HOMWORKERS’ CONDITIONS IN THE GARMENT INDUSTRY IN THAILAND

A field study on the opportunities and improvements for homeworkers in their business and entrepreneurship.
Title: Homeworkers’ conditions in the garment industry in Thailand.

Subtitle: A field study on the opportunities and improvements for homeworkers in their business and entrepreneurship.

Swedish title: Hemarbetarnas förhållanden i klädindustrin i Thailand.

Swedish subtitle: En fältstudie i de möjligheter och förbättringar thai ländska hemarbetare har för att utveckla deras affärs- och entreprenörskap.

Course: Final bachelor degree thesis in Textile Product Development and Entrepreneurship, 15 credits.

Year of Publication: 2011


Author: Jing Hast

Supervisor: Lars G. Strömberg

Examiner: Klas Hjort

Language: English

Geographical area: Bangkok, Thailand
This study has been carried out within the framework of Minor Field Studies, MFS, which is a scholarship program for field studies. MFS is administered by the International Program Office and funded by the Swedish International Development cooperation Agency, SIDA.

The purpose of the MFS is to give students at colleges and universities a chance to gain knowledge of developing countries, development issues and to foster internationalization. Students have the opportunity, with MFS, to obtain material for their Bachelor Degree Thesis. The subject studied must be related to a development process and implemented in a developing country over a period of at least two months.
ACKNOWLEDGEMENTS

The field study in Thailand is an unforgettable experience that has enriched my life in many ways. Therefore, special thanks to SIDA for the financial support, through the Minor Field Study scholarship which gave me the opportunity to do this study abroad.

Thanks to all participants who contributed in this study and shared their life experiences. Thank you to Poonsap Tulaphan, manager at the Foundation for Labour and Employment, and Patchanee Kumnak, Thai Labour that have contributed with valuable information, without them this study would not have been possible.

I would like to thank Lars G. Strömberg, my supervisor, for all the advice during and before the writing process. My deepest gratitude to Prasert Akanesuvan, manager at Perla Trading in Bangkok and his family, who has supported and helped me throughout this field study. Thank you to all who helped me carry out this field study and made this Bachelor thesis possible.

Gothenburg, 2011-06-07

Jing Hast
ABSTRACT

This study aims to examine how global competition in the textile industry has affected the homeworkers’ opportunities to develop their entrepreneurship and their own businesses. This Bachelor thesis has a qualitative approach with focus on qualitative interviews which were conducted during a field study in Bangkok, Thailand. The textile industry in Thailand has long been known for their cheap labour, however, globalization has now changed the industry and companies outsource production to countries with even cheaper labour. Globalization has increased the role of subcontractors in the textile industry, which tries to produce as cheap as possible. Factories tend to involve subcontractors in order to find the cheapest and most efficient means of production. This has increased the use of homeworkers, who produce the products in their homes. Competition for work is fierce and many people move from rural areas to larger cities to get a job with an income they can live on. This result in an even worse competition and with their low level of education and no work experience, they are forced to accept employment with poor conditions.

Homeworkers work between 14-16 hours per day with minimum wage and they are not protected by laws and have no social benefits. They live very crowded in slums and their houses are not suitable as a working environment. Many homeworkers have health problems caused by long working hours. Children are required to help their parents with easier tasks in addition to the usual household chores. Homeworkers have low education level which is an obstacle to their business knowledge. They also have limited access to financial means to help them develop their entrepreneurship. Organizations working to improve homeworkers working conditions are available although homeworkers rarely know how to come in contact with them. Education is important for homeworkers to develop their entrepreneurial and business skills.

Keywords: Textile Industry in Thailand, globalization, homeworkers, business development, entrepreneurship, working condition.


**Nyckelord:** Textilindustri i Thailand, globalisering, hemarbetare, affärsvutveckling, entreprenörskap, arbetsförhållande.
# Table of Contents

1 INTRODUCTION 1

1.1 BACKGROUND 1

1.2 PROBLEM AREA 2

1.2.1 DIFFERENT TYPES OF HOMEWORKER 2

1.3 AIM 3

1.3.1 PROBLEM STATEMENT 3

1.4 DELIMITATIONS 4

1.5 DEFINITION 4

1.6 OUTLINE OF THE THESIS 5

2 METHOD 6

2.1 QUALITATIVE METHOD 6

2.1.1 QUALITATIVE INTERVIEW 6

2.2 SELECTION OF THE PARTICIPANTS 7

2.3 DATA COLLECTION 8

2.4 ETHICAL CONSIDERATIONS 9

2.5 REFLECTIONS ON THE METHODS AND THE SOURCES 9

3 THEORETICAL RESEARCH 10

3.1 THE STRUCTURE OF THE TEXTILE INDUSTRY IN THAILAND 10

3.2 GLOBALIZATION’S IMPACT ON HOMEWORKERS 11

3.3 HOMEWORKERS LIFE AND WORKING CONDITIONS 12

3.4 STATISTICS 13

3.4.1 HOMEWORKERS IN THAILAND AND BANGKOK 13

3.4.2 HOMEWORKERS AGE 14

3.4.3 HOMEWORKERS EDUCATIONAL LEVEL 14

3.4.4 HOMEWORKERS WORKPLACE 15

3.4.5 HOMEWORKERS MARITAL STATUS 15

3.4.6 HOMEWORKERS WORKING HOURS 15

3.4.7 HOMEWORKERS INCOME 16

3.5 NON-GOVERNMENTAL INITIATIVES 16
1 INTRODUCTION

The introduction provides a brief description of the chosen research field and the textile industry in Thailand. The study’s aim, problem statement and the outline of the report are presented as well as different definitions and delimitations to avoid that this thesis became too broad.

1.1 Background

The countries of Southeast Asia are undergoing a very rapid economic development, but are still at different levels. Living standards are much higher in Singapore and Brunei than in Laos and Cambodia, which are among some of the world’s poorest countries. Malaysia and Thailand are at an intermediate position, since they are former developing countries that have come a long way. The growth of the countries has drastically increased at the expense of environmental degradation and social problems1.

The industrialization in Thailand started in 19652 which is later than in Malaysia, but earlier than in Indonesia and Burma, first with food and wood and then with textile production. Thailand was then a typical low-wage country that attracted both foreign and domestic investors. It laid the foundation for the export industry, which still is the country’s main source of income3. Between 1970 and 1985 Thailand made tremendous progress in which the country’s Gross Domestic Product (GDP) grew by eight percent per year. Thai economy had then left the label as a developing country behind but in the 1990s, after decades of increased growth, an economic crisis hit the country. Inflated stock and land values, environmental problems and corruption were the root cause4.

At the same period, Thailand competed with new low-wage countries, particularly Vietnam, China and India. Although Thailand still had cheap labour and a will to upgrade production facilities, the industry was hampered by the lack of educated and skilled personnel. As a result of this the equipment that was imported by the industry could not be used effectively5.

1 Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 15
3 Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 128
4 Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 130-131
5 Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 128
1.2 Problem area

The geographic distribution of production in the textile industry has changed dramatically over the past 25 years, which has resulted in high rate of unemployment in Europe. Multi-national companies seek to effectively reduce production costs and are constantly searching worldwide for factories that can manufacture their products as cheap as possible, so they can close their own factories. Due to the rapidly changing demands, companies are hiring part-time workers instead of full-time workers and they have also increased the use of homeworkers.

An order can be placed with a supplier who contracts it further to subcontractors. In turn, subcontractors place them with homeworkers to be carried out in their own home. Wages for homeworkers tend to be substantially lower than for factory workers.

The gap between rich and poor is wide. The rich population’s standard of living is at a European level while the poor population live in slum districts or in under-developed rural areas, with enormous poverty. About ten millions of people live below the official UN poverty line of less than $1 per day.

1.2.1 Different types of homeworker

There are two different way to work as a homeworker where the first implies that they sew clothes in a piece-rate system in their own homes. Homeworker receives raw materials from a contractor to sew them into finished garments and deliver the finished goods back to the contractor. The contractor does not usually supply enough components and homeworkers must purchase the necessary parts themselves in order to deliver a complete order. These costs along with the cost generated by maintenance, water and electricity, are costs that homeworkers pay for themselves. Contractors or employers to avoid spending money but will do everything to earn more.

---

6 ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries. ILO/96/33
7 Klein, Naomi. 2004 No logo. Ordfront Stockholm. P. 241
8 ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries. ILO/96/33
9 Klein, Naomi. 2004 No logo. Ordfront Stockholm. P. 248
10 ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries. ILO/96/33
11 Carlson, Bo Kage. 2000 Sydostasien: Elva länder i en turbulent region. Elanders GotAB. P. 15
12 Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.
The other way to work as a homeworker is to, on own account sews clothes at home, deals with where the goods shall be sold and manages the purchase of materials. This type of homeworker usually has a better salary than the one who is sewing on a piece-rate system. These homeworkers are known as self-entrepreneurs and faces competition from larger companies. They rarely have access to credit because they buy in small a quantities and this makes the material more expensive. They must either borrow from friends or relatives or pay with the profits they have received from previous orders, or buy it on credit at exorbitant interest rates. There is a theoretical distinction between homeworkers with piece-rate system and self-entrepreneurs, but the difference is very small. Both are working in their homes and both buy components to complete the product and with very limited bargaining power).

1.3 Aim

The aim of this study is to examine how global competition in the garment industry affects homeworkers in Thailand and their ability to develop as entrepreneurs in their own businesses.

1.3.1 Problem statement

To explore homeworkers’ opportunities, to work as contractors in a competitive sector in Thailand, the main question to be examined is their living and working conditions.

- What are the living and working conditions for homeworkers in Thailand, taking into account the social, economic and cultural patterns?

A numbers of sub-questions must also be examined that are related to the homeworkers living and working conditions.

- Are these conditions obstacles or are they opportunities to achieve high profit in their own business?
- What economic possibilities, social and business networks exist and are they obstacles or opportunities to develop their entrepreneurship?

13 Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.
1.4 Delimitations

The study aims to explore homeworkers who have a small business and from their customers (factories) get their materials to manufacture the product in their homes. This report will only take health problems and economic factors into consideration and will not describe them in depth.

1.5 Definition

Contractor

Supplier who provide a service such as cutting, sewing or finishing\(^{14}\).

Homeworker

Homeworkers is work of a person at home, not at the employer for remuneration which results in a product specified by the employer, whether the equipment, materials or other goods used is the employers or homeworkers\(^{15}\).

Informal sector

The informal sector is characterized as production units and is not registered under national legislation such as tax, social security obligations or regulatory acts\(^{16}\).

Subcontractor

A firm hired by a vendor or contractor to assemble part or all of a sourcing company’s goods or to complete a special operation\(^{17}\).

\(^{14}\) Glock, Ruth E., Kunz, Grace I. 2005 Apparel Manufacturing: sewn product analysis. P. 301


\(^{17}\) Glock, Ruth E., Kunz, Grace I. 2005 Apparel Manufacturing: sewn product analysis. P. 301
1.6 Outline of the thesis

Introduction
The introduction provides a brief description of the chosen research field and the textile industry in Thailand. The study's aim, problem statement and the outline of the report are presented as well as different definitions and delimitations to avoid that this thesis became too broad.

Methods
This chapter describes the methods used to carry out this thesis. The selection of methodology has been carefully considered and reviewed before the writing process was initiated.

Theoretical research
This chapter presents theories that are significant for the study. It also describes the textile industry in Thailand, the globalization and organizations that foster homeworkers’ opportunities to enhance their quality of life. A brief description of where in the supply value chain homeworkers are and statistics regarding homeworkers are also provided.

Empirical findings
In this chapter the empirical findings from the interviews and the observations are presented and will describe homeworkers’ life situations and their working conditions and the opportunities they have to develop their entrepreneurial and business skills. To protect the respondents, fictitious names has been used since information such as name and address can cause them to lose their contracts with suppliers.

Final analysis
This section provides a final analysis of the collected empirical data and is complemented with a theory from the previous chapters in order to support the conclusion. As interviews with homeworkers only touched their lives and working conditions, the theoretical data will form the basis for the analysis.

Conclusion
This chapter is a conclusion of the analysis and will answer the purpose of this thesis and the problem statement.
2 METHOD

This chapter describes the methods used to carry out this thesis. The selection of methodology has been carefully considered and reviewed before the writing process was initiated.

2.1 Qualitative method

The writing process involves literature search, perception of how people live and how they can change their living conditions based on the techniques and skills they have. Therefore a qualitative method is best suited for this research since the method focuses on how society, people and organizations interact and shows the total situation which enables a better understanding. The choice of the method is strengthened by Alvesson and Sköldberg, who believes that qualitative method tries to understand or interpret the meaning people give them, in which their experiences and perceptions are at the centre.

The main method in this thesis is qualitative interviews and the purpose of the interviews is to increase the value of the gathered information. The purpose is also to collect as much nuanced data and knowledge as possible, since the interviews are the foundation of the empirical findings. Field observations will also be used to get an overall picture of their life situation. The interviews are done in conjunction with field survey in Bangkok, Thailand.

2.1.1 Qualitative interview

The performance of a qualitative interview is similar to an everyday situation and a casual conversation. This method has been challenging because each interview lasted for over one hour and it was mentally tough hearing about their life conditions. The author must distance from the respondents in order to make an accurate and critical assessment.

The interviews were kept at a discreet level, as the dissemination of information could cost them their contracts and livelihood. But this was not always easy since the interviewee lived close to each other and while interviewing one, the others kept passing by because of curiosity. In one interview, a worker from a NGO was present and the author sensed that the

---

18 Holme et al. 2008 Forskningsmetodik, om kvalitativa och kvantitativa metoder. P. 76
19 Alvesson et al. 2008 Tolkning och reflektion, vetenskapligfilosofi och kvalitativ metod. P. 17
20 Holme et al. 2008 Forskningsmetodik, om kvalitativa och kvantitativa metoder. P. 101, 110
21 Holme et al. 2008 Forskningsmetodik, om kvalitativa och kvantitativa metoder. P. 31-32
respondent modified her answers after she thought the author wanted to hear. But this was easily corrected when the author told the respondent to answer from her own experience.

Preparation before the interview was important so that it would not be without purpose and not take up too much of their precious time. The homeworkers’ lives and working conditions is central to the interviews, followed by factors that directly affect their daily lives and livelihood. Therefore, a graphic model (figure 1) has been formed to structure an interview guide, which consists of different themes relevant to the study’s research questions.

The interview guide could change or be updated during the field study as the knowledge grew or if the author felt that some questions were unnecessary. The interview guide can be found in Appendix 1.

**2.2 Selection of the participants**

One of the criteria in the selection of participants was that they had to be homeworkers, who worked in their home with their own business in the garment industry in Thailand. The study consisted of eight homeworkers, six women and two men. Homeworkers that were suitable for the study were found during the implementation of the study and were not chosen in advance. A member from NGO helped the author to find the first respondent and a friend helped the author to find the second respondent. The second interview led the author to another homeworker which helped me find another and so on.

Another criterion was their availability, since the field study had a time limit of eight weeks. It was important to complete the empirical study during my stay in Thailand because if certain

---

data was missing it would be difficult to get hold of, when I got home to Sweden. The number of the participants was hard to decide in advance but when five homeworkers answered similar to the questions, three more were interviewed in order to strengthen the data that had already been gathered. The interviews were carried out, in the homeworkers’ home during day time in Thonburi in Bangkok, Lat Krabang and Chonburi, two Bangkok suburbs.

Two respondents were selected from organizations that work to better homeworkers working conditions, the Foundation for Labour and Employment (HomeNet) Thailand and Thai Labour Campaign. These two respondents were randomly chosen from the Internet, where the criterion was their availability during the field study and that they worked to improve homeworkers’ life quality. The organizations were contacted two months in advanced and the interview was booked preliminary before the field study in Thailand initiated.

2.3 Data collection

To gather information is time consuming and can be a difficult process to structure as there are so much data to analyze23. Primary data in the form of literature and articles from the library at the University of Borås along with public libraries and their databases has been a great asset, although limited. There are many facts about Thailand and globalization in the textile industry but very little about homeworkers.

Therefore, the Internet has been a great help in the gathering of the secondary and tertiary data, which mostly consist of a wide range of articles and publications on homeworkers from universities and organizations. Tertiary data has only been used to understand the problem area in the first stage of the study and is not used as an argument in the analysis because of its weak credibility. It should be added that some of the material found the Internet could not be used as they were not relevant to the problem statement24.

The main source that formed the foundation of this study was primary data from the interviews and since the author knows the Thai language, the interviews were held in Thai without an interpreter and tape-recorded. The participants were free to talk about their life and working conditions without any mistranslation or data loss in translation. Shortly after the interview, the tape-recorded data were processed in order to keep the emotions during the interview fresh and to remember the interview better. The author did not want to take notes

23 Holme et al. 2008 Forskningsmetodik, om kvalitativa och kvantitativa metoder. P. 96-97
24 Holme et al. 2008 Forskningsmetodik, om kvalitativa och kvantitativa metoder. P. 130-135
during the interview in order to fully concentrate on the respondents and the conversation. Field observations were written down as soon as possible in form of a diary.

2.4 Ethical considerations

The author followed four principles that Vetenskapsrådet has established in order to inform participants about what their participation in this study would mean to them. They were informed about the purpose of the study and that the information obtained would only be used for this study. The participants confirmed their participation in the interview and the author made clear that their personal information would not be showed in public\(^25\). To ensure the privacy of the participants, their life experience and age are the only information that are shown while names and addresses are kept from this study. Pictures have been taken and the participants confirmed that the author can show them in conjunction with the presentation of this study.

2.5 Reflections on the methods and the sources

The articles that are relevant for this study were not up to date which decreased the liability of this thesis. For this reason the author wanted to strengthen the study with empirical findings but since mostly women participated in the interviews, this thesis did not get the full picture of homeworkers’ conditions because of the different roles men and women have in Thailand.

When you have one or more co-writers you have the opportunity to discuss and critically reflect on the gathered information with others during the writing process. This thesis is written by one person, which is important to keep in mind. Critical reflection is important, and to have a critical position as a single author is difficult and must be done with carefulness. One advantage, as a single author, is that you don't have to compromise or wait for material from the other writers. The author could control the entire thesis, but it was hard to not have someone to discuss the findings or the conclusion of this study with.

3 THEORETICAL RESEARCH

This chapter presents theories that are significant for the study. It also describes the textile industry in Thailand, the globalization and organizations that foster homeworkers’ opportunities to enhance their quality of life. A brief description of where in the supply value chain homeworkers are and statistics regarding homeworkers are also provided.

3.1 The structure of the textile industry in Thailand

Many of the textile industries in Thailand are located in or surrounding Bangkok, where the manufactured clothes and fabrics are commonly exported. Bangkok attracts people from less developed suburban areas. Today every fifth Thai lives in the metropolitan area and most of them come from poorer regions in the north and northeast to work in manufacturing, particularly in the textile industry\(^26\). The industry is characterized by low capital investment and simple technology and face intense competition against other countries, although Thailand also has cheap labour force. Both the textile and garment industry requires many workers and they are also the explanation for how the industry is structured. Simple technologies and low efficiency means that large factories have no advantage over small suppliers and this has left a footprint that makes them no longer dependent on large quantities to be produced. The international economy has tended to increase the subcontractors role\(^27\).

The textile industries were restructured after having a growth in 1980 to the early 1990s but have since then fallen roughly when the new developing countries attracted investors with even lower production costs. Factory owners sought to reverse this downfall by shifting production to subcontractors who were not unionized\(^28\). Companies rely on subcontractors to produce large orders in which their suppliers provide it further to smaller subcontractors such as homeworkers\(^29\). Depending on the type of contract with their supplier, homeworkers can have parts delivered to their house or pick up the part themselves.

A textile business usually has different processes such as design, purchasing, production (which can be further divided), and distribution through wholesalers and retailers. In the

---

\(^{26}\) Carlson, Bo Kage. 2000 *Sydostasien: Elva länder i en turbulent region*. Elanders GotAB. P. 130-131


\(^{28}\) Sluiter, Lisbeth. 2009. *Clean Clothes – a global movement to end sweatshops*. P. 64

manufacturing sector the homeworkers is a part of the production\textsuperscript{30}. For homeworkers, to get a direct order from the customer and to create a long term relationship with the buyer is essential although difficult to achieve when there are many competing homeworkers\textsuperscript{31}. A direct order could increase profits three times more for the homeworker compared with an order from the subcontractors\textsuperscript{32}.

\section*{3.2 Globalization's impact on homeworkers}

Working at home has become more and more linked together with the globalization in the textile industry. It increases when companies and factories want to find cheaper labour and more efficient production. In today’s international market, it is not unusual to produce a garment in two or three different continents. Usually, the providers are not even aware of each other’s existence\textsuperscript{33}. The primary reason to move the production is, as previously mentioned, because of the cheap labour, but also because of the workers ability to join a union which is rare in developing countries\textsuperscript{34}. The rapid change in the fashion industry and demands from retailers for a faster delivery has led to the need to quickly change and adapt the clothes to satisfy consumers. This demand has resulted in a highly competitive manufacturing industry locally where providers give the orders to the small producers rather than to produce in large factories\textsuperscript{35}.

Globalization can reduce the wage of workers in several different ways. First it can lead to greater specialization in production and export of capital-intensive goods, thereby increasing the return on capital in relation to the labour. Second, the threat of closure of factories and moving it abroad adversely affect the bargaining position of workers. Thirdly, globalization combined with technological advances and an increased return on equity also put pressure on wages. In 2009, the wages vary negatively by the global financial crisis and fell below the minimum wage. In Thailand, about 25 percent of workers in the manufacturing sector earn less than minimum wage in 2009\textsuperscript{36}. 

\textsuperscript{30} Mehrotra, S., Biggeri, M. 2002 Social protection in the informal economy: Home-based women workers and outsourcing manufacturing in Asia.

\textsuperscript{31} Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P. 69

\textsuperscript{32} Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P. 68

\textsuperscript{33} Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.

\textsuperscript{34} Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P. 38

\textsuperscript{35} Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.

Thai products have become expensive compared to their competitors in other less developed Asian countries, because wages in the cities have increased. Local industry has moved production to the suburbs where it is cheaper to produce and the labour is cheaper. The result has been that rural families need to find other ways to earn more money or move to where there are jobs.\(^37\)

### 3.3 Homeworkers life and working conditions

Homeworkers in both developing and developed countries are often regarded as “informal” workers because they are not protected by laws and their work is not valued correctly. Since homeworkers are not recognized by the government they seldom have access to social benefits of any kind, such as medical care, child care or pensions. Even if homeworkers would have social security protection, they don’t have the knowledge, or ability to access these services. This results in precarious employment and poor working conditions. Homeworkers are often wrongly confused with housework because they are invisible, isolated and mostly women and they refer themselves as “not employed” or “housewives”, even when they work 14-16 hours a day, to support their families.

Homeworkers perform their tasks with minimal contact outside their home, and have little understanding of where the work comes from or where it goes to when the order leaves their hands. Homeworkers are generally poorly paid and it is true that their wage is below the minimum wages. A homeworker who normally work 12 to 18 hours a day, seven days a week, earn about a third of the normal salary. Homeworkers have little asset and are often trapped in the informal lending market with high interest rates. They also have little access to information and communication technology, which is hindering their business. These factors create a vicious circle of poverty and debt which is difficult for homeworkers to break out from.\(^38\)

Organizations who work to foster homeworkers’ opportunity to a better life quality have learned them to work collectively and what benefits that may bring. Homeworkers in a cooperative are encouraged to own their personal tools, have a savings account in their own name and, if possible, their land or homes registered in their own name (or at least with their

---

\(^37\) Jhabvala, R. Tate, J. 1996 *Out of the Shadows: Homebased Workers Organize for International Recognition.*

\(^38\) Ibid.
spouse). Homeworkers who work together in a collective can together demand higher and better working conditions from employers. Homeworkers will then have opportunity to gain access to the contracts themselves, bypassing intermediaries and get access to social benefits such as health care, child care and insurance. Building a cooperative is not easy, and to be competitive, homeworkers must first upgrade their skills. They must also have a good understanding how to improve their business with the network they have created39.

3.4 Statistics

During 2007, Thailand’s National Statistical Office (NSO) reported that 37.1 million people had some kind of an employment in Thailand and 23.3 million people of them were informal workers. Informal workers accounts for 62.7 percent of the total of workers, compared with 37.3 percent in the formal sector. There has been an increase of 700 000 informal workers between 2005 and 200740.

3.4.1 Homeworkers in Thailand and Bangkok

<table>
<thead>
<tr>
<th></th>
<th>Whole kingdom</th>
<th>Bangkok</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>100 000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>200 000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>300 000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>400 000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>500 000</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

Figure 2 – Statistical data showing homeworkers in Thailand and Bangkok.

In 2007 National Statistical Office data (see figure 2) showed that 440 251 people worked as homeworkers in Thailand. In Bangkok 52 118 people worked as a homeworker. Of 440 251 homeworkers 384 175 were in manufacturing and 46 752 of these homeworkers were based in Bangkok. Of the homeworkers in Bangkok in the manufacturing sector, 29 537 homeworker receive some equipment for manufacturing the goods and 10 360 homeworkers received all their equipment from the factory and 6 855 didn’t received any equipment41.

40 Interview with Poonsap S. Tulaphan, Manager of HomeNet 2011-03-18
3.4.2 Homeworkers age

Figure 5 shows homeworkers divided by age in Bangkok according to NSO. In 2007, 20 712 homeworkers were between 30 – 39 year and 2 238 were between 15 and 19 years old. 948 were 60 year old or over42.

3.4.3 Homeworkers educational level

Data above (figure 6) shows homeworkers educational attainment in which 1 155 people do not have any education. No one have education lower than elementary level. Only 115 homeworkers have an academic education, 915 homeworkers have higher technical education and 864 have education at university level43. In Thailand, 76.7 percent of homeworkers are women and are the majority of informal workers because flexibility of the jobs and the required skills are low. Uneducated women or women with low education often combine working at home in the informal economy with their housework44.

42 Ibid.
44 Interview with Poonsap S. Tulaphan, Manager of HomeNet 2011-03-18
3.4.4 Homeworkers workplace

![Bar chart showing homeworkers workplace](image)

Of all homeworkers based in Bangkok, statistics from NSO (figure 3) shows that 42,246 work at home and 2,256 worked nearby\(^45\).

3.4.5 Homeworkers marital status

![Bar chart showing homeworkers marital status](image)

Figure 4 shows the total of 52,118 homeworkers marital status. 12,890 homeworkers are single. 35,982 homeworkers are currently married and only 525 are divorced\(^46\).

3.4.6 Homeworkers working hours

![Bar chart showing homeworkers working hours](image)

Figure 7 shows homeworkers working hours. 178 homeworker work one to two hours per day but 20,393 homeworkers’ works twelve hours or more. 13,157 work nine to eleven hours followed by 6,302 who work seven to eight hours per day\(^47\).

\(^{46}\) Ibid.  
3.4.7 Homeworkers income

![Figure 8 – Statistical data showing homeworkers income.](image)

Homeworkers’ wages is known as bad and NSO data from 2007 (figure 8) shows homeworkers wages per year. 16 529 homeworkers has an income of 50 000 – 100 000 Bath per year\(^\text{48}\) which is 11 265 – 22 530 SEK\(^\text{49}\). 1 493 homeworker have a yearly income less than 10 000 bath\(^\text{50}\), which is 2 253 SEK\(^\text{51}\).

3.5 Non-governmental initiatives

The accelerated growth of homeworkers throughout the world and the insecurity and discrimination these women face has led workers in different parts of the world to join forces and improve their situation. The aim is to improve the workers’ self-esteem, conditions and wages. Various organizations are struggling to better homeworkers’ life quality and help them with the exploitation they face from employers, lack of influence with laws and government bureaucracies and their exclusion from the process of developing policies and legislation\(^\text{52}\).

3.5.1 Foundation for Labour and Employment

Foundation for Labour and Employment (HomeNet) Thailand was formed by homeworkers in Thailand to protect homeworkers and registered themselves as a foundation in 2003, to help homeworkers to improve their working conditions\(^\text{53}\). HomeNet exists in seven countries in Asia and is also a member of WIEGO which is a group of academics from universities such as Harvard University in USA and University of Sussex in England\(^\text{54}\). HomeNet wants to

---

\(^{48}\) Ibid.


\(^{52}\) Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.


\(^{54}\) Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
increase homeworkers’ standards and social protection and tries to influence the government to legalize social protection for them. To do this, they have different strategies in which they carry out studies and research and publish information on informal workers to the community, employees and opinion leaders in the policy for informal workers55.

HomeNet help homeworkers who voluntarily want to work in groups and creates togetherness within the group. The emphasis is not on profit but rather on self-reliance and mutual help among members, which they believe will enhance their motivation and they can get a more efficient production and increase their social welfare. The group put their money together for the cost of production, equipment and materials. They are encouraged to actively participate to improve their income, welfare, health and safety and promote the interaction between the local network of homeworkers and local organizations that have more access to governmental resources56.

3.5.2 Clean Clothes Campaign

Clean Clothes Campaign (CCC) is dedicated to improve working conditions for workers in the global garment industry. Since 1989 they been working to contribute workers’ rights and provide support for workers. Clean Clothes Campaign is an alliance of organizations in 15 European countries. Members include trade unions and NGOs covering a wide range of perspectives and interests, such as women’s rights, consumer advocacy, and poverty reduction57.

Around the world CCC have increased awareness among consumer about the conditions under which their clothes are made. Steps have been taken, to provide decent working conditions but still nothing have changed. Wages around the world have stagnated or fallen and the movement of production and industry is increasing, leading to a world economy that undermines workers’ life and their opportunity to fight to get a better life58.

3.5.3 Thai Labour Campaign

Thai Labour Campaign (TLC) is a Thai non-profit and non-governmental organization based on voluntary initiatives who is committed to support workers and their rights and increasing awareness of social issues globally. TLC supports workers and fights for their rights to a fair

55 Ibid.
58 Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P 181
working condition and wants workers to cooperate with international workers\textsuperscript{59}. TLC helps workers to get fair wages, improved their rights and pressures the government to protect homeworkers by providing good labour standards\textsuperscript{60}. Lek Yimprasert, founder of the Thai Labour Campaign, acknowledges the need to educate the workers first,

\textbf{If they do not understand what a code of conduct is, they wouldn’t know what an organization can do to improve their rights. It wouldn’t be a global movement if they will not understand. It will take time, but if we truly want to change the world, everybody must be involved}\textsuperscript{61}.

\textsuperscript{59} Sluiter, Lisbeth. 2009. \textit{Clean Clothes – a global movement to end sweatshops}. P 69

\textsuperscript{60} Interview with Pow, worker at Thai Labour Campaign, Bangkok 2011-03-15

\textsuperscript{61} Sluiter, Lisbeth. 2009. \textit{Clean Clothes – a global movement to end sweatshops}. P 69
4 **Empirical findings**

In this chapter the empirical findings from the interviews and the observations are presented and will describe homeworkers’ life situations and their working conditions and the opportunities they have to develop their entrepreneurial and business skills. To protect the respondents, fictitious names has been used since information such as name and address can cause them to lose their contracts with suppliers.

4.1 **Homeworkers living conditions**

As their job title describes they work at home and most of them are poor and have to coexist in very cramped quarters in slums. There many houses directly linked to each other, unorganized and dilapidated. People live in unsuitable environment and are likely to harm their health and safety. The houses are connected with sewage pipes that run out in the river throughout the neighbourhood. Some have water and electricity illegally channelled from the main street.

The homeworkers that were interviewed lived in small houses with very few types of furniture. One of the homeworker have sewing machine which are the only things that fit in her living room. She must always clean off the dust before going to bed since she sleeps on the floor. Some may even have to pull out their machines on the sidewalk because they don’t have any space to keep it in their homes. One respondent in which both she and her husband are homeworkers have rented two houses next to each other where the business is held in one and in the other they live with their two children.

Besides the lack of space, many of these homes require suitable lights or other devices that would give them a good ergonomic workplace. Moreover, in many situations they are exposed to fire, theft and are disturbed by the fact that everyone can look in the window and see exactly what they are doing. Because they live so close each other and the houses in Thailand are not isolated, they also become stressed if they have to work late hours and afraid to disturb the neighbours.

In Thailand, there is a strong family bound and parents are expected to stay with the oldest daughter and her husband when they are old. It is not unusual there are six or seven people in one household but even if the parents do not live with them they often send money to them.
“I try to send money to my family who live in the rural area in northern Thailand. My parents also work but do not earn enough to let my little brother go to school and money I send covers for his school uniform and books. I may not earn much but tries to contribute with what I can spare every month”.  

In the interviews, it appears that homeworkers do not have a higher education level than fourth or sixth grade. A homeworker informs that her brother was the only one in her family that got an education, since her parents couldn’t afford to educate both of them.

”I had to start working and helping my parents instead. When I got older I wanted to learn English, but people started to question me. So, I chose in my teen to work and began as a tailor in a shop that sewed suits. During this time I also worked extra at home and sewed clothes neighbours ordered.”

Many homeworkers state that when they work either in the shops or at the factory they don’t have much time for their families and working at home gives them the opportunity to take care of the children and the household.

“My husband left me when the children were small and I had since then supported and raised the children on my own. When I worked at the shop I had very little time for them, but when I started to work at home I could take a break from sewing and follow the kids to school or pick them up and spend some time with them”.

Homeworkers’ children are often bound to help out with household chores and with simpler work tasks especially during school holidays, on their free time after school or weekends. Depending on the order they could cut threads, ironing or fold the garments. The children could also deliver the garments or purchase components required. The parents don’t think it is child labour since it is a culture for children to help in the household. But in the interview with Poonsap, manager at HomeNet, this fulfils the criteria for child labour with the different that they don’t get paid. She would instead describe them as workers who work for free.

---

62 Interview with Not, homeworker in Chonburi 2011-04-10
63 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
64 Ibid.
65 Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
A homeworker in Thonburi says she started working in a factory when she was very young and it was difficult because she had to work harder than her colleagues and the factory paid less to those with less experience. She had a piece rate system which means she got paid per garment she finished. She is now 24 years and says:

“I’m making enough money now to even send some to my mother every month and still be able to pay my bills. I moved to Bangkok to earn money and left my one year old boy with my mother to look after him and that keeps me motivated to work even harder. I had to move to Bangkok, to make money and to be able to support my son but I couldn’t bring him with me. It’s not that I don’t want him with me, is just that I wouldn’t be able to work as much as I do now.”

Homeworkers might seem to be independent and flexible, but in most cases they are not. The interviews show that they have to work when they are not taking care of their children, family or household, otherwise they would never be finished with the order they received and don’t get paid.

Chai, a homeworker in Thonburi would like to improve hers and her family’s quality of life and reach a higher profit, even though it seems impossible when she already works so many hours.

Since homeworkers constantly work, they don’t have time to take vacation. Some may be able to take a weekend off, but wouldn’t. Instead they would save the money or threat themselves with a good dinner. A homeworker in Thonburi says that,

“Even if we have a good salary, we can never take a longer vacation. It would cost us too much in time and revenue loss.”

Although homeworkers’ life situation is poor, many of the responders don’t want another profession. They like working at home, even if the wages are poor and that they don’t have any social security. Being a homeworker gives them possibility to take care of their family while supporting them.

---

66 Interview with Chai, homeworker in Thonburi 2011-03-22
67 Ibid.
68 Interview with Nok, homeworker in Thonburi 2011-03-21
“My son is supporting me now and I live with him since I no longer can work. I got poor eyesight from being a homeworker for almost twenty years. Even if I miss working at home, I’m happy because I did everything I could for my son and he has now a good job with a good salary. All the effort I made while the kids were small really paid off.”

4.2 Homeworkers livelihood

In 2009 around 700,000 – 1,000,000 workers in Thailand lost their jobs. These unemployed people had to obtain another way to survive and ended up in the informal sector. The unemployment and the laid off workers in the informal sector has caused an increased competition in the labour market. Workers in the informal sector are still able to feed themselves even if it is not considered as a decent job when they have no power to negotiate fair wages and improved working conditions in order to enhance their quality of life.

How homeworkers receive an order from the supplier can vary. Some might get a job through a supplier who knows them. While others have been recommended by someone who knows they are good at sewing and deliver on time. Some homeworkers are looking up suppliers themselves and bring prototypes to the supplier in order to show that they can do and some work first at another homeworkers’ house and then start their own business.

“...the order don’t come directly from the factories, the company give the job to factories which give it to a contractor who gives it further to subcontractor before it is distributed to me”.

Homeworkers do not have a written contract but a verbal contract with their suppliers. The homeworkers’ takes notes and know exactly how much the supplier owes them and what kind of order and how much garment pieces they have received. Since there is not a written contract you can sometimes argue with the supplier but this is rare if you have a supplier trust.

“I have no power to demand anything from my supplier. However, I have worked a long time with mine and have thus built up a relationship where we both trust

69 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
70 Interview with Poonsap S. Tulaphan, Manager of HomeNet 2011-03-18
71 Interview with Chai, homeworker in Thonburi 2011-03-22
72 Interview with Lek, homeworker in Thonburi 2011-03-17
each other. He knows what order I am working on now and he also knows what
capacity I have. He is the one who decides what I will do next or if there are any
orders that have a higher priority.”

Nok, another homeworker says that she works with several of suppliers but there is one that
she has a better relationship with, and when he needs help, she sees to take the order. She
does not know from which company the order come from or where the products are being
sold while leaving her house but that is not important, neither is a written contract.

“I do not have direct contact with the factory and my supplier is a subcontractor
they have employed. In some cases, an order can be placed for three or four times
before it reaches us homeworkers. A written contract is a security but in fact it
has no importance to us. When we get an order, we know that we will get paid
when it is complete and delivered.”

Orders can also be different, it could be sewing already trimmed parts or trim the parts first
and then sew the garments. Such contracts often pay more but require more time since they
have to manage the entire task at the same deadline.

“I received an order to sew school uniforms for a school which I had to buy the
fabric and bear all the costs with money I didn’t have. I had to borrow money
from friends and relatives and then sew it before the contractor paid me. For
contracts like this, I can bargain for a better price because it is more demand on
this kind of products.”

4.2.1 Wages

Consumers are probably unaware that homeworkers who produce shoes earn 4-6 baht and 8-
10 baht per piece for sewing garments. Homeworkers can earn 7 baht for beading pearl in the
blouses which subsequently are sold to consumers on the local market for hundreds of baht.
Depending on the order they get, they could sew one piece in 15 minutes but if the order is a
little advanced it could take up to 40 minutes. In order to earn as much as possible they have
to sew fast and work long hours every day. 28.6 percent of homeworkers in Thailand earn

73 Interview with Lek, homeworker in Thonburi, Bangkok 2011-03-17
74 Interview with Nok, homeworker in Thonburi, Bangkok 2011-03-21
75 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
less than a dollar per day. This means that their annually wages for a year are 10.500 Baht or in Swedish Crowns (SEK) 2 352 (1 Bath is 0.2240 SEK\textsuperscript{76}) and 59.3 percent earn less than 26.600 Baht per year which is 5 958.4 SEK\textsuperscript{77}. But of those interviewed the average wages are pending from 2 000 Bath (448 SEK) to 10 000 Bath (2 240 SEK) per month.

In one interview, a homeworker said that she could get 10 Bath (2.24 SEK) for a garment, but she got more paid if she could sew a whole set which could give her 200-600 Bath. She could make 5000 Bath (1 120 SEK) per month and when it was low season and very little to do, she could receive around 2000 Baht (448 SEK)\textsuperscript{78}.

“...it’s a heavy job when you’re working in a piece-rate system. When an order arrive I had to sew fast to keep up. Therefore, I could sometimes work until dawn, seven days a week. If I felt that I wouldn’t manage, I could ask a friend to help me, but usually they also had much to do and I had to finish the order myself.”\textsuperscript{79}

A homeworker in Thonburi says she earn about 10 000 Bath (2 240 SEK) per month and it is not impossible that she sometimes earn 20 000 Bath (4 480 SEK) per month.

“My husband and I work double and we can take twice the orders as we are two. But despite this, we still struggled because our children’s education is expensive. In addition, we rent two houses, partly to be able to extend our business and partly to not live crowded and with lots of dust.”\textsuperscript{80}

### 4.2.2 Working environment

For homeworkers their houses automatically become their workplace and rarely have an acceptable working environment. Homeworker can mainly afford used equipment (second hand or third hand) that are usually simple with low efficiency. Chemical pollution and hazardous substance can also be found on these sites where insufficient information and warnings is deficient in order to protect them. Even if homeworkers should improve their working environment they can’t afford to buy proper equipment because of their poor economy. A homeworker who has been working for over 20 years says,


\textsuperscript{77} Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18

\textsuperscript{78} Interview with Sujin, homeworker in Lat Krabang 2011-03-15

\textsuperscript{79} Ibid.

\textsuperscript{80} Interview with Nok, homeworker in Thonburi 2011-03-21
“We have been buying tools and materials throughout the years but when we started our business we had to be creative. For example we taped newspaper together and used it as pattern paper because it was too expensive.”$^{81}$

4.2.3 Health

Common health for those homeworkers who were interviewed is high stresses which include psychological stress in order to survive and manage to pay the bills. Other health issues are tension and poor eyesight caused by long working hours and poor light they work in. A homeworker inform about her health,

“Except problems with my eyes I also have joint problems which I believe has been caused by long working hours and that I’ve been sitting still so much.”$^{82}$

Some homeworkers keep the sewing machines on low tables and sit themselves on the floor. Homeworkers who have rented or borrowed an industrial sewing machine allow them to sit properly, although crowded. The machines are usually placed near the window and many homeworkers have more than one fan. The fan helps to prevent the dust to migrate into the rooms they sleep in and prevent children to breath in the dust.$^{83}$

Many homeworkers report that they know about the dangers of dust and fibres flying around during the time that they work. In an interview with a homeworker in Thonburi she says,

“I’m currently sewing canvas bags which leave very much dust. While I’m working I’m wearing a mask, but usually I’ll take it off if there is little dust. It is both too hot to wear the mask and it is expensive to buy it all the time, even if I re-use the mask until it’s completely worn out.”$^{84}$

Many homeworkers have pain in their joints, either in the neck and shoulders or in their hands when they are constantly working with these body parts. When it starts to ache they usually stretch. Sometimes they ask the neighbour to massage them or go to a professional masseuse, but it is a luxury they rarely treat themselves with because is too expensive.

$^{81}$ Interview with Nung, homeworker in Thonburi 2011-03-28

$^{82}$ Interview with Sujin, homeworker in Lat Krabang 2011-03-15

$^{83}$ Ibid.

$^{84}$ Interview with Chai, homeworker in Thonburi 2011-03-22
Homeworkers have a monotonous job and are often alone in the house. They are often lonely and don’t have time to visit their friends since they have to prepare dinner, wash clothes or clean up the house. For this reason working at home differ from working in the factory thus there, they have colleagues to talk to.\(^{85}\)

When it comes to the issue of noise from the machines many of the interviewed has got used to it and doesn’t pay it any attention. A homeworker describes the situation,

“\textit{I don’t think about it anymore, but I do sometimes get headache, partly because there is noisy and bad light and I have to strain my eyes.}”\(^{86}\)

### 4.2.4 Lack of social protection

Since homeworkers work in the informal sector, they do not have access to social protection such as medical care, child care or pension. If they would be unemployed or wouldn’t get any orders, the government will not help them at all. Nor is there any social security to help them if they cannot pay the bills.\(^{87}\) One homeworker from Chonburi inform,

\textit{“Because I’m the only one in my family that work they are dependent on me, if I get sick I cannot work and wouldn’t get paid. I’m not married and taking care of my mother and my three year old nephew. I’m 65 years old and my health is not good and I have to see the doctor a couple of times per month. If I don’t work, it want be long before we all will be living on the street.”}

She feels pressured to work and cannot relax if she should have some free time. She weaves baskets and get 100 Bath per basket, which takes her about two days to weave. She must work as long as she can manage since she is unmarried and has no children who would, as the culture in Thailand, take care of her. This makes her very unhappy, but on the other hand, she hopes that her mother, who is 80 years old, will die before herself and that her sister would take care of her own children.

\textit{“It is harsh to say but they would not have to live on the street and I would not feel the pressure to work constantly in order to provide for them”}. \(^{88}\)

---

\(^{85}\) Interview with Nung, homeworker in Thonburi 2011-03-28  
\(^{86}\) Interview with Lek, homeworker in Thonburi 2011-03-17  
\(^{87}\) Interview with Sujin, homeworker in Lat Krabang 2011-03-15  
\(^{88}\) Interview with Jukk, homeworker in Chonburi 2011-03-29
4.2.5 Limited economy

Homeworkers are often poor and have no access to borrow capital from state-owned banks or commercial banks. Attempts to initiate programs for micro-credit loans for homeworkers have been made, but these are still limited and insufficient compared to the actual needs. The micro-credit loans that are available are primarily focusing on those who have acute needs rather than long-term development of small businesses. Businesses driven by homeworkers are usually small, with low investment, technology and skills development^89.

Many of the homeworkers do not separate their personal money from the revenue they earn from their own business. This makes it difficult for them to know how much profit they actually have in their business.

"Since I do not have any valuables, a bank loan is virtually impossible for me. I can buy fabrics on credit and pay when I can, but the interest is ridicules. Instead I borrow from family and friends, but because of their poor economy, they are always quick to want it back and it stresses me. Nowadays I cope with what I have and do not borrow money, unless nothing unexpected happens, of course."^90

Family member help the homeworker either by sewing garments they cannot cope with or support them financial if they need to invest in equipment or pay bills homeworkers cannot afford.

"I have to borrow money from my siblings to be able to pay the bills at low season. But sometimes they don’t have money to lend me so I have to think of some other way to earn money. Once I was forced to buy comic books for one Bath and took the kids and sold the comic books on the street."^91

Relieve homeworkers is also something that family members can contribute with. There is insufficient time for everything homeworkers have to do in which they delegate some tasks to the rest of the family members.

---

89 Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
90 Interview with Jeaw, homeworker in Lat Krabang 2011-03-16
91 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
“My mom takes care of my child while I am working and she also cut treads when I am finish with the garments. I do not pay her but she is living with me which means that I provide for her as well.”

4.3 Development of entrepreneurship

Development of entrepreneurship in the informal sector is very limited and not widely available. Education is to enhance their entrepreneurship, but they are rare and do not take the constraints homeworkers are facing directly in account. Homeworkers have low education, limited time and enormous workloads. Without education this can prevent their opportunity to develop and improve their business. Homeworkers have therefore limited opportunities to increase profitability in their businesses.

Business development for homeworkers is also limited and homeworkers have to find other ways to provide for their families. In the interviews homeworkers said they constantly think about how to extend their business as it is essential for their survival. If they can’t provide for their family they would have to give up their children, which some families do in order to be able to work more hours.

“When I received orders to trim the fabric and then sew the garments I always saved the spill to sew small purses or mobile bags and then sell them in the street. In this way, I earned extra money I could save.”

I have a few regulars who come with basic sewing work to be done. It may be to stitch up a pair of pants, repair zip or sew in or out a skirt or shirt. My wife also sews traditional Thai costumes on order for those who wish. As a result, we can survive even if it would be a bad month and few orders.

Some homeworkers buy fabrics and sew simple shirts, tank tops, dresses and T-shirt that they later sell on the market. They would save the garments until it is low season or if they would need money but sew new garments as soon as they have some free time.

---

92 Interview with Jeaw, homeworker in Lat Krabang 2011-03-16
93 Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
94 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
95 Interview with Nung, homeworker in Thonburi 2011-03-28
“I have enough with order now and earn good money but it feels good to know that I could sell some clothes to get money if I would get fewer orders.”

4.3.1 Opportunities to achieve higher profit

Informal workers are not aware of their rights in employment and have infrequently any bargaining power. Education is necessary to strengthen their ability to negotiate better with their employers, suppliers or subcontractors. Without education they will continue to have limited access to government resources and services and it may force them into poverty and vulnerability. It requires organization and improvement of their skills to address issues such as low income, lack of social security, limited employment opportunities, health hazards and unsafe working conditions. Many homeworkers report that they constantly think about money and how to get a better economy.

“By working within a network, people help one another if they have too much to do and orders we received have already been negotiated which means we all get equal paid.”

“Since I joined a network everyone in my network got equally paid and orders. There was no competition to get orders and it became easier to get money to be sufficient.”

Organizations working to improve homeworkers living and working conditions are available for homeworkers. Foundation for Labour and Employment (HomeNet) Thailand wants to increase homeworkers’ standards and social protection by create togetherness within the network. HomeNet do not focus on homeworkers profit but wants to increase their self-confident and improve their motivation so they can get a more efficient production and increase their social welfare. The members pay an annual fee in order to get help from the foundation which encourage them to participate to improve their welfare. Thai Labour Campaign (TLC) support homeworkers and fights for their rights to a fair working condition and wants to help them to fair wage and improved their rights.

96 Interview with Chai, homeworker in Thonburi 2011-03-22
97 Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
98 Interview with Sujin, homeworker in Lat Krabang 2011-03-15
99 Ibid.
100 Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
101 Interview with Pow, worker at Thai Labour Campaign, Bangkok 2011-03-15
The interviews with homeworkers show that they are not aware that such organizations even exist, and do not know how they can get in touch with them. Homeworkers have no information on what these organizations can help them with and miss out on the opportunities they have in order to develop their business skills. Homeworkers believe that organizations only help those who have larger business and do not think they qualify for help.

“I have never heard that there is organizations that can help me improve my business. I do not know what they require in order to be able to get help from them and I do not know where they are or how to contact them.”

---

102 Interview with Nung, homeworker in Thonburi 2011-03-28
5 Final analysis

This section provides a final analysis of the collected empirical data and is complemented with a theory from the previous chapters in order to support the conclusion. As interviews with homeworkers only touched their lives and working conditions, the theoretical data will form the basis for the analysis.

The geographic distribution of production in the textile industry has globally changed in the last 25 years. This has been caused by the rapid change in the fashion industry and demands from retailers for a faster delivery. The needs have led to adapt the clothes to satisfy consumers, which has resulted in a highly competitive manufacturing industry.

Companies want to meet this demand by moving their production overseas in the quest to produce products as cheap as possible and reduce their production costs in order to close their own factories. Companies rely on subcontractors to produce large orders in which their suppliers provide it further to smaller subcontractors such as homeworkers who placed it further to contractors and they put the order in additional to homeworkers who produce the products in their own homes. Working at home has become more and more linked to globalization in the textile industry when the global economy has tended to increase subcontractors role.

The textile industry in Thailand has been restructured since the new developing countries such as Vietnam, Bangladesh and India, attracted investors with even cheaper labour. Factory owners in Thailand tried to face this competition and moved production to subcontractors who were not unionized. The reason for moving production is primarily due to cheap labour, but also because of the ability of workers to join a union which is rare in developing countries.

---

103 ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries, ILO/96/33
104 Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.
105 Klein, Naomi. 2004 No logo. Ordfront Stockholm. P. 241
107 ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries, ILO/96/33
110 Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P. 64
111 Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P. 38
Thailand has been a typical low-wage country, which attracted both foreign and domestic investors\(^{112}\). Both the textile and clothing industry in Thailand is characterized by low capital investment and simple technology\(^{113}\). In an attempt to compete with new low-wage countries, they tried to modernize their production facilities. But the industry is hampered by the lack of trained and skilled personnel, resulting in that the imported equipment cannot be used effectively\(^{114}\).

Around 700 000 – 1 000 000 workers in Thailand lost their jobs in 2009 and many of these unemployed people had to obtain another way to survive and ended up in the informal sector. The unemployment and the laid off workers in the informal sector has caused an increased competition in the labour market\(^{115}\).

Many people moved from rural regions to larger cities to get an employment and an income they can live on\(^{116}\). In 2007 there were 440 251 people working as homeworkers in Thailand and 52 118 homeworkers were based in Bangkok\(^{117}\). The majority of homeworkers are women and work 14-16 hours per day to support their families even if they do not consider themselves as employees\(^{118}\).

Most homeworkers are poor and live in very cramped slum community. Their houses become their workplace since homeworkers work at home, which means that they are both living and working in unsuitable environment. Many of these houses have no suitable working environment. Inadequate information and warnings are insufficient to protect them against chemical pollutants and hazardous substances. They cannot afford to improve their work environment because of the bad economy and they use simple second-hand equipment with low efficiency\(^{119}\).

Among those interviewed, many suffer from high stress, tension, poor eyesight and joint pain which is caused by long working hours and lack of ergonomic aids.

\(^{112}\) Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 128


\(^{114}\) Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB. P. 128

\(^{115}\) Interview with Poonsap S. Tulaphan, Manager of HomeNet 2011-03-18

\(^{116}\) Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.


\(^{118}\) Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.

\(^{119}\) Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
It is common in the Thai culture that children help with housework and the study shows that children also help out with easier work tasks. Interviews show that the children will help homeworkers to cut threads, ironing, folding clothes or deliver the finished goods, but they never sew the garments. According to Poonsap, manager of HomeNet, this is not recognized as child labour among homeworkers but meets the criteria for child labour with the exception that they do not get paid, they are just workers who work for free\textsuperscript{120}.

The study shows that only 115 home workers have a university education, 915 homeworkers have a higher technical education and 864 have higher education\textsuperscript{121}. The interviews showed that homeworkers do not have a higher educational level than the fourth or sixth grade. Usually, parents can only afford to educate one child and those who do not receive education are forced to work at a young age.

Uneducated women or women with low education often combine homework with their housework and 76.7 percent of homeworkers are women because of the flexibility to work at home and be able to take care of the household\textsuperscript{122}.

Globalization can affect workers’ wages in different ways, which the first is the threats of closing factories or moving it abroad adversely affect the bargaining position of workers. Secondly, globalization combined with technological advances also sets pressure on wages. With the global financial crisis in 2009, wages varied negatively and fall under the minimum wage. In Thailand, about 25 percent of workers in the manufacturing sector earn less than minimum wage in 2009\textsuperscript{123}.

Wages for homeworkers tend to be substantially lower than for factory workers\textsuperscript{124} and are generally poor with wages below the minimum wages\textsuperscript{125}. Of those interviewed, the majority of homeworkers could at best earn 13 440 SEK per year. The wages they receive each month must be sufficient to pay the rent, water, electricity, equipment maintenance, food for the family and children's education.

\textsuperscript{120} Ibid.
\textsuperscript{122} Interview with Poonsap S. Tulaphan, Manager of HomeNet 2011-03-18
\textsuperscript{124} ILO 1996 Globalization Changes the Face of Textile, Clothing and Footwear Industries. ILO/96/33
\textsuperscript{125} Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition.
Homeworkers are not protected by laws and don’t have social benefits such as medical care, child care or pensions\textsuperscript{126}. This means that homeworkers’ families are dependent on them and the amount of order and income they will get. Therefore they can’t afford being sick or take vacation. If homeworkers don’t work they wouldn’t be able to support their families and they could end up living in the street or lose their children, which is their biggest fear.

Homeworkers have no education in order to develop their entrepreneurship and this may hinder their ability to improve their business\textsuperscript{127}. Many of the interviewees explain that they either purchase fabric or save the overflow from the order to sew clothes that they sell at the local market to achieve higher profitability. This is a way for them to extend their business. They have an opportunity, by working together in a collective where they jointly could demand higher and better working conditions from employers. In this way, they gain access to contracts, avoiding middlemen and get access to social benefits such as healthcare, childcare and insurance\textsuperscript{128}.

A direct order may increase their profits three times more than an order from the subcontractors. Homeworkers have few assets, which mean that they have no assurance if they would like to take a bank loan. Some attempts have been made in order to initiate and organize accessibility to microcredit, but these efforts are limited\textsuperscript{129}.

Homeworkers also have little access to information and communications technologies which is hindering their business\textsuperscript{130}. These factors are an obstacle to homeworkers to achieve higher profitability in their business and their ability to develop their entrepreneurship.

Organizations working to encourage homeworkers opportunities for a better quality of life and livelihoods are the social networks homeworkers have access to\textsuperscript{131}. Homeworkers are encouraged to own their personal tools, have a savings account in their own name and, if possible, have their lands or homes registered in their own name\textsuperscript{132}.

\textsuperscript{126} Jhabvala, R. Tate, J. 1996 \textit{Out of the Shadows: Homebased Workers Organize for International Recognition.}

\textsuperscript{127} Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18

\textsuperscript{128} Jhabvala, R. Tate, J. 1996 \textit{Out of the Shadows: Homebased Workers Organize for International Recognition.}

\textsuperscript{129} Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18

\textsuperscript{130} Jhabvala, R. Tate, J. 1996 \textit{Out of the Shadows: Homebased Workers Organize for International Recognition}

\textsuperscript{131} Ibid.

\textsuperscript{132} Jhabvala, R. Tate, J. 1996 \textit{Out of the Shadows: Homebased Workers Organize for International Recognition.}
Thai Labour Campaign (TLC) is a Thai non-profit and non-governmental organization based on voluntary initiatives. TLC helps homeworkers to receive fair wages, better rights and tries to get the government to protect them by offering them good labour standards\textsuperscript{133}.

HomeNet formed by homeworkers in Thailand to protect other homeworkers and help them improve their working conditions\textsuperscript{134}. HomeNet are working to improve standards of homeworkers and trying to influence the government to legalize social security for them\textsuperscript{135}. The emphasis is not on profitability but on self-reliance and that members shall help each other, which they believe will increase their motivation and their social welfare\textsuperscript{136}.

Clean Clothes Campaign (CCC) is dedicated to improving the working conditions of workers in the global garment industry\textsuperscript{137}. CCC has increased awareness among consumers about the conditions their clothes are made in\textsuperscript{138}.

Steps have been taken to provide reasonable working conditions, but still, little has changed. Wages around the world have fallen and the relocation of production increases, leading to a world economy which undermines workers' lives and their ability to fight for a better quality of life\textsuperscript{139}.

Homeworkers that were interviewed do not want a career change and they like to work at home. This will allow them to take care of their family, while providing for them, even if they think that their life and working conditions could be improved.

\textsuperscript{133} Interview with Pow, worker at Thai Labour Campagin, Bangkok 2011-03-15
\textsuperscript{135} Interview with Poonsap S. Tulaphan, Manager of HomeNet, Bangkok 2011-03-18
\textsuperscript{138} Sluiter, Lisbeth. 2009. Clean Clothes – a global movement to end sweatshops. P 181
\textsuperscript{139} Ibid.
6 CONCLUSION

This chapter is a conclusion of the analysis and will answer the purpose of this thesis and the problem statement.

The rapid development in the fashion industry has caused the geographic distribution of production in the textile industry. Companies want to meet this demand by moving their production to developing countries and strive to produce as cheap as possible. The study shows that globalization has tended to increase suppliers role and results in a highly competitive manufacturing industry. To compete, suppliers must employ cheap labour, or place the order on to the subcontractor who puts it on to homeworkers. They produce the products in their homes and account for all expenses such as equipment, maintenance, electricity, water and rent. Suppliers account for the material but sometimes components are missing to complete the order and homeworkers must stand for these costs themselves. The suppliers make every effort to spend as little as possible and everything to earn more.

Could this be a strategic thinking from the factory owners when they hire homeworkers to produce in their homes?

By placing orders further, it is not the factory owners who produce products and does not accounts for expenses such as electricity, water, personnel and maintenance of machinery. They employ homeworkers when they have received orders, thus avoid tying up capital in the form in owning personnel or equipment if they would not get orders.

The textile industry in Thailand has been restructured to compete with new low-wage Asian countries with even cheaper labour. Factory owners in Thailand tried to face this competition and moved production to the labours that were not unionized. But when workers started to work together and form union organizations the production moved to the new low-wage countries where the ability of workers to join unions is still rare in developing countries.

Union members have an opportunity to jointly demand fair wages and working conditions from the factories, which means they are more expensive to hire. To avoid this, the factory owners move production to countries with cheaper labour, or place the order further on to workers lower down in the value chain.

The globalization has also increased unemployment and has result in high competition in the labour market. Many of the unemployed tried to support themselves and their families and
ended up in the informal sector. The cost of living has risen in Thailand since wages in cities has risen and industries have moved production to the suburb where it is cheaper to produce. This has also increased the competition when people moved from rural areas to larger cities to find work and an income they can live on. With low education attainment and no working experience, they are forced to take employment with poor conditions.

Competition has reduced job opportunities while workers have increased. This means that there is more supply than demand, and workers lose their bargaining power. If workers demand higher wages or better working conditions the company or factory owner will employ cheaper labour. Homeworker accounts for all expenses and works long working hours without overtime compensation. Despite the fact that they works 14-16 hours every day, they earns very little. In order to get more paid, they must work harder and this leads to a vicious circle.

Many homeworkers are poor and live in slums where their houses are simple and small which they use as a workplace. The houses have no suitable work environmental and homeworkers are using simple second hand equipment with low efficiency. Some of the houses use illegal electricity and water from the main street. Homeworkers suffer from high stress, tension, poor eyesight and joint pain caused by long working hours. Because their salaries are poor, they are not able to improve their home and work environment.

Homeworkers’ parents, who live with them, help them to take care of their children and also help them with some of their work tasks. The children are obliged to help with household chores, but research shows that they also help with easier work tasks, which is considered as child labour. However, they do not get paid, which means that they are labourers who work for free.

There is a difference between child labour and children to help with household chores, but in practice they are very small. Parents consider them being helpful, while others consider it child labour. It is a culture in Thailand to help in the household, and often it starts with easier tasks which gradually increase to, at an early age, work to help support the family.

Homeworkers’ wages tend to be less than factory workers and considered to be indecent. Their wages should be sufficient to pay the rent, water, electricity, equipment maintenance, food for the family and children's education each month. Homeworkers are not protected by laws and have no social benefits such as medical care, child care or pensions. The family is therefore dependent on them so that they cannot afford to be sick or take vacation. They have
to work as soon as they get the chance and need to be flexible and hardworking. If homeworkers are not working, they would not be able to support the family and they can end up living on the streets.

Homeworkers have no knowledge of how to develop their business due to lack of education, which is an obstacle to improving their business. In order to achieve higher profitability, they are creative and find ways to expand their business. They either buy the fabric or save the spillage from the order to sew clothes or bags, which they then sell on the local market. Some homeworkers expand their business by offering tailoring services to the neighbourhood.

They can also work together in a collective, where together they requires equal wages and better working conditions from employers. They may, through the collective, access to contracts without intermediaries and access to social benefits such as healthcare, childcare and insurance. Attempts have been made to initiate and organize a micro-credit loan to homeworkers, but these efforts are limited. They have few assets and a bank loan would almost be impossible, since they have no security.

Lack of information and communication technologies, is also an obstacle to their business. These factors indicate that there is very little funding to help them develop and improve their business and entrepreneurship. They do not seek to become economically independent, but would like to avoid thinking how to survive for the day.

Social networks that homeworkers have access to, are organizations working to better their quality of life and livelihoods. Although it sounds good when these organizations describe their mission, none of those interviewed know about them. They have no knowledge that organizations working to provide a better living and working even exist and does not know how they could come in contact with them. Homeworkers who are unable to join these organizations must have access to information on how to contact these organizations. It is important that organizations help homeworkers and guides them in their business skills so that their businesses are profitable enough so they can have better conditions.

In conclusion, globalization has affected the homeworkers’ ability to develop their entrepreneurial and business skills negatively because of the increased competition. Competition among workers has led to that the workers have no bargaining capacity and because they have low educational level, they must take jobs in the informal sector where they are not considered as workers. Then they do not have access to social benefits or
protection and are forced to constantly work with poor wages. This result in that they do not have the capital to improve their businesses and because they work in their homes they are unaware of what is happening around the world. They do not know of organizations that want to improve their lives and have no way to access the support they offer to be able to develop their business skills. The lack of education is also the most important for homeworkers in enable to improve their quality of life.

Education is not only important for homeworkers, it is equally important to educate consumers and make them aware of the bad conditions that the workers have. The cheaper a product is, the less the workers, who actually produce the products, get paid. The demand in the fashion industry must be decreased and instead of producing as cheap as possible, the quality must of priority.

Companies must also try to change and pursue sustainable production instead of the cheapest means of production. They can work with code of conduct but it is their desire to produce as cheap as possible, which has led to the change of the textile industry. The companies pushing the factory owners, who also want a high profitability, to search for a cheaper labour, which includes the weakest link in the value chain. It is not just businesses that have contributed to globalization, economic crisis and increased unemployment play a large part of the change in the textile industry.

In order to change homeworkers conditions, we must all work together to improve their life situation. First and foremost, we must change our buying habits and require companies to take their responsibility. We also need to educate workers about the rights they have and how to access them. By educating workers they will be able to improve their business.

Nevertheless, how much we wish to help them, we must be aware that changes we make affects the homeworkers and might take away their livelihood. They may have poor conditions but they have a job that enables them to survive.
7 REFERENCES

7.1 Primary sources


Carlson, Bo Kage. 2000 Sydostasien: Elva länder I en turbulent region. Elanders GotAB


Jhabvala, R. Tate, J. 1996 Out of the Shadows: Homebased Workers Organize for International Recognition. SEEDS No. 18

Klein, Naomi. 2004 No logo. Skönlitteratur. Ordfront Stockholm


Vetenskapsrådet. 1990. Forskningsetiska principer inom humanistisk-samhällsvetenskaplig forskning
7.2 Internet, electronic sources


Dagen Industri, Stockwatch (2011) [Electronic]

7.3 Interviews

Poonsap S. Tulaphan, Manager of HomeNet (Foundation for Labour and Employment Promotion) Bangkok, Thailand. 2011-03-18

“Pow”, official at Thai Labour Campagin, Bangkok, Thailand 2011-03-15

”Lek”, Thonburi, Bangkok 2011-03-17

”Nok”, Thonburi, Bangkok 2011-03-21

“Sujin”, Lat Krabang 2011-03-15

“Chai”, Thonburi 2011-03-22

“Nung”, Thonburi 2011-03-28

“Jukk”, Chonburi 2011-03-29

“Not”, Chonburi 2011-04-07

“Jeaw”, Lat Krabang 2011-04-08
8 Appendix 1: Interview Guide

Personal background

- Name
- Age
- Residence
- Marital status
- Education

Earlier work situation

- What kind of work?
- Salary
- Was the work well and did you manage that?
- Would you be willing to go back?

Help and support from government, unions and organizations

- Financial support?
- Social Security?
- Other forms of support?
- Good help?
- Other possible employment projects?
- What can the union do for you?
- What do you want help with the state?

Local communities

- Are there many home workers who you know?
- Do you know any fellowship with the others?
- Does your family and others close to you up to you?
- Can you learn from each other?

Being a homeworker

- Do you have much or little to do?
- Do you have a written contract?
- How much do you work per day / week?
- Helping the family to the home?
- Are you the only one that works?
- Do you have other jobs at hand?

Implications of home workers
- Economic:
  - How are your finances today?
  - Can you pay your bills?
  - Have you been forced to take annual leave because of job?
- Social / Health:
  - Mental health (depression, stress)
  - Physical health (fatigue, energy shortages and diseases)

Prospects
- Can you think of another job?
- Want to improve your situation?
- What opportunities do you have to change your situation?
- Want to expand your business?
- Do you have the opportunity to use your contacts to get more contracts?
- Do you know how you can grow your business?
- Do you think there is an opportunity to develop your own products?