, and they have small families with two, sometimes three, children. They work long hours and do the work in order to support their family, because it can be combined with other domestic responsibilities and because they have no other employment opportunities. The types of work that the female home based workers do, from most favourable to least favourable (concerning earnings and status), are: Dhaka weaving, making wedding decoration, felt work, knitting, embroidery patchwork, rolling dhoop (incense), and bead work.

The majority of the female home based workers in Kathmandu and Hetauda lives in poverty, mainly concerned about the household income. On average they only earn about 2100 rupees per month with their home based work. Health is a great concern for all of them, as practically everyone experiences health hazards related to their work and many suffer from an illness. A lack of education also hampers the female home based workers in their work and lives. Even though the younger generation is higher educated, still most do not get further than attaining the school leaving certificate (10th grade). With regards to the physical capital of the female home based workers, the houses are small and basic and they work under poor conditions. Energy and water are very scarce in Nepal, especially for the poor, hence also for most female home based workers. The poor working conditions of the female home based workers in Kathmandu and Hetauda, Nepal, correspond with the findings in the literature on home based workers (Doane, 2007; Mehrotra & Biggeri, 2007), as their earnings are low and irregular and their workplace often has bad lighting,

seating, and ventilation. However, the social capital of the female home based workers in this research is exceptionally high, as they are member of an MBO, have regularly contact with other home based workers, and are often also members of other social organizations.

The second sub question focused more on the value chains that the female home based workers are part of and examined the position therein. This second question is the following:

2. *What is the position of subcontracted female home based workers in Kathmandu and Hetauda, Nepal, in the value chain?*

The structure of the value chain differs according to the types of work, but it often includes many middle persons and the majority of the products made by the female home based workers in this research are exported abroad. In correspondence with the findings of the theoretical framework, the female home based workers in this research hold a very vulnerable position at the bottom of the value chain. In accordance with literature on global value chains and chain governance (Gereffi et al., 2005; Humphrey & Schmitz, 2008), it can be confirmed that the value chains of the female home based workers in Kathmandu and Hetauda tend to be captive. This means that the buyers are the standard makers wielding the most power and control, while the producers are the standard takers that are bound to the conditions set by the buyers. As endorsed by the subcontractors and the female home based workers, the power and control of the actors involved tends to decrease the further down the value chain you go. The female home based workers explain to be dependent on the subcontractors for access to the market, as they themselves are not able to go to the market, do not have the bargaining skills nor the self-confidence. The subcontractors, in turn, are more powerful, but still stress their dependence on the persons they sell the products to, being the retailers, wholesalers, other subcontractors, factory managers, or shopkeepers, who reap much more profit. What has become very clear is that the female home based workers are at the low end of the income scales and labour hierarchy, which is compatible with the hierarchical iceberg of the informal economy of Kudva & Benería (2005) and various studies on the position of female home based workers in value the chain (Car & Chen, 2004; Mehrotra & Biggeri, 2007; Oxfam International, 2004).

The important factors that contribute to the low level of power of the female home based workers in Kathmandu and Hetauda are found to be the lack of market knowledge, skills and education; gender; and dependency on work for household income. The female home based workers have little knowledge about their value chain, do not have strong marketing skills, and feel backward because of their low education. This keeps them from talking to their subcontractor and makes them feel insecure. Furthermore, as expected, based on the literature on gender and home based work (Burchielli et al., 2008; Carr & Chen, 2004; Doane, 2007; ILO, 2002b; Jhabvala & Tate, 1996), being a woman also accounts for the low level of power of the female home based workers in the male-dominated society of Nepal. The women are required to care for the household and stay at home, and the women are already happy to earn a little while fulfilling this socially ascribed role, which is why the women are more willing to accept lower wages. Moreover, many

female home based workers do not dare to speak up because they are afraid to lose their job, from which they need the earnings to make a living. Because of these three factors, the female home based workers have a very low bargaining power. Moreover, box .. on the awareness of female home based workers on position in value chain revealed that the women do not find this fair at all, but in their daily lives there are other concerns (regarding health, family issues, or financial problems) that prevail.

The third sub question aimed to examine the ways in which the female home based workers are organised, and therefore reads:

3. *How are the subcontracted female home based workers in Kathmandu and Hetauda, Nepal, organized?*

The female home based workers in this research are organized through different types of organization. All are member of a membership based organization (MBO) for and of home based workers, but some are also member of an MBO that organizes its members around other issues, found to be gender and environment. By being member of the MBO for and of home based workers, the female home based workers automatically are member of the national network organization HomeNet Nepal, which is also an NGO, engaging with the government, trade unions, NGOs, and other important actors concerning home based work in Nepal. Furthermore, a number of female home based workers are organized through business association, specifically focussing on the marketing and trading of the products. SABAH is the SAARC Business Association of Home Based Workers in Nepal, the national organization of which one third of the female home based workers in this research is a member or is in the application process. Moreover, some female home based workers, living in the same neighbourhood and making the same products, decided to form a collective production centre. They work together every day and everyone has her own specialization within the collective.

The next step was to see how these organizations affect the female home based workers, thereby answering the fourth sub question of this research:

4. *How does organization affect the livelihood conditions of subcontracted female home based workers in Kathmandu and Hetauda, Nepal?*

The different types of organization all proved to substantially improve the livelihoods of the female home based workers whether directly or through strengthening their position in the value chain. In accordance with mobilization theory (Tilly, 1978) applied to employment relationships (Kelly, 1998), the members of all these different organizations are mobilized by identifying collective interest. However, confirmed by the findings of Hill (2001), as the female home based workers are active in the informal economy, it was found that first their isolation needed to be acknowledged and the recognition of their identity as workers needed to be established, as some do not even perceive themselves as workers before they get organized. Thus

awareness raising on being a home based worker and the value of the work was needed first. For this reason, it was suggested that MBO focussing on the identity as workers had more advantages than those focussing on other identities, such as gender, caste or religion, as they bring attention to the female home based workers as economic agents, highlighting their contribution to the national economy as workers. This was also proposed by Chen et al. (2006) in *Membership Based Organizations of the Poor: Concepts, Experience and Policy*, further arguing that this would help to form a more inclusive policy focus.

The MBOs focussing on other issues than work are found to be very helpful in improving infrastructure and mobilizing financial services, but also improving health facilities and social support, which has great direct effect on the livelihoods of the female home based workers. However, the MBOs that focus on home based work proved to be more effective, as they substantially influence the livelihoods of the female home based workers directly, but also via strengthening their position in the value chain. The access to credit, (informal) education, and increase in leadership that the female home based workers experience through these MBOs are the most important direct influences on their livelihood, improving mainly their financial, human, and social capital. Plus, their position in the value chain is mainly influenced by skill trainings and exchange, market and work related information, and collective bargaining. As a result, improvements in product quality, diversification of products, increase in market information and bargaining position lead to better and more orders, better working conditions and more power. Thus, this positively influences mainly the financial, but also the physical and human capital of the female home based workers.

The business associations focus solely on improving the position in the value chain of the female home based workers, which in turn positively affects their livelihood. Joining SABAH or forming a collective production centre can help the female home based workers to increase their competence and upgrade in the value chain, thereby shifting the captive form of governance a bit more towards a relational one, in which there is more trust and mutual dependence between producer and buyer. The organizations increase their competence by quality improvement, diversification, and increasing their market knowledge and marketing skills. SABAH is quite far in developing this competence, as it has a strong reliable relationship with its (international) buyers, and is able to meet the price and quality demands with its own designs. However, SABAH needs to keep an eye on the backward linkages to the female home based workers that are its members. The (starting) collective production centres in this research are found to substantially strengthen the position in the value chain of the female home based working members, as they collectively market their products and bring new products to the market and thereby increase their bargaining power. This contributes to better prices for their products, diversification, and an increase in voice. In turn, this increases mainly the financial, but also the human and physical capital of the female home based workers. However, the collectives still need to develop their competence further by growing bigger, and developing their product quality and market knowledge and skills. If they succeed in this, the collectives can also be a way to move from a captive form of governance to a more relational one. Moreover, the collectives also influence the livelihoods of the female home based workers directly, as their human capital increases

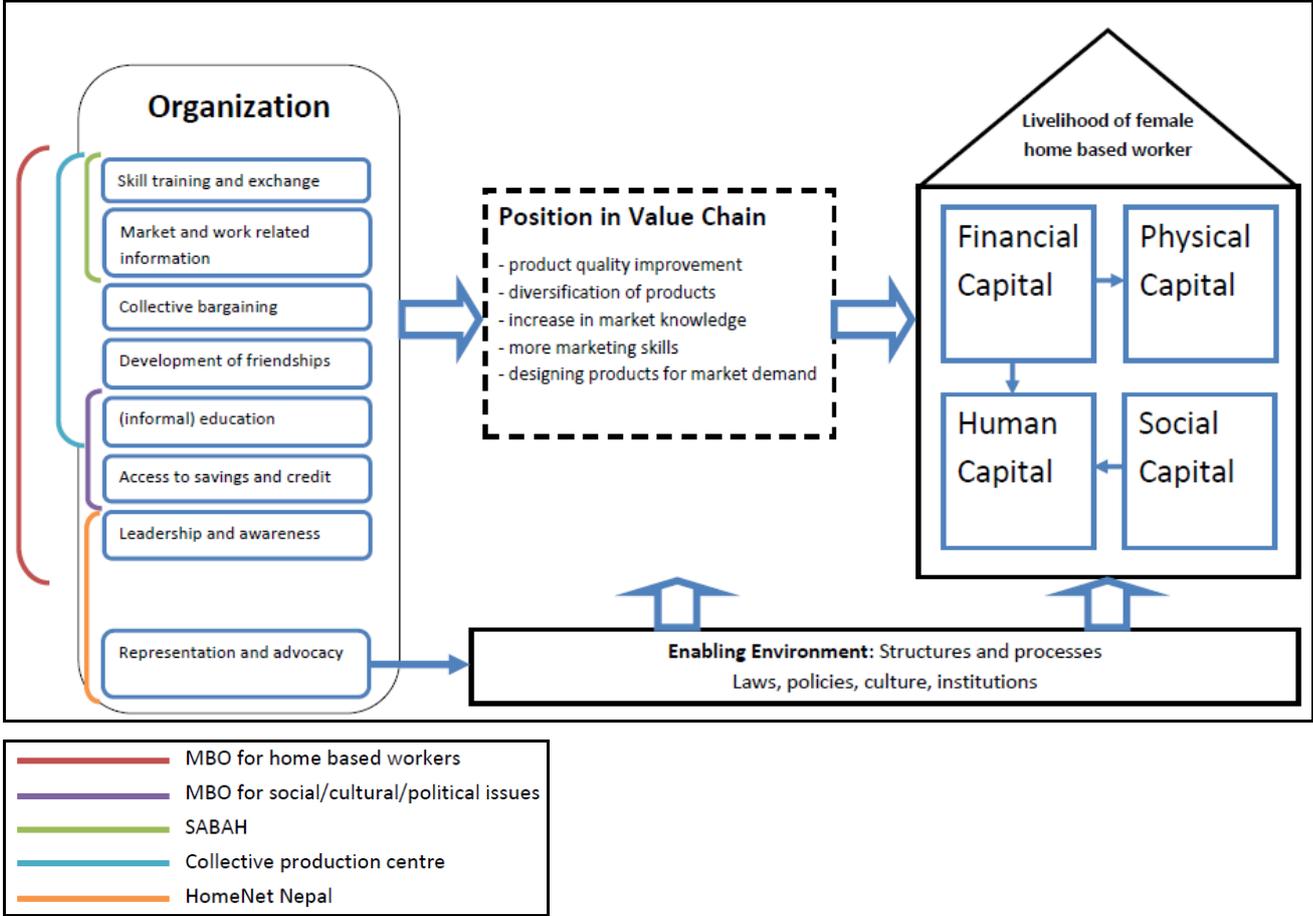
through talking about politics, health, family issues, and more and their social capital becomes stronger, as they can rely on each other for help in case of family problems.

Lastly, HomeNet Nepal is the facilitator behind the organization in MBOs for home based workers. Furthermore, HomeNet Nepal arranges exposure visits that increase the awareness of the female home based workers, sometimes inspiring the female home based workers to form a collective or to join SABAH. However, besides these effects HomeNet Nepal is mainly important for increasing the voice and visibility of the female home based workers by representing them nationally and advocating for their rights. By advocating and working together with government agencies, trade unions, municipalities, and NGOs it tries to create an enabling environment for home based workers to work and live.

Conclusion

In conclusion, the ways in which organization affect the position in the value chain and the livelihood of subcontracted female home based workers in Kathmandu and Hetauda, Nepal, can be depicted is in figure ..

Figure 16. Conceptual model 2



Organization is broken down in the various benefits that have been found by looking at the different types of organizations. As indicated by the dotted line of position in the value chain, the benefits of organizing can

affect the livelihoods of the female home based workers directly or via improving their position in the value chain. The coloured lines indicate what benefits each type of organization focuses on.

In general, it has been found that in order to improve the position in the value chain of the female home based workers organization can help to improve skills, increase market knowledge, and collectively bargain, thereby increasing their competence. The MBOs for home based workers proved to be a good starting point for achieving this, the next step being the collective production centre or SABAH. The collective production centres increase this competence further by working together, marketing their products themselves, and bringing new products to the market. Thus, they expand their activities beyond merely producing the products. SABAH proved to be able to change the governance structure from captive to a more relational one, in which there is more trust and mutual dependence between producer and buyer. It does so by building strong relationships with its (inter)national buyers and by meeting the price and quality demands of these buyers with its own designs. However, the linkages with the female home based workers are not (yet) optimal, as the orders are irregular and the registration costs are high. The improvement in the position in the value chain often leads to an increase in financial capital of the female home based workers, because of better and more orders, and an increase in bargaining power, and an increase in physical capital, because of bargaining for better working conditions.

Furthermore, organization showed to directly influence the livelihoods of the female home based workers through the development of friendships, (informal) education, access to savings and credit, and an increase in leadership and awareness. This leads to an increase in social, human, and financial capital. Moreover, it was found that in case the financial capital increases, this often also positively affects the human and physical capital, as the money is used to take care of medical expenses and to improve housing conditions. Additionally, when the social capital increases, by making friends and meeting other female home based workers, they learn to speak with others and through the 'informal education' they reported to learn about health issues, politics, and other things 'happening all around them', which increases their human capital.

Finally, not taken into account in the expectations, but an essential effect of organization is the contribution to creating an enabling environment. HomeNet Nepal showed to enormously commit to this through active advocacy and ensuring the national representation of female home based workers. By advocating for more inclusive policies and government programs and working together with trade unions and NGOs, they aim to create structures, institutions and policies that help the female home based workers in their work and in their lives.

8. Recommendations

To conclude this research, several recommendations can be offered. First the recommendations for further research might be of help for the academic world, while the practical recommendations aim to be of help for the policy of HomeNet Nepal, SABAH and the MBOs.

8.1. Future research

As this research looked at the role of organizing for female home based workers, one could say it took more of a bottom up approach. However, local economic development requires not only local action, but also support from surrounding authorities. Therefore, it might be interesting to examine the female home based workers more from a top down point of view, thereby looking at the role of political policies (local, national, and international), knowledge institutions, or other agencies that influence the environment of the female home based workers.

With regards to the position in the value chain, this research mainly focussed on the local part of the chain, as it was difficult to get the information on middle persons and names of employers. However, one could also start the research from the viewpoint of the large companies that are most likely outsource their production to home based workers, namely, making clear where their products come from. Do these companies know by whom their products are made? Do they want to know? It could be examined from the angle of corporate social responsibility or inclusive business. This would not only be of use for getting a clearer total picture of the value chains of the home based workers, but may also shed light on the role of large companies and ways in which they can know about and help improve the conditions of the ones they employ.

Concerning the organization for home based workers, there is still much room and need for further research. During the preparations of this research, it was noticed that little literature can be found on the topic, and the literature available is written by people who are active in the field, such as staff from HomeNet, the Self Employed Women's Association (SEWA), or Women in Informal Employment: Globalizing and Organizing (WIEGO). Thus, more independent research on the topic is needed. As was encountered in this research, the home based workers making the similar products often live in the same neighbourhood. It would be interesting to see how this 'clustering' could offer advantages for the home based workers and how this can be used to the fullest.

8.2. Practical recommendations

Based on the data collected in this research, practical recommendations can be made for HomeNet Nepal, SABAH and the MBOs. In general, we have seen that knowing is half the battle for the female home based workers, or, in the words of Francis Bacon, knowledge is power. In the interviews, many female home based workers reported to feel powerless because they did not know anything about the market, the price of their product, or how many other home based workers like them are out there. Therefore, trainings and exchange

of market and work related information proved to be very important to increase their knowledge. Moreover, it was seen that some home based workers did not perceive themselves as workers before getting organized, and the leadership and awareness trainings are essential in making the female home based workers value their own work. There are still many more unorganized home based workers that could benefit from this knowledge, and efforts need to be continued to the fullest in order to reach those invisible workers, as most still do not get the appreciation they deserve.

Furthermore, several female home based workers mentioned that they would still want to learn better marketing skills, 'in order to properly sell the product for a good price'. Also the researcher observed that the negotiation skills of many MBO members could still be improved. This could best be done through marketing or negotiation skill trainings.

Next, it has been argued in this research that the backward linkages of SABAH are not ideal, as the orders that the home based workers get from SABAH are irregular and the entry fee is high, thereby excluding the poorest. In order to make the linkages stronger, SABAH could arrange meetings with the representatives of the MBOs to arrange the amount of orders per MBO and the entry fee of 600 rupees might be lowered or otherwise made possible to pay in instalments. Also at the MBOs we have seen that the required savings per month can be a reason for unorganized home based workers to not join the MBO, even though they would want to. This barrier of entry should be lowered, for instance by linking the amount one is allowed to borrow to the amount one is saving through the MBO, thereby allowing for small amounts to be saved.

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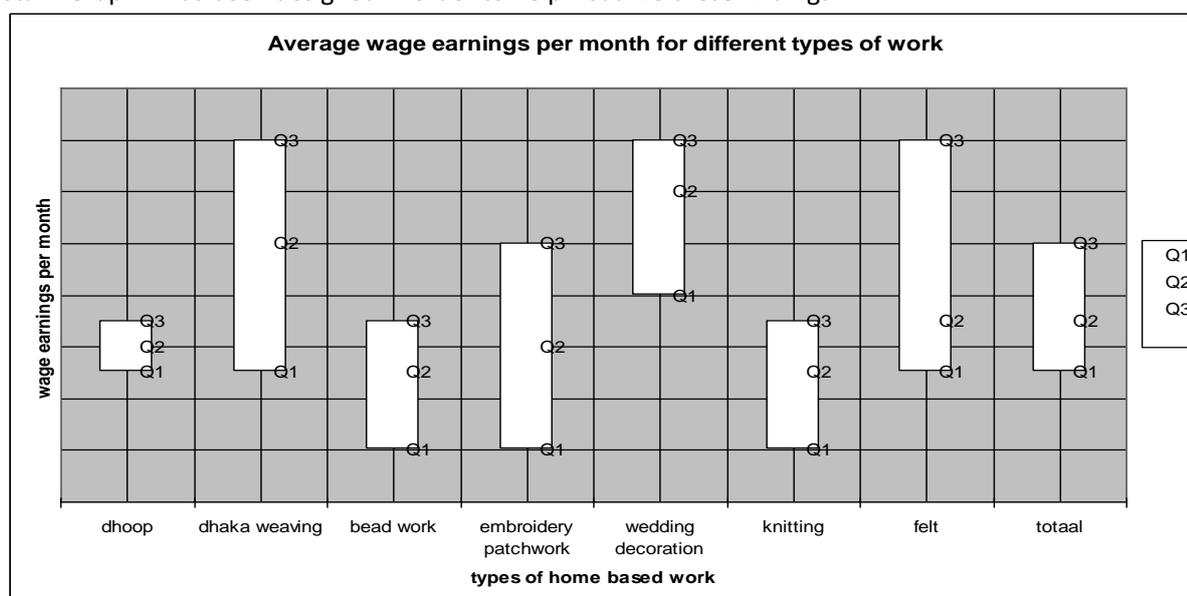
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Appendix 1 – Elaboration on the earnings of the female home based workers

Crosstabulation of average wage earnings and type of work									
		What type of work do you do?							Total
		Dhoop	Dhaka weaving	Bead work	embroidery patchwork	Wedding decoration	Knitting	Felt	
What is your average wage earnings from your home-based work per month?	less than 1000	9,1%		33,3%	25,0%		41,7%		16,7%
	1001-2000 Rs	72,7%	37,5%	66,7%	26,0%	12,5%	41,7%	50,0%	45,5%
	2001-3000 Rs	18,2%	25,0%		25,0%	50%			19,7%
	3001-4000 Rs		25,0%		11,5%	25%		50,0%	9,1%
	4001-5000 Rs		12,5%		12,5%		8,3%		4,5%
	more than 5000					12,5%	8,3%		4,5%
Total		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

From the table depicted above, graph .. could be derived using quartiles. Q1 is the first quartile, thus represents the average earnings of the first 25 per cent of home based workers doing one type of work. The average earnings of 50 per cent of the home based workers doing one type of work is indicated by Q2. Subsequently, Q3 indicates the average earnings of 75 per cent of the home based workers doing one type of work. As the earnings are measured in categories instead of absolute numbers, admittedly, these findings can only give an indication of the average earnings of the home based workers. Nevertheless, it has been found that these findings are well supported by the outcomes of the interviews with both the female home based workers and the subcontractors, as well as the conversations with MBO leaders and HomeNet Nepal staff. Graph .. has been designed in order to help visualize these findings.



On the basis of both the graph and the table, stratification can be made of the types of work in terms of earnings. As shown in the graph, dhoop, bead work, embroidery patchwork, and knitting are the types of work that yield the least amount of wage earnings. Felt is close to the average, while Dhaka weaving, and particularly wedding decorations are the types of work that yield higher average earnings per month.

Appendix 2 – Questionnaire themes



Themes of questionnaire for Home-Based Workers

Interview date (dd/mm/yyyy)

Name interviewer

Name data entry operator

A. Introduction

B. Personal Profile

Name of respondent

Address

District

Location

Age

Marital Status

Caste/Ethnic Group

Religion

Amount of members in immediate family

School going children

Education level

Migration

C. Family earnings and expenditure

Could you share with us the earnings of family members per month (amount and source)

Could you share with us the expenditures of the household per month or per year (amount and household items)

D. Home-based work

What type of work do you do?

How many days per week do you work?

How many hours do you work a day?

What are the reasons for working at home?

How satisfied are you with your work?

What is your employment status?

Who is your employer?

Of how many subcontractors do you get orders?

Do you have knowledge on the other HBWs of whom your subcontractor(s) source(s) from?

Is your product finalized by yourself?

Do you know from where the product is finalized?

Are your products exported abroad?

For what price are your products sold to the final consumer?

Where do you receive your raw material from?

From whom do you buy the raw material?

Is it possible to negotiate the price of these raw materials?

Where is the market / subcontractor of your products?

How difficult is it to get the order or sell your products?

E. Skills and training

Where did you learn your skills from?

Did you have skill training?

Do you think your skills are sufficient for your work?

Do you want to learn more?

What do you want to learn more?

F. Earnings

What is your average wage earnings from your home-based work per month?

Are you satisfied with your earnings?

G. Savings and credit

Do you have savings from your earnings?

Do you have a loan?

What is the source of your loan?

What is the purpose of your loan(s)?

Do you experience constraints in getting access to credit?

Are you able to insure yourself with a life insurance scheme?

H. Other livelihood activities

What are your domestic responsibilities? Multiple answers possible.

How many hours a day do you spend on these domestic responsibilities?

I. Housing condition

How many rooms are there in your house?

Who owns the land?

What is the occupancy status?

Who is the owner of your house?

J. Housing utilities and facilities

Do you have electricity?

How much does load shedding impede on your homework in terms of hours?

What is the source of drinking water?

What is the frequency of the water supply?

In case of insufficient water supply, what do you do?

What do you do to clean the water before drinking?

How is your garbage disposed?

What information / communication facilities are available in your house? Multiple answers possible.

Do you use these facilities for your home-based work?

K. Workplace condition

What is the size of your workplace?

Do you have adequate storage place for preserving raw material and/or the finished products properly?

How satisfied are you with your work space?

How satisfied are you with your working equipment?

L. Health

Do you experience health hazards associated with your work?

Are you restricted in your work due to health problems?

Do you take protection measures?

Have you suffered from an illness during the past two months?

What type of illness do you suffer from or have you suffered from? Multiple answer possible.

What type(s) of injury/injuries do you have?

Where do you go for treatment?

M. Organization and social networks

Do you feel protected by the law in your home-based work?

Do you feel your municipality / emerging town includes home-based workers?

Who would you ask for help when having problems (beside members of household)? Multiple answer possible.

Do you have contact with other HBWs?

On what topics do you talk?

Do you experience benefits from these contacts?

What are the most important services from the MBO that you make use of?

Are you member of one of other organizations

Housing condition and working environment

Material of the roof

Material of the floor

Ventilation

Lighting

Cleanliness

Safety in case of fire

Appendix 3 – Focus Group Discussions



Themes for FGDs with Home-based Workers

1. Main problems of HBWs (15 min)

Cards with categories, making priority list of main problems that you as HBW encounter. Everyone gets 5 cards with categories; individually put them in order of importance; then central discussion per round on what type of issues within categories.

Categories: Money, Health, Housing, Time, Voice.

2. Livelihood issues in urban areas (15 min)

- Perception of work (Do you see yourself as 'worker', do others (family members) see you as 'worker')
- Role of education (How does being educated help you)
- Health (are you ill frequently, influence on amount of orders and relationship with employer)
- Safety net (If in financial problems, of whom do you borrow money)

3. Employment and working conditions (30 min)

- Marketing (do you have knowledge on market demands, does that help, and do you face harsh competition)
GAME (simple simulation of value chain: person A makes flower, person B colours flower, person C passes on to person D, who sells it to person E (consumer). Final price is 15 chocolates, how to distribute the chocolates among all actors.)
- *Knowledge on position in value chain (Do you know where your product ends, final price of product for consumer, how many steps / 'middlemen' in between, how is the profit spread)*
- *Fair wage (Knowing the fair wage for themselves, also relatively to the final price and your value adding work)*
- Relationship with employer (How do you feel about your relationship with your employer)
- Bargaining position (power to bargain, how do you bargain)
- *Role of employer (What is your expectation of your employer, does he feel responsible for your work)*
- *Collective production (alternative way for HBWs to earn more / increase livelihood, empowerment)*

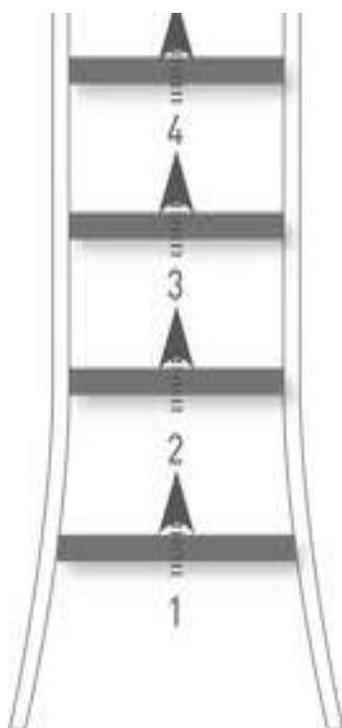
4. Organizing (MBOs, Municipality, Central Government) (30 min)

- Benefits of organizing (What are the benefits of organizing for you, concerning social status, income, knowledge on position in value chain, bargaining position, changes within household)
- Awareness level (Has organizing increased your understanding on your position, if so, what effects on: income, social status, working conditions, housing)
- Political ability of members MBOs / decision making ability (Do you feel that your decision making power has increased through your membership of the MBO, did your leadership quality increased)

5. Tea / Coffee and cookies

Ladder of power concerning your employment

Make a small drawing that symbolizes yourself, and place it with a pin on one of the four steps.



4 = I feel I have total control over my own work, can decide myself to whom I sell my product / of whom I get orders, I am satisfied with my power to bargain, I feel free and powerful.

3 = I feel I have control over most of my own work, I am dependent on my employer, but have a very good relationship, I have enough influence on the price of my products, I feel secure and quite confident.

2 = I feel I have little control over my own work, I am dependent on my employer, I have little influence on the price I receive for my products, I have worries about my work and feel quite insecure.

1 = I feel I have no control over my own work, I am totally dependent on my employer, I cannot influence the price I receive for my product, I feel trapped and powerless.

Appendix 4 – Interview with home based workers



Universiteit Utrecht

Interview date (dd/mm/yyyy)	
Name interviewer	
Name data entry operator	

Questions used:

Characteristics

1. What is your name?
2. What is your age?
3. What is your caste?
4. What is your education level?
5. Where do you live?
6. Are you married?
7. Of how many members consists your immediate family?
8. Are your earnings supplement or main source of household income?
9. What type of work do you do?

Knowledge on value chain

10. Who are/is your employer(s)?
11. Could you describe the relationship with your employer?
12. Do(es) your employer(s) source(s) from more HBWs?
How many HBWs do(es) your employer(s) source(s) from and where are they located?
13. Are you in contact with these other HBWs? (How often and where do you talk about?)
14. Where does the raw material for your product come from?
15. What is the final market of your product and what actors are in between? (abroad?)
16. What is the final price of your product?
17. How is the profit divided over all actors involved?
18. How is the power divided over all actors involved?
19. You know where the same product is sold elsewhere? And for what price it is sold there?
20. Do you feel you know enough about the value chain of your product? (If not, what would you want to know more?)
21. Does it help to have knowledge on the value chain? (How?)
22. Do you now know more than before? What caused the change/increase in knowledge?
23. Is it possible to negotiate the price of your products?

24. Do you have the idea your employer/subcontractor has a sense of responsibility to provide work?
25. Do you experience discrimination in work-related matters because of your gender and/or caste?
26. Do you make use of collective bargaining?

Judgment on position

27. Do you feel you receive a fair wage?
28. Do you find the division of profit over all actors a just division?
29. Do you feel dependent upon your employer? (why work for employer, and able to switch to other employer?)
30. How do you feel about the division of power over all actors?
31. Do you feel you have the power to change your position?

Action and organizing

32. Do you receive useful information on your work through the MBO membership? (How and what?)
33. Did you take actions in the past to improve your position? (When, why, what did you do, and what was/were the result(s))
34. Are you organized with other HBWs? (How?)
35. What are the benefits of being organized?
36. Did you experience increase in income as a result of being organized or collective action?
37. Did you experience improvements in working conditions / housing conditions / health / transport / access to credit as a result of being organized or collective action?
38. What is the main problem concerning your work? (what would you want to change the most?)

Thank you very much for sharing your time with us and cooperating with our research. If you have any question or comment for us, please share that now.

THANK YOU!!

Appendix 5 – Interview with MBO leaders

Questions used:

1. Name and function of respondent(s)
2. Name of MBO
3. Location of MBO
4. How many people are in the board (+functions)?
5. How many members do you have?
6. Since when does your MBO exist and how did it start?
7. What is the exact structure of the MBO, and how are people chosen or appointed to certain functions?
8. What do you ask for membership fee per year?
9. Are your members active? How many and in what?
10. What are your main activities / facilities?
11. Do members ask you for certain activities / facilities?
12. How do you find that organizing helps the individual HBWs/members?
13. What will improve in the livelihood of the HBWs by being a member of your MBO?
14. What activities / facilities do you provide specifically related to the value chain in which the HBWs take part? (only subcontracted piece-rate workers, regarding knowledge building, bargaining position, linkages with fair trade organisations).
15. Do you have contact with employers of HBWs/your members? (creating feeling of responsibility)
16. What activities / facilities do you provide specifically for awareness raising?
17. How do you feel these awareness raising activities help the members?
18. What awareness raising activities are mostly needed for your member?
19. Does the level of awareness of the HBWs influence the amount of actions that they take? (For instance: Do you feel that the more aware your members are, the more action they will take to change their position?)
20. How many HBWs are there (more or less) in your district / ward and what percentage is member of your MBO? (try to guess if not known exactly)
21. Are you trying to increase the amount of members of your MBO?
22. How do you reach these HBWs that are not (yet) member of your MBO?
23. Are there HBWs that do not want to be member, and if so what are their reasons? Do you try to convince them?
24. What do you feel your MBO does the best?
25. What could still be improved of the MBO? What is needed for that?