

TRAINING MODULE 3

Home Based Microenterprise Start Up

‘God didn't have time to make a nobody, only a somebody. I believe that each of us has God-given talents within us waiting to be brought to fruition.’

Mary Kay Ash Founder of Mary Kay Cosmetics

Most microenterprises will start from a home or subsistence farm base as this keeps the start up cost to a minimum and reduces the risk of loss if the venture does not succeed.

Most home based work is ‘informal’ that is it is not registered so pays no taxes but the owners will have no social insurance or security benefits. Working from home may be the only option for rural women or those with young children to look after.

‘Homework has a dual and contradictory character: It can be the source of exploitation of workers, but under some conditions, it can foster human development and the emergence of microenterprises and promote local development....’ (International Labour Office)

In developing countries there are two types of home based work: Paid work for others, like manufacturers, or ‘outsourcers’ – where pay is often on a ‘piece rate’ basis, that is the workers receives a set payment for each piece of work completed and satisfactory. This type of work has a poor reputation as often the work is hard, requiring long hours and the pay is often very low.



The second type of homework which Aid for Trade wants to help is the production of agricultural produce, craft goods or other products – or the provision of services for sale. This may be the start up of your own microenterprise or starting to do what others in your community are already doing successfully, possibly with collaboration in collective selling.

1. Working from home for a manufacturer or other organization

This is perhaps the easiest route to generating additional income, but brings with it risks of exploitation. You will almost certainly work in complete isolation and may have no positive association or link with those for whom you are working.

Extensive international efforts have been taking place to try to establish standards and obligations for home work placement by manufacturers. The International Labour Office have produced a Code of Good Practice for Home work (<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C177>) and there is an International Homeworkers Federation.

(<http://www.homeworkersww.org.uk/about-us/international-federation>) which encourages and supports groups or associations of homeworkers

The Ethical Trade Initiative (www.ethicaltrade.org) have produced a code of practice for manufacturers who use homeworkers (<http://www.ethicaltrade.org/comm2003/redirects/survey3.php?url=/Z/lib/2006/07/hmwkr-gls/ETI-hwgl2006-all.shtml&mlist=no>)

The ETI Base Code:

2. Employment is freely chosen
3. Freedom of association and the right to collective bargaining are respected
4. Working conditions are safe and hygienic
5. Child labour shall not be used
6. Living wages are paid
7. Working hours are not excessive
8. No discrimination is practised
9. Regular employment is provided
10. No harsh or inhumane treatment is allowed



Homeworker making shoes Bulgaria

If these principles are adopted seriously by manufacturers or ‘outsourcers’ then course this type of homework will suit many.

Sorry, this section is to be continued

