

the female Home-Based Workers  
in the Kathmandu Valley and Hetauda, Nepal

The working conditions of

and the influence of the relationship with their trader

Master International Development Studies

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## Preface

Within the field of development practice I am highly interested in the value chains of products that reach all over the world, and the working conditions of those who make these products. I find it important to realize that every product has its own journey and that the persons producing them do not always reap the most profit. At the bottom of the value chain, female Home-Based Workers are the least visible and highly vulnerable. This makes me choose for an internship at HomeNet Nepal, which supports and organizes Home-Based Workers. As Rosanne Hoeven shared these interests she chose the same internship.

Arriving at HomeNet Nepal, I instantly felt at home by the warm welcome to the 'family'. I would like to acknowledge the support from the whole HomeNet Nepal family. My special gratitude goes to Sabitra Neupane for her close guidance and considerate support. I also thank Om Thapaliya for his cheerful encouragement and fruitful discussions and Dibeswhar for keeping the research on the right track. Furthermore, I would like to thank Shristy and Munna, who supported Rosanne and me with the interviews and shared their valuable time with us. Moreover, a special word of thanks is needed for Roshan and Pooja for being our companion in the field, and Shashikala for arranging the field visits in Hetauda and being of great help with conducting the interviews.

Regarding the supervision, I would like to thank Wilma Roos, policy officer Asia at FNV Mondiaal, for her positive feedback and encouragement both during her stay in Kathmandu, and from the Netherlands. Moreover, my gratitude goes to Guus van Westen, lecturer and researcher at Utrecht University, for his critical insight and valuable feedback on our progress. In addition, I especially thank Paul van Lindert, lecturer and researcher at Utrecht University, for his advice and moral support during his stay in Kathmandu.

Finally, I would like to thank Rosanne for sharing her analytical qualities, her jokes and the creation of a lovely home in Kathmandu. I also highly value the support of my parents and sisters, without them the process would have been heavier!

I will always remember the inspirational and instructive time I have had in Nepal.

Thank you all! Dhanyabad!

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## Summary

As a consequence of international competition, since the 1970s and 1980s, firms have internationalized their production. They disconnect stages of the production process, replace them to other cheaper locations and 'outsource' production activities. As the high value adding activities result in relatively high levels of profit, lead firms want to execute these activities themselves. As opposed, the least profitable stages (the real production stages) are outsourced. This result in a fragmented production process: a (global) value chain. The starting point of a value chain is the conception of a product, which is executed by a lead firm. After designing the concept, the actual manufacturing is outsourced to a cheaper location. To further diminish costs at this location, activities are sometimes subcontracted. The lead firm gives an order to a supplier, who passes both the order and the instructions of the lead firm to a trader. This trader, in turn, arranges production units, which finalize the order. The finalized order is collected by the trader, who brings it to the supplier. Via the supplier the order arrives at the lead firm.

The way a value chain is governed defines the influence of actors further down the value chain. When there is a high degree of coordination and high degree of power asymmetry, the further an actor is removed from the lead firm, the more dependent the actor is and the less influence the actor has in the decision-making process. An actor positioned at the last stages of the value chain cannot influence the decision-making process and has hardly any control over the decisions made by the lead firm. The actor's dependent position results in the impossibility to negotiate the price. On top of this, the activities at these stages are relatively easy to undertake, by which almost all poorly educated and low-skilled persons can undertake these tasks. Having a surplus of poorly educated and low-skilled persons, the actor's bargaining position deteriorates even more as a consequence of the competition on price. An actor can be easily replaced by another actor offering the same quality but demanding less.

An important group carrying out subcontracted activities are the Home-Based Workers. These relatively low educated persons are an attractive labour force as by working at home, traders have limited overhead costs and health and safety issues remain hardly visible for the outer world. Rough estimations indicate more than 100 million HBWs worldwide, of which 2,2 million live in Nepal.

This research focuses on the working conditions of female HBWs in the Kathmandu Valley and Hetauda, Nepal and the influence of the relationship with their trader. The research question reads:

*To what extent are the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal influenced by the relationship with their trader?*

To investigate this research question the following methods of research are used: questionnaires (66 HBWs), Focus Group Discussions (five at different locations), in-depth interviews (24 HBWs, six traders and five Member Based Organizations (MBOs, link between HomeNet Nepal (HNN) and the HBWs, give workshop to raise awareness among HBWs).

The *relationship* between the HBWs and their trader is defined by the type of value chain they are involved in, the (non)-existence of a contract, the level of dependence of both the HBWs and the trader, and the trader's level of responsibility.

Firstly, the type of value chain HBWs and their trader are involved in defines the possibilities of the trader. The first type of value chain involves at least four actors. A dealer – at the international, national or regional market – gives orders to a contractor. The contractor, in turn, gives the order to a trader. Finally, the trader gives the order to the HBWs. Traders who are involved in the first type of value chain, are in a dependent, relatively powerless position. The traders' financial abilities are determined by their own financial situation. The second type of value chain is relatively small. An organization such as Fair Trade gives orders to a trader. This trader – as opposed to the traders in the first type of value chain part of an organization – gives orders to the HBWs. These traders are in a more or less independent, relatively powerful position. Their access to the market and their organization's financial stability lead to a relatively high level of flexibility.

Secondly, working on a contract basis or not defines the level of insecurity of the HBWs. The HBWs who have a supplier contract are secured of having work and earning money, while the HBWs who do not have a contract have a relatively high level of insecurity.

Thirdly, HBWs have a relatively high level of dependence is determined by either one or several of these issues: the impossibility to switch trader, the provision of raw material by the trader, the lack of knowledge on the value chain and/or the inability to access the market. Whether HBWs' earnings are the main source of the household income or are supplementary does not seem to influence the level of dependence.

In addition, traders of the first type of value chain are in a dependent position themselves when they cannot switch contractor, receive the raw material of their contractor and/or have limited knowledge of the value chain. Traders in the second type of value chain are relatively independent as they arrange the raw material themselves, know the entire value chain and have market access.

Fourthly, the traders' level of responsibility defines the relationship. The traders of the first type of value chain view themselves as middleman while the traders of the second type of value chain call themselves the HBWs' employer. The traders' viewpoint is reflected in their level of responsibility. Traders of the first type of value chain feel responsible to provide the women work, but only one has a sense of responsibility to improve the HBWs' working conditions. As opposed, all traders of the second type of value chain feel both responsible to provide the women work and improve their working conditions.

The HBWs' *working conditions* are analysed by discussing six securities: labour market security, employment security, work security, skill reproduction security, income security and representation security.

Firstly, female HBWs have a relatively low level of labour market security. Gender roles, the HBWs' low level of education and the women's low level of skills might result in an inadequate number of employment opportunities. Besides these characteristics, macro-economic policies could play a role in the HBWs' labour market insecurity. A relatively high level of satisfaction could reserve HBWs' to search other work.

Secondly, half of the HBWs' has a relatively high level of employment security, while half of the women has a relatively low level of employment security. Having a contract leads to a high level of employment security. The traders are able to offer this contract as they are more or less secured of a constant demand. In addition, the type of product could influence the HBWs' security of getting orders. This might be the result of fluctuations in demand, the scarcity in raw material or the location the HBWs live. The HBWs' impossibility to switch trader – as there are only few traders at that location – could lead to a low level of employment security. Furthermore, membership of a collective might play a role. The structure of the collective in Koteswor seems to define each member's security of work. The two earnings members have a high level of employment security, while the other members are less secured of getting orders on a regular basis. The dependent position of the trader, involved in the first type of value chain, seems to negatively influence the HBWs' security of orders. Though, the traders' level of responsibility seems to play a role. Those traders who have a high sense of responsibility might try harder to provide the HBWs orders than the traders who feel less responsible.

Thirdly, the HBWs' poor work place conditions and long working times result in the female HBWs' work insecurity. Almost all HBWs experience health hazards associated with their home-based work. Relations between the HBWs' characteristics and the relationship with their trader cannot be made due to the limited data available.

Regarding the HBWs' level of satisfaction concerning the work place and working times seems to be influenced by the HBWs' location. At a certain location, the HBWs' social capital could negatively or positively influence the HBWs' level of satisfaction. In addition, membership of a collective seems to lead to a high level of satisfaction. Gender roles seem to lead to a feeling of dissatisfaction about the working times. Finally, a high need to have work or traders having a high sense of responsibility could lead to the feeling HBWs have to be satisfied.

Fourthly, half of the group HBWs had the possibility to improve their skills, while half of the women did not have skill training. The difference between traders in the first and second type of value chain defines, among others, the difference in the HBWs' skill reproduction. Traders of the second type of value chain invest in the HBWs' skills, while the first type of traders does not see the benefit of skill improvement. In addition, the HBWs' social capital and membership of a collective seem to lead to a higher level of the women's skill reproduction security.

HBW's labour market security does not seem to be influenced by a higher skill reproduction security.

The majority would like to learn more skills, which could be influenced by their instable financial situation. The level of education could relate to the *type* of skills the women want to learn. The

higher educated the women, the more eager to learn management skills. This could lead to a lower level of dependence and the possibility to operate independently.

Fifthly, the HBWs' income security seems to be highly related to the type of value chain they are involved in and the sense of responsibility of the trader. Five HBWs are highly insecure, resulting in a relatively high level of income insecurity. 19 HBWs are secured of getting paid in time. This last group of HBWs has traders who either are involved in the second type of value chain or have a high level of responsibility. The traders – involved in the first type of value chain – and feel responsible try to their best to pay the women in time.

In case of illness, the impossibility of traders' positioned in the first type of value chain could win from the traders' sense of responsibility. In this way, traders who would like to support the women are constrained by their position. The organizations of traders involved in the second type of value chain have adequate money in stock to provide the HBWs a sick leave in case of illness.

Concerning old age benefit, the HBWs receiving orders of traders involved in the second type of value chain are offered an old age benefit, while none of the HBWs involved in the first type of value chain has this arrangement.

Sixthly, the HBWs' possibility to raise their voice and bargain price and work-related matters is partly secured and partly not secured. All HBWs are organized workers whose issues are raised at regional, national and international level by their MBO and HomeNet Nepal.

Though, concerning the possibility to bargain and their bargaining power not all HBWs are secured of this right. Membership of a collective seems to relate positively to the possibility to collective bargaining. In addition, the HBWs' trader could influence their possibility. Traders of the second type of value chain organize meetings in which HBWs can bargain the price, while HBWs of traders having a high sense of responsibility are also able to bargain collectively.

Only few HBWs have bargained individually. These HBWs' high caste or the high need to earn money could lead to their bargaining efforts. The position of the trader might influence the HBWs' possibility to bargain individually negatively. According to traders involved in the first type of value chain, they can hardly negotiate the price with their contractor. As opposed, traders involved in the second type of value chain are able to influence the price, by which the HBWs are enabled to bargain.

Eleven HBWs would like to negotiate work-related matters and has the possibility. The HBWs possibility or impossibility to negotiate work-related matters seems to be influenced by the same factors as the possibility and willingness to bargain the price.

Thus, the working conditions of the female Home-Based Workers in the Kathmandu Valley are partly influenced by the relationship with their trader and partly influenced by other factors.

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## Introduction

As part of my Master's program International Development Studies, at Utrecht University, I conducted this research at HomeNet Nepal (HNN). As this research takes place in both an academic and institutional framework, the outcome needs to be of academic value to Utrecht University, as well as of practical value to HNN. By providing this thesis to HNN, I hope that it will be of value for their programs, directly benefitting the HBWs. My aim is to provide something useful in return for all the efforts HNN has made to gather the data and conduct the research.

This research focuses on the female Home-Based Workers' working conditions and the relationship with their trader. The research question reads:

*To what extent are the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal influenced by the relationship with their trader?*

This research first shortly describes the regional framework in which the female HBWs live and work. Thereafter, concepts and processes are clarified in the theoretical framework. In the methodology the research questions and methods used to conduct the research are discussed. Subsequently, the results of the study are drawn up according to the sub questions of the research. This leads to the formation of the conclusion. Derived from the conclusion the recommendations for HNN are given. Finally, the limitations of this research are discussed.

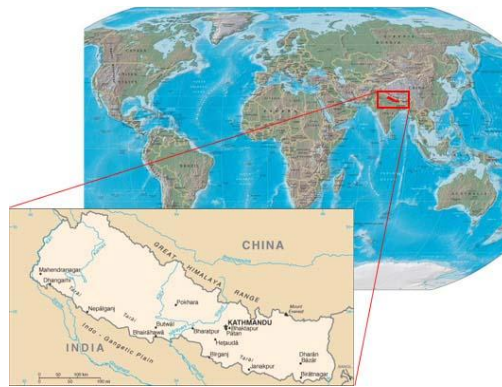
## Regional framework

To give an elaborate portrait of female HBWs in the Kathmandu Valley and Hetauda, Nepal it is essential to know the regional context in which these female workers live and work. This context is discussed by describing the physical and urban, political, economic and socio-cultural situation.

### 2.1 Physical and urban context

Bordered by China in the North and India on the West, South and East side of the country, Nepal is a landlocked country in South Asia (Figure 2.1). The latest count indicates a population of 29,330,505 people<sup>2</sup>. The 147,181 square kilometres of land consist of several physiographic regions: the southern plains, the mountains ranges and the valleys and hills in between. The Terai, is the only truly flat land, which accounts for 17 per cent of the landmass of Nepal. It is a patchwork of paddy fields, sal forests, tiny thatched villages and sprawling industrial cities. The Chure Hills, a minor ridge with an average height of 1000 meter, separates the Terai from a second low-lying area called the inner Terai or the Dun. North of the inner Terai the Mahabharat Range forms the heartland of the inhabited highlands of Nepal. At heights between 1500m and 2700m, among parts of tropical and temperate forests, locals raise crops on cascades of terraced fields. Between these 'Middle Hills' and the Himalaya lies the Pahar zone, an extensively cultivated belt. In this zone the fertile valleys of Kathmandu, Pokhara and Banepa are located. Around 64 per cent of the country is covered by mountains; one-third of the total length of the Himalaya is within the Nepali border. Due to the southerly latitude and high amounts of rainfall the mountains are cloaked in vegetation to a height of 3500m to 4000m. The mountain ranges function as an important hiking place, which attracts many tourists each year. This results in a high contribution of the tourist sector to the GDP (12 per cent<sup>3</sup>). North of the first ridge of the Himalaya is a high-altitude desert, similar to the Tibetan plateau. This area encompasses the arid valleys of Mustang, Manang and Dolpo<sup>4</sup>.

Figure 2.1: Nepal, situated between China in the North and India in the East, South and West<sup>1</sup>



<sup>1</sup> www.phoolbari.com, 2009

<sup>2</sup> World Bank, 2009

<sup>3</sup> Verrijp & Willems, 2011

<sup>4</sup> Binloss, et al, 2009

## 2.2 Political context

In 1996 the Maoists, represented in the Communist Party of Nepal, declared the “People’s War”, as a response to the great differences between the poor rural areas and the wealthy urbanized settings. Starting in the rural areas, the Maoist’ power base penetrated into major cities (including the Kathmandu Valley). An estimated 12,000 people were killed and thousands have been displaced. In 2005, seven major political parties and the Maoists arranged talks and reached consensus to end the crisis. The latter renounced their idea of a communist republic and joined the political mainstream<sup>5</sup>.

Since the people’s war the government has not functioned properly. In 2007 the monarchy was abolished and the country became a federal republic. The first elections after this transformation were held in 2008, where the Communist Party of Nepal (CPN) – the Maoists – became the largest party. From this year on, the Constituent Assembly (CA), consisting of the CPN and the Nepali Congress, has been writing a constitution that has to replace the interim constitution of 2007. Meanwhile the deadline of the completion of the constitution (May 28, 2011) has been passed, but Nepal’s coalition government announced it needed more time to draft the new constitution. Essential issues (like the forms of government, the independence of the judiciary, the electoral system and the boundaries of federal provinces) are still on the table and it is unclear what will happen. During this period the security worsened, inflation levels increased and many groups went on strike, hampering the economic situation<sup>6</sup>.

## 2.3 Economic situation

Nowadays 40% of GDP is contributed by the agricultural sector, services provide 41% of the GDP and the industrial sector contributes 22% of the GDP. Since the 1990s, the role of remittances has increased, more and more Nepali people work abroad because of the lack of employment opportunities and large scale underemployment in Nepal. The amount of remittances flowing into Nepal has increased from \$203 million in 1995/1996, to US \$794 million in 2003/2004, and reached US \$920 million in 2004/2005. In the period 2004/2005 the remittances contributed more than 12% to GDP<sup>7</sup>.

From the 1960s, three different periods of growth in Gross Domestic Product (GDP) can be characterized: a phase of slow growth from 1961 to 1980, continued by a phase of high growth from 1981 till 2000 and – as a consequence of political fragility – a phase of slow growth from 2001 till 2006. During the first phase Nepal was a small, closed and centrally planned country. Policies were inward oriented, as they did not intend to attract foreign investors. Though, it also lacked investments in domestic industries and the agricultural sector, whereby these sectors stagnated. The inward oriented policies led to protectionist programmes which constrained growth in trade to less than 5% per annum<sup>8</sup>.

In 1986 the government opened the borders and initiated policies of economic liberalization. The reforms included liberalizing trade, deregulation of the financial sector, devaluing the

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<sup>5</sup> Keeling, 2007; Sharma, 2006

<sup>6</sup> Keeling, 2007

<sup>7</sup> World Bank, 2009

<sup>8</sup> Asian Development Bank et al, 2009

currency, curtailing public expenditures and removing subsidies. These policies led to the growth in trade, by which the contribution to the GDP doubled. As opposed to trade, the contribution of the agricultural sector dropped from 70% to 40% of the GDP, especially affecting the rural poor. This led to an even bigger inequality between the ones who benefitted from the opening up of the economy and the poor farmers which did not see the benefits of the investment policies<sup>9</sup>. During the '90s the government continued the reforms and deregulation and privatizations were carried on. The country focused also on foreign investors by improving the opportunities and access.

However, the 10-years conflict had had significant impact on the economy of Nepal. Because of the undermining of the efficient functioning of the state, infrastructure was damaged, development activities were ceased, which led to disruptions to the economy. Nowadays, Nepal is still forced to rely on donor grants and loans, because of the expenditures for reconstruction of the country after the conflict.

It is difficult to determine the economic magnitude of the informal economy in Nepal due to the lack of consistent information. According to a National Labour Force Survey 1998/1999 – the latest data available –, more than 73% of the workers in the non-agricultural sector in Nepal had informal jobs<sup>10</sup>. A large proportion of the informal workers in Nepal, as in South and South East Asia, are Home-Based Workers. According to studies of HomeNet Nepal<sup>11</sup>, more than 2 million people in Nepal work from their own homes.

## 2.4 Socio cultural situation

The country is divided into 75 districts in five development regions: the Far West, the West, the Mid Western, the Central and the East development region. There are several sources of inequality and exclusion within Nepal; gender, caste, ethnicity and spatial factors, which lead to great differences in the Human Development Index (HDI) within the country.

Gender inequality is visible in most facets of society. The root cause is the patriarchal dominance of social, political, and economic domains in Nepal. Sons are more preferred than daughters and the number of girls attending primary and secondary school is less than the number of boys. Consequently, the literacy rate of men is higher than the literacy rate of women. Women also face limited access to resources, training and information, while they are the main actors in Nepal's agrarian economy. Though, there are some improvements. More and more girls attend school and the percentage of literacy rate of women increased to 43 per cent in 2001 (compared to twelve per cent in 1981). Furthermore, women are less economically insecure because of the improved access of women to credit and the increase of women's employment opportunities. Though, their treatment as beneficiaries, instead of the recognition as participants in society, still harms their independency and empowerment<sup>12</sup>.

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<sup>9</sup> Keeling, 2007

<sup>10</sup> ILO, 2004

<sup>11</sup> HomeNet South Asia, 2011

<sup>12</sup> Keeling, 2007

In addition, caste, ethnicity and spatial factors affect the lives of the Nepali population<sup>13</sup>. Caste and ethnicity seem to have more influence on the level of the human development than spatial factors. Nation-wide there are 103 caste and ethnic groups, consisting of the Janajati (37 per cent), Brahmin and Chhetri (33 per cent), Tarai middle castes (thirteen per cent), Dalits (twelve per cent) and Muslim (four per cent). Although caste-based discrimination is officially abolished in 1963, differences in caste still influence interactions between social groups. Brahman, Chhetri and Newar play the major roles in high-level decision-making, low-caste groups are less represented in the political system and have limited influence in the decision-making process. Furthermore, people of the low castes face difficulties in access to resources and services. Regarding the spatial factors, the HDI of people in urban areas is on average higher than the HDI of people at the country side. As most urban areas are in the Central and Eastern development regions, the HDI in these regions is higher than in the three Western development regions. In addition, there are differences in HDI in the mountains, hills and Tarai: while the people in the mountains and Tarai have the lowest HDI, the highest HDI is found in the hills.

Altogether, the differences in caste, ethnicity and region lead to great variations in the poverty incidence (Figure 2.2). Newar, Brahmin and Chhetri living in urban areas have the lowest poverty rate, while Janajati and Dalits in the Tarai have the highest poverty incidence<sup>15</sup>.

Figure 2.2: Poverty incidence by caste and ethnicity, 1995/1996 and 2003/2004<sup>14</sup>

Caste and ethnicity	Poverty headcount rate		
	1995/96	2003/04	Change in Percent
<b>Nepal</b>	<b>41.8</b>	<b>30.8</b>	<b>-26</b>
Brahman/Chhetri	34.1	18.4	-46
Dalits	57.8	45.5	-21
Newar	19.3	14.0	-28
Hill Janajati	48.7	44.0	-10
Tarai Janajati	53.4	35.4	-34
Muslim	43.7	41.3	-6
Tarai middle caste	28.7	21.3	-26
Others	46.1	31.3	-32

<sup>13 14 15</sup> UNDP, 2009

## Theoretical framework

### 3.1 Home-Based Workers

#### 3.1.1 General description

Home-Based Workers (HBWs) are persons who carry out economic activities inside their homes. As these activities take place in their own residence and not in another person's house they are distinguished from domestic or home workers. All home-based work activities carried out are involved in production for the market and is paid labour<sup>16</sup>.

Within the group of HBWs, a division can be made between own-account workers and subcontracted piece-rate workers. The former, also called self-employed HBWs, arrange everything themselves, from the purchase of raw material to the sales of their products. Consequently, they are in direct contact with the market and operate independently. The second type, subcontracted piece-rate or industrial HBWs, get orders from traders. The trader provides the raw material needed for production and arranges the purchase, by which HBWs themselves do not have any contact with other actors at the market. As many HBWs combine activities of both categories to meet their priority needs, there is often no clear distinction between own-account or subcontracted piece-rate HBWs<sup>17</sup>.

The type of work accomplished by HBWs is characterized by low-skilled handmade production, such as food processing, weaving and embroidery or the production of incense-sticks, cigarettes, kites or paper bags. To carry out these activities, HBWs neither need any form of education nor make use of advanced technological innovations. Although the majority of HBWs is living in developing countries, home-based work is an upcoming trend in the Western world. Consequently, HBWs are not restricted to old economies in developing countries (like the carpet weaving industry in India), but are also present in new economies in developed countries (such as assembling micro-electronics in Ireland).

Out of all reasons, four important factors stimulate especially women in developing countries to undertake home-based work. Firstly, many female workers do not have any formal training or diplomas and lack the qualifications to undertake a job requiring a high level of education. Consequently, they do not have other alternatives than carrying out low-skilled production activities. Secondly, when working at home, women are able to combine their economic activities with the care of their children. Therefore child care support is not needed, which both saves time and money. Thirdly, in some societies social and cultural constraints keep women of starting economic activities. Because home-based work activities stay more or less invisible for the outside world, they will more easily start working. Fourthly, as the returns from agriculture or other economic activities are low, people search for other ways to complement their income. Due to the place of production and the flexible times, home-based work is a perfect source to supplement the household income<sup>18</sup>.

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<sup>16</sup> WIEGO, 2008

<sup>17</sup> Carr et al, 2000; HomeNet South Asia, 2011

<sup>18</sup> Doane, 2007

## 3.2 The issues

HBWs are not covered by labour legislation and social security schemes, by which HBWs are not secured of decent working conditions. To analyse the HBWs' issues, firstly legislation and regulations to protect HBWs at international and national level are discussed. Secondly, the rights HBWs – and other informal workers – not have are addressed.

### 3.2.1 Not covered by labour legislation or social security schemes

At international level, the first legislation to protect workers was adopted in 1952. This ILO Convention (No. 102) was drafted to protect all workers world-wide. The lack of recognition of informal workers as official workers excluded them from this security. In order to meet the needs of both formal and informal workers, in 1978 the Labour Administration Convention (No. 150) was adopted. Members which ratify this Convention agree to extend their national labour administration to include workers who carry out economic activities, whether they are officially recognized as employed persons or not<sup>19</sup>.

Regarding the protection of HBWs, Convention 150 was a step forward. Though, negotiations and lobbying at international level continued to adopt a Convention concerning the rights of HBWs in particular. The negotiations resulted in the adoption of the ILO Home work Convention (No. 177) in June 1996. Finally, home work is viewed as official work. Consequently, Home workers should have equal rights as other workers and should receive remuneration according to their activities. Furthermore, home workers should have social protection, enjoy maternity protection and have the security of occupational safety and health. As other workers, home workers should be able to join organizations of their own choosing and have access to training. By adopting, Convention 177 has become an international treaty. Though, as the Convention is only ratified by Finland, Ireland, Albania, The Netherlands, Argentina, Bulgaria and Bosnia and Herzegovina, it is only legally binding in these seven countries so far<sup>20</sup>. As HBWs differ from home workers, HBWs are officially not covered by this convention.

To raise attention for HBWs' poor living and working conditions in South Asia, in 2000 UNIFEM and WIEGO organized The Kathmandu Declaration. During this meeting government officials, UN departments, NGOs and Trade Unions gathered to discuss the rights of South Asian HBWs and ways to bring them into the national economic mainstream<sup>21</sup>. Although, all efforts made so far, none of the countries in South Asia ratified Convention 177.

Besides legislation at international level, countries can implement labour standards at national level to protect their labour force. Almost all developed countries have set up social security schemes since the early 1900s. Though, till today many developing countries have not implemented labour standards to protect their labour force<sup>22</sup>.

### 3.2.2 Lack of decent working conditions

As HBWs are not covered by labour legislation many HBWs worldwide still lack decent working conditions. Nine essential rights or securities which create decent working conditions are

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<sup>19</sup> Schlyter, 2003

<sup>20</sup> HomeNet South Asia, 2011; ILO, 2012

<sup>21</sup> HomeNet South Asia, 2011

<sup>22</sup> Chen et al, 2001; Frota, 2008; ILO, 2004

addressed. Firstly, represented by the labour market security, HBWs should have adequate employment opportunities. Secondly, the employment security comprises regulation on hiring and firing, protection against arbitrary dismissal and employment stability. In this way, HBWs should be secured of work. Thirdly, the work security comprises regulations on health and safety issues, protection against accidents at work and regulations on working time. HBWs should work in a safe environment and a limited number of hours per week. Fourthly, HBWs should have opportunities to maintain or improve their competences. The right of skill reproduction secures HBWs of getting skill training to enhance their competences. The fifth right, income security, secures workers of an adequate income. HBWs' level of earnings should be according to the quantity and quality delivered. The sixth right, the possibility to represent them, determines the encouragement of trade unions, social dialogue institutions and employers' organizations to protect workers' voice in the labour market. HBWs should be able to bargain their rights and raise their concerns. The seventh right is the abolition of forced labour. HBWs should be able to freely chose the occupation of their preference. The eighth security is the elimination of discrimination based on sex, national extraction, race, colour, social origin, religious views or political opinion. Female HBWs should have equal opportunities as male HBWs and paid according to their qualities and capabilities, regardless their sex. The last right comprises the abolition of child labour. The informal economy is characterized by large numbers of children contributing to the household income. Although these numbers are only rough estimations, it is indicated that there are 246 million child labourers worldwide (and an estimated two million in Nepal (one quarter of all Nepalese children)). Although not all child labourers support mother's home-based work, the support of children is easy to arrange<sup>23</sup>.

### **3.3 Processes behind these issues**

The processes behind these issues are the (international) competition and the global value chains created. As many activities take place in informal settings, the process of 'informalization' intensified.

#### **3.3.1 International competition**

Since 1970s and 1980s the world has become more and more integrated. Technological innovations, transportation networks and communication systems have improved, whereby world-wide trade increased and people in different parts of the world became interconnected. This process was encouraged by neoliberal policies: less rules and regulations resulted in the growth of trade in products and services<sup>24</sup>.

Simultaneously, competition between enterprises has scaled up from national to international level. The increased number of competing firms from different countries has resulted in an even bigger battle. Enterprises only survive at the global market when offering the highest quality but lowest priced products and services. To meet these standards and maintain a strong position at

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<sup>23</sup> Anker et al, 2003; ILO, 2004; HomeNet South Asia, 2011; Varghese, 2004

<sup>24</sup> Gereffi et al, 2001



the market, enterprises set up strategies to upgrade the level of efficiency and lower the level of costs<sup>25</sup>.

In order to find ways to cut back costs, enterprises investigate the level of costs and revenues proceeds made in each stage of the production process – taken into account the entire production process: from the design to the manufacturing and, in the end, the distribution to the final consumer. The stages comprising low value adding activities are not attractive for firms, as the relatively high costs and low revenues proceeds result in a low level of profit. Enterprises search for cheaper alternatives to carry out these low value adding activities.

Cheaper alternatives can be found at other locations, often outside the country where the enterprise is located. At these locations labour standards and environmental regulations are flexible, and attractive tax agreements are set up to create a perfect business climate. Some countries even create special regions, so-called ‘export production zones’ to attract foreign direct investment. Furthermore, as in most cases the low-skilled, but labour intensive activities are the less profitable stages, locations harbouring a surplus of labour are especially attractive. In many developing countries, a high supply of labour force leads, *ceteris paribus*, to relatively low labour costs. As a consequence firms internationalize: they disconnect stages of the production process, replace them to the new location and ‘outsource’ production activities. As the high value adding activities result in relatively high levels of profit, these activities are attractive for firms to execute themselves. As a consequence, the (first and last) stages of the production process comprising the most profitable activities are still carried out in the advanced industrialized country, while the least profitable stages (the real production stages) are outsourced. This result in a fragmented production process, in which several parts are physically separated, creating cross-border production networks<sup>26</sup>.

### 3.2.2 Global value chains

As in each stage of the production process more value is added, until the product has reached its final stage and is ready to be sold, this sequence of stages is called a value chain. As many production processes are scattered over the world, the term global value chain is often used. The starting point of the value chain is the conception of a product, which is executed by the lead firm. After designing the concept, the actual manufacturing is outsourced to a cheaper location. To further diminish costs at this location, activities are sometimes subcontracted. The lead firm gives an order to a supplier, who passes both the order and the instructions of the lead firm to a trader. This trader, in turn, arranges production units, which finalize the order. The finalized order is collected by the trader, who brings it to the supplier. Via the supplier the order arrives at the lead firm<sup>27</sup>.

The degree of complexity of the value chain depends on the product made and the benefits of splitting up the production process. In some cases, after one production unit has finalized their part, the supplier transports the product to another trader, which arranges several other production units, executing the next stages of the production. While in other cases it is cheaper

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<sup>25</sup> Benería, 2001; Carr & Chen, 2004

<sup>26</sup> Benería, 2001; Carr & Chen, 2004; Gereffi et al, 2001; Zhen, 2011

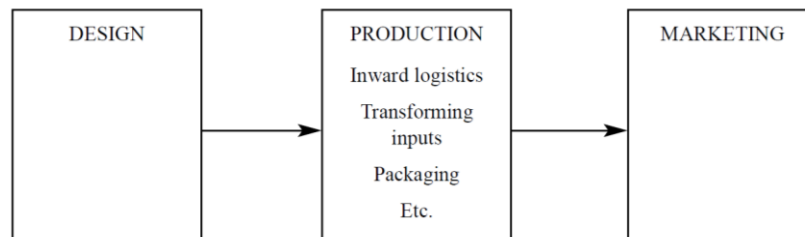
<sup>27</sup> Carr et al, 2000, Gereffi et al, 2005

to use one production unit, which assembles the whole product. Figure 3.1 shows a simple value chain, the activities in each box are carried out by different actors and at different locations.

These production units are either specialists, who have an adequate level of knowledge and the right expertise, or marginal workers. The latter, often also specialized in a certain activity, are attractive because they are flexible and relatively cheap (*this low level of earnings is further discussed in the section 'value chain governance'*)<sup>28</sup>.

An important group carrying out subcontracted activities are the HBWs. They are an attractive labour force as by working at home, traders have limited overhead costs. Without a factory, traders do not have the rent of an official work place. Costs of electricity and water, and the purchase and maintenance of machinery are also for account of HBWs themselves. Furthermore, health and safety issues remain hardly visible for the outer world, by which traders are not blamed for the maltreatments<sup>29</sup>.

Figure 3.1: Example of a simple value chain<sup>30</sup>



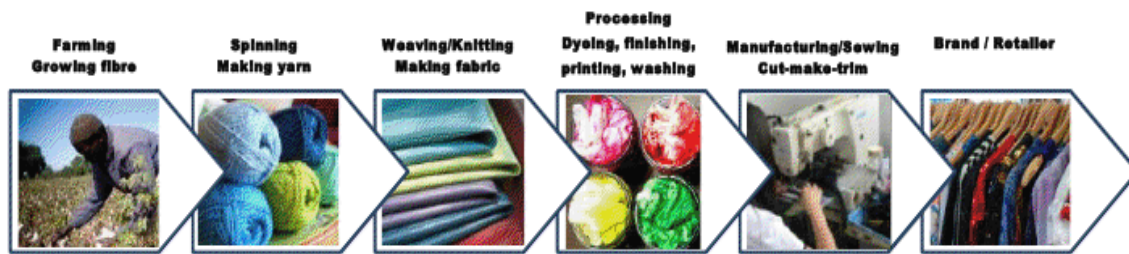
To visualize a value chain operation, an example of the production process of a cotton T-shirt is mapped (Figure 3.2). The process starts at a Dutch brand – its head quarter based in Amsterdam – where the shirt is designed. After the design is finalized, the lead firm searches for the right supplier of the fabric. At this stage we move to the cotton plantation in India, where a cotton farmer harvest the cotton, at another location a spinner makes yarn out of it and, subsequently, a third actor weaves and knits the fabric. In some cases a sample of the fabric is send for approval to the lead firm, after which the supplier transports the material to the next production unit, where the fabric is dyed, finished, (if needed) printed and washed. The processed fabric is transported to the actors who manufacture and sew the fabric into the T-shirt. After finishing, the T-shirt is brought to Dhaka, from where it is shipped to Amsterdam. Here the lead firm steps in again, carrying out the marketing and distribution activities, whereupon the T-shirt finally ends up in a retail shop at the Kalverstraat. Altogether, more than ten actors (all based at different locations) are involved in the production of the T-shirt and part of the value chain. The following figure shows the stages of the value chain from the cotton plantation to the last phase before the product is transported back to the country of the lead firm.

<sup>28</sup> Benería, 2001; Chen et al, 2001

<sup>29</sup> Carr et al, 2000

<sup>30</sup> Kaplinsky, 2010

Figure 3.2: Part of the production process of a cotton T-shirt<sup>31</sup>



### 3.2.3 Value chain governance

To understand the situation HBWs are in, their position in the value chain and the way a value chain is governed should be thoroughly examined. The latter, value chain governance, determines the coordination of a value chain. By defining the type of products made and production process used, the created governance structure influences the parameters set in the entire value chain.

Expertise in design, marketing, branding and R&D, enables enterprises in advanced industrialized countries to enter the high barriers of the first stages of a value chain. With control over these stages, they can make decisions influencing almost all processes further down the chain. Consequently, in this powerful position lead firms can determine which actors to insert in the production process<sup>32</sup>. In the example of the cotton T-shirt, the Dutch brand decides which supplier they want to source the fabric from, which production unit undertake the processing part of the production and which actor gets the order to manufacture the T-shirt. In this way, the access and opportunities of firms and production units in other (often developing) countries at international markets is determined by a lead firm in the Netherlands. Besides deciding which actors can enter the value chain, the created governance structure also defines the level of influence of actors further down the value chain. The higher the degree of power asymmetry and the higher the degree of explicit coordination, the lower the level of influence. The degree of explicit coordination depends on the complexity to transfer information and knowledge for a successful transaction, the possibility to codify this information and knowledge needed to transmit the knowledge efficiently and the capability of suppliers. Regarding the degree of power asymmetry, the degree of explicit coordination and the type of actors involved five different governance structures can be detected: markets, modular value chains, relational value chains, captive value chains and hierarchy. Going from markets to hierarchy, the degree of explicit coordination and the degree of power asymmetry increase as the complexity of transactions increases and/or suppliers are less capable (Figure 3.3)<sup>33</sup>.

In addition to the degree of explicit coordination and the degree of power asymmetry, an actor's position in the value chain defines the actor's level of influence. In turn, this level of influence determines the actor's bargaining position. Finally, the possibility to bargain defines

<sup>31</sup> ©MADE-BY, 2012

<sup>32</sup> Gereffi et al, 2001; Humphrey & Schmitz, 2008; Kaplinsky, 2010

<sup>33</sup> Gereffi et al, 2005

the earnings received by the actor and the share of total profit made in the value chain. When there is a high degree of coordination and high degree of power asymmetry, the further an actor is removed from the lead firm, the more dependent the actor is and the less influence the actor has in the decision-making process. An actor positioned at the last stages of the value chain cannot influence the decision-

Figure 3.3: Governance structure value chains<sup>34</sup>

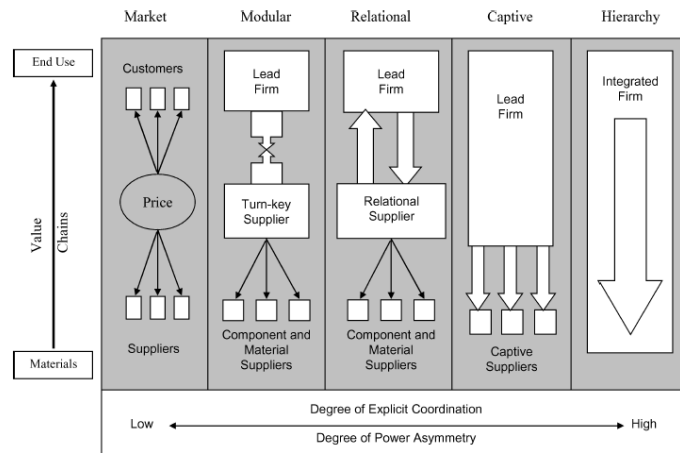


Figure 1 Five global value chain governance types.

making process and has hardly any control over the decisions made by the lead firm. The actor's dependent position results in the impossibility to negotiate the price the actor gets. On top of this, the activities at these stages are relatively easy to undertake, by which almost all poorly educated and low-skilled persons can undertake these tasks. Having a surplus of poorly educated and low-skilled persons, the actor's bargaining position deteriorates even more as a consequence of the competition on price. An actor can be easily replaced by another actor offering the same quality but demanding less<sup>35</sup>.

In the example of the production process of the cotton T-shirt – the Dutch brand being the lead firm – the actor sewing the T-shirt has less influence than the supplier sourcing the manufactured T-shirt directly to the lead firm. Transferring to many other actors before ending up at the lead firm in Netherlands, the sewer is far removed from the lead firm. She does not have influence in the decisions made by the lead firm and is highly dependent on her intermediary who brings the sewed fabric to the next actor in the chain. As there are many other persons who can sew the T-shirt there is a tough competition to get orders. The more sewers can sew T-shirts, the less a sewer gets paid per T-shirt, as always will be searched for the lowest prices. When the sewer asks more for her product, the intermediary can easily go to another sewer who agrees with a lower price.

On the other hand, the supplier is less far removed from the lead firm, as he supplies the manufactured T-shirt to the lead firm. Positioned in this stage of the value chain, the supplier has more control over the decisions made and – being more informed than the sewer – is able to better negotiate the price of the T-shirt. Furthermore, to become a supplier somebody needs to be more knowledgeable and higher skilled. In contrast to the sewer, there are relatively fewer people able to become adequately qualified, by which they are in a stronger bargaining position towards the lead firm.

<sup>34</sup> Gereffi et al, 2005

<sup>35</sup> Gereffi et al, 2001; Kaplinsky, 2000

Above these two actors, the Dutch brand has the managerial and organizational skills to govern the value chain, by which they have control over the value chain and are the most powerful player in the decision making process. In this position the lead firm has the strongest bargaining position, deciding which actors receives which part of the total earnings. It is not remarkable that in general, the last stages – where the decision makers are active – are the most profitable stages<sup>36</sup>.

### 3.4 ‘Informalization’

By outsourcing and subcontracting activities, firms and households increasingly rely on activities carried out by informal workers. This ‘informalization’ of employment leads to deepening of the direct and indirect links between activities undertaken in the formal economy and the ones in an informal setting<sup>37</sup>.

Informal employment comprises the total number of people carrying out informal work. Due to the lack of registration, it is difficult to measure the number of people having informal work. Estimations indicate the informal labour force represents one half to three-quarters of non-agricultural employment in developing countries and around one half of non-agricultural employment in developed countries (Table 3.1)<sup>38</sup>.

Table 3.1: The size of the informal labour force in developing countries<sup>39</sup>

INFORMAL WORKFORCE AS SHARE OF	LATIN AMERICA CARRIBEAN	AFRICA	ASIA
Non-agricultural employment	57%	78%	45-85%
Urban employment	40%	61%	40-60%
New jobs	83%	93%	NA

Next to the lack of registration, the invisibility of HBWs – working inside their homes – lead to even more difficulties in determining the total number. Rough estimations indicate more than 100 million HBWs worldwide, counting for 10-25 per cent of the total informal labour force in developing countries and five per cent in developed countries<sup>40</sup>.

Viewing the total informal labour force worldwide, the share of female informal workers is greater than that of male informal workers, of all informal workers around 60 per cent is female. Within the group HBWs the share of women is even 80 per cent<sup>41</sup>.

<sup>36</sup> Carr et al, 2000

<sup>37</sup> Bacchetta et al, 2009; Chen et al, 2001

<sup>38</sup> Chen et al, 2001; ILO, 2002; Kudva & Benería, 2005

<sup>39</sup> Chen et al, 2001

<sup>40</sup> Biggeri & Mehrotra, 2007; Kudva & Benería, 2005; World Bank, 2002

<sup>41</sup> Carr et al, 2000; ILO, 2002; Kudva & Benería, 2005

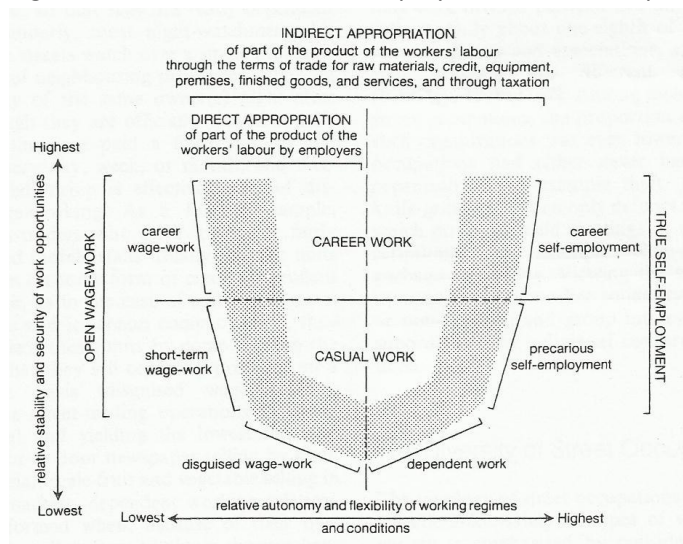
One characteristic of informal employment is in particular essential to further analyse, as this defines the problems HBWs face: the HBWs' 'employment' relationship.

### 3.5 HBWs' 'employment' relationship

Due to the number of actors in the value chain involved it is unclear who the HBWs' employer is and whether HBWs even have an employer. As a consequence, it is not clear who or whether there is an actor who has the rights and duties of an 'employer'. Is it the trader, who is in direct contact with the women, or is it the lead firm, who in the end provides the HBWs' work, who has the responsibilities of an employer? Or is there no actor who officially has these responsibilities?

To get a clear insight in the HBWs' situation and relationship with their trader the HBWs' employment status has to be analysed. Although it is not clear whether HBWs have an official 'employment' relationship, by analysing three indicators they can be placed in the continuum of employment relationships (Figure 3.4). Firstly, the type of appropriation of a worker's labour is analysed. In case of direct appropriation a person's labour is 'owned' by the employer, as the person works for wages. In case of indirect appropriation the person does not undertake paid labour, but gets paid for the work delivered. The second indicator is a person's relative stability

Figure 3.4: The continuum of employment relationships<sup>42</sup>



and security of work opportunities. When a person is relatively instable and lacks security of work opportunities, he is located at the bottom of the U-turn. Thirdly, the relative autonomy and flexibility of working regimes and conditions define a person's employment relationship. When a person can determine his own working regime and conditions he is located at the right half of the U-turn<sup>43</sup>.

<sup>42</sup> <sup>43</sup> Bromley, 1997

## Methodology

This section addresses how this research is conducted. Firstly, the aim of this study is explained, after which the research questions are defined. In order to give a proper answer, the third part clarifies and operationalizes key terms mentioned in the research questions. This clarification is followed by an overview of the methods used to gather all data. Next, the research area and the selection of the female Home-Based Workers is discussed. In the final part the limitations of this study are mentioned.

### 4.1 Research objective

The research objective for this study reads:

To investigate the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal, and to what extent the relationship with their trader influences the HBWs' working conditions.

### 4.2 Research questions

To investigate these issues, the following research question is formulated:

To what extent are the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal influenced by the relationship with their trader?

In order to give an elaborated answer, it is analysed what the characteristics of the female Home-Based Workers and the characteristics of the traders are, what the relationship between the female Home-Based Workers and their trader defines and what the status of the female Home-Based Workers' working conditions is. Three sub questions are raised to answer the above mentioned research question:

1. What are the characteristics of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal and their trader?
2. What defines the relationship between the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal, and their trader?
3. What is the status of the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal and how is this influenced by the relationship with their trader?

### 4.3 Operationalization

In this part the characteristics, the relationship between the Home-Based Workers and their trader and the working conditions are operationalized.

### **4.3.1 Characteristics**

This part discusses general characteristics of the HBWs and trader, such as gender, age, caste, living place, level of education, level of skills, type of work, financial situation and physical assets. To map the HBWs' characteristics both the survey and the interviews are used, while the interviews with the traders are used to describe the characteristics of these actors.

### **4.3.2 Relationship Home-Based Workers and trader**

The relationship between the Home-Based Workers and their trader is discussed by analysing several issues. The information is sourced from the interviews of both the female Home-Based Workers and the traders. Firstly, the status of the relationship is discussed, by examining whether the HBWs and their trader work on a contract bases. Secondly, the level of dependence of the female HBWs on their trader and the level of dependence of the trader on his/her HBWs is discussed. This level is analysed by examining the number of traders the women get orders from and the opportunities of HBWs to switch to another trader. In addition, the provision of raw material, HBWs' access to the market and knowledge of the value chain is mapped. Furthermore, it is defined whether the HBWs' financial situation influences the relationship with their trader. The level of dependence of the traders is also analysed, by which the level of interdependence between the HBWs and their traders can be discussed. The traders' dependence is discussed by analysing their possibility to switch contractor and their possibility to switch between HBWs. Furthermore, the arranging of raw material, the traders' access to the market and their knowledge of the value chain and their financial situation is examined. Finally, the traders' sense of responsibility is analysed by analysing the experiences of the HBWs and the opinion of the traders.

### **4.3.3 Working conditions**

The status of the female HBWs' working conditions is analysed by investigating six out of nine rights or securities which are discussed in the theoretical framework. These six indicators are labour market security (sufficient employment opportunities), employment security (employment stability, protection against arbitrary dismissal and hiring and firing regulations), work security (protection against accidents and illness at work, working time, safety and health regulations), skill reproduction security (gaining and retaining skills, employment training), income security (adequate income) and representation security (membership of trade unions and collective voice). The abolition of forced labour, the elimination of discrimination and the abolition of child labour are not discussed because of the limited time. To analyse the female HBWs' working conditions the data of both the survey and the interviews of both the HBWs and the traders are used.

## **4.4 Methods of research**

In order to answer the research questions several methods of research are used, divided into three phases: questionnaires, Focus Group Discussions, and in-depth interviews. The questionnaires form the quantitative basis for this study, while the FGDs and the in-depth interview provide valuable and expensive qualitative information.



#### ***4.4.1 Questionnaires***

Firstly, a total of 66 questionnaires are completed. The questionnaire is quite extensive, comprising the general characteristics of the HBWs and their household, their specific livelihood capitals and the position in the value chain they are involved in.

#### ***4.4.2 Focus Group Discussions***

In the second phase of the research five Focus Group Discussions (FGDs) were arranged. FGDs are appropriate methods to generate in-depth information to supplement the quantitative information of the questionnaires. Furthermore, by discussing issues in the group, HBWs recognize problems raised by other HBWs, which encourage them to mention their problems. Next to that, the large number of HBWs together enabled the research team to play a role-playing with several actors, for example negotiating the price with all production units involved in a value chain.

As the problems faced by HBWs were underexposed in the questionnaires, each FGD started with discussing the top five problems. The women made a classification of the topics time, money, health, illness and possibility to raise their voice and clarified the level of importance. After this, by discussing the issues employment, working conditions and organizing, the HBWs were able to raise their concerns. The final part of the FGD was a game about the division of power. The HBWs had to stick a representation of themselves on the ladder of power. The upper part of the ladder was the most powerful position with a high level of influence. Further down the ladder, the lower the HBWs' level of power and influence.

#### ***4.4.3 In-depth interviews***

Thirdly, a total of 24 in-depth interviews with HBWs were conducted, 7 interviews with unorganized HBWs, 5 interviews with MBOs, and 8 interviews with traders. The interviews with the HBWs covered topics on knowledge on the value chain, the responsibility of the trader, decent work, awareness and organizing. The MBOs were questioned on their activities, the role of organizing, contact with the trader and decent work. The traders were asked on the value chain of the product, the relationship with the HBWs, decent work and their sense of responsibility.

#### ***4.4.4 Observations***

Moreover, as the questionnaires and interviews are conducted at the living place of the HBWs, the HBWs' house and working conditions are also investigated by observation of the research team. Thus, in addition to the questions asked, these observations are used to answer the research questions.

#### ***4.5 Research area***

The research areas of this study are the Kathmandu Valley and Hetauda in Nepal. As these areas cover many HBWs, three urban districts are selected. The first two districts are in the Kathmandu Valley: Kathmandu and Baktapur. The third urban district is Makwanpur, where Hetauda is located.

Each district, in turn, comprises several locations. In the district of Kathmandu, HBWs living in Koteshwor, Dhapasi, Khadipakha and Panga are interviewed. In the district of Baktapur, the location Byasi is selected. Lastly, questionnaires and interviews are conducted in Hetauda (Makwanpur district), a town 132 kilometres south of Kathmandu.

These six locations are selected because of the variations in the HBWs and the types of products made. Furthermore, the locations differ in average level of income, resulting in a mixed representation of the inhabitants of Nepal.

#### 4.6 Selection HBWs

As this study is conducted in cooperation with HomeNet Nepal, the HBWs selected are all organized workers. As the locations are already a representation of all inhabitants of Nepal, at each location the HBWs are randomly chosen. The participation was on voluntary bases and the HBWs did not receive money in return.

The HBWs were found through the help of the MBOs in all the different districts. These MBOs are:

- The Environment Improvement Coordination Committee, Hetauda Municipality, Makawarnpur district. This location includes a slum cluster.
- 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.
- The Radi Weavers' Group, Lokanthali, Madhapur Sub-Municipality, Bhaktapur District. In this location also all members are migrated from Sindhupalchok District in Nepal.
- Didi Bahin Sewa Samaj, Koteshwor, Kathmandu Metropolitan City, Kathmandu District.
- Jyoti Mahila Sansar, Basundhara, Kathmandu Metropolitan City, Kathmandu District. The area also includes 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.

#### 4.7 Limitations

Firstly, the results of this research are based on a limited number of people, because of the small number of female Home-Based Workers and traders interviewed. Consequently, results do not represent all HBWs and all traders in Nepal. In addition, as the correspondents are all member of an Member Based Organization (MBO), all correspondents are organized HBWs. The working conditions of unorganized female Home-Based Workers and the relationship between these Home-Based Workers and their trader are not taken into account. There might be great differences in the relationship with the trader and working conditions between unorganized and organized HBWs. Furthermore, the locations of the research area are in urbanized areas, HBWs living in the Far West, Mid Western, and East Developmental region are not included. Next, as the research is conducted with the support of an interpreter, the data is indirectly generated.

Moreover, the interpreters are connected to HomeNet Nepal, by which the information can be far-fetched. Next to the interpreter, the information shared by the HBWs might not square with the reality as the women are afraid of the consequent actions of their trader. Additionally, the reasons of the HBWs who did not participate are not known, this could be of value for the results of this research. Finally, the questionnaires are still at HomeNet Nepal, by which the compiled SPSS file can only be used. Consequently, possible relations between characteristics and answers can only be found by analysing the interviews. These limitations in representation and validity have to be taken into account while analysing the results of this research.

## **What are the characteristics of the female Home-Based Workers and their traders in the Kathmandu Valley and Hetauda, Nepal?**

This first sub question examines the characteristics of the female HBWs and the traders in the Kathmandu Valley and Hetauda, Nepal. Firstly, the characteristics of the women are described. By analysing the women's level of education, level of skills, home-based work activities, financial situation and housing facilities a profile of the female HBWs is made. Secondly, the characteristics of the traders are identified by discussing their level of education, financial situation and type of work.

*The information from 5.1.1 till 5.1.3 is based on the data of the interviews with the HBWs in order to link this information in the other sub questions. As the information from 5.1.4 till 5.1.8 could not be sourced from the interview with the HBWs, this is based on the survey.*

### **5.1 Home-Based Workers**

#### **5.1.1 Age, caste, household and location**

The age of the HBWs ranges between 22 and 50 and the average age is 33. Of all 24 women, only one HBW is not married. Half of the HBWs belong to the highest castes: Brahmin, Chhetri, Newar and Shrestha, while the other twelve women belong to one of the lowest caste: Janajati.

The average household of female HBWs consists of four to five members. Half of the women has an immediately family of four or five people, seven women have less or equal to three members in their family, while five HBWs have six or more people in their household. The HBWs have two or three children on average, the children of one out of three HBWs assist in the woman's home-based work activities.

Concerning the location HBWs live at, six HBWs are from Koteshwor, five HBWs live in Panga, four HBWs are from Dhapasi, another four live at Hetauda, three are from Byasi and the last two live in Khadipakha. At four locations women belonging to the same caste are interviewed, while at two locations the HBWs interviewed belong to as well the highest at the lowest castes. In Panga and Khadipakha all women belong to the highest caste, while at Byasi and Hetauda only Janajati women are interviewed. At Dhapasi and Koteshwor all castes are presented by the women. As at relatively bad locations women of the highest castes live there might be no relation between living place and caste. The house and the condition of the house might be related to the caste HBWs belong to.

#### **5.1.2 Level of education and skills**

Regarding the level of education, the largest share of the HBWs is relatively low educated. Only four HBWs graduated secondary school and have their School Leaving Certificate. In addition, twelve women graduated primary school and seven HBWs are not educated at all. There seems to be no relation between caste and level of education as some of the low educated women belong to the highest caste, while two out of four women who have graduated secondary school are Janajati. Though, the small differences in level of education has to be taken into account. This could lead to a less clear relation.

In addition to their poor educational background, a great share of the HBWs is low skilled. This can be clarified by the fact that the majority of the HBWs has learned the skills themselves by copying actions of others. Some women have had skill training from their family, friends or other HBWs.

### 5.1.3 Home-based work

The two types of work mostly undertaken by HBWs are stitching clothes and draperies (ten HBWs) and weaving clothes (six HBWs). Furthermore, four women make incense rolls or dhoop (in Nepali), three of the women interviewed make mats of felt and one HBW makes dolls. Although all types of home-based work are relatively low-skilled activities, the level of skills needed to carry out each type of activity differs. Making incense rolls requires the lowest level of skills, while the level of skills needed to make mats of felt or dolls is already higher. Most skills are needed for stitching and weaving activities. There seems to be a relation between the type of home-based work and the location of the HBWs. In Koteshwor all HBWs interviewed do stitching activities, while at Byasi all women weave shawls and clothes. Furthermore, the women from Dhapasi stitch clothes and all four women from Hetauda make incense rolls. In addition, at Khadipakha mats of felt are made by the HBWs. In Panga several types of home-based work is carried out, the women weave and make mats of felt or dolls. As many HBWs mention they have started home-based work through their friends and neighbours, the relation between type of work and location can be partly clarified. When one HBW starts stitching clothes this can trigger neighbours and friends to also start stitching. Tradition could also influence the type of work undertaken at a specific location, for example at Byasi where Dhaka weaving is popular for many years.

In Koteshwor seven HBWs are united in a collective, where they work together. The collective is founded to support the women who are in a financially instable situation. For example, the earnings of one of the members is the main source of the household income, as her husband has passed away. The different financial situation of the members divides them into two groups. The first group consists of five HBWs, who founded the collective. These members have invested money in the collective, to buy raw material and rent the room they are working in. In addition, their earnings are dependent on the financial situation of the collective. The other two members belong to the second group. As these two HBWs face difficulties in meeting their priority needs, they do not have to invest money in the collective and directly earn on the basis of their work delivered. Consequently, these two women are called the 'earning members'. The two groups show differences in the level of education: while the 'earning members' are not educated or graduated primary school, the two interviewed – out of the five founding members – graduated secondary school. *(Regarding the definition used in the Theoretical Framework, these HBWs cannot be denoted as Home-Based Workers, though as these women.)*

With regard to the number of days the HBWs work per week, more than half of all HBWs works six days a week or the whole week (15 HBWs). In addition, even women work four to five days a week, while only two HBWs work one to three days a week. On average the women work 6,62 hours per day.

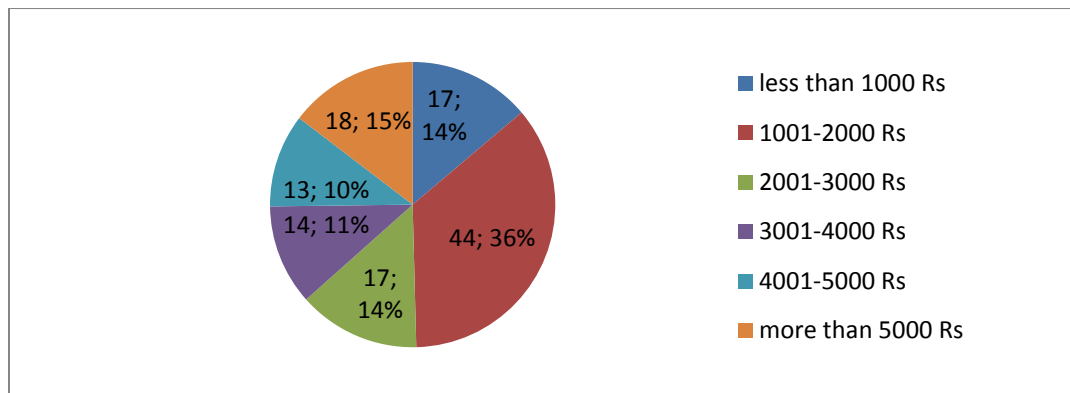
#### 5.1.4 Reasons to undertake home-based work activities

Most women are working at home because it can be combined with other domestic responsibilities, to support their family or they lack other employment opportunities. As the HBW undertakes their cleaning activities and the care of their children while carrying out their homes-based work, 26 per cent of the HBWs argues she works at home. Another 26 per cent mentions they can contribute to the household income, which is further discussed in the financial situation. In addition, 23 per cent has no other employment opportunities, being low educated and not adequately capable to execute difficult economic activities. Furthermore, 20 per cent of the women undertakes home-based work activities to have their own earnings and can act independently. The loss of earnings of other members of the household led in a few cases to the decision to work at home, while some mentioned utilizing free time and the easiness to do this work.

#### 5.1.5 Earnings and expenses of the household

Concerning the earnings of the HBWs' home-based work activities, six out of ten HBWs earn less than 3000 Rs per month (Figure 5.1). Out of this share, 36 per cent earns between 1001 and 2000 Rs per month and 14 per cent earns less than 1000 Rs per month. In contrast, a considerable share of the HBWs earns twice as much, out of which 19 per cent earns more than 5000 Rs a month.

Figure 5.1: Earnings home-based work activities – monthly bases (N = 66)<sup>44</sup>



A small share of women has other income generating activities next to their home-based work. These HBWs mention paid labour (38 per cent), business (29 per cent) and agricultural activities (14 per cent). Taken all HBWs' income generating activities into account, the women earn on average 5882 Rs per month.

In most cases the HBWs' husband contributes the largest share of the household income, earning around 10,000 Rs a month. Next to the women's spouse, the HBWs' parents and their children contribute to the household income. By contributing around 9000 Rs a month, children play an important role in constituting the total income HBWs' households can spend on monthly bases.

<sup>44</sup> Research HNN, 2011

In case members of a HBW' household work abroad, the level of the household income is often highly influenced: next to goods and food, the migrated member sends money to the family back home. The amount of remittances is on average 22,754 Rs per month, making up a considerable part of the total income. Though, only a small share of the HBWs has a family member which lives abroad (20 per cent).

As shown in the Table 5.1 the earnings of HBWs are supplementary to the total household income. Though, the earnings of two HBWs are the main source of the household income.

Table 5.1: Share member of total household income<sup>45</sup>

Member of the household	Earnings (Rs.)	Share of the total household income per month (in percentages)
Spouse	10026	28
Children	9008	25
Other*	6364	18
HBW	5882	16
Parents	4724	13
Total	36004	100
*Other: other sources of income are for example rent and agricultural activities		

Regarding the HBWs' expenses per month, the women spend relatively most money on food, education of their children and rent, respectively 37 per cent, thirteen per cent and twelve per cent of the total expenditures per month. Besides these expenditures, HBWs spend one third of their money on social and religious ceremonies, clothing and medical treatment per month.

#### 5.1.6 Credit and savings

Women find it hard to get access to credit: 65 per cent of the HBWs faces difficulties, out of which thirteen per cent experiences many constraints. To repair one's house, buy raw material, and invest in tools and equipment 59 per cent of the HBWs uses a loan. Furthermore, HBWs mention education, the purchase of consumer goods, family work and health treatment. Some HBWs use their loan to set up a business, purchase land or invest in agriculture. A considerable part of the respondents gets their loan via a group (35 per cent) or a micro-financing agency (19 per cent). Furthermore, 14 per cent of the HBWs sources their loan from a saving and credit cooperative and 8 per cent by using a commercial bank. Relatives make up thirteen per cent of the sources HBWs get a loan from.

As HBWs have hardly enough earnings to pay all monthly expenditures and need extra credit, women face high thresholds to start saving money. The majority of the HBWs cannot save some of their earnings or saves only less than 10 per cent (82 per cent). A minor share of the women

<sup>45</sup> Research HNN, 2011

saves one fourth of their remuneration. Though, many HBWs mention the benefits of their MBO, as via the MBO's saving and credit cooperative the women are able to save on average 100 to 200 Rs per month. Women use these savings for education of their children, medical treatment and old age benefit. Besides the first issue, neither the national government nor their 'employer' provides the HBWs a life insurance scheme or old age benefit. As a consequence, only a minor share of the HBWs is able to insure themselves with a life insurance scheme (twelve per cent) and building up a pension is hardly possible when reviewing HBWs earnings and expenditures. Concerning the issue of education, children are able to get basic education as all governmental primary schools are free. Though, many Nepali people complain about the poor level of quality at these schools.

### 5.1.7 Housing

As HBWs carry out all their economic activities in their residence, the status of their housing and the facilities present creates and highly influences HBWs' livelihood. With respectively 55 per cent and 68 per cent of the women, a considerable share of the HBWs owns the land of their house and the residence itself (Table 5.2 and Table 5.3). When HBWs do own their place, it is

Table 5.2: Occupancy status land<sup>46</sup>

	Frequency	Per cent
Government	7	11
Trust(community)	2	3
Self	36	55
Rental	20	30
Daughters	1	1
Total	66	100,00

often the property of their parents in law or their husband. One out of five HBWs owns the house themselves, and some mention their father and mother. Concerning the condition of the house, the majority of the HBWs lives permanently in their dwelling (77 per cent), while 19 per cent lives semi-permanently and a few stay only temporarily.

Table 5.3: Occupancy status residence<sup>47</sup>

	Frequency	Per cent
Owned	45	68
Rental	21	32
Total	66	100,00

Almost half of all HBWs live in a communal house another big share lives in a detached individual

house, while some women have a room in a larger dwelling. A considerable share of the women has only one or two rooms to make use of, while less than half of the women has three or four rooms.

<sup>46</sup> Research HNN, 2011

<sup>47</sup> Research HNN, 2011



### 5.1.8 Facilities

With regard to electricity, of all HBWs which have electricity, more than half of the women has to share it with others and 45 per cent of the respondents has an individual facility. The ones who lack a supply-line with a meter borrow electricity from their neighbour's house or make use of it without a meter. Even with a supply-line, HBWs do not always have electricity because of load shedding. Roughly one half of the respondents does not continue their home-based work activities when there is load shedding. On average, load shedding impedes four hours on HBWs' economic activities per week. Without load shedding, HBWs work 144 hours a month (5,5 days a week, 6,62 hours a day), earning 4778 Rs. per month. In case of load shedding, HBWs work 128 hours a month, earning 4247 Rs. per month. This comparison shows the severe consequences of load shedding on their monthly earnings. The ones who have a power back up are not constrained in their activities at all, though only a small share of the women has this facility.

Concerning the water supply, half of the HBWs gets water every day by using a tap. Another considerable share of the women gets water every once or twice a week (46 per cent). Finally, some respondents do not have a water supply; they often use water from tube-well. Other alternatives mentioned are a public tap, getting water from the river or borrowing water from neighbours, while some HBWs buy water from a private supplier.

## 5.2 Traders

### 5.2.1 General description

Out of the six traders three are men. The age of the traders ranges between 38 and 56, their average age is 47 years old. Two traders live in Kathmandu, two are from Dhapasi and two live in Hetauda. Four of the traders belong to the highest caste, namely Brahmin and Newar. The other two are Janajati and Bhujel (two of the lower castes). The former two are relatively well educated, having a School Leaving Certificate or have done a Master in Economics. The latter are literate but do not have educational qualifications. As opposed to the women, the differences in level of education are bigger, by which a relation between type of caste and level of education might be clearer. The traders' caste and their level of education could be related to each other: the higher educated traders all belong to the highest castes and these traders without education belong to the lowest castes.

### 5.2.2 Financial situation

There are differences in the contribution to the household income. The earnings of four of the traders are the main source of the household income, while the earnings of two traders are supplementary to the household income. One of the last two traders explains his financial situation: "Not main source, I am retired from Nepal army, I have a pension. I do this next to the pension. My wife is in Korea, she sends money for the household. I do this work just for spending my spare time. As I am retired, I have time to do this work".

## What defines the relationship between the female Home-Based Workers and their traders in the Kathmandu Valley and Hetauda, Nepal?

The relationship between the female HBWs and their traders is investigated by analysing several factors, viewed from both the side of the HBWs and the side of the traders. Firstly, the formality of the relationship is analysed by examining the existence of a contract. Secondly, the level of dependence is mapped by discussing the possibility to switch to another trader or – in the case of a trader – another HBW, the provision of raw material, the knowledge on the value chain, the market access and the financial situation. Thirdly, the level of responsibility of the traders to provide the HBWs work and to improve the HBWs' working conditions is analysed.

Before elaborating on the relationship between the female HBWs and their trader, the structure of the value chain both actors are involved in is discussed in order to clarify the context in which the HBWs and traders operate and relate to each other.

### 6.1 Structure of the value chains

The value chains the female HBWs in the Kathmandu Valley and Hetauda, Nepal and the traders are involved in can be divided into two different types. First, the most common value chain in Nepal is discussed, after which the second – less common – type is mapped.

#### 6.1.1 First type of value chain

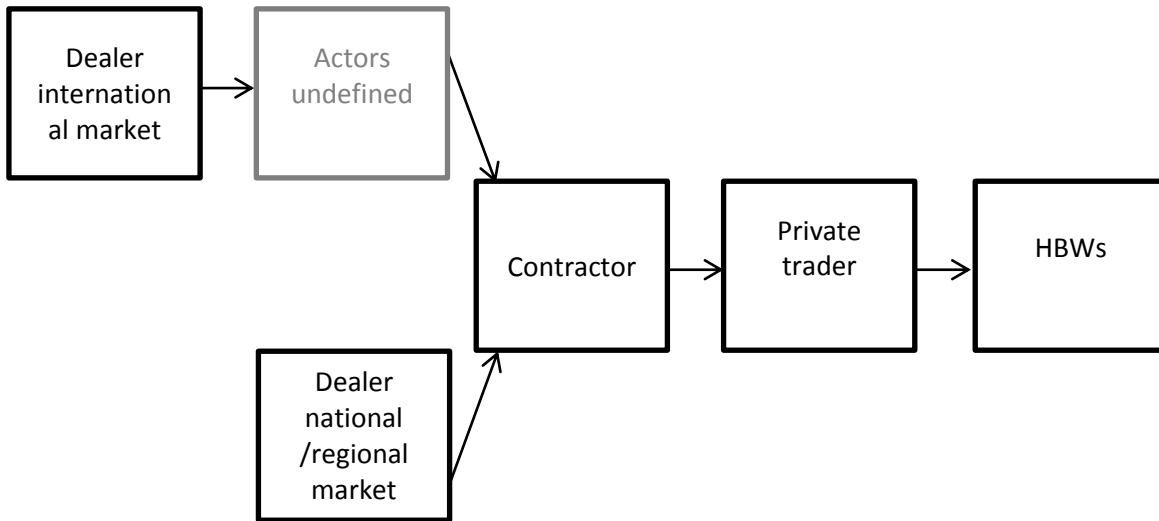
The structure of the first type of value chain depends on the final market: the international or the national/regional market.

Regarding the international market, the exact starting point of the first type of value chain cannot be defined due to the lack of knowledge of both the HBWs and the trader. Knowing that the products go abroad, the value chain probable starts at a dealer at the international market. The number and locations of the actors between the dealer and the contractor in Nepal are unclear, by which this analyses starts with the trader's contractor. The contractor gives the order to a trader, who – in turn – gives the order to HBWs (Figure 6.1). The types of product in this value chain are knitted clothes, mats of felt and woven shawls.

In case the final market is the national or regional market, first type of value chain starts at a dealer at the national or regional market gives an order and instructions to the contractor. This contractor, in turn, arranges a trader. Finally, this trader gives the orders to the female HBWs, who finalize the orders (Figure 6.1). The type of products made are incense rolls, decorations for married women, packages with praying material and knitted clothes.

The number of HBWs per trader in the first type of value chain ranges from ten to 100. The number seems to be dependent on the amount of time the trader has. The more time the trader has, the more orders he can give. As the outcomes of the value chain are simple handmade products, the information and knowledge transfer in the production process is not that complex. Though, having relatively incapable suppliers (low educated, low-skilled HBWs) explicit coordination to execute instructions and successfully finalize orders is needed. Therefore the dealer intervenes by clearly describing the quantity and quality to the contractor, which passes on the information the trader. In the end, the trader instructs the HBWs the requests to comply.

Figure 6.1: First type of value chain



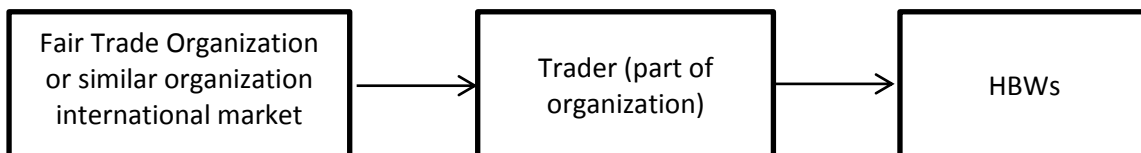
In this way, the dealer has control over the functioning of the production process. Most HBWs have only one trader on which they depend, by which they become ‘captive’. Having relatively incapable suppliers and a governance structure characterized by a high degree of power asymmetry and a high degree of explicit coordination, these HBWs and their traders are positioned in a captive value chain.

*In this study, the HBWs from Koteswor, Dhapasi, Hetauda, Byasi, Khadipakha and one HBW from Panga, and the two traders from Dhapasi and the two traders Hetauda are involved in these value chains.*

### 6.1.2 Second type of value chain

Although the second type of value chain starts abroad the starting point can be defined more precisely (indicating a difference in level of knowledge on the value chain of the HBWs and/or traders). Fair Trade Organization gives orders to the trader (Figure 6.2). As opposed to the first type of value chain, this trader is part of a relatively big organization. The organization gives orders to hundreds of HBWs, spread over the entire country. The types of product made are knitted ceramic and metal products, carpets, pashminas and handicrafts made of Lokta or felt.

Figure 6.2: Second type of value chain



The governance structure of this type of value chain differs from the first one. As the products are simple, but have to comply to Western standards and the HBWs lack competences, the organization coordinates the production process thoroughly. Furthermore, by investing in the

HBWs' skills and setting up programmes for the HBWs' children, the organization strives to work with the HBWs for a long period of time. They aim to secure the women of orders and support them to empower themselves. As a consequence of the investments of the organization, the HBWs are 'captive'. Though, as opposed to the other value chains in which the HBWs depend on one trader, here the 'captive' status of the women is a result of both the efforts of the organization – which wants to maintain the relationship – and the lack of options of the HBWs. Altogether, the organization is powerful, checks whether the products have the right quality and invest in their HBWs. This result in the position of the organization and the HBWs in captive value chain as well. Though, the contact between the organization and the HBWs and the way of communication lead to a shift in the direction of the relational value chain.

*In this study, the four HBWs from Panga and the two traders from Kathmandu are involved in these value chains.*

## **6.2 Contract**

### **6.2.1 HBWs working on contract basis**

*Before discussing whether the HBWs work on contract basis or not, it is essential to distinguish two types of contract. The first type of contract is a labour contract. This contract comprises regulations on hiring and firing and agreements on the amount of orders. The second type of contract, a supplier contract, only entails agreements on the amount of orders (quality of the products, time of delivery, payment etc.). As none of the HBWs has a labour contract and a supplier contract forms the basic security for HBWs, from now on the term 'contract' will be used to denote a supplier contract.*

Of all HBWs, only four women work on a contract basis. These four – involved in the second type of value chain – get orders from Kalimati Handicrafts, a Fair Trade Organization in Panga. The HBWs do not state they have a contract, though as they have a written agreement on the amount of orders finalized they are seen as HBWs working on a contract basis. As these HBWs get orders from the same trader and all HBWs without a contract get orders from another trader there seems to be a relation between type of trader and working on a contract bases or not.

Among the HBWs without a contract, four do not know what 'having a contract' entails. There are several differences between the ones who know what a contract is and the ones who lack this knowledge which could indicate a different level of knowledge. Education might play a role in the HBWs' knowledge on contracts, as all women who graduated secondary school know what a contract is. It could be part of the curriculum to learn about employment relationships and contracts or these women have better general knowledge. There is no difference between the HBWs who have no education and the ones who have only done primary school: some of them know about the existence of a contract and others do not.

The different locations could also influence the women's knowledge on contracts. The women who lack the knowledge live in Dhapasi and Byasi, all HBWs living at other locations know what a contract is. Besides the location, being member of the collective might have a positive

influence on the women's knowledge as all women of the collective know what a contract is. The differences in location and membership of a collective could suggest that social capital plays a role in the women's knowledge concerning contracts. They might interact with their neighbours and friends – who also undertake home-based work – about the benefits of having a contract.

Among the HBWs who know what a contract entails, all women (apart from one) would like to have a contract. The woman, who does not want to have a contract, is not highly dependent on her current trader: "I am also making more handkerchiefs to store at home, so that I can sell it to other persons" (HBW, Koteshwor – no member of the collective). Moreover, she has other sources of income as well: "They [*the home-based work activities*] are supplement, I have a shop and rent this house to the collective". The fact she has several sources of income could also be the reason for not being a member of the collective.

The HBWs who do want a contract mention several benefits of having a contract. Many HBWs would like to have a contract as this secures them of getting orders: "I would want one, as it gives me security on work for a certain time" (HBW, Khadipakha). Next to this security, the regularity of getting orders is mentioned by HBWs: "Benefits would be to have regular work, and I am sure Gauri [*her trader*] will come to take the dhoop" (HBW, Hetauda). Although it depends on the content of the supplier contract whether or not agreements on the price are included, HBWs argue that when they have a contract the price per product is set: "It would be easier and more comfortable, as I would not need to bargain every time" (HBW, Hetauda). As many HBWs mentioned these three benefits, having work and having a fixed price seems to be the main priority of the women. Although, the earnings of the HBWs are not the main source of the household income, their home-based work is needed to pay all households expenditures.

A HBW from Dhapasi mentions something beyond the security of work and income, in relation to having a contract: "HBWs are not counted as workers, but with a contract I would be seen as a worker, I would be sure of regular work, if I am ill it would be covered, and I would get a fair wage". This HBW distinguishes herself from the others, because apparently she is the only one who is aware of the importance of being recognized as a worker. As she neither graduated secondary school nor is member of a collective, other characteristics have created the woman's level of awareness. As the HBW often interacts with other HBWs her social capital could lead to an increase in awareness.

### **6.2.2 Traders offering a contract**

Concerning traders offering their HBWs a contract, the group can be divided into two. None of the traders of the first group offers the HBWs a labour or supplier contract. The second group of traders offers their HBWs a supplier contract.

Firstly, among the traders of the first group two of the traders do not have a contract with their contractor. It is unclear whether the other two traders have a contract. The trader's own insecurity of getting orders is mentioned as a reason to not offer the HBWs a contract: "No. I don't have a contract paper from my contractor, that is why I do not give my HBWs one" (Trader, Dhapasi). This indicates the dependence of the traders themselves as they do not

receive orders from their contractor, they cannot guarantee the HBWs orders. (The issue of insecurity of orders will be further elaborated in the section 'employment security'.)

Another trader mentions the problem of working without a contract. Now the relationship is based on trust and not all women are trustworthy. One woman collected the raw material, but never returned by which the trader lost all the beads. This incident influenced the attitude of the trader as nowadays he only provides work to HBWs who are reliable. Consequently, the trader only gives orders to women he already knows or via his current HBWs. Why does this trader not work on a contract bases with his HBWs you might think? The fluctuation in the availability of raw material might hold the trader back from offering the HBWs a contract. When there is no raw material available, the trader cannot give orders, by which he cannot obey his duties determined by the contract. Three of the traders mention the lack of raw material leading to the insecurity of getting and providing orders. When the traders themselves lack a contract this defines the relationship with their HBWs. Due to this the traders are unable to offer their HBWs a contract.

Secondly, traders belonging to the second group are secured of getting orders from the international Fair Trade Organization. Consequently, the traders can offer the HBWs a supplier contract. According to these traders, this contract comprises the agreements made on the amount of orders and the price per piece: "Yes, simple contract. Clear information about the production sheet, details, about the order, time, amount etc. about 80 Rs, 3 sweaters in one month" (Trader, Kathmandu). In this way, the HBWs are secured of getting orders and can find out the decisions made, by which they are able to raise issues which run counter to the contract.

### **6.2.3 Conclusion**

Of all HBWs none have a labour contract, by which none of the HBWs are secured of the rights covered by a labour contract. Four HBWs have a supplier contract. In this way, the women are secured of a certain amount work, the price per piece agreed on and payment in time. As the other 20 HBWs do not have a supplier contract, they are not secured about these issues. This level of insecurity is one factor that defines the relationship between the HBWs and their trader.

## **6.3 Level of dependence**

The HBWs' level of dependence defines the possibilities of HBWs. When they are highly dependent on their trader they do not have many options other than acting the way the trader wants you to act. Less dependent HBWs have more options and have more control over the options, by which they can act individually. In addition, the dependence of the trader is analysed. The dependence on his contractor – when he has a contractor – and the dependence on his HBWs are discussed. The HBWs' and traders' level of dependence is analysed by discussing the following topics: possibility to switch trader, arrangement of raw material, knowledge of the value chain, access to the market and financial situation.

### 6.3.1 Options to switch trader (in case of HBWs) or contractor (in case of trader)

#### 6.3.1.1 HBWs' possibility to switch trader

The majority of the female HBWs only has one trader (19 out of 24). The HBWs who have more traders are the women of the collective in Koteshwor and one HBW in Hetauda. As the collective has seven members, they can finalize many orders together, this might be the reason they have several traders who provide them orders. The one in Hetauda has several traders as she can produce more dhoop than one trader provides order for. Time is constraining many other HBWs in their home-based work, by which these women do not need more traders. The interviews with the women suggest that having more traders lead neither to the security of getting orders nor to a less dependent feeling. None of the HBWs who have several traders are ensured of getting orders: "No, I am not sure if my traders give orders regularly" (HBW, Hetauda). The women of the collective mention their dependent feeling: "Yes, I do [*feel dependent*]".

The possibility to find other traders might influence the level of dependence of the HBWs. Before investigating this possibility, the share of women who search for another trader is mapped. Twelve HBWs do not search for other traders. Some of them get orders regularly, while others are not secured of getting orders, they do not search for other traders. As none of these women has graduated secondary school, their level of education could influence their decision. They might not make high demands, as illustrated by a HBW from Panga: "No, I don't search, because I am satisfied with Ramesh [*her trader*]. And with this work".

While these HBWs do not search for another trader, many of them mention they could switch to another trader: "It is possible to search for other traders, outside. But I don't want to, because it is easy to me. This work I can combine with looking after the children and home" (HBW, Panga). As already mentioned earlier, gender roles seem to constrain the HBWs' opportunities. When HBWs would have more time, they might have more opportunities as well.

Among the HBWs who do search for other traders, the HBWs from Hetauda mention difficulties in finding in other traders: "I am looking for more traders [...] I cannot find another trader. Once a woman came here, a Indian woman, to take my dhoop, but she never returned" and another HBW from Hetauda: "Other traders don't come here". This might indicate a difference in location: the HBWs living in Hetauda cannot easily find another trader, while the HBWs at other locations do not mention this difficulty. Furthermore, the HBWs from Hetauda are the only ones who make dhoop, which could point to a difference on the basis of product type.

The level of dependence does seem to be influenced by the possibility to switch to another trader. The HBWs from Hetauda who mention difficulties in finding another trader feel highly dependent on their trader. While some of the HBWs who can easily switch to another trader feel less dependent. Finally, the HBWs who have the feeling they can change their position feel less dependent than the ones who feel cannot change. Half of the HBWs feel they can change their position, all these women graduated secondary school. The level of education might influence their opinion on the possible changes and opportunities they have. Furthermore, the women mention their financial situation as a factor influencing their possibilities: "Yes [*I can change my position*]. How? With the money of my husband" (HBW, Byasi). While another HBW argues she cannot change her position because of the lack of money and resources: "When you

think of change, yes we can bring, but we need money and resources. But how do we do it, we don't have the money, no resources" (HBW, Panga).

In short, there might be a connection between the HBWs who feel they have the power to change something and their feeling of dependence. The HBWs who feel they have less opportunities, feel highly dependent on their trader.

#### **6.3.1.2 Possibility trader to be switched**

Four out of the six traders state there is a high possibility to be switched as there are many more traders undertaking the same economic activity: "There is much competition between the sub-dealers [*traders*], so there is always another sub-dealer who can do the job" (Trader, Dhapasi). The information given by the traders indicates it is more difficult to find another contractor, which means the traders are highly dependent on their current contractor: "Everywhere there are this type (like me) of traders, but the main (real) dealer is in Ason Indrachowck".

The possibility for traders of the second type of value chain to be switched is almost nil. The two traders work already for a long time with the Fair Trade Organization, by which they have created a strong relationship. This relationship will probably not be end when both parties obey the agreements made.

Although the traders involved in the second type of value chain are not likely to be switched, both traders of the first and traders of the second type of value chain are in a dependent position.

#### **6.3.1.3 Possibility trader to switch HBWs**

Concerning the possibility of traders to switch HBWs, three traders elaborate on their possibility to switch, while three other traders do not discuss their possibility to switch.

Two of the traders who elaborate on the possibility to switch face difficulties in finding other HBWs. The traditional division of tasks – resulting in the women's domestic responsibilities – are mentioned as a constrain: "No [*I cannot easily find*], because they cannot give enough dhoop, [...] They have to do the household, and besides that they have to make the dhoop" (Trader, Hetauda). Furthermore, traders experience difficulties in finding HBWs that are willing to undertake home-based work activities and are reliable as well: "If I think they are not reliable, I don't give them work. It is very difficult to find workers who are reliable, that's why I deny work to anyone, I only give to reliable women. I just give the HBWs work who joined from the start" (Trader, Dhapasi).

Only the trader who mentions she can easily switch between HBWs, is not dependent on her current HBWs, while the other two are.

The traders who do not discuss their possibility, do not want to switch. Among them are the two traders involved in the second value chain. By investing time and money in improving the HBWs' skills and competences, they invest in the future of the women and of the organization: "We do not switch, we maintain the existing groups. We have built sustainable relationship, we convince them train and educate them, to increase their capabilities" (Trader, Kathmandu). Another trader also mentions the exception of switching to other HBWs: "Only when they are not able to



finalize the products, then we search for new ones. Because we invest in the skills of the women and that takes time” (Trader, Kathmandu).

In addition, the third trader who does not want to switch gives the order back to improve it instead of giving it to other HBWs.

Except for one, all traders are dependent on their current HBWs. Though, the last three traders create this dependent position themselves by investing in the HBWs’ skills. Consequently, a difference can be seen in the intention of the traders mentioning the possibility to switch and the ones who do not want to switch. While the former might search for other HBWs when they are not satisfied with their current ones, the latter invest in the skills or offer them the opportunity to improve the order. By investing time and efforts, these traders have the intention to work for a long period of time with their HBWs. While when the first three traders are not satisfied about the quality of an order, they would search for other HBWs. This could lead to an end of the relationship between the trader and his HBW.

#### **6.3.1.4 Conclusion**

There seems to be a relation between the possibility to find another trader and the HBWs’ level of dependence. The women who are able to find somebody else to provide them orders feel less dependent on their trader than the HBWs who lack this option.

Regarding the traders’ level of dependence, the traders involved in the first type of value chain are highly dependent on their contract, as they cannot easily find other contractors. As their contractor does not always provide orders regularly, they have a high level of insecurity. The traders involved in the second type of value chain have a lower level of dependence. They are dependent on the Fair Trade Organization, or similar organization at the international market, but they are more on equal level. Furthermore, these traders have a low level of insecurity as the number of orders is relatively stable.

Concerning the possibility to switch to other HBWs, only one trader is relatively independent due to her possibility to find other HBWs to finalize orders. Two traders are highly dependent on their HBWs as they cannot easily switch to other HBWs. Three traders – including the ones of the second type of value chain – mention explicitly they do not want to switch HBWs. As the two traders of the second value chain invest in the skills of the HBWs they strive to work for several years with their HBWs.

The intention of traders to either use the HBWs when needed or to invest and build up a relationship defines the relationship between the HBWs and their trader.

### **6.3.2 Arrangement of raw material**

#### **6.3.2.1 Situation HBWs**

The HBWs’ dependence on their trader could also be caused by the provision of raw material. It is analysed whether HBWs who buy the raw material themselves feel less dependent on their trader than HBWs who receive the raw material from their trader. Nine out of 24 HBWs buy the raw material themselves. These are the HBWs of the collective in Koteshwor and all HBWs from Hetauda. The former buy the raw material at the wholesaler as the trader asks more for the same amount than the wholesaler. Although the HBWs aimed at improving their profit, buying

the raw material themselves did not improve the women's bargaining position because their trader knows the price as well: "So he knows the cost price of our product is 250 Rs. That's why it is difficult to bargain" (HBW, Koteswor).

Whether or not the HBWs buy the raw material themselves seems to play a role in the women's level of dependence on their trader. Some of the HBWs who receive the raw material from their trader mention the provision of raw material creates their dependent position: "We cannot do it ourselves. The problem is to arrange the thread [*to weave*]. We don't know where they [*the traders*] get it from, how much it costs or how to prepare it, so we are dependent on them" (HBWs, Panga).

Though, as the women who arrange the raw material themselves also feel dependent on their trader, the arrangement of raw material as HBW does not lead to a completely independent position: other factors create their dependent feeling.

In short, there seems to be a relation between the provision of raw material and the dependent feeling of the HBW, though other factors might play a bigger role.

### **6.3.2.2 Situation traders**

In line with the HBWs, except for the traders in Hetauda, all traders provide the HBWs raw material.

The level of dependence and the bargaining position of the traders arranging the raw material for the women differ.

The traders of the first type of value chain receive the raw material from their contractor, leading to a dependent position. This position of the trader leads to the lack of space to maneuverer, which defines the relationship with the HBWs.

As opposed to these traders, the traders of the second type of value chain arrange the raw material themselves. As these traders purchase big amounts at once, they can negotiate the price as explained by a trader from Kathmandu: "Yes, because we buy big amounts. We pay after two three months". Furthermore, the traders argue they can wait for the best deal. A trader from Kathmandu, for example, keeps track of the price of raw material and stock up large amounts when offered for a nice price: "We provide them money in advance, they can buy the material also in advance. We offer 500,000 Rs. to buy clay, if the price will increase in the future, they buy large amounts and store it (same for silver)". These traders have this possibility as they are a well-funded organization with enough money in stock.

Whether or not the HBWs buy the raw material themselves, the scarcity of raw material hampers the availability of work for both the HBWs and the trader. When the trader does not receive the raw material of his contractor the trader cannot give the women an order.

Consequently, the relationship between the HBWs and their trader is affected by the position of the position of the trader and the availability of raw material. The arrangement of raw material by the trader, among others, seems to influence the level of dependence. HBWs feel more dependent on their trader because they receive the raw material from their trader.

### 6.3.2.3 Conclusion

HBWs who get the raw material from their trader feel dependent on their trader, by which the provision of raw material seems to influence the HBWs' level of dependence. Though, the HBWs who arrange the raw material themselves also feel dependent, by which other factors also play a role.

As the traders involved in the first type of value chain get the raw material from their contractor, they are in a dependent position. As opposed, the traders involved in the second type of value chain arrange the raw material themselves by which they can operate independently.

### 6.3.3 Knowledge value chain

#### 6.3.3.1 HBWs' knowledge value chain

Does knowledge of the value chain create a less dependent position? Except for one, none of the HBWs knows the final market of their products. This one HBW knows the place where her products are sold because of the short value chain: "The local market, as the consumers come to the tailor" (HBW, Koteshwor). She is the only one who knows exactly how the value chain is structured. This woman argues she does not feel highly dependent as she can do this work herself, but she has limited time because of her domestic responsibilities. The possibility to become self-employed suggests that because she knows the structure of the value chain her dependent feeling decreases.

As all other HBWs do not know how the value chain is structured and which actors are involved, the lack of knowledge of the HBWs does not seem to be influenced by the characteristics of the HBWs or the type of product they make. Some women explicitly mention their trader does not share information on the value chain: "My trader didn't tell me anything about the next steps or about the final market" (HBW, Byasi). This might indicate that traders deliberately withhold information in order to maintain the HBW's dependent position. By knowing more about the actors between the HBWs and the final consumer, the women can try to work without their trader: "My trader doesn't want to tell me more, for example where the product is exported to, because then I will search for that person and arrange it without the trader" (HBW, Byasi). A HBW raises her fear after she has shared all her thoughts on the current course of events: "I am aware of the levels of the value chain [...], I don't know the person above Narayan Dai, but I realize that these are more persons people above Narayan Dai, and also above that person there more persons, and after that person there are other businessmen [...] Are you going to the trader [*Narayan Dai*] and ask the questions on wage and all, because that will be a problem for me" (HBW, Khadipakha).

Other HBWs mention the lack of knowledge of their trader, by which the trader cannot tell the women about the structure of the value chain: "There are many middlepersons and businessmen who invest in this business. They don't allow even the contractor to know about the whole value chain, so that there won't be any direct contact with the business and they [*the trader*] earn the profit" (HBW, Kadhipakha).

Among these HBWs who neither know the final market of their product nor the structure of the value chain, some feel highly dependent on their trader while others do not. This makes it difficult to argue whether less knowledge of the value chain results in a more dependent feeling. In addition to the level of knowledge, there is a bipartite division in the willingness of HBWs to know more about the value chain and the final price of their product. Some of the women do not want to know more, their main priority is to get orders. They argue they do not think of the actors in between and the final market, when they have work they are satisfied: “There is no need to know, if I can just work, that is good. I need the work, and am afraid I will lose my job because of asking” (HBW, Khadipakha). The need to get orders – of the HBWs who do not want to know more – pops up several times during the interview. Their unwillingness to know more could be caused by the fact that they feel they cannot change the current course of events, whether they have the information or not: “I should demand a fair wage [...] If we all demand together, we will all be out of work. We can’t change it, we need the work” (HBW, Khadipakha). The willingness to learn more about the value chain could be influenced by the membership of the collective or gathering. All HBWs of the collective in Koteshwor and the HBWs from Panga want to know more. The gathering might lead to a discussion by the members about the structure of the value chain and the power division between all actors involved. This discussion could trigger the women to think about the steps that are taken after their trader has collected the order. The HBWs from Panga illustrate the influence of the gathering together: “Our knowledge has increased since we started the work. It is caused by [...] groups of women, there we share the knowledge we have. For instance that it is sold abroad”. The membership of the collective in Koteshwor seems to stimulate a HBW to increase her knowledge as well: “I want to learn more, and I do learn more through this collective”.

Although all HBWs who graduated secondary school belong to the group HBWs who want to learn more, the level of education does not seem to play a role. Among all HBWs who want to learn more, HBWs without education as well as graduated HBWs are found. This can be illustrated by a HBW from Khadipakha who did not graduate secondary school. She analyses the structure of the value chain and is eager to know more about the actors involved: “I think it is like this: A trader gives orders to other HBWs to make the rounds of felt. When the HBWs make it, it goes to this trader, and then he gives it to a middle person. This middle person can give it to Narayan Dai. Narayan Dai gives us the work. When we finish the product we give it back to Narayan Dai and he gives it back to the middle person. This middleman is going to sell it to another businessman, who is going to sell it to another person, then it goes abroad. I have no idea where it goes abroad. We know about this by analysing”. The fact this HBW thinks about the structure of the value chain could be clarified by curiosity and a critical attitude, which could be the starting point of awareness.

In short, most women would like to know more about the value chain, but it is difficult to say whether they feel more dependent on their trader because of this lack of knowledge.

### 6.3.3.2 Traders' knowledge on value chain and sharing of information

Two traders of the first type of value chain are not asked whether they share information on the value chain, which means they cannot be included in this analysis.

The knowledge of the four other traders differs per value chain. The two traders of the first type of value chain do not know the entire structure. They know their contractor, but do not precisely which other actors are involved. Their limited knowledge of the value chain increases the level of dependence. When the trader does not know who provides the order to their contractor, they are dependent on their contractor to receive orders. The two traders of the second type of value chain know the entire structure of the value chain they are involved in. They are dependent on the Fair Trade Organization, which links them with shops in the West.

All traders state they share information on the value chain. The motive of sharing the knowledge they have with their HBWs differs per trader.

One trader of the first type of value chain shares this information to protect herself. She is afraid she will lose her HBWs when the HBWs accept orders from other traders: "because then they [*the HBWs*] know everything and are not going to another trader, they know that I can't give more" (Trader, Dhapasi). This shows the trader's feeling of insecurity.

Another trader of the first type of value chain shares information on the actors in the value chain to explain his thoughts of the division of profit. By sharing this information he wants to stimulate the women to take action to improve the HBWs' situation: "I give them the suggestion: it is low paid, we get little earnings, this I tell them. [...] Often I suggest to the HBWs to not do the work for certain time, because then the dealer is compelled to give some more money, but the HBWs also don't listen to me. They are only concerned with the work, not with a fair wage" (Trader, Dhapasi).

The traders involved in the second type of value chain share information on the value chain to make the women aware of their position. Furthermore, they explain the final market of the HBWs' products to raise the importance of the product's quality required. As almost all products are exported to Western countries, the quality of the products made have to meet Western standards: "This product for this buyer [*shop*] is going to UK. That they [*the HBWs*] know they have to produce good quality. Otherwise they ignore their mistakes. Talking during production, therefore bad quality and the new need counselling, as they have to produce good products for the Western consumers" (Trader, Kathmandu).

### 6.3.3.3 Conclusion

None of the HBWs know the entire structure of the value chain they are involved in, while all traders state they share information on the value chain. The HBWs' lack of knowledge of the value chain might lead to a higher level of dependence: as the women do not know the final market of their product they cannot sell their products without their trader – and other actors involved in the value chain. The traders positioned in the first type of value chain do not know the entire structure of their value chain, by which they need their contractor to arrange orders. The traders of the second type of value chain know the entire structure of their value chain and are in contact with the buyer at the international market. Consequently, these traders operate independently.

### 6.3.4 Access to the market

#### 6.3.4.1 HBWs' access to the market

Many of the women mention they feel dependent on their trader, because they cannot access the market themselves. Next to the lack of knowledge, the HBWs do not have the contacts to enter the market. Furthermore, the women neither have enough financial sources nor the managerial skills. Consequently, the women cannot start their own business and operate independently: "It is difficult to start on our own, because we don't know where the market is. We are poor, and we have no idea about the market. It is a problem to sell it somewhere. Nepal is not the market for this product, it goes abroad, so we don't have the linkage. We cannot directly sell it. This is making us lack behind and not bring our own entrepreneurship" (HBW, Khadipakha).

Some HBWs have the idea they can access the market, which results in a less dependent feeling. These HBWs do not need their trader to get orders or sell their products at the market. In case they want, they can operate independently. As explained by a HBW from Koteshwor: "I am dependent [...] but I also go to the market myself, so I'm not too much dependent".

Thus, there seems to be a relation between the HBWs' lack of access to the market and the HBWs' level of dependence.

#### 6.3.4.2 Traders' access to the market

Whether the traders have access to the market depends on the structure of and the position in the value chain they are involved in. The traders involved in the first type of value are not able to access the market. They are dependent on their contractor to get orders. As these traders cannot access the market themselves, these traders cannot operate without their contractor. This position in the first type of value chain results in a relatively high level of dependence.

As opposed to these traders, the traders involved in the second type of value chain deal with the Fair Trade Organization, or similar organizations, at the international market. In this way, these traders have direct access to the market. This results in a relatively low level of dependence.

#### 6.3.4.3 Conclusion

There seems to be a relation between having access to the market and the HBWs' level of dependence. As the majority of HBWs cannot access the market, they feel dependent on their trader. The few HBWs who have the feeling they can go to the market themselves feel less dependent.

The traders positioned in the first type of value chain, they have a relatively high level of dependence regarding their access to the market. As opposed, the traders involved in the second type of value chain deal with buyers at the international market. These traders have a low level of dependence regarding their access to the market.

### 6.3.5 Financial situation

#### 6.3.5.1 HBWs' financial situation

Whether HBWs have their home-based work activities as their main source of the household income seems of no influence to the relationship between the HBWs and the trader. One of the two HBWs of whom their home-based work activities are the main source of the household income feels highly dependent on their trader, the other, on the contrary, states the following: "I am dependent [...] but I can also go to the market myself, so I'm not too much dependent" (HBW, Koteshwor). While this HBW needs the earnings of her home-based work to complete the household income, she does not feel highly dependent because of the possibility to sell the products herself.

To confirm this lack of relation, many of the HBWs supplementing the household income with their home-based work activities feel highly dependent on their trader: "I am very dependent on Ramesh, he gives me the work" (HBW, Panga).

Although almost all HBWs supplement the household income, they repeatedly mention the importance of getting orders to earn money.

#### 6.3.5.2 Traders' financial situation

There are great differences in the financial situation of the traders and the motives of the trader. Firstly, a division is made between the traders involved in the first and second type of value chain. Secondly, within each value chain the financial situation of the traders also differs.

Firstly, the earnings of three of the traders involved in the first type of value chain are the main source of their household income. Two of them seem to struggle to meet their priority needs, as illustrated by the following citation: "20 HBWs pay for my transportation costs, because they understand my difficulties" (Trader, Hetauda). While the same trader argues the following as well: "if they are in need of money, I give them money in advance and sell it later". Thus, on the one hand, these traders face difficulties in matching their costs and benefits. On the other hand, the traders are financially capable to pay the women in advance. This indicates at a financially instable situation of both trader and HBW.

Next to these three traders, the earnings of the fourth trader involved in the first type of value chain supplement his household income: "I am retired from Nepal army, I have a pension. I do this next to the pension. My wife is in Korea, she sends money for the household. I do this work just for spending my spare time. As I am retired, I have time to do this work" (Trader, Dhapasi). The lack of pressure to contribute the greatest share of the household income seems to influence the relationship between the trader and his HBWs. Although the trader is more powerful than the HBWs because of his position in the value chain, there are differences between the first three traders and this fourth trader. While the first three traders emphasize the difference in power, the last trader acts as if he has the same level of power as his HBWs: "I regularly and many times bargain with the dealer, explain it is not sufficient money for me and my colleagues (HBWs)". He views himself both as a helper and a trader. Furthermore, as shown by the citation this trader tries the best for the well-being of the HBWs. He thinks of ways to increase the price HBWs receive per piece: "Often I suggest the HBWs to not do the work for

certain time, because then the dealer is compelled to give some more money”. This in contrast to the first three traders, who aim at making a profit themselves: “I also need money and therefore give the women work” (Trader, Dhapasi).

The earnings of the two traders involved in the second type of value chain are the main source of the household income. Though, this does not influence the relationship with their HBWs. Due to the financial stable organizations these two traders are part of, they have many opportunities. With adequate money in stock, the organizations can operate independently. Though, when the organizations receive money from the Fair Trade Organization, the organization the traders are part of have to stick to the rules created. In that case, traders cannot operate completely independently.

### **6.3.5.3 Conclusion**

Whether the earnings of HBWs form the main source of the household income or are supplementary does not seem to influence the HBWs’ level of dependence.

The traders’ financial situation and resulting motives does influence the relationship between the HBWs and their trader. Traders who are financially independent seem to have a higher sense of responsibility than traders who are financially dependent. Furthermore, the financial situation of the traders involved in the second type of value chain distinguishes them of the other traders. The organizations these traders are part of are financially stable. This leads to a relatively high level of opportunities.

## **6.4 Traders’ sense of responsibility**

### **6.4.1 HBWs’ experiences**

Half of the HBWs argue their trader does not have a sense of responsibility to provide them work. These women live at different locations, undertake different types of home-based work and differ in level of education, indicating that the characteristics of the HBWs do not seem to influence the sense of responsibility of the trader. Many of the HBWs mention their trader’s “intention is just to earn” (HBW, Koteswor). In order to earn money, the traders need orders to be finalized. According to the women, their trader does not mind who finalizes the orders: “She doesn’t feel responsible. If I don’t want to do the order, there are lots of other HBWs/women to do that order” (HBW, Byasi).

The HBWs who experience a sense of responsibility of their trader to provide them work argue their trader strives to give them orders regularly. The duration of the relationship might influence the trader’s sense of responsibility: “I already work for four years with this trader. I work hard and he knows that: we have a strong relationship” (HBW, Khadipakha). A strong bond between trader and HBW might lead to a higher level of responsibility of the trader. As the length of the relationship between HBWs and traders is not always defined, the influence of this factor cannot be analysed any further.

What level does the sense of the traders’ responsibility reach; does the trader also feel responsible to improve the women’s working conditions? The majority of the HBWs argues their trader does not have a sense of responsibility to improve their working conditions. The HBWs



state that when traders provide them work, the traders themselves benefit as well. As opposed, improvements in the HBWs' working conditions do not result in benefits for the traders. HBWs think that could be the reason why traders do not have a sense of responsibility to improve their working conditions.

Four HBWs do experience their trader has a sense of responsibility to improve their working conditions. This seems to depend on the distance between the HBWs' living place and that of the trader. The closer they live to each other, the higher the level of responsibility to improve the women's working conditions: "She [*the trader*] is giving me money to invest in housing and work place conditions. [...] she is concerned, as we live in the same place" (HBW, Byasi). In addition to the distance, the conditions of the trader himself seem to influence the sense of the trader's responsibility. When the trader recognizes difficulties HBWs face, he might be more concerned than when this is not the case: "My trader lives in the same conditions. He is concerned, but he can't do more because of his own situation. [...] He does suggest me to work safely" (HBW, Khadipakha). It could be that traders who are in complete other conditions do not bother about the conditions of the women as the traders do not exactly know or do not want to know what the consequences are.

#### **6.4.2 Traders' vision on their status with respect to the HBWs**

The four traders involved in the first type of value chain and the two traders involved in the second type of value chain have a different vision on their status with respect to the HBWs. All traders of the first type of value chain state they are the middleman and not the employer of the HBWs. As opposed, the traders of the second type of value chain call themselves the employer of the HBWs. This different vision results in a different level of responsibility. While all traders state they feel responsible to provide the HBWs work, not all traders have a sense of responsibility to improve the HBWs' working conditions.

#### **6.4.3 Traders' sense of responsibility to provide the HBWs work**

All traders state they have a sense of responsibility to provide the HBWs work. Though, it seems two traders do not mention their true thoughts concerning their sense of responsibility.

These two traders are involved in the first value chain. They state they have a sense of responsibility to provide the HBWs work, but their answers and attitude during the interview indicate the opposite. This is illustrated by a trader from Hetauda. While this trader argued "I do [*have a sense of responsibility to provide the HBWs work*]. I have the responsibility to solve their [*the HBWs*'] problems", one of her HBWs reported: "Gauri does not come regularly, as she is now working as fortune teller" (HBW, Hetauda). This contradicts the trader's answer regarding her sense of responsibility as the trader only cares about her own revenues. In addition, the trader did not take the interview seriously and it seemed she pretended she did not understand several questions.

As opposed, the answers of the four other traders seem to reflect their true sense of responsibility to provide the HBWs work. The traders' situation leads to different thoughts concerning the traders' possibility to take their responsibility.

Two traders of the first value chain show their compassion, but mention they cannot take this responsibility. One trader argues she has a sense of responsibility to provide the women work as

she wants to help them. It is her own financial situation which restrains her from supporting the HBWs: “I don’t have that much money either, so I can’t improve their conditions” (Trader, Hetauda). The other trader, who seemed to be truly concerned about the HBWs’ situation, mentions he is constrained by his dependent position. As a consequence of his dependent position he is not able to provide the HBWs regular orders: “I feel it is my duty to provide the HBWs regular work, but it is not related to me, but with the dealer, that’s why I am not able to provide the HBWs regular work” (Trader, Dhapasi).

It seems the two traders involved in the second type of value chain feel truly responsible and feel able to take the responsibility as they are not in a highly dependent position. By providing the HBWs work the traders strive to alleviate poverty and improve “the HBWs’ social and economic empowerment”. Furthermore, the traders state the contacts with buyers at the international market enable them to secure the provision of work and take their responsibility. Thus, it seems the first two traders of the first type of value chain do not have a sense of responsibility. The other two traders of the first type of value chain seem to feel responsible, but state they have limited possibilities because of their financial instability and high level of dependence. The two traders of the second type of value chain have a sense of responsibility to provide the women work and state they have the possibility to take this responsibility.

#### **6.4.4 Traders’ sense of responsibility to improve the HBWs’ working conditions**

Concerning the traders’ sense of responsibility and the traders’ possibility to improve the HBWs’ working conditions the group of traders can be divided into three categories. The first category of traders does not feel responsible to improve the HBWs’ working conditions. The second category of traders has a sense of responsibility to improve the HBWs’ working conditions, but is unable to make great improvements in the women’s conditions. Traders of the third category have both a sense of responsibility and the possibility to improve the HBWs’ working conditions. The three traders of the first category do not feel responsible to improve the HBWs’ conditions either because they have their own concerns or because they do not care. One trader mentioned she faces many difficulties herself, by which she feels unable to look after the HBWs’ conditions and cannot take that responsibility. The two other traders are simply not concerned, they provide the HBWs work to earn money themselves and it seems they do not care in what conditions the HBWs carry out their activities.

The trader of the second category does feel responsible. He thinks of the best ways within his abilities to improve the HBWs’ situation: “I feel that if I am able to increase the rate, to give some support, maybe they are happy, and then I am satisfied” (Trader, Dhapasi).

As opposed to this trader, the traders of the third category state they are able to improve the HBWs’ working conditions. The financial situation of the organizations these traders are part of enables them to offer several facilities and programmes to improve a wide range of the HBWs’ livelihood assets. Much attention is paid to the education of the HBWs’ themselves and their children: “We encourage them to send their children to school. [...] Some children want to go to a private school, the women don’t have the money for that, only for government school, then we pay the fee of the private school (not only 20/25 per cent, but everything). We don’t discriminate, if the children want to, then we will pay all” (Trader, Kathmandu). By starting at

the root causes, these organizations want to improve the current conditions of the women and they want to safeguard the HBWs' and the HBWs' children's conditions in the future.

#### **6.4.5 Conclusion**

Half of the HBWs experiences a sense of responsibility of their trader to provide them work. This sense of responsibility seems to depend solely on the trader, as there are no relations between the characteristics of the women and the level of responsibility. Only four HBWs experience their trader has a sense of responsibility to improve their working conditions. This could be related to the distance between the HBWs' and trader's living place and the conditions of the trader himself.

There is a difference in view of the traders on their status. While the traders of the first type of value chain call themselves middleman, the traders of the second type of value chain see themselves as the HBWs' employer. As opposed to the HBWs, all traders state they feel responsible to provide the women work. Though, the answers given indicate not always a true sense of responsibility. Concerning the traders' sense of responsibility to improve the HBWs' working conditions, four do not feel responsible. One trader does feel responsible but mentions his limited abilities. According to the two traders of the second type of value chain, they have a sense of responsibility and are able to take the responsibility.

### **7. Concluding remarks**

The relationship between the HBWs and their trader is defined by the type of value chain they are involved in, the (non)-existence of a contract, the level of dependence of both the HBWs and the trader, and the trader's level of responsibility.

Firstly, the type of value chain HBWs and their trader are involved in defines the possibilities of the trader. Involved in the first type of value chain, these traders are in a dependent, relatively powerless position. The traders' financial abilities are determined by their own financial situation. The traders involved in the second type of value chain are in a more or less independent, relatively powerful position. Their access to the market and their organization's financial stability lead to a relatively high level of flexibility.

Secondly, working on a contract basis or not defines the level of insecurity of the HBWs. The HBWs who have a supplier contract are secured of having work and earning money, while the HBWs who do not have a contract have a relatively high level of insecurity.

Thirdly, HBWs have a relatively high level of dependence is determined by either one or several of these issues: the impossibility to switch trader, the provision of raw material by the trader, the lack of knowledge on the value chain and/or the impossibility to access the market. Whether HBWs' earnings are the main source of the household income or are supplementary does not seem to influence the level of dependence.

In addition, traders of the first type of value chain are in a dependent position themselves when they cannot switch contractor, receive the raw material of their contractor and/or have limited knowledge of the value chain. Traders in the second type of value chain are relatively independent as they arrange the raw material themselves, know the entire value chain and have market access.

Fourthly, the traders' level of responsibility defines the relationship. The traders of the first type of value chain view themselves as middleman while the traders of the second type of value chain call themselves the HBWs' employer. The traders' viewpoint is reflected in their level of responsibility. Traders of the first type of value chain feel responsible to provide the women work, but only one has a sense of responsibility to improve the HBWs' working conditions. As opposed, all traders of the second type of value chain feel both responsible to provide the women work and improve their working conditions.

Although the differences in relationship between HBWs and their trader, the indicators defining the HBWs' employment relationship are more or less the same for all HBWs. As all HBWs are paid on a piece-rate basis (per order finalized) and the majority receives the raw material, the HBWs' labour is indirectly appropriated. Secondly, all HBWs have a relatively high level of autonomy and flexibility of working regimes and conditions as they are able to determine their own working environment and working times. As opposed to these two indicators, the third indicator differs between the HBWs who have a contract and those who lack a contract. The former have a high level of stability and security of work opportunities, while the latter are relatively insecure. Altogether, the HBWs can be called dependent workers.

Thus, HBWs can be called dependent workers with differences in the factors defining the relationship with their trader.

## **What is the status of the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal and how is this influenced by the relationship with their trader?**

The status of the female HBWs' working conditions is defined by analysing the following six rights or securities: labour market security, employment security, work security, skill reproduction security, income security and representation security. Besides the status, the factors influencing the HBWs' security are discussed – in particular the role of the relationship between the HBWs and their trader.

### **7.1 Labour market security**

Labour market security comprises the availability of adequate employment opportunities. In case they have to quit their current economic activities, it is essential for workers to have several options enabling them to meet their priority needs. The status of HBWs' labour market security could be influenced by external processes. External processes are driven by parties out of the sphere of influence of HBWs. For example, when consumers decide to boycott cotton T-shirts enterprises offering cotton T-shirts will adapt their strategies. This will lead to a decline in demand of the labour force involved in the production process of cotton T-shirts. The labour market security of HBWs who sew the shirts probably deteriorates. As it is a research in itself to investigate the external processes influencing the HBWs' security at the labour market this is left out of consideration. In this study, the influence of HBWs themselves is defined. A distinction is made between the HBWs who illustrate their opportunities at the labour market and those HBWs who do not know their opportunities.

#### **7.1.1 Employment opportunities**

Firstly, the characteristics of the HBWs who know whether they have adequate employment opportunities are analysed. Gender roles might influence the labour market security of the women. In the traditional assignment of duties women have to clean the house, prepare food, wash cloths, buy household goods and care for the children and elderly people. Their domestic responsibilities restrain them from searching work outside their residence. Next to this, their domestic responsibilities take a lot of time, by which women have limited time to find other work: "I also don't have the time to search for other options. This work is easy, I can look after my children, clean the house and look after the household. I can combine it with my work and can earn money" (HBW, Khadipakha). As all HBWs interviewed are women who have these domestic responsibilities, the degree of influence of gender roles on the labour market security cannot be analysed.

Caste does not seem to play a role, women belonging to the Brahmin, Chhetri and Newar castes (three of the highest castes) do not have more employment opportunities than the Janajati (one of the lowest castes). This suggests that HBWs of a higher caste do not have or cannot use connections within their social network to improve their position at the labour market, by which they cannot create more employment opportunities.

The level of education does influence their position at the labour market. As HBWs are relatively low educated the women lack employment opportunities: “There are enough employment opportunities, but I am not educated. So I don’t have the possibilities to have another job. Without education you can’t find another job” (HBW, Byasi). The small differences in level of education do not seem to influence the HBWs’ employment opportunities. The somewhat higher educated HBWs do not have more employment opportunities than the HBWs without education or those who only graduated primary school. This is illustrated by a HBW who graduated secondary school: “I only have S.L.C. [*secondary school*], that is not so good. So now I don’t have other [*employment*] options” (HBW, Byasi).

Besides the level of education, many of the women are not skilled enough to undertake complicated, high-skilled activities. There seems to be a relation between the HBWs’ level of skills and their employment opportunities. HBWs’ low level of skills leads to a worse position at the labour market. A HBW from Panga raises this problem: “No, I don’t have any [*opportunities*], as I don’t have much skills besides this. Only in the farm/field. We want to learn more skills, easier work, as we are growing older, we don’t have the energy for this difficult work”. The small differences in level of skills do not seem to influence HBWs’ employment opportunities. Both the relatively higher skilled Dhaka weavers and the relatively low skilled HBWs who make incense rolls mention their lack of employment opportunities.

Although the abovementioned HBW from Panga states her age leads to fewer opportunities, there seems no relation between age and employment opportunities.

Secondly, six HBWs do not know whether they have adequate employment opportunities as they explicitly reported they did not search for other work. The HBWs’ level of satisfaction seems to influence the HBWs’ reserve to search for other work. Four of the six HBWs are member of the collective in Koteshwor. The gathering seems to satisfy the HBWs to such a degree that they do not feel the need to search for other work. Besides the gathering, both the security of getting orders and the time of payment could affect the two earning members’ level of satisfaction and the reserve to search for other work. Another HBW does not search for other work as she has enough work. The security of work seems to lead to satisfaction, by which the HBW does not want to search for other work.

### **7.1.2 Conclusion**

Female HBWs have a relatively low level of labour market security. Gender roles, the HBWs’ low level of education and the women’s low level of skills might result in an inadequate number of employment opportunities. Besides these characteristics, macro-economic policies could play a role in the HBWs’ labour market insecurity. A relatively high level of satisfaction could reserve HBWs’ to search other work.

## **7.2 Employment security**

Employment security comprises the HBWs’ employment stability compatible with economic dynamism, protection against arbitrary dismissal and regulations on hiring and firing. As HBWs are not officially employed, the security of protection against arbitrary dismissal and regulations on hiring and firing cannot be applied on the case of HBWs. Though, by investigating whether

HBWs are secured of getting orders the HBWs' employment stability can be examined. In addition, it is analysed which factors influence the security or insecurity of getting orders.

### 7.2.1 Secured of orders

Half of the HBWs are secured of orders, while the other twelve women do not get orders regularly.

Among the twelve HBWs who are secured of getting orders four HBWs have a supplier contract. By offering the HBWs a contract, the traders secure the women of a certain number of orders each month. These HBWs' traders are able to offer them a supplier contract as the traders themselves are secured of getting orders. International organizations, such as the Fair Trade Organization, provide orders on a regularly basis. In this way, there is a clear relation between the HBWs' employment security and working on a contract basis.

Next to these, eight HBWs are also secured of getting orders, while twelve do not get orders regularly. None of these HBWs have a supplier contract. Consequently, there are other factors which influence the HBWs' employment security or insecurity. It seems the following factors play a role: the type of products, the availability of raw material, the location, membership of a collective, the position of their trader and the trader's level of responsibility.

Among the group of HBWs who are secured of getting orders all women who make products of felt are included. In contrast, all HBWs who make incense rolls are not secured of getting orders. This difference in type of product and security of getting orders could be related to the demand. When the demand of products of felt stays the same throughout the year, the HBWs might be secured of getting orders regularly. While incense rolls could be used during religious ceremonies, resulting in a higher demand in the months with many ceremonies. The availability of raw material could also affect the security of getting orders. When there is scarcity of raw material the trader cannot provide orders or – in case the HBWs buy the raw material themselves – the HBWs cannot start the production.

Closely related to the type of product is the HBWs' location. Almost all HBWs at the same location make the same type of products. In this way, location instead of – or next to – type of product could influence the HBWs security of getting orders. The HBWs from Hetauda mention the few traders coming to their place. This seems to result in the insecurity of having work. At other locations HBWs mention they are able to find other traders, by which they have the security they will at least find one trader who can provide them work.

Next to these factors, membership of a collective might influence the HBWs' employment security. The two earning members of the collective in Koteswor are secured of getting orders. When the collective gets new orders, these two members are the first ones who start with an order. The more orders, the more secured of work the other five members are. Thus, in case of the neediest members, there seems to be a positive relation between membership of the collective and the security of getting orders. In case of the other members, the membership of the collective negatively influences their employment security.

The position of the trader seems to play a role as well. All the traders of HBWs involved in the first type of value chain are dependent on their contractor to get orders. The relatively high number of traders enables contractors to switch to another trader. In this way, the trader is not

secured of getting orders regularly. The traders' employment insecurity could result in the HBWs' employment insecurity. This is explained by a HBW from Byasi: "If my contractor won't get orders, I also can't get orders".

The difference in employment security could be influenced by the trader's sense of responsibility to provide the women work. All women who are secured of getting orders experience their trader feels responsible for this. While in case of the HBWs who do not receive orders on a regular basis not all HBWs experience their trader has a sense of responsibility. The traders who argue that it is their responsibility might do more for the women to provide them orders than the traders who do not have this sense of responsibility. The latter could be reserved to search for other ways to get orders when they themselves have enough money at that moment.

According to the traders involved in the first type of value chain it is not the lack of responsibility, but their dependent position and lack of access to the market. As they are dependent on their contractor and cannot access the market they cannot arrange orders themselves. In this way, traders can *have* a sense of responsibility but cannot *take* the responsibility.

### 7.2.2 Conclusion

Half of the HBWs' has a relatively high level of employment security, while half of the women has a relatively low level of employment security. Having a contract leads to a high level of employment security. The traders are able to offer this contract as they are more or less secured of a constant demand. In addition, the type of product could influence the HBWs' security of getting orders. This might be the result of fluctuations in demand, the scarcity in raw material or the location the HBWs live. The HBWs' impossibility to switch trader – as there are only few traders at that location – could lead to a low level of employment security. Furthermore, membership of a collective might play a role. The structure of the collective seems to define each member's security of work. The two earnings members have a high level of employment security, while the other members are less secured of getting orders on a regular basis. The dependent position of the trader, involved in the first type of value chain, seems to negatively influence the HBWs' security of orders. Though, the traders' level of responsibility seems to play a role. Those traders who have a high sense of responsibility might try harder to provide the HBWs orders than the traders who feel less responsible.

### 7.3 Work security

Work security secures workers of a safe work place and good working times. Health and protection regulations should secure workers they work in a safe working environment. Limits on working time are needed to protect workers from working far too many hours a week. Both the HBWs and traders are not asked whether there are regulations on work place safety and working time. Consequently, the status of the female HBWs' work security is defined by observations of the women's work place, the HBWs' experiences of health hazards associated with their home-based work and an analysis of the HBWs' level of satisfaction concerning their working conditions.



### 7.3.1 Work place conditions and health hazards associated with work

As at least half of the HBWs does not have more than two rooms, the women's work place is often also used as living room. In some cases HBWs carry out their home-based work activities in the same room where they sleep, prepare food and where the children do their homework. The average size of this room is 19 square feet. As a consequence of the little number of rooms, the majority of HBWs does not have enough space to preserve raw material and finished products properly: 63 per cent of the women complains they lack adequate storage place.

Besides the small size and the use for several purposes, the condition of the HBWs' work place is poor. The condition is reviewed by classifying the status of the ventilation, lighting, cleanness and safety in case of fire into three categories: excellent, moderate and poor. In general, the HBWs' work place does not have many windows, which results in more than half of the HBWs having a moderate level of ventilation. 26 per cent has poor ventilation facilities and in only one out of five cases the ventilation is reviewed as excellent. Furthermore, the majority of the respondents has moderate or poor lighting (78 per cent of the cases). These work places have little light from outside, as a result of the few and small windows. Concerning the cleanness, the average work place of the HBWs is far from clean: only 17 per cent of the women has a very clean work place. Having a lot of stuff the work place is messy and the rooms are relatively dusty. When reviewing the safety status in case of fire, the HBWs' work place is not adequately facilitated. 96 per cent of the women has a moderate or poor work place concerning safety, which means it takes relatively much time and it is hard to reach the door to go outside.

The poor condition of the HBWs' working place and the work itself negatively affect the women's health and safety situation. Almost all HBWs experience health hazards associated with their work. Many women report problems as back pain, eye soar, headache and respiratory. Subsequently pain at legs, knees, hands and fingers and swellings are often occurring hazards. Next to the HBWs themselves, in 17 per cent of the cases their family members also experience health hazards as a consequence of the activities carried out by the women.

Though, despite all these health hazards, the majority of the HBWs does not take protection measures. In the few cases respondents do take measures, they protect themselves by wearing a Patuka (a belt to strengthen ones back when carrying heavy load), mask, apron or protection glasses.

*As the information from the survey is used to describe the HBWs' work place, relations between the HBWs' characteristics and the condition of their work place and the health hazards cannot be analysed.*

### 7.3.2 HBWs' level of satisfaction

Thirteen women are not satisfied with their work place conditions and their working times. Of all HBWs who state they are satisfied, six are truly satisfied about their work place and working times. The other five HBWs are not truly satisfied but state they have to be satisfied. Concerning the factors influencing the HBWs' level of satisfaction, caste does not seem to play a role; some HBWs belonging to a high caste are dissatisfied, while other HBWs of the same caste are

satisfied. In addition, a relation between level of education and level of satisfaction is not visible: some HBWs who are satisfied are not educated, while other satisfied HBWs are higher educated. Though, the HBWs' location, membership of a collective, gender roles, the need to have work and the trader's sense of responsibility seem to influence the HBWs' level of satisfaction.

Location might influence the HBWs' level of satisfaction concerning the working conditions. All of the HBWs who are dissatisfied about their work place live at Dhapasi or Hetauda. They mention the shortage of space: "I live in one room and I also work there, which is difficult" (HBW, Dhapasi). As opposed to these HBWs, all six HBWs from Koteshwor – whether member of the collective or not – are satisfied about their work place. The conditions of the HBWs' work places at the different locations could lead to the different level of satisfaction. Though, there could also be a relation between the HBWs' location, the HBWs' social capital and the HBWs' level of satisfaction. The dissatisfaction of the HBWs at Dhapasi and Hetauda can be developed or strengthened by the contact with other HBWs. When one HBW complains about the size of her work place, another HBWs might think of her own work place and concludes it is also way too small. In this way, interaction and discussions with other HBWs could lead to a more critical attitude. HBWs in Koteshwor might influence each other in a positive manner. They encourage other women to moderate their bad work place conditions. This could result in a high level of satisfaction among the HBWs in Koteshwor.

Membership of a collective could also influence the HBWs' level of satisfaction concerning their work place and working times. All members of the collective in Koteshwor are enthusiastic about working together at the same place: "Times are okay and it's good to work in a group [...] I have a good time here [*in the collective*]" (HBW, Koteshwor). As the collective is run by the members themselves, the members have a feeling of ownership which might stimulates them to create a pleasant working environment. The role of social capital can be mentioned again: members can influence each other to be less critical regarding their current working conditions. The HBWs who are dissatisfied about the working times mention they lack time because they have to combine their home-based work activities with their domestic responsibilities. As explained by a HBW from Byasi: "I am not satisfied about my working time, because I can only work in daytime. But I also have to do all my other activities in daytime, like going to the market, cleaning the house and cooking". Gender roles reflected in the traditional assignment of duties lead to a high number of responsibilities of the HBWs. The combination of these domestic responsibilities and their home-based work leads to long working days. This could lead to a high level of dissatisfaction concerning their working times. In this way, there seems to be a relation between gender roles and the HBWs' level of satisfaction regarding working times.

Regarding the HBWs who state they are compelled to be satisfied some mention the need to work: "I find it too much, but I have to. I can't complain. I have to finish my work in time and need the money. In the morning I cook and 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. Have dinner and after that I work again, till twelve in the evening" (HBW, Khadipakha). These HBWs need the earnings of their home-based work that much, that they cannot complain about their working conditions. Unfortunately this cannot be analysed any further as the indicators (level of

income, level of expenditures) of these individual HBWs are not available. Moreover, level of satisfaction is very personal. HBWs who are optimistic might emphasize the good aspects of their working conditions. While the more pessimistic and critical HBWs could concentrate on the bad features.

Other HBWs who have to be satisfied mention the sense of responsibility of their trader. There could be a relation between the traders' sense of responsibility and the HBWs' level of satisfaction. The number of women who feel they have to be satisfied and receive orders from traders who have a sense of responsibility to improve the HBWs' working conditions is higher than the number of satisfied HBWs who receive orders from a trader who does not feel responsible. When a trader shows compassion, the HBWs might feel ashamed to be dissatisfied. The HBWs from Khadipakha report their trader feels responsible to improve their working conditions and they state they have to be satisfied with their working conditions. The four HBWs involved in the second type of value chain state they have to be satisfied and their trader feels responsible to improve the HBWs' working conditions. Furthermore, eleven out of thirteen HBWs who are not satisfied with their working conditions mention the lack of responsibility of the trader to improve the HBWs' working conditions. According to the traders involved in the first type of value chain they either do not feel responsible or they are not able to improve the HBWs' working conditions.

### **7.3.3 Conclusion**

The HBWs' poor work place conditions and long working times result in the female HBWs' work insecurity. Almost all HBWs experience health hazards associated with their home-based work. Relations between the HBWs' characteristics and the relationship with their trader cannot be made due to the limited data available.

Concerning the HBWs' level of satisfaction, the HBWs' location seems to play a role in the HBWs' level of satisfaction. At a certain location, the HBWs' social capital could negatively or positively influence the HBWs' level of satisfaction. In addition, membership of a collective seems to lead to a high level of satisfaction. Gender roles seem to lead to a feeling of dissatisfaction about the working times. Finally, a high need to have work or traders having a high sense of responsibility could lead to the feeling HBWs have to be satisfied.

## **7.4 Skill reproduction security**

This security comprises opportunities for HBWs to improve their skills. By improving their skills, HBWs can enhance their competences and capabilities to undertake more complicated economic activities. In this way, HBWs can increase the level of earnings as the more complicated economic activities are higher value adding – and higher profitable – activities. By analysing whether the HBWs have had skill training to become more capable the status of the HBWs' skill reproduction security is mapped. Furthermore, the influence of skill training on the HBWs' labour market security and the willingness of HBWs to learn more skills is analysed.

### **7.4.1 Skill training**

Half of the group HBWs did have skill training, while half of the women did not have training to learn more skills and improve their competences. There seems to be a relation between getting

skill training and the HBWs' type of trader. Furthermore, social capital and membership of a collective seem to play a role in the HBWs' skill reproduction.

Among the HBWs who have had skill training, four HBWs from Panga are the only HBWs who had skill training from their trader. These HBWs are involved in the second type of value chain. The traders involved in the second type of value chain confirm they provide their HBWs skill training. For example, one trader enables HBWs can get training provided by the Fair Trade Group. The traders' organization links the HBWs with the right person and pays the HBWs' fee. In these trainings HBWs improve their skills regarding the production and the marketing of their products. In this way, the HBWs are secured they maintain their current skills and learn new skills. Though, in contrast to the answer of the traders, the HBWs from Panga only mentioned skill training regarding production techniques.

All HBWs involved in the first type of value chain did not get skill training from their trader. The traders' motive to not offer skill training might be they do not receive money to invest in the skills of the HBWs. When the HBWs are higher skilled this is predominantly beneficial for the HBWs themselves as the women can upgrade the speed of production and learn other designs. Though, also without this higher level of skills the HBWs can perfectly finalize the current orders. This analysis is confirmed by the traders involved in the first type of value chain. They state they do not invest in skill improvement because the women are able to make the products: "It is not needed to have skills" (Trader, Dhapasi).

The differences in intentions and goals of traders in the first or second type of value chain are visible. Traders in the second type of value chain invest in the HBWs' skills as they aim to improve their competences and highly value the HBWs' personal development. As opposed, traders in the first type of value chain – whether feeling responsible for the HBWs or not – want their HBWs to finalize the orders and do not think of the women's personal development.

When analysing who have improved the level of skills of the other HBWs who had skill training, the HBWs' social capital seems to play an important role. Some women mention they have had skill training from their friends: "I get training from friends and other HBWs. From them I learnt more skills" (HBW, Khadipkaha) and another HBW mentions their relatives as teacher: "I learnt it from my mum" (HBW, Byasi). The role of the collective in improving the HBWs' level of skills seems to be important as well. A member of the collective in Koteshwor mentioned: "I learnt my skills from the president of the collective, Renu Dhakal" (HBW, Koteshwor). Like this HBW, two other members report about skill training offered by other members of the collective. The compassion of the members who teach other members of the collective could lead to teaching the skills.

The different type of persons who have trained the HBWs leads to different types of skills learnt. HBWs who had skill training of their traders also improved their marketing skills – according to the traders –, while the training of people within the HBWs' social network comprised relatively uncomplicated skills and easy techniques. This leads to differences in the HBWs' level of skills and could influence the HBWs' opportunities.

#### 7.4.2 Influence on labour market security

To analyse whether having skill training influences the HBWs' labour market security, the differences in employment opportunities between the HBWs without skill training and the women who had skill training are investigated. While all HBWs without skill training mention they lack employment opportunities, a few of the HBWs who have had skill training state they have adequate employment opportunities. Though, six HBWs state they lack employment opportunities because of their low level of skills, while they have had skill training. Among them are the four HBWs from Panga. The skill training provided by their trader did not result in adequate employment opportunities.

In this way there seems no relation between skill training and the HBWs' labour market security.

#### 7.4.3 Willingness to learn more skills

The majority of the HBWs would like to learn more skills, only five HBWs state they do not want to improve their skills.

There seems no relation between the level of education and the willingness to learn more skills. Two out of the five HBWs who do not want to learn more skills graduated secondary school. While two others with the same level of education do want to become more skilled. As both the HBWs who do want and the HBWs who do not want to learn more skills carry out the same type of work, it seems the type of work does not influence the willingness to become more skilled. What could trigger the HBWs to learn more skills is their financial situation. Many women mention the possibility to earn more money when they are more skilled. When HBWs could learn how to stitch clothes and start stitching their own cloths this might result in a decrease of the level of expenses.

Within the group of HBWs who want to learn more, there could be a relation between the HBWs' level of education and the goals of the women. Only the HBWs who graduated secondary school want to "learn more on accountancy and management" (HBW, Koteswor), while the other HBWs mention they would like to learn to knit for example.

#### 7.4.4 Conclusion

Half of the group HBWs had the possibility to improve their skills, while half of the women did not have skill training. The difference between traders in the first and second type of value chain defines, among others, the difference in the HBWs' skill reproduction. Traders of the second type of value chain invest in the HBWs' skills, while the first type of traders does not see the benefit of skill improvement. In addition, the HBWs' social capital and membership of a collective seem to lead to a higher level of the women's skill reproduction security.

HBW's labour market security does not seem to be influenced by a higher skill reproduction security.

The majority would like to learn more skills, which could be influenced by their instable financial situation. The level of education could relate to the *type* of skills the women want to learn. The higher educated the women, the more eager to learn management skills. This could lead to a lower level of dependence and the possibility to operate independently.

## 7.5 Income security

The income security ensures the women of getting an adequate income. They need sufficient money to meet their expenditures. As it is hardly possible to review whether HBWs' earnings are adequate – without knowing the current price level and expenditures needed to survive – the HBWs' income security is defined by analysing the arrangement of HBWs' remuneration, what is done in case of illness of the HBWs and the offering of old age benefit.

### 7.5.1 Arrangement of remuneration

Without a contract, the majority of the HBWs and their trader do not have written agreements concerning the level of remuneration and time of payment. This could lead to a high insecurity of the amount of earnings and if the women get paid in time. Regarding the moment of payment, the women can be divided into three groups: the first group gets paid once a month, the second group receives their remuneration when they have finalized their order and the third group receives their earnings when the order is sold to the contractor. Membership of a collective and the relationship between the HBWs and their trader seem to influence the time of payment.

The first group of HBWs includes the HBWs from Panga, Khadipakha and Koteshwor. As the four HBWs from Panga have a supplier contract, they are secured they get their payment every second week of the month. In addition to the time of payment, they are also secured of the level of their earnings. The number of products HBWs has finalized and the price per piece agreed on in the contract lead to a clear level of remuneration. These traders – involved in the second type of value chain – are able to pay the women in time as the organization seems to be highly secured of their revenues. Next to the four HBWs from Panga, the HBWs from Khadipakha belong to this group. The HBWs from Khadipakha have a strong relationship with their trader. They feel their trader is concerned about their working conditions and experience he feels responsible for improving the HBWs' conditions. It could be that despite the trader's high level of dependence on his contractor to get paid, having a high sense of responsibility the trader tries his best to pay the women in time. As this trader is not interviewed the suggestion cannot be checked with his answers. Finally, the two earning members of the collective in Koteshwor receive their earnings on a monthly basis. It seems the structure of the collective enables the payment in time. The collective is dependent on their trader for its earnings, though by the investment done by five members, the two earning members can be paid in time. In this way, five members do not have the security of getting paid in time and face the consequences of the deal with the trader. The five members feel highly responsible for the conditions of the two earning members. Thus, like the HBWs from Khadipakha a relation can be seen between the sense of responsibility of the one who arranges the HBWs' remuneration and the time of payment of the women.

Although the second group does not receive their earnings on a monthly basis, they receive their earnings after they have finalized the order. These women from Koteshwor experience their trader feels responsible. When they are late and share their problems with their trader, their trader is considerate. In this way, there seems to be a relation between the level of responsibility of the trader and the arrangement of remuneration.

All HBWs of the third group receive their earnings after the trader has sold their products to their contractor. Within this group four HBWs from Hetauda and two from Byasi get paid in time, while one woman from Byasi and four from Dhapasi receive their earnings not in time: “Sometimes once a month, sometimes once in two months” (HBW, Dhapasi). Again, time of payment seems to be influenced by both the level of dependence of the traders and the trader’s sense of responsibility. The trader from Hetauda has to receive the money of the orders first before she can provide the HBWs their earnings. In this way, she is dependent on her contractor, as she states herself: “I collect the dhoop [*incense rolls*], sell to the contractor, and give the money the day after. I always get the money at the market, so that I can always give the HBWs the money” (Trader, Hetauda). This is confirmed by the HBWs from this trader: “I get paid in time, but I have to go to her home to take the money” (HBW, Hetauda). Thus, the fact she gets the money of her contractor in time leads to her possibility to pay the women in time. The HBWs from Byasi also mention the dependent position of their trader. The trader has to sell their products first, before they can give the women their earnings. Like the trader from Hetauda, their trader does not face difficulties in selling the product to the contractor, as they get paid in time as well: “I get paid in time. I get my earnings in one day, the products are sold very quickly after my employer has collected it” (HBW, Byasi). All HBWs from Dhapasi do not receive their earnings in time, and none of them experience their trader has a sense of responsibility: “He doesn’t feel responsible for anything. If there is an order, he just informs us” (HBW, Dhapasi). He might be dependent on his contractor, who does not pay in time. Though, as all HBWs mention the trader is not concerned about their conditions, it could be his lack of responsibility by which he does not care about providing the HBWs their earnings on an irregular basis.

The relation between the level of dependence of the traders in the first type of value chain and the time of payment is also seen when analysing the traders’ answers. All traders involved in the first type of value chain state they first have to receive the money from their contractor before they can pay the HBWs. Though, while three traders get their money when they bring the finalized orders to their contractor, one trader already receives the money at the moment he gets the instruction of the new order. This enables this individual trader to be relatively flexible: “When they need the money, I give the money. I give them whenever they want” (Trader, Dhapasi). Together with his relatively high sense of responsibility, this trader wants to secure the women they get paid in time and support them when they are in need.

While the other three traders do not have this flexibility as they receive the money after they have brought the finalized order to their contractor, the differences in sense of responsibility seem to relate to the willingness to arrange the HBWs’ remuneration in time. A trader from Hetauda, feeling highly responsible for her HBWs, prioritizes the products of the HBWs who need the money the most: “I prioritize products of women who are in need [...] I communicate this with other HBWs [...] If they are in need I pay them [*the HBWs*] in advance and sell the products later”. As opposed to this trader, a trader from Dhapasi just gives the women their earnings when she has received her earnings. It seems like she does not adapt her way of arranging the remuneration to the HBWs’ needs.

### 7.5.2 In case of illness

Concerning the procedure during illness, the HBWs can be divided into two groups. The first group – covering the majority of the HBWs – does not get paid when they are ill as they cannot finalize their orders, while the second group – consisting of four women – do receive their earnings as they have a sick leave. There could be a relation between the trader's attitude in case of illness and the relationship between the HBWs and their trader. The four HBWs who can take a sick leave are the four HBWs from Panga, getting orders from the traders involved in the second type of value chain: "The office has an arrangement that if I am ill, they will pay my medicine" (HBW, Panga). This is also stated by a trader of the second type of value chain: "The producers [HBWs] get 12 days sick leave and 18 days home leave. 1 month medical allowance. [...] Overall most producers get their payment when they are ill" (Trader, Kathmandu). The independent position and the financial stability of the trader's organization enable the trader to pay the women without finalizing orders.

Within the first group of HBWs there is a difference in the attitude and support of traders of the first type of value chain. While none of the women get paid, six HBWs mention their trader is involved and shows compassion. They get money in advance to use for treatment or to buy medicines: "I get money for the hospital or medicines, but it is already mine then. So it is no extra money I get, I get it in advance" (HBW, Byasi). As opposed to these women, the other thirteen women do not mention their trader shows any compassion when they are ill. Most of these HBWs mention their trader does not have a sense of responsibility, which could indicate a relation between level of responsibility and the willingness of the trader to support the women when they are ill. This relation is also seen at the traders' side. The two traders who have a high sense of responsibility try their best to help the women when they are ill: "I pay the women in advance, so they can go to the hospital" (Trader, Dhapasi). This trader gets his earnings before the orders are finalized, by which his financial situation enables him to give money in advance. The other traders involved in the first type of value chain receive their earnings after the orders are finalized. Their financial insecurity leads to few possibilities, though the answers of each trader reflect different levels of involvement and support. One trader from Hetauda, who has a high sense of responsibility, states: "It is not possible. I am earning a little bit [...] It is no exploitation, but I try to help the women". The two other traders are not highly concerned about the conditions of the HBWs and their sense of responsibility is doubtful. These traders' answers indicate the HBWs' illness is the problem of the HBWs themselves. They do not try to support them in one or another way: "In case of illness I search for another worker to prepare dhoop" (Trader, Hetauda).

### 7.5.3 Old age benefit

Four HBWs from Panga receive an old benefit, by which these HBWs they are secured of receiving money now and in the future. The majority of the HBWs does not have this security. When they stop undertaking their home-based work activities they will not receive money anymore. The saving systems via the MBO could result in a more stable financial situation in the future. There seems to be a clear relation between the type of traders and getting an old age benefit. The traders involved in the second type of value chain can provide their HBWs an old



age benefit. As opposed to the traders of the majority of HBWs, who can only give the women money in return for orders finalized. The financial flexibility of the traders' organization in the second type of value chain enables these traders to support the HBWs in the future, while the other traders cannot afford this.

#### **7.5.4 Conclusion**

The HBWs' income security seems to be highly related to the type of value chain they are involved in and the sense of responsibility of the trader. Five HBWs are highly insecure, resulting in a relatively high level of income insecurity. 19 HBWs are secured of getting paid in time. This last group of HBWs has traders who either are involved in the second type of value chain or have a high level of responsibility. The traders – involved in the first type of value chain – and feel responsible try to their best to pay the women in time.

In case of illness, the impossibility of traders' positioned in the first type of value chain could win from the traders' sense of responsibility. In this way, traders who would like to support the women are constrained by their position. The organizations of traders involved in the second type of value chain have adequate money in stock to provide the HBWs a sick leave in case of illness.

Concerning old age benefit, the HBWs receiving orders of traders involved in the second type of value chain are offered an old age benefit, while none of the HBWs involved in the first type of value chain has this arrangement.

### **7.6 Representation security**

The representation security comprises the protection of female HBWs' collective voice in the labour market. HBWs should have the right to represent their views and bargain to improve their conditions. The status of the representation security is analysed by investigating the HBWs' membership of trade unions, the experiences of bargaining the price and the possibility to negotiate work-related matters.

#### **7.6.1 Membership Trade Union**

All HBWs are member of a Member Based Organization (MBO). The main activity of these MBOs is to raise awareness among HBWs. As many HBWs do not see themselves as workers, workshops are organized to make them aware of their position and their rights. Via financial programmes HBWs are able to save money or get a loan. Each MBO is linked with HomeNet Nepal (HNN). HNN operates at regional level, national and international level. At regional level, HNN supports MBOs in their activities to raise awareness among HBWs and improve the HBWs' conditions. At national level, HNN influences policy makers to recognize all HBWs in Nepal as workers – by the ratification of Convention 177 – and incorporate the HBWs in national labour statistics. This is the starting point to secure the HBWs of the rights workers have and improve the HBWs' conditions. As part of HomeNet South Asia, HNN also raises the issues of HBWs at international level. The goals of HomeNet South Asia are solidarity across South Asia, enactment of a comprehensive policy for Home-Based Workers and the majority of country HomeNet

boards and their members comprise of Membership Based Organizations<sup>48</sup>. Thus, all HBWs are organized and their issues are raised at regional, national and international level.

### 7.6.2 Bargaining the price

Firstly, the HBWs' experiences of collective bargaining are analysed. Collective bargaining the price might be more successful than individual bargaining. Ten of the HBWs have collectively bargained the price. Membership of a collective, the type of value chain involved in and the type of trader the HBWs deal with seem to play a role in the possibility to collectively bargain. All members of the collective have collectively bargained. United in the collective they complained about the low level of the price per piece and asked their trader to increase it. The attempt was successful, as the trader increased the price. The membership could improve these HBWs' feeling of empowerment, by which the members feel more powerful to bargain. In addition, the HBWs involved in the second type of value chain have bargained the price collectively. The trader offered them several opportunities to raise their concerns, by which the women could ask for a higher price. This has sometimes resulted in an increase of the price they receive per piece. As these traders are in direct contact with buyers at the international market they are able to influence the price. In this way, they are more flexible towards their HBWs to bargain the price. The trader of the last HBW who has bargained collectively has a high sense of responsibility to improve the HBWs' conditions. Although this trader did not increase the price per piece, at least he organizes meetings in which HBWs have the possibility to bargain. These examples might result in a relation between the level of responsibility of the trader and the possibility to bargain.

Secondly, only five HBWs have bargained individually. As these HBWs have a different level of education, make different types of products and live at different locations, these factors do not seem to play a role. Though, four of these HBWs belong to the highest caste and the earnings of the fifth one is the main source of household income. The caste of the women might influence their courage to bargain the price. As women belonging to these castes they might argue they deserve a better price for their efforts. Furthermore, the need of the last HBW – whose earnings are the main source of the household income – to earn money might have led to her efforts of bargaining. The earnings of her home-based work activities are the only earnings she can use to meet the household's expenditures. Changes in the price per piece will lead to relatively big changes in the household income (when finalizing the same number of products). In this way, the HBW might think it is worth trying to negotiate the price per piece.

The importance of having work or the knowledge their trader will not increase the price seem to lead to the lack of bargaining of the other 19 HBWs. These women are afraid they will not receive new orders when they complain too much. Others state their traders' position results in the limited possibilities to increase the price per piece. Their trader argues he cannot increase the price because his contractor does not want to increase the price.

Thus, the relationship with the trader seems to influence the possibility of the HBWs to bargain the price. The traders involved in the first type of value chain are dependent on their contractor,

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<sup>48</sup> HomeNet South Asia, 2011

with whom they cannot negotiate the price. As a consequence, the HBWs receiving orders of this trader cannot bargain the price. Though, a high level of responsibility of the trader could lead to a higher possibility to bargain. As opposed to the traders involved in the second type of value chain who can influence the price at the market.

### 7.6.3 Negotiating work-related matters

Concerning the possibility to negotiate work-related matters – such as the regularity of getting orders –, three groups of HBWs can be distinguished. The first group of HBWs wants to negotiate work-related matters, but does not have the possibility. The second group both wants to bargain to improve work-related matters and has the possibility, while the third group does not want to negotiate.

The first group comprises four HBWs. Two of these women state they are satisfied with their home-based work, by which they do not want to negotiate work-related matters. Both HBWs are ensured of getting orders, which could satisfy the women. The two other HBWs are too afraid to negotiate work-related matters: “I don’t want to [*negotiate work-related matters*], because I need this work. There are a lot of HBWs, if I complain, he can go to other women. The other HBW want to do this work” (HBW, Khadipakha). Their first priority is to have work, the conditions in which they have to carry out the activities are less important. In this way, there could be a relation between the willingness to negotiate work-related matters and the need to get orders.

Nine HBWs belong to the second group: they all want to negotiate work-related matters, but are not able. The position of these HBWs’ trader leads to the impossibility to change work-related matters, as argued by the traders. The traders state they cannot offer the orders regularly, as they are dependent of their contractor. Only one HBW mentions her trader has a sense of responsibility, while the other eight HBWs state their trader does not feel responsible. There could be a relation between the level of responsibility of the trader and the possibility to discuss the frequency of giving orders. Traders who do not feel responsible for their HBWs might not give the HBWs the opportunity as they are not planning to change anything.

Eleven HBWs want and have the possibility to negotiate work-related matters. Among these women are the four HBWs of Panga, who are involved in the second type of value chain. They state they are able to discuss the number of orders. As opposed to these women, the two traders involved in the second type of value chain argue they discuss a lot more. They discuss the female HBWs’ working conditions and raises awareness among the women. One of the two traders’ organizations provides his HBWs notebooks with the standards of the organization. In addition, the organization educates the women about the ten principles (concerning decent work) and the rights they have as workers: “Workers should know all the principles, then they can demand for their rights. It is important to create awareness” (Trader, Kathmandu). The other trader emphasizes the importance of discussing the HBWs’ working conditions and the women’s economic empowerment. This difference between the HBWs’ experiences and the traders’ answer could be explained by the fact the HBWs did not mention everything discussed or the traders illustrate the ideal picture, which is not done in practise.

The other seven HBWs who have the possibility to negotiate work-related matters are the HBWs from Koteswor and one from Dhapasi. The membership of the collective could influence the HBWs' possibility as the women feel strengthened, united with other women. As opposed to the women of the second group, the majority of these HBWs (six out of seven) experience her trader has a sense of responsibility to provide them work. In this way, there could be a relation between the level of responsibility and the possibility to negotiate work-related matters. The higher the level of responsibility of the trader, the higher the HBWs' possibility to negotiate work-related matters. The traders having a sense of responsibility might aim their HBWs are able to raise all their concerns. When the traders know the difficulties HBWs face they could try to support them in improving the HBWs' issues.

#### **7.6.4 Conclusion**

The HBWs' possibility to raise their voice and bargain price and work-related matters is partly secured and partly not secured. All HBWs are organized workers whose issues are raised at regional, national and international level by their MBO and HNN.

Though, concerning the possibility to bargain and their bargaining power not all HBWs are secured of this right. Membership of a collective seems to relate positively to the possibility to collective bargaining. In addition, the HBWs' trader could influence their possibility. Traders of the second type of value chain organize meetings in which HBWs can bargain the price, while HBWs of traders having a high sense of responsibility are also able to bargain collectively.

Only few HBWs have bargained individually. These HBWs' high caste or the high need to earn money could lead to their bargaining efforts. The position of the trader might influence the HBWs' possibility to bargain individually negatively. According to traders involved in the first type of value chain, they can hardly negotiate the price with their contractor. As opposed, traders involved in the second type of value chain are able to influence the price, by which the HBWs are enabled to bargain.

Eleven HBWs would like to negotiate work-related matters and has the possibility. The HBWs possibility or impossibility to negotiate work-related matters seems to be influenced by the same factors as the possibility and willingness to bargain the price.

## Conclusion

After analysing all issues of importance, the research question can be answered. The research question reads:

*To what extent are the working conditions of the female Home-Based Workers in the Kathmandu Valley and Hetauda, Nepal influenced by the relationship with their trader?*

The working conditions of the female HBWs in the Kathmandu Valley and Hetauda, Nepal are discussed by analysing six securities: labour market security, employment security, work security, skill reproduction security, income security and representation security.

The status of these securities is partly influenced by the relationship with their trader and partly influenced by other factors. Firstly, the other factors are discussed, after which the influence of the relationship with their trader is explained.

At macro level, macro-economic policies could directly and indirectly influence the HBWs' labour market security and other securities. Furthermore, poor functioning of the central government in Nepal results in the lack of social security schemes at national level, by which the HBWs' are not secured of the rights they should have. At micro level, HBWs' characteristics seem to influence the status of their working conditions. Gender roles resulting in the traditional assignment of duties seem to worsen the HBWs' working times (*work security*) and could negatively influence the number of employment opportunities other than home-based work (*labour market security*). The HBWs' lack of adequate employment opportunities could also be related to the HBWs' low level of education and low level of skills. The type of product HBWs make and the location HBWs live at seem to influence several securities. The security of orders could be related to the type of product or the location. While HBWs making products of felt are secured of getting orders, HBWs who make incense rolls do not get orders regularly. This could be caused by the fluctuations in demand, the scarcity of raw material or the number of traders operating at those locations. HBWs in Hetauda face more difficulties in finding new traders than HBWs at other locations, which could deteriorate their security of getting orders (*employment security*). The location could also play a role in the HBWs' level of satisfaction concerning their work place and working times (*work security*). Neighbouring HBWs might influence other HBWs' level of satisfaction, either in a positive or in a negative way. This is part of the HBWs' social capital. HBWs' social capital seems to influence the HBWs' level of awareness. By discussing the structure of the value chain with friends and neighbouring HBWs, the women might become more aware of their position. Furthermore, as HBWs have got skill training from their friends and relatives, the women's social capital seems to lead to the maintenance or improvement of their skills (*skill reproduction security*). Membership of a collective, in the case of the HBWs from Koteshwor, seems to influence five of the six securities. The structure of the collective seems to improve the two earning members' security of getting orders (*employment security*) and their security of getting paid in time (*income security*). As a consequence of the privileged position the two earning members, the five other members seem to face a higher insecurity of getting orders

and receiving earnings in time. Though, these five HBWs have a relatively stable financial situation. As all members have a relatively high level of satisfaction concerning their work place (*work security*), are secured of learning new skills (*skill reproduction security*) and feel empowered to bargain collectively (*representation security*), there seems to be a relation between membership of a collective and these securities. Membership of the MBO and the link with HNN seem to influence the HBWs' representation security as well. By creating awareness among the women and lobbying at national and international level, the HBWs' issues are raised. Finally, the HBWs' relatively low levels of knowledge on the value chain and unawareness about their position seem to negatively influence their securities as they do not know how what their rights are and how they can improve their situation. Though, the HBWs' need for money – whether their earnings are the main source of the household income or supplementary – results in their more or less satisfied feeling of their current economic activities and their reverse in searching ways to improve their conditions. They are mainly concerned about getting orders and their level of remuneration.

Next to these factors, the relationship with their trader seems to play an important role in the status of their working conditions. The influence of the relationship between HBWs and their trader can be clarified by the different types of value chain HBWs and traders are involved in and the traders' characteristics.

None of the traders have offered their HBWs a labour contract, though the traders involved in the second type of value chain do offer their HBWs a supplier contract. In this way, the four HBWs getting orders of these traders are both secured of work (*employment security*) and secured of a certain amount of earnings and payment in time (*income security*). HBWs getting orders from traders involved in the first type of value chain lack a supplier contract. In this way, they are not secured of work and payment via written agreements, which could negatively influence both their level of employment and income security.

The structure and position of the traders in the different types of value chains define their level of dependence, their level of power and their resulting possibilities. The traders involved in the first type of value chain face a relatively high level of dependence and low level of power. The dependence on their contractor could result in the relative insecurity of getting orders (*employment security*), dependence of provision of raw material, insecurity of payment in time (*income security*), relatively low level of knowledge and the lack of access to the market.

In addition to this relatively high level of dependence, the traders' financial situation and the traders' level of responsibility seem to influence many securities of HBWs. The first security discussed is HBWs' main priority: being secured of work. Although the traders involved in the first type of value chain are dependent on their contractor, the level of responsibility of the traders seems to influence the HBWs' security of getting orders. The traders who have a sense of responsibility to provide the HBWs work might put more effort in getting orders than traders who do not feel truly responsible to secure the women of work. In case of illness of the HBWs, although the traders have relatively little abilities, those who are financially more stable seem to support the HBWs more than the traders whose earnings are the main source of the household income. Furthermore, the traders' level of responsibility seems to influence the level of support. The traders who are not concerned about the HBWs' problems and lack a sense of responsibility

do not think of ways to support the women. As opposed to the traders who have a high sense of responsibility. They provide money in advance to use for medical treatment and mention their involvement. Finally, a high level of responsibility seems to relate to a relatively high security of HBWs' to represent their views, the possibility to bargain the price and the possibility to negotiate work-related matters. The traders who have a sense of responsibility enable HBWs to bargain, while HBWs getting orders of traders who do not feel responsible are not enabled.

While the traders involved in the first type of value chain call themselves a middleman, the traders involved in the second type of value chain call themselves employers. The structure of the value chain these traders are involved in, their position, their financial situation and their level of responsibility reflect their sense of being an employer. These traders can secure the HBWs of the provision of work because they are secured of getting orders via international organizations as Fair Trade (*employment security*). In addition, as they arrange the raw material themselves they are independent of another actor. Only scarcity of raw material could lead to difficulties in providing the HBWs orders. Next to the high security of orders, the traders are secured they receive their earnings in time as the buyers of the orders arrange the payment in time. Consequently, these traders can pay the HBWs in time (*income security*). Furthermore, via their position at the market they are able to directly influence price levels by which HBWs have the possibility to bargain the price and traders might meet the HBWs' demands (*representation security*).

Next to their relatively independent position, the financial situation and level of responsibility of the traders involved in the second type of value chain seem to influence the HBWs' working conditions. As the organizations traders are part of are financially relatively stable, the traders are more flexible and have more opportunities than traders involved in the first type of value chain (whose own financial situation defines their abilities). In addition to their financial flexibility, the traders feel highly responsible to both provide the HBWs work and improve their working conditions. The traders aim is to improve the HBWs' lives by providing them work. These two factors lead to the provision of a sick leave when HBWs are ill and an old age benefit to secure the women of adequate money in the future (*income security*). Furthermore, these traders organize meetings in which HBWs are able to negotiate work-related matters (*representation security*). Finally, the HBWs are offered skill training by their trader by which they could improve their competences (*skill reproduction security*).

To see this analysis in the right perspective: the second type of value chain is less common, by which the total number of HBWs involved in this type of value chain seems to be lower than the number of women involved in the first type of value chain.

Thus, the working conditions of the female HBWs in the Kathmandu Valley and Hetauda, Nepal seem to be influenced by factors at macro, meso and micro level. Though, the relationship with their trader seems to play a big role as well. The type of value chain the HBWs and traders are involved in determines the traders' abilities, but the traders' level of responsibility seems to result in different levels of involvement and support. The traders involved in the second type of value chain call themselves the employer. They state they both *have* a high sense of responsibility to secure the HBWs' employment security, income security, representation security and skill reproduction security and the possibility to *take* the responsibility. As opposed,

the traders involved in the first type of value chain call themselves a middleman. While some traders state they have a sense of responsibility, they lack the possibility. In the first type of value chain the question remains *'Who should take the responsibility as employer'*.



## Recommendations

Derived from the conclusion, the following proposal of recommendations for HNN is:

The recognition of HBWs as workers is essential. At macro level, HNN should continuously put pressure on the national government to ratify ILO Home work Convention (No. 177).

At meso level, HNN could search for other channels to raise the issues of HBWs. For example, health care organizations should pay attention to the living and working conditions of the HBWs. (As was seen in Western Europe in the late 19<sup>th</sup> century. Then physicians paid attention to the miserable living and working conditions of the working class. In the long run this contributed to setting up social security schemes.)

Regarding HBWs' main priorities – employment and income security – more emphasis could be paid to work on a contract bases. This issue should be brought to the attention of all actors in the value chain involved.

At micro level, awareness of the HBWs is highly important. Via MBOs, HNN should keep on raising awareness. The current way of working by informing groups of women seems to be an effective method. By discussing thoughts with other HBWs they stimulate each other to think about their position and increase their level of awareness.

Furthermore, working in a collective seems to lead to an increased feeling of empowerment which could strengthen their position towards their traders. Thus, HNN could stimulate women to cooperate in a collective.

## Discussion

Building on the limitations described in the Methodology the outcomes of this research have to be discussed.

Firstly, the results of this research are based on the information of female HBWs. Although the share of men of the total labour force undertaking home-based activities is relatively low (around 20 per cent), it would be interesting to investigate the relationship between the male HBWs and their trader and the male HBWs' working conditions. In addition, when there are differences in the relationship with their trader and the status of their working conditions it is interesting to analyse whether these differences in relationship and working conditions can be related to differences in gender. Are male HBWs able to get involved in second type of value chains or do the organizations active in these value chains predominantly focus on supporting female HBWs?

Furthermore, all HBWs taken into account in this research are member of an MBO. In this way, the results of this research cannot be applied to unorganized HBWs. It would be interesting to investigate the working conditions of HBWs who are not organized. Besides the status of their working conditions, the factors creating the level of security or insecurity can be discussed. In this way, the influence of membership of an MBO and link with HNN could be analysed.

In addition, location seems to play a role in both the relationship between the female HBWs and their trader and the HBWs' working conditions. In this research locations of three urban districts in the Central Development region are taken into account (Kathmandu, Bhakthapur and Makwanpur). HBWs living at locations in respectively rural areas in the Far West, Mid West, West, Central and East Development region, and urban areas in the Far West, Mid West, West and East Development region are not included. It would be valuable to investigate differences in rural and urban areas and differences per Development region. Do the HBWs in the mountains in Mid West have a different relationship with their trader? Are the working conditions of HBWs living in the Far West worse than those HBWs living in the Central Development region? Are there differences in the HBWs' possibility to come into contact with traders of the second type of value chain?

In this research only two traders matched with eight HBWs by which not all the information given by HBWs could be related directly to a certain trader and the other way around. To analyse the relationship between HBWs and their trader even more in depth, it would be highly valued when the cases match. Furthermore, the lack of information on the characteristics of the HBWs, the traders and the relationship between the HBWs and their trader determined the description of the relationship to this level. For example, data on the influence of the length of the relationship between the HBWs and their trader, and the consequent influence on the traders' sense of responsibility.

Concerning the working conditions, in this research only six securities are analysed. To get a complete picture of HBWs' working conditions other rights and securities should also be taken into account. The issue of discrimination can be analysed when including male HBWs.

Furthermore, it is neither analysed whether there is forced labour nor whether there is child labour.

As each security is analysed by only a few aspects, the status of each security is not based on all aspects defining each security. New research should include more indicators to review the status of each security.

As the data regarding work place could not be linked with individual HBWs and their trader, the influence of the relationship with the HBWs' trader could not be analysed. While especially in the case of HBWs it is valuable to know the status of their work security. Furthermore, it is interesting to investigate whether traders involved in the second type of value are able to secure the HBWs' work security.

Finally, it would be interesting to investigate the influence of external processes such as macro-economic policies. Like the example mentioned at the labour market security: What are the effects of the boycott of cotton T-shirts on the HBWs' labour market security? Do changes in macro-economic policies highly affect HBWs' working conditions, if so in what way?

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## Annex I – Questionnaire Home-Based Workers



Universiteit Utrecht

### Questionnaire for Home-Based Workers

*Positioning in the value chain and securing sustainable livelihoods for female Home-Based Workers in the urban context.*

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

#### **A. Introduction**

Namasté,

Thank you very much for sharing your time with us and cooperating with our research. We are .... / I am ... and we are / I am doing research for HomeNet Nepal on the livelihoods and organization of female Home-Based Workers in urban areas. Therefore, I would like to ask you several questions regarding your work and your household. The information you will share with us will be of great value and will help significantly in identifying the best ways of improving the conditions of female Home-Based Workers. Of course we will use this information confidentially, and solely for academic research purposes without distributing it to third parties. The questionnaire will require .... Minutes of your time.

Do you want to participate in this research?

*If Yes*, Thank you for your time. Start the questionnaire.

*If No*, Thank you for your time. Enquire the possibility to conduct the questionnaire another time.

#### **B. Personal Profile**

1. Name of respondent: .....
2. Address: .....

3. District:

- 1. Kathmandu [ ]
- 2. Bhaktapur [ ]
- 3. Makawanpur [ ]

4. Location

- 1. Kotesloor [ ]
- 2. Kalimati [ ]
- 3. Basahndasara [ ]
- 4. Lokanthari [ ]
- 5. Hetauda [ ]

5. What is your age?

- 1. < 15
- 2. 16 – 30
- 3. 31 – 45
- 4. 46 – 60
- 5. > 60

6. Marital Status:

- 1. Unmarried [ ]
- 2. Married [ ]
- 3. Married but single [ ]

7. Caste/Ethnic Group:

- 1. Janjati [ ]
- 2. Brahmin / Chettri [ ]
- 3. Dalits [ ]
- 4. Madeshi [ ]

8. Religion:

- a. Hindu [ ]
- b. Buddhist [ ]
- c. Muslim [ ]
- d. Christian [ ]
- e. Others [ ], namely .....



9. Of how many members consists your immediate family?

- a.  $\leq 3$  [ ]
- b. 4 – 5 [ ]
- c.  $\geq 6$  [ ]

10. (If married), how many children do you have?

- 1. Number of boys: .....
- 2. Number of girls: .....
- 3. Total: .....

11. Whom of your children are going to school / college?

- 1. Number of boys: .....
- 2. Number of girls: .....
- 3. Total: .....

12. Do your children assist with your work?

- 1. Yes [ ], how many boys/girls: ...
- 2. No [ ]

13. What is your education level?

- 1. Illiterate [ ]
- 2. Literate [ ]
- 3. SLC (school leaving certificate) [ ]
- 4. Intermediate [ ]
- 5. Graduate or above [ ]

14. Have you migrated to this district?

- 1. No [ ]
- 2. Yes [ ]

15. What are the major reasons for migration?

- 1. Security reasons (conflicts) [ ]
- 2. Natural disasters [ ]
- 3. Economic opportunities [ ]
- 4. Others [ ], namely: .....

16. Did any of your household members migrate outside this district or abroad?

- 1. Yes [ ], to ....
- 2. No [ ] *skip question 17*

17. Do you receive help from them (money, food, goods, etc.)?

- 1. Yes [ ], if money, ..... Rs per month
- 2. No [ ]

**C. Family earnings and expenditure**

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

Family members	Occupation					
	HBW	Other labor	Business	Service	Others	TOTAL
Parents/ In-laws						
Self						
Husband/Wife						
Children						
Others.....						

19. For how many months your income is sufficient to meet the expenditures?

- 1. Whole year [ ]
- 2. 8 months [ ]
- 3. 6 months [ ]
- 4. Less than 6 months [ ]

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

Household items	Amount per month	Amount per year
1. Food		
2. Clothing		
3. House rent		
4. Utilities (electricity/water/fuel/etc)		
5. Social and religious ceremonies		
6. Education		
7. Medical /treatment		
8. Miscellaneous		
<b>TOTAL</b>		

**D. Home-based work**

21. What type of work do you do?

- |                         |     |                          |     |
|-------------------------|-----|--------------------------|-----|
| 1. Weaving              | [ ] | 9. Edible & herbal       | [ ] |
| 2. Bamboo               | [ ] | 10. Incense stick / roll | [ ] |
| 3. Paper                | [ ] | 11. Embroidery /         |     |
| 4. Beads                | [ ] | patchwork                | [ ] |
| 5. Traditional painting | [ ] | 12. Recycling waste      | [ ] |
| 6. Knitting             | [ ] | 13. Candle making        | [ ] |
| 7. Stitching            | [ ] | 14. Other                | [ ] |
| 8. Metal work           | [ ] | namely .....             |     |

22. How many days per week do you work?

- a. 6 -7 days [ ]
- b. 4 - 5 days [ ]
- c. 1- 3 days [ ]

23. At what times do you work and how many hours do you make a day?

From ..... to .....

Total of ..... hours

24. Since which year do you do this work?

Since (yyyy) .....

25. Did you do other work before working at home?

- 1. Yes [ ]
- 2. No [ ] *skip question 26*

26. What work did you do before working at home?

- 1. Factory work [ ]
- 2. Government job [ ]
- 3. Business / entrepreneurs [ ]
- 4. Labor incentive work [ ]
- 5. Other [ ], namely ....

27. What are the reasons for working at home?

- 1. Can be combined with domestic responsibilities [ ]
- 2. No other employment opportunities [ ]
- 3. Loss of earnings of other members of the household [ ]
- 4. To be independent [ ]
- 5. To support family [ ]
- 6. Other, namely..... [ ]

28. How satisfied are you with your work?

- 1. Very satisfied [ ]
- 2. Satisfied [ ]
- 3. Unsatisfied [ ]
- 4. Very unsatisfied [ ]

29. What is your employment status?

- 1. Self-employed [ ] *continue with question 34*
- 2. Subcontracted piece-rate worker [ ]

ONLY if employment status = subcontracted piece-rate worker (questions 30-33):

30. Who is your employer?

- 1. Factory/Trader [ ], name: ..... contact: .....
- 2. Broker/Contractor [ ], name: ..... contact: .....
- 3. Relatives/Friends [ ]
- 4. Others [ ], namely: .....

31. Of how many subcontractors do you get orders?

... subcontractor(s)

32. Do you work on a contract bases?

- 1. Yes [ ], with ... subcontractor(s)
- 2. No [ ]

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

- 1. A Great Deal [ ]
- 2. Somewhat [ ]
- 3. None [ ]

*For both subcontracted as well as self-employed:*

34. Is your product finalized by yourself?

- 1. Yes [ ] *skip question 35*
- 2. No [ ]

35. Do you know from where the product is finalized?

- 1. Factory / Company [ ]
- 2. Other Home-Based Worker [ ]
- 3. Family members [ ]
- 4. Other, namely ... [ ]
- 5. I don't know [ ]

36. Are your products exported abroad?

1. Yes [ ]
2. No [ ]
3. I don't know [ ]

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

1. .... Rs [ ]
2. I don't know [ ]

38. Where do you receive your raw material from?

1. Employer provides it [ ] *skip question 39*
2. I buy it myself [ ]

39. From whom do you buy the raw material?

1. Whole-seller [ ]
2. Retailer [ ]
3. Farmer [ ]

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

1. A Great Deal [ ]
2. Somewhat [ ]
3. No [ ]

41. How do you transport your products to the market / your subcontractor? *Multiple answers possible.*

1. Sells / collects from home [ ]
2. Bike [ ]
3. Bus [ ]
4. Walking (carrying by self) [ ]
5. Using porter [ ]
6. Car / taxi [ ]
7. Other [ ], namely ...

42. Where is the market / subcontractor of your products?

1. Local market (within district) [ ]
2. Regional market (two districts) [ ]
3. National market (>3 districts) [ ]
4. International market (outside country) [ ]

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

- 1. Very difficult [ ]
- 2. Difficult [ ]
- 3. Easy [ ]
- 4. Very easy [ ]

44. Do you experience constraints to keep up with market demands?

- 1. A Great Deal [ ]
- 2. Somewhat [ ]
- 3. No [ ]

**E. Skills and training**

45. Where did you learn your skills from?

- 1. Family members [ ]
- 2. Friends/neighbors [ ]
- 3. Training institutions [ ]
- 4. Previous job [ ]
- 5. Subcontractor [ ]
- 6. Other [ ], namely...

46. Do you teach your skills to other members of your family and/or community?

- 1. Yes [ ], to .....
- 2. No [ ]

47. Did you have skill training?

- 1. Yes [ ], namely: .....
- 2. No [ ]

48. Do you think your skills are sufficient for your work?

- 1. A Great Deal [ ]
- 2. Somewhat [ ]
- 3. No [ ]

49. Do you want to learn more?

- 1. Yes [ ]
- 2. No [ ] *skip question 50*

50. What do you want to learn more?

- 1. Improve quality [ ]
- 2. Improve managerial ability [ ]
- 3. Improve marketing ability [ ]
- 4. Other [ ], namely.....
- 5. All [ ]

**F. Earnings**

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

- a. < 1000 Rs
- b. 1000 – 2000 Rs
- c. 2001 – 3000 Rs
- d. 3001 – 4000 Rs
- e. 4001 – 5000 Rs
- f. > 5000 Rs

52. Has the income from your home-based work increased, decreased or stayed the same over the last five years?

- 1. Significantly decreased [ ]
- 2. Decreased [ ]
- 3. Stayed the same [ ]
- 4. Increased [ ]
- 5. Significantly increased [ ]

53. How much do you earn per product?

..... Rs

54. How many products do you make a week?

..... products per week

55. Are you satisfied with your earnings?

- 1. Very satisfied [ ]
- 2. Satisfied [ ]
- 3. Unsatisfied [ ]
- 4. Very unsatisfied [ ]

56. *Only for women:* Do you think you earn less than male HBWs per product?

- 1. Yes [ ]
- 2. No [ ]
- 3. I don't know [ ]

57. *Only for women:* Do you think the value of your product is less than that of male HBWs?

1. Yes [ ]
2. No [ ]
3. I don't know [ ]

58. In what frequency do you get your payment?

1. Daily [ ]
2. Weekly [ ]
3. Monthly [ ]
4. As soon as it is delivered / sold [ ]
5. Other [ ], namely .....

59. Is your work available regular or seasonal during one year?

1. Regular [ ]
2. Seasonal [ ] ..... months per year in average

60. Did the availability change over the last five years?

1. Significantly decreased [ ]
2. Decreased [ ]
3. Stayed the same [ ]
4. Increased [ ]
5. Significantly increased [ ]

### **G. Savings and credit**

61. Do you have savings from your earnings?

1. 75% [ ]
2. 50% [ ]
3. 25% [ ]
4. Below 10% [ ]
5. None [ ]

62. Do you have a loan?

1. Yes [ ], amount of loan: Rs .....
2. No [ ] *continue with question 65*



63. What is the source of your loan?

1. Saving & Credit Cooperative [ ]
2. Commercial bank [ ]
3. Micro-financing agency [ ]
4. Group [ ]
5. Relatives [ ]
6. Other [ ], namely .....

64. What is the purpose of your loan(s)?

1. Marriage [ ]
2. House repair [ ]
3. House purchase [ ]
4. Raw materials / equipment / tools [ ]
5. Consumer goods [ ]
6. Other [ ], namely .....
- 7.

65. Do you experience constraints in getting access to credit?

1. A Great Deal [ ]
2. Somewhat [ ]
3. No [ ]

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

1. Yes [ ]
2. No [ ]

#### **H. Other livelihood activities**

67. What are your domestic responsibilities? *Multiple answers possible.*

1. Cooking [ ]
2. Fetching water [ ]
3. Washing cloths [ ]
4. Cleaning house [ ]
5. Buying household goods [ ]
6. Child / aging people care [ ]
7. Maintaining life stock [ ]
8. Other [ ], namely.....

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

- a. ≤ 3 hours
- b. 4 – 5 hours
- c. ≥ 6 hours

69. Do you have other income generating activities besides this home-based work?

1. Yes [ ], namely.....
2. No [ ]

70. Are you looking for new trade and income generating opportunities in home-based work?

1. Yes [ ]
2. No [ ]

71. What support do you need to get such opportunity?

1. Skill training [ ]
2. Technology/equipment [ ]
3. Marketing [ ]
4. Raw materials [ ]
5. Loan [ ]
6. Other [ ], namely.....
7. None [ ]

### **I. Housing condition**

72. How many rooms are there in your house?

1. One room [ ]
2. Two rooms [ ]
3. Three or more rooms [ ]

73. Who owns the land?

1. Government [ ]
2. Trust (community) [ ]
3. Self [ ]
4. Other [ ], namely:.....

74. What is the occupancy status?

1. Owned by self [ ]
2. On rent [ ] *skip question 75*
3. Others [ ], namely .....

75. Who is the owner of your house?

1. Worker own [ ]
2. Father/mother [ ]
3. Husband [ ]
4. Father in law/mother in law [ ]
5. Others [ ], namely.....

**J. Housing utilities and facilities**

76. Do you have electricity?

- 1. Individual [ ]
- 2. Joint [ ]
- 3. None [ ] *continue question 81*

77. Have you installed the electricity supply-line with a meter?

- 1. Yes [ ] *skip question 78*
- 2. No [ ]

78. How do you manage to get electricity?

- 1. Borrowed from neighbors' house [ ]
- 2. Using without meter [ ]

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

..... hours a day

80. In case of load shedding, do you continue with your work?

- 1. Yes [ ]
- 2. No [ ] *skip question 81*

81. What alternative do you use?

- 1. Kerosene light [ ]
- 2. Power back-up [ ]
- 3. Candle [ ]
- 4. Other [ ], namely .....

82. What type of fuel do you use for cooking?

- 1. Gas [ ]
- 2. Kerosene [ ]
- 3. Fire-wood [ ]
- 4. Others [ ], namely.....

83. In times of scarcity, how much extra money do you have to pay?

- 1. I don't pay more [ ]
- 2. < 20% [ ]
- 3. 20% - 40% [ ]
- 4. 40% - 60% [ ]
- 5. > 60% [ ]

84. What is the source of drinking water?

1. Piped to house [ ]
2. Piped outside [ ]
3. Well [ ]
4. Others [ ], namely.....

85. What is the frequency of the water supply?

1. Every day [ ]
2. Twice a week [ ]
3. Once a week [ ]
4. Other [ ], namely .....
5. None [ ]

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

1. Buying from private suppliers [ ]
2. Using water from tube-well / well [ ]
3. Using water form river [ ]
4. Mineral water jars [ ]
5. Other [ ], namely ....

87. What do you do to clean the water before drinking?

1. Boil [ ]
2. SODIS (Solar treatment) [ ]
3. Piush (drops to clean) [ ]
4. Filter [ ]
5. Other [ ], namely:...

88. How much time do you spend on fetching water?

1. < 1 hour [ ]
2. 1 – 2 hours [ ]
3. > 2 hours [ ]

89. What sewage facilities do you have?

1. Underground drain [ ]
2. Open drain [ ]
3. None [ ]

90. What type of toilet facility do you have?

1. Private toilet inside premises [ ]
2. Shared toilet inside premises [ ]
3. Outside the premises [ ]
4. Open space [ ]

91. How is your garbage disposed?

1. Collected by garbage truck [ ]
2. Private collector [ ]
3. Composting [ ]
4. Dumped [ ]
5. Burned [ ]
6. Others [ ], namely.....

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

1. Telephone [ ]
2. Mobile phone [ ]
3. Cable TV [ ]
4. Radio [ ]
5. Computer / internet [ ]
6. Others [ ], namely.....

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

1. Yes [ ], specify: .....
2. No [ ]

#### **K. Workplace condition**

94. What is the size of your workplace?

... m<sup>2</sup>

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

1. Yes [ ]
2. No [ ]

96. How satisfied are you with your work space?

1. Very unsatisfied [ ]
2. Unsatisfied [ ]
3. Satisfied [ ]
4. Very satisfied [ ]

97. Who owns the tools and equipment that you use?

1. Worker's own [ ]
2. Employer's [ ]
3. On rental bases [ ], ..... Rs per month
4. Others [ ], namely.....

98. How much do you spend on repairing your machines and tools yearly?

- a. < 500 Rs [ ]
- b. 500 – 1000 Rs [ ]
- c. > 1000 Rs [ ]

99. How satisfied are you with your working equipment?

- 1. Very unsatisfied [ ]
- 2. Unsatisfied [ ]
- 3. Satisfied [ ]
- 4. Very satisfied [ ]

**L. Health**

100. Do you experience health hazards associated with your work?

- 1. Headache [ ]
- 2. Respiratory [ ]
- 3. Eye soar [ ]
- 4. Back pain [ ]
- 5. No [ ]

101. Do your family members experience health hazards associated with your work?

- 1. Yes [ ], namely:...
- 2. No [ ]

102. Are you restricted in your work due to health problems?

- 1. Yes [ ], specify: .....
- 2. No [ ]

103. Do you take protection measures?

- |                         |                           |
|-------------------------|---------------------------|
| 1. Gloves [ ]           | 5. protection glasses [ ] |
| 2. masks [ ]            | 6. apron [ ]              |
| 3. kneepads [ ]         | 7. Other, namely... [ ]   |
| 4. protective shoes [ ] | 8. No [ ]                 |

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

- 1. Yes [ ]
- 2. No [ ] *skip question 105*

105. What type of illness do you suffer from or have you suffered from? *Multiple answer possible.*
- |                        |     |                           |     |
|------------------------|-----|---------------------------|-----|
| 1. Diarrhea            | [ ] | 9. Parasites              | [ ] |
| 2. Dysentery           | [ ] | 10. Heart Problem         | [ ] |
| 3. Respiratory problem | [ ] | 11. Diabetes              | [ ] |
| 4. Malaria             | [ ] | 12. Cancer                | [ ] |
| 5. Other fever         | [ ] | 13. Malfunction of kidney | [ ] |
| 6. Skin disease        | [ ] | 14. Blood pressure        | [ ] |
| 7. TB                  | [ ] | 15. Others                | [ ] |
| 8. Jaundice            | [ ] | namely.....               |     |
106. What type(s) of injury/injuries do you have?
1. None [ ]
  2. The following:... [ ]
107. Where do you go for treatment?
1. Public hospital [ ]
  2. Public health post [ ]
  3. Public mobile clinic [ ]
  4. Public ayurved [ ]
  5. Private hospital [ ]
  6. Private clinic [ ]
  7. Religious healer [ ]
  8. Other [ ], namely....
108. How much time do you spend for going to hospital / clinic / healer?
1. Less than half an hour [ ]
  2. Half an hour to an hour [ ]
  3. One hour to two hour [ ]
  4. More than two hour [ ]

**M. Organization and social networks**

109. Do you feel protected by the law in your home-based work?
1. Yes [ ]
  2. No [ ], please specify: .....
110. Do you feel your municipality / emerging town includes Home-Based Workers?
1. Yes [ ]
  2. No [ ], please specify: .....

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

1. Neighbors [ ]
2. Relatives [ ]
3. Friends [ ]
4. Other HBWs [ ]
5. Local public police office [ ]
6. Other [ ], namely ...

112. Do you have contact with other HBWs?

1. Yes [ ]
2. No [ ] *continue with question 115*

113. On what topics do you talk?

- |                        |                      |
|------------------------|----------------------|
| 1. Social security [ ] | 5. Urban issues [ ]  |
| 2. Work place [ ]      | 6. Loan / credit [ ] |
| 3. Market access [ ]   | 7. Others [ ]        |
| 4. Earnings [ ]        | namely ...           |

*Social security: child care, maternity health, old age benefit*

*Work place: working environment*

*Market access: raw material, pricing*

*Urban issues: water supply, sanitation, pollution, traffic congestion, etc.*

114. Do you experience benefits from these contacts?

1. Very much [ ]
2. Somewhat [ ]
3. Not [ ]

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

1. Increasing bargaining position [ ]
2. Market information [ ]
3. Skill training [ ]
4. Improving social security [ ]
5. Pressuring Municipality for urban facilities [ ]
6. Loan / credit [ ]
7. Other [ ], namely ...



116. Are you member of one of the following:
1. Trade union [ ]
  2. Social organizations [ ]
  3. Business associations [ ]
  4. Political party [ ]
  5. Others [ ], namely ...

117. What are your major problem(s)?
1. ....
  2. ....
  3. ....
  4. ....

118. What will be the solutions for these problems?
- .....
- .....
- .....

*The following questions can be indicated by the interviewer him/herself by observation!*

**Housing condition and working environment**

119. Type of house:
1. Detached / individual house [ ]
  2. Room(s) in larger dwelling [ ]
  3. Communal house [ ]
  4. Other [ ], namely: ...

120. Condition of house:
1. Permanent [ ]
  2. Semi-permanent [ ]
  3. Temporary [ ]

121. Material of Roof:
- |                      |               |
|----------------------|---------------|
| 1. Aluminum roof [ ] | 5. Thatch [ ] |
| 2. RCC [ ]           | 6. Other [ ]  |
| 3. Tiles [ ]         | namely .....  |
| 4. CIS [ ]           |               |

122. Material of floor:
- |                |                           |
|----------------|---------------------------|
| 1. Mud [ ]     | 3. Wood [ ]               |
| 2. Plaster [ ] | 4. Other [ ], namely:.... |

123. Ventilation:
- |                      |                     |                 |
|----------------------|---------------------|-----------------|
| 1. Excellent [ ] [ ] | 2. Moderate [ ] [ ] | 3. Poor [ ] [ ] |
|----------------------|---------------------|-----------------|
124. Lighting:
- |                      |                     |                 |
|----------------------|---------------------|-----------------|
| 1. Excellent [ ] [ ] | 2. Moderate [ ] [ ] | 3. Poor [ ] [ ] |
|----------------------|---------------------|-----------------|
125. Cleanliness:
- |                      |                     |                 |
|----------------------|---------------------|-----------------|
| 1. Excellent [ ] [ ] | 2. Moderate [ ] [ ] | 3. Poor [ ] [ ] |
|----------------------|---------------------|-----------------|
126. Safety in case of fire:
- |                      |                     |                 |
|----------------------|---------------------|-----------------|
| 1. Excellent [ ] [ ] | 2. Moderate [ ] [ ] | 3. Poor [ ] [ ] |
|----------------------|---------------------|-----------------|
127. Safety in case of earthquake:
- |                      |  |  |
|----------------------|--|--|
| 1. Excellent [ ] [ ] |  |  |
| 2. Moderate [ ] [ ]  |  |  |
| 3. Poor [ ] [ ]      |  |  |

128. Workplace: 1. Room [ ] 2. Open space [ ]

129. If work environment is separate from living area, please answer question 123 till 127 again for workplace.

Thank you very much for the time you made available, also on behalf of the Research Team Leader Mr. Dibyeshwar Prasad Shrestha, Ms. Sabitra Neuprane, Program Manager, Ms. Wouke Oprel, and Rosanne Hoeven, students at Utrecht University, the Netherlands as Research Staff, Mr. Om Thapaliya, Executive Director, along with domestic intern volunteers.

Do you have any other questions regarding the research?

.....  
.....

Thank you!

## Appendix II – Focus Group Discussions



Universiteit Utrecht

## Themes for FGDs with Home-Based Workers

### Main Guideline

#### 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 colors 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)*

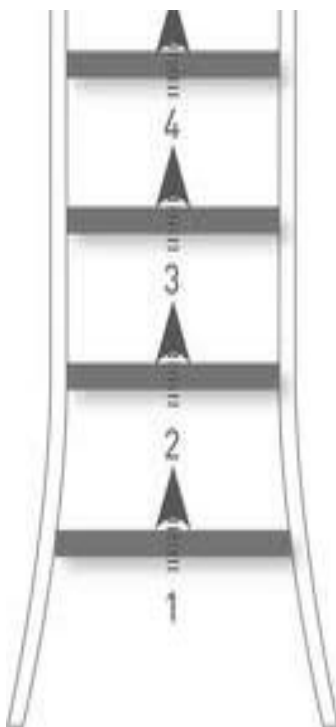
#### 4. Organizing (MBOs, Municipality, Central Government) (30 min)

- 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 III – Interview Home-Based Workers



Universiteit Utrecht

### Interview Home-Based Workers

***Positioning in the value chain and securing sustainable livelihoods for female Home-Based Workers.***

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

#### **A. Introduction**

Namasté,

I am ..... and I would like to ask you several questions regarding your work, on behalf of Wouke Oprel and Rosanne Hoeven, master students at Utrecht University, the Netherlands, and researchers at HomeNet Nepal. The research focuses on the livelihoods and organization of female Home-Based Workers. The information you will share with us will be of great value and will help significantly in identifying the best ways of improving the conditions of female Home-Based Workers. Of course we will use this information confidentially, and solely for academic research purposes without distributing it to third parties. The interview will require .... Minutes of your time.

Do you want to participate in this research?

*If Yes*, Thank you for your time. Start interview.

*If No*, Thank you for your time. Enquire the possibility to conduct the interview another time.

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?
10. Since which year do you do this work?
11. Did you do other work before working at home?

***Knowledge on value chain***

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

### ***Judgement on position***

25. Do you feel you receive a fair wage?

26. Do you find the division of profit over all actors a just division?

27. Do you feel dependent upon your employer? (why work for employer, and able to switch to other employer?)

28. How do you feel about the division of power over all actors?

29. Do you feel you have the power to change your position?

### ***Employer's responsibility***

30. How is your remuneration arranged (when do you get paid, do you get paid in time)?  
In case of illness, what happens (do you get new orders/paid)? Do you get money from your employer for medical expenses?

31. Is it possible to negotiate the price of your products?

32. Is it possible to save money for the future? If no, what do you think about that?

33. Is the one from who you get orders your real employer? Do you feel you have an employer-employee relationship? (Do you think he/she is the person who is responsible for your working conditions?)

34. Do you have the idea your employer/subcontractor has a sense of responsibility to provide work?

35. Do you experience a sense of responsibility of your employer/subcontractor to improve your living and working conditions?

### ***Decent work***

36. Do you experience discrimination in work-related matters because of your gender and/or caste?  
Please explain

37. Do you have adequate employment opportunities? If yes, are you trying to find another job? If no, would like to have more opportunities?

38. Are you ensured of getting orders? If yes, are you satisfied with the amount of work? If no, are you looking for more employers?

39. Do you have a contract with your employer/subcontractor? If yes, what is in the contract? If no, would you like to have one? What are the benefits of having a contract?

40. Are you satisfied with your working conditions, concerning workplace safety and working times? If yes, can you describe the good aspects of your working conditions? If no, what would you like to change?

41. Do you have skill training? If yes, do you experience benefits of these trainings, are your skills improved and do you experience positive consequences of these improvements? If no, would you like to improve your skills?

42. Do you have an adequate income and are you satisfied with your earnings? Please describe

43. Are you able to raise your problems and present your views (besides your household)?

44. Do you make use of collective bargaining?

45. Is it possible to negotiate work-related matters with your employer? If yes, are you able to get your rights? If no, would you like to have more contact on these issues with your employer?

***Factors that influence awareness***

46. Do you experience constraints in access to information because of your caste and/or gender? (if yes, how do you feel about that?)

47. Does your general education level influence your position in your work? (If yes, how?)

***Action and organizing***

48. Do you receive useful information on your work through the MBO membership? (How and what?)

49. Did you take actions in the past to improve your position? (When, why, what did you do, and what was/were the result(s))

50. Are you organized with other HBWs? (How?)

51. What are the benefits of being organized?

52. Did you experience increase in income as a result of being organized or collective action?

53. Did you experience improvements in working conditions / housing conditions / health / transport / access to credit as a result of being organized or collective action?

54. What is the main problem concerning your work? (what would you want to change the most?)



55. 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 IV – Interview trader

Namasté,

Thank you very much for sharing your time with us and cooperating with our research. I am ... and I am doing research for our Master International Development Studies, at Utrecht University. The research focuses on the products of female HBWs in the value chain. The information you will share with us will be of great value and will help significantly to get insight into the value chain of the products of HBWs. Of course we will use this information confidentially, and solely for academic research purposes without distributing it to third parties. The interview will require .... Minutes of your time.

### General information

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 your earnings supplement or main source of household income?
7. What type of products do you trade?
8. Is your work available regular or seasonal? Please explain!

### Home-Based Workers

9. From how many HBWs do you source? Where are they located?
10. What is the percentage of male and female HBWs that you source from?
  1. Male: ..... %
  2. Female: .....%
11. How do you select the HBWs? Do you have enough work for all HBWs?
12. Are the HBWs you source from reliable? Please explain!
13. Is it easy to find HBWs that meet your expectations?
14. Is it easy for you to switch to other Home-Based Workers?
  1. Very easy [ ]

- 2. Easy [ ]
- 3. Difficult [ ]
- 4. Very difficult [ ]

**Value chain of the product**

15. Do you provide raw material for the HBWs?

16. If yes, where do you buy the raw material? Are you able to negotiate the price of this raw material?

17. What is the profit in percentage you make over the raw material?

- 6. < 20% [ ]
- 7. 20% - 40% [ ]
- 8. 40% - 60% [ ]
- 9. >60% [ ]

18. What other costs do you have per product (amount and source)?

Source	Amount in Rs

19. What do you earn per product?

20. What do you pay a HBW per product?

21. Are female and male HBW equally paid per product? If yes, who do you pay more per product? Why?

22. Are the HBWs able to negotiate the price of their products with you? Why/why not?

23. Where do you bring your products next?

- 1. The market [ ]
- 2. The factory [ ], name of factory:.....
- 3. The company [ ], name of company:.....
- 4. The contractor [ ]
- 5. Other [ ], namely.....

24. Do you get orders from this factory/company/contractor or do you sell your product to them?

25. How do you choose your employer?

26. Are you able to negotiate the price you sell your products for?

27. To which other persons does the product go before selling to the final consumer?
28. What is the final market of your product?
29. What is the final price of the product when it is sold to the consumer?
30. Do HBWs ask you for information on the value chain (like final price, final market)? How often and what do they ask?
31. Do you share the information on the value chain (like final price, final market) with the HBWs? Why (not)?
32. Do you experience differences in your relationship with HBWs that know more about the value chain, and HBWs that know little? (in attempts to negotiate (collectively), negotiation power, or in common understanding).
33. Do you have experience with collective bargaining (of the HBWs)? What was the result of this?
34. Do you know MBOs of HBWs? Are you in contact with them? (If yes, which ones and what kind of contact).

#### **Relationship with HBWs**

34. Can you describe your relationship with the HBWs (friends/business relationship)?
35. Is your relationship with all HBWs the same?
36. How is the power divided between the HBWs and you? Are you on equal level with the HBWs?
37. Is the relationship with the HBWs influenced by the fact they are a friend/relative?

#### **Decent work**

38. Are you the employer of the HBWs you source from or the intermediary/middleman? Please explain!
39. Does the company/factory you sell the products to offer social support for the HBWs that you source from? Please explain!
40. Do you have a contract with the HBWs? If yes, what is in the contract? If no, why not?
41. How do you arrange the remuneration of the HBWs (when do pay them, do you pay them in time)?
42. Do you give the HBWs regularly orders? Are the HBWs satisfied with the amount of orders?

43. In case of illness of the HBWs what do you do (do you give new orders/do you pay the HBWs)?

44. Do you provide HBWs money for medical expenses (going to hospital/buying medicines)?  
Why/why not?

45. Do you give money for the education of the HBWs and/or their children?

46. Do you give money as old age benefit of the HBWs?

47. Do you invest in skill improvement activities for the HBWs? If yes, why , do you experience positive consequences of these improvements? If no, why not?

48. Do you discuss work-related matters with the HBWs?

49. Do you have meetings with the HBWs that you source from? How many times a year / month?  
What topics do you talk about in these meetings?

50. Are the HBWs you source from able to raise their problems and views to you?

**Responsibility employer/subcontractor**

51. Do you have a sense of responsibility to provide the HBWs work?

52. Do you have a sense of responsibility to improve the living and working conditions of the HBWs?

53. Are you concerned about the working conditions of HBWs (work time, work place, safety)?

THANK YOU!!

## Appendix V – Interview Member Based Organizations



Universiteit Utrecht

### Interview with Member Based Organizations

#### ***Positioning of female Home-Based Workers in the value chain and securing sustainable livelihoods for them.***

Interview date (dd/mm/yyyy)	29-05-2011
Name interviewer	
Name data entry operator	

#### **Introduction**

Namasté,

Thank you very much for sharing your time with us and cooperating with our research. I am ... and I am doing research for HomeNet Nepal on the livelihoods and organization of female Home-Based Workers. The research focuses on the position of female HBWs in the value chain, and the role of awareness raising and organizing to improve the livelihood conditions of these female HBWs. MBOs are an important player in this, therefore, I would like to ask you several questions regarding the role of the MBO. The information you will share with us will be of great value and will help significantly to get insight into the relationship between the awareness of female HBWs on their position in the value chain and the livelihood of these female HBWs, and the role of MBOs therein. Of course we will use this information confidentially, and solely for academic research purposes without distributing it to third parties. The interview will require .... Minutes of your time.

Do you want to participate in this research?

*If Yes*, Thank you for your time. Start interview.

*If No*, Thank you for your time. Enquire the possibility to conduct the interview another time.

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. Do you have activities on gender or caste discrimination?
21. Do you have activities to raise the importance of having a contract?
22. What activities/program do you have concerning health of your members?
23. What activities/program do you have concerning education of your members, and their children?
24. What activities/program do you have concerning old age benefit of your members?
25. What activities/program do you have concerning working conditions of your members (work time, work place, safety)?

26. What activities/program do you have concerning skill improvement of your members?
27. Do you have activities to 'teach' your members about having a contract?
28. 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)
29. Are you trying to increase the amount of members of your MBO?
30. How do you reach these HBWs that are not (yet) member of your MBO?
31. Are there HBWs that do not want to be member, and if so what are their reasons? Do you try to convince them?
32. What do you feel your MBO does the best?
33. What could still be improved of the MBO? What is needed for that?