

HOMEBASED WORKERS in LAOS



ISSUES OF HBWS

Invisibility

Lack of Income Opportunities

Access to Market

Unsafe housing, workplace & Environment

Access to Infrastructure & Utilities

Health, Education & Social Protection

Limited economic resources

ORGANIZING AND ADVOCATING FOR THE FIRST TIME

In Laos PDR as well as in many other low-income countries, homebased workers (HBWs) producing handicraft and other products are everywhere and yet they are seldom seen or heard by those in government. Most of them are women and their families struggling to overcome persistent poverty. They are particularly active in the capital city of Vientiane and the tourist province of Luang Prabang, where the more empowered among them have been drawn into Homenet Lao, an organizing

and advocacy network which works closely with government entities and government-related organizations such as the Lao Women's Union at both national and local levels. What are the priority issues of these homebased workers which could have motivated them to join networks of their own kind? What are they advocating, and how can they be assisted, especially by those in government? These questions are partially answered in a

research study conducted recently. The research study involved interviews with key informants, Focus Group Discussions (FGDs) with 41 HBWs (21 from three villages in Vientiane and 20 from four villages in Luang Prabang), and meetings with village heads as well as leaders of the Lao Women's Union (LWU).

SITUATIONER

HBWs in Luang Prabang and Vientiane earn their income mostly from making traditional products or products such as foot mats, aprons, blankets, etc., fashioned out of leftover materials from garment factories. HBWs involved in the study are also engaged in embroidery, tailoring, textile weaving, blacksmithing, paper making from tree stems and bamboo shoots, traditional weaving, flower-making from paper and plastic, drawing, painting, and carpentry. They use their own savings and spend long hours to produce their goods, with 44 percent of those interviewed declaring that they spend nine to 15 hours a day working. In addition, they have to do many

household tasks to feed and take care of their families. Homebased work is often the only choice available to women who are required to stay close to the household due mainly to gender-designated responsibilities.



PRIORITY ISSUES OF HOMEBASED WORKERS

Low income

Most HBWs are generally poor, generating low income. More than half of those interviewed claim that their main source of family income is homebased work. About half say they can earn a gross income of US\$125 a month, but one-third of these go to the purchase of raw materials. To net US\$80 per month, they have to work long hours under very poor working conditions. Seventy percent of these earnings go to food consumption, leaving very little for other needs.

Difficulty in Accessing Productive Resources

More than 73 percent of the HBWs interviewed use their own savings to buy raw materials for their products. They have limited access to financial resources, and if a few of them (13.3 percent) do, these are mainly from village savings groups. These groups utilize their savings to buy raw materials in bulk and provide their members with what the latter can afford to pay for.

Most HBWs (70 percent of those interviewed) reveal that they buy raw materials (silk, cotton, and surplus clothes) from monopoly traders. These traders include shop owners at local markets, business people who contract to buy surplus products with garments factories, and subcontractors



who dominate the product cycle. Many HBWs face difficulty in buying individually from monopoly suppliers and subcontractors who sell the raw materials on wholesale basis. There are times when they feel cheated because the suppliers mix small pieces with the large pieces of raw materials, and these take time to sort and piece together.

Need for capital can be low, as in foot mat making, or high, as in weaving. To produce a foot mat which they can sell for 5,500 kip, for example, HBWs need to invest 3000 kip. HBWs say that their priority is finding sources of available funds to support their businesses. In general, HBWs hardly get loans from financial institutions and/or microfinance schemes.

HBWs in both Vientiane and Luang Prabang say they did not receive any training for making their products. They just learned from each other and/or from their parents. They lack access to information, and to opportunities to learn and develop professional skills. Even if they have been grouped together, they still do not have a business development plan in place. They cannot improve the quality of their products, and they lack technical skills, especially in marketing.

INVISIBILITY
LOW INCOME
DIFFICULTY IN ACCESSING
PRODUCTIVE RESOURCES
MARKET COMPETITION AND DECLINE
LACK OF SOCIAL PROTECTION
LIMITED KNOWLEDGE ON OCCUPATIONAL
SAFETY AND HEALTH (OSH)
SOCIAL EXCLUSION

Market Competition and Decline

Most HBWs sell their products in markets close to or a few kilometers from their homes. More than 90 percent have motorbikes through which they can transport both their products and raw materials.

Lately, business and trading developments in Vientiane capital and Luang Prabang province have brought a number of challenges to HBWs: 1) increased competition among themselves, and 2) intense competition between their products and products imported mostly from China and Vietnam.

The market for their products is declining, resulting in failed HBW businesses as well as a decrease in the number of HBWs still actively producing.

Lack of Social Protection

Poor working conditions of HBWs lead to occupational safety and health (OSH) problems. More than 40 percent of those interviewed claim that they suffer from back pain. Often, the cramped and dusty workplace is not properly ventilated and has insufficient lighting.

HBWs initially used chemicals to dye cotton because this practice facilitated

and hastened the production process. They do not know the long-term effects on their health because of their limited knowledge regarding OSH and their lack of skills to protect themselves.

Aside from the absence of medical services at the workplace, HBWs do not undergo annual medical check-up as required by law. HBWs spend only about five percent of family income on health care. Few HBWs have their own health insurance obtained from organizations they work for. In Luang Prabang, all the HBWs interviewed do not have any social security or health insurance. When they fall ill they borrow money from their savings group to pay for health care services.

Social Exclusion

Most HBWs are scattered in urban or suburban areas. They lack strategic attention and support from community leaders and the public. Even if they are regularly invited to participate in public meetings, their burning issues are hardly ever brought up. It is as if their presence is virtually non-existent, unknown, not socially recognized, and not economically valued, even if they do contribute a lot to the urban and national economy. Most are not yet benefiting from local or community development. The government does not yet have any law to ensure and protect their rights and benefits, particularly those who are engaged in risky jobs.



ECCDA

The **Environment Conservations and Community Development Association (ECCDA)**, formerly called **Non-Profit Association of Lao Development (NALD)** was established as a non-profit organization on June 8, 2004 and has set up the HomeNet Laos (HNL) in 2005 to support Homebased Workers (HBWs) in the Lao PDR to improve their products and get better prices to make them competitive. Support was provided to small enterprises for women and families of homebased workers (HBWs), create the product groups of HBWs, and the groups of HBWs networking under (HNL).

ECCDA'S community development activities include Villages Savings Groups using the revolving fund as means to strengthen and empower people in the communities, especially women in poverty. The President of NALD and the NALD team have helped implement many projects of the Lao Women's Union (LWU) in collaboration with FIAM, FCD and CODI from Thailand. Savings groups have been set up in both rural and urban areas. Now their number is more than 600 situated in 7 provinces of Lao PDR.

In cooperation with the LWU and FIAM's Small Rural Project for Women, more than 200 saving groups have been established and have over 40,000 members. Their development activities have been progressing since 1997. Mr. Khanthone worked with this Project as project coordinator and project manager from 1997 to 2007.

With the LWU and CODI's Project: Women and Community's Empowering, started in 2000, some 530 saving groups in 525 village in 22 districts have been set up and have over 100,000 members.

In compliance with the Law of Lao PDR Reference Number: 115/NorYor dated 29 April 2009 on the Association, the Non-profit Association of Lao Development (NALD) was reregistered and changed its name to: **Environment Conservations and Community Development Association (ECCDA)** under the Ministry of Security of Lao PDR Reference Number: 144/Por Nor dated 29 November 2011.

VISION

ECCDA wants to be an agency that fully supports the development of rural and urban communities in Lao PDR so that the people can eventually help themselves socio-economically, culturally, and environmentally.

MISSION

a. Improve the socio-economic well-being of the people - rural and urban - through the educational process to raise their own community awareness and provision of necessary education and technical know-how.

b. Organize people, especially women and their groups and organizations, into self-reliance groups and networks whereby they effectively and efficiently help themselves and one another.

c. Mobilize resources of various levels to support the various networks of these people at all levels.

OBJECTIVES

1.To encourage community development through group and network establishment for homebased workers, to upgrade labor skills, to improve their products' quality, to promote the sales and marketing of products made by home-

based workers, to link various similar groups and networks into higher levels of networks of home-based workers,

2.To encourage new development of knowledge and capacity, making use of local technologies, vocational training, language and computer skills, and the like,

3.To promote local microfinance such as the establishment of savings groups, and revolving funds, small enterprises and local marketing, and

4.To promote environmental actions, awareness raising on bio-diversity for school children and communities, reduction of chemical fertilizers, and creating local protected forests and fish preserving areas.

ACTIVITIES of ECCDA include capacity building for HomeNet Lao and NALD organization on leadership, operational system ;training and capacity building for HomeNet Laos groups at village level: for Nongthatay garments groups, weaving group of Dongsanghin village, support for homebased workers through training on how to raise tapioca-based silkworms and create new HNL product network under the Training Center(TCSR).

Training center for scientific and research services was constructed in 2009 through a project cooperation among the Citizen for Dozen Housing (CiDeH) and Non -profit Association of Lao Development (NALD) and (KOICA) from South Korea. The Training Center is now open to provide services for the following activities:

- Vocational training for HBWs and other workers in poverty;
- Training on leadership, organizational management, small businesses, marketing and others for HBWs and other workers;
- English Language training classes

HBW SUGGESTIONS TO DECISION-MAKERS IN GOVERNMENT

Building and strengthening community-based groups of HBWs

Working closely with government agencies to carry out capacity building and fund raising activities will enable HBWs to produce a variety of quality products that are competitive in the market. Working with the Lao Women's Union and village bank leaders can facilitate financial support, procurement of raw materials, resolution of disputes, and protection of HBWs' rights. Internal networking among other HBWs groups and externally through networks of HBWs in the region will enhance capacity

of HBWs. Producers' groups, cooperatives or associations of HBWs need to be organized as Membership-Based Organizations (MBOs). NGOs can help in conducting market researches and studies for HBW products. HNSEA and HNSA can assist in organizational development, capacity building of staff, networking and product development.

Enhancing the local support system.

This includes awareness-raising through the LWU and Lao Federation of Trade Unions; advocacy through the Ministry of Labour and Social Welfare(MLSW) and domestic NGOs; developing community lead-

ers, and tapping the private sector for marketing HBW products.

Moving to different levels of social protection

Through the Lao Women's Union and NGOs, HBW networks can continue to be linked to banks and savings groups to help HBWs develop business development plans as well as social security schemes. They can also dialogue and advocate with policy makers on social protection, labor laws and policies that will focus on gender equality, OSH, and participatory governance.



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**EMPOWERING
HOMEBASED WORKERS**

<http://www.homenetseasia.org/>

THE ROLE OF ORGANIZING

Homenet Laos has helped develop a joint marketing system for producer groups in the village bank network which has provided technical assistance and developed profit sharing among member HBWs. Homenet Lao can also be instrumental in addressing other issues of HBWs by creating membership-based organizations (MBO) of HBWs, exploring fair trade opportunities that will benefit poor HBWs, advocating for social protection through discussions with policy makers on occupational safety and labor policy and legislation, and pushing for gender and participatory governance through its network.

Funding opportunities for innovative ideas to promote enterprise development are available through the World Bank. Coordination and close collaboration with the Lao Federation of Trade Unions, Ministry of Social Welfare, and international organizations such as Homenet South Asia (HNSA) and Homenet Southeast Asia (HNSEA) are needed to support and recognize HBWs. Homenet Lao should also work closely with the Lao Women's Union for technical support, capacity building, fund access, and protection of HBW rights.



Photos by QT Luong

PHOTO GALLERY

