



Women in Informal Employment Globalizing and Organizing

WIEGO Working Paper (Statistics) N° 17

June 2010

Domestic Workers in Latin America: Statistics for New Policies

Victor Tokman



WIEGO Working Papers

The global research-policy-action network Women in Informal Employment: Globalizing and Organizing (WIEGO) Working Papers feature research that makes either an empirical or theoretical contribution to existing knowledge about the informal economy especially the working poor, their living and work environments, and/or their organizations. Particular attention is paid to policy-relevant research including research that examines policy paradigms and practice. This series includes statistical profiles of informal employment and critical analysis of data collection and classification methods. Methodological issues and innovations, as well as suggestions for future research, are considered. All WIEGO Working Papers are peer reviewed by the WIEGO Research Team and/or external experts. The WIEGO Publication Series is coordinated by the WIEGO Research Team.

About the Author:

Victor Tokman is the former ILO Regional Director for Latin American and the Caribbean and Director of the Employment and Development Department. At present, he is an international consultant and a professor at the University of Chile and the Latin America Faculty of Social Sciences (FLACSO).

Acknowledgements:

This paper has been prepared at the request of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations and WIEGO. The author thanks Joann Vanek for her very useful comments and editing contributions.

Publication date: June 2010

ISBN number: ISBN 978-92-95095-31-1

Published by Women in Informal Employment: Globalizing and Organizing (WIEGO)
A Charitable Company Limited by Guarantee – Company No. 6273538, Registered Charity
No. 1143510

WIEGO Secretariat

Harvard Kennedy School,
79 John F. Kennedy Street
Cambridge, MA 02138, USA
www.wiego.org

WIEGO Limited

521 Royal Exchange
Manchester, M2 7EN,
United Kingdom

Copyright © WIEGO.

This report can be replicated for educational and organizing purposes as long as the source is acknowledged.

Cover photograph by: The domestic workers union Sindicato de Trabajadoras del Hogar del Perú (SINTRAHOGARP)

Contents

| | |
|--|----|
| Introduction..... | 1 |
| The Importance of the Domestic Worker Occupation..... | 1 |
| Earnings and Poverty Incidence | 2 |
| Access to Protection and Labor Contracts | 4 |
| Trends in Social Protection Coverage | 9 |
| Explaining Social Security Coverage in Domestic Service: A Regression Analysis | 12 |
| Domestic Workers and Migrant Women | 13 |
| Final Remarks | 15 |
| References | 17 |

Tables and Figures

| | |
|--|----|
| Table 1: Urban Domestic Workers by Sex in Latin America, 1990–2008..... | 2 |
| Table 2: Earnings Differentials between Urban Domestic Workers and Other Urban Workers by Sex (Per Cent) | 3 |
| Table 3: Poverty by Selected Occupations and Urban/Rural (Per Cent around 2006) | 4 |
| Table 4: Pension Contribution by Categories of Urban Workers and Sex..... | 5 |
| Table 5: Labor Contracts and Pensions among Urban Workers: Type of Contract and Employment Category by Sex..... | 6 |
| Graph 1: Urban Domestic Workers Pension Coverage by Sex, 2000–2008 | 9 |
| Graph 2: Access to Protection in Health and/or Pensions by Type of Employment Among Urban Workers | 10 |
| Table 6: Coverage of Pensions and/or Health by Type of Employment and Sex: Urban Workers, 2000–2008..... | 11 |
| Table 7: Effects of Enterprise and Personal Characteristics on Coverage in a Social Security System for Categories of Workers and by Sex | 12 |
| Table 8: Immigrants in Domestic Work..... | 14 |

Introduction

This paper analyzes the situation of an understudied occupation, domestic work. Domestic workers labour in someone else's home and perform diverse tasks including cooking, cleaning, driving and gardening. The activities performed are structured differently depending on local cultures and customs. Controls and inspections are difficult to undertake since the work takes place in the privacy of the family home. Domestic workers are in a labor relation of subordination that is ill-regulated, difficult to control, and without international standards. The conditions and characteristics of domestic work make it difficult to access the information needed to design appropriate regulations and monitor their implementation. The objective of this paper is to analyze and present the data available for Latin America to improve understanding of the situation and the needs of domestic workers in the region, especially those working in urban areas. Given the predominance of women in domestic services, differences among women and men are a focus of the analysis.

After this introduction, section 2 provides data on the importance of the occupation and its main characteristics. Section 3 provides data on earnings, income differentials as compared to other types of employment, and poverty levels. Section 4 examines access to labor contracts and social protection. Section 5 takes up the coverage and evolution of social protection. Section 6 considers the determinants of access to social protection and how these vary for women and men. As international migrants constitute a significant part of domestic workers in the region, section 7 provides data on this activity as a source of employment for immigrants, particularly for women immigrants. The concluding section summarizes the main findings of the analysis and highlights general policies that emerge from them.

The Importance of the Domestic Worker Occupation

Today, 7.6 million people are employed as domestic workers in urban areas of Latin America.¹ They constitute on average 5.5 per cent of total urban employment. Domestic workers are mainly women from lower income households. Many are migrants originally coming from rural areas and, more recently, from foreign countries that are generally but not only neighboring countries. At the beginning of the 1990s, more than six per cent of employment in the region was in the domestic services while in the following two decades, the share was stable although at the slightly lower level of 5.5 per cent. The majority of domestic workers are women, but men also perform these activities although to a lesser extent. Domestic work is an important source of women's employment. One of eight employed women is occupied in domestic services in contrast to only 0.5 per cent of employed men. Domestic work also constitutes 12 per cent of women's urban employment. Domestic service as a share of men's employment has been fairly stable. However, domestic service as a share of women's urban employment dropped during the last three decades from 14.8 to 12.2 per cent (table 1).

Table 1: Urban Domestic Workers by Sex in Latin America, 1990–2008

| | Total | Men | Women |
|-------------|----------------------------|-----|-------|
| | (as % of urban employment) | | |
| 1990 | 6.1 | 0.6 | 14.8 |
| 2000 | 5.5 | 0.5 | 12.7 |
| 2008 | 5.5 | 0.5 | 12.2 |

Note: Arithmetic means for 15 countries.

Source: ECLAC (2009).

¹ The data on domestic service workers in this paper are from household surveys in the database of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). The Spanish acronym for ECLAC is CEPAL. The data are processed according to the categories of the International Classification of Status in Employment (ICSE-93). In a few countries (Argentina, Mexico, Nicaragua, Uruguay and Venezuela), the International Standard Classification of Occupations (ISCO-88) is used as a complementary source. One of the categories of workers in the analysis is wage workers in micro-enterprises. Micro-enterprises are small units with five or fewer workers.

Underlying these aggregate figures is a positive correlation, though not high, between the level of development of the country and the importance of domestic services. Higher income countries mean higher income households and more demand and capacity to hire domestic services. However, other factors such as culture and the supply of workers also contribute to the levels of employment in domestic work. A first group, which is above the regional average, includes all MERCOSUR countries (Argentina, Brazil, Uruguay and Paraguay) plus Chile, Panama, Uruguay and Paraguay, where domestic workers hold over 9 per cent of urban employment. For the countries of Central America and most of the Andean countries, the per cent of domestic workers among the urban employed varies from 3.3 in Peru to 4.4 in Costa Rica. In an intermediate group of countries, between 4.6 and 5.6 per cent of urban workers are in the domestic service.

Domestic service as a source of employment for men varies within a small range among countries in the region. For example, in Uruguay and Paraguay, domestic service is about one per cent of men's total urban employment while the majority of countries are closer to the average (0.5 per cent). However, among countries, there are considerable differences in domestic service as a source of employment for women. The highest levels of domestic work as per cent of urban female employment are in Uruguay and Paraguay with levels of around 20 per cent. In higher income countries—Argentina, Chile, Brazil and Panama, among others—domestic work is between 15 and 17 per cent of female urban employment. In the remainder of countries, domestic service is still an important source of women's employment in urban areas—between 7.7 and 10 per cent.

Earnings and Poverty Incidence

Wages paid to domestic workers are low both in absolute terms as well as compared to other types of employment. Incomes earned in domestic services in Latin America were only 41 per cent of the average earnings of the urban employed.

The size of wage differentials varies across countries. In more advanced countries, the differentials reach higher levels while the gap tends to be smaller in the less developed countries. In MERCOSUR countries and in Mexico, Chile, Panama and Costa Rica, the earnings of domestic workers in urban areas are between one-third and one-quarter of average income while in other countries such as Bolivia, El Salvador, and Nicaragua, among others, the differential tends to be smaller—around 80 per cent of the earnings of all employed persons. In urban areas, since the availability of well-paid jobs is scarce even in higher productivity sectors and for better trained candidates, earnings differentials are small. The opposite seems to be the case in more advanced countries. The earnings gap between women and men is also significant (table 2). On average, the earnings of women working in urban domestic services are 73 per cent of that paid to men. The gaps across countries and between women and men remained stable during the last decade.

Table 2: Earnings Differentials between Urban Domestic Workers and Other Urban Workers by Sex (Per Cent)

| | 2000 | 2008 |
|--|-------|-------|
| Domestic workers/urban employed | 39.1 | 40.7 |
| Domestic workers women/men | 73.1 | 72.6 |
| Women domestic workers/women own-account (non-professional) | 74.4 | 84.0 |
| Women domestic workers/women wage-workers in micro-enterprises | 77.1 | 82.6 |
| Men domestic workers/men own-account (non-professional) | 100.3 | 117.8 |
| Men domestic workers/men wage-workers in micro-enterprises | 90.2 | 93.5 |

Note: Arithmetic mean based on data from 18 countries.

Source: ECLAC (2009).

In 2000, women in domestic work earned only about 74–77 per cent of the earnings of women in other jobs in the informal economy—own-account self-employment (non-professional) and wage workers in micro-enterprises. However, the earnings of women in domestic work increased substantially between 2000 and 2008 relative to the other two types of jobs.

By contrast, men in domestic service do as well or even better than men in other jobs in the informal economy, largely because men have the option of taking on more highly skilled and better paying jobs than women, such as drivers, gardeners and household repair. The earnings of men in domestic services are similar to those of non-professional own-account workers and 90 per cent of wage workers in micro-enterprises. By 2008, the earnings of men in domestic work were substantially higher than the earnings of men in own-account employment and had risen slightly relative to men in wage work in micro-enterprises.

Underlying the average differences in earnings between domestic workers and the two other categories of informal employment is little difference across countries for women but considerable variation across countries for men. For example, in Argentina, Mexico, Uruguay, Paraguay, Peru and El Salvador, men in domestic work earn more than wage workers in micro-enterprises. In Chile, earnings in both types of employment are the same.

Table 3: Poverty by Selected Occupations and Urban/Rural (Per Cent around 2006)

| | Urban | Rural |
|-----------------------------------|-------|-------|
| Total population | 35 | 60 |
| Employed | 26 | 52 |
| Domestic workers | 36 | 46 |
| Wage workers in micro-enterprises | 35 | 49 |

Notes: Arithmetic mean for 18 countries for urban and 16 for rural. Percentages in each category reflect households below the poverty line.

Source: ECLAC (2009).

Poverty levels—at around 35 per cent—are high for both domestic workers and wage workers in micro-enterprises in urban areas (table 3). However, they are even higher in rural areas. The proportion of both types of workers in rural areas is only a little less than 50 per cent. In rural areas, 52 per cent of the employed are in poverty, which is twice that in urban areas.

While the incidence of poverty among wage workers in micro-enterprises and in domestic work is similar, wage workers in micro-enterprises are a larger share of the poor than are domestic workers. In urban areas, wage workers in micro-enterprises are about 18 per cent of the poor while domestic workers are 9 per cent; in rural areas, wage workers in micro enterprises are 12 per cent of the poor and domestic workers are 13 per cent.

Access to Protection and Labor Contracts

In Latin American countries, a labor contract generates a legal obligation to contribute to social protection. Legally, in most countries, it is the responsibility of the employer to issue the contract and contribute to worker protection and of the labor administration to oversee and enforce this obligation. In practice, in most countries, the contribution is shared by both employer and worker. Chile is the only country where the worker is legally obligated to make a contribution, but there too, the employer usually makes a contribution. However, a written contract does not necessarily ensure that a contribution is made to the worker's pension or social security. The contractual obligation also needs to be enforced. Generally, domestic service workers are less likely to have a contract and less likely to be in a social security/pension system than workers in micro-enterprises.

Only 19 per cent of domestic workers in Latin America are in a social security system compared to 47 per cent of urban workers and 25 per cent of wage workers in micro-enterprises.² There are significant differences between women and men. Coverage of men working in domestic services is around 30 per cent but only 18 per cent for women (table 4). For all urban workers, the difference between women and men is not significant. However, among wage workers in micro-enterprises, women are more likely to be in social security systems than men. Men in domestic work are usually in better paid jobs such as gardeners, drivers, guardians and waiters while women are in cleaning, cooking and child care. The former jobs generally are not only better paid, but they are also more often covered by a contract and have social protection.

Table 4: Pension Contribution by Categories of Urban Workers and Sex

| | Urban total | Domestic workers | Wage workers micro-enterprises |
|--------------|-------------|------------------|--------------------------------|
| Total | 47.3 | 19.1 | 24.5 |
| Men | 47.9 | 30.6 | 22.3 |
| Women | 46.7 | 18.2 | 29.7 |

Note: Arithmetic averages for 13 countries.

Source: Based on household surveys around 2007 in the ECLAC Database.

Only 20 per cent of domestic workers have a labor contract compared to 28 per cent of wage workers in micro-enterprises and 58 per cent of all urban workers (table 5). The percentage of men working under contract in domestic work is higher than that of women. By contrast, while more wage workers in micro-enterprises have contracts than domestic workers, women are more likely than men among these workers to have a contract. Working without a contract is not equivalent to zero protection, but access is significantly reduced, and this affects all workers including those in domestic work. With no labor contract, few workers in any of these categories are part of a pension system. Only about 10 per cent of domestic workers without a contract are in a pension system as are 11 per cent of workers in micro-enterprises and 19 per cent of urban workers. Men in domestic services working without labor contracts are almost as likely to be in a pension system as urban employed workers and twice as likely as wage workers in micro-enterprises. Only a small proportion of women in domestic services working without a contract register contributions to social security.

Having a labor contract matters, but the type of contract is also important for access to protection. The standard contract is permanent, and in spite of the increased flexibility introduced in recent decades, it is still the most common type of contract. Around 79 per cent of both women and men who have a labor contract have it without a time limit. The permanent labor contract is even more common among domestic workers. However, for domestic workers, specific regulations to end the contract are generally not applied. Indemnities are usually not included as an obligation in the permanent contract for domestic services because it is generally considered as a post of "personal trust" and as such, subject to firing without indemnities.³ Hence, permanence in this case is even more flexible than a short term contract since it only requires advanced notice.

² This refers to the arithmetic average rather than the weighted averages. The former captures better the situation by country, while the latter reflect better the larger countries. To illustrate the magnitude of the difference, the weighted average reaches 24.3 per cent as compared to the 19.1 per cent mentioned in the text. This pattern, as well as the direction of the difference with wage workers in micro-enterprises, is also clear when the weighted average is considered.

³ The contract usually includes one month advanced notice that can be offset by a similar payment, and in some countries, a contribution is included in the contract for unemployment insurance when the contract is ended.

Table 5: Labor Contracts and Pensions among Urban Workers: Type of Contract and Employment Category by Sex

| | Urban wage workers | | | Domestic workers | | | Wage workers micro-enterprises | | |
|---------------------------------------|--------------------|------|-------|------------------|------|-------|--------------------------------|------|-------|
| | Total | Men | Women | Total | Men | Women | Total | Men | Women |
| Contract | | | | | | | | | |
| Labor contract | 57.6 | 58.2 | 57.6 | 20.4 | 26.5 | 20.1 | 27.7 | 25.7 | 32.2 |
| Permanent contract | 79.4 | 80.5 | 78.8 | 88.8 | 87.0 | 87.3 | 80.9 | 71.0 | 81.9 |
| Contributions to pensions | | | | | | | | | |
| Contributions with contract | 83.4 | 83.8 | 82.8 | 41.2 | 51.0 | 31.0 | 59.6 | 57.6 | 63.6 |
| Contributions with permanent contract | 86.4 | 86.7 | 85.9 | 43.4 | 54.0 | 38.4 | 64.3 | 62.9 | 67.4 |
| Contributions with a typical contract | 62.2 | 57.5 | 61.0 | 44.4 | 64.0 | 43.4 | 41.9 | 40.6 | 45.1 |
| Contributions without contract | 19.3 | 19.5 | 19.1 | 9.9 | 16.3 | 9.0 | 10.5 | 8.8 | 12.9 |

Notes: Arithmetic means based on small numbers of countries: labor contract—7 countries, permanent contract—6 countries, contribution with contract—5 countries, contributions by atypical contract—5 countries, contributions without contract—4 countries.

Source: Based on household surveys around 2007 in the ECLAC Database.

Having a labor contract generates the legal obligation to contribute to protection, but having social protection is also affected by the type of contract and by the effective enforcement of labor legislation. The existence of a contract does not ensure access to protection for all workers (table 5). Eighty-three per cent of urban wage workers with a contract are part of a pension system, and there are no major differences between men and women. Among workers in micro-enterprises, 60 per cent of those with a contract are part of a pension system with women more likely to be a part of the system than are men—64 per cent of women in comparison to 58 per cent of men. Domestic workers with a contract are even less likely to be part of a pension system than workers in the other types of jobs as only 41 per cent are part of a pension system. Further, many fewer women than men domestic workers with a contract are part of a pension system—only 31 per cent of women in contrast to 51 per cent of men.

A large proportion of urban wage workers with a permanent labor contract—86 per cent contribute to social security. However, only 43 per cent of domestic workers with a permanent contract contribute to protection. Further, among domestic workers with a permanent contract, women have less access to protection (only 38 per cent) than do men (54 per cent). Women workers in domestic services are in the weakest position and are generally excluded from protection—even when they are working with permanent contracts.

For both women and men, working under an atypical labor contract in domestic services is accompanied by greater access to social security than working under a permanent contract. The percentage of men working in domestic services contributing to protection under an atypical contract exceeds the level reached under a permanent contract but is also the highest level of access of all workers, particularly in contrast to wage workers in micro-enterprises. One explanation of this apparent paradox is that permanent contracts for domestic services are, in practice, atypical. By contrast and as expected, for wage workers in general and wage workers in micro-enterprises, the percentages contributing to protection under atypical contracts are lower than for those with permanent contracts.

Information on social security coverage by the categories used in this analysis is available for 13 countries. In these data, two groups can be distinguished. In the first group, the coverage of urban wage workers varies from a minimum of 56 per cent to a maximum of 79 per cent. The first group includes Panama, Costa Rica, Chile, and Uruguay, with the highest coverage, and Brazil, Mexico, Venezuela and Argentina in descending order. Within this group, two patterns can be distinguished. In the first four countries, Chile and Uruguay, followed by Panama and Costa Rica, coverage for domestic workers is around half that for all

urban workers—around 30 to 45 per cent. The four remaining countries show lower coverage for domestic workers. Argentina registered the smallest coverage both for urban wage workers and for domestic workers.

In the second group—Guatemala, Ecuador, Bolivia, Paraguay and Peru—social security coverage of urban wage workers is between 31 to 49 per cent. Coverage of domestic workers in all countries in the group is less than a quarter of this level, and, in some countries, the coverage is very low. The highest coverage is 10 per cent in Ecuador followed by Guatemala and Paraguay. In both groups of countries, women are less likely to have pension coverage than men. However, in the second group and especially where the contribution is very low, the differences between women and men are small.

There are significant differences across countries in the availability and type of contracts as well as in the links between contracts and social security coverage. Unfortunately, as the data disaggregation required increases, the number of countries that can be analyzed decreases. Seven countries have data on the percentage of wage workers with contracts. In these countries, the percentage of wage workers with contracts varies from 83–84 per cent in Argentina and Panama to 40–50 per cent in Ecuador and Guatemala. Only in Argentina is the number of domestic workers with contracts similar to the average of urban workers, and almost all have permanent contracts. The percentage of domestic workers with contracts varies from half the coverage in Chile and Brazil to one-tenth in Guatemala. The contracts held by domestic workers are mostly without a time limit, and there is no significant difference between women and men.

Pension coverage for all urban wage workers is, in ascending order, from 90 to 96 per cent in Panama, Mexico and Chile. In Ecuador, coverage of contributions to social security is 74 per cent and in Argentina is 66 per cent.

Only five countries have data on social security coverage by type of contracts. Working with a contract does not necessarily ensure domestic workers protection. Only in Chile is social security coverage almost universal whereas in Mexico and Panama, coverage reaches around 40 per cent, and in Ecuador it reaches 20 per cent. In Argentina, less than 9 per cent of the workers in domestic services have social security coverage although 81 per cent have a contract. Working without a contract does not mean a total lack of coverage for domestic service workers except in Argentina. In Panama, the coverage of domestic workers without a contract is 29 per cent while it is 12 per cent in Chile and around 8 per cent in Ecuador and Mexico. In most cases, men are more likely than women to be covered.

The coverage of workers with a permanent contract is high but with differences among countries. In Chile, 97 per cent of all wage workers are covered while in Mexico and Panama, 95 and 93 per cent are covered respectively. In Ecuador and Argentina, 79 per cent and 69 per cent of all wage workers are covered respectively. As seen above, this type of contract is also dominant for domestic service workers, but it is not accompanied by a parallel coverage of social protection. Only in Chile does domestic worker coverage reach 93 per cent, but in Mexico and Panama, the coverage of domestic workers is less than half that of all urban wage workers. In Ecuador, it is only one-third. The major gap is observed in Argentina since although 69 per cent of all urban wage workers under permanent contracts are covered by contributions to social security, only 9 per cent of domestic workers are covered even though they work under permanent contracts.

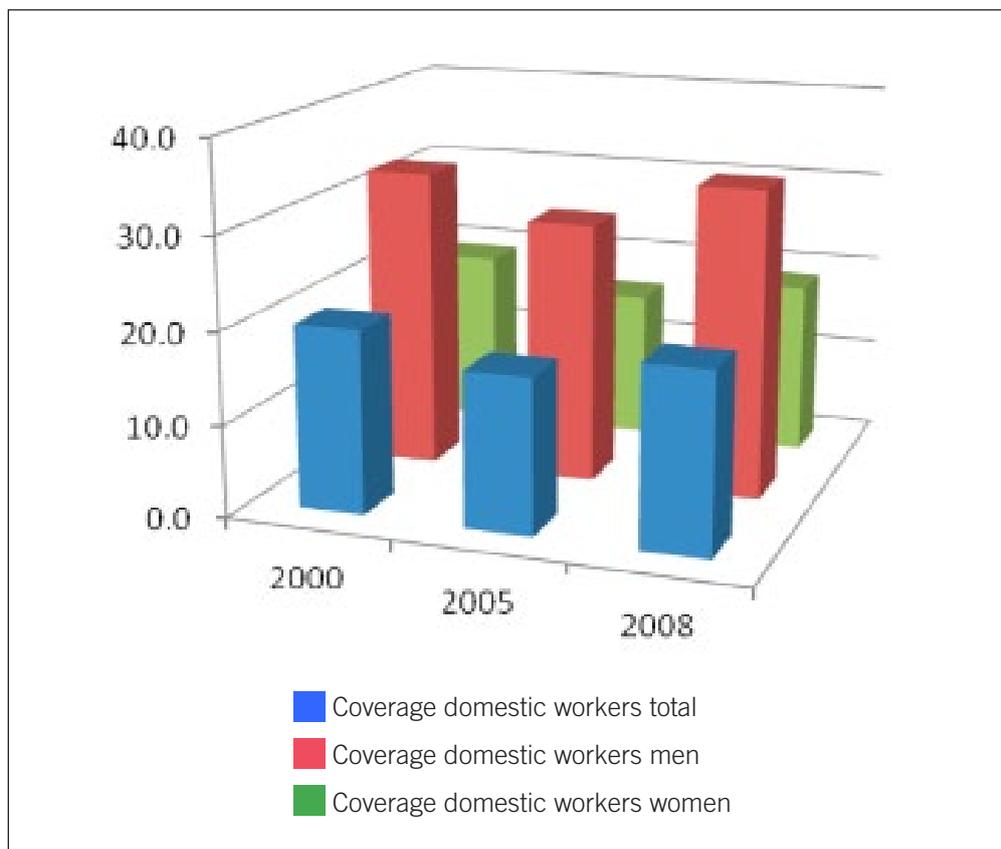
Working under an atypical labor contract expanded as a result of the labor reforms that began in the early 90s. The issue is whether or not an atypical contract contributes to the precariousness of labor relations. Wage workers under an atypical contract in Chile are, on average, almost fully protected with 91 per cent coverage. Coverage is lower in Mexico (80 per cent) and in Panama (77 per cent). However, domestic workers under atypical contracts are less likely to be covered than urban wage workers. In Chile, coverage for domestic workers is reduced to 76 per cent and is reduced in the other two countries to 26 and 31 per cent respectively. The result is a loss of protection of around half of the coverage received by average wage workers under a similar contract and even by wage workers in micro-enterprises.⁴

⁴ This issue should be further researched since the data available refer only to three countries in the case of domestic services, and most of these activities are performed under permanent contracts.

Trends in Social Protection Coverage

Only 19 per cent of urban domestic workers were covered under a pension system in 2008 (table 6).⁵ This number is considerably less than the average of 47 per cent for all urban wage workers and 24.5 per cent for urban wage workers in micro-enterprises. Coverage for domestic workers more than doubles if it is expanded to both pensions and/or health coverage linked to one's employment, but it is still 30 per cent below the coverage for all urban wage workers and is close to the level registered by wage workers in micro-enterprises. Women in domestic work are less likely to have access to protection than men—about 33 per cent of men have access while only 18 per cent of women have access. Men in domestic services are more likely to have protection than men in micro-enterprises whether protection is measured by contributions to pensions and/or health. However, coverage is higher and gender differences tend to diminish due to higher health coverage.⁶

Graph 1: Urban Domestic Workers Pension Coverage by Sex, 2000–2008

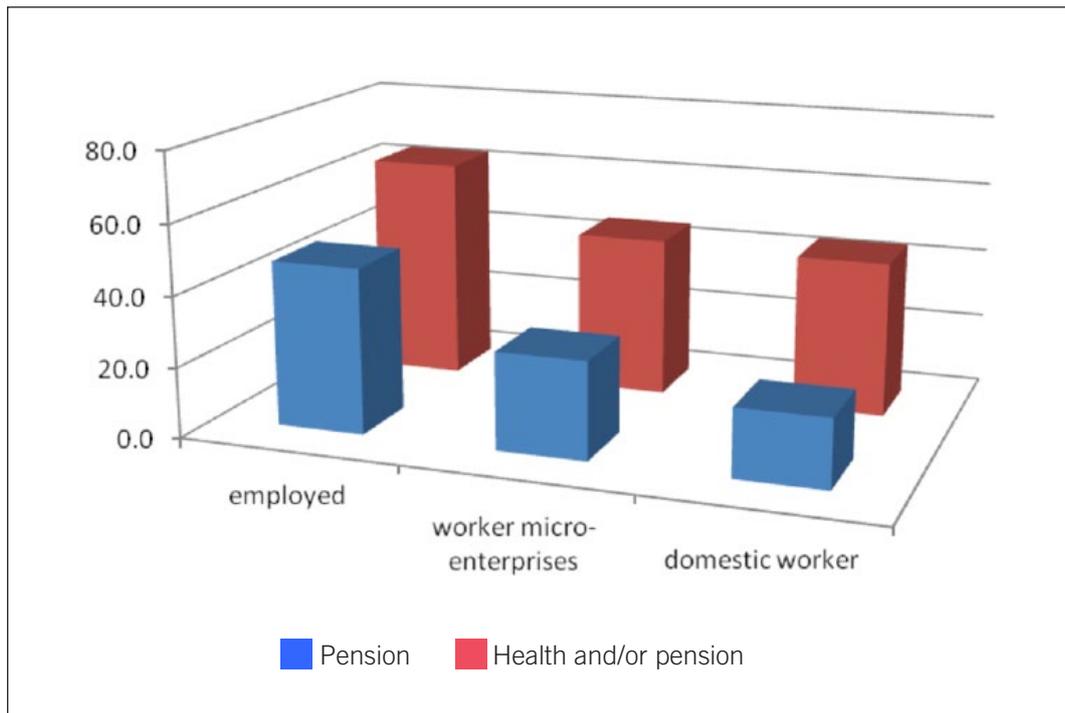


The level of protection as measured by contributions to old age pensions decreased from 2000 to 2005, but after 2005, economic recovery allowed a return by 2008 to the initial level (graph 1 and table 6). With wider access to health benefits, social protection expanded during the period for all the compared groups: total employed domestic workers and workers in micro-enterprises. Yet large differences in coverage remain between categories of workers, especially in contributions to pension systems (graph 2).

⁵ Contributions to pensions are taken as a proxy indicator of access to protection since it is usually available in the statistics. Other indicators like access to health present more difficulties of interpretation given their nature. However, this indicator will also be used to complement the previous one.

⁶ The percentages refer to the arithmetic mean. The weighted mean is larger than the arithmetic mean due to the high correlation between bigger and more developed countries.

Graph 2: Access to Protection in Health and/or Pensions by Type of Employment Among Urban Workers



Coverage of domestic services varies according to countries and by type of risk covered, old age pensions or pensions, and/or health. As graph 2 shows, the latter is better covered. This is probably because health coverage is less expensive and its impact is more immediate than pensions that will be received after retirement.

Three groups of countries can be identified in coverage by pensions. The highest coverage is in Chile and Uruguay where 42.5 per cent of domestic workers have access to a pension; Brazil follows with 38 per cent. A second group includes Colombia and Argentina where pension coverage reaches 14 and 10 per cent respectively. The lowest levels of domestic workers covered by pension are in Peru with coverage of 4.5 per cent, Mexico with 1.7 per cent of domestic workers covered, and Paraguay with coverage below one per cent (ILO 2009).

When health benefits are included, the number of countries with information is larger and the number of workers covered by benefits is higher than for pension coverage only.⁷ The pattern across countries is generally the same as that for pensions only. Almost full coverage is reached by Uruguay and Chile with levels of 96 and 94 per cent respectively. Colombia (83 per cent) and Costa Rica (72 per cent) also maintain high levels. An intermediate group with 36 to 38 per cent coverage includes Argentina, Panama while Brazil, Ecuador and Peru follow with coverage between 22 and 25 per cent. As in pensions, Mexico and Paraguay remain in the bottom group and are joined here by El Salvador; all of these countries have below ten per cent coverage.

In most countries and for both types of protection, women have lower coverage than men. Only a few exceptions can be noted when health is included and refer to those countries where coverage is almost universal, including Uruguay and Chile and, to a lesser extent, Colombia. In these countries, protection is either similar for women and men, or women register a higher level than men.

⁷ The number of countries included increases because additional countries report data on contributions to health care and/or pensions. This includes several countries that report data on health contributions only, particularly linked to work accidents and sickness.

Table 6: Coverage of Pensions and/or Health Benefits by Type of Employment and Sex: Urban Workers, 2000—2008

| | | Urban wage workers | Domestic workers | Wage workers in Micro-enterprises |
|-------------|---------------------------------------|---------------------------|-------------------------|--|
| 2000 | Pensions (7 countries) | 45.0 | 19.9 | 26.8 |
| | Men | 45.8 | 32.7 | 23.9 |
| | Women | 43.9 | 19.2 | 33.3 |
| | | | | |
| | Pensions and/or health (12 countries) | 57.8 | 37.8 | 39.4 |
| | Men | 56.7 | 42.3 | 35.2 |
| | Women | 59.4 | 37.3 | 49.2 |
| 2005 | Pensions (8 countries) | 44.2 | 16.8 | 25.8 |
| | Men | 44.9 | 28.3 | 23.4 |
| | Women | 43.0 | 16.1 | 31.2 |
| | | | | |
| | Pensions and/or health (12 countries) | 60.7 | 40.2 | 42.9 |
| | Men | 59.5 | 44.5 | 38.8 |
| | Women | 62.3 | 39.7 | 52.0 |
| 2008 | Pensions (8 countries) | 47.1 | 19.5 | 27.8 |
| | Men | 48.5 | 33.5 | 25.8 |
| | Women | 45.3 | 18.8 | 31.9 |
| | | | | |
| | Pensions and/or health (12 countries) | 63.6 | 44.3 | 45.7 |
| | Men | 62.6 | 47.4 | 42.0 |
| | Women | 64.9 | 44.0 | 53.3 |

Notes: Arithmetic means. The percentages refer to workers making contributions to pensions and/or health benefits.

Source: ILO (2009).

Explaining Social Security Coverage in Domestic Service: A Regression Analysis

Whether a worker is covered by social security is determined by the structure of the labor market as well as by personal characteristics of the worker. The former refers to the size of the enterprise, the public or private sector, the economic sector, and the occupational category among other factors. The latter includes sex, age, education, marital status, presence of minors in the family, urban-rural residence. In order to evaluate the interrelations among these determinants, the Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL) undertook a multivariate regression analysis (CEPAL 2006).

This model examines the probability that domestic workers contribute to social security relative to other categories of workers either in the informal economy or in formal enterprises, as well as differences between women and men. According to this model, the probability of access to social security by domestic workers is 53 per cent less than that for wage workers in a formal enterprise. Similarly, the probability of domestic service workers having social security is lower than in the other two categories (7.4 per cent lower than for wage workers in a micro-enterprise and 1.6 lower than for own account workers.) This probability is the result of the structure or segmentation of the labor market (i.e. type of labor insertion) and personal characteristics of domestic workers compared to other workers in better jobs.

Table 7: Effects of Enterprise and Personal Characteristics on Coverage in a Social Security System for Categories of Workers and by Sex

| Independent variable | All workers | Women | Men |
|-------------------------------|-------------|------------|-----------|
| Domestic worker | -0.366 | -0.425 | -0.186 |
| | (8.77)*** | (14.08)*** | (4.00)*** |
| Wage worker micro-enterprise | -0.292 | -0.310 | -0.279 |
| | (5.54)*** | (7.86)*** | (4.73)*** |
| Own account worker | -0.350 | -0.417 | -0.316 |
| | (3.22)*** | (2.87)*** | (3.46)*** |
| Wage worker formal enterprise | 0.166 | 0.176 | 0.152 |
| | (1.97)* | (1.66) | (2.06)* |

Notes: Latin America, 16 countries included. The coefficients of the regressions estimate the probability of each group to contribute to social security.

***means that the coefficient is significant at 1%, **at 10% and no * is not significant.

Source: ECLAC (2006).

Women workers in domestic services are less likely to have social protection than men. The probability of women domestic workers having social protection is 23.9 per cent lower than men's. Part of the difference can be explained by differences in the personal characteristics such as age and educational level that are included in the complete model and by the different functions performed by men within domestic services. The unexplained differences are probably due to discrimination.

Both men and women in domestic work have lower probabilities of coverage by social security than wage workers in a formal enterprise, and the differences are greater for women than for men. Women working in domestic services have a 60.1 per cent lower probability of having access to social protection than women employed as wage workers in formal firms, while the probability for men is 33.8 per cent lower.

The probability of women in domestic services having protection relative to wage workers in micro-enterprises is, as in the case for all domestic workers, negative but higher—11.5 per cent lower instead of 7.4 per cent. Women in domestic services also have lower probabilities of being protected than do self-employed women, but the difference is also smaller. By contrast, the probability of coverage of men domestic workers is significantly higher than it is for men wage workers in micro-enterprises or for own account workers—9.3 per cent and 13 per cent higher respectively.

The model is useful to statistically confirm that access to social security protection for domestic service workers is lower than that for other type of jobs in formal enterprises or even in the informal economy. It also confirms that women domestic workers are in a disadvantaged position relative to men and in comparison to other occupations as wage workers in formal enterprises. However, domestic work provides a more protected job option for men than the alternative of working as a wage worker in a micro-enterprise or as an own account worker.

Domestic Workers and Migrant Women

Domestic service work is increasingly a source of employment for migrant women. This trend is occurring in the more advanced countries in Latin American, particularly in those where internal migration to main urban centers from rural areas and small cities have diminished or even disappeared.

Around 80 per cent of employed immigrants in Latin America work in agriculture, construction, commerce, services and domestic work (Tokman 2008). There is also a clear segmentation between women and men. Men have a more diverse employment structure while women tend to concentrate in the last three sectors listed above. On average, between 75 to 80 per cent of women migrants who are employed are occupied in these sectors; most are in domestic services.

Domestic work is a significant source of employment for migrants, particularly in Costa Rica, Chile and Argentina where between 16 to 21 per cent of immigrants are domestic workers (table 8, column 1). Employment in domestic work is especially important for women immigrants (table 8, column 2). In Costa Rica, Argentina and Chile, the percentage of women immigrants employed in domestic services reached from 37 to 47 per cent. In some of the less developed countries in Latin America, the percentage is lower but still significant; for example, 19 per cent of women immigrants in Paraguay and 20 per cent of women migrants in the Dominican Republic are employed in domestic services. In several countries, most of the immigrants in domestic work are women (table 8, column 3). In Argentina, Chile and Paraguay, over 90 per cent of all immigrants in domestic work are women while in Brazil, they are close to 90 per cent. Even in smaller countries, such as Costa Rica, Honduras and Dominican Republic, most of the migrants in domestic service are women (70 to 74 per cent).

Table 8: Immigrants in Domestic Work

| Countries | 1 | 2 | 3 | 4 | 5 |
|--------------|------|------|------|------|------|
| Argentina | 15.6 | 39.3 | 95.8 | 95.4 | 96.0 |
| Brazil | 1.9 | 6.3 | 88.9 | 53.0 | 56.0 |
| Chile | 17.5 | 37.1 | 92.1 | 91.2 | 94.0 |
| Costa Rica | 20.5 | 47.1 | 73.9 | 80.1 | 86.2 |
| Ecuador | 14.5 | 22.9 | 49.8 | 55.9 | 60.4 |
| Honduras | 2.6 | 6.2 | 73.6 | 79.5 | 87.9 |
| Mexico | 4.8 | 5.4 | 35.0 | 53.8 | 58.3 |
| Paraguay | 5.6 | 18.9 | 94.1 | 98.7 | 97.6 |
| Dominican R. | 7.1 | 20.4 | 70.8 | 94.4 | 88.6 |

Note: As percentages of

- (1) immigrants in domestic work to total immigrants
- (2) women immigrants in domestic work to all women immigrants
- (3) women immigrants in domestic work to all immigrants in domestic work
- (4) immigrants in domestic work to total immigrants from neighbor countries
- (5) women immigrant in domestic work from neighbor countries.

Source: Tokman (2008).

The place of origin of domestic service workers who migrate internationally in Latin America and for women in particular is generally a neighboring or closely located country (Table 8, col 4 and 5). In six of the nine countries included, immigrants from a neighboring country are over 80 per cent of the immigrants in domestic services. For women migrants, the percentage is generally even higher (col 5). Lower cost and ease of adaptation in neighboring countries are factors in explaining this pattern. In addition, these incentives are reinforced by less strict border controls and the existence of international agreements among countries that allow for travel without passports or entry visas.

Two additional issues are useful for policy purposes. The first concerns the potential competition for jobs as domestic workers between natives and immigrants. In Argentina, close to 40 per cent of domestic workers are immigrants. In Chile, the number is 61 per cent, and the per cent is also high in Costa Rica. In addition, in most countries, there is a high concentration of immigrants from one country of origin. In Chile, domestic workers are increasingly from Peru; in Costa Rica, they are mainly from Nicaragua, in Paraguay from Brazil, and in the Dominican Republic from Haiti.

In Chile, 44 per cent of all of the immigrants from Peru are domestic workers, and 72 per cent of these are women immigrants. If the category is extended to other services, it includes around 80 per cent of the Peruvian women migrants. Studies have been done on the concentration of Peruvians “nanas” in domestic services in Chile, and its effects on the competition for and the earnings of Chileans in these jobs (J. Martinez 2003, A. Solimano and V.E. Tokman 2006). This research shows that there is segmentation within domestic work so that Peruvians and Chileans do not compete for the same jobs: Peruvians are younger, have more years of schooling, are concentrated in full-time domestic service, and live at the home of the families for whom they work (inside doors); 40 per cent of the Peruvian domestic workers are between 20 to 29 years of age in comparison to less than 20 per cent of Chileans; three-quarters of the Peruvians in domestic services have 10 or more years of schooling in comparison to only one-third of Chileans; 60 per cent of Peruvians work “inside doors” versus only 18 per cent of Chileans; and the majority of Chileans in domestic service are “outside doors.” In the past, domestic service jobs were usually performed by women from rural areas or from low income families. The supply of both types of workers decreased due to rapid urbanization and decreasing levels of poverty. As a result, migrants and Chileans are not competing for the same jobs.

A second issue refers to access to social protection and the potential for discrimination between natives and migrants. Except those who are involved in illegal activities, illegal migrants work without protection and generally have low remunerations and poor working conditions. Personal characteristics, human capital and the structure of the labor market determine whether immigrants receive higher earnings than natives in most Latin American countries. Research generally suggests that there are significant differences between natives and immigrants in social protection. Native-born workers have more access to formal jobs while migrants tend to concentrate in informal jobs including domestic work, resulting in lower protection. These differences are also reflected in the availability of labor contracts and the type of contracts. Even under the same contractual situation, nationals are more likely to have social protection coverage than immigrants, and the distance is more significant when working under permanent labor contracts (Tokman 2008).

A significant number of women also migrate to developed countries, often to take jobs as domestic workers. Eighty-seven per cent of Latin American emigrants move to developed countries while only 13 per cent move intra-region. In 2005, the United States, the main receiver of Latin American emigrants, had 19 million migrants from the Region (including those from the Caribbean). If undocumented, migrants are included, total emigrants from the region are estimated at 23 million, with 68 per cent among them of Mexican origin. Proximity is an incentive, but migration to Europe, particularly to Spain, the second main receiver of the Region's immigrants, is also significant. Emigrants from the Region in Spain were estimated to be 1.7 million and as in the US, Latin-Americans constituted more than half of the foreigners living in the country.

According to the United States Population Census of 2000, 58 per cent of workers in personal and similar services (including domestic) were migrants from the Region. Mexico was the main country of origin, contributing around 35 per cent of the total and together with El Salvador, Guatemala, Cuba, Haiti and Dominican Republic accounts for 50 per cent of the immigrants in domestic work.

Final Remarks

The information provided in this paper highlights some of the main issues involved in domestic service work. It provides an important basis for the design of adequate national and international regulatory frameworks to advance the application of and compliance with fundamental principles of workers' rights in domestic work.

Domestic work comprises a significant proportion of employment in Latin American countries. It is mostly, but not exclusively, an activity performed by women and increasingly involves immigrants. It is performed in a home and is generally not covered by labor legislation or by a regulatory framework.

Earnings in domestic services are among the lowest of all jobs. They are below the level of that for wage workers in informal enterprises and are also below other informal activities although differences here are smaller. A significant proportion of domestic workers is below the poverty line. Women are in a worse position than men, in part because of the different types of jobs they perform in domestic service. Men's earnings in this activity are higher than those of women and are even higher than the earnings of men working as own account workers and as workers in informal enterprises.

Fewer domestic workers have a labor contract than workers in other jobs, even in the informal economy. The existence and type of contract affects access to social protection. However, domestic workers with a permanent contract are less likely to have social protection than those working under an atypical contract. This is the case for men in domestic service—many of whom with an atypical contract have access to a pension. It also is the case, but to a lesser degree, for women. Women usually have a permanent contract, but in practice, it becomes a fixed term contract because of the absence of indemnities in case of firing. Partly due to the lack of a contract or to the type of contract, few domestic workers are covered by social

protection, particularly old age pensions. Wider access is observed in health protection because of its lower cost than pension coverage and greater compliance by employers given the dangers of work accidents and work-related diseases. The absence of labor standards that could be introduced universally adds obstacles to compliance. In addition, labor inspection confronts great difficulties because the work takes place in private households.

The important role of migrants in performing domestic services in Latin America and in other regions, including the developed world, calls for new national and international policies and actions. National policies relating to immigrants that move between countries in search of better job opportunities should incorporate formal requirements of labor regulation, including a labor contract linked to the legal residence in the country. In addition, discrimination should be forbidden, and the application of national labor laws should be ensured. Access to a job constitutes a requirement for illegal immigrants to regularize their residence situation in the country.

Other issues require international agreements, including bilateral or multilateral labor migration agreements to facilitate mobility, including access to jobs, protection, and treatment equal to that of national workers as well as the possibility of receiving contributions in the country chosen for retirement. Substantive initiatives have taken place during recent years that could contribute to protected mobility to benefit migrants and their families.

References

- CEPAL. 2006. *La protección social de cara al futuro: acceso, financiamiento y equidad*. Santiago: CEPAL.
- CEPAL. 2009. *Panorama Social de América Latina, Statistical Appendix*. Santiago: CEPAL. Available at: www.cepal.org
- Martínez, J. 2003. "El encanto de los datos. Socio demografía de la inmigración en Chile según el censo del 2002." *Serie Población y Desarrollo, N 49*. Santiago: CEPAL/CELADE.
- OIT/ILO. 2009. *OIT Panorama Laboral de América Latina*. Lima: Anexo Estadístico. Available at: www.oit.org.pe
- Solimano, A. and Tokman, V. 2006. "Migraciones internacionales en un contexto de crecimiento económico. El caso de Chile." *Serie Macroeconomía del Desarrollo, N 54*. Santiago: CEPAL.
- Tokman, V. 2008. "Movilidad internacional de personas y protección social." *Serie Macroeconomía del Desarrollo, N 67*. Santiago: CEPAL.

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce. For more information see www.wiego.org.



Women in Informal Employment
Globalizing and Organizing