

**Wage Fixation for Home Based  
Piece-Rate Workers –  
Technical Study Based on a Survey of  
Workers in Gujarat, India**

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## **Wage Fixation for Home-Based Piece-Rate Workers – A Technical Study Based on a Survey of Workers in Gujarat, India**

Homebased workers are a section of unorganised sector labour which are particularly invisible as they produce goods and services within their own homes. They include both piece rate as well as own account workers. They are generally the least protected of all unorganised sector workers and more than 80% of them are women.

There has been a definite growth of homebased work world-wide. In the developing countries homebased work is related mainly to productive activities in textiles, garments, leather, food processing, agro processing etc. In developed countries the poorer sections of workers such as migrants are also in these activities but the majority of growth in homework has been in "telework" – work connected with telecommunications activities such as computers.

In most countries these workers are generally unprotected. They remain unorganised and hence are not able to make their voice heard. As a result there are rarely any laws to safeguard their working conditions, nor are there social security schemes such as health, child care, old age benefit etc.

### **Definition:**

A definition of home based worker was proposed for the Asian Region in a workshop held in March 1995, as follows:

The term "home-based work" should mean work carried out by a person, to be referred to as home-based worker,

- (i) in his or her home or in other premises [not being the premises under the control and management of the employer] he or she has chosen;
- (ii) for remuneration;

- (iii) which results in a product or service as specified by the employer, whether the equipment, materials or other input used are provided by this person, the employer or the intermediary, and includes a person who works on his or her own account with or without the help of the family and who does not employ other workers.

### **Objectives of the Study:**

Homebased workers have now been recognised as a distinct category of workers by the ILO. A number of Governments around the world too recognise these workers. In many of the European countries – Germany, The Netherlands, Italy for example, there are separate laws for homebased workers. Although, none of the countries in Asia have yet framed a separate law for homebased workers, some countries such as India and the Philippines for example, have been specifically mentioned home-based workers as part of other existing Acts.

However, the time has now come when the ILO itself is seriously considering a convention for home based workers and a number of countries are in the process of framing laws. In India, for example, an Act has been introduced in Parliament.

The work conditions of Home based workers, including employer-employee relationships and method of supervision, are very different from those existing in the factories. Since there is no direct control or supervision and no fixed hours of work, the method of wage fixation also cannot be on the time-rate basis as in factories. In practice it is found that the actual wages paid, have to be calculated taking into account various deductions made by the employers, and work expenses incurred by the worker.

The main objective of this study is to examine in detail the work processes and the payment of wages of selected homebased work in Gujarat, and to suggest a methodology for fixation of a minimum wage for home-based piece-rate work.

In addition the study will look at the employer-employee relationship and some of the working conditions in order to recommend specific provisions of law to strengthen the bargaining power of the worker.

### **Methodology:**

The objective of this small pilot study was to examine in detail the work processes and the wage payments of piece rate workers. It was therefore decided that the selection of the sample should fulfill the following criteria:

- There should be a range of types of work with varying wage rates and work processes.
- In order to obtain the details, the sample should be selected to facilitate intensive rather than extensive survey.

The case study was designed to uncover hidden factors in the determination of real piece rates and the resulting impact on the remuneration levels for home-based workers. It should provide direction for more extensive follow-up studies on piece rate determination and conditions of work prevailing among these workers.

Given the above requirements and the pilot nature of the study, it was decided to concentrate on only one state of Gujarat in India where SEWA has intensive contact. A sample of 14 types of work were selected, to cover both urban and rural areas. A small sample of workers was selected in each trade, with care taken to select an

'average' worker. This was necessary as the wages, being piece-rate, depend on the amount of work done by the worker, which in turn depends on how many hours she works per day and her speed and skill of work. The workers selected for this example were average in both hours worked and skill. The judgement of who was an average worker was made from conversations with both other workers and employers / contractors. To avoid bias, only women who were judged to be average workers by both employers and workers were selected to be interviewed.

## **Socio-Economic Background**

### **Types of Work Selected:**

The fourteen types of work selected for investigation are shown in the table below. There is a wide variety of work done by the homebased workers, all linked in with the local demands of both industry and direct consumers.

Some of the types of work are linked with bigger industries having a country-side, or even export market. The bidis (indigenous cigarettes) rollers and the incense stick makers, produce for manufacturers with brand names sold all over the country. The cardboard box producers make small boxes for pharmaceutical companies who export their products. The cement bag cleaners recycle the bags for the big cement companies. On the other hand, the products of the bindi makers, papad rollers, flower garland makers, garment workers are sold in the local markets.

Bean Shellers
Bidi rollers
Bindi makers
Card board box makers
Cement bag cleaners
Cotton pod shellers
Embroiderers
Fire Crackers makers
Flower garland makers
Incense stick rollers
Papad rollers
Paper strip sorters
Readymade garments maker
Rings for mirror embroidery makers

Some products such as bidis, garments, papads, incense sticks, are made almost entirely by the homebased worker. Papads for example are made by the homebased worker and only packed by the employer. Bidis are made by the worker, and baked and packed by the employer. The employer adds scent to the incense sticks made by the workers and packs it before selling.

For other products the homebased work is only a minor part of the production. The cardboard box makers only assemble boxes for pharmaceuticals produced in the factory. The cotton pod shellers fulfill one part of a process between growing the cotton and ginning it. Similarly, the ring makers, make a small component which embroiderers use to beautify their work.

### **Number of Workers:**

As homebased workers get left out of most official censuses, it is very difficult to give any accurate estimate of the number of workers

in any trade. However for the purposes of this study, SEWA has attempted a rough estimate of the number of home-based workers in just 15 trades in one India city based on its in-depth knowledge from 25 years of organising experience. The figures are for the city of Ahmedabad (3.7 million population), from where the sample is drawn. We estimate the total number of home-based trades to number 40 and the total number of workers to number of approximately 130,000.

<b>Home Based Workers in Ahmedabad City</b>	<b>Number</b>
Bead Workers	2,000
Bean Shellers	1,000
Bidi Rollers	8,500
Bindi Makers	500
Card board box makers	1,700
Cement bag cleaners	2,000
Cotton pod shellers (rural)	12,000
Embroiderers	8,000
Fire Crackers makers	2,000
Flower garland makers	500
Incense stick rollers	12,000
Papad rollers	7,000
Paper strip sorters	1,000
Readymade garments makers	16,000
Rings for mirror embroidery makers	1,000
<b>Total:</b>	<b>75,200</b>

### **Social Profile:**

Most of the sample of this study, 84% is drawn from the urban areas. This does not reflect the actual distribution of homebased workers in urban versus locations, but rather the concentration of this study is on the piece-rate worker. In this rural areas it is not easy to distinguish between piece-rate and own account workers as there is considerable overlap and seasonally involved.

The socio-economic profile of the home-based workers surveyed revealed a picture slightly worse than that of the typical poor household. There was a small percent, 5%, of child workers in the sample, but the majority of workers were between 20 to 50 years of age. Most of the workers were from backward castes, 29%, scheduled and tribal groups, 32% or religious minorities 26% (Muslim). The size of the family tended to be bigger with nearly 74% between 5 to 8 family size. A substantial number of 31% of workers, were the head of the household, while the female heads of households were even higher at 38.5%.

### **Economic Profile:**

The income of the family given in the table shown below shows that the majority of the sample had a family income of between Rs. 1,000 to 2,000 a month. Given the average size of the family, this works out to be just about the official poverty line. However, the earning of the worker herself, falling between Rs. 200 – 300 per month, is well below both the poverty line and scheduled minimum wages.

<b>Total Income</b>	<b>Number</b>	<b>Number</b>
Below Rs. 500	3	7.89
Rs. 501 to Rs. 1000	4	10.53
Rs. 1001 to Rs. 1500	9	23.68
Rs. 1501 to Rs. 2000	9	23.68
Rs. 2001 to Rs. 2500	6	15.79
Rs. 2500 to Rs. 3000	4	10.53
Rs. 3001 to Rs. 3500	3	7.89
Rs. 3501 to Rs. 4000		
	<b>38</b>	<b>100</b>

<b>Workers Earnings</b>	<b>Number</b>	<b>Percentage</b>
Below Rs. 200	10	26.31
Rs. 201 to Rs. 400	16	42.11
Rs. 401 to Rs. 600	4	10.53
Rs. 601 to Rs. 800	5	13.16
Rs. 801 to Rs. 1000	2	5.26
Rs. 1000 and above	1	2.63
	<b>38</b>	<b>100</b>

### **Conditions of Work:**

In many respects the conditions of work of the homebased workers are very different from the factory workers. Being away from the direct supervision of the employer, the relationship between the two may be more tenuous and less easy to pin down. The use of her own home as workplace has many implications for the worker in terms of expense and having to give up a certain amount of home life. The distance from the employer implies a considerable amount of time spent in actually obtaining the work, for example, securing work orders and materials and returning the finished work.

### **Employer-Employee Relations:**

The workers in this sample got their work from four different sources. First, some workers got their work from a factory (mainly for cotton pod shellers this was the ginning mills). Second, other obtained their work from an employer who kept a special centre for giving raw materials and taking finished goods from the workers; these may be bigger employers who have a large marketing infrastructure, or small employers who supply the goods to different shops or markets. Third, some received work from an employer who is also a shopkeeper. The worker has to go to his shop to get her raw materials and return the finished goods. Finally, workers obtained

work orders through contractors who act as agents of an employer and are paid a commission by him. About 63% of women get their work from some form of employer.

### **Length of Service:**

A popular misconception about home based workers and workers in the unorganised sector in general is that they do not work steadily one employer but frequently change their place of employment, often working for more than one employer at a time. Our table below shows

<b>Years of Employment with Present Employer</b>	<b>Number</b>	<b>Percentage</b>
From 0 – 2	6	15.78
From 2 – 5	15	39.5
From 6 – 10	6	15.78
From 11 – 15	8	21.05
From 16 – 20	2	5.26
Uncertain	1	2.63
<b>Total:</b>	<b>39</b>	<b>100</b>

That nearly 85% of the workers had been working at one place for more than two years and 45% had been working for the same employer for longer than 6 years.

### **Formal Relationship:**

In spite of a longer length of service, there is rarely proof of relationship between the employer and the workers. Most of the employers, 6% do not even keep the most basic requirements of a register, so that there is absolutely no proof of an employee-employer relationship. What 45% of the workers "asked for a higher wage rate" or "joined a union", the employer stopped keeping a register.

Keeps a Register	Number	Percentage
Yes	9	23.69
No	29	76.31
<b>Total:</b>	<b>38</b>	<b>100</b>

### Method of Getting Work:

Most of the workers, 82% have to go to a place fixed by the employer to obtain work. In 45% of the cases this place is more than half kilometre away, and most of the workers walk to the centre to get their work.

Method of Getting Work	Number	Percentage
Has to go and get it	31	81.58
Receives them at home	7	18.42
<b>Total:</b>	<b>38</b>	<b>100</b>

Distance	Number	Percentage
Half a kilometer	12	31.59
Half to one kilometer	8	21.05
One to two kilometer	8	21.05
More than 5 kilometer	1	2.63
No Response	2	5.26
No Applicable	7	18.42
<b>Total:</b>	<b>38</b>	<b>100</b>

### Seasonally:

Nearly 85% of the workers did not get full employment around the year, as the employer gave them less work during the monsoons.

Seasonality of Work	Number	Percentage
Has to go and get it	32	84.21
Receives them at home	6	15.79
<b>Total:</b>	<b>38</b>	<b>100</b>

## Home as the Workplace:

The workers interviewed all lived in one room houses, often with a verendah. The table below shows that 63% used a half to a whole house for work purposes, and one person actually constructed a separate room.

Similarly, a number of workers use their own infrastructural facilities for their work.

Amount of House Used	Number	Percentage
Constructs a separate room	1	2.63
Full room	4	10.53
Half room	13	34.21
Spare the size of a sleeping cot	4	10.53
Sitting space	1	2.63
Verandah	11	28.95
Goes to other's house	4	10.53
<b>Total:</b>	<b>38</b>	<b>100</b>

Infrastructure Used	Number	Percentage
Water	13	34.21
Electricity	10	16.32
Soap	1	2.63
Does not use	14	36.84
<b>Total:</b>	<b>38</b>	<b>100</b>

## Work Processes and Earnings

### Raw Materials

The homebased workers obtain their raw material from the employer and process the goods at their homes. The bidi workers get tobacco and leaves from the employer, the papad rollers get the dough, the garment workers get cut cloth, the garland makers get the flowers, the bead stringers get the beads and the box makers get the boxes.

However, the workers often have to supply some ingredients on their own. Thus the bidi workers have to supply thread and make up any shortfall in tobacco or leaves. The garment workers supply thread, the papad roller supply oil. However, the cotton pod unshellers do not supply any ingredient and neither do the bindi makers, box makers, cement bag cleaners or firecracker makers.

The table below shows the raw materials supplied by the workers.

Type of Occupation	Raw Materials
Bidi Rolling	Tobacco Thread Leaves
Embroidery	Thread Mirror
Readymade	Thread Machine oil
Papad	Edible oil

### Tools:

The tools used by the worker is also supplied by her. Usually the tools are fairly simple like rolling pin and board for papad makers, needle, bowl and bucket for the garland makers. Sometimes they may be of a higher technology and more expensive as sewing machine for the garment workers.

Type of Occupation	Tools
Bean Shellers	Tin tub
Bidi Rolling	Scissors Knife Stencil Big plate Cloth
Bindi makers	Big Plate Saucer
Cement bag cleaners	Knife

Embroiderers	Wooden ring frame
Fire Crackers makers	Scissors Small table
Flower garland makers	Needle Tin tub Bucket
Incense stick makers	Small wooden stool Knife Tin tub Bucket
Mirror embroidery ring makers	Needles
Papad rollers	Small table Rolling stick Cot
Readymade garments maker	Scissors Needle Sewing machine Table

## Deductions

There is no direct supervision of the employer on the worker. Often the rates paid are so low that the employer does not even bother to exert quality control. However, usually the employer does assert both control and supervision by the method of checking the goods before accepting them, and making deduction in payment for lower quality goods. This is an accepted form of suppression. However, sometimes the deductions are used by the employer or contractor to cheat the work her wages. So often bidi workers complain of unfair rejections amounting to a substantial reduction in the piece-rate. The table below shows the average deductions made by employers.

Type of Occupation	Rejection
Bidi Rollers	Out of 1000 bidies, 50 are rejected
Bindi makers	Rs. 5.00 is deducted if the weight is less than standard
Cement bag cleaners	Out of 100 bags, about 10 are rejected
Embroiderers	On each embroidered piece, Rs. 2.00 to Rs. 3.00 are deducted
Incense stick makers	Out of 1000 sticks, 50 are rejected
Papad rollers	Rs. 3.00 is deducted if product is less than 100 grams in weight
Rings for mirror embroidery makers	On every dozen rings, Rs. 0.40 is deducted

### Piece-Rates:

The piece-rate is central to the system of homebased work. It is the rate which determines the workers wages, or earnings, and it is through the piece rate that the employer, in the absence of direct supervision assures the workers productivity.

### Standard Piece:

The "piece" of the piece-rate depends on the product being produced. The standard "piece" for the bidi worker is a 1000 bidis, for the bindi makers, 144 bindis, for garland stringers, 10 kg, for bag cleaners, 100 bags. However, the standard "piece" also varies considerable, in some of the products with more variety. This is especially true of textile products like embroidery and garments.

The table below depicts the standard piece and the gross piece rate or payment for successfully producing it (does not consider deductions or costs of worker supplied inputs).

<b>Occupations</b>	<b>Standard Piece</b>	<b>Gross Piece Rate</b>
Bean shellers	10 Kg beans	10.00
Bidi rollers	1000 bidies	25.00
Bindi makers	144 bindies	5.00
Card board box makers	500 boxes	20.00
Cement bag cleaners	100 bags	12.00
Cotton pod shellers	20 kg cotton	15.00
Embroiderers	1 piece	15.00
Fire Crackers makers	75 crackers	10.00
Flower garland makers	10 Kg garlands	10.00
Incense stick rollers	1000 sticks	3.50
Papad rollers	4 kg papads	14.00
Paper strip sorters	20 kg strips	7.00
Readymade garment makers	12 garments	14.00
Rings for mirror embroidery makers	144 rings	5.00

#### **Net or Actual Piece Rate:**

The piece rate paid by the employer is however only the gross rate. This rate is further decreased by the expenses on additional ingredients and by the deductions due to rejections. The actual piece rate, which a worker receives, is the net piece-rate, as shown in the table below. The table shows that the most exploited workers in terms of piece rate penalties are bidis workers, embroiderers and garment makers whose actual rates fall by 17%, 20% and 50% respectively.

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Occupations	Production per Standard "Piece"	Gross Piece Rate	Deduction from Wages	Net Price Rate
Bean Shellers	10 Kg beans	10.00	-	10.00
Bidi rollers	1000 bidies	25.00	4.15	20.85
Bindi makers	144 bindies	5.00	-	5.00
Card board box makers	500 boxes	20.00	-	20.00
Cement bag cleaners	100 bags	12.00	2.00	10.00
Cotton pod shellers	20 kg cotton	15.00	-	15.00
Embroiderers	1 piece	15.00	3.00	12.00
Fire crackers makers	75 crackers	10.00	1.00	9.00
Flower garland makers	10 kg garland	10.00	-	10.00
Incense stick rollers	1000 sticks	3.50	1.00	2.50
Papad rollers	4 kg papads	14.00	1.00	13.00
Paper strip sorters	20 kg strips	7.00	-	7.00
Readymade garment makers	12 garments	14.00	7.00	7.00
Rings for mirror embroidery makers	144 rings	5.00	-	5.00

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## Hours of Work:

The hours of work in a factory is determined by the employer and the production output is usually set by him. However, the homebased worker cannot be similarly supervised. Her hours of work are determined by the amount of work she gets, which as seen earlier varies from season to season. It depends on the speed with which the employer wants the work – in festival season the workers often work through the night. It also depends on the condition of her house, a leaky roof or a large number of guest can reduce working hours considerably.

It is very important however to know the time it takes for a worker to make a standard "piece". This is perhaps one of the most difficult things to determine, as it depends on a large variety of factors. First, it depends on the variety of processes that have to be undertaken—usually these processes are not revealed or taken into account. In making bidis for example, the leaves have to be soaked overnight, cut to shape and only then rolled. However, when calculating the time taken, only the actual rolling is considered.

### Bidi Rollers

<b>Process &amp; Time</b>	
For 1000 bidis 700 grams of leaves are to be bought	15 minutes
Soak leaves in water minimum for 4 hours	3 hours
Using a stencil, cut the leaves roll 1000 bidies	4 hours
Make bundles of bidies and take them to the trader	1.5 hours
Total time (travel to buy leaves not included)	7.5 hours
<b>Inputs</b>	
Thread	One reel
Toabcco	200 grams
<b>Piece-rate</b>	
Current Rate for 1000 bidies	Rs. 25

<b>Deductions</b>	
Cost of leaves to be added in producing 1000 bidies	1.65
Rejection of 50 bidies	1.25
Tobacco	0.55
Thread	0.70
Total Deductions	4.15
<b>Net Piece Rate 7.5 Hours of Work</b>	<b>Rs. 20.85</b>

### Readymade Garments

<b>Process &amp; Time</b>	
Stitch one dozens petticoats	4 hours
Finish & transportation time	1.5 hours
Total Time	5.5 hours
<b>Inputs</b>	
Thread to stitch one dozen petticoats	60 grams
<b>Piece-rate</b>	
Current Rate for one dozen petticoats	Rs. 14.00
<b>Deductions</b>	
Cost of thread	Rs. 5.00
Oil	Rs. 1.00
Depreciation of Sewing Machine	Rs. 1.00
Total Deductions	Rs. 7.00
<b>Net Piece Rate 5.5 Hours of Work</b>	<b>Rs. 7.00</b>

### Incense Sticks (Agarbatti)

<b>Process &amp; Time</b>	
Get the dough and soak it in water	.5 hours
Pound dough on a stone	.5 hours
Roll the incense sticks	3.5 hours
Child dries & bundles	1.5 hours
Total time	4.5 hours
<b>Inputs</b>	

Dough	500 grams
Sticks	300 grams
Powder	100 grams
<b>Piece-rate</b>	
Current Rate for 1000 incense sticks	Rs. 3.50
<b>Deductions</b>	
50 sticks are rejected	Rs. 0.50
Soap Expense	Rs. 0.50
Total Deductions	Rs. 1.00
<b>Net Piece Rate 4.5 Hours of Work</b>	Rs. 2.50

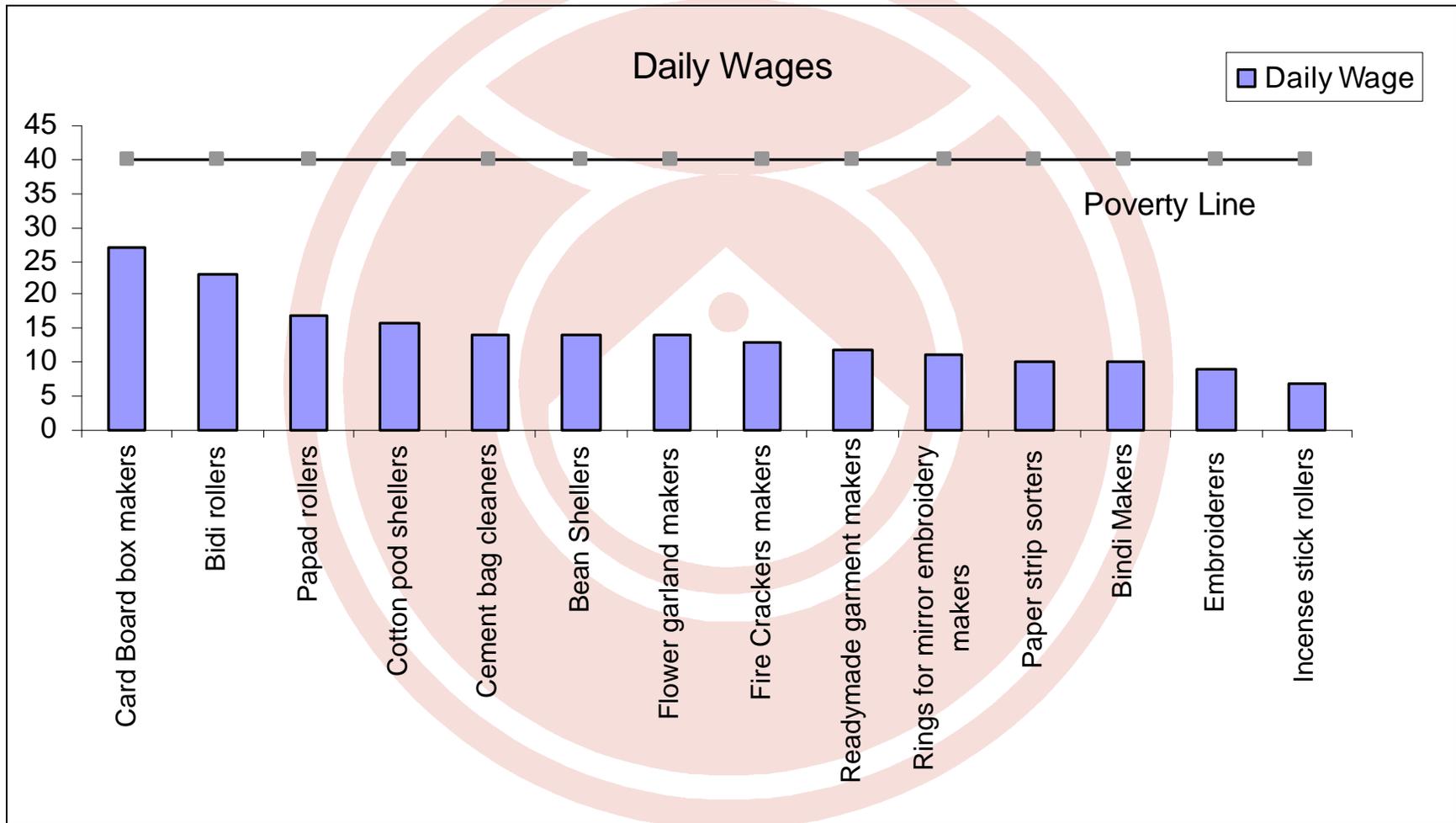
Second, the time it takes a worker to complete a standard "piece" depends on the quality of raw material given. For example, the speed of rolling the incense sticks depends on the type of dough that is given. Third, completion time depends on the type of work required. An intricate embroidered piece takes much longer than a simple one. Larger papads take longer than small ones. A pleated petticoat takes longer than a plain one.

Fourth, it depends on the skill and speed of the worker. Finally, it depends on the working space and conditions. For example, in the winter the papad roller can use her verandah to roll and have considerable elbow room. However, in the summer heat she has to stay indoors and is cramped for space. Many workers do not have electricity in their homes and so often they must work at night with the aid of oil lamps, which reduces their productivity.

The estimates as to how long a product takes to make also varies considerably. For example, we were told by the employers that a bidi worker can roll 2000 bidis a day, whereas the workers said that 1000 was maximum. Often a worker is also helped by others in the house and their labour is not added to the labour of the worker. This is especially true of children and older people.

<b>Occupations</b>	<b>Production per Standard Piece</b>	<b>Working hours</b>	<b>Net Piece Rate</b>
Bean Shellers	10 Kg beans	5	10.00
Bidi rollers	1000 n bidies	7 1/2	20.85
Bindi Makers	144 bindies	4	5.00
Card Board box makers	500 boxes	6	20.00
Cement bag cleaners	100 bags	5	10.00
Cotton pod shellers	20 Kg cotton	7	15.00
Embroiderers	1 piece	10	12.00
Fire Crackers makers	75 crackers	5	9.00
Flower garland makers	10 Kg garlands	5	10.00
Incense stick rollers	1000 sticks	3 1/2	2.50
Papad rollers	4 kg papads	6	13.00
Paper strip sorters	20 kg strips	5	7.00
Readymade garment makers	12 garments	4	7.00
Rings for mirror embroidery makers	144 rings	3	5.00

<b>Occupations</b>	<b>Production per 8 hour day</b>	<b>Earnings per 8 hours day</b>	<b>% Below Family Poverty Line Wage</b>
Bean Shellers	16 Kg beans	16.00	60%
Bidi rollers	1067 bidies	22.24	44%
Bindi Makers	288 bindies	10.00	75%
Card Board box makers	667 boxes	26.67	33%
Cement bag cleaners	160 bags	16.00	60%
Cotton pod shellers	23 Kg cotton	17.14	57%
Embroiderers	.8 piece	9.60	76%
Fire Crackers makers	75 crackers	14.40	64%
Flower garland makers	16 Kg garlands	16.00	60%
Incense stick rollers	2286 sticks	5.71	86%
Papad rollers	5 kg papads	17.33	57%
Paper strip sorters	32 kg strips	11.20	72%
Readymade garment makers	24 garments	14.00	65%
Rings for mirror embroidery makers	384 rings	13.33	67%



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Wage rates in the factory setting are generally calculated on a daily or monthly wage basis based on eight hour working day. In order to find out what the piece-rate worker is actually earning per eight hour day, the piece-rates were converted into an eight hour equivalent. These are shown in the table above. As you can see these eight hour wage rates fall far below the urban family poverty line wage, a situation that is particularly distressing given the fact that a large number of the piece rate workers sampled are female heads of household.

### **Changes in Piece Rate:**

One of the most astonishing things that this survey found was the changes in the gross piece rate over time. Generally, with increasing inflation, wages tend to go up over time. Sometimes the wages are unable to keep up with inflation and the real wage rate decreases. In the case of many of the homebased workers it was found that the wage rates actually decreased, as can be seen in the table below. The reason that we were given for this was that earlier workers were not willing or skilled in the given for this was that earlier workers were not willing or skilled in the work and so wages were higher. Overtime, however, the number of workers doing the work increased and so the employers were able to reduce the wages.

Even where the wages have increased over time when adjusted against inflation the real rates have decreased. Generally, in the areas where there has been some unionisation, for example, bidi workers and garment workers, the wage rates increased, whereas in the non-unionised areas, wage rates have decreased.

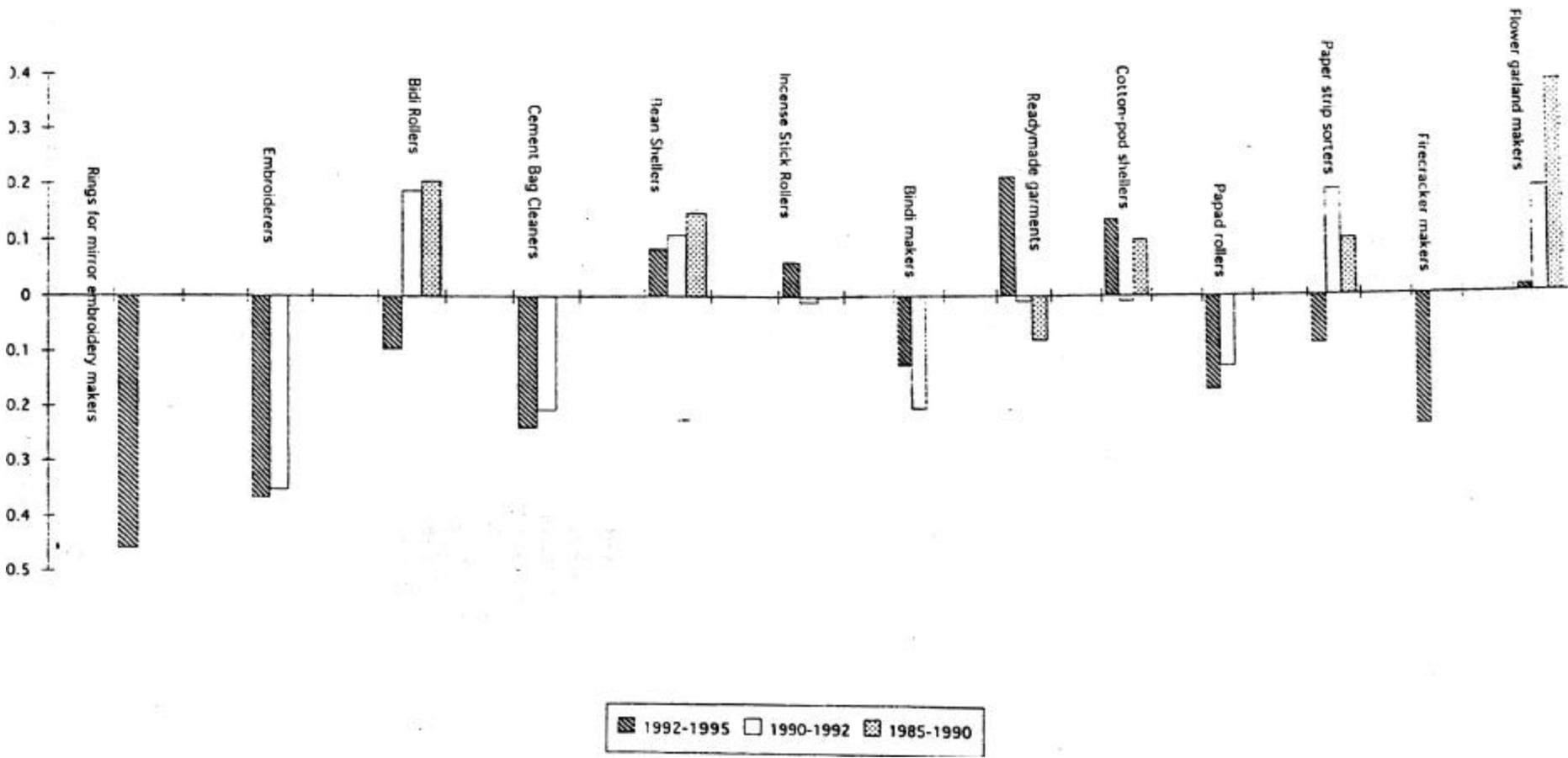
## Earning Comparison 1985 – 1995 (All earnings in Constant Rupees)

Occupation	Standard Piece	1995 Earnings	1992 Earnings	1990 Earnings	1985 Earnings	% change 1992-1995	% change 1990-1992	% change 1985-1990
Rings Frames for Mirror Embroiderer	144 piece	5	7.0	NA	NA	-29%		
Embroiderer	1 pair	15	18.0	22.0	NA	-17%	-18%	
Bidi Rollers								
Cement Bag Cleaners	100 pieces	10	10.0	10.0	NA	0%	0%	
Bean Peelers	1 Kilogram	1	0.7	0.5	0.3	43%	40%	67%
Incense Stick Rollers	1000 pieces	3.5	2.5	2.0	NA	40%	25%	
Bindi Makers	1 dozen packed	1.15	1.0	1.0	NA	15%	0%	
Readymade workers	1 dozen	16	10.0	8.0	6.0	60%	25%	33%
Cotton-pod shellers	20 Kilograms	15	10	8.0	5.0	50%	25%	60%
Papad Rollers	1 Kilogram	3	2.8	2.5	NA	9%	10%	
Paper Strip Sorters	20 Kilograms	7.2	6.0	4.0	2.5	20%	50%	60%
Flower Garland Makers	1 basket	1	0.8	0.5	0.3	33%	50%	100%
Firecracker Makers	1 kilogram	2	2.0	NA	NA	0%		

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Percent Change in Earnings

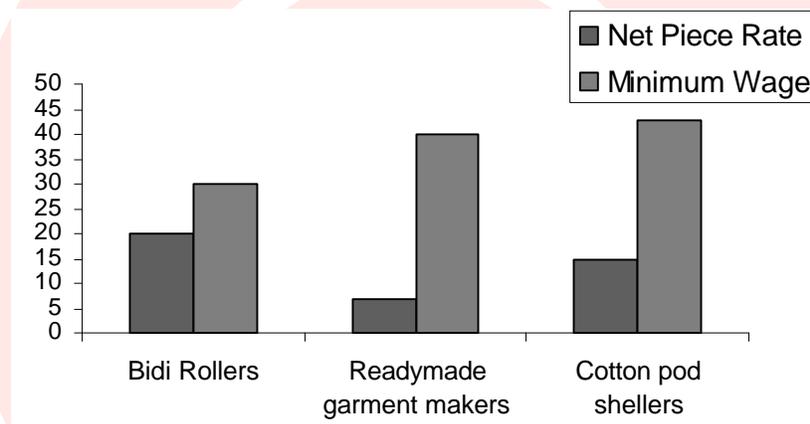


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## Minimum Wages:

Most trades do not have a minimum wage fixed. In the above list only three—garment workers, bidi workers and cotton pod shellers – had an official minimum wage. But as the graph below shows, even here the rates actually paid are much lower than the wage which would bring the worker to the official poverty line. Of the 14 trades studied, actual wages were more than 50% below, this poverty rate wage level for 12 trades or 85% of the sample.

### Net Piece Rate versus Official Minimum Wage per Standard Piece



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## RECOMMENDATIONS

### **Wage Fixation:**

As was seen in the section on earnings, the piece-rate fixed for the homebased worker is generally very low, takes no account of inflation and often even decreases in absolute terms. The first and most important protection for the worker is an appropriate fixation of the minimum wage.

### **Piece-Rate:**

The fixation of wages for a home based worker has to be in terms of the piece-rate. Most minimum wages are fixed in time rate for an 8 hour day, or 25-day month. These time-rates have to be converted into piece rate for each individual item.

### **Method of Fixation:**

The steps to fix minimum wage are as follows:

1. List the different steps in the process of production and the time taken by an average worker for each process.
2. The time taken for each process should be worked out by tri-partite consultations, involving Government, workers and employers.
3. A calculation should be made of the number of pieces produced by an average worker in an 8-hour day.
4. A list of the worker's expenses should be made, and expense per piece calculated.
5. The minimum wage for an 8-hour day should be fixed.
6. The minimum wage should be divided by the number of pieces produced in a day. This will give the gross piece-rate.
7. The worker's expense per piece should be added to the gross piece rate. This is the net piece-rate which should be fixed as the minimum wage.

## Security of Employment:

Employers tend to keep the workers insecure by not registering their name as workers. It is most important for any law to ensure the following minimum records.

1. Register with all workers names and date of starting employment.
2. Production record to be maintained by employer.
3. Payment register to be maintained by employer.
4. Each worker to have a production record card which states the following information:
  - Name of Worker
  - Name and address of employer
  - Date of joining employment
  - Date wise production record of raw materials received, finished goods returned and payment received.

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