NON-JUDICIAL REDRESS MECHANISMS REPORT SERIES 12

Barriers to Grievance: Leather Footwear Workers in Tamil Nadu, South India

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About this report series

This report is part of a series produced by the Non-Judicial Human Rights Redress Mechanisms Project, which draws on the findings of five years of research. The findings are based on over 587 interviews, with 1,100 individuals, across the countries and case studies covered by the research. Non-judicial redress mechanisms are mandated to receive complaints and mediate grievances, but are not empowered to produce legally binding adjudications. The focus of the project is on analysing the effectiveness of these mechanisms in responding to alleged human rights violations associated with transnational business activity. The series presents lessons and recommendations regarding ways that:

- non-judicial mechanisms can provide redress and justice to vulnerable communities and workers
- non-government organisations and worker representatives can more effectively utilise the mechanisms to provide support for and represent vulnerable communities and workers
- redress mechanisms can contribute to long-term and sustainable respect and remedy of human rights by businesses throughout their operations, supply chains and other business relationships.

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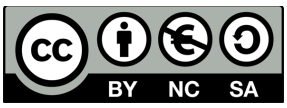
We are thankful to the participants in this research for their generosity of time, and particularly to the women homeworkers for sharing their experiences.



Other reports in this series can be found at: www.corporateaccountablityresearch.net

Acronyms

BSCI:	Business Social Compliance Initiative
CIVIDEP:	Civil Initiatives for Development and Peace
CLE:	Council of Leather Exports
ESI:	Employee State Insurance
ETI:	Ethical Trading Initiative
FOA:	Freedom of association
HIVOS:	Humanist Institute for Cooperation
HWW:	HomeWorkers Worldwide
ICN:	Indian Committee Netherlands
NGO:	Non-government organisation
PF:	Employee Provident Fund
SCL:	Stop Child Labour Campaign
SHG:	Self-Help Group
SOMO:	The Centre for Research on Multinational Corporations
UNGPs:	United Nations Guiding Principles on Business and Human Rights

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Executive summary

The challenges for transnational business to prevent human rights abuses in their global supply chains are many. At the same time systemic causes of human rights abuses in supply chains prevent workers being able to raise grievances. This report analyses the effectiveness of grievance strategies and the responses from transnational business in relation to women homeworkers in the leather footwear industry in Tamil Nadu, South India.

Globalisation provides firms with opportunities to access new product and labour markets. However, it also creates greater vulnerabilities for workers. The practices associated with outsourcing and subcontracting, driven by brand purchasing policies to secure a low price, frequently result in marginalising informal homeworkers situated at the bottom of global supply chains. Subcontracting is a feature of the global leather footwear industry,which shares many characteristics with the garment industry. Transnational business (brands) source raw leather and finished products through supply chains that rely upon labour-intensive production in developing countries. The brands are dependent upon sourcing in low-waged countries among predominantly women workers who work for low wages in poor working conditions, in factories, small workshops, and at home. In South India, the Chennai–Ambur regionsare a major leather footwear industrial cluster in Tamil Nadu India. The industry is largely export oriented and is reliant on homework as part of the production of hand-stitched men's shoes and to a lesser extent women's leather footwear.

The research focus on women homeworker grievance is important because it presents an opportunity to explore the effectiveness of grievance strategies in relation to women workers that are working in informal work arrangements. Corporations have used various strategies to negate homeworkers' presence, declaring the work to be of lesser value and depicting it as not 'real'work. The reluctance by global brands and local suppliers to acknowledge the homeworkers in the supply chain reinforces existing gender inequalities. The women homework workforce is paid below minimum wage, receives no social benefits, and works by result on piece rates, all of which contributes to the isolation and marginalisation homeworkers experience. The research on homework aims to draw out lessons for non-judicial mechanisms and civil society actors as a means to improve brands' and suppliers' capacity to address homeworkers' grievances and access to remedy.

By exploring the women homeworkers' situation, we begin to understand how their presence in the supply chain is characterised by lack of visibility, isolation, and disempowerment. The women workers' perception of their lack of power and sense of rights is shaped by the dynamics they experience in their village, in their interactions with their husbands and families and with the suppliers and contractors who give them work. These power structures go some way to explain why they have not pursued any informal or formal grievance toward local and transnational companies in relation to human rights abuses.

Homeworkers have not been party to any formal complaint process; however, directly and indirectly, their association with social movement campaigns through NGOs has drawn them into contact with transnational footwear corporations. The research has adopted a broad approach to grievance to include grievance raised through social movement campaigns. The research follows the responses of transnational business to the social movement campaigns on

Cover: Footwear homeworker Tamil Nadu. *Photo: Annie Delaney*

child labour in the Indian footwear sector; a homework program in North India by the ETI; and a recent campaign on leather footwear homework in Tamil Nadu.

The global footwear corporations identified in this research are represented through three types of non-state voluntary, non-binding, non-judicial mechanisms:

- Corporate-designed voluntary mechanism commonly referred to as codes of conduct
- Industry-led Business Social Compliance Initiative (BSCI)
- Multi-stakeholder Ethical Trading Initiative (ETI)

We analyse the ways in which transnational business has responded to labour rights abuses linked to homework in their supply chain and the grievance management strategies through the corporate, industry, and multi-stakeholder mechanisms. The research finds that leather footwear transnational business is largely aimed at monitoring and audits in direct supplier factories also referred to as firsttier suppliers. Workers beyond the first tier supplier, those employed by companies that the first tier supplier subcontracts to, tend to be employed on short-term contracts or under other precarious or vulnerable working conditions, and in extreme cases child labour is used.

Our analysis shows that footwear brands and suppliers demonstrate little awareness of the impact and consequences for workers, in relation to the lack of access to grievance management. Equally, the limited external campaign pressure on global brands specific to their footwear pro-

duction in comparison to high profile sustained campaigns on the garment industry indicates that they are less motivated to change and address systemic human rights abuses and improve grievance management strategies.

The trend in global footwear production employment has been a shift away from employing men to employing women,which has contributed to the feminisation of the labour force. Combined with increased subcontracting of work, thistrend has contributed to a reduction in trade unions,which also has reduced workers' capacity to collectively bargain. A further effect has been the increase in factory-based union committees not linked to external independent unions, allowing employers to effectively control any union presence in the workforce.

Low levels of trade union presence at the supplier level further contribute to the multiple barriers workers experience and add to the difficulty of identifying and documenting labour rights abuses in the lower tiers of supply chains. The lack of collective representation therefore impacts on worker potential to pursue grievances, since trade unions are the primary avenue for workers to do so. The precarious nature of footwear production and the lack of collective representation leaves workers more vulnerable to the demands of the factory employers, and less able to voice a complaint.

Over the period of this research it became apparent that if women homeworkers were supported and provided with adequate information about their rights, and a union or labour organisation to collectively present their concerns, we would expect that they would be more likely to raise grievances and seek redress. This would also be contingent on homeworkers having access to a safe process away from the employers (the intermediaries/contractors, suppliers,and brands) and assurance that their livelihood would not be threatened.

The research identified numerous barriers that limit workers and their representatives being able to initiate any grievance; and even when human rights abuses are made known, there is a lack of action by transnational business to address the harms. The analysis of grievance strategies and mechanisms discussed in this report indicates that a lack of transparency and ignorance of a grievance processcan reinforce inequality of access by workers. At the transnational and operational levels grievance management strategies are vague, ambiguous and not known to workers. NGOs and unions are not aware of mechanism grievance processes, and even when they are, they question the legitimacy of mechanisms because they believe that pursuing complaints is not likely to be taken seriously or conducted in a timely manner. An overall finding from this report is that a lack of dialogue with unions and civil society by corporations around accountable and transparent grievance processes perpetuates barriers to grievance for workers in the footwear supply chain.

The report's analysis of the multiple grievance management strategies identified numerous barriers for homeworkers to gain recognition and access to grievance. The limitations of transnational mechanisms to address human rights abuses in the footwear supply chain suggest there is a need to address the substantive issues that create these barriers. The lessons discussed below are informed by the homeworker case and specifically the challenges presented by the systemic problems in the leather footwear sector. Presently, there is little incentive for homeworkers to use any of the non-judicial mechanisms discussed in relation to this case. A number of lessons are discussed from the perspective of informing future initiatives and improvements for homeworkers and other informal workers to access justice within the

global supply chain. The following summarises the lessons for transnational business and social movements, these are further elaborated on in the final section of the report under key lessons.

Corporate purchasing practices and reach beyond the first tier supplier: A key lesson emerging from the footwear case is responsibility and impact beyond the first tier supplier is an important challenge to address. The capacity of non-judicial mechanisms to tackle the commercial drivers of procurement – price, delivery time, and quality being given equal consideration to the CSR standards requires dedicated attention.

Transparency in supply chains and grievance processes at the transnational and operational levels: A lesson from the footwear case is the development of clear and transparent grievance processes by corporate, industry, and multi-stakeholder initiatives at the transnational level and complementary processes at the operational level are necessary to identify and address systemic problems in the supply chain.

Clarity, trust, and legitimacy: there is a need for clear, well-defined processes in place for workers and civil society to be able to adequately evaluate the legitimacy of a grievance process.

Freedom of association and informing workers: a lesson for non-judicial mechanisms is the need to focus more on freedom of association to enable workers access to grievance and remedy.

In regard to social movements we find that a broad grievance approach of campaigns has been effective in gaining industry and media attention, and encouraging brands to respond to claims of human rights abuse in their supply chain. The challenge for campaigns is to address ways to support workers over a longer term to engage in activities to collectively organise and represent their grievances through existing and new unions or labour NGOs.

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Motor rickshaw - intermediary collecting completed shoe uppers from homeworkers in villages in Tamil Nadu. *Photo: Annie Delaney*

Summary of the case

The research focuses on a particular case of leather footwear homeworkers in Tamil Nadu, India. The issues that arise from global brands subcontracting production to Indian manufacturers include a number of specific labour rights abuses and questions in relation to worker access to grievance and redress; these are summarised in Table 1. This case highlights the ever-present barriers to grievance for footwear homeworkers and the lessons for transnational business, NGOs, and unions that emerge from these circumstances.

Table 1: Summary of the case

Mechanisms/ claim-making strategies	**Advocacy by local NGOs:** Rural Education and Development Foundation (READ foundation) – Pudukkottai, Tamil Nadu. Civil Initiatives for Development and Peace (CIVIDEP) – Bangalore, Karnataka. **Advocacy by transnational NGOs:** HomeWorkers Worldwide (HWW) UK has collaborated with local NGOs working with homeworkers; the HWW is a member of the Federation of HomeWorkers Worldwide (FHWW) and the Ethical Trading Initiative. Humanist Institute for Cooperation (HIVOS) – Netherlands; the Centre for Research on Multinational Corporations (SOMO) based in the Netherlands; and India Committee Netherlands (ICN). **Multi-stakeholder Initiatives (MSIs):** Ethical Trading Initiative (ETI); **Industry initiatives:** local industry initiatives – The Southern India Shoe Manufacturers Association (SISMA); Transnational business initiatives: Business Social Compliance Initiative (BSCI) – Europe and India; Corporate codes of conduct.
Human rights abuses	**Human and labour rights abuses include:** discrimination on the basis of gender and caste, lack of minimum wage, lack of living wage, unpaid overtime, occupational health and safety hazards, child labour and lack of freedom of association and collective bargaining and other related violations. • Freedom of association and the right to negotiate or bargain collectively (ILO Conventions 87 & 98, Article 20 Universal Declaration of Human Rights); • The right to job security and protection against irregular/precarious work arrangements (ILO Convention 158); • The right to just and favourable remuneration (Article 23(3) Universal Declaration of Human Rights) and a decent living for workers and their families (Article 7(a) International Covenant on Economic, Social and Cultural Rights); • The rights of homeworkers, ILO Convention on Homework (ILO Convention 177). • The rights of women, The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)

Companies	Over the period 2011 to 2015 a number of brands of footwear were observed being made by homeworkers in the Ambur and Chennai regions. **ETI member companies**: Marks and Spencer (Autograph & Collezione) – UK; Pentland (Kickers & Ted Baker) – UK; ASDA/ Walmart (George) – UK/US; Next– UK, Inditex (Zara) – Spain; Base London – UK. **BSCI members:** Deichmann – Germany and El Corte Inglis – Spain. **Corporate designed mechanisms:** Astormueller (Bugatti) – Germany; Clarks – UK; Bata – Switzerland; ECCO – Denmark; Stone Fly – Italy; Hush Puppies a subsidiary of Wolverine Worldwide – US; Weyco Group (Florsheim) – US; Timberland – US.
Affected people	Women homeworkers working in footwear production in the Ambur and Chennai regions, drawn predominantly from low-caste, Dalit and Muslim backgrounds.
Business activity / project	European and US-based brands source production from Ambur and Chennai in Tamil Nadu, South India, Agra, Utter Pradesh, North India and to a lesser extent from Kolkata in the East. Corporate members of Business Social Compliance Initiative (BSCI) and Ethical Trading Initiative (ETI) are sourcing production of leather footwear that involves hand stitching in Chennai, Ambur and surrounding areas in Tamil Nadu. The Chennai–Ambur regions are a major leather footwear industrial cluster in India, which has a long history of leather footwear production. Many companies maintain corporate offices in Chennai and some manufacturing still occurs there, but the majority of production takes place in Ambur, known as the 'city of leather'. The industry is largely export oriented and is reliant on homework as part of the production of hand-stitched men's shoes and to a lesser extent women's leather footwear.

Footwear homeworkers, Tamil Nadu. *Photo: Annie Delaney*

Methodology

This report is part of a series based on the findings of a three-year Australian Research Council Linkage Project analysing the effectiveness of non-judicial redress mechanisms in responding to human rights concerns in which transnational business activity is involved. We adopt a broad definition of non-judicial grievance mechanisms, namely, those that are mandated to receive complaints, but are not empowered to produce legally binding adjudications.

Research has sought to shed light on the range of factors that contribute to greater or lesser effectiveness and legitimacy in the functioning of transnational grievance-handling systems. A key objective of the project is to develop recommendations regarding how non-judicial forms of redress can better support communities who are adversely impacted by business operations to access justice and have their human rights respected. These recommendations are primarily aimed at those who participate in these mechanisms, including businesses, affected communities and civil society organisations, as well as staff and other members or stakeholders of grievance-handling mechanisms themselves.

Field research for the project as a whole has focused on human rights grievances in the garment and footwear, agribusiness and extractives sectors, with case studies for each sector drawn from two jurisdictions: India and Indonesia. 10 case study reports examine specific human rights grievances experienced by communities and workers and the strategies employed in their attempts to gain redress in the context of these specific sectors and regulatory environments. Five mechanism reports in this series have been developed to provide a better understanding of the effectiveness of individual non-judicial human rights mechanisms governing transnational business. In addition to these individual case-study and mechanism reports, the project's overall findings are presented in four cross-cutting reports which provide broader comparative analyses across the various case studies we examined.

This case study is the companion to the mechanism reports in this series: *The Ethical Trading Initiative: Negotiated solutions to human rights violations in global supply chains?*

This case study was selected because it provided us with an opportunity to explore the effectiveness of grievance strategies in relation to women homeworkers that are working in informal work arrangements.

The scope of our research in this case is limited in several ways. This report draws on case materials and events that came from NGO activities in relation to homework in India in garment and footwear supply chains. The mechanisms discussed by participants in this research determined the type of non-judicial mechanisms examined, consequently the research does not provide a detailed examination of the specific non-judicial mechanism processes and effectiveness. The research is situated within a broader context of barriers to grievance and factors that may contribute to how marginalised footwear homeworkers in global supply chains may seek justice.

This report's findings are based on extensive primary and secondary source research. The report on leather footwear homework in Tamil Nadu is informed by 97 semi-structured interviews and focus group discussions with 146 women homeworkers; 16 local and international business representatives; and 38 local and international non-government organisations (NGO) representatives,

and seven representatives from transnational corporate, industry and multi-stakeholder non-judicial mechanisms. Many more local and international business representatives were approached for interviews but most declined. Four field trips to India were conducted between December 2011 and July 2015; in addition, information is drawn from relevant research, media civil society and business websites, and email correspondence beyond this period.

During the research process, while working on the garment and footwear sector case studies it was decided to focus research attention on the extent to which grievance processes address violations of the following human rights areas:

- Freedom of association and the right to negotiate or bargain collectively (ILO Conventions 87 & 98, Article 20 Universal Declaration of Human Rights);
- The right to job security and protection against irregular/precarious work arrangements (ILO Convention 158);
- The right to just and favourable remuneration (Article 23(3) Universal Declaration of Human Rights) and a decent living for workers and their families (Article 7(an) International Covenant on Economic, Social and Cultural Rights); and
- The rights of homeworkers, ILO Convention on Homework (ILO Convention 177)
- The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)

The garment and footwear case studies and mechanism reports in this series emphasise these human and labour rights areas because they were frequently raised by interviewees and because each of these rights is fundamental to increasing workers' capacity to achieve more systematic and sustained improvements in working conditions throughout manufacturing supply chains. For example, if there is no freedom to organise and negotiate collectively then workers with few other employment options will, if ever, raise grievances for fear of being victimised. We incorporate a broader concept of the ability to organise to include non-traditional forms of organising, such as community organising that may include informal and unorganised workers. The right to secure forms of employment is also very important because in all the garment and footwear case studies precarious work arrangements and subcontracting are found to contribute to undermining workers' freedom to organise.

Adequate compensation is crucial to the empowerment of workers because poorly paid workers live in a highly precarious economic state that makes it difficult for them to engage in advocacy efforts to improve their lives. It is important to note that in most countries that are significant producers of garments and footwear, legal minimum wages are often well below what is needed for workers and their families to meet their basic living needs.

Throughout this report violation of homeworkers' rights is acknowledged in reference in the ILO Convention (177) on Homework in relation to this case rather than specific Indian labour law violations. In India, as in many other countries, homeworkers are rarely recognised as workers and hence are not treated as though they have rights as workers, even though the Indian national labour law does specify that 'outworkers' are entitled to minimum wages. This lack of legal protection or ambiguity of legal status as workers reinforces the insecurity of homeworkers' position as workers

and makes it more difficult for them to make a complaint. In this report we consider the aims of CEDAW, in relation to the case of footwear homeworkers and the treatment of women homeworkers by business and other entities.

Background and overview of the global leather and footwear industry

The global leather industry includes the production of goods such as bags, belts, gloves, clothing, and footwear and the processes involved in treatment of the hides to produce the leather apparel. The leather industry sources products from suppliers in these countries, and relies upon millions of workers working in low-paid and hazardous conditions to produce the leather goods for export to Europe, UK, North America and Asia-Pacific regions. The footwear sector is a major component of the leather industry as the processing and treatment of leather is a key part of footwear production. The leather footwear sector shares similarities with the global garment sector in that it remains labour intensive and reliant on global supply chains that source raw materials and finished products from production locations in developing countries, predominantly China, Vietnam, India, Bangladesh, and Cambodia (ILO, 2000; CLE, 2013).

Most global brands carry out design, marketing, sales, and distribution but outsource production to manufacturers in low-cost regions such as India. The leather footwear industry presents challenges in the opaqueness of the supply chains, which obscures the locations and various entities where work is distributed. This lack of transparency makes it difficult for civil society actors to map and monitor the supply chain and further distances workers from access to grievance mechanisms. The global garment and footwear industries are frequently expanding or relocating production within countries and regions, often to more remote and less economically developed areas. A feature of this expansion is that the industries increasingly rely on a highly female-segmented workforce that is employed by suppliers and through a network of contracted intermediaries. Common characteristics of relocation of production include: accessing tax breaks and other incentives offered by governments which often include low or no legislated minimum wages; downgrading of respect for freedom of association and the disregard for trade unions; poorly developed regulatory schemes; and low levels of labour inspectorate monitoring in areas such as health and safety and enforcement of minimum wages and entitlements.

Low levels of trade union presence at the supplier level further contribute to the multiple barriers workers experience and add to the difficulty of identifying and documenting labour rights abuses in the lower tiers of supply chains. The lack of collective representation therefore impacts on worker ability to pursue grievances, since trade unions are the primary avenue for workers to do so.

Non-state voluntary and non-binding, non-judicial mechanisms have evolved to incorporate labour rights and are designed to address corporate social responsibility initiatives and International Labour Organization (ILO) core labour standards (ILO, 2009). These mechanisms are largely aimed at monitoring and evaluating such standards in supplier factories that global brands directly contract to, also referred to as first tier suppliers. The grievance strategies discussed in this report highlight the situation of leather footwear homework in relation to responses from and interactions with three categories of non-judicial mechanisms, corporate designed codes of conduct, and industry-led and multi-stakeholder initiatives.

The leather footwear sector in South India

Leather production in the Tamil Nadu regions of Chennai and Ambur, have long been the centre of the Indian leather footwear industry. This is not the only production area, however. The leather footwear industry in India has key production areas also in Tamil Nadu, South India; Kolkata in West Bengal; Kanpur and Agra in Utter Pradesh; Jalandhar in Punjab; and Hyderabad in Andhra Pradesh. The Indian leather industry supplies approximately 13% of the global supply and 20% of all leather products into Europe, and is the second largest producer of footwear after China (Council of Leather Exports [CLE] India, 2013; ILO, 2007; 2014). The top export destinations are Germany, United Kingdom, United States, and Hong Kong. Tamil Nadu is India's largest leather exporter (40%) accounting for 70% of India's output of leather products and most of its production is for export.

Since the 1970s, Indian government policy has supported the industry to increase its export focus to compete in the global market. Government policies have contributed to financial support for the industry and the promotion of market flexibility, deregulation of the labour market, reduction in bureaucracy for foreign investment and the rapid increase in special economic zones and leather and footwear production clusters. Indian government policy has supported industrial clusters in this region to further develop export-market driven economic outcomes (Tewari, 2004; Damodaran and Mansingh 2008; Sundar, 2010). Government policy has eased restrictions to enable foreign direct investment in the footwear sector to open up global brand presence in the Indian national market. The leather sector has welcomed this recent investment climate and predicts it will bring about growth in the sector. The industry predicts 'a sea change in branded leather shoes' with moccasins and loafer style shoes replacing sandals as the preferred footwear in India (CLE, 2015). The growth in the footwear export market, alongside the potential growth of footwear for the national market, indicates the footwear sector will continue to expand.

There remains a significant segment of leather production in Chennai, but over the last 10 years there has been expansion between Chennai, Ambur and Vellore, a 300-kilometre stretch of highway between Chennai and Bangalore where leather footwear production is clustered. Over the period of this research, from 2011 to 2015, we visited suppliers, intermediaries, and homeworkers in the Chennai and Ambur regions, but more field visits took place in Ambur. In Ambur most of the large factories have been built in outer villages where land is cheap and available, though there remain a few large factories situated in the centre of town. Estimates vary of the factory-based workforce; it is estimated that in Ambur alone there are around 100 factories and tanneries, with many employing thousands of workers (ICN, 2014)[1].

The presence of homework has long been associated with the stitching of uppers at home, and is a central element of footwear production both in India and globally. It is common for labour rights abuses to occur as a direct result of subcontracting part of the shoe production to villages surrounding large factories via a network of factory subsidiaries and subcontractors. In India, a significant proportion of the hand stitching of the upper is given to homeworkers to complete, mainly for moccasin and loafer-style leather shoes in men's footwear and some women's.

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[1] Estimates of the Tamil Nadu footwear workforce refer to an excess of 100,000 workers, but we were not able to confirm these figures.

International brands contract directly to their tier one supplier for shoe uppers or completed shoes to be produced. Workers in first-tier supply factories face difficulties to collectively organise and bargain, since freedom of association is not respected, and workers are subject to strategies aimed at reducing their job security, remuneration, health and safety standards and capacity to resist harassment and intimidation (Damodaran and Mansingh, 2008; SOMO, 2012). Precarious work practices are not unique to homework, but are also common in factories and tanneries. The work is labour intensive and increasingly feminised with women accounting for 70% of the workforce. The increasing precarious nature of footwear production, and lack of collective representation, leaves workers more vulnerable to the demands of the factory employers and less able to voice a complaint.

Workers beyond the first-tier supplier tend to be employed on short-term contracts or under other precarious or vulnerable work arrangements. Therefore, as work is subcontracted it often becomes less secure and less well paid, and workers are more likely to be captive to work that barely covers subsistence costs; this is particularly the case for women workers. The changes in the work arrangements, the feminisation of the labour force, and subcontracting have attributed to a shift away from trade unions engaged in collective bargaining to factory-based committees not linked to external industry unions, allowing employers to effectively control any union presence in the workforce.

Between the brand and the homeworker there may be up to three to four agents handling or distributing the work. The tier one supplier commonly has several large factories and other units, including tanneries and leather processing. In addition, the tier one supplier will frequently contract work to subsidiaries and external suppliers (tier two suppliers). Tier two suppliers commonly have some production facilities and also subcontract work to small workshops and intermediaries (tier three suppliers). Tier three suppliers may distribute the work across villages directly to homeworkers or they may give the work to village-based intermediaries – contractors/ middlemen[2] (herein intermediaries) (tier four) who then give work to the homeworkers.

Affected people

In dozens of villages women wait for intermediaries to deliver leather uppers for men's shoes. These intermediaries, many in the same villages, distribute work each day for large factories. People previously had worked in agriculture but the land and rivers became polluted by tanneries and footwear factories. With fewer employment options, many took up work in the leather sector. In the leather sector women predominate in factories and are the entire home-based workforce[3]. The footwear women homeworkers are economically dependent upon the footwear supply chain. The work is low paid, based on a piece rate per pair of shoes, and workers are paid by result. The average price paid to homeworkers to stitch a pair of shoes is six rupees, with most homeworkers reporting that they sew an average of ten pairs per day, making the average daily wage 60 rupees (AUD$0.72, EUR€0.48, GBP£0. 42, and USD$0.66[4]). This amount is what the homeworkers receive after the intermediaries and subcontractors take their commission. The

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[2] Intermediaries, also referred to as middle people or contractors, are mainly men, but some women also perform this role. The women intermediaries interviewed worked on a smaller scale giving work to ten workers.

[3] Homeworkers are located in approximately 130 villages around Ambur and the homeworker workforce has been estimated to consist of 20,000 workers. The Indian informal workforce is estimated to be 93%; therefore, it is not unusual that there are no accurate figures available of the informal workforce.

[4] Based on currency conversion rate August 2016.

reported price paid to intermediaries varied from 2 to 20 rupees per pair, though it is difficult to substantiate the details of the amounts paid by suppliers and intermediaries to middlemen. Homeworkers report that the piece rate per pair varies according to the style, the thickness of the leather, and level of difficulty. It is common for an intermediary, who gives the work directly to homeworkers, to be located in the same or a nearby village. The work is subject to tight deadlines and quick turnaround, with significant negative health consequences for the women workers. Homeworkers state that the low piece rates are the reason they have to work such long hours and the cause for the negative impact on their bodies and health. The village-based intermediary will often rent a house from which they distribute and collect the work. Workers may sit together and work at the intermediary's premises, or some women might sit together at a women's house or gather in the street or a laneway, while others might work alone.

The homeworkers are aware that they are low paid. In many cases, either the women themselves or other family members have worked in factories. So they can compare their position as homeworkers with that of factory workers and understand that in general they are badly treated. For example, if they were factory workers, they would be entitled to health insurance through the ESI scheme, a higher rate of pay and more regular work. They do not see any way that they can change their situation, without risking the supply of work through the intermediary. The fact that they have few rights in Indian law, and their legal status as workers is ambiguous, reinforces this powerlessness. The women workers know the piece rate of pay for the uppers they are stitching, but they do not know what the factory is paying for this work, or what cut is taken by intermediaries and subcontractors. They are often unaware of which factory is the source of their employment, let alone the brand or retailer, and have no idea of the selling price of the shoes they are stitching. Informal homeworkers have limited options concerning how and where to raise a work-related grievance.

Homeworkers are women aged between 16 to 60 years, with the majority having children to care for. The homeworkers come from a range of caste backgrounds. Along the key footwear production areas between Chennai and Bangalore, a 300-kilometre stretch, there are Dalit quarter is in each village. Many Dalit men and women work in leather processing tanneries and a lesser number are involved in homeworking. Women of Mudaliar and Gounder castes, which belong to the Other Backward Castes (OBCs) category as well as to the linguistic minority, the Marathi speaking Singh and Muslims, are engaged in leather footwear homework. While their existence is dependent upon the footwear supply chain, their economic and productive contribution is rarely acknowledged by transnational brands and manufacturers and there is little assistance from government institutions. The women homeworkers described working 6 days a week and an average of 9 to 10 hours per day on the stitching work, alongside cleaning, cooking, and caring for family members.

Homeworkers are often dependent upon the intermediary giving them the work to lend them money for small and large essential costs, such as medical emergencies, children-related education expenses and weddings, which places these intermediaries in a powerful position. The money is usually leant by the intermediary as an advance payment for work. The debt incurred leaves the workers dependent on the intermediary for ongoing work and creates a hold over workers that they can never be free from. Generally, the workers have neither awareness of their rights nor a strongly developed sense of justice. This can be explained through a lack of information and support and limited exposure to collective agency or organisation. Homeworkers are not likely to make a complaint as they are not aware of any potential channel to pursue a complaint, they do not trust the process will lead to any benefit, and they are hesitant to risk the loss of their work as a consequence.

Human rights abuses

Leather footwear women homeworkers are a marginalised group across the footwear supply chain and within society. They experience a wide range of human rights abuses, from low wages and poor working conditions to the lack of freedom of association, and because they are economically dependent upon intermediaries and the supply chain they are locked into a cycle of debt and poverty which is difficult to escape.

Freedom of association

Freedom of association is considered here to embrace a broader notion that includes union and NGO alliances and NGOs that are supporting workers to establish worker collective organisation and new unions. This is of relevance to many informal workers, particularly women, who have never experienced collective organisation and collective agency via a union or other form of organisation. Since representation by a legitimate union or other representative organisation is the primary method workers can pursue grievance, this is of critical importance to unrepresented and unorganised workers.

Workers in the footwear industry are largely unorganised. The factories' owners have adopted an anti-union stance; and this combined with changes to the *Trade Union Act 1926* (in 2001) wherein a union must represent 100 workers or ten per cent of the workforce, whichever is less, and the fact that there is no legal obligation on employers in the private sector to recognise unions or to collectively bargain, is a significant deterrent to freedom of association (Sato and Murayami, 2008). There is little union presence and little or no evidence of collective organising among footwear factory workers. Independent unions have a minimal presence in the footwear industry in the Chennai and Ambur regions and while there are several unions in the sector they are small and essentially prohibited from entering the footwear factories because they do not meet the Trade Union Act requirements and because employers are not obligated to recognise them even when they do exist (ICN, 2014). These factors have contributed to the footwear industry in the Chennai and Ambur regions being able to effectively counter union representation (Damodaran and Mansingh, 2008). The number of unions with members in the footwear industry in Tamil Nadu is small and they have limited presence in the factories (ICN, 2014). Evidence from factories visited for this research shows that factory-based unions lack legitimacy, and were formed by management to comply with global brands' corporate social responsibility standards. Currently, there is little evidence of representative organisations among homeworkers and there is only the very early beginning of support for homework collective agency, mainly through the establishment of self-help groups (SHG)[5]. The restriction for unions of representing ten per cent of the workforce, does not apply to unorganised informal workers, but homeworkers would face difficulties to form and register new unions without being able to establish a clear employer–employee relationship.

[5] The SHG, also referred to as savings group, is relatively flexible form of organisation, formed initially around savings and loans, enabling the women to free themselves from the moneylenders, often the intermediaries supplying their homework.

Informal employment

Informal employment encompasses paid activities that may not be included in official statistical surveys, since many informal workers are considered to be self-employed or not employed. Informal employment frequently blurs the line between self-employment and waged employment, such as home-based work and street vending. Informal employment commonly excludes employment contract arrangements and social protection, and the work is often precarious, insecure, low paid and hazardous, and women are more likely than men to be engaged in it. Leather footwear homeworkers are at the bottom of a subcontracting chain: their work is precarious, irregular, insecure, and paid on the piece-rate basis and they receive no recognition in the form of a written contract, no social protection, and no benefits from manufacturers for their work contribution. Informal workers often have no identifiable employer, this restricts the way the women perceive their own employment status, hence many homeworkers do not see themselves as workers, nor having any rights. The lack of recognition of homeworkers as workers, by employers creates a significant barrier to workers making a complaint or demand.

The Tamil Nadu government provides an avenue for informal workers (also referred to as unorganised workers) to join government schemes through welfare boards to secure some benefits, but these benefits are limited and inferior to factory workforce benefits. There is a welfare board for leather workers,[6] by which NGOs and unions assist workers to access, though without support it would be difficult for homeworkers to access the scheme.

Minimum wage and living wage

The minimum wage in the leather footwear industry in India is very low (daily wage of 126.48 rupees, i.e. AUD$2.16, EUR€1.51, US$2.04), and much lower than the garment and textile industry minimum wage, where union collective bargaining still occurs. There is no evidence of minimum wage standards being applied to homeworkers; the piece rates paid amount to approximately half the minimum wage. The minimum wage is well below a subsistent wage or living wage.

Gender discrimination

The relationship between production (paid labour) and social reproduction (activities and services outside the production process, commonly performed by women workers, unpaid housework, and reproduction) contributes to how women's work is undervalued. Gender discrimination prevalent in society is reflected through the position of the women homeworkers in the footwear supply chain. Global brands, local manufacturers, and civil society frequently deny the value of women producing goods from their homes. Corporations have used various strategies to negate home-

[6] The Tamil Nadu Manual Workers Social Security and Welfare Board was constituted on 17.03.99 under Section 6 of the *Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982*, to provide social security and welfare measures for the manual workers engaged in the scheduled employments under the said Act. Tamil Nadu Footwear and Leather Goods Manufacturing and Tannery Workers Welfare Board, workers registered under the scheme, can receive some medical expenses and costs for some hospital procedures at specified hospitals, workers receive an identification card, which is beneficial since many workers have no identification documentation and other benefits include small payments in the case of an accident or death, funeral expenses, assistance for children's education and marriage and maternal benefits.

work's presence, declaring the work to be of lesser value, and depict it as not real work. Firms use euphemisms, such as renaming homeworkers as 'seasonal workers' or 'just housewives' to make them appear to be a less significant part of the supply chain workforce (Delaney, Burchielli, and Connor, 2015). Women bear the responsibility for social reproduction roles, the unpaid activities performed by women, namely housework, primary child-rearing, and caring for the elderly. Women homeworkers share a double burden, as unpaid carers, and carrying the responsibility for community concerns around health, education, and essential services such as water, and working long hours to produce shoes from their home to secure the economic survival of their family. The majority of homeworkers are drawn from low caste, Dalit and Muslim communities where they experience societal marginalisation that is also reflected in their low status in the footwear industry. The necessity of undertaking informal work creates an added pressure on women who already carry many caring responsibilities and this informal work is often not recognised by the state and society as an economically productive activity.

Inequity of home-based workers

The ILO Convention (177) on Home Work specifies recognition of homeworkers as being part of the workforce and entitled to equal treatment with other workers. The convention specifies 8 areas in article 4.2: the right to organise; protection against discrimination; occupation health and safety; minimum pay; social security; and access to training, maternity protection and minimum age requirements.

Footwear homeworkers experience substandard conditions in comparison to factory-based workers. Workers raise concerns around the low piece rates, which are below the minimum wage, and far from a living wage. The lack of medical insurance, Employee State Insurance (ESI) and provident fund (PF)(retirement) and annual bonus payments paid by the employer all reinforced homeworkers' lower status. As mentioned above, gender discrimination is an important contributing factor to their work being attributed a lesser value by suppliers and brands.

Child labour

The economic and socio-political factors of poverty and inequalities related to gender, class, caste, and disability have a determining influence on the communities and individuals most likely to be directly affected by child labour[7]. The occurrence of child labour in the supply chain is associated with the poor labour conditions of adult workers not being paid the equivalent of the minimum wage despite global campaign demands for workers to receive a living wage (one that adequately meets basic living expenses, such as housing, food, utilities, education), and the lack of legislation or the fact that legal standards are not monitored by government agencies. According to ILO international standards the minimum age is 18 years. The Indian government recent *Child and Adolescent Labour (Prohibition and Regulation) Act 2016* (*CLPR*), aims to prevent children (those aged up to 14 years) from being engaged in any occupation and adolescents (those above 14 years and under 18) from being employed in hazardous work. Critics of the amended Act state that there are limits to what is defined as hazardous work and the list of hazardous work will be subject to govern-

[7] A national consultation in India in August 2016 coordinated by Stop Child Labour, identified multiple structural inequalities of gender, caste, class, and disability rather than poverty as the sole contributor to child labour.

ment discretion (Gupta, 2016). NGOs have criticised the amendments since it allows for children to work in family enterprises in the home, after school hours (SCL, 2016).

Definitions of child labour vary between Indian legislation, international standards and campaign group Stop Child Labour (SCL). SCL defines any person under 18 as a child, and a child labourer as any child not in full-time education (SCL, 2016). The recently amended *CLPR Act 2016*, is ambiguous, in that family enterprises are not clearly defined and the definition of a child labourer could potentially reinforce links to child labour with homework.

Child labour in the footwear sector has been linked to tanneries and family and small workshops in North India. In homeworker households in Chennai and Ambur regions in South India, child labour is more a consequence of the low piece rates paid to the homeworkers and tight deadlines. In most instances children are attending school full-time, but because homework is subject to tight deadlines, with significant negative health consequences for the women workers – often ill health is the reason why family members, including children, are required to assist the women to complete their work.

Occupational health and safety issues

Hand-sewing leather is also strenuous and potentially dangerous work: the women showed the scars where the needles had pierced their skin and most of the older women who had previously sewed the shoes could no longer do so because of repetitive strain injuries. The work is subject to tight deadlines and quick turnaround to complete the work, with significant negative health consequences for the women workers. Homeworkers state that the low piece rates are the reason they have to work such long hours, and the reason for the negative impact on their bodies and health. The main injuries of the women workers relate to severe pain in their fingers, back and shoulders. The women have to cover the costs of medical expenses related to ongoing pain and injury, but due to their limited resources they often have to borrow money for medical assistance or go without.

Environmental damage

Extensive environmental damage caused by tanneries and leather processing is evident in the region. Discharges from the leather industry have polluted the river and groundwater, and rendered the agricultural land useless for cultivation. Due to the extent of the pollution by the tanneries and leather processing, the land was sold off cheaply and more tanneries and factories were built. People previously dependent on agriculture for their livelihood sold their land, and then went to work in the factories, and this shift from working the land to working in a factory has provided cheap labour for the leather processing and manufacturing sites. Tanneries and leather processing has led to groundwater contamination with highly toxic chemicals (Pulitzer Centre, 2013). The level of pollution and toxicity linked to the leather sector has ongoing effects on workers and their families' health and wellbeing. Workers reported that they need to purchase water for drinking and washing, and are concerned about the deterioration of their health due to effects of chemical and air pollution.

Summary of the use and barriers to grievance strategies and mechanisms

Over the period of this research, which included field visits, interviews, meetings, and discussions with a broad range of stakeholders in the global footwear supply chain, it became apparent that

home-based workers have very limited access to any complaints process. Table 2 provides a summary of the grievance management strategies and mechanisms discussed in this report in relation to leather footwear homeworkers and the use, impacts, and barriers of the various approaches.

Table 2: Use, impact and barriers of grievance strategies and mechanisms

Grievance Mechanism/Strategy	**Use**	**Impact**	**Barriers**
Global campaigns: HIVOS, Stop Child Labour *Global & local NGO partnership – HWW & CIVIDEP advocacy* *HWW campaign report*	Reports naming global companies & suppliers. Report highlights human rights abuses to homeworkers.	Led to some brand responses. Negative: some homeworkers lost work. Some progress with small number of brands.	Campaign focus solely on child labour; Limited links to local organisations and workers. Workers fearful of losing work; Workers indebted and dependent on the intermediary that provides them work; workers lack experience of collective agency.
Business Social Compliance Initiative (BSCI)[8]	Phone hotline. Audits.	Negligible	Limited grievance process; focus on first tier supplier; no information available to workers.
Transnational business–corporate designed mechanism/ code of conduct	Audits.	Negligible	Focus on first tier supplier; limited grievance process; limited recognition of homework in supply chain; workers fear losing their work.
Local manufacturers / first tier suppliers	Audits.	Negligible	Limited acknowledgement of homeworkers in supply chain; No operational level grievance process; lack of transparency of supply chain – workers unaware where work comes from; fear of losing their work.

Ethical Trading Initiative (ETI) – multi-stakeholder mechanism[2]	Sth India no program. NGO member raised issue. Long-term program in Nth India.	Negligible Some increase in transparency of a few supply chains.	NGOs' lack of trust complaint taken seriously and dealt with in timely manner; little information available to workers; companies not held accountable to implement ETI base code standards.
Indian Government Tamil Nadu State Govt.	None	Negligible	Ambiguous employee status; No information available to workers; legal process lengthy and complex; lack of labour inspectorate monitoring; lack of freedom of association and collective agency.

Overview of grievance management strategies in this case

Our analysis indicates that homeworkers in the Tamil Nadu leather footwear sector have very limited access to local or international grievance management mechanisms. This highlights the limited capacity for such mechanisms to influence business practices, and the limitations to address human rights abuses in the supply chain.

While over the last three decades human rights abuse in global garment supply chains has been the subject of intense scrutiny by labour rights activists and global campaigns, the leather footwear industry has not been the subject of campaign attention to a similar degree. Campaign activities in the garment sector have been effective in linking increased consumer awareness and pressure on brands to address human rights abuses. Many of the household brand names in the garment industry are also engaged in footwear production, often retailing their footwear under different brand labels that are less familiar to consumers. Our analysis shows that footwear brands and suppliers demonstrate little awareness of the impact and consequences for workers, in relation to the lack of access to grievance management. Equally, the limited external pressure on brands specific to their footwear production indicates that they are less motivated to change and address systemic human rights abuses and improve grievance management strategies.

Homework is prevalent in the footwear supply chains, but the extent that homeworkers' presence is recognised in the supply chain varies considerably. Some logistical challenges exist in terms of reaching homeworkers, but the researchers in this project faced few difficulties in locating homeworkers. Contact with homeworkers was facilitated by local NGOs, and homeworkers appreciated being asked about their work, with many stating that we were the first people to ever ask them anything related to their work.

Multi-stakeholder initiative and industry-initiative policies in relation to homework appear to have some influence on the types of responses by brands towards homework. One type of

[8] Business Social Compliance Initiative (BSCI) is a voluntary mechanism established to address labour issues in their member and global supply chains. They work with Europe-based brands, agents, importers, and host-country suppliers.

response is to accept that the existence of homework is common in the supply chain, while another response is to prohibit homework in order to avoid perceived risks linked to brand reputation damage, such as reports of child labour (HWW et al., 2016). In this research project we witnessed both types of responses, but neither response appears to have positive outcomes in relation to any justice for workers.

Some transnational mechanisms have developed extensive guidelines on homework, for example the ETI, and this has gone some way to increase awareness and understanding among brands. NGO members of the ETI attributed this to sustained advocacy work within the ETI by NGO members concerning the existence of homeworkers in global supply chains, leading to the development of the guidelines and homework-specific projects, such as the embroidery workers in North India (discussed later in this report).

However, the acceptance of homework in global supply chains by brands is limited. In reality, homework is mainly acknowledged as an acceptable form of employment in sectors where specific traditional craft skills are needed. The ETI embroidery project in North India (discussed later in this report) fitted in with this concept of homework as specialised skills-based work, rather than regular work found in the garment supply chain.

As a result of homework group advocacy within the ETI, company members are more likely to acknowledge the presence of homeworkers as part of their supply chains, but this does not necessarily mean that they are more likely to address human rights violations. European and American companies appear more likely to attempt to ban homework in response to reports of adverse impacts. For example, the BSCI draws a causal link between homework and child labour. A fact sheet on child labour states that homework is considered to be high risk regarding child labour and companies are advised against the use of homework. Nike's corporate code prohibits the use of homework, which was influential in the India and Pakistan football example, where homework was banned in response to the identification of child labour in the supply chain (discussed later in this report). Responses by global brands that were not members of the ETI or BSCI varied in their responses to homework, though none made specific mention of them in their codes of conduct.

In the footwear sector, the outsourcing of assembly of uppers for leather shoes to homeworkers who do the stitching has been a standard form of production for many years in different parts of the world. From Europe to Latin America, there is evidence going back many years of this practice. In some cases, the work may be undertaken by families with a history of artisanal skills but in other cases not. Homeworking is part of modern patterns of flexible production. Footwear suppliers to the brands commonly negated the position of homework in the production process; this became a rationalization not to address their work conditions, which are clearly below minimum standards. Our analysis indicates that there is reluctance on the part of leather footwear brands and suppliers to develop an adequate grievance management system that address human rights violations of

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[9] Ethical Trading Initiative (ETI) is a tripartite membership multi-stakeholder initiative. Previously the ETI had a working group on homework and developed policy guidelines for companies with homework in their supply chains. The homework working group was associated with an ETI long-term homework project conducted in the North India garment sector, but the homework group was later dissolved following the ETI's shift to a programme supply-chain focus. (See companion report on the ETI mechanism in this series.)

Footwear homeworker Tamil Nadu . *Photo: Annie Delaney*

homeworkers. The evidence shows that the transnational mechanisms are having a minimal impact on addressing human rights abuses across the supply chain, and minimal impact on leather footwear corporate business practices and behaviour.

In contrast to the brands' attitudes to grievance, home-based workers are situated in a marginalised position in the supply chain. This goes some way to understanding why they have not pursued any informal or formal grievance. In order to pursue a grievance, workers must have adequate information, awareness, and capacity to make a complaint and knowledge of the steps involved, how to lodge a complaint, and what would be a likely consequence of any complaint. This is difficult because homeworkers are rarely recognised by the supplier and international brand, and homeworkers themselves are often unaware of the identity of the factory that supplies them work or the name of the international brands. Homeworkers are vulnerable because they need to ensure they keep receiving work from the contractor. Lack of transparency and clarity of any grievance process makes it difficult for individual or groups of homeworkers to access information or establish if there is any benefit of making a complaint. A lack of transparency in the supply chain further obscures where a complaint could be directed toward local suppliers or transnational business entities other than the subcontractor at the village level. Lack of freedom of association is a significant barrier to homeworkers having any capacity to collectively bargain and raise grievances at the local or transnational level. Broader issues of representation are discussed in relation to the use of grievance management strategies.

The use and responses to grievance management strategies

This section details the relevant grievance management mechanisms and responses to homeworker grievance, as summarised in Table 2. Homeworkers have not been party to any complaint process; however, directly and indirectly, their association with NGOs has drawn them into contact with transnational business via corporate, industry, and multi stakeholder initiatives. The research identifies social movement campaigns as a grievance strategy consistent with a broad understanding of grievance. The research identified the transnational NGO campaign grievance strategies as a means to pressure transnational business to respond to human rights abuses in the supply chain. The reporting of the events related to the footwear homework case is not static: many events are ongoing, and through the final field visit in 2015 we attempted to identify what impact if any campaigns and business practice have had in relation to homeworker grievances. In our discussion of the grievance management approaches of the Business Social Compliance Initiative, Ethical Trading Initiative, and corporate designed codes, we also examine the role of grievance management in relation to local suppliers, government, unions, and homeworkers.

Global NGO campaigns as a grievance management strategy

This section will examine NGO campaign approaches to grievance management. The first case, by HIVOS and Stop Child Labour, campaign highlights a broad grievance approach concerning child labour linked to homework in footwear supply chains in North and South India and the local and transnational business responses. The second case, by HomeWorkers Worldwide UK and Cividep India, focuses on leather footwear homeworkers in Tamil Nadu.

NGO Campaign 1: Child labour in the Indian leather footwear industry

While there is no specific complaint issued that has been made directly through any legal channel or voluntary mechanism, child labour in leather footwear production has been raised through international NGO HIVOS as the Stop Child Labour campaign (SCL)[10] in collaboration with SOMO, ICN and other NGOs in the Netherlands.

HIVOS/SCL commissioned SOMO (the Dutch Centre for Research on Multinational Corporations) to research the footwear industry in India. HIVOS/SCL decided to focus on footwear in India because the leather industry had received very little attention; this led HIVOS to want to focus public attention on the sector. In 2012 the report 'Where the Shoe Pinches' described how few footwear companies were willing to provide information about where and by whom shoes are produced and about their strategies (if any) to address child labour (SOMO, 2012). The

[10] HIVOS (Humanist Institute for Cooperation – Netherlands) is a Dutch development organisation that supports organisations across the globe around advocacy, social change, digital activism, and rural innovation. HIVOS has coordinated the Stop Child Labour coalition, and through SOMO published two reports on child labour in the Indian footwear sector, making strong links between child labour and homework. Stop Child Labour (SCL) is a coalition of the Algemene Onderwijsbond (AOb), Mondiaal FNV, HIVOS, India committee Netherlands (ICN), Kerk in Actie, and ICCO Cooperation and Stichting Kinderpostzegels Nederland. The coalition is coordinated by HIVOS.

report concluded that the footwear industry is not very transparent, that few companies have a complete overview of their entire supply chain and even fewer were working to prevent or tackle child labour and other labour violations across their entire production chain (SOMO, 2012).

As part of the process SCL invited transnational companies to respond to their claims of child labour in the supply chain. In 2012, 11 out of 28 companies had responded to SCL about child labour in their supply chains. The campaign aimed to focus on incremental company progress, while the media attention that the campaign generated assisted to focus brands' attention on the importance of tackling the issue. A follow-up report was published in 2013, and indicated that there had been an increase in company responses and some steps taken to address child labour in supply chains (SCL, 2013).

The response by some brands was initially to ban homework and create stitching centres to enable monitoring of child labour. Some did take such steps knowing that SCL would publicise their progress, which created an incentive to do so. Companies through engagement and discussions directly with SCL provided information about their supply chain and how they addressed issues related to child labour. Some participated in stakeholder discussions organised by industry group Business Social Compliance Initiative (BSCI), held in Agra and Chennai in 2013.

The SOMO (2012) report drew links between homework and child labour. The initial research in 2012 did not consult with HWW[11], local NGOs, homeworkers, or children in India to establish what was happening on the ground. It was evident that SCL had limited knowledge about the extent and situation of homework in the sector. In 2013 SCL included information in a follow-up report. This report detailed issues concerning homeworkers following consultation with HomeWorkers Worldwide (HWW), and incorporated points raised in a briefing paper provided by HWW (NGO interviews, 2013).

The HWW briefing document provided to HIVOS drew on lessons arising from a campaign against child labour in the football sector in India and Pakistan and its impact on homeworkers. It examined the creation of stitching centres and banning of homework in Pakistan and India by Nike in relation to hand stitching of leather footballs. The Pakistan and India football stitching centres were established outside the villages where women homeworkers were located, and because the women needed to be close to home, men took up positions in the stitching centres. This led to the women losing their work and the creation of an 'illegal class' of homeworkers with even more precarious work conditions, since homework was banned, but the women still needed work. In the football example, some brands quickly responded by establishing stitching centres as a means to monitor if children were working, but this failed to address the poor

[11] HomeWorkers Worldwide (HWW) is a UK-based organisation that was established to support the movement of home-based workers around the world. HWW has worked on issues of advocacy, organisation and representation of homeworkers for many years, and is a NGO member of the Ethical Trading Initiative. HWW has experience working with homework groups around the work and since early the 2000s has connected groups associated with homeworking in the footwear sector from Portugal, Bulgaria, Chile, Brazil and India. In 2008 this work culminated in a campaign 'Who Foots the Bill?', which linked the working conditions and lack of homeworker rights in the global footwear supply chains to global brands. HWW was calling on brands to map their supply chain, identify all suppliers, and monitor homeworker work conditions. A recent campaign with a focus on leather footwear in Tamil Nadu was launched in 2016 in collaboration with CIVIDEP an Indian NGO.

working conditions and low wages of homeworkers (ILRF, 2010). Overall the lessons from the homeworkers and child labour football case indicated that stitching centres did little to address child labour, since wages and working conditions did not improve, and women homeworkers in many instances were further disadvantaged by loss of work, which further disadvantaged the children. Evaluations of the football case have concluded that child labour was not reduced through the establishment of stitching centres (PILER, 2009; ILRF, 2010). HWW raised concerns that responses by companies to the SCL report had the potential to threaten homeworkers' ongoing work and fail to heed the lessons of the football case (HWW interview, 2013).

The SCL representative confirmed that the briefing document on homework from HomeWorkers Worldwide (HWW) had improved their understanding about the context and the issues related to homework. In particular, how previous campaigns around child labour and homework in the leather sector did not make a substantial difference in terms of child labour (SCL interview, 2013). SCL conceded that steps taken by buyers to prohibit outsourcing to homeworkers to prevent child labour run a high risk of negative impact on the family, including the children. HWW advocated that it would be better to tackle the child labour issue in combination with addressing low wages, legal protection, and organising homeworkers into unions. The perhaps unintentional consequence of the campaign report on child labour has been to emphasise the links between homework and child labour. This has set the context for brands to respond by focusing on child labour being linked to homework at the risk of ignoring the possibility of child labour being present in other parts of the supply chain, for example, in tanneries and small workshops, as the following quote indicates:

> *Of course, child labour exists in the other parts of the supply chain, but in many cases it's connected with homeworking or at least in the mindset of the companies. We always explained to companies that it's not about terminating, finishing contracts and ending relationships, it's about working together with suppliers to improve the situation. Although we can say that, it doesn't always work that way.* (HIVOS/SCL interview, 2013)

HIVOS/SCL[12] reported that some companies had addressed the issues following the 2012 and 2013 report publications and requests for information. For example, one company prohibited work going to homeworkers as a consequence of finding evidence of child labour in their supply chain. German company Deichmann's response to the reports of child labour in their supply chain was to establish stitching centres in Agra, in North India. Initial reports indicate that as a result of the shift to stitching centres women homeworkers have lost their work due to the change in the production (Brand, HIVOS/SCL, and HWW interviews, 2013, 2014).

HIVOS/SCL credited the company concerned with addressing the issues that were important to them, and that they were open to improvements:

> *What I like about them in this way is that [the company] is clear. Okay, they want to raise that child labour is an important issue for them that they want to prevent, but they're open to improvement. They have set up stitching centres to avoid the risk of child labour and to offered the home workers to come to the centres. After opening these centres they see that only men were coming [to the stitching centres]. This is unexpected and important*

[12] The spokesperson for HIVOS and SCL is the same person.

for them as well as this does not seem to be a good alternative for the female home workers. They are looking for ways to get the women involved, and searching for better ways to do this (HIVOS/SCL interview, 2013).

On face value the company appears to have attempted to introduce changes that limit their risks, but there is no evidence to suggest that they have addressed piece-rates payments to reach at least minimum wage levels and other employment benefits. Nor is there any indication that grievance processes have been established to enable workers to make complaints directly to the supplier or to Deichmann (NGO interview, 2014).

Similarly, in response to the SOMO (2012) report, some supplier companies in Ambur and Chennai have established stitching centres. In 2012 when we spoke to one footwear supplier that had established seven stitching centres, by 2015 this had grown to twenty-four. They claim this gives them greater control and ability to monitor if any children are working. The supplier suggested that through the establishment of stitching centres they were able to improve quality standards and reduce their dependency on the contractor. They acknowledge that the homeworkers were paid no more than the piece rate paid by the contractor, and emphasised that the workers are no worse off in stitching centres.

During field visits for this research we were able to contact several homeworkers working at the established stitching centres based in their village. These workers confirmed that they were getting the same low piece rate as previously paid to them by the contractor, but received no additional benefits, such as the equivalent to the minimum wage, ESI, or PF. These workers reiterated that they go each day and stitch at the centre, but nothing else has changed (NGO interviews 2013, 2014; homeworker interviews, 2015). This confirmed our observation that stitching centres offered no improvements for the workers, but did provide an opportunity for suppliers to assure brands that child labour could be monitored. In the Ambur–Chennai regions, interviewing homeworkers over the four years we did not find evidence of children working instead of going to school, though there were instances of children assisting their mother after school. The women mentioned that education was critical to their children's future, and that they hoped that their children's future would involve better work. A sentiment frequently expressed by homeworkers was that they did not want their children to follow in their footsteps; homework was not considered a viable future option.

SCL failed to anticipate that placing pressure on the brands about child labour could lead to a negative outcome for some women homeworkers. The SCL campaign illustrates how difficult and complex supply chain issues and homework can be, and that while banning homework might seem like the easy solution, it does little to address the fundamental rights of those workers and the root causes of child labour. The case demonstrates why it is important to directly engage with affected groups and their advocates. While SCL stated that they are aware of the complexities involved in finding an appropriate solution, it remains to be seen if this can be achieved. SCL's priority was to establish a child labour project in North India, which focused on a whole community approach to developing child labour free zones[13].

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[13] SCL has continued to work with leather footwear companies in North India on child labour. This approach takes a whole community response to create child labour free zones, though it remains too early to tell if this will have a positive impact on corporate behaviour and labour practices toward homeworkers.

NGO Campaign 2: Homeworkers in the leather footwear sector in Tamil Nadu

Until 2013, NGO activity concerning footwear homeworkers in Tamil Nadu was intermittent. No union or other organisation was established for homeworkers to conduct training and to build capacity to enable collective agency. HomeWorkers Worldwide (HWW) worked with a small local NGO to make contact with homeworkers and to form them into groups, and was unwilling or unable to support women workers to build their capacity to become leaders and form their own union or organisation. The NGO gathered information about homeworkers' situation and the supply chain at the village level, but it did not progress this work to establish any collective organisation among the women. The NGO lacked understanding of the power imbalance in the supply chain, and this prevented them from developing strategies that could link the homeworkers' grievances to the supplier and brand.

From 2013 HWW began a collaboration with a different NGO to develop organising strategies for homeworkers. The NGO Cividep[14], based in Bangalore, has supported garment workers for over ten years, initially organising working into self-help groups and later the workers established the women-led Garment Labour Union (GLU). Cividep began collaborating with HWW to train and organise the footwear homeworkers, with the initial aim to support workers to form self-help groups. The process has been time consuming and the progress slow, as homeworkers are cautious to join activities, having no experience of collective organisation and being fearful that any change may threaten their livelihood.

NGOs acknowledged that without workers having some form of collective organisation it was almost impossible for them to raise complaints. NGOs are acutely aware of the power imbalance in the supply chain, which has the effect of homeworkers being less likely to take risks that could negatively affect their livelihood. The NGOs emphasised that homeworkers need the income from their homework to support their families' basic living expenses but their employment is insecure and without clear legal rights. One NGO representative stated:

> *They were not likely to risk losing their work to make a complaint to a supplier or global company, especially when they had little trust that it would bring about any improvement in their situation.* (NGO interview, 2014)

HWW emphasised that to progress complaints would require having a strong relationship with the local NGO or union, to ensure that the workers were not negatively impacted by such a complaint:

> *You have to have very solid relationships with whoever you are working with in India, to actually track what is actually happening. It is difficult and obviously you get a different story back from the company, then you have got to challenge this, the tracking of supply chains, identifying suppliers and brands, and then raising the issues with the companies, all takes a long time.* (HWW interview, 2013)

[14] CIVIDEP, an NGO based in Bangalore, Karnataka a neighbouring state to Tamil Nadu. CIVIDEP has extensive experience working in the garment sector in Bangalore and more recently in collaboration with HWW. In 2013 they began working with leather footwear homeworkers and tannery workers in Tamil Nadu.

One of the challenges for NGOs and homeworkers is to document and make linkages from within and across each supply chain, specific factories, and homeworkers making particular brand products. NGOs acknowledged that the lack of transparency across the supply chain made it difficult to get brands to respond to labour rights abuses linked to homeworkers. HWW stated that workers need a commitment from a company that they are not going to shift their production if a complaint is made:

> *I think you have to have a guarantee that while the complaint is ongoing that no one will lose their work; homeworkers are vulnerable to companies moving the work away.* (HWW interview, 2013)

NGOs expressed concerns around approaching the brands about homeworker conditions. HWW reflected upon a campaign they conducted in 2008, which focused on companies in the UK outside the ETI. They found that the campaign was successful in raising awareness about homeworkers in the footwear sector, in Europe as well as India, but led to little change in relation to corporate practices (HWW interview, 2014).

In 2015 HWW approached a number of companies, including Clarks a non-ETI member and others who were members of the ETI. In the case of Clarks, this led to discussions about employment of homeworkers and meetings to look in more detail at the supply chain in Tamil Nadu. In the case of the ETI member companies, an initial briefing was sent by HWW to raise concerns about the leather sector in India, which included employment conditions for tannery workers as well as homeworkers. HWW reported that the response to the briefing document by ETI brand members made it clear that companies were mainly concerned about addressing environment concerns around chemical used in tanneries, with less attention being paid to working conditions, particularly those of homeworkers (HWW emails, 2015,2016).

In March 2016 the report 'Stitching our Shoes: Homeworkers in South India'[15] was published by HWW in collaboration with CIVIDEP, Labour behind the Label (LBL) (UK), and Change your Shoes (HWW et al., 2016)[16]. The report focused on the employment of homeworkers in Tamil Nadu in the context of the global footwear industry and called on companies to make their supply chains more transparent and address issues around decent work for all workers in the leather sector, including homeworkers. HWW had written to fourteen European-based companies, the majority being members of the ETI[17]. The response from companies confirmed HWW's earlier observation that many were currently addressing issues about the use of chemicals and the environmental pollution in the leather sector, with some attention to animal welfare and statements concerning general commitment to the ACT initiative[18]. One of the companies, Inditex, has a

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[15] In 2016 HWW published a campaign report focusing on conditions for leather homeworkers in Tamil Nadu. This report was jointly published by CIVIDEP, Labour behind the Label, UK, and Change Your Shoes.

[16] Labour Behind the Label (LBL) is a UK-based campaign that works to improve conditions and empower workers in the global garment industry. Change Your Shoes was launched in 2015 to call for greater transparency and improvements in conditions for workers in leather footwear globally, including in India. Change Your Shoes is a European initiative that aims for an ethical, sustainable, and transparent shoe supply chain.

[17] Companies contacted by HWW in regard to homework in their leather supply chain include: Base London, Asos, Boden, H & M, Inditex (Zara), Marks & Spencer, Monsoon, New Look, Next, Pentland (brands include Mitre, Kickers and Le Coste), Primark, Tesco, Sainsburys, and William Lamb (HWW et al., 2016).

[18] ACT (Action, Collaboration, Transformation) is an initiative between international brands and retailers, manufacturers and trade unions to address the issue of living wages in the textile and garment supply chain.

framework agreement with global union IndustriALL[19] which specifically includes homeworkers, and another company reported it was applying policies that it had developed during the ETI North India embroidery project with homeworkers, while other companies did not respond to the request for details about decent work and homework in the supply chain (HWW et al., 2016).

Following the release of the 'Stitching our Shoes' report (HWW et al., 2016), two brands have met with HWW in the UK and Cividep in India to discuss how they can address concerns about homework in their supply chains. HWW and CIVIDEP confirmed in email correspondence in August 2016, that there is a commitment by two major footwear retailers to address issues concerning the employment conditions of homeworkers in their supply chain in Tamil Nadu. The NGOs suggested that the potential to work with two leading brands on the basis of having a commitment to improve homeworkers' working conditions was promising.

Transnational business responses

Over the research period it became apparent that transnational business participants have interpreted grievance in a very broad sense to investigate issues where abuses have been publicly reported or documented. There remains a significant gap in scope for workers to raise grievances at any point in the supply chain across all types of non-judicial mechanisms identified in relation to this case. The following section describes and analyses responses by transnational business to the social movement campaigns and other related activities relevant to homeworker grievances.

Industry mechanism BSCI – grievance management

The BSCI represents many European-based footwear retailers and their suppliers. BSCI responded to the HIVOS and Stop Child Labour coalition because a number of their members were contacted in relation to child labour in their supply chain and subsequently named in the reports. The BSCI stakeholder relation's manager liaised with NGO HIVOS following the first Stop Child Labour report on child labour in the footwear industry, to arrange stakeholder meetings in Agra in North and Chennai in South India, in 2013. One participant stated that the stakeholder meetings are one strategic response they undertake to address broader issues or grievances that arise beyond specific factories rather than a focus on purely operational responses:

The meetings raise issues and these different actors can bring things to our attention, and we can address them with the other participants. In the *footwear* case, it's further down the supply chain, so we have to see what share of responsibility is ours, what leverage can you realistically have, and what would have the most impact. (Brand interview, 2013)

Interviews with suppliers and brands revealed that brand–buyer company responses to the HIVOS report have focused on child labour and that this was the immediate concern of brands, while Indian suppliers disputed the accuracy of the SOMO (2012) report. The stakeholder meetings conducted by BSCI in India in conjunction with HIVOS offered a way for a wider group of relevant stakeholders to discuss their views, for example local NGO READ and international NGO HWW

[19] IndustriALL is the global union that represents workers in the textile, garment, and leather and footwear sectors.

working with homeworkers participated in the Chennai meeting. A number of divergent views emerged at the stakeholder meetings, and discussions did not lead to any specific way to address the issues raised. The participants we spoke to mentioned lack of mutual trust contributed to not being able to reach any agreement on future actions. Industry representatives insisted on the need for further research with attention focused on homework and child labour (brands, suppliers and NGOs interviews, 2013, 2014).

Following the Indian stakeholder meetings, the BSCI along with five brands – Bata, Bugatti, Clarks, Deichmann, and El Corte Ingles – agreed to conduct research in Ambur and Chennai. The brands joined together with the intention 'to find a solution that's going to improve the realities in this area' (brand interviews, 2014). The brands agreed that the research project to be conducted by the Centre for Responsible Business (BSR)[20] was only to investigate child labour and homework in the Tamil Nadu area, despite child labour having been more prominent in North India (brand interviews, 2013). A reason offered for the research focus in South India was that that was where the majority of suppliers to the brands were located (brand interviews, 2013, 2014). A copy of the BSR report findings were provided to the researcher in September 2016. The findings acknowledge that homeworkers are low paid and experience work related health issues, such as pain in their fingers, shoulders and back. While the focus was on the extent of child labour, the report noted there are few children working in the sector in South India[21]. The BSR observations are consistent with the experience of field visits for this research. Though the BSR findings did not mention what step could to be taken by brands to address the conditions of the homeworkers.

In email correspondence with NGOs between 2015-2016, they expressed their frustration over the lack of progress in relation to brands addressing the situation of homeworkers. The NGOs concluded that brands did not make any differentiation between child labour and homeworking, as one NGO stated: 'they consider it high risk, they think homework equals child labour' (NGO email, 2016). The NGOs acknowledge is important for brands to ascertain if child labour is present in their supply chain, but their annoyance was focused toward brand behaviour of ignoring the low piece rates and other inequalities experienced by homeworkers. The joint effort by brands to investigate child labour in Tamil Nadu, indicates that brands could potentially join together to have increased leverage over the suppliers they shared in common. If they were able to achieve improvements to homeworkers work conditions, this would significant reduce the likelihood of homework being associated with child labour.

BSCI broader approach to grievance management

Aside from the responses related to the HIVOS report, the BSCI approach to grievance management is a work in progress[22]. The focus remains on audits and monitoring at the supplier level, the

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[20] Centre for Responsible Business (CRB) is based in Delhi and was established by BSCI and other industry partners (SA 8000 and GIZ). SAI GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH – (German Corporation for International Cooperation) is a company owned by the German Government that specializes in work on development.

[21] Summary findings of South India pilot study: Homeworking and child labour in leather footwear supply chains.

[22] Under the BSCI Code of Conduct, suppliers are required to operate a grievance mechanism, described as a system to collect complaints and suggestions from employees. According to the BSCI website accessed 16 September 2016, 'a grievance mechanism can be a suggestion box in a canteen, an email

tier one supplier, with key sourcing countries China, Bangladesh, and India accounting for 90 per cent of the BSCI members' supply chain production (brand interviews, 2013, 2014). Previously BSCI had operated a workers' hotline where NGOs in the host country locations would handle the calls. Interviewees we spoke to commented that worker hotlines as a complaint process had not been successful, mainly due to the fact of low volume of calls, and issues related to workers' trust in this process. One brand stated that the ways workers presented issues were not always clear and that the factory from where the complaint originated could not easily be identified, which left them unable to follow up many of the complaints registered (brand interview, 2013).

The brand and NGOs we spoke to were in agreement that ideally there would be a system-wide grievance mechanism, and strengthening grievance management at the factory level is the central element to grievance management in supply chains. The current BSCI grievance management focus is on the first tier suppliers, training them to respond to problems at the factory level and to conduct factory audits. One brand acknowledged the need to go further than the failed hotline and factory audits:

> *All factories are being audited. All audits involve worker interviews. In that sense, they have in that moment a possible way to raise grievances and communicate. But this happens intermittently, so if something occurs in between there is no possibility at the moment.* (Brand interview, 2013)

The views expressed by leather footwear brands emphasised resolution of grievances should occur at the operational/supplier level. The emphasis on resolution at the operational level presents a number of challenges. The auditing process has limitations and brand and industry representatives we spoke to acknowledged that the auditing processes have not proved effective in detecting systemic problems or issues relating to labour rights abuses in the supply chain. In particular, corrupt and poor practices in the host country contribute to the failure of third-party auditors to detect labour rights abuses, and the independence of the labour inspectorate (brand interviews, 2013, 2014). As discussed later in this report, for grievance resolution to occur at the supplier level would require comprehensive and inclusive methods for all workers in the supply chain to be sufficiently informed and capable to raise a complaint. There was no evidence of brands in this research having a grievance process in place, the lack of implementation at the transnational level is a barrier of resolution of grievances at the operational level.

Improvement in transparency in the supply chain is another factor that can assist in grievance, since this can assist unions and NGO campaigns to identify suppliers of brands. In the case of leather footwear homework and child labour, industry representatives emphasised that the complexity of the footwear production made it too difficult to attain full supply chain transparency:

> *We focus on the manufacturing part of supply chains, on the direct suppliers, which is mostly the first tier. Everything beyond that, it depends, some of our members would not be able to actually address this, because they don't know their supply chain or because it changes quickly. I think it's never going to happen that we can trace the raw materials and all elements of a product.* (Brand interview, 2014)

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address or a designated manager from the HR department. It is important because it is an avenue for workers to voice their concerns or "grievances" when faced with challenges in their workplace'.

Brands acknowledged that the larger brands could go further, but smaller companies had more limited capacity and resources to map and monitor their supply chain beyond the first tier. If this is the case, it would seem that the BSCI could do more to assist smaller companies to address this limitation. The focus on the first tier supplier restricts transnational business gaining any real perspective in regard to the grievances of workers at the operational level. A brand representative also acknowledged that homeworker access to grievance is limited, and if the homeworkers were organised into a union it would facilitate the inclusion of their voices and would necessitate their seeking the workers' opinion to address the issues raised by the SCL reports (brand interviews, 2013, 2014).

NGOs we spoke to as part of this research were skeptical about the potential for industry- and corporate-designed mechanisms to be inclusive of informal workers, since it was difficult for workers in first tier factories to raise issues and very few options were available for workers beyond the first tier to pursue any grievance. They stated that these workers are least likely to have any union representation, and most likely to experience human rights abuses, therefore they will continue to be overlooked by such mechanisms (NGOs interviews, 2014, 2015).

Corporate-designed mechanisms – grievance management

The brands we spoke to for this research do not have any grievance management process in place. The concept of grievance management is vague and lacks any formal process or design. A view expressed by one footwear brand showed concern in response to SCL about what details were reported on the SCL website as the main reason for behavioural change:

> *We were quite surprised when HIVOS first put our name there…But they couldn't share with us in which factory nor could they share with us any kind of information where we could research more and answer back. But HIVOS is happy with the progress that we made or the kind of progress that [it] expected from us in terms of sharing information and everything, and HIVOS even changed the scorecard on the website.* (Brand interview, 2013)

There were some differences in the type of responses by brands identified by the Stop Child Labour coalition. Overall the reports led to most companies providing an official response to SCL. One brand commented that their internal discussions had led to a better understanding and prioritising of minimum wages. But details concerning how any improvements would be implemented remained unclear:

> *The extent that brands consider issues such as minimum wages as a priority to address is of interest. That's an interesting one, because we're currently having that debate and I've been having that debate this week with others in the business, saying should we regard payment of minimum wage as a critical issue? We have since this discussion reclassified non-payment of at least the legal minimum wage, as a critical issue.* (Brand interview, 2013)

The ETI and ETI member companies did not respond to the SCL report – it remains unclear to what extent the level of campaign and media strategies are required for the ETI corporate members to respond to such a campaign. Some interviewees suggested that the campaign had received little media coverage in the UK as opposed to elsewhere in Europe; therefore, the ETI

members need not feel compelled to respond. One brand stated that the SCL campaign report provided some motivation for companies to respond:

> *In the end, it all depends on what is more effective in the media. If NGOs and campaign organisations in one year have revealed the topic of wages, living wage or minimum wage, if it creates a response in the media it can affect our reputation. Intrinsically, they don't care which topic it is. Does it affect our reputation? Oh, child labour, this affects our reputation, it's very bad. Health and safety or long working hours, people are tired of, it's not that big a problem.* (Brand interview, 2013)

Among the non-judicial mechanism representatives, brands, and suppliers we spoke to, there was no consistent understanding of what grievance processes were in place and available to homeworkers. In response to the issues raised in the HIVOS reports, one footwear brand commented on the issue of grievance:

> *I don't know what the options and the answers are, particularly in the Tamil Nadu area. Is it a help line? I don't know what. They are giving that opportunity to let us look. I guess I describe it top-down through the supply chain, giving that opportunity for that voice to come up. Workers in a factory have an ultimate way of voicing their dissatisfaction with their working condition. They either choose to leave because they're dissatisfied with it or if it's a collective feeling, then potentially you get into industrial action and so on. People in a homework context don't really have the opportunity for either of those in the same way.* (Brand interview, 2013)

The lack of clarity in relation to process and design of any available grievance mechanism by non-judicial mechanisms, industry, and corporations is evident. The lack of clarity of what is a grievance mechanism and how grievances would be handled indicate that brands and industry have not given the concept of grievance sufficient attention.

Ethical Trading Initiative (ETI) – grievance management

This section examines two approaches to grievance by the ETI: firstly, the North India homework project and, secondly, the response to footwear homework in Tamil Nadu.

ETI North India homework project

A number of participants in this research commented on the ETI North India homework project in interviews, in relation to the footwear homeworkers in Tamil Nadu. While the North India project was not a specific focus of this research, of the people we interviewed ETI staff members, ETI brands, non-ETI brands and NGO ETI members, many were participants in the project or had extensive knowledge of the project. The homework project is discussed in the companion report on the ETI mechanism as part of this series. A number of useful lessons can be drawn from this example that are pertinent to leather footwear homework and grievance more generally.

The project and related activities occurred over eleven years (2002-2013[23]), and involved different phases and funding arrangements across the life of the project. The initial focus was on developing guidelines on homework and it took three years to complete. The project focused on homeworkers in an area of Bareilly[24] and aimed to address the difficulties homeworkers face, such as low wages, lack of visibility, deferred payments and lack of transparency in the supply chain. The project involved global brands (ETI members), local unions and NGOs, suppliers and their subcontractors, and an ETI, UK-based homeworking group consisting of brands, unions, and NGOs.

The ETI reported outcomes of this project included improved supply chain transparency, some contraction of the number of tiers in the supply chain, and greater dependency for homeworkers in receiving the payments they were promised as opposed to deductions from subcontractors[25] (brand, NGO interviews, 2014). The improvement by subcontractors to pay homeworkers the piece-rate amount owed to them was achieved through the use of a small 'yellow book' that homeworkers recorded the amounts they sewed and payment owed. Though there were reports of moderate increases in piece-rate payments, these were well below the minimum wage rate. Companies we interviewed for this research frequently stated that it is almost impossible to trace the supply chain beyond the first tier, in particular where homeworkers are involved. Yet a positive consequence coming from the ETI homework project demonstrated that the supply chain can be mapped. Participants of the project mentioned some improvements for homeworkers were achieved over the life of the project, such as access to crèche facilities, formation of self-help groups, and training and registration with government artisan schemes.

> *If you look at the homeworkers who are in India, they are not registered anywhere. So, it's an invisible lot. The moment you have an artisan card, which is basically an identity card, the government of India recognizes you as an artisan. And then automatically, all the schemes are available to you, as a homeworker the artisan cards were a big, big success actually in places like Bareilly, in places like Delhi, where these centers were set up by this group.* (Brand interview, 2013)

While the inclusion of homework-related policies by the ETI did impact on company commitment and acknowledgement of homework in the supply chain, this fell short of the same companies being held accountable to meeting the ETI base code standards when it comes to homeworkers. The participants we spoke to confirmed that the project was not able to assert influence over brand behaviour to improve wages and that any increase in payments came about through other strategies, such as contraction of the supply chain and discouraging subcontractors to make deductions from wages owed to homeworkers. The ETI project involved training and awareness raising to improve the lack of communication between brand CSR and purchasing division behaviour. One participant commented that there were some examples of the project having some influence on corporate buyer attitudes:

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[23] The project period 2002-2006 involved the stakeholders, brands, NGOs and Unions preparing guidelines on homework. The ETI implementation of the program occurred between 2006-2013.

[24] Bareilly is located in the North Indian state of Uttar Pradesh, 250 kilometres north of the Lucknow and 250 kilometres east of New Delhi.

[25] Contractors/intermediaries often make deductions from amounts owed to homeworkers, these may be on the basis of work not performed correctly, or disputed quality. Since they do not pay the homeworkers till after the work is completed, they homeworkers have little power or avenues available to them to challenge this practice.

> *There will be only a handful of companies, wherein any buyers consult the compliance team in advance to actually punch in their orders to a factory; getting a feedback about the factory, whether they should be getting into a commercial relationship with that particular factory or not. So, the cross communication is a big challenge, and that has a big impact on not only the wages, but on the working conditions and all other issues – that has a direct bearing. But, personally, I feel that if you sensitise the commercial teams, things change really fast.*(Brand interview, 2014)

Participants in the ETI project we spoke to observed that a change in attitude could potentially shift the balance between company commercial drivers and social responsibility standards, but none of the research participants we spoke to could confirm that such improvements, such as an increase in prices paid, had occurred. Participants confirmed that only one ETI company had committed to ensure homeworkers in their supply chain received minimum wages; this is below the ETI base code of commitment to pay a living wage (brands and NGOs interviews, 2013, 2014). A NGO ETI member reiterated that CSR representatives involved in the project were not able to influence their head office in relation to purchasing practices, and this was the main reason the project could not address improvement in homeworker wages (NGO interview, 2014). Similarly, other industry representatives commented that there is a lack of communication between the corporate CSR and buying departments, and buyers continue to be rewarded for securing contracts for the cheapest price without regard for labour rights standards. They acknowledged that to effectively integrate the human rights requirements across the whole company would be very difficult as long as the buyers are being rewarded for securing the cheapest price (brand interviews, 2013, 2014).

One brand representative commented on the difficulty of brands meeting the many challenges the project presented:

> *There were a lot of members in the group, fellow retailers, in the US and the UK, who were not willing to take those challenges head-on. More importantly, one has to have the intent. If we don't have the intent, then things become very difficult. (Brand interview,* 2014)

Brand CSR representatives acknowledged that without support from within their company it was difficult for them to push forward on the project. A brand CSR representative commented:

> *Some companies had problems with their factories, and they were struggling to implement some of the initiatives that the homework group wanted. But I totally understand them, actually, it's the way the garments industry has always been, and if you don't have a clear directive from the head of the organization, then it becomes difficult to implement CSR standards. There has to be integration between the CSR compliance and the purchasing teams. If that's not happening in the organization, then what you have created is two different, parallel-run organizations, which is not going to work out.* (Brand interview, 2014)

The disconnect between corporate CSR and purchasing practices is further highlighted by the lack of certainty suppliers experience in not having some assurance on price and a promise of a longer-term relationship. The CSR representatives we spoke to confirmed that the ongoing relationship with a supplier is measured against the supplier capacity to meet deadlines, quality and unit prices according to buyer demands. The CSR representatives require suppliers to meet the CSR compliance standards, but there are limits in how this can be rewarded. CSR representatives seem

to accept the limits of their influence on suppliers. As one commented, it's the buyers in the company who wield the power:

> *We do not tell the subcontractors that you are a preferred supplier, because they would not take our word for it. Because we (CSR representatives) don't have the checkbooks, the checkbooks come from the sourcing teams* [the buyers]. (Brand interview, 2013)

One brand reported attempts to improve communication between the buyers and corporate CSR sections. This involved efforts to improve communication within the company. The head of the CSR division gave presentations to buying managers and directors with the intention of improving integration of CSR standards across the company and to give suppliers a consistent message. This indicates brands are well aware of the disjuncture within the business between the role of buyers and CSR, and some attempts are being made to address it. Though none of the companies we spoke to was able to report that they were able to resolve this (Brand interviews, 2013, 2014).

After the ETI closed the project in 2013, companies shifted the work closer to Delhi to enable auditors easier access to monitor the work (NGO interviews, 2014, 2015). The consequences of the shift in production led to men and boys moving closer to Delhi to work in small workshops, leaving many women homeworkers in Bareilly behind with fewer work options available to them. Overall, any positive outcomes achieved by this project did not gain sufficient institutional support to change business practice.

The ETI homework project demonstrates some of the difficulties in implementing even the most basic standard, including minimum wages for homeworkers. Whilst participants of the project noted there are many complexities within the garment supply chain, a consistent view was that most brands lacked the commitment to ensure minimum wages were paid throughout their supply chain. A number of interviewees from NGOs, brands, and industry suggested the ETI project as a clear example of how brand CSR representatives had no influence over the buying division of the company. Despite many participants stating the outcomes of this project were disappointing, the ETI North India homework project has been promoted as one of the ETI's successful supply chain projects (NGO, interview 2014). The contradictions between corporate CSR and buyer departments have important consequences for implementation of non-judicial mechanism standards, and for workers' capacity to pursue grievance and seek redress through local suppliers and transnational brands.

Awareness among NGOs of tensions between corporate CSR standards and commercial drivers was raised as one of the barriers to making a complaint to the ETI or to companies directly on behalf of homeworkers. There was a view that this would deter any resolution, since the ETI had failed to hold companies accountable within its own homework supply chain project (NGOs interviews, 2013, 2014). In addition, NGOs expressed caution about pursuing a complaint; their apprehension was mainly around the risks perceived by homeworkers in proceeding with a complaint at risk of losing their work, but they also doubted that a complaint would lead to a change in business behaviour or influence ETI commitment to enforcing their own standards:

> *From the homeworkers' point of view, it is the fear of losing their work. This concern applies in and out of the ETI. I think there has been a lot of discussion within the ETI. There was discus-*

sion about a complaint, and the company's commitment to keep work there, not just move the work away because…but it is very difficult to monitor, because from our point of view, things just get lost at the companies – you make a complaint and they say they will investigate and nothing happens. (NGO interview, 2013)

ETI response to leather footwear homework in Tamil Nadu

In relation to leather footwear homework there has been no official response from the ETI in relation to the SCL reports. In 2015 HWW sent a briefing document to the ETI outlining labour rights abuses in the footwear supply chain. In the same year, HWW and Cividep started discussions with Clarks (not an ETI member) and, subsequently (following the March 2016 report 'Stitching Our Shoes'), with one more leading footwear brand, Pentland (an ETI member). Cividep and HWW are hopeful that the discussions and potential follow-up projects will be important in showing other companies how they can address homeworker grievance in the supply chain. In email correspondence in 2016, HWW reported that they consider the progress made meeting directly with the two companies as far more beneficial than anything that had been achieved through the ETI up to present.

Comments by interviewees about raising complaints within the ETI around footwear homework reinforced the experiences drawn from the North India project. A range of ETI stakeholders stated that the inconsistencies between compliance with labour rights and purchasing practices (especially the terms of the supply relationship and the price paid for goods) is critical to corporations' capacity to address the most basic conditions such as minimum wages. The disconnect between corporate CSR standards and purchasing practices in general terms raises barriers for workers to access grievance.

The ETI approach to homework in the supply chain highlights the tensions between brand purchasing practices, incentives for suppliers' and workers' rights. Buyer incentives to suppliers are limited to securing the next order, which is not sufficient to ensure labour rights are taken seriously. The case demonstrates a lack of initiative by brands to improve leverage over the suppliers to address poor practices. There were no initiatives by brands to increase leverage and reduce tensions between CSR and purchasing roles within the corporation. The ETI homework project has not led to substantial change in business behaviour in relation to these issues. Civil society stakeholders we spoke to raised concerns around the legitimacy of the ETI mechanism; from their perspective the corporate members are not being held accountable to achieve measurable results or meet the ETI base code standards or outcomes that would benefit workers.

Operational level/ supplier – grievance management

The local industry representatives repeatedly downplayed the significance of homeworkers' role in the supply chain. One of the largest leather footwear manufacturers in Tamil Nadu indicated that the factory does most of the work, and that for six months of the year homeworkers do less than thirty per cent of the work and in the remainder of the year homeworkers do no work[26].

[26] Footwear suppliers downplayed the use of homework to brands and NGOs. In interviews they consistently portrayed homeworkers as marginal and an insignificant part of the workforce.

Footwear homeworkers, Tamil Nadu. *Photo: Annie Delaney*

While the perception presented by the industry is that this is an irregular and marginal workforce, interviews with homeworkers suggest the opposite. Homeworkers stated that they work all year, six days a week, with a low season occurring for about two months each year. Two brands we spoke to acknowledged that homework is an important part of footwear production, while others were less forthcoming (brand interviews, 2012, 2013, 2014). Unwillingness by brands and suppliers to acknowledge that homeworkers are a substantial part of the workforce is a major barrier to their recognition and their right to grievance through local and transnational processes.

Supplier firms reported the grievance process for the factory workers relied upon a suggestion box for workers to raise issues, make suggestions, or report problems. Two supplier firms stated they did not receive many complaints and that most issues in the suggestion box concerned ideas and suggestions to improve productivity. One company managing director stated that they gave out their phone number to factory workers and made annual visits to workers' homes, but would not acknowledge the homeworkers as part of their workforce (supplier interviews, 2011, 2013, 2014).

Local suppliers in Tamil Nadu have been keen to assure brands that there is no child labour following the HIVOS child labour reports. The establishment of stitching centres in North India by Deichmann, the German footwear corporation, emerged during the BSCI stakeholder meetings (NGO interviews, 2013). One supplier in South India has introduced village-based stitching centres, and while this had not disadvantaged homeworkers since they are close to their homes it has not led to any improvements in their work payments or benefits or being treated the same as other factory employees. The supplier emphasised that this is how they

can assure brands that no children are involved in production. The supplier also stated that the workers were being paid the same piece rate as they had previously received from the contractor, indicating that working in the stitching centre did not disadvantage the women workers (supplier interviews, 2012, 2015).

A CSR representative mentioned that one way to improve standards may reflect how brands may offer incentives to suppliers, one industry spokesperson described incentives for suppliers as very important and the main way to offer such incentives is to establish long-term relationships, and ensure that future contracts are guaranteed:

Of course they will have to be paid a certain level that will give them the room to actually invest if they want to, but if they have that and then if buyers enter a long term contract or is forward contracts, that gives them the supplier a way to plan and *confirm* that the buyer is serious. He's staying with me, so I can actually work towards improving something that he asks for me and I can see I can get something from it. It's not that I incur costs and then next season he is gone. (Brand interview, 2014)

Brands' CSR compliance requirements, including codes of practice and other CSR standards, which require changes in production or other additional resources, have cost implications for suppliers. In addition to cost implications for suppliers, the evaluation of business risk impacts on how suppliers interpret brands' CSR standards; in other words, how serious they really are. In an interview in 2015 a footwear supplier noted that most recently the brands they supply were most concerned about child labour and building safety. They acknowledged that child labour concerns had come out of the SCL reports, and building safety issues had been raised following the Bangladesh Rana Plaza collapse. These concerns prioritised potential risks to the brand and responses intended to protect the brand, rather than how to effectively address human rights concerns. Such an approach, driven by perceived risk to business reputation, can influence supplier responses to CSR obligations to become a 'tick box' response. The consequence of CSR being driven by risk to business can lead to perfunctory adherence to CSR standards at the first tier supplier level and fail to identify poor labour practices beyond the first tier. Suppliers stated that although they are subjected to increased pressure to meet the brands' CSR standards, there is little tradeoff by the brands in terms of meeting all or part of the additional costs involved in complying with these standards (supplier interviews, 2013, 2015).

Footwear suppliers' lack of acknowledgement of homeworkers' labour avoids acceptance of responsibility and transfers responsibility down the chain to small intermediaries that directly or via other intermediaries distribute work on a piece-rate basis. At the village level the intermediaries that distribute the work often conceal details from the homeworkers. One intermediary described the process of how they inform each other about the price they pay to the homeworkers:

> *We agree among ourselves as to how much we would pay, for example when we go to pick up the uppers from the company we meet the other middlemen then we decide how much we should pay the workers. It shouldn't cause problems among the workers – no worker should ask me why I am paying one rupee more or one rupee less, whereas if I get the upper from another company no one is going to know how much I am paying and how much I take. No workers will be able to give you much detail because those who are stitching don't know, we just give them the uppers and they stitch them.* (Middleman interview, 2013)

The lack of transparency through the supply chain makes it impossible for homeworkers to ascertain the concept of value added by their labour, in other words the level of profit and benefit to suppliers and intermediaries for not providing to homeworkers the minimum wage and basic benefits. Nor are homeworkers able to locate the supplier company from which the work originates, nor which brand they are producing. The absence of transparency obscures any potential grievance avenue.

There is no evidence of the existence of a grievance process at operational level that homeworkers could access. At the village level a complaint is unlikely, since the probability of workers being disadvantaged through the loss of work makes raising a complaint prohibitive. Transnational business emphasised the necessity for operational grievance mechanisms (brands and industry representative interviews, 2011, 2013, 2014). This highlights a significant gap in brand and supplier attitudes and practice toward workers in their supply chain to implement a grievance process that workers can understand and believe will be equitable and transparent.

Government grievance management

Homeworkers' legal status under Indian labour law is ambiguous in most states. The *Indian Minimum Wages Act 1948* includes outworkers (a term used interchangeably with homeworkers) in its definition of employee, but there remains some ambiguity to the status of informal workers, often left in limbo in regard to the labour legislation. According to the ILO, Karnataka is one Indian state to have extended the Minimum Wages Act to homeworkers, thereby providing additional certainty (ILO, 2007). India has not ratified the ILO Convention on Homework (ILO Convention 177).[27]

While the national *Indian Minimum Wages Act 1948* includes outworkers in its definition of employees for the purposes of the Act, we found no evidence of any homeworkers in the Ambur and Chennai regions being treated as employees or paid piece-rates equivalent to the relevant minimum wage. This ambiguity of their status as an employee or worker contributes to barriers in how employers perceive their obligations and workers perceive their entitlements. The obstacles to homeworkers to make complaints or demands are not solely because there is limited access to a legal or non-judicial mechanism. The lack of an identifiable employer and homeworkers not seeing themselves as workers, or having rights, makes it less likely that they would make demands on employers or the government. Extending to homeworkers legal protection as employees under the Minimum Wages Act could assist improved recognition of homeworkers by employers and unions and therefore facilitate increased uptake through traditional legal grievance process.

The homeworkers are largely invisible to the state. Direct employees of the tanneries and footwear factories are entitled to receive the legal minimum wage and to have their employer contribute to the government's Employees' State Insurance (ESI) scheme and Provident Fund (PF). Homeworkers employed by the same company are not receiving either ESI or PF, nor are the piece-rate payments equivalent to the weekly minimum wage, nor does it appear that state labour inspectorate monitoring in this sector is active. Homeworkers could register with the government's Tamil Nadu Footwear and Leathers Goods Manufactory and Tannery Workers Welfare Board to receive the far

[27] The key principle of the convention is that homeworkers should be treated equally to other workers.

less comprehensive accident insurance and educational assistance for children provided by that board; however, the women were generally unaware of this entitlement.

The Indian leather and footwear industry has received considerable government support to advance its stake in the global export market. Special economic zones have been earmarked for expansion in the Chennai–Ambur region, which suggests the limited freedom of association in footwear factories will continue (supplier and NGO interviews, 2014, 2015). Attention to labour and human rights protection for workers has not kept pace with the push for Indian export-oriented companies to expand their production and global reach. While there is no lack of labour legislation in India, and the labour court reputation is relatively free of corruption, the capacity to apply and monitor labour rights primarily through labour inspectorates and local labour offices remains limited. Lack of resources and corruption were frequently mentioned reasons for ineffective labour inspectorate in the footwear sector (union interview, 2011; NGOs interviews, 2012, 2013).

Union representatives we met stated that while initiating court cases is possible, because the court process takes a very long time they prefer to take issues directly to employers (union interview, 2011). Usually a union or lawyer is required to initiate a complaint to the labour court. The lack of trade union activity in the footwear sector is a significant barrier and means that workers are less likely to choose such action.

The broad range of government welfare schemes available through government welfare boards are designed to address labour rights for informal unorganised workers and other nominated categories of workers. The state of Tamil Nadu has one of the most extensive welfare board schemes, though it should be noted that access by workers is largely dependent upon unions and NGOs providing the necessary support to negotiate the bureaucracy to secure the various measures. The welfare boards do not provide health insurance, which home workers commonly raised as a priority concern.

Union grievance management

An important process for handling grievances within factories is through union representation. Unions in the footwear industry in Tamil Nadu have a limited presence. State level unions participate in the tripartite process for minimum wage setting by the state of Tamil Nadu, but few have any formal recognition at the factory level. There is little evidence of union activity among small workshops and informal workers such as homeworkers. Footwear employers in interviews were open about their motives for establishing factory unions for the purpose of complying with their buyers' codes of conduct, which require respect for freedom of association. In addition to lack of union presence in the factories, few unions have developed effective strategies to address the issues facing women workers, in particular informal workers. Many unions in the footwear sector are male dominated, and have been used to dealing with male employees, whereas the increasing shift towards factories employing women using subcontracting and other informal arrangements has severely reduced union membership and capacity to organise. These factors severely limit union capacity to recruit members and to organise workers in the factories and among homeworkers. In Tamil Nadu, footwear suppliers have been open in their dislike of unions in the workplace. For these reasons, there is very limited freedom of association in the footwear workforce.

Footwear suppliers to brands were unambiguous in their lack of support for independent trade unions. The suppliers we spoke to stated that they opposed a nationally affiliated union in their factory, arguing that this would lead to chaos and politically motivated actions. The lack of freedom of association is also acknowledged by brands, but brands insist that workers are free to join unions and that low levels of unionisation simply reflect low levels of awareness among workers. Other brands seem to accept their suppliers' argument that workers do not need to be unionised because they are being 'looked after'. As one brand representative commented:

> *No, I think politically affiliated trade unions usually seem to be formed in the areas of factories where the conditions aren't really that good. I have worked with a couple of factories and when I speak to the owners, they very proudly tell me there are no trade unions here, because we look after our people very well. Trade unions by and large now more focused on converting the workforce as vote banks for their affiliated political parties.* (Brand interview, 2013)

Our analysis indicates that freedom of association (FOA) is not being given the given the equal attention by brands equal to other critical issues, such as child labour, and building safety, and by one brand acknowledging minimum wages amongst homework is a critical issue. At the supplier level, lack of freedom of association is a significant barrier to workers having an independent voice from management. FOA is the most significant strategy for workers to counter the power imbalance in the supply chain. The homeworkers and other workers in the lower tiers of the supply chain lack any collective agency, which is a significant obstacle to their being able to raise grievances. Even if homeworkers were able to establish new unions or other forms of collective agency, without recognition of FOA and support by transnational business via corporate industry and multi-stakeholder initiatives this will continue to be a significant barrier to homeworkers and other workers being able to raise grievances to access remedy.

Homeworkers and grievance

Grievance processes provide a means to identify and report abuses, but homeworkers do not perceive that such processes are available to them. As discussed previously, lack of recognition by suppliers, brands, and government that they are workers and have rights reinforces homeworkers' perception that they have no clear employer and no entitlements. Therefore, even if there were a grievance mechanism available to them to make a claim, their lack of sense of rights would be a barrier to pursuing a claim. As it stands now, the women could see little value in pursuing any complaints: 'I don't know anything about the company. I am just at home doing this work' (homeworker interview, 2011).

Their only contact is with the intermediary who brings them the work. The homeworkers do not see any productive avenue for lodging grievances with the intermediary or the local suppliers. Homeworkers frequently express concern about how they can maintain their livelihood and ensure that their work continues. They state that they are living day to day and they have no capacity or means to influence or change their situation. Homeworkers discuss freely the limitations of their work and capacity to change their situation:

> *Now we only work from home, one person brings the upper and we get it from him. No we don't know what company the upper belongs to, we don't know where it goes either, if you are sourcing the pieces we will stitch for you, you will note it down in a notebook and pay us every week.* (Homeworker interview, 2013)

By participating in this research homeworkers demonstrated a form of grievance making. They spoke to us and welcomed the opportunity to discuss their work situation. For many it was the first time they had been asked about their work-related problems. The workers were concerned that the companies would identify them. The homeworkers often mentioned that they hoped that we could tell the companies to pay them more, and if the piece rate increased they would die happy. They had little awareness that they could lead change, and mentioned a number of times that they expected that as researchers we could advocate on their behalf. When they were asked to imagine having some position of power, they found this puzzling and found it difficult to imagine any institution coming to their assistance. On reporting back to workers about the research findings, they insisted that we should tell the companies to increase the piece rate and treat them better:

> *We homeworkers cannot demand anything; they would tell us 'we are getting the uppers to your homes, if you are interested to work, you work, if you are not interested just don't do the work, if it is not feasible, don't do the work' – we cannot demand anything.* (Homeworker interview, 2015)

In another village a group of homeworkers had a complex relationship with the male intermediary. This intermediary was controlling of the workers while claiming to be working in their interest:

> *We are like a family, I will scold them, even their husbands wouldn't scold them the way I do, I have never related to them as workers, I am like an older brother to them and they are like my younger sisters, we are like a family, we work jointly.* (Middleman interview, 2014)

The workers looked to him to answer on their behalf, and emphasised that they consult with this middleman to do anything:

> *He is the one who provides us with work, just as you consult your management we will consult with him, he is our management. If he says 'OK' then we will join. You don't have to consult with the group you just have to consult with him.* (Homeworker interview, 2015)

Homeworkers' descriptions of their situation often reflected they felt they had little control, reinforcing the idea that they have little awareness of any rights. We would expect that if more information was available to them about the supply chain, payments, and improvements in status among suppliers and brands to their employment status and associated rights, alongside support to improve their understanding of rights and agency, their views may change. Even with support to utilise a transparent and inclusive process of claim making to address their grievance, that involved assurance they would not lose their work or be adversely affected, would require a lot of encouragement for the women to understand they have a right to make a claim.

Issues and limitations of grievance management strategies

Our analysis has begun to identify that the barriers to footwear homeworkers' use of grievance processes can be explained by a number of factors that limit grievance processes and influence corporate and industry-wide responses to human rights abuse. The types of policy responses that corporate, industry-designed, and multi-stakeholder voluntary mechanisms have in place in relation to homeworkers' impact on the potential for recognition of workers' grievance, and effective corporate responses. Even when homework is acknowledged, as in the case of the ETI, this does not guarantee corporations will put these policies into practice.

The homework case indicates that a broader pattern of responses by business to human rights abuse in the supply chain is necessary for homework grievances to be addressed. The substantive issues that create barriers to grievance in relation to homeworkers have been identified and include: lack of supply chain transparency; lack of trust in the mechanism to pursue a grievance in a serious and timely manner; and the lack of clarity around grievance processes at the transnational and operational level, which reinforces perceptions by workers, unions, and NGOs that the mechanism lacks legitimacy. Workers and their representatives are less likely to pursue grievances through a non-judicial mechanism when there is lack of clarity of a grievance process or outcomes will not address the substantive issues of concern to workers. The example of the failure to hold corporate members accountable to implement base standards, in the ETI North India homework project, reinforces this. The industry and multi-stakeholder mechanisms discussed in this research demonstrate they lack the capacity and commitment to enforce compliance of corporate members. In addition, to lack of freedom of association, the power and social relations embedded in the supply chain further create barriers to worker grievance as highlighted in the Tamil Nadu homework example. To enable groups such as homeworkers to make complaints without fear of adverse impact on their livelihood necessitates these barriers to be addressed. These issues are explored further below.

Issues of power and social relations in the footwear supply chain

The workers' perception of their power and of justice is shaped by the dynamics they experience in their village, from their husbands and family, from the men who give them work, and from the power structures of the village and the corporations for whom they ultimately produce. From the workers' perspective there is little capacity to collectively organise. Until very recently there has been limited involvement by external NGOs or unions to assist workers to improve their collective agency and further develop their understanding of justice and rights in relation to their working conditions.

The women homeworkers are economically and socially entrenched in the social relations of the supply chain. Their ambiguous status as 'workers' allows them to be represented by employers as 'just doing some work in their spare time'. Because women are located in their homes where they cook, clean, and care, as well as produce for the global footwear industry, they are not considered real workers, which further reinforces gender discrimination. These factors contribute to their being socially and politically isolated, marginalised, and less able to lobby for recognition and protection and less likely to make complaints. Informal work such as homework is prevalent in garment and footwear supply chains, but the non-judicial mechanisms considered in this research vary considerably in how homework is recognised. The failure to recognise homework in the supply chain, and homeworkers as workers encourages exclusion and limits avenues for workers and their advocates to pursue grievance.

In order to pursue a grievance, workers must have adequate information, an awareness of rights and capacity to engage through representatives in a grievance process. Homeworkers frequently commented that the factory treats them differently to factory workers. Due to subcontracting of production homeworkers employment status is ambiguous, and the lack of established employer-employee relationship limit the workers access to legal avenues for grievance. Their ambiguous employment status reinforces employer attitudes that they are not obligated to pro-

vide to homeworkers the minimum legal requirements determined by the labour law. When brands and suppliers do acknowledge the presence of homeworkers in the supply chain, it has been in response to adverse consequences such as the report of child labour in the supply chain by SCL. Companies interviewed have no equity policy in relation to homework, and only one acknowledged that they had begun to have an internal discussion about payment of minimum wages being considered a critical issue (brand interview, 2014). Regardless of whether homeworkers are defined as employees or workers in law, their ambiguous employment status is reinforced by brands, suppliers, and intermediaries and this shapes how homeworkers perceive themselves and their sense of rights.

The numerous barriers that prevent workers from making complaints via corporate-designed mechanisms (discussed earlier in the report) are relevant to the problems workers face in accessing government institutions and legal mechanisms. The leather footwear supply chain relies upon a significant proportion of hand stitching work through homeworkers in Tamil Nadu. While various mechanisms have attempted to promote voluntary guidelines to encourage CSR standards (e.g., the Ethical Trading Initiative, BSCI and corporate codes) such commitment to CSR standards appears to conflict with the need from the corporate perspective to cut costs by sourcing from developing countries, which often involves using a largely female, low-cost workforce. One company acknowledged that the combination of weak enforcement in producer countries and low-cost labour is a key reason why many companies are there in the first place (brand interview, 2013). The social relations of the supply chain reinforce these socio economic factors that lead to engage women homeworkers as a key source of low cost production.

Issues of collective organisation, agency, and fear of losing work

The lack of collective organisation and the limited knowledge, experience, and capacity to negotiate with 'employers' at all levels of the supply chain severely inhibit homeworkers' ability to raise their concerns and complaints either formerly or informally. The women homeworkers interviewed for this project repeatedly stated they are vulnerable, and that they would rely on others to initiate any complaint to companies since they have little knowledge about brand and supplier companies. They also stated they have little faith that any complaint process could benefit their situation.

Any activities to encourage homeworkers to collectively engage with government institutions would require intensive support, confidence building, and leadership development. For example, homeworkers were asked during research interviews what changes would they introduce to assist homeworkers if they were the labour minister of Tamil Nadu. Many found this a perplexing and difficult question to answer, because they could not comprehend that the government would assist them, nor could they imagine having any positional power to affect change. After some prompting they responded, for example:

> *Would they do something? It is fine if they do something. Would they provide us with a pension? Some support for bring up our children? We face so many difficulties, this work is difficult, that is what we think.* (Homeworker interview, 2013)

In addition to the lack of organisation and representation, homeworkers do not have access to information concerning the prices and the structure of the supply chain beyond the intermediary giving them the work.

Homeworkers find it difficult to see anything positive in their lives and quite difficult to image how their lives could improve. For example, they frequently experience marginalisation, and they live in a society that looks down on them as women and as low caste, and so it is difficult for them to build confidence and self-esteem and to view their contributions to the economy and society as valuable and worthy of much better recognition. A climate of fear exists where they believe that a homeworker that makes a complaint is certain to lose her work. This view is reinforced by homeworkers relaying how contractors frequently tell them 'they can take work or else leave it' (homeworker interview, 2015).

A reason often cited by NGOs as a difficulty in identifying and making complaints is that it is easy for brands to move production between suppliers and supplier units. NGOs noted this as a reason for not pursuing complaints on behalf of homeworkers. A lack of transparency in the supply chain contributes to homeworkers' limited knowledge of the supply chain – they often don't know whom they are working for and they receive no documentation about wages/piece rates and hours (NGOs interviews, 2012, 2013, 2014, 2015). Lack of access to information leaves homeworkers disadvantaged, since they have little information about the supplier factory, the value chain, or any means to evaluate whether they are receiving fair compensation. Many unions and NGOs find it difficult to provide timely information that links labour rights abuses to specific suppliers, products, and payments. This makes it easy for brands to dismiss claims due to a lack of specific information, while some deny responsibility on the basis that they have shifted production to other factory sites and no longer exercise any influence over the relevant parties (NGO interview, 2014). Making a complaint through an industry, multi-stakeholder, or company code, whether directly or indirectly, carries the risk of workers losing their work. This remains a significant reason why many homeworkers are apprehensive about making a formal complaint (union interviews, 2011; NGO interviews, 2013).

Issues of transparency, compliance, and corporate buying practices

The United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises emphasise the need for corporations to conduct due diligence. This places an obligation on firms to trace and document the supply chain, thereby increasing overall transparency. The footwear brands we interviewed have a good understanding of how the industry works and are aware that their suppliers engage in subcontracting. However, they have not implemented any process to ensure that the workers making their products are receiving at least the minimum wage. The footwear supply chains observed reveal that workers are a long way from receiving minimum wages and other basic conditions. Companies we spoke to acknowledged that the conditions in their footwear supply chain were not unique (brands interviews, 2013, 2014). The acknowledgment that most brands have similar issues in their supply chains indicate the footwear industry has done little to tackle the system problems in the supply chain.

Footwear homeworkers, Tamil Nadu. *Photo: Annie Delaney*

The main approach adopted by brands we interviewed to address supply chain transparency and monitoring has been to require, firstly, that prospective suppliers meet predetermined conditions before securing a supply contract and, secondly, that monitoring or spot checks by third party auditors be put in place. Business representatives commented on the auditing process and its effectiveness. Overall there is an expectation that audits will provide a snapshot of the factory and identify some aspects that can change. No one we interviewed suggested that audits could provide an accurate picture of a particular supply chain. Brand interviewees accepted there are several limitations of audits, firstly audits mainly occur in the first tier factory level, and workers rarely have an opportunity make complaints because employers often coach workers on what to say to auditors. This raises important questions around the legitimacy of the audit model as the sole method to monitor supply chains.

Auditing beyond the first tier remains a significant barrier to transparency in the supply chain. Most industry participants agreed that the focus of audits in terms of the manufacturing process is on direct, first tier suppliers. Though it remains unclear the extent that brands are aware of the prices being paid to workers below tier one, interviews with brands, suppliers, and staff from multi-stakeholder and industry initiatives indicate that the information could be easily acquired if greater attention were directed towards the lower tiers where much of the production takes place. One brand commented that they were surprised we had found homeworkers sewing their shoes since they believed they had extensive personnel involved in monitoring on the ground (brand interview, 2014).

Some industry representatives we spoke to mentioned that one way to improve suppliers' adherence to social compliance standards would be for brands to offer specific incentives to suppliers. One industry spokesperson described incentives for suppliers as very important

and the main way to offer such incentives is to establish long-term relationships, and ensure that future contracts are guaranteed. It remains unclear whether such incentives alone, if introduced, would be sufficient to address precarious working conditions and low wages in the footwear industry. The evidence suggests that without such incentives the chance of achieving sustainable improvements in working conditions is limited. The linking of supplier incentives to improvement in homeworkers' working conditions and rights would be one way to address systemic problems identified in the footwear supply chain.

Companies have frequently stated that it is almost impossible to trace the supply chain beyond the first tier, in particular where homeworkers are involved. The ETI homework project showed the supply chain can be mapped, and while the inclusion of homework policies by the ETI has improved company commitment and acknowledgement of homework in the supply chain, this has fallen short of the same companies being held accountable to comply with the ETI base code standards when it comes to homeworkers (NGO and industry representative interviews, 2013, 2014). While various mechanisms have attempted to promote voluntary guidelines to encourage supplier compliance to corporate CSR standards, the tensions related to brand CSR policies appear to conflict with the need, from the corporate perspective, to meet costs as determined by the brand's purchasing practices. This tension between CSR standards and purchasing practices continues, and non-judicial mechanisms discussed in this report fail to address this issue.

The non-judicial mechanisms discussed in relation to the footwear industry have not attempted to address human rights concerns in relation to brand purchasing practices, and the absence of initiatives to link commercial incentives to human rights is a serious barrier to tackling any adverse impacts that arise as a consequence. Their ambiguous status as 'workers' leads employers and brands to avoid payment of legal minimum payments and social benefits and suggest that the homeworkers could pursue lesser benefits through the leather worker's welfare board. These factors contribute to the non-judicial mechanisms considered in this research vary considerably in how homework is recognised and able to access grievance.

Issues of clarity, trust, and legitimacy

Homeworkers have little awareness of the potential to pursue grievance, and the lack of clarity about and trust in firm behaviour at the operational level reinforces this. This is replicated at the transnational level; civil society organisations expressed concern around their lack of trust and the lack of clarity of transnational mechanisms. NGOs expressed concern and distrust of the ETI process: when contemplating a complaint, there was concern that the process would be lengthy, would not lead to any outcomes and at worst would be ignored (NGOs interviews, 2013, 2014). The ETI has put in place extensive policies on homework, yet the homework supply chain project in North India shows a failure by brands to address how they that could improve homeworkers wages to the basic level of minimum wages, well below their commitment to comply with the ETI base code.

The non-judicial mechanisms discussed in relation to the homework footwear case have no comprehensive and accessible grievance management mechanism process in place.

We were not able to confirm any process that engaged with multiple stakeholders in relation to a grievance process, and most parties we spoke to were vague at best about any potential grievance

process. The corporate, industry, and multi-stakeholder mechanisms discussed in this report lack clarity around appropriate grievance management. Workers need to understand the steps of any grievance mechanism, be consulted and informed about the process, and have sufficient information to weigh up the consequences and possible benefits of engaging with it.

Key lessons

This case provides useful lessons to understand how the various stakeholders respond to human and labour rights abuses and the systemic barriers that prevent workers from seeking redress. Transnational business attitudes and behaviour towards grievance and, in particular, in relation to human rights for all workers in the supply chain remain a significant challenge. An overall finding from this report is that a lack of recognition of homeworkers and dialogue with civil society by corporations around accountable grievance processes perpetuates barriers for workers to access grievance in the footwear supply chain.

Business practices that prioritise commercial drivers over human rights are preventing the implementation of the most basic CSR standards across the corporate, industry, and multi-stakeholder mechanisms discussed in this report. The consequence for corporate noncompliance of voluntary mechanisms is minimal, and while social movement campaigns are important drivers of positive change in the footwear industry, without workers' representation only limited impact on business behaviour is achievable.

The types of grievances common to garment and footwear workers require measures appropriate to the transnational and operational levels, sector wide and regional area. Developing appropriate strategies to strengthen worker access to effective grievance and remedy needs to consider the following in relation to lessons for business and social movements.

Lessons for business and non-judicial mechanisms

Corporate purchasing practices and reach beyond the first tier supplier: A key lesson emerging from the footwear case is responsibility and impact beyond the first tier supplier is an important challenge to address.

- Corporate purchasing policies have a direct influence on the level of wages and extent of precariousness further down the supply chain. A lack of consistency between CSR compliance and buyers within corporations is contributing to the failure of the most basic standards, such as minimum wages, being implemented. The capacity of non-judicial mechanisms to tackle the commercial drivers of procurement – price, delivery time, and quality being given equal consideration to the CSR standards requires dedicated attention. Currently CSR representatives are participants in mechanisms and projects, yet they do not have sufficient influence over firm purchasing practices. Transnational mechanisms need policies in place to shift this imbalance, and focus more on those within the corporation who make the supply chain management decisions.

- **Leadership by non-judicial mechanisms:** policy and program initiatives are needed to improve brand acknowledgement of homeworkers in their supply chain, and refocus on improvements to workers' conditions rather than banning homework.

- **Brand collaboration to increase leverage over suppliers:** Some footwear brands collaborated on the investigation into child labour in their supply chain. A similar approach could work in relation to improving homeworkers work conditions. Brands could join together to improve leverage over suppliers they share in common, and in collaboration with NGOs, and unions, work toward homeworkers receiving at least the same conditions as factory workers.

- **Improving dialogue with civil society:** Brands are critical of social movement campaigns that expose human rights abuses. NGOs are often disappointed in brand responses or lack of action. Dialogue between brands and civil society requires a way to steer toward concrete actions. Brands cannot expect civil society to trust them unless they are willing to demonstrate how they will concretely address the abuses both parties recognise exist.

Transparency in supply chains and grievance processes at the transnational and operational levels:

The lack of development of clear and transparent grievance processes by corporate, industry, and multi-stakeholder initiatives at the transnational level and complementary processes at the operational level contribute to the ongoing failure to identify and address systemic problems in the supply chain:

- The linking of supplier incentives to improvement in workers' working conditions and rights would improve attention to systemic problems identified in the footwear supply chain. Incentives for suppliers such as support for longer term relationships and support to meet additional costs of compliance to corporate social responsibility policies would reinforce and link commercial incentives with human rights compliance. This has important consequences for informal workers, since there would be increased costs related to improving their wages and social benefits.

- Effective operational-level grievance requires transparent processes that are designed in consultation with all workers in the supply chain and receive institutional support at the transnational level. Importantly, the legal status of the workers or absence of an established employer–employee relationship should not be a deterrent to engagement with informal workers and payment of minimum payment and benefits.

Clarity, trust, and legitimacy: There needs to be clear, well-defined processes in place for workers and civil society to be able to adequately evaluate the legitimacy of a grievance process:

- A grievance process requires suitable consultation and the provision of training and information to suppliers, subcontractors and workers positioned at all points of the supply chain. A consultative process needs to take into consideration the power relations between employers and workers, and be inclusive of the specific

needs of women homeworkers, informal workers, and those from low-caste and Dalit communities.

- A grievance process requires an avenue for workers to raise grievances through independent unions and a safe process away from employers. Workers also need assurance that they will not be disadvantaged through loss of work. A process that informs, engages, and responds to the concerns of workers will gain legitimacy.

Freedom of association and informing workers: Non-judicial mechanism need to focus more on freedom of association to enable workers access to grievance and remedy:

- A local sector-wide multi-stakeholder grievance process is more likely to be relevant to footwear workers in factories, tanneries, and workshops and for home-based workers. This would improve effectiveness of the three types of NJM discussed in this report: industry, multi-stakeholder, and corporate-designed codes of conduct. A local leather footwear sector-wide grievance strategy would encourage union and NGO participation, and increase the participation and responsiveness to informal workers. The FOA (freedom of association) Protocol in Indonesia (a report in this series) provides useful lessons to a local approach to grievance.

Lessons for social movement campaigns

The main way workers, unions, and workers' rights organisations seek to access justice is through engagement in public campaigns. Global campaigning is well established as a practice that aims to place public pressure on global brands to address human and labour rights abuses. Global campaigns have played a critical role in the emergence of non-judicial mechanisms, including lack of enforceable legislation at the global level and the poor enforcement of regulation and standards in the host country where production is sourced. Campaigns play a critical role in exposing poor labour practices and highlighting governance gaps.

In the absence of appropriate grievance mechanisms and worker capacity to raise concerns, public campaign strategies appear to be the most reliable strategy for raising complaints, but this does not occur without negative consequences for workers. As the stop child labour example demonstrates, a campaign-focused approach can be successful in getting the attention of most brands and their suppliers, particularly when the campaign is based on credible research and attracts media attention. However, ensuring that a campaign leads to sustainable redress for workers' human rights grievances is far more challenging, particularly when the supply chains are complex and the violations are endemic.

The case highlights that a broad grievance approach of campaigns has been effective in gaining industry and media attention, and encouraging brands to respond to claims of human rights abuse in their supply chain:

- Social movement campaigns need to take into consideration the situation of any affected group by their activities. This could assist campaigns to anticipate and counter potential negative consequences for workers, particularly vulnerable unorganised women worker groups with little power to affect change.

- Campaigns are an important means to identify and expose human and labour rights abuses. By establishing links with affected workers through local NGOs or unions would be an effective means to improve and monitor the outcomes of any campaign activities. This would assist campaigns to monitor any changes implemented by the brands or suppliers. Such strategies could provide an avenue for workers, particularly those most vulnerable and marginalised, such as women working in precarious work arrangements, to improve their leverage and influence in the supply chain.

- There would be a significant benefit for campaigns to address ways to support workers over a longer term to engage in activities to organise and collectively represent their grievances. This would involve campaigns being committed over the longer term to providing support to workers to organise, improve monitoring of the impact on business behaviour in the workplace and in relation to informal workers in the supply chain.

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