



EPOG INTERNATIONAL MASTER'S COURSES

EPOG STUDENTS AND ALUMNI ASSOCIATION

The situation of paid domestic work in Latin America. The case of Argentina¹

Facundo Lastra
EPOG 2017

"The views and opinions expressed in this policy brief are those of the author and do not necessarily represent the views of the EPOG programme or the EPOG Students and Alumni Association"

This policy brief analyses the differentiation in the labour conditions of paid domestic workers in Latin America and Argentina. We focus on the case of Argentina during 2003-2019 and carry out an empirical inquiry on many labour market indicators. Our study aims to shed light on the strong differentiation of the working conditions for domestic workers and the need for policies to reverse this situation.

This policy brief analyses the differentiation in the labour conditions of paid domestic workers in Latin America and Argentina². Paid domestic work (PDW) can be understood as a commodified solution for the contradictions from the increasing participation of women in the labour market amid an unequal sexual division of labour between women and men. Since the mid-1970s, there has been a shift in social reproduction from a model of family with one male breadwinner to a pattern of two earner household. As much as there were no radical changes in the sexual division of labour, this resulted in a process of "double-socialization" of women's work, since they started to participate massively in the labour market, while keeping their responsibilities in reproductive labour and care work (Becker-Schmidt 2010). The consumption of PDW by households to solve this contradiction leads to a dualized organization of social reproduction, where high-income families hire women from low-income backgrounds to perform reproductive work (Fraser, 2016).

Latin-American labour markets have some specificities that shape the features of PDW in the region. One of these particularities is the strongly segmented and differentiated structure of labour markets (Pinto, 1978; Nun, Murmis y Marín, 1968). Although there exist dissimilar explanations on the causes of such segmentation, there is a consensus that Latin-American economies are characterized by the great extension of employment in productive units with low capital investment, low scale and bad working conditions, referred to as the 'informal' or 'marginal' sector of the economy. On the other hand, workers in the formal sector of the economy perform their jobs in large-scale companies, have higher qualifications and enjoy better working conditions.

The existence of a segmented economy leads to a segmentation of the social structure, where the population integrated to the formal circuits of the economy have social protection and labour rights, while those excluded from the formal sector are marginalized and have limited access to social welfare. This does not mean that formal and informal sectors are separated spheres of the society, inasmuch as both are deeply intertwined and in permanent relation.

A good example of this close relationship is the generalized existence of PDW in Latin America. The segmented social structure of Latin-American countries facilitates the creation of employment in this activity. This kind of jobs is performed mostly by women from low-income families that are employed by high-income households integrated to the formal sector of the economy. Many domestic workers are migrants that must deal with the difficult decision of leaving their homes and their families to carry out reproductive tasks for other families. Thus, the so-called “global care chains” unfold within and between countries in Latin America (Sanchís & Rodríguez Enríquez 2011).

Latin-American women are particularly affected by a ‘horizontal occupational segregation’ since they can access a narrower range of occupations than men. This is why PDW, the most ‘feminized’ job in labour markets, is the main occupation for women in Latin America and, like any other feminized occupation, pay less even in comparison to other jobs with similar qualification. In most Latin-American countries, legislation stipulates less social protection for paid domestic workers than for other occupations (Valenzuela 2010, Bastidas 2012). These features of Latin-American economies are present in Argentina as well.

PAID DOMESTIC WORK IN ARGENTINA

We shall focus on the case of Argentina in the period 2003-2019. This time span is interesting to study for two reasons: 1) it allows us to evaluate the improvements in the situation of PDW during the neo-developmental regime led by the Kirchners’ family (2003-2015) and 2) it is also useful to assess the worsening in the labour conditions of PDW after 2015 when a neo-liberal project came to power. During the first years of the neo-developmental regime (2003-2007), GDP and employment grew sharply, wages raised and unions’ bargaining power increased, amid the return of collective agreements between unions and companies. However, the neo-developmental project began to face several problems since 2008-2009, when prices of primary goods decreased. Inflation accelerated notably, diminishing the purchasing power of wages and other incomes. These problems worsened after Mauricio Macri took office by the end of 2015, leading a project of fiscal austerity, liberalization of the commodity market, and alignment with the International Monetary Fund. The orthodox policies applied since then led to economic stagnation with high levels of inflation that deteriorated wages and labour conditions.

Policies to protect and promote the registration of PDW were taken by the Kirchners’ administration. The first ones, in 2005, made it easier and cheaper for employers to register labour contracts of domestic workers. Later on, a huge step forward was taken with the enactment of a specific law for the regulation of this activity (Law n° 26.884 on March 2013). Even though a differentiated legal framework for PDW was still maintained, the new legislation established protections and regulations in terms of wages, working hours per day, lay-offs, among other aspects. In contrast, amid a context of increasing unemployment and economic instability, Macri’s administration did not apply any particular policies for paid domestic workers. Therefore, they also suffered from the general drop in labour incomes that characterized Macri’s presidential term.

Our empirical enquiry of the Argentinean case is based on data from a household survey that provides information for the urban population of the whole country. With our analysis we shall intend to answer the following questions: Do paid domestic workers suffer a differentiation regarding their working conditions compared to the rest of the working class? Did differentiation and stratification remain after the period of economic growth that kicked off in 2003? What were the effects of the economic stagnation on PDW?

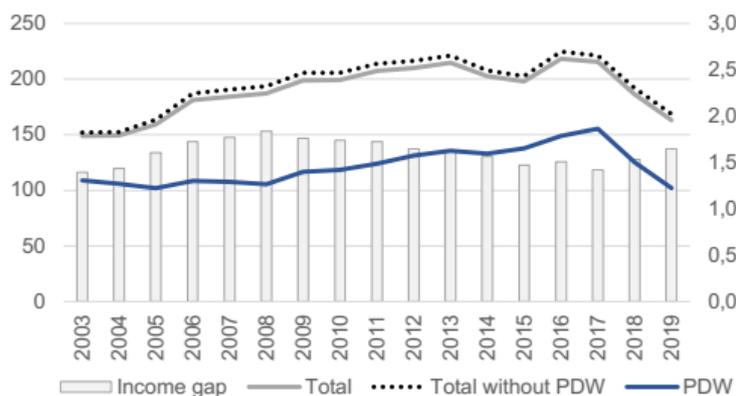
TABLE 1- INDICATORS ON LABOUR MARKET AND PDW. ARGENTINA 2003-2019.

YEAR	Unemployment rate	PDW over total employment	PDW over employed women	Women vis-à-vis men in PDW
2003	15.8%	6.6%	15.6%	98.0%
2004	13.0%	7.0%	16.3%	98.4%
2005	11.0%	7.3%	16.7%	97.1%
2006	10.0%	7.7%	17.9%	98.2%
2007	8.3%	7.4%	17.6%	98.3%
2008	7.6%	7.1%	16.8%	99.2%
2009	9.0%	7.1%	16.4%	97.1%
2010	7.4%	6.9%	16.4%	98.3%
2011	7.3%	7.2%	17.1%	97.2%
2012	7.6%	7.1%	17.0%	98.2%
2013	6.7%	7.2%	17.0%	98.3%
2014	7.4%	7.0%	16.2%	98.5%
2015	6.6%	7.3%	17.2%	97.7%
2016	8.5%	7.5%	17.3%	98.4%
2017	8.4%	7.2%	16.6%	98.2%
2018	9.2%	7.4%	16.6%	98.2%
2019	10.2%	7.5%	16.9%	97.7%

Source: author’s elaboration based on EPH-INDEC

Table 1 shows that the strong growth in employment during 2003-2008 has impacted on the unemployment rate, which decreased from 15.8% in 2003 to 7.6% in 2008. During these years of sharp increase in employment, the percentage of paid domestic workers over total employment rose from 6.6% in 2003 to 7.1% in 2008 and it has maintained at this level over the whole period under study. The significance of PDW as a source of employment for women didn't change significantly during 2003-2015, having an average of 16.8% over total female employment. From 2016 onwards, the unemployment rate rose constantly and reached 10.2% in 2019, while the significance of PDW over total employment and over employed women remained almost constant. Table 1 also illustrates the fact that PDW is performed almost exclusively by women (98% of female workers on average).

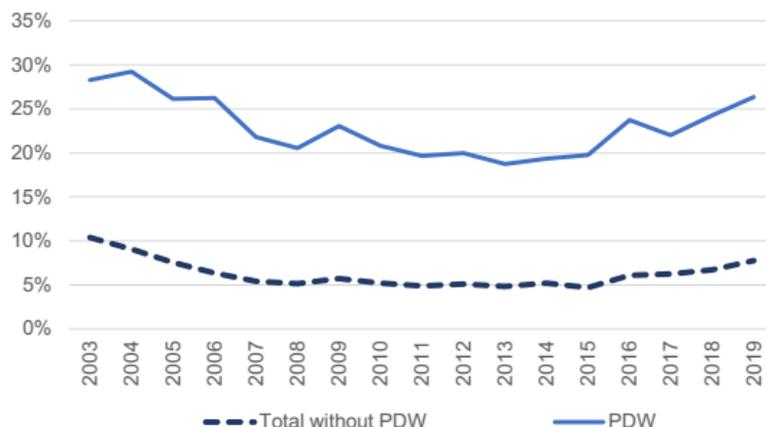
FIGURE 1 - HOURLY LABOUR INCOMES IN REAL TERMS (EXPRESSED IN PESOS FROM 2019, LEFT AXIS). INCOME GAP BETWEEN PAID DOMESTIC WORKERS AND REST OF EMPLOYED PEOPLE (RIGHT AXIS), ARGENTINA 2003-2019.



Source: author's elaboration based on EPH-INDEC

PDW presents lower incomes than other occupations and the income gap³ between workers in this sector and the rest of the working-class did not decrease over the analysed period. Even though hourly incomes have increased for domestic workers from 2005 to 2013, the income gap grew from 1.41 in 2003 up to a peak of 1.84 in 2008. Figure 1 also shows the increase in wages for domestic workers in 2013 as a result of the promulgation of the new legislation, which in turn led to a drop of the income gap. Lastly, wages for paid domestic workers dropped sharply since 2017 and they did it at a faster pace than the rest of the working class. As a result of this, the income gap increased from 1.42 in 2017 to 1.65 in 2019.

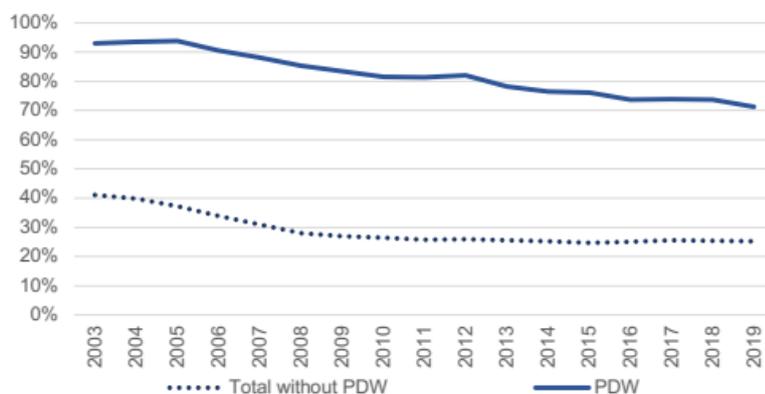
FIGURE 2 - RATE OF HOURLY UNDEREMPLOYMENT. 31 URBAN AREAS. ARGENTINA 2003-2019.



Source: author's elaboration based on EPH-INDEC

The differentiation of working conditions for PDW also manifests in the underemployment rate⁴. The underemployment rate was at a very high level in the aftermath of the 2001-2002 crisis, reaching 12.7% of workers for total employment without PDW. When looking specifically at paid domestic workers, the underemployment rate has been over 26% until 2006 and only started to fall since then. However, the gap in terms of hourly underemployment between domestic workers and the rest of the working-class remained over the years, as the underemployment rate was around 5% for the total workforce, while it stayed around 20% for PDW. Figure 2 also shows the worsening in labour conditions since 2015. The underemployment rate for the total workforce increased from 4.7% in 2015 to 7.8% in 2019, while it raised from 19.8% to 26.3% for paid domestic workers during the same years.

FIGURE 3 - UNREGISTERED EMPLOYMENT RATE. 31 URBAN AREAS. ARGENTINA 2003-2019.



Source: author's elaboration based on EPH-INDEC

Another dimension of differentiation is related to the legal registration of labour contracts, whose evolution is

shown in [Figure 3](#). During 2003-2005, more than 90% of working arrangements were unregistered for employees performing PDW, meaning that 9 out of 10 domestic workers did not have any social protection, health-care benefits or labour rights of any type. This contrasts with the same indicator for the rest of the employees, which started at 46% in 2003 and decreased until 2011 when it reached 31% of unregistered labour. Afterwards, it remained around this level for the rest of the period.

The rate of unregistered employment decreased over the whole period, with a sharp drop in 2012-2013, when the new legislation was put in place. Since then, there has been a steady path towards the reduction of the unregistered employment rate, which reached a level of 71.3% in 2019. This means that, even in the context of economic stagnation and worsening in all labour-market indicators during 2016-2019, this aspect of the labour conditions for paid domestic workers kept improving.

POLICIES FOR PAID DOMESTIC WORKERS

The differentiation of labour conditions for PDW (in terms of income, unregistered employment, worked hours and underemployment) makes it urgent to put in place specific policies for this sector. This differentiation is a structural feature of the Argentinean labour market that could not be reversed, despite the economic growth registered in 2003-2007 and the measures to promote the registration of labour contracts. Furthermore, paid domestic workers were particularly affected by the general worsening in the labour conditions since 2016 in terms of wages and hourly underemployment. The only exception to this is the permanent reduction of the unregistered employment rate, which can be explained by the measures taken to promote the registration of labour contracts and the protection of paid domestic workers in the previous decade.

More policies could be applied to protect paid domestic workers and stop the stratification of their labour conditions. Firstly, PDW must become regulated under the same laws that rule all kinds of labour contracts. In order to reverse the economic differentiation, it is necessary to stop the legal differentiation that still exists in Argentina, as well as in most of Latin-American countries. This only could be achieved by strengthening the process of unionization of paid domestic workers that is ongoing in the region.

It is also important to apply measures aimed at changing the patriarchal culture that lies in the roots of the differentiation of PDW. Policies of awareness and education should be taken to make visible the importance of reproductive labour, both paid and unpaid. Controls and supervision by state and unions are also crucial to inspect the compliance of regulations and labour conditions standards.

- 1 A long version of this policy brief was published as an article in [Lastra \(2020\)](#).
- 2 Differentiation in the labour conditions means that workers employed in a specific sector are subject to worse working conditions. This phenomenon might express in lower wages in comparison to the rest of the working class, less labour rights, worse working conditions, among other dimensions.
- 3 The income gap is defined as the ratio between the average wage of domestic workers and the average wage of the rest of employees excluding PDW.
- 4 A worker is considered to be underemployed when she/he works less than 35 per week and has been looking for additional working hours.

REFERENCES

[Bastidas, María \(2012\)](#): Protección social y trabajadoras del hogar en el Perú desde la visión de las protagonistas, Lima: OIT

[Becker-Schmidt, Regina \(2010\)](#): “Doppelte Vergesellschaftung von Frauen” en: Becker R., Kortendiek B. (ed.) Handbuch Frauen- und Geschlechterforschung, Berlin: Verlag für Sozialwissenschaften.

[Fraser, Nancy \(2016\)](#): “Contradictions of capital and care”, *New Left Review*, no. 100, pp. 99-117.

[Lastra, Facundo \(2020\)](#): “Diferenciación y estratificación del trabajo doméstico remunerado en Argentina (2003-2015)”, *Revista de Economía Crítica*, 30, Asociación Cultural Economía Crítica, Spain, pp. 1-21.

[Nun, Juan; Murmis, Miguel y Marín, Juan Carlos \(1968\)](#): La Marginalidad en América Latina: Informe Preliminar, Documento de Trabajo no. 53, Buenos Aires: Centro de Investigaciones Sociales, Instituto Torcuato de Tella.

[Pinto, Aníbal \(1970\)](#): “Naturaleza e implicaciones de la ‘Heterogeneidad estructural’ de la América Latina”, *El Trimestre Económico*, no. 145, pp. 83-100.

[Sanchís, Norma y Rodríguez Enríquez, Corina \(2011\)](#): Cadenas globales de cuidados. El papel de las migrantes paraguayas en la provisión de cuidados en Argentina, Buenos Aires: ONU Mujeres.

[Valenzuela, María Elena \(2010\)](#): “Trabajo doméstico remunerado en América Latina”, *Plurales*, no. 2, pp. 49-62.