

# REPORTS AND ENQUIRIES

## Industrial Home Work

*The following report analyses the first results of an enquiry undertaken by the International Labour Office, on the instructions of the Governing Body, into industrial home work as it exists in various countries at the present time. The Governing Body decision<sup>1</sup> to instigate an enquiry into the problems of industrial home work was prompted by a request of the United States Government, which expressed the belief that it was necessary to see that the high industrial standards of the war years were not undermined by the use of labour that was unregulated and therefore easily exploitable.*

*The material used in the report was supplied by members of the Correspondence Committee on Women's Work and by other persons who were able to report authoritatively on questions of home work. Information was received from Belgium, China, Denmark, France, Ireland, Norway, Sweden, Switzerland, the United Kingdom and the United States.<sup>2</sup>*

Industrial home work has for some time presented a number of special problems. Home workers perform their jobs under poorer conditions and receive lower wages than the great majority of wage earners. The improvised workshops in which they operate often endanger the health and safety of the workers and their families. Young children are often required to help with the work, which must often be completed at short notice, and they are particularly likely to suffer from the dangers of the system. In general, industrial home work is one of the least regulated, least supervised and most hazardous systems of industrial production.

### DEFINITION

Industrial home work is commonly defined as a system of production under which work is carried on for an employer by an employee who works alone, or with one or two assistants, at a place

<sup>1</sup> Made at its 99th session. Cf. *International Labour Review*, Vol. LVI, Nos. 5-6, Nov.-Dec. 1946, p. 357.

<sup>2</sup> For earlier studies of the problems of industrial home work in France and the United States, see Valentine PAULIN, "Home Work in France: Its Origin, Evolution and Future", *International Labour Review*, Vol. XXXVII, No. 2, Feb. 1938, pp. 192-225; and Frieda S. MILLER, "Industrial Home Work in the United States", *idem*, Vol. XLIII, No. 1, Jan. 1941, pp. 1-50.

of his own choosing (often his own home), upon materials which may or may not be furnished by the employer.<sup>1</sup> Thus it differs from regular factory production in several important respects, principally in that it is a decentralised form of production, in which there is ordinarily very little supervision or regulation of methods of work. Industrial home work also differs from the handicrafts in that it is not a definitely independent form of production.

Because home work has always been a decentralised and unsupervised system of production, there is a dearth of accurate and comprehensive information available on the way it works in the various countries in which it is practised. It is far more difficult for factory inspectors to observe conditions of work among individual home workers than to investigate a factory, and this fact alone has kept many Governments from attempting to regulate home work in the same way or to the same extent as other industrial production. Inspection is made difficult by the fact that the workers are scattered, and the inspector must visit the different workplaces, the places from which work materials are distributed, and the office in which the employer keeps his records. In general, the records and statistics of labour ministries concerning home work are not so accurate as those concerning factory work. In addition to these difficulties, two other factors tend to make inspection and close regulation of home work difficult. Firstly, employers frequently make use of the home work system in order to lower costs of production. Since they are often attracted by the availability of cheap labour under the system, many employers violate the registration provisions in order to avoid whatever industrial home work regulations they might be expected to comply with. Secondly, industrial home workers themselves often neglect to comply with registration provisions or to keep accurate records. The chief reason for this is that industrial home work is, in many cases, performed by a person who wishes to contribute to an insufficient family income while remaining at home. Workers will at times assist an employer to falsify or to keep inaccurate records in order to receive even an inadequate rate of compensation.

#### EXTENT OF INDUSTRIAL HOME WORK

In the countries included in this report, the industries which are carried on in the home do not, for the most part, entail the use of elaborate or heavy equipment, though some home work, such as needlework or work in lace, may require considerable manual skill. The main home work industries at the present time are the clothing industry (including underwear); hand knitted garments; needlework and embroidery; lace (especially in Belgium and France); artificial flowers and feathers; weaving and spinning of textiles (especially in Belgium, France, Ireland, Italy and the United Kingdom); boots and shoes; ribbon and elastic fabrics (particularly in France); gloves and mittens; cheap jewellery; cutlery; watch-making (particularly in Switzerland), and fishing hooks (particularly

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<sup>1</sup> Industrial home workers probably supply their own materials to a large extent in the East, and they do so in certain reported cases in the West. Cf. Dorothy SELLS, *British Wages Boards: A Study in Industrial Democracy* (Washington, D.C., 1939), p. 198.

in Norway). The list of industries was much longer at the beginning of the century, when nearly 70 different trades were included, ranging from the production of clothing and glassware to matches and arms.<sup>1</sup> As technological change has increased the possibilities of the factory system, more and more items have been taken out of the home work system.

The labour force in industrial home work in these countries, as probably in others, is made up largely of women—it is estimated that between 70 and 90 per cent. of all persons engaged in the home work trades are women. Women are especially numerous in the clothing, needlework and lace industries, although some small groups of male workers may still be found working in textiles (especially ribbon and elastic fabric and silk weaving in France). Men are also employed to some extent as home workers in the boot and shoe, cutlery and watchmaking trades.

The fact that women constitute the main source of labour supply for the home work industries is closely related to the cheap labour aspects of the home work system. Women home workers are largely unorganised and therefore unequipped to demand improved conditions, while the men home workers, in the European countries at least (in the United States there is only one instance reported in which men or women home workers are organised), are generally organised. Some unions have, in fact, taken a position which indicates that they have despaired of being able to improve conditions in industrial home work, and have decided to attempt to abolish the system. This is true in the case of the bookbinding industry in Denmark, where the union agreement stipulates that home work is forbidden and also in the case of the needlework trades in the United States, where unions have for many years incorporated articles in their agreements with employers specifically prohibiting the direct use of home work by the manufacturer and the indirect use of home work through contractors.

It is difficult to present any accurate estimates of the actual number of workers engaged in home work; in many instances, the countries that issue such information assume that there is a considerable amount of unreported home work in addition to the estimate submitted. In 1941, the United States estimated that there were about 77,000 families engaged in home work and that they comprised about 1,000,000 workers.<sup>2</sup> France estimated her home workers at about 1,000,000 in 1936<sup>3</sup>, and Switzerland reported approximately 70,000 such workers for the year 1946.<sup>4</sup> Sweden had about 16,300 home workers in 1943 and Norway reported 2,050 for 1945.

#### METHODS OF ORGANISATION

Industrial home work in the countries under review is carried on under one of two different operational systems or, very frequently, by a combination of the two. The materials to be worked may be

<sup>1</sup> *Bibliographie générale des industries à domicile* (published by the Labour Office, Brussels, 1908), pp. 255-266.

<sup>2</sup> Cf. Frieda S. MILLER, *op. cit.*, p. 46.

<sup>3</sup> Cf. Valentine PAULIN, *op. cit.*, p. 217.

<sup>4</sup> REPUBLIC AND CANTON OF GENEVA, DEPARTMENT OF COMMERCE AND INDUSTRY: *Le Problème des salaires des travailleurs à domicile* (Geneva, 1946), p. 2.

distributed to the workers by the employer himself from a work-room on the employer's premises or they may be sent directly to the employee's home. Alternatively, the home work system may operate through a middleman or contractor. Under this arrangement, the employer farms out some of the work to the middleman, who then hires the actual workers himself and distributes the materials to them. In some cases the home worker may supply the materials himself, but in the countries under discussion, with the possible exception of China<sup>1</sup>, this is not the practice to a significant extent.

Both of these systems exist to some extent in the countries under review, but distribution directly from employer to employee is the principal arrangement in Norway, Sweden, the United Kingdom and the United States of America. Middlemen carry on a share of the system in China, Denmark, France, Ireland and Switzerland. It has often been found that the use of middlemen has brought with it abuse of home workers. The middlemen may let out the work at even lower rates than the employer has stipulated and he may often fail to comply with the regulations which apply to employers of home workers. In order to remedy this situation, *France*<sup>2</sup>, the *United Kingdom*<sup>3</sup>, *Norway*<sup>4</sup> and *Switzerland*<sup>5</sup> have stated in their home work laws that middlemen must observe all registration provisions, such as registering with the local authorities and keeping lists with particulars of persons employed and the work given out to them. Denmark provides that workshops in which individuals carry on work for a middleman are subject to supervision by the Labour and Factory Inspection Department under the regular provisions of the Factory Act, while the places in which home work is carried on directly for the employer are regulated by the special rules which the Minister of the Interior may issue.<sup>6</sup> In the United States there has been a tendency to forbid the use of middlemen, and at the present time regulations in many important industrial States stipulate that home work must be distributed directly to the home worker by the employer.

In two of the countries about which information has been received, little or no legislative provision has been made for the control of industrial home work. At the present time, home work in *China* is reported to be subject to no Government control, and in *Sweden* no control is exercised over these industries with the exception of the Vacation Law, which applies in part to home workers.<sup>7</sup> The other countries included in this discussion have employed various methods of regulation, such as minimum wage provisions, hours provisions, requirements as to registration of workers

<sup>1</sup> The answer from China was brief and did not present any statistics.

<sup>2</sup> Act No. 3202, dated 1 Aug. 1941, to amend the legislation respecting the wages of home workers, sec. 1; cf. I.L.O.: *Legislative Series*, 1941, Fr. II (C).

<sup>3</sup> Factories Act (Consolidation), dated 30 July 1937, sec. 770, 1 Edw. 8 and 1 Geo. 6, ch. 67; cf. I.L.O.: *Legislative Series*, 1937, G.B. 2.

<sup>4</sup> Act dated 20 May 1939, to amend the Act of 14 Feb. 1918 respecting industrial home work, and the Acts to supplement it, sec. 2; cf. I.L.O.: *Legislative Series*, 1939, Nor. 3.

<sup>5</sup> Federal Act dated 12 Dec. 1940, respecting home work, sec. 15; cf. I.L.O.: *Legislative Series*, 1940, Switz. 2-3.

<sup>6</sup> Act dated 29 Apr. 1913, relating to work in factories, secs. 4 and 30 (*Bulletin of the International Labour Office* (Basle), Vol. VIII, 1913).

<sup>7</sup> Act No. 420, dated 29 June 1945, respecting annual holidays, secs. 3 and 4; cf. I.L.O.: *Legislative Series*, 1945, Swe. 2.

and working conditions, and the application of social insurance provisions to home workers.

#### MINIMUM WAGE CONTROLS

The majority of Governments which have attempted to control industrial home work have established a statutory minimum wage, and many of them have set up boards to determine the wages for various industries. In some cases boards are established from time to time to examine conditions in a particular industry; in other cases there is a permanent national board having jurisdiction over home work in all industries. These boards are in some instances given authority to set the minimum wages for the industry in question, and in others are given the authority to make recommendations to the competent minister or legislative body.

In *Great Britain*<sup>1</sup> the minimum wages of most industrial home workers are determined by the wages councils which operate under the provisions of the Wages Councils Act of 1945. Such workers are covered by the Act, since a worker as defined by the Act means "any person who has entered into or works under a contract with an employer, whether the contract be for manual labour, clerical work or otherwise, be expressed or implied, oral or in writing and whether it be a contract of service or of apprenticeship or a contract personally to execute any work or labour, except that it does not include any person who is employed casually and otherwise than for the purposes of the employer's business". Wages councils have in fact been established for the trades in which most home workers are engaged. These wages councils take the place of the earlier industry-wide trade boards<sup>2</sup>, and are composed of three independent members appointed by the Minister and such numbers of employers and workers as the Minister thinks fit. The employers and workers are to be selected after consultation with organisations representative of these two groups. The numbers of employers and workers appointed are to be equal, and an independent member of the council is to act as chairman. The wages councils may submit proposals to the Minister concerning the minimum wages to be paid by employers, either generally or for any particular work, to all or any of the workers who come within the council's jurisdiction. When the Minister receives a wages regulation proposal he is to issue a wages regulation Order giving effect to the proposal<sup>3</sup> after complying with various statutory provisions as to procedure. The minimum wages are most frequently established on a minimum piece-work rate which assures the worker a certain basic wage in the event that his production, when calculated on a straight piece-rate basis, should fall below a certain minimum.

Until the passing of its 1946 Industrial Relations Act, *Ireland* regulated minimum wages in some but not all of its home work

<sup>1</sup> The minimum wages of most industrial home workers in Northern Ireland are determined by wages councils established under the provisions of the Wages Councils (Northern Ireland) Act, 1945.

<sup>2</sup> Act, dated 20 Oct. 1909, to provide for the establishment of trade boards for certain trades, sec. 18, 9 Edw. VII, ch. 22; Act, dated 8 Aug. 1918, to amend the Trade Boards Act, 1909, 8 and 9 Geo. 5, ch. 32.

<sup>3</sup> Wages Councils Act, dated 28 Mar. 1945, 8 and 9 Geo. 6, ch. 17; cf. I.L.O.: *Legislative Series*, 1945, U.K. 1.

industries by means of industry trade boards, under provisions similar to those outlined for Great Britain. The new Industrial Relations Act<sup>1</sup> provides that Orders issued prior to 1946, under the Trades Boards Acts of 1909 and 1918, are to continue in force and that, in the future, boards are to be established by the Labour Court and to be known as joint labour committees. The joint labour committees have the authority to fix minimum wages which must be confirmed by the Labour Court before they are embodied in the employment regulation Orders and are enforceable in a Court of Law.

In *Switzerland*, the question of wage regulation is considered by trade committees. These committees are established by the Federal Council in branches of industry where home work is considered to exist to a significant extent. The committees include equal numbers of employers and home workers, and the Government is also represented; the Government representatives may include experts. The final power to fix wages in home work industries that are considered to be paying an exceptionally low wage always remains with the Swiss Federal Council. The trade committees have the authority to investigate and to submit recommendations *ex officio* to the competent Federal department. The wages which the Federal Council does finally set may be graded according to district, and the period of time for which the wage is fixed must be limited. In any case, it is provided that wages may be fixed at a level which will include the amount payable for materials and accessories, expenses for social insurance, and the remuneration of a subcontractor. No deductions may be made by the employer except for loss caused intentionally, or through carelessness. The Federal Council also has the somewhat unusual power to extend the application of home work minimum wage Orders to establishments in the same branch of industry where work is done under economic conditions similar to those applying to home workers, and where it is thought that such a measure is necessary in order to ensure that the standards set for the home workers will be maintained.<sup>2</sup>

In *Norway*, wages for home workers in the sewn articles trades and in the clothing trades are fixed by the Home Work Council. This Council is made up of three members appointed by the Crown and an equal number of representatives of employers and workers. The Council may appoint a wages dispute board to conduct an enquiry, or it may fix the wage without such a previous hearing. If the Council does not use a wages board it is required to consult representatives of employers, home workers and the labour inspectorate. Minimum wages are established for a single municipality or for several municipalities taken together. In setting minimum wages, the Home Work Council is required to take into consideration the average wages for similar work done in factories and workshops in the district, or by other home workers. In addition to setting a minimum hourly wage, the Council is required, wherever possible, to stipulate a minimum per article processed.<sup>3</sup> The employer is not

<sup>1</sup> Act No. 26, dated 27 Aug. 1946, secs. 35-44; cf. I.L.O.: *Legislative Series*, 1946, Ire. 1, and *International Labour Review*, Vol. LIV, Nos. 5-6, Nov.-Dec. 1946, p. 367.

<sup>2</sup> Federal Act, dated 12 Dec. 1940, respecting home work, secs. 8, 9, 11, 12 and 13; cf. I.L.O.: *Legislative Series*, 1940, Switz. 2-3.

<sup>3</sup> Act, dated 20 May 1939, to amend the Act of 15 Feb. 1918 respecting industrial home work, and the Acts to supplement it, arts. 7-9.

to make any deductions from the minimum wage in respect of outlay for materials purchased by the home worker.<sup>1</sup> The King in Council may, by special Order, make the Home Work Council's wage regulations applicable to trades other than the one over which the Council has been granted authority.

In *Belgium* as well as *Norway*, the problems of industrial home work are dealt with by one national board. The National Home Work Board is composed of three heads of undertakings, three workers and an expert who acts as chairman. The Board has the authority to investigate questions concerning wages in an industry upon the request of a competent Minister or of home workers or employers. The Board carries out its investigation by holding an enquiry at which both employers and home workers are heard. If, at the end of the hearings, the representatives of a majority of the home workers and employers have not been able to reach an agreement, and if the Board decides, on the basis of the evidence produced, that the wages in the industry are inadequate, the Board is to fix the wages itself. In fixing the minimum wage, the Board is to take as a basis the wage paid to workers doing the same work in factories and workshops. If no work of a similar nature is performed in the area, the Board is to fix the minimum wage to conform with the prevailing minimum wage in the district. The wage determined by the Board is then made known to the representatives of the employers and workers, who are free to accept it if they wish to. If no agreement is reached within a certain period after the Board has issued its determination, the file is to be submitted to the Minister of Industry, Labour and Social Welfare. The minimum wage rates fixed by the Board may, finally, be made compulsory by Royal Order.<sup>2</sup>

*France* does not make use of a wages board in determining the proper remuneration to be accorded to her home workers, but grants the authority to the prefect in the various departments. The prefect is to set the minimum wage in accordance with the daily rate of wages usually paid to employees in workshops engaged in the same occupation. If the same work is not performed in workshops in the particular district, the prefect is to fix the minimum wage as the wage paid to workers of average skill performing similar work in the same or similar districts<sup>3</sup>, after he has consulted with an advisory committee of employers and workers. It is provided that the wage paid by the employer must include workers' expenses for materials. Before the terms of any collective agreement become binding, however, the agreement must be approved by the Minister of Labour. The Minister will then issue an Order approving the agreement, or give reasons for refusing approval. The Minister may refuse his approval only after having heard the opinion of the Superior Collective Agreements Board which has the authority to examine collective agreements and to advise the Minister of Labour.<sup>4</sup>

<sup>1</sup> Act, dated 15 Feb. 1918, respecting industrial home work, sec. 16 (*Bulletin of the International Labour Office* (Basle), Vol. XIII, 1918).

<sup>2</sup> Act, dated 10 Feb. 1934, to issue regulations governing wages and hygiene in home work, secs. 1-24; cf. I.L.O.: *Legislative Series*, 1934, Bel. 2.

<sup>3</sup> Act No. 353, dated 28 June 1943, to amend certain provisions of the First Book of the Labour Code relating to the wages of home workers, sec. 3; cf. I.L.O.: *Legislative Series*, 1943, Fr. 4.

<sup>4</sup> Act No. 46-2924, dated 23 Dec. 1946, respecting collective agreements, secs. 1 (31 D) and 2; cf. I.L.O.: *Legislative Series*, 1946, Fr. 15.

In the *United States*, all industries which are engaged in interstate commerce are subject to the provisions of the Fair Labor Standards Act. This Act has been interpreted as covering home work, and employers who are engaged in commerce between the States are therefore required to pay home workers a statutory minimum wage of 40 cents an hour.<sup>1</sup> Certain States have also passed minimum wage provisions which apply to home workers engaged by employers operating solely on a State-wide basis. Thus California, Illinois, Massachusetts, New Jersey, Wisconsin and the District of Columbia require that industrial home workers be paid not less than the minimum legally established for plant or factory workers engaged in similar work, and Connecticut, Massachusetts, New York and Rhode Island provide that home workers must be paid wages equivalent to those paid to factory or plant workers for similar or comparable work. Specific minimum wages have been set by industrial Orders in Illinois and Oregon.

### REGULATION OF HOURS

Although the regulation of hours of work is an important aspect in the control of conditions of factory work, this is not the case in industrial home work in the countries under review. It is apparent that the difficulties any Government agency would encounter in attempting to regulate and to check up on the hours worked in numerous scattered homes and workshops would, in most cases, make the undertaking not worth while. Some Governments have attempted to pass legislation which will, more or less indirectly, prevent the employer from causing his workers to work more than the standard number of hours, or which will discourage the home worker from doing so. Thus, *Switzerland* provides that an employer is to fix the time of delivery of materials so that the worker is not compelled to work on Sunday or on other days between 10 p.m. and 6 a.m. There is also a provision that home work must not be given out on public holidays.<sup>2</sup> In the *United States* the law provides that employers engaged in interstate commerce must pay their employees, including home workers, at a rate of time and one half for any time over forty hours per week that the employee might work.<sup>3</sup> This is not a direct limitation on hours, but it is an attempt to discourage employers from working their employees much more than a 40-hour week. Some of the separate States have passed regulations as to the hours during which home workers may be employed. Thus California, Connecticut, Massachusetts, New York, Oregon, Rhode Island and Puerto Rico provide that the hours of home workers shall be regulated by the laws applicable to factory workers similarly engaged, or otherwise comparable by age and sex standards. *France* approaches the hours problem in a manner somewhat similar to that of the United States; the minimum wage for home workers, when drawn up, is calculated as having been earned within the statutory number of hours, or work week.<sup>4</sup>

<sup>1</sup> Fair Labor Standards Act of 1938, Public Law No. 718, 75th Congress, sec. 6.

<sup>2</sup> Federal Act, dated 12 Dec. 1940, respecting home work, secs. 7 (1) and (2).

<sup>3</sup> Fair Labor Standards Act, sec. 7.

<sup>4</sup> Act No. 353, dated 28 June 1943, to amend certain provisions of the First Book of the Labour Code relating to the wages of home workers, sec. 3.



## REGISTRATION

As we have seen, Government agencies have not, in the countries reviewed, always attempted to apply all the usual techniques of factory regulation to industrial home work. One form of regulation on which some Governments have relied, however, is the requirement that wages books and employers' records be accurately kept. It is possible for the representative of an inspection department to check documentary material such as this, while it is almost impossible for any inspector to make a thorough inspection of the many and various workplaces at a particular shift time. It is also true that an inspection division will obtain more accurate information concerning industrial home workers and their workplaces by requiring employers to keep proper records than by attempting to discover home workers in their homes by the spot check method.

Thus *Belgium*<sup>1</sup>, *France*<sup>2</sup>, *Ireland*<sup>3</sup>, *Norway*<sup>4</sup>, *Switzerland*<sup>5</sup> and the *United States* all require that home workers keep what is generally called a wages book ("piece-work particulars docket" in Ireland, and "handbook" in the United States). The requirement in regard to the forms is generally that the worker is to enter in them the legal minimum rate of pay and the amount of work to be done, together with date of delivery and completion and the amount the employer paid him, with an annotation as to time of payment. The worker may also be required to note the number of hours worked, as in the United States, or the legal deductions allowable, as in Norway.

Another equally general requirement is that the employer of home workers keeps a register. This provision is found in the laws of *Belgium*, *Denmark*, *France*, *Ireland*, *Norway*, the *United Kingdom* and the *United States*. It is generally required that these registers should contain the names and addresses of the home workers employed, together with the same information that the employees are supposed to enter in their wages books. *Ireland*, *Norway* and the *United Kingdom* require that employers send copies of their registers to the local council or employment committee. In the *United States*, the Administrator of the Wage and Hour Division, which enforces the Fair Labor Standards Act, restricted home work in seven industries in order to safeguard the minimum wage rates. Under this regulation, home work is in general prohibited in the following industries: jewellery manufacturing; gloves and mittens; knitted wear; women's apparel; button and buckle manufacturing; handkerchief manufacturing and embroidery. Exceptions to this regulation may be made in the case of a worker who is unable to adjust himself to factory work because of age or physical or mental disability, or a worker who is unable to leave home because he has

<sup>1</sup> Act, dated 10 Feb. 1934, to issue regulations governing wages and hygiene in home work, sec. 29.

<sup>2</sup> Act No. 3202, dated 1 Aug. 1941, to amend the legislation respecting the wages of home workers, sec. 1 (33 (b)).

<sup>3</sup> Conditions of Employment Act, 1936, sec. 19; cf. I.L.O.: *Legislative Series*, 1936, Ire. 1.

<sup>4</sup> Act, dated 15 Feb. 1918, respecting industrial home work, sec. 4 (*Bulletin of the International Labour Office* (Basle), Vol. XIII, 1918).

<sup>5</sup> Federal Act, dated 12 Dec. 1940, respecting home work, sec. 5.

to look after an invalid, provided he was engaged in industrial home work in the industry prior to a specified date. In order to engage in home work in these industries, the worker and the employer must file a joint application for a special home worker's certificate.

### SOCIAL INSURANCE

As we have noted earlier, industrial home workers have in many cases been excluded from some or all of the provisions of legislation passed on behalf of factory employees. With the exception of two of the countries surveyed, *France* and the *United Kingdom*, this is true in regard to many aspects of social insurance and its benefits. Difficulties such as seeing that home workers were registered properly, that they did not default on contributions, and that they complied with all qualifying requirements may have deterred some Governments from attempting to extend to home workers the insurance benefits accorded to factory workers.

In *Belgium*, home workers are covered by the provisions of the 1944 Legislative Order on Social Security, and a special supervisory Commission for Home Workers has been established under the National Social Security Office.<sup>1</sup> The social security benefits for which home workers are eligible include old-age pensions, sickness, maternity and invalidity benefits, family allowances and membership in the Provisional Fund for unemployment insurance.<sup>2</sup> One Swiss canton, Basle Rural, includes certain categories of home workers in its unemployment insurance fund, which is financed by contributions from the employer, the employee, the Canton, the communes and the Confederation.<sup>3</sup> Home workers in most of the other Cantons in *Switzerland* may insure themselves voluntarily if they wish to bear the cost of affiliation.

The situation in *France* and the *United Kingdom* is quite different. In *France*, industrial home workers who habitually and regularly work at home are entitled to benefits under the social insurance system, including benefits for sickness, invalidity, old age, death and maternity.<sup>4</sup> Home workers are covered by the provisions of the Family Allowances Act<sup>5</sup> and are also entitled to compensation and benefits under legislation on industrial accidents and occupational diseases.<sup>6</sup> *France* also provides that home workers shall be included

<sup>1</sup> Order of 16 June 1947 (*Moniteur belge*, 26 July 1947, p. 1024).

<sup>2</sup> Legislative Order, dated 28 Dec. 1944, respecting social security for employees, secs. 1-2; cf. I.L.O.: *Legislative Series*, 1944, Bel. 2; and Ministerial Order, dated 7 Mar. 1946, in pursuance of the Order of the Regent, dated 30 Sept. 1945, respecting the application of the Legislative Order of 28 Dec. 1944 (*Moniteur belge*, 24 Mar. 1946, p. 2695).

<sup>3</sup> Unemployment Insurance Act, dated 23 June 1930, secs. 6-12; cf. I.L.O.: *Legislative Series*, 1930, Switz. 7.

<sup>4</sup> Ordinance No. 45-2454, dated 19 Oct. 1945, respecting the social insurance system applicable to insured persons engaged in occupations other than agriculture; *idem*, 1945, Fr. 1 (G); and Decree No. 45-0179, dated 29 Dec. 1945, to issue public administrative regulations under the above Ordinance; *idem*, 1945, Fr. 1 (I).

<sup>5</sup> Act No. 46-1835, dated 22 Aug. 1946, to prescribe rules to govern family benefits, secs. 1-2; *idem*, 1946, Fr. 10.

<sup>6</sup> Ordinance No. 45-2453, dated 19 Oct. 1945, to amend and consolidate the legislation respecting industrial accidents and occupational diseases, sec. 1 *idem*, 1945, Fr. 3 (E).

as members of the works committees which all employers must establish among their employees. The committees are set up to co-operate with management in the improvement of conditions of work. They are to provide for or supervise the operation of all the welfare schemes established in the undertaking, or to take part in the operation of the schemes, irrespective of the manner in which they are financed, under conditions laid down by a Decree issued in the Council of State.<sup>1</sup> In the *United Kingdom*, the National Insurance Act of 1946 insures all persons against unemployment and sickness, and provides for maternity and widows' benefits as well as guardians' allowances, retirement pensions and death grants. Industrial home workers are also insured against accidents and industrial diseases.

#### HOLIDAYS WITH PAY

A number of countries have extended legislation on holidays with pay to industrial home workers. This is true in the case of the *Belgian* statute of 1946<sup>2</sup> and also that of *France* which made home workers eligible for holidays with pay in 1941.<sup>3</sup> In *Sweden*, industrial home workers receive an amount equal to 4 per cent. of their earnings to cover vacation expenses, and in the *United Kingdom* the wages councils have the authority to propose the fixing of remuneration for holidays.<sup>4</sup>

#### PROHIBITION OF CHILD LABOUR

The use of child labour in industrial employment is regulated by the laws which apply to the employment of young persons in industrial undertakings in general; while all the nations which have attempted any sort of regulation of industrial home work do, at the same time, have child labour laws, few countries make specific reference to home work in these laws. *Belgium* and *Switzerland* are exceptions to this rule. In her child labour law, Belgium specifically states that "the provisions of the Section also apply to home work done on behalf of a contractor".<sup>5</sup> Two countries, *Switzerland* and the *United States*, have provided that young persons below the statutory age limit for industrial employment (generally ranging from 14 to 16 years) may be employed if they are employed on behalf of a parent or guardian. This exception is particularly important in respect of home work, for although the number of young persons below the required age who would be employed in factories directly on behalf of a parent or guardian may be quite low, the situation may be quite different in respect of home work, where parents may often call upon young children to assist with the work

<sup>1</sup> Act No. 46-1065, dated 16 May 1946, to amend the Ordinance of 22 Feb. 1945 instituting works committees, sec. 1; cf. I.L.O.: *Legislative Series*, 1946, Fr. 8.

<sup>2</sup> Legislative Order, dated 22 Feb. 1946, on holidays with pay, sec. 1; *idem*, 1946, Bel. 3.

<sup>3</sup> Act No. 3202, dated 1 Aug. 1941, to amend the legislation respecting the wages of home workers, sec. 3.

<sup>4</sup> Wages Council Act, dated 28 Mar. 1945, sec. 10.

<sup>5</sup> Royal Order, dated 28 Feb. 1919, respecting the employment of women and children, sec. 3 (*Bulletin of the International Labour Office* (Basle), Vol. XIV, 1919).

which may come in sporadically and must be completed at short notice. It is also true that child labour is often made use of in homes in countries where this practice is not legally permitted and, as one or two reports from various countries have pointed out, it is difficult for the inspection authority to prove that the home worker has received the assistance of children who may be present in or around the workplace.

#### INSPECTION OF METHODS OF WORK AND SANITARY CONDITIONS

The enforcement of industrial home work legislation, quite obviously, requires that an adequate inspection force be provided and that it be vested with authority to examine workplaces and important records. The question of health and safety in the workplaces of home workers is variously regarded in national legislation as falling within the scope either of general public health regulations or of legislation applying more specifically to factories and workshops. In countries where the former view prevails, inspection for compliance with basic sanitary and health requirements is in many cases left to local public health officials. It appears to be almost impossible, however, to establish an inspectorate capable of inspecting in an adequate fashion all the places in which home work is carried on.

The criteria for inspection for standards of health and safety are generally that conditions in the workplace shall not be such as to be dangerous to health or to give rise to work accidents. The provisions which the *United Kingdom* has made regarding health and safety are representative of the standards most commonly established. Thus the general Factories Act states that where home work is carried on in any place which is in the opinion of the district council injurious or dangerous to the health of the persons employed therein, the district council may give notice in writing to the employer or subcontractor setting forth particulars as to the respects in which the place is injurious or dangerous. If the employer or subcontractor continues to give out work for more than 10 days after receipt of this notice, he will be guilty of an offence.<sup>1</sup> The Public Health Act of 1936 provides further that "statutory nuisances" may be dealt with summarily by the local authorities, and it defines as one of these nuisances "any workshop or workplace which is not kept clean or not kept free from noxious effluvia, or which is so overcrowded while work is carried on as to be prejudicial to the health of those employed therein". This Act also provides that the local authorities may prevent an employer from giving out work to any person living or working on premises on which an infectious disease has occurred.<sup>2</sup>

*Belgium, Ireland, Switzerland and the United States* also delegate this problem of inspection to local health authorities. In *Denmark*, regular factory inspectors may have access to workplaces in homes upon the special authorisation of the Director of the Labour and

<sup>1</sup> Factories Act (Consolidation), dated 30 July 1937, sec. 111, 1 Edw. 8 and 1 Geo. 6, ch. 67.

<sup>2</sup> Public Health Act, 1936, secs. 92 (c) and 153 (1), 26 Geo. 5 and 1 Edw. 8, ch. 49.

Factory Inspection Department.<sup>1</sup> *France* requires that home workers comply with the regular health and sanitation provisions that apply to factory work, and the labour inspectors are empowered to force an employer to stop giving home work to workers who have not met these requirements.<sup>2</sup> In *Norway*, too, health conditions are checked by the regular labour inspectorate.<sup>3</sup>

All the countries which have provided a minimum wage for home workers have, at the same time, required that the appropriate inspection official shall have access to the employer's records. This is true in the case of *Belgium, France, Ireland, Norway, Switzerland, the United Kingdom* and the *United States*. The legislation of some countries does not make it clear whether this access to records is to be extended to include access to the actual workplace and to the workers' wages books. The *Belgian* regulations provide specifically that the inspection authorities are to have free access to the premises where work is delivered and received as well as to all documents, wages books and registers.<sup>4</sup> The *Norwegian* provision states that the labour inspectorate, the Home Work Council, and the wages boards officials are to have access during working hours to workplaces and rooms where home work is done.<sup>5</sup> In the *United Kingdom*, the Minister of Labour and National Service has the power to appoint officers to see that minimum wage provisions have been complied with. These officers have the authority to inspect wages lists or other records of wages kept by an employer and records of payments made to home workers by persons giving out work, as well as any other records that the employer may be required to keep. The inspection officers may also require any employer, agent or home worker to give any information he has concerning names and addresses of employers or home workers and also concerning payments made for the work. Inspectors are empowered to enter workplaces and work distribution centres, to examine any employers, agents or home workers thought to be covered by minimum wage regulations and to demand signed statements from them.<sup>6</sup> In the *United States*, authority for the inspection of home work establishments operating in interstate commerce is, as we have seen, vested in the Wage and Hour Division of the Department of Labour. The Division has the authority to inspect employers' records, home workers' handbook entries and production records for similar operations in plants. The inspectors also have the authority to interview home workers, determine whether home workers are assisted by others (especially children) and to determine travel and waiting time in calling for and delivering work. Various of the separate States,

<sup>1</sup> Act, dated 29 Apr. 1913, relating to work in factories, sec. 30 (*Bulletin of the International Labour Office* (Basle), Vol. VIII, 1913).

<sup>2</sup> Act No. 793, dated 24 Aug. 1942, to extend to family workshops the provisions relating to hygiene and safety for workers and to the protection of home workers against occupational poisoning, secs. 4 and 5; cf. I.L.O.: *Legislative Series*, 1942, Fr. 5.

<sup>3</sup> Act, dated 20 May 1939, to amend the Act of 15 Feb. 1918 respecting industrial home work, and the Acts to supplement it, sec. 5.

<sup>4</sup> Act, dated 10 Feb. 1934, to issue regulations governing wages and hygiene in home work, sec. 30.

<sup>5</sup> Act, dated 20 May 1939, to amend the Act of 15 Feb. 1918 respecting industrial home work, and the Acts to supplement it, sec. 22; *idem*, 1939, Nor. 3.

<sup>6</sup> Wages Councils Act, dated 28 Mar. 1945, sec. 17 (3), 8 and 9 Geo. 6, ch. 17.

including Colorado, Connecticut, New Jersey, New York, Oregon, Utah and Wisconsin, have made legal provision for inspection concerning compliance with State minimum wage laws.

### LEGAL PENALTIES

All of the countries under review which have attempted to regulate the important aspects of industrial home work by minimum wage, health and safety requirements, or similar measures have, at the same time, fixed penalties for failure to comply with the statutory provisions. In general, penalties are most commonly imposed for failure to pay the statutory minimum wage or to keep the proper records. The penalties generally take the form of a fine and repayment of any wages that may have been withheld. The amount of the fines varies considerably.

Thus *Belgium* provided before the war that the employer who failed to observe a ratified agreement, or an Order of the Crown, should be liable to a fine of from 26 to 200 francs, without prejudice to compensation for the loss caused. This penalty was to be imposed once in respect of each payment of a rate of wages lower than the minimum.<sup>1</sup> There are also penalties for any persons, employers, workers or others who fail to appear before the National Home Work Board, or to supply information which is needed by the Board or its officials. A penalty is imposed on employers and workers who fail to keep the proper records.

Employers in *Denmark* are penalised for failure to adhere to the statutory provisions on home work (primarily concerning registration and health and safety) by the imposition of a fine which in 1913 ranged from 10 to 200 kroner. It is also provided that any worker, who, by his conduct, prevents the operation of the health and safety measures provided for, shall be liable to a fine of from 5 to 100 kroner.<sup>2</sup>

In *France*, the 1946 statute concerning collective agreements provides that a contravention of the provisions concerning rates of remuneration is punishable by a fine of 200 to 2,000 francs. This fine is to be imposed as many times as there are wage-earning or salaried employees who have been paid at the wrong rate.<sup>3</sup> The 1941 law respecting home work provides that failure to observe the stipulations as to the keeping of registers and wages books is punishable by a fine of not less than 60 nor more than 180 francs.<sup>4</sup>

The Wages Councils Act in the *United Kingdom* provides that any employer who fails to pay the statutory minimum wage or the holiday remuneration is liable, on summary conviction, to a fine not exceeding £20 for each offence, and when an employer has failed to pay the proper remuneration the court may order him to pay a sum equal to the difference between the amount actually paid

<sup>1</sup> Act, dated 10 Feb. 1934, to issue regulations governing wages and hygiene in home work, sec. 32.

<sup>2</sup> Act, dated 29 Apr. 1913, relating to work in factories, etc., and the public inspection of the same, sec. 42 (*Bulletin of the International Labour Office* (Basle), Vol. VIII, 1913).

<sup>3</sup> Act. No. 46-2924, dated 23 Dec. 1946, respecting collective agreements, sec. 5.

<sup>4</sup> Act No. 3202, dated 1 Aug. 1941, to amend the legislation respecting the wages of home workers, sec. 7.

and the wage which ought to have been paid. It is further provided that failure to keep the proper records concerning wages paid, or failure to post the proper notices, is punishable by a fine not exceeding £20. If any person makes a false entry in the wages record, or knowingly allows such entries to be made, or if a person knowingly supplies false information, he is to be liable on summary conviction to a fine not exceeding £100 or to imprisonment for a term not exceeding three months, or both.<sup>1</sup> A provision under the Factories Act makes the further stipulation that any employer or contractor failing to keep lists of home workers, or to send copies to the proper authorities, is guilty of an offence and liable to a fine not exceeding £10.<sup>2</sup>

In *Ireland*, the employer found guilty of failure to pay the minimum wage in an industry where one has been set is guilty of an offence and liable to a fine not exceeding £50. Where the employer has been found guilty of having failed to pay the statutory minimum, the court may order the employer to pay the worker the difference between the statutory minimum and the remuneration actually paid.<sup>3</sup> Employers hiring home workers in areas where such work is prohibited, or failing to provide wages books, or to keep proper records, are guilty of an offence and subject to a fine not exceeding £10.<sup>4</sup>

The Home Work Act in *Norway* provides that an employer or contractor who pays his employees less than the established minimum rate must provide the employees with compensation to the extent of their loss. It is also provided that an employer who fails to keep a register, to post the proper lists, or to supply wages books shall be subject to penalties to be determined by the Home Work Council, the labour inspectorate, or the wages boards.<sup>5</sup>

In *Switzerland*, the Federal Act respecting home work lists six offences for which it accords equal punishment. These offences are: failure to post proper notices and to inform workers concerning conditions of employment and any particulars concerning the work; the employment of children under 15; failure to observe the proper methods of payment of wages; failure to keep proper registers; failure to allow the inspection authorities free entry to the premises and to provide accurate information. The penalty for each of these offences is a fine of not more than 1,000 francs.<sup>6</sup>

In the *United States*, the Fair Labor Standards Act provides that, in interstate commerce, the penalty for violation of the minimum wage or maximum hours stipulation shall be the imposition of a fine of not more than \$10,000, or imprisonment for not more than six months, or both. Any person who violates the minimum wage or maximum hours provisions shall also be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, and in an additional

<sup>1</sup> Wages Councils Act, dated 28 Mar. 1945, secs. 11 (2), 15 (3), and 18; 8 and 9 Geo. 6, ch. 17.

<sup>2</sup> Factories Act (Consolidation), sec. 110.

<sup>3</sup> Industrial Relations Act, dated 27 Aug. 1946, sec. 45 (1); cf. I.L.O.: *Legislative Series*, 1946, Ire. 1.

<sup>4</sup> Conditions of Employment Act, dated 14 Feb. 1936, sec. 9; *idem*, 1936, I.F.S. 1.

<sup>5</sup> Home Work Act of 15 Feb. 1918, as amended, sec. 26.

<sup>6</sup> Federal Act respecting home work, dated 12 Dec. 1940, sec. 20.

equal amount as liquidated damages.<sup>1</sup> The legal penalties to be imposed for violation of State regulations concerning home work are determined by the various States.

### CONCLUSION

This brief review presents the most important measures taken to regulate home work in a few of the countries where it is carried on. The degree of compliance with these regulations that has been achieved cannot be appraised accurately in this article; it has been recognised, however, by the authorities in the various countries that means of achieving compliance must be improved if home work is to be a form of industrial production under which conditions of work are controlled to the same extent as they are in regular factory production. At the present time it is highly probable, even with the improvements of recent years, that many home workers are employed at substandard wages, under conditions that are harmful and unsafe, in some cases to the final consumer of the product as well as to the worker himself. It is obvious even after a limited survey that the problem of improving conditions in home work varies greatly from one country to another.

Moreover, the situation in countries which have no regulation of home work raises many problems. Where standards of work are entirely unregulated and an unestimated number of industrial home workers is employed, conditions of work must, fairly certainly, include low wages and poor standards of health and safety. While no statistics are available, industrial home workers in China<sup>2</sup>, for example, are engaged in processing a number of articles ranging from clothing and embroidery work to paper items and bamboo products. Some of these articles, among them embroidery work, lace work, human hair nets and straw plaiting, are exported to *France*, the *United Kingdom* and the *United States of America*, nations which have been in the lead in attempting to provide high standards of work for their nationals, including industrial home workers.

While a number of countries, of which *France* is a prime example, have attempted to improve conditions in home work with the intention of preserving the institution, as one that is of long standing and of value to the nation, others, particularly the *United States*, have made it clear that they would prefer, in the long run, to do away with the system. The latter attitude is based on the premise that it is impossible to regulate home work and that its abuses can therefore only be eliminated when the system itself has been abolished. This difference in views probably has a historical origin based upon the different role and status of the home worker in Europe and in the United States. The home worker in Europe is, to a great extent, a descendant of earlier craftsmen. He is a skilled worker whose ability has not been rendered valueless by the technological advances of the factory system. This system combines some of the aspects of the handicraft system with certain aspects of

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<sup>1</sup> Fair Labor Standards Act, sec. 16 (a) and (b).

<sup>2</sup> In 1933, the number of handicraft workers in China was estimated at 10,000,000 and the number of factory workers was estimated at 1,000,000. See Preparatory Asian Regional Conference of the International Labour Organisation, Report IV: *The Economic Background of Social Policy, including Problems of Industrialisation* (I.L.O., New Delhi, 1947), p. 57.



large-scale production without necessarily bringing with it all the features of "sweat-shop labour". In the *United States*, it has been pointed out by various authorities, industrial home work is not an integral part of the national economy. In some cases it is a hangover from an earlier system of production, while in others it developed in competition with factory production. The opinion in the *United States* is that home work undermines the standards of factory production. This opinion is apparently shared by some persons in the *United Kingdom*.

There is no reason to challenge the two differing conclusions to which the various countries have come concerning the value of industrial home work. The problem for the immediate future, and for some years to come, is the same in either case, since even the *United States*, the strongest advocate of abolition, is far from solving it—how to lessen the abuses where they exist, by improving methods of control.

It appears, from the material that has been examined, that the method of control most generally relied upon and most successfully employed is that of minimum wage control and its accompanying requirements that employers and employees keep accurate and adequate records. This is, apparently, the most effective method by which the inspection authorities can determine the sources of home work, examine the entire production organisation of the employer, and thereby judge the validity of his claims as to the conditions under which his home workers have been employed. Though other means of improving home work conditions have been attempted, it appears that the technique of minimum wage control has achieved the greatest results.

Although countries such as *Belgium*, *France* and the *United Kingdom* have laid primary emphasis upon registration requirements, the keeping of documents and the payment of a minimum wage in their programmes for the regulation of industrial home work, their experience nevertheless seems to indicate that these basic requirements should be supplemented by other devices for regulating conditions of work and maintaining satisfactory labour standards. The evidence indicates that effective programmes of legislation for industrial home workers have included regulations concerning sanitation and health which have established minimum standards to be maintained in workplaces and have forbidden the distribution to home workers of materials which might prove harmful to them. Where administrative procedures have been developed, they have also extended to home workers the various social insurance benefits, such as family allowances, and insurance against sickness, invalidity, old age and death, as well as against work accidents. A broad programme for the regulation of home work would therefore provide all these benefits and also extend the application of legislation providing holidays with pay to home workers.

There is evidence that where there have been attempts to supplement a minimum wage programme with the other techniques of control enumerated above, there has been a tendency gradually to integrate the home worker into the same system of standards and benefits that applies to regular factory workers. It is possible that this gradual integration, if continued further, might eliminate some of the special problems that have so long been a part of the industrial home work system.

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