



International
Labour
Organization



▶ Working from home From invisibility to decent work

Executive summary



With the spread of the COVID-19 pandemic in 2020, large portions of the world’s workforce shifted to homeworking, joining hundreds of millions of other workers who had already been working from home for decades.

Though working from home has long been an important feature of the world of work, the institutions that govern the labour market are rarely designed with the home as a workplace in mind. The sudden rise in homeworking brings renewed urgency to the need to appreciate the implications of home work for both workers and employers. This report seeks to improve understanding of home work and to advance guidance on policies that can pave the way to decent work for homeworkers both old and new.

What is home work?

Home work is defined by the ILO’s Home Work Convention (No. 177) and Recommendation (No. 184), 1996, as “work carried out by a person ... (i) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (ii) for remuneration; (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used” (Convention No. 177, Art. 1). This definition does not extend to persons who have “the degree of autonomy and of economic independence necessary to be considered independent workers under national laws, regulations or court decisions”. Furthermore, those who only occasionally perform their work as employees at home, rather than at their usual workplaces, are not homeworkers within the meaning of the Convention.

This report addresses three different types of home work:

- **industrial home work** – refers to goods production undertaken by homeworkers either as part of, or replacing, factory production, but also artisanal production, such as in the making of handicrafts;
- **telework** – refers to employees who use information and communications technologies to perform their work remotely. Following Convention No. 177, consideration is limited to teleworkers who work at their home (or another location of their choosing) on a regular or permanent basis; and
- home-based **digital platform work** – refers to service-sector tasks performed by “crowdworkers” according to the specifications of the employer or intermediary, in situations in which the workers do not have the autonomy and economic independence to be considered independent workers in national law.

Home work exists throughout the world. In high-income countries, it is mainly associated with telework, but there are important pockets of home work in manufacturing in these countries as well. Historically, industrial home work was prominent in Europe and Northern America, but the shift of labour-intensive manufacturing to the developing world in recent decades took much industrial home work with it. In the developing world, particularly in Asia, homeworkers can be found across different global supply chains in the apparel, electronics and houseware industries, but they are also prominent in domestic supply chains.

How is home work used in production?

Homeworking is commonplace in the production of both goods and services. Home work in the services sector existed throughout the twentieth century, but it was in the second half of the century, with advances in information and communications technologies, that it emerged in force in a wide range of industries, such as insurance, banking and tourism. In the 1970s, some employers began to experiment with telework, leading to a small but steady share of white-collar “teleworkers”. The rise of digital labour platforms from the mid-2000s has also expanded opportunities for working from home. Many of the service jobs posted on digital labour platforms are performed by “crowdworkers” located across the world. These jobs are similar to industrial home work: workers are paid by the task or project and work is carried out according to the specifications of an employer or intermediary. The ease of outsourcing tasks through digital labour platforms suggests a continued expansion of homeworking opportunities in the decades ahead.

Industrial home work and home-based, digital platform work represent highly flexible forms of production that allow enterprises to respond swiftly to shifts in product demand and to reduce costs. Home work persists whenever and wherever: (1) the production process can be disassembled into discrete tasks, (2) the capital needed for production – such as sewing machines or personal computers – is accessible at a relatively low cost, and (3) there is an available labour force. The availability of this labour force – often women who combine home work with domestic and care responsibilities – is highly dependent on gender roles in both the household and society.

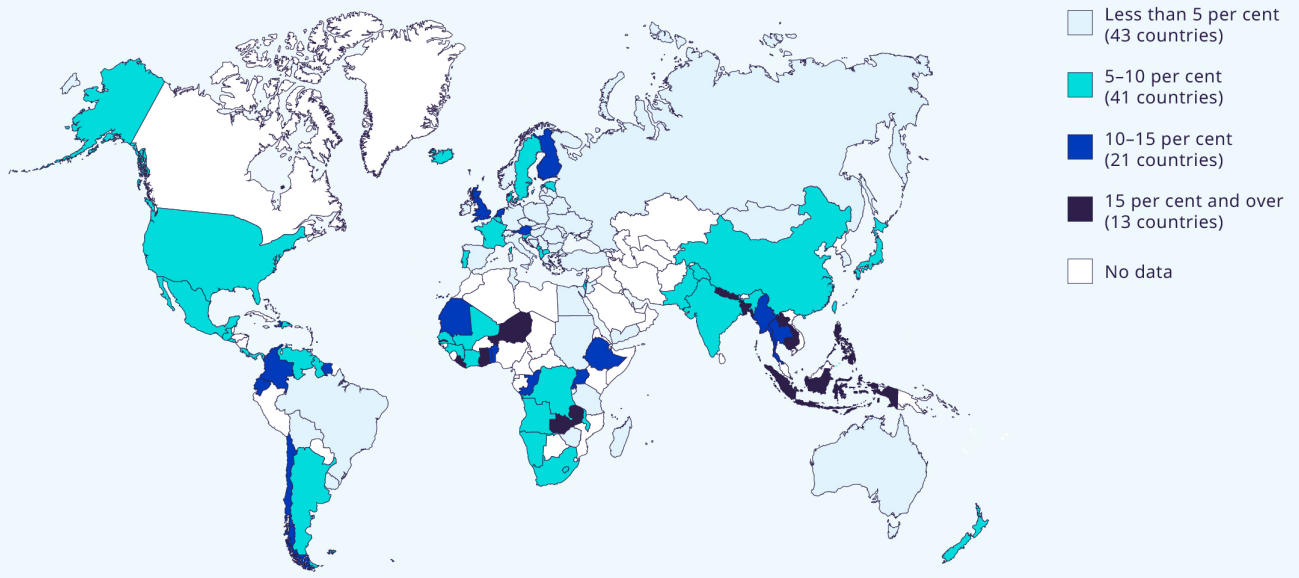
How many homeworkers are there? Where do they live and what are their characteristics?

Homeworkers are a subgroup of home-based workers. In addition to working from home, homeworkers are defined statistically as employees or dependent contractors. The ILO estimates that there were about 260 million home-based workers in the world in 2019, representing 7.9 per cent of global employment. This, of course, was before the COVID-19 pandemic. When the 2020 numbers are finally tallied, it is expected that the number of home-based workers will far surpass the 2019 figures.

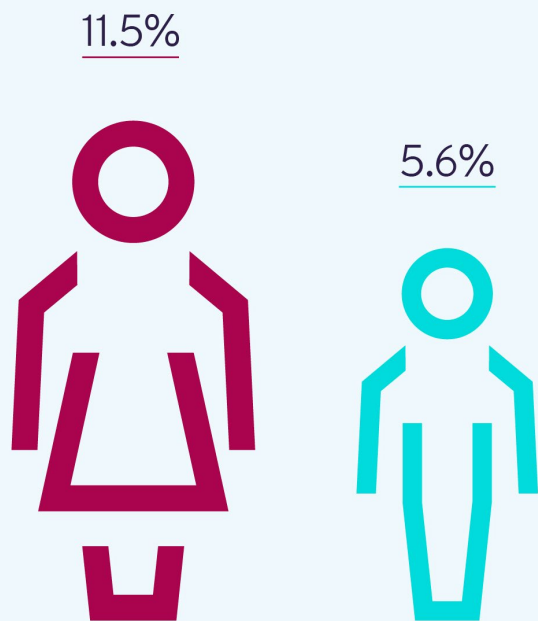
In most countries for which data were available, home-based workers made up less than 10 per cent of all employed persons; but in 13 countries, home-based workers accounted for more than 15 per cent of the workforce. Asia and the Pacific accounted for close to 65 per cent of all home-based workers (more than 166 million) in the world (see figure 1).

In low- and middle-income countries, most home-based workers were own-account workers, but in high-income countries, employees were the largest group. These differences are not surprising given the occupational differences across countries based on their level of economic development. While managerial, professional and technical occupations made up 53 per cent of total employment in high-income countries, the corresponding percentages in middle- and low-income countries were 31 and 12 per cent, respectively.

► Figure 1. Percentage of workers who are home-based, 2019 or latest year



Source: ILO calculations based on household surveys in 118 countries.



Most home-based workers are women. According to ILO estimates, 147 million women and 113 million men worked from home in 2019, with women accounting for 56 per cent of all home-based workers. The propensity of women to work from home (11.5 per cent) is much higher than that of men (5.6 per cent).

Because it takes place in the home, it is no surprise that home work is a highly gendered form of production. As women the world over still shoulder the burden of unpaid care work, some turn to working from home as a way to combine care responsibilities with paid income opportunities, even if it often results in an extension of the working day. Nevertheless, the opportunity to work from home is welcomed by women and men seeking flexibility, but also by workers with disabilities who may otherwise have fewer opportunities for paid work.

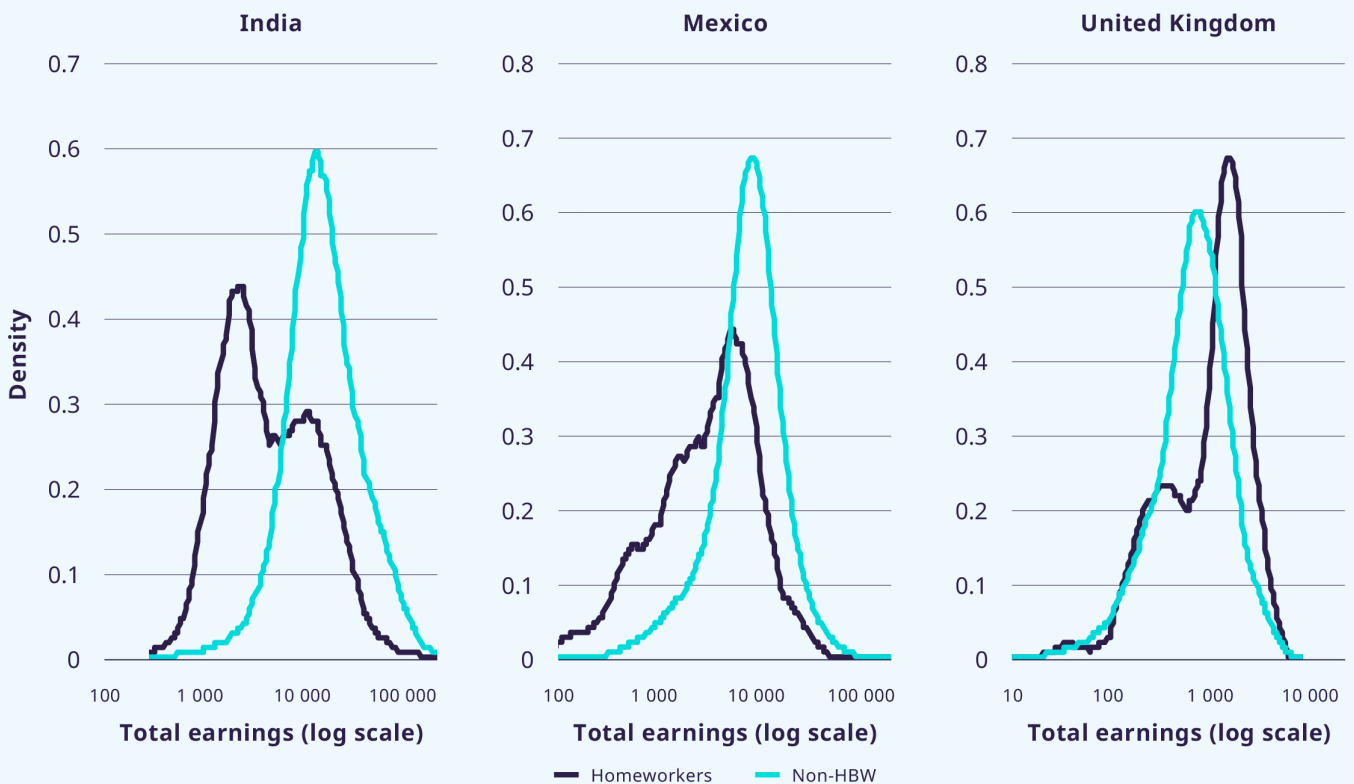
What are the benefits of home work? What are the risks?

Homeworkers are a heterogeneous category, whose members range from impoverished industrial homeworkers to highly skilled teleworkers, but all must deal with the implications of working from home.

Figure 2 shows the earnings distributions for homeworkers (in dark blue) and for those who work outside the home (in turquoise) in three

countries: India, Mexico and the United Kingdom of Great Britain and Northern Ireland. In India and Mexico, where homeworkers are more often engaged in industrial homeworking tasks such as rolling beedi cigarettes or producing artisanal goods, homeworkers' earnings are lower than those of non-home-based workers, with the earnings skewed towards the bottom end of the income distribution. But there is also a subset of homeworkers – most pronounced in the United Kingdom – that corresponds to professional and managerial teleworkers who earn more than non-home-based workers.

► **Figure 2. Earnings densities for India, Mexico and the United Kingdom (total earnings)**



Note: Non-HBW refers to non-home-based workers. The horizontal axis corresponds to earnings (in logarithmic scale) and the vertical axis corresponds to the density of workers, which represents the number of workers at a given wage level.

Sources: Periodic Labour Force Survey (India, 2018), Encuesta Nacional de Ocupación y Empleo (Mexico, 2019 Q4), Labour Force Survey (United Kingdom, 2018).

Nevertheless, when education, age and occupation are controlled for, a home work penalty is observed in almost all countries, even among higher-skilled professions. Homeworkers make 13 per cent less than non-home-based workers in the United Kingdom, 22 per cent less in the United States of America, 25 per cent less in South Africa and about half in Argentina, India and Mexico. Only in Italy is there a slight homeworker bonus, which vanishes once hours are controlled for.

Flexibility in hours is an important reason why workers choose to work from home, and is perhaps the greatest benefit of home work. Homeworkers work on average shorter days than those who work outside the home, but their hours are more uncertain. For industrial homeworkers and digital platform workers, days with little or no work may be followed by periods of intense work. For teleworkers, the main concern is the blurring between working time and personal and family time.

There are significant social protection gaps for industrial homeworkers and home-based, digital platform workers. In some instances, even though they are covered by social security legislation, the law is not being applied. In other instances, they are classified as self-employed and thus not covered by specific legislation. As a result, in some countries the gap in social protection coverage for homeworkers reaches as high as 40 percentage points when compared with those working outside the home.

With respect to occupational safety and health, the most pressing risks stem from handling tools, chemicals or products (for example, shoe glue) that are seldom adapted to the home and are used in the absence of protective equipment and training in safe practices. The risk is compounded as the work affects not just the homeworker but also other members of the household. For digital platform workers, an added risk is related to the task of content moderation – the screening of digital materials for violent or pornographic content. Teleworkers, like other homeworkers, face ergonomic hazards that can lead to musculoskeletal disorders as well as psychosocial risks due to social isolation.

Organizing is a long-standing challenge for industrial homeworkers. Many industrial

homeworkers do not identify as workers, they lack a general awareness of their legal rights, and they are isolated in their homes. Homeworkers on digital labour platforms face the added challenges of geographical dispersion. In some countries there are legal impediments to forming trade unions among homeworkers, for instance because they have been classified as self-employed or because their occupational category has been excluded from the labour code.

Homeworkers have less access to training than those who work outside the home, which can affect their career prospects. The data reveal that teleworkers are less likely to avail themselves of training opportunities and that there are few training opportunities for industrial homeworkers. For digital platform workers, training is informal and typically undertaken at their own initiative and expense.

A final important risk of home work is the high level of informality. In low- and middle-income countries, almost all home-based workers (90 per cent) work informally. Industrial home work is also associated with the use of child labour, including among children under 14 years of age.

Achieving decent work for homeworkers

Convention No. 177 and its accompanying Recommendation No. 184 promote equality of treatment between homeworkers and other wage earners and thus have the unstated objective of transforming home work into a source of decent work. Many countries around the world have legislation, sometimes complemented with collective agreements, that addresses various decent work deficits associated with home work. Nonetheless, only ten ILO Member States have ratified Convention No. 177, and few have a comprehensive policy on home work. Often, the measures adopted offer only partial responses.

Ensuring effective freedom of association and the right to collective bargaining would be of great consequence for all homeworkers. In addition, there is a need to combat informality, particularly among industrial homeworkers and digital platform homeworkers. The Transition from the

Informal to the Formal Economy Recommendation, 2015 (No. 204), provides guidance on policies that can be adopted by Member States to encourage formalization. The Employment Relationship Recommendation, 2006 (No. 198), provides guidance to Member States on guaranteeing effective protection for workers who perform work in the context of an employment relationship, helping to mitigate the risk of misclassification.

Industrial home work and the poverty that often surrounds it require concerted policy action on all fronts, beginning with increasing the visibility of the work, extending legal protections, improving compliance, and making homeworkers aware of their rights. Written contracts are also critical for enforcement. Fair piece rates can be set through the use of time and motion studies that determine the standard time required for a specific task and help assess the remuneration that should be paid for the corresponding number of working hours. Coupled with measures to prevent excessively short deadlines, fair piece rates help impose limits on working time and mitigate the incidence of child labour in home work. Child labour can also be reduced by offering cash or in-kind transfers to poor families as an incentive for school attendance. There are examples of government and social partners working with homeworkers to implement practical measures for improving the safety and health of their workspaces.

For digital platform homeworkers, the cross-border nature of their activities raises particular issues on the applicable law. Furthermore, there are some policy areas that need attention, such as ensuring that contracts (terms of service agreements) are presented in understandable language and using data generated from the work to monitor working conditions. The time and motion studies used for setting fair wages can be applied to platform work. Platforms can also work with governments in devising solutions to combat the psychosocial effects stemming from the work of content moderation.

For teleworkers, policymakers should pay most attention to ensuring that the law is being applied, including by increasing legal awareness among teleworkers themselves. In particular, attention needs to be given to ensuring equal treatment between homeworkers and similar employees

working on employers' premises. Given the potential risks of social isolation, it is necessary to develop specific actions that mitigate psychosocial risks. The introduction of a "right to disconnect" is an important policy measure to limit working time and ensure respect for the boundaries between work life and private life.

Labour inspectorates need specific training on home work and how to enforce labour and social protections. In addition, all homeworkers should benefit from social security coverage and have access to training that can increase their productivity, employment opportunities and income-earning capacity. Finally, the provision of quality childcare is important for all homeworkers, boosting their productivity and supporting the work-family balance, and, for industrial home workers, potentially helping to break the cycle of poverty.

Governments have a leading role to play in guaranteeing the protection of homeworkers' rights, in cooperation with workers' and employers' organizations and, where they exist, associations of homeworkers and of their employers. Trade unions and employers' organizations also have a critical role to play, including through awareness-raising initiatives and participation in collective bargaining. Success stories of homeworkers' associations and cooperatives show how such groups can improve the working conditions and lives of homeworkers. Lead firms in global supply chains can also make a significant contribution by implementing private compliance initiatives directed at improving the working conditions of homeworkers.

When the world was brutally hit by the COVID-19 pandemic, wide swathes of the world's workers turned almost overnight to home work as a way of protecting both their jobs and their lives. There is no doubt that home work is likely to take on greater importance in the years to come. It is thus time for governments, in cooperation with workers' and employers' organizations, to heed the guidance of Convention No. 177 and Recommendation No. 184 and work together to ensure that all homeworkers – whether they are weaving rattan in Indonesia, making shea butter in Ghana, tagging photos in Egypt, sewing masks in Uruguay, or teleworking in France – move from invisibility to decent work.

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