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The Renaissance of Homeworking in Developed Economies

Carla Lipsig-Mummé

The purpose of this paper is to offer an analysis and overview of the causes and implications of the renaissance of homeworking in many industries in Western Europe, North America and Australia since the 1960's

In the past fifteen years an important shift in the structure of employment and production has crystallized in many labour-intensive industries and services in Western Europe, North America and Australia. Homeworking, or the domicilisation of the production of goods and services, has emerged as an expanding form of production in the service and high technology manufacturing sectors at the same time as it has expanded its importance in those traditional industries and services in which it played an historic role.

To some analysts, homeworking is the wave of the future, offering the freedom of self-regulated work compatible with post-industrial society and an entrepreneurial value system. To others, domicilisation threatens to undo the major advances of unionism over the past one hundred and fifty years by destroying job security, decentralizing production and transferring production costs back to the worker. Regardless of position taken, however, there is growing awareness that the renaissance of homeworking is part of a farreaching transformation in the organization of work and the international division of labour, linked on the one hand to the spread of the submerged economy and numerous forms of precarious or fragmented employment, and on the other to the growing competition between labour-intensive enterprises in the First and Third Worlds.

The purpose of this paper is to offer an analysis and overview of the causes and implications of the renaissance of homeworking in many industries in Western Europe, North America and Australia since the 1960's. A review of the literature reveals a high degree of national and industrial

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specificity, with international dialogue limited largely to a comparison of homework conditions within specific industries. Focussing as it has on the accumulation of preliminary data in a variety of countries and industries, contemporary research has not yet moved to look at the causes and implications of homework's new growth on the international and interoccupational scale it requires. That consideration is central to this paper, and can be articulated in the form of two questions. First, since a growing number of industries, services and skills are demonstrably turning to homework, what shifts in the national and international divisions of labour have caused this development throughout the industrialised world? Second, what interoccupational and interindustrial generalizations may be drawn about homework's impact on the labour process and on employment patterns in the sectors concerned?

THE SPREAD OF HOMEWORKING

Homeworking may be defined as the production of goods or services in a residence for remuneration, for an employer or his agent, regardless of the source of the materials used by the homeworker.

This definition is drawn partly from the International Labour Organization's 1980 definition of industrial homeworking¹, partly from the British Trades Union Congress' most recent definition², and partly as an attempt to avoid the traditional exclusions that have made legal definitions unrealistically narrow. It is meant to include service, white-collar and professional homework as well as industrial; it is meant to exclude all those who sell the product of their work at home directly to its consumer (the «patently self-employed»)³. It is meant to move beyond the idea that all white-collar homework is professional and all its practitioners are self-employed businessmen; and it is meant to include those hidden wage workers whose involvement with contracting and subcontracting arrangements has allowed their employer to distance himself from responsibility for their condition.

Thus defined, evidence is now accumulating to indicate that the principal industrialized capitalist countries in Europe, North America and Oceania are now experiencing a renewed growth in homeworking in

¹ International Labour Organization, *Second Tripartite Technical Meeting for the Clothing Industry, Report II*, Geneva, 1980, p. 20.

² The Trades Union Congress, *Statement on Homeworking*, April 1978, defines it as «work done in the home for another person, or for sale to another person».

³ CRINE, *The Hidden Army*, Low Pay Research Unit, London, 1979, p. 9.

numerous economic sectors after what had been assumed to be a steady decline during the twentieth century⁴. Today women are still machining pillowslips and putting buttons on cards, but they are also making wigs, automobile accessories, assembling plugs and electrical motors, packing factory-made food, writing computer programmes and making airline reservations at home.

In no country has it been possible to put exact figures to the scale of homework's growth, either in terms of numbers employed or value produced. The methodological problems associated with estimating this dispersed labour force are compounded by the clandestinity of the employment and the insecurity of the homeworkers themselves. In most cases, *something* about the homework situation is illegal. Either regulations forbid work at home in an industry, or the homeworker has no right to work, has not registered, or is not declaring income, or the employer is flouting wage and benefit standards.

To begin with, therefore, researchers used the legally registered homeworkers to estimate numbers where registration existed. In Italy, the United States, Canada, Great Britain and Australia, this method exposed only 5 to 10% of the estimated total and for a number of years in several of these countries the artificially low figures obtained bolstered the argument that homework was continuing to decline⁵. Even the International Labour Organization (ILO), in its 1980 survey of homework in the clothing industry, fell embarrassingly short. It asserted that «the enactment of legislation or the conclusion of collective agreements... has virtually abolished or substantially curtailed homework, as has happened in particular in Canada and in parts of the United States»⁶. Yet a survey for the California Department of Labour *in the same year* found that metropolitan Los Angeles alone had 40,000 illegal homeworkers⁷. And within twelve months of the

4 In 1967 M. BROOKE, in *The Growth of Labor Law in the United States* (Washington, D.C.: Department of Labor, pp. 265-72), suggested that homeworking had been steadily declining since the beginning of the twentieth century. He represented mainstream opinion not only for the United States but for most of the highly industrialized world. In 1979, however, Simon Crine, one of Britain's foremost specialists on homeworking argued «...that rather than homeworking disappearing with dying manufacturing industries, it is in fact moving into some of the growing service industries» (*op. cit.*, p. 10).

5 DE GRAZIA'S «Clandestine Employment», notes that in Milan in 1975 there were 5,000 homeworkers on the commercial register and 100,000 in reality. In the U.S. for 1963-4, Brooke, an authoritative source, argued that homework was on the decline, with 1,710 homeworker certificates issued in California and 3,239 certificates in New York.

6 International Labour Organization, *op. cit.*, Report II, p. 20.

7 Jonathan RAUCH, «Anatomy of a Regulatory Proposal — The Battle over Industrial Homework», *The National Journal*, June 6, 1981, p. 1015.

ILO's assertion that homework was a thing of the past in Canada, a trade union study of business failures, subcontracting and union decline in Canada's principal garment producing centre, Montréal, estimated 20,000 garment homeworkers for Montreal and the rest of the province of Québec, more than the total of unionized workers⁸.

On an overall basis, we have reliable statistics for homeworkers for only two countries. Peter Townsend's exhaustive *Poverty in the U.K.*, published in 1979, estimates 100-150,000 homeworkers in service and industrial employment⁹. In Italy, Brusco's 1973 estimate for the manufacturing sector alone indicated 1,600,000 homeworkers¹⁰, and another estimate in 1977 suggested 3,000,000 manufacturing and service homeworkers¹¹.

In France, homework has not yet been numerically and methodologically separated from the larger category of *travail au noir*¹²; in the United States, Canada and Australia, it is embedded within the residual category of the self-employed¹³. In these countries, industrial homework remains the primary concern although tertiary homework is growing proportionately faster, and only in Britain have policy recommendations and proposed legislation drawn specific attention to the common situation of service and industrial homeworkers¹⁴.

Is the scope and scale of homeworking a new phenomenon, or is it simply being rediscovered in the 1980's? While the evidence is far from decisive, there are grounds for arguing that it is new, that the spread of industries implicated *has* grown since the 1960's, and with this diversification the problem of homework has moved from the quantitative to the qualitative.

While there is some variation as to when the new homework appeared in particular industries in each of the principal developed countries, we can identify four stages in its renaissance over the past two decades.

8 *Dossier Noir sur l'industrie du vêtement*, Montréal, November 1981, p. 8.

9 Cited in CRINE, *op. cit.*, p. 1.

10 S. BRUSCO, «Prime note per uno studio del lavora a domicilio», *Inchiesta*, April-June 1973.

11 Marzio BELLACCI, «Oltre tre milioni di donne utili e sfruttate», *Sintesi Economic*, Nos 3/6, 1977, pp. 12-15.

12 See particularly «Le travail au noir», *Le Nouvel Observateur*, June 2, 1980, pp. 36-41.

13 Both the census and taxation categories make it difficult to distinguish between the two.

14 In January of 1979 and again in April of the same year a Private Members Bill and then a Government-sponsored Bill proposed to cover homeworkers with the same juridical protection as other employees, and to efface the legal differences between industrial and service homework.

In the mid-1960's diverse needle trades (such as clothing, textiles and shoe production) in Great Britain, the United States, Italy, France, Australia and Canada (for the most part long organized around factory production and domiciling only a minor portion of the sewing operations) began to register a steady growth in homeworking for the first time since the Great Depression. Homeworking's first stage of renewal drew partly upon a traditional labour force of urban and/or rural women, partly upon a new reservoir of women immigrants from the underdeveloped countries and in Italy upon women forced out of the industrial labour force¹⁵. During the 1960's, recourse to the domiciling of sewing operations was not perceived as a threat to inside workers, but it did stimulate, almost unnoticed, the renewed growth of a complex network of labour contractors and subcontractors.

By the early 1970's, enterprises in more technologically advanced industries began to turn to homeworkers as well. The packaging and assembling of electrical and electronic items, manufactured food, drink, soap, products, ballpoint pens, plastic products, cosmetics and glass goods began to be domiciled. Employers drew upon the same homeworking reservoir as did the needle trades manufacturers, employing urban women where needle trades homeworking was mainly urban, and rural women where it was not.

By the mid 1970's, and the beginning of the rise in unemployment, homeworking in the traditional word-transformation occupations began to compete both with inside employment and with free-lance arrangements. The occupations principally concerned were typing and various other forms of transcription, envelope stuffing and other unskilled work, and translation. For the first time, homeworking caught up and swept together a cluster of skills rather than portions of one industry's production process. Notwithstanding the differences among the traditional word-transformation occupations, recourse to homework had two principal effects: on the one hand it forced professionals (such as translators) out of the salaried office jobs and into home-based piece-rate situations; on the other it absorbed some of the longstanding reservoir of self-employed typists and transformed these into home-based piece-rate employees. The enterprises involved in fostering word-transformation homework were varied: banks, health plans, offices, factories, government bodies and unions. And the legal-economic relations of the homeworker to the employer were also varied, ranging from a contractual arrangement between homeworker and an office overload for homeworkers enterprise, through the domiciling by a company of its own typing pool.

¹⁵ Between 1959 and 1969 Italian female labour force participation dropped by over 6%, in contrast to opposite trends in other developed countries. See further discussion below in the discussion of the international division of labour.

By the late 1970's homeworking had spread on an experimental basis to the computer-based information processing occupations. Key-punching, stock analysis, computer programming, billing, the making of airline reservations-banks, insurance companies, airlines, telecommunications outfits were trying homeworking out. In general these «cottage keyers» and «telecommuters» were drawn from the companies' own inside staff; in general the experiments-primarily in the United States and France — were accompanied by carefully managed publicity. Among the very large American companies employing homeworkers were Montgomery Ward, Arthur D. Little, Blue Cross-Blue Shield, Standard Oil of Indiana, and the First National Bank of Chicago. Blue Cross-Blue Shield's structure in South Carolina was typical, in that the company shifted machine, telephone, electricity and maintenance costs back to the key punchers, for whom the average cost of working at home was \$2,640.00 in work-related expenses per year¹⁶.

Thus, four stages in the renewed growth of homeworking, beginning with the expansion of its traditional role in the needle trades, passing to its introduction in other light manufacturing, moving to its revolutionary impact on word transformation, ending for the moment with its experimental introduction in information processing.

HOMEWORKING AND THE INTERNATIONAL DIVISION OF LABOUR

But what shifts have occurred in the national and international divisions of labour to stimulate these successive waves of homeworking, affecting these very different labour-intensive industries and services throughout the developed economies?

On the international scene there have been two pivotal shifts: first, the transfer of manufacturing production to Third World cheap labour zones and the decline of these labour-intensive industries in Europe and North America. Second, the emergence and hardening of permanently stagnant and de-industrializing economies within the developed sphere itself.

On the national scene, within the most technologically advanced of the developed countries, the growth of labour-intensive word and information processing operations and the decline of low-technology manufacturing has made «labour-saving» in these high technology sectors a key cost-cutting device as well as an experimental strategy to circumvent unions.

¹⁶ Andrew POLLACK, «Rising Trend of Computer Age: Employees who work at home», *New York Times*, March 12, 1981, p. 1.

Let me go into each of these shifts in more detail.

On the international scene, the shift of production in labour-intensive industries from high-wage to low-wage economies began to be felt in the 1960's. The transfer of production occurred in two ways: first a large enterprise located in Europe or North America and experiencing competition from Japan or elsewhere on the Pacific Rim might open a subsidiary in the Third World, profiting from wage differentials to shut down or cut back its North American, European or Australian facilities (while enjoying host-government subsidies or even, as with the U.S.-Mexico Twin Plants arrangement, the right to re-introduce its foreign produced goods into the developed country's market without paying import duties)¹⁷. This form of production transfer stimulated American and European unemployment, but it did not necessarily stimulate homeworking. Whether it did so depended upon a variety of factors concerning the uniformity or variety of corporate size within the industry concerned.

On the other hand, production might be transferred through international competition rather than intra-organizational reallocation. From the late 1960's, Asian firms in particular began to take an increasing portion of the world market in textiles, clothing, electrical goods etc., from European, Canadian, Australian and American producers.

The example of the clothing industry is instructive. Between 1968 and 1977, clothing production for export in the developed market economies dropped from 80% to 63% of the world total¹⁸. At the same time, developing countries as a whole rose from 23% to 37% of the world market, while the Asian portion alone rose from 19% to 33%¹⁹. The results of this inability of high-wage enterprises to compete were several: if the industries were large enough in scale they created subsidiaries in the low-wage areas and phased out high-wage operations, as discussed above. Where the enterprises in the developed countries were too small in scale to shift the production to low-wage areas, some branches of the clothing industry, resorted to contracting, to subcontracting, to homework, to other forms of clandestine production — or they went out of business. In clothing, job loss in the European Economic Community was particularly striking: between 1972 and 1977, 243,000 registered jobs were lost, partly to the Third World and partly to unrecorded homeworking and subcontracting²⁰.

¹⁷ A recent *New York Times* article (July 25, 1982, p. 1), exposed widespread shift of production by automobile manufacturers of their labour intensive processes, to Mexico.

¹⁸ I.L.O., *op. cit.*, *Report II* p. 92.

¹⁹ *Ibid.*

²⁰ *Ibid.*, *Report III*, p. 8.

Thus the first shift in the international division of labour affecting the growth of homework concerns the progressive decline of First World labour-intensive manufacturing and the search for strategies to compete with Asian producers.

The second shift in the international division of labour affecting the growth of homework concerns the stagnation and de-industrialization of certain developed market economies-in particular, Italy.

There are basically two ways for national economies to de-industrialize: by shifting an increasing proportion of labour and investment from the manufacturing to the service sector; or by pushing the industrial structure of manufacturing back towards a pre-industrial, workshop-homework format.

Italy is a particularly dramatic case of the latter because, «starved» of high-technology industry in the 1960's, with a weak service sector, it is estimated that up to 3 million women, some 15% of the «regular» labour force, were working at home without declaring that employment in 1977²¹. Nor can this startling statistic be assumed to be explicable simply by reference to persistent rural patterns and a traditional sexual division of labour, because female labour force participation actually dropped by 6% between 1959 and 1969, and all indications are that this was the result of deliberate policy in the manufacturing sector²². How did this come about?

Briefly put, Italian manufacturing began a systematic policy of restructuring production in the 1960's in order to counter competition from underdeveloped countries and a decline in profits²³. The policy was aimed at reducing the cost of wages in all labour-intensive industries, and was composed of two strategies: first, marginalize or expel from the labour force all but the most highly productive workers: the young of any sex, women of any age and men beyond middle age. Second, decentralize production by reducing the size of factory and workshop, by encouraging contracting and subcontracting, homework and moonlighting.

By the early 1970's, an extensive underground or submerged economy had been created by the employers of the formal economy, in which a parallel labour market employed from 17% to 40% of the official labour

²¹ These estimates vary from 5 to 15 million.

²² Discussed by Bruno CONTINI, «The Second Economy of Italy», in Vito Tanzi ed., *The Underground Economy in the United States and Abroad*, Lexington, Mass, D.C. Heath, 1982, pp. 199-208.

²³ *Ibid.*, as well as Daniela DEL BOCA and Francesco FORTE, «Recent Empirical Surveys and Theoretical Interpretations of the Parallel Economy in Italy», in Tanzi, *op. cit.*, pp. 181-198.

force, either as moonlighters or as sole-employment clandestine workers²⁴. In the latter category, homeworkers comprised the largest component. In the 1970's, the approximately 3 million women homeworkers produced hosiery textiles, shoes, toys, automobile accessories, wigs, cosmetics, clothing, leather and plastic products, bicycles, tiles, electric motors, furniture and glassware at home²⁵.

Italy's experience with the use of homework to de-industrialize and decentralize production is instructive for other, highly developed economies which are de-industrializing in the other direction, through a shift of emphasis from manufacturing to tertiary sector activity. Given a labour reserve whose ranks are swollen by immigration, by the economic crisis, or by agricultural underemployment, homework, that anachronistic, pre-industrial vestige, suddenly becomes a modern, innovative and highly attractive work form to employers, because it offers a way to labour costs in most industries and services which are labour-intensive.

We may follow this argument further to look at shifts in economic activity within developed national economies, and their impact on homework.

In the United States, West Germany, Canada, France and Australia as well as Britain, tertiary sector employment is growing as manufacturing declines. The principal service employers of office workers and computer personnel are often national rather than international operations and their scope of competition is domestic rather than global. Labour is their largest single cost component and relatively easy to domicile. However, as employment in tertiary enterprises grows at the expense of manufacturing, so also does the real or potential threat of unionization. Certainly in the United States, experiments with domicilisation are occurring in banks and health plans and communications operations, exactly those big tertiary enterprises most likely to be union targets in the near future²⁶. And in the United Kingdom, tertiary homework has been by the fastest growing sector of homework throughout the 1970's²⁷. In sum, then, homeworking in these high-technology service industries represents an attempt by the newest objects of unionization to decentralize the labour force before unionization crystallizes its collective power.

The preceding pages made it clear that the principal industries in which homework is growing in developed countries have each a different potential for its use and each a different pattern of sectoral development. But

²⁴ DE GRAVIA, *op. cit.*, pp. 29-44.

²⁵ BRUSCO, *op. cit.*

²⁶ The same is true for Canada.

²⁷ CRINE, *op. cit.*, p. 10.

homework also has a standardizing impact on the labour process, which cuts across industrial and occupational lines. The section which follows looks at the inter-occupational and interindustrial similarities of homework's modification of the labour process and employment systems.

DECENTRALIZING PRODUCTION

Salaried work by individual workers in residential settings intrinsically represents a decentralization both of the labour force and of the labour process. It is, historically, an older form of employment popularly called cottage industry or the putting-out system. And while cottage industry was characteristic in Britain and Northern Europe of the transitional period between the break-up of the guilds and the Industrial Revolution, it was replaced by centralized employment in factories (and later in offices) in industry after industry during the nineteenth century²⁸. Although throughout the developed capitalist world the average unit of production remained small well into the twentieth century, nevertheless these units represented a centralized regrouping both of the labour force and of the production process, and thus a measure of progress over the decentralized putting out system.

As a decentralizing form of production, then, homeworking may either compete with inside production, supplement it, or replace it, depending on the prior structure of the industry into which homeworking is introduced and the evolution of the market. Because homeworking saves labour costs

²⁸ The impact of the growth of factory production on homework in the nineteenth and early twentieth centuries is particularly discussed in the following: For Great Britain: D. BLYTHELL, *The Sweated Trades*, London, Batsford Academic, 1978, pp. 9-152; F. COLLIER, *The Family Economy of the Working Class in the Cotton Industry, 1784-1833*, Manchester, Manchester University Press, 1964; M. IRWIN, *The Problem of Homework*, Glasgow, 1907; C. BLACK, *Married Women's Work*, Women's Industrial Council, London, 1915; Joy PINCHBECK, *Women Workers and the Industrial Revolution 1750-1850*, London, Frank Cass and Co., 1969. For France: C. FOHLER, *Le Travail au 19e Siècle*, Paris, Presses universitaires de France, 1967. For English Canada: Catherine MACLEOD, «Women in Production: The Toronto Dressmakers' Strike of 1931»; Janice ACTON, Pennie GOLDSMITH and Bonnie SHEPARD, eds., *Women at Work Ontario, 1850-1930*, Canadian Women's Educational Press, 1974; «How the Sweatshop System Began» in Irving ABELLA and David MILLAR, eds., *The Canadian Worker in the Twentieth Century*, Toronto, Oxford University Press, 1978. For the United States: M.H. WILLETT, *The Employment of Women in the Clothing Trade*, New York, AMS Press, 1968 (reprint of a 1902 edition). For Québec: Monique CHOINIÈRE, *Travail industriel féminin à domicile*, unpublished M.A. thesis, *École de relations industrielles*, Université de Montréal, 1946; Lina LEFEBRE, *L'ouvrière à domicile*, unpublished M.A. thesis, Faculté de Bien-être social, Université de Montréal, 1948; Bettina BRADBURY, «The Family Economy and Work in an Industrializing City: Montréal in the 1870's», *Historical Papers*, Saskatoon, 1979.

for the employer by shifting these back to the homemaker, it may operate as an attracting pole within the industry into which it is introduced. This works on two levels. If an industry is capable of domiciling an important portion of its production (judged by percentage of total labour force and centrality of processes domiciled), then the introduction of homeworking by some enterprises will trigger a similar move among others in the same industry. On another level, however, homeworking's relative importance *within* the production process itself tends, typically, to expand. Thus recourse to homeworking to supplement inside work during peak seasons to make airline reservations, for example — will over time expand so that the homemaker competes with the inside worker making reservations and perhaps comes to supplant her. In other words, homeworking has an expansive role *within* segments of the production process, but there is as yet no evidence that its introduction in one segment of the labour process triggers its introduction in others.

Not all industries, of course, can use homeworkers. Central to determining whether homeworking could play a role in a particular industry or service is the question of type and spatial organization of technology required. In order to domicile all or part of the production process, an enterprise must respond to *all* of the following criteria: First, the enterprise (industry or service) must be labour-intensive in at least some part of the production process. Second, the technology, raw materials, components and worked product must be light enough to be easily transported. Third, the process of production must not require tight temporal interdependence between the steps a homemaker would carry out and those effected immediately before and after her input. Fourth, the homemaker's part of the production process must not require close spatial interdependence with other workers.

In the light of these restrictions, the limits of homework's potential impact on different industries becomes clearer.

The potential impact of homeworking is determined by two criteria: the percentage of the inside labour force whose jobs are able to be performed by homeworkers, and the centrality of the tasks concerned to the overall production process.

Homeworking is likely to have only a minimal impact on assembly-line industries, light or heavy, because these are limited by requirements of spatial and temporal interdependence to domiciling only packaging and assembling.

Clothing, shoe and textile production, however, may be more seriously transformed by homeworking. The central sewing operation is domicilable, and this may implicate as much as 80% of the inside labour force. However cutting and pressing, two crucial operations, are technologically difficult to domicile. Therefore homeworking's capacity to take over and destroy inside jobs is limited, and indeed potentially made reversible in these industries, by the fact that the pressing and cutting operations are to date immune to its inroads.

On the other hand the word-transformation and information-processing skills — office work in general — are vulnerable to an almost total domicilisation of production. It is technologically possible to domicile the entire labour force with the exception of a dispatcher, and organize work through computer terminals placed in the home and telephone hook-ups. In other words the industries in which homeworking has been most recently introduced are the ones most potentially vulnerable to radical transformation by it.

Because recourse to homeworking entails *displacement* of the locus of production from a factory or office where workers are clustered, to individual residences, the displacement inherent in homeworking always results in decentralization of production and fragmentation of the labour force. Decentralization of production, in turn, tends to recompose the division of labour without paying the worker for the additional task, and to shift a significant range of costs associated with the maintenance of factory and office operations back to individual producers. Thus, for example, the machine operator paid for sewing shirts at home is paid by the unit or by the dozen. She also may have to finish the garment, pack it for transport back to the contractor or the factory, and have her husband or older child deliver it. None of these tasks is paid. The homemaker paid to fill boxes with factory-produced bread crumbs prepares the boxes to receive the crumbs, fills the boxes, then arranges the finished boxes into cartons for transportation. Only the box stuffing is paid. The home translator goes to pick up his work at the translation bureau, translates it, types it, makes copies, and delivers the finished work. Only the actual translation is paid. The recomposition of the division of labour adds unpaid tasks to the ones for which the piece rate is calculated, while implicating unpaid family members in the production process and sometimes making the homemaker dependent upon this unpaid help for the delivery of the product.

The current research shows white and blue collar homeworkers to be generally unaware of the recomposition of their division of labour. Unpaid recomposition is part of homework's larger propensity for blurring the line

between work life and family life for women. It goes along with the interweaving of work time and family time, and work tasks and family tasks, so that the workday may stretch to a chopped-up eighteen hours. It goes along with the intrusion of work-related equipment and materials into family living space, so that children play next to or under sometimes dangerous machinery. And it goes along with irregular wages, and ex post facto shifts in piece rates. Homeworkers interviewed in London²⁹, Melbourne³⁰ and Montréal³¹ did not know how much they earned annually, what costs they absorbed for production, what others made in their line of work, how many hours they worked. The unpaid recomposition of the division of labour is thus part of a larger blurring of the space between the world of work and the world of home. Indeed, the shifting of labour-associated costs from the employer to the worker is one of the factors which makes homeworking so attractive to employers in labour-intensive industries. This shifting of costs affects two areas: wages and production-associated costs.

Homeworkers in most developed countries live under an ambiguous legal status which gives them few of the protections of salaried employees and most of the risks and lack of coverage of self-employed craftsmen. In all services or industries the homeworker differs from the craftsman in terms primarily of relationship to the consumer of the product: the self-employed craftsman sells a finished product directly to its initial consumer, while the homeworker provides a finished or partly finished product to an employer or his agent who pays a wage for the work and then sells it or has it further transformed for sale, to his profit, to a consumer.

This distinction is rarely reflected in legislation governing industrial homeworkers and distinguishing them from manual self-employed craftsmen, and almost never employed to distinguish between white collar homeworkers and white collar self-employed craftsmen. One result is that homeworkers work by piece rate and universally earn less than inside workers accomplishing the same tasks³².

²⁹ E. HOPE, M. KENNEDY and A. DE WINTER, «Home workers in North London» in Sheila Allen and D. Barker, *Exploitation and Dependence in Work and Marriage*, London, Longmans and Co., 1976, pp. 65-66.

³⁰ Denise CUSACK and John DODD, *Outwork: An Alternate Mode of Employment*, Fitzroy, Victoria, Australia: Centre for Urban Research and Action, 1978: «Because piece rates varied so much, most outworkers were unable to give a rough estimate of the total amount they earned each week... only one worker had timed herself precisely and knew exactly how many hours she worked each week» (p. 34).

³¹ «Quand les usines émigrent dans les foyers», *Vie ouvrière*, vol. 31, no 151, jan.-fév. 1981.

³² To date no research has come to my attention aimed at compiling in a systematic estimate of how much homework saves the employer industry by industry on an international basis.

Another result is the assumption by the homemaker of production-associated costs which have historically been shouldered by the employer. These are principally rent, electricity, insurance, machine rental and maintenance, heat, delivery costs and telephone bills; paper, thread and other raw materials which vary from industry to industry. As was shown with the Blue Cross-Blue Shield «cottage keyers» example mentioned above, these costs can run into thousands of dollars annually.

Still another result of the homeworkers' ambiguous legal status is their general lack of coverage by the social legislation which protects ordinary salaried employees in the welfare state³³. This vulnerability is manifested on the level of exclusion from ordinary coverage, but it is also demonstrated in the domain of inspection and enforcement. Thus homeworkers in developed countries rarely receive accident or sick pay, overtime, vacation pay, statutory holidays or maternity benefits. Some countries stipulate maximum hour and minimum wage standards for homeworkers, but no country effectively enforces these. Where minimum safety standards for work at home are concerned, most countries do not even attempt to set guidelines and the homework equivalent of a system of factory inspection is effectively nonexistent³⁴. To quote a recent government investigator of homeworking in the United States: «homework is just a means of not paying workmen's compensation, minimum wage (and) overtime... utilizing child labour (and) paying directly in cash so that you do not give an itemized statement to the individual»³⁵.

FRAGMENTING THE LABOUR FORCE

Beyond homeworking's impact on the labour process, it works to fragment the labour force as well. There are four aspects to this fragmentation: homework stimulates competition among homeworkers and between

³³ The sense of the homemaker protection legislation introduced and defeated force in 1979 in the UK was to include homeworkers in the category of employee. In Québec since 1980, homeworkers are covered by minimum standards legislation, including the minimum wage provisions, and are therefore considered employees.

³⁴ In the United States in 1981, Secretary of Labor Donovan ordered a reduction of the number of compliance officers for employment standards by 16% for New York and 14% for Los Angeles. Where homeworking is concerned in the United States, the Reagan administration's larger policy of «de-regulating» labour-capital relations serves to further expose homeworkers to violations of existing legislation.

³⁵ Joe RAZO, director of the California Labor Department concentrated enforcement program, quoted in Jonathan RAUCH, «Anatomy of a Regulatory Proposal», *The National Journal*, June 6, 1981, Vol. 13, no 23, pp. 1013-1017.

homeworkers and inside workers; it weakens unions; it contributes to the growth of contracting and subcontracting; and it undermines the full-time inside job.

Before analyzing these four aspects, however, it is necessary to back off and to look at the place of homeworkers in the developed national economies.

What strikes one immediately when sketching a demographic portrait of homeworkers in Europe, North America and Australia is the remarkable degree of similarity among countries. There are basically three sources of homeworkers common to all these countries. *First*, traditional, uneducated women, native to the country in which they work, are drawn into homework for lack of other options, because childcare is unavailable or costly, because sex roles keep them home, because there are too many of them competing for too few jobs, because of poverty. They may be rural or urban in Italy, France and Québec, most likely to be urban in Great Britain, the United States, Canada and Australia. These women take unskilled blue or white collar homework and shift often between employers and types of work. *Second*, immigrant women in the metropolises of Britain, France, the United States, Canada and Australia, who are skilled and unskilled, with or without prior office or factory experience, hampered by not speaking English or French, by the lack of a generational support system for child care, by traditional sex roles, by racism. These women are offered the same work as the first group, often placed in competition with these, but sometimes are employed by an exclusive ethnic hierarchy of contracting and subcontracting³⁶. *Third*, men and women with specific skills usually related to word transformation or information processing. They are almost always natives of the countries in which they work, and are entirely urban. They may be former free-lance artisans whom the crisis has forced to link up with a contractor or an office overload organization, new graduates who find that homework is all that is available, former inside workers who were forced or chose to domicile their work.

Homeworkers thus represent a reserve army of the precariously employed. Their ranks are swelling because employers in the labour-intensive industries and services are increasingly seeking to replace the full-time job with fragmentary employment. The full-time job is giving way to part-time work, contractual, cyclical and seasonal employment, to spurious apprenticeship programmes, to job sharing — and to homework. The full-

³⁶ For some discussion of this important but rarely discussed question see CUSACK and DODD, *op. cit.*, as well as Diane MORISSETTE, *Les ouvrières à domicile et l'industrie de la robe à Montréal*, unpublished M.Sc. thesis, Université de Montréal, March 1980.

time job — unionizable, located on premises regrouping a number of employees for whom and for whose working conditions the employer is legally responsible — is an expensive proposition. Even without a union the employer is responsible for accident insurance, maternity leave, minimum wage and minimum health and safety standards, and sometimes for vacation pay. With a union, all these plus pensions, seniority rights, security, overtime, assorted benefits. It is no wonder that in all the English speaking countries at least, part-time employment, the archetypal fragmentary job, has grown more rapidly than full-time employment since 1970³⁷. Homeworking's growth in the industries affected is thus part of a larger move towards breaking up the full-time unionized job and replacing it with fragmentary employment, of all sorts, through which the employer is able to shift responsibility for a whole range of costs back to the worker or on to the state.

A second aspect of homeworking's impact on the structure of the labour force is its capacity to stimulate the proliferation of middle-men between the true employer and the home-based worker. As a recent British analyst of nineteenth century homeworking observed, «In a sense, the individual outworker is the smallest subcontractor, and 'outwork' and 'sub-contract' are merely points on a continuum»³⁸. Contracting is the shifting of responsibility for obtaining labour or producing goods, from the company which will sell the goods to consumers, to an enterprise not in direct relation to the consumer. There are two sorts of contracting: labour and production.

Labour contractors undertake to provide workers to a producer. They may provide them directly to the enterprise which will sell their product, or to a production contractor. Production contractors organize production for the enterprise which will consume or sell the finished goods. They may organize their own labour force, or contract for it from a labour contractor.

The semi-clandestine nature of homeworking encourages both types of contracting. The manufacturer or office seeking homeworkers may advertise in the press for them to apply directly. But increasingly, would-be employers of white-collar homeworkers, when they are not domiciling their own inside workers, confide the task of finding homeworkers to a labour contractor, the homeworking equivalent of office overload. Typically, white-collar homeworkers regrouped by a contractor provide all their own

³⁷ Part-time employment rose from 20% to 23% of the labour force between 1961 and 1976 in the U.S.; from 10% to 12% in Canada between 1966 and 1973; was 17% in Sweden in 1974; 11% in New Zealand in 1972. (Drawn from Colette BERNIER and Hélène DAVID, *Le Travail à temps partiel*, Institut de recherche appliquée sur le travail, April 1978, bulletin no 12, p. 2).

³⁸ BLYTHELL, *op. cit.*, p. 14.

equipment and materials. Employers of industrial homeworkers either continue to seek these out directly, set up wholly-owned subsidiaries as production contractors, or confide work to production contractors who employ the homeworkers.

We can, I think, conceptualize a spectrum of the variety of roles contracting can play in homework. At one end of the spectrum, contracting plays no role at all: the company domiciles its own employees or seeks out and employs homeworkers directly. Towards the middle of the spectrum we have a one-tier contracting situation: the domiciling employer engages a contractor to mediate between him and the homeworkers who work for him, to allocate work and pay wages, to distribute materials. Beyond this there are two- and three-tier subcontracting situations, where the contractor engages other, smaller subcontractors, to do the work he might do in a one-tier situation.

As each tier is added, the responsibility of the real employer diminishes, the fragmentation of the labour force grows, and the working conditions of homeworkers declines.

How expansionist is contracting? For the moment, we know only that recourse to contractors has spread throughout the needle trades, and is growing among the semi-skilled office occupations and computer based information processes. We also know that while contracting flourishes where even a minor portion of production can be domiciled, subcontracting develops only where an important segment of production can be domiciled and the scale of the domiciling employer is not large.

Beyond the contracting networks, homeworking also fosters two kinds of interlinked competition: among homeworkers, and between inside and outside workers.

Homeworkers, as has been demonstrated, have no collective and very little legislative protection in developed economies. Their isolated work situation leaves them usually unaware of what peers are earning, of what their working conditions are, and of their own annual wage. Contractors, subcontractors and regular employers play individual homeworkers off against each other in the industrial and semi-skilled office spheres; less regularly in the more skilled occupations. The managed competition between homeworkers over speed of production is particularly difficult for older women, sick women and women with young children at home, and it sometimes fans ethnic tensions. More globally, however, even where employers are not deliberately pitting individuals against each other to speed up production, the competition between unprotected women for this

work serves to drive wages down. A 1971 study showed industrial homeworkers in London sometimes earning as little as 2 a week³⁹.

Competition between homeworkers and inside workers in contrast, is immediately visible. Because homeworking saves labour costs for the employer and is virtually ununionizable in developed economies, it is a direct threat to inside jobs. Homeworkers begin by supplementing inside production or by providing an experimental counterpoint, and may end by replacing the inside jobs and putting the inside workers out of work. Only in a few planned economies, where homeworkers are recruited directly by factory cooperatives, is this competition avoided⁴⁰.

Which leads us to the fourth aspect of homeworking's role in fragmenting the labour force: its impact on unions.

Historically the factory system and the clustering of workers it catalyzed was a major boost to unionization. Even today in the developed economies, large-scale industrial type employment conditions (whether in the secondary or tertiary sector) are a better basis for founding solid and militant unions than are workshops. Size, standardization and centralization of large numbers of workers, all play important roles in the creation and maintenance of union presence, although in many countries state intervention now mediates this. Homeworking presents, by extension, the antithesis of these conditions. Unions in traditional light industry have historically spoken out against homework in all developed countries⁴¹. In high-technology light industry on the other hand, its limited threat has usually not mobilized the relevant unions, although there are exceptions. In office work and the service sector generally, the danger posed by

³⁹ HOPE, KENNEDY, DE WINTER op. cit., p. 67. CRINE, in 1979, showed that one-third of a sample of homeworkers were earning less than 20 pence an hour; and two-thirds earned less than 60 pence an hour.

⁴⁰ In particular in Yugoslavia, Poland and Hungary.

⁴¹ On the international level; the following analyses of unions and homework have been undertaken: ILO Tripartite Technical Meeting for the Leather and Footwear Industry, *Working Papers*, Geneva, 1979; International Textile, Garment and Leather Workers' Federation, *Bericht Ueber Heimarbeit*, Brussels, 1979; Second ILO Tripartite Technical Meeting for the Clothing Industry, *Contract Labour in the Clothing Industry*, Geneva, 1980.

On the national level; DRILLEAUD, G., «Travail à domicile: assainir la situation avant de le développer», *Syndicalisme CFTC* (162), 1981, p. 7; Trades Union Congress, London, *Homeworking 1977*. In Québec, the Québec Federation of Labour is undertaking a study of homeworking in the Womens' apparel industry. In the United States, the International Ladies' Garment Workers' Union has made a number of policy statements exposing the impact of homework on its structures but has not undertaken an actual study since 1944. In Italy, M. LORINI, «Sfruttate a domicilio», *Rassegna sindacale* 20, 287, May 1974, pp. 1-5.

homeworking is just beginning to be studied by the unions, within the limited context of the impact of micro-technology and of the break-down of the full-time job.

Basically, homeworking threatens existing unions by domiciling unionized or unionizable jobs, by reducing the proportion of unionized to non-unionized workers in the industries concerned, by pitting ethnic and economic sectors of the working class against each other, by undermining health and safety standards, by encouraging employer flouting of collective agreements, and by locating an increasing portion of employer wealth effectively outside union reach. Further, homeworking impedes the formation of new unions units, particularly where unionization is weak and homeworking has the potential to reorganize the entire inside production system.

In sum then, homeworking aids in the fragmentation of the industrialized working class by fostering competition, weakening unions, stimulating contracting and undermining full-time employment.

CONCLUSIONS AND THE QUESTIONS THEY RAISE

The argument I have tried to make may be summarized as follows: Work at home for wages is on the rise again in a growing number of industries for the first time in over a century in the developed capitalist countries. Its rise is linked to several long-term shifts in the international division of labour. Among these there is the growth of an urban reserve of chronically unemployed women, swelled by rural to urban migration, by immigration towards the developed countries from the underdeveloped ones, by rising unemployment in the developed countries, or by a combination of these. Also, important labour-intensive manufacturing industries in the high wage countries have become unable to compete with producers in cheap labour zones in Asia. To remain solvent they are turning, sometimes on an industry-wide basis, to schemes to cut the cost of labour by hiving off costs from the producer to the worker or to the state. Further, even many of those labour-intensive industries and services not suffering from Third World competition are attempting to replace full-time jobs by diverse forms of precarious employment such as part-time, contractual and cyclical arrangements, piece rate pay, employment of illegal immigrants and homeworking. Homeworking is thus coming to play a role in three areas of the developed economies: a modernized and expanded role in traditional stagnant light industry such as textiles, garments, shoes; a new but limited role in high-technology modern industry such as electronics and electrical products, plastics, automobile accessories; and an experimental but poten-

tially crucial role in the word-and-information-transformation services. Across these very different industries and national economies, employers are turning to the new homeworking for a common reason: to cut labour costs by decentralizing production and isolating the labour force — to roll back, in other words, two centuries of union gains. The new homeworking forces factory and office workers back into the home, and reinforces the social isolation of the housebound female labour force, while displaying a real potential for radically transforming labour processes and work organization in labour-intensive industries. And with its potential, it cuts right across the blue and white collar division, sweeping up the highly skilled along with the unskilled. What are the limits to its future growth?

The limits to homework's expansion in the industries in which it is now present, its introduction in those where it is not, the degree to which it will revolutionize the labour process, and the limits to its impact on the labour force, will all be the result of economic and political choices rather than of inevitability and technological determinism. Those choices will be made by the principal institutional actors: unions, capital and the state. As in the eighteenth and nineteenth centuries, homeworkers will probably continue to have no independent voice, for the structure of their employment precludes and is meant to preclude their autonomy and collective organization. Unions will ambivalently speak for homeworkers and so, on certain issues, will the state.

In the developed market economies, three factors will govern these choices: how far governments are prepared to go and how effectively they intervene to re-energize the domestic manufacturing sector; how profitable homework in the service sector will be for the employer; how creatively unions come to grips with the full implication of the progressive marginalization of the unionizable labour force.

We can, I think, dispense with the argument that homework plays a socially progressive role in the developed economy. In *industrializing* countries it is often argued that homework is a first step towards integrating women isolated by tradition and religion into the ranks of producers of socially useful labour. In industrialized countries, just the reverse argument must be made. Once we reject the idea that homework frees the worker from the tyranny of office and factory, there are two possible approaches. Either homework is to be regulated or it is to be prohibited. American experience indicates that while it is never effectively wiped out, in times of relative prosperity and in industries of relative stability making homework illegal does reduce the number of practitioners. (So it was in the some 100 industries which the United States made homeworking illegal between 1941

and the early 1960's). But with the advent of rising unemployment, of illegal immigration, of sectoral decline or collapse, prohibiting homework makes homeworkers more vulnerable, more exploited, more isolated, more marginal. The options of prohibition or regulation are thus not so simple.

As well as governments, and companies, unions and community organizations in many countries have been debating this Hobson's choice. In countries where community organizations and women's groups have established their own terrain, — the English-speaking countries and Italy, but far less France — they are less automatically opposed to all homeworking, more inclined to search for mediating institutions to make homework possible without exploitation. In rough generalization, community and women's groups take the homemaker and her exploitation as their departure point, and leave concern with the impact of homework on unionized workers as a secondary question for others to address.

The reaction of unions to homework itself is varied. For generations unions in the affected industries right across the developed world reflexively condemned homework, seeking state intervention to abolish it. In Italy, the unions continue to simply oppose work at home for wages, as do the American unions concerned. In Québec, where the provincial government is favouring the spread of homework, the union debate is just beginning. Here, regulation is favoured over prohibition only by the least militant of unions and is considered tantamount to legitimating the spread of homework. Prohibition is the only option mainstream unions will discuss, but the mechanisms have not yet been worked out.

In Britain, on the other hand, the sometimes collaborative and sometimes parallel work of community groups and unions over the question of homework, since 1971, seems to be crystallizing a three part strategy. On the one hand, unionize industrial homeworkers; on the other, obtain the inclusion of service and industrial homeworkers under the legal category of employee; on the third, press for effective regulation of homework conditions rather than its abolition.

Unionization of homeworkers, anywhere, would force unions, whatever their ideology, into developing new strategies for their relationship to the non-unionized majority of the labour force, to women workers, to ethnic minorities, to community and women's groups. It would mean unorthodox organizing drives for which some do not have the material resources and others do not have the militancy. But it might allow unions in the declining sectors to re-unionize their industries, and unions in the emerging sectors to unionize theirs from the start. Above all, it might start

all the principal adversaries in the industrial relations systems of the developed economies thinking about the future shape of a fragmenting labour force and of developed capitalism in crisis.

La réapparition du travail à domicile dans les pays développés

Le travail à domicile et le marchandage, dont on pouvait croire qu'ils appartaient à une époque révolue, font leur réapparition dans les économies avancées et se développent depuis les vingt dernières années dans les secteurs traditionnels, tout en se diffusant avec rapidité dans certains des secteurs les plus modernes.

Le travail à domicile peut être défini comme la production, à domicile, de biens ou de services, aux fins de rémunération, pour un employeur ou son agent, quelle que soit la source des matériaux utilisés par le travailleur à domicile. La thèse de cet article peut se résumer ainsi: le travail salarié à domicile est de nouveau en train de se développer pour la première fois depuis plus d'un siècle dans les pays capitalistes développés. Son essor est lié à plusieurs changements à long terme de la division internationale du travail. Parmi ces changements figure la croissance d'une réserve urbaine de femmes en chômage chronique, grossie par l'exode rural, par une immigration issue des pays sous-développés, ou par la combinaison de ces phénomènes. Il faut ajouter que d'importantes industries manufacturières utilisatrices de travail intensif dans les pays de salaires élevés sont devenues incapables de soutenir la concurrence des producteurs des zones de travail à bas prix de l'Asie. En outre même les industries et les services utilisant du travail intensif, qui ne souffrent pas la concurrence du tiers monde, tentent de remplacer les emplois à temps complet par diverses formes d'emploi précaire, tels qu'arrangements à temps partiel, contractuels ou cycliques, salaire à la pièce, embauche d'immigrants clandestins et travail à domicile. Ainsi le travail à domicile est-il en train de jouer un rôle dans trois domaines des économies développées: un rôle modernisé et étendu dans l'industrie légère traditionnelle en stagnation du textile, du vêtement, de la chaussure; un rôle nouveau mais limité dans l'industrie moderne à technologie de pointe de l'électronique, de l'électricité, des plastiques, des accessoires automobiles et enfin un rôle expérimental mais potentiellement crucial dans les services concernant le traitement de texte de l'information.

À travers des industries et des économies nationales très différentes, les employeurs se tournent vers le nouveau travail à domicile pour une raison identique: réduire le coût du travail en décentralisant la production et en isolant la main-d'oeuvre afin de revenir, en d'autres termes, à deux siècles de conquêtes syndicales. Le nouveau travail à domicile force les travailleurs des usines et des bureaux à rentrer chez eux, et renforce l'isolement social de la main-d'oeuvre féminine prison-

nière de la maison, pendant qu'il déclenche une radicale transformation des méthodes de production et de l'organisation du travail dans les industries utilisatrices de travail intensif. Corrélativement, il passe à travers la division du travail manuel et du travail de bureau, mettant dans le même sac main-d'oeuvre hautement qualifiée et main-d'oeuvre non qualifiée. Quelles sont les limites de sa croissance?

Les limites de l'expansion du travail à domicile dans les industries où il est déjà présent, son introduction dans celles où il ne l'est pas encore, le degré auquel il révolutionnera les méthodes de production et les limites de son impact sur la main-d'oeuvre, dépendront de choix économiques et politiques plutôt que d'un déterminisme technologique inévitable. Ces choix seront faits par les principaux acteurs institutionnels: syndicats, entreprises et État. Dans les économies de marché développées, trois facteurs gouverneront ces choix: jusqu'où les gouvernements sont-ils prêts à aller et comment interviennent-ils effectivement pour revigorer les secteurs manufacturiers nationaux; quel sera le degré de profit ménagé à l'employeur par le travail à domicile dans le secteur des services; quelle mesure de créativité y aura-t-il dans la réaction des syndicats vis-à-vis des conséquences de la marginalisation progressive de la main-d'oeuvre syndicalisable.

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