



IMPROVING WORKING CONDITIONS FOR DOMESTIC WORKERS IN CHILE

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SECOND YEAR POLICY ANALYSIS

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*Nuestras manos serán nuestras armas
Con ellas iremos forjando
La cadena de la unidad
Para que todas las mujeres de Chile
Que aman la justicia y la paz
Luchen unidas y organizadas
Para construir una mejor sociedad.*

- Aida Moreno Valenzuela
Advocate and leader of domestic workers in Chile

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EXECUTIVE SUMMARY

In 2014, Chile enacted Law 20.786 to protect the labor rights of domestic workers, promote formal employment, and improve the working conditions in private homes. Nevertheless, in practice domestic work continues to be highly informal and vulnerable to exploitation. Roughly half of domestic workers do not have a formal contract with their employer, leaving them without adequate protections such as a minimum wage, maximum working hours, and pensions.

This analysis argues that the law is not fully effective because it relies on a top-down approach to a highly decentralized and fragmented sector, in which labor relations are determined bottom-up. The law is assumed to be carried out by employers, enforced by the state, and defended by domestic workers. However, the legislation was not accompanied by substantial investments in state enforcement capacity. Given weak enforcement, working conditions continue to be negotiated between employers and domestic workers on a case-by-case basis at the household level. The results of these negotiations are determined by employer attitudes, the incentives of domestic workers, and the bargaining power of each.

Given this reality, future efforts to promote the formalization of domestic work should focus on these micro-level determinants of working conditions. I propose three policy initiatives that address many of these factors, thereby aligning attitudes, incentives, and bargaining power more closely with the goals of formalization. The first is an initiative to send ‘threat-to-inspect’ messages to non-compliant households which will improve enforcement and realign employer incentives. The second is a ‘demo’ awareness campaign about domestic workers’ rights to generate support for a multi-year large-scale awareness program. Increased awareness will improve workers’ bargaining power and influence employer attitudes. The third is a pilot skills training program to provide domestic workers with qualifications that are valuable both to private households as well as to formal firms. This will provide workers with better employment opportunities, thus addressing unequal bargaining power in current household negotiations. Since domestic workers’ labor rights are not a political priority, these initiatives start small to ensure feasibility. However, once they generate interest and momentum, they can be scaled-up to create widespread change.

INTRODUCTION

In Chile today, there are approximately 300,000 domestic workers who provide indispensable cleaning, cooking, and caring services to thousands of households across the country. Domestic work is typically performed by low-income women and, compared to other occupations, is characterized by poor working conditions and informal employment. Recognizing the vulnerability of this sector, in 2014 Chile passed a comprehensive law intended to ensure labor protections for domestic workers, improve working conditions, and promote formal employment. Yet despite the law's intention, in practice domestic work continues to be highly informal and vulnerable to exploitation.

This SYPA is motivated by this conundrum: despite Chile's extensive legal reforms intended to promote formal employment (and hence important social protections) among domestic workers, why has there been no substantial shift in formalization in the sector?

To better understand the gap between existing legislation and the employment realities of domestic workers, I conduct a mixed-methods analysis of the determinants of working conditions. I interviewed 23 domestic workers and 11 employers (private households) about employment arrangements and their opinions on existing labor regulations. I complement this qualitative data with an exploratory quantitative analysis of the factors associated with informality in domestic work using the Supplemental Survey of Income (ESI) of the National Institute of Statistics of Chile.

My research indicates that persistent informality is due to the fact that the law's design (1) does not recognize existing budget and capacity constraints facing the state's inspection agency, (2) overestimates worker power in the employment relationship, and (3) does not adequately consider employer attitudes or domestic workers' incentives. Because of resource constraints, the inspection agency typically assumes that employers are complying unless a domestic worker actively claims otherwise. However, given that domestic workers are often afraid to file complaints, in practice enforcement has limited clout. Thus, despite the law's universal guarantee, working conditions and arrangements continue to be determined on a case-by-case basis between employers and workers within each household. Given that policymakers

have little visibility into this black box of household negotiations, this analysis looks inside to illuminate the factors contributing to the gap between the promise of the law and the reality on the ground.

Based on the evidence collected, I find that **household-level negotiations are influenced by three key policy-relevant factors: (1) employer attitudes, (2) domestic worker incentives, and (3) the relative bargaining power of each party.** Employers feel that formal employment is costly for them and that informality is normal for seasonal or infrequent part-time work. Thus, both incentives and social norms limit employers' compliance. Domestic workers weigh the gains of increased legal protections with the loss of social benefits that can result from registering as a formal worker. Only if the gains outweigh the losses will they seek formal employment arrangements. Finally, during household negotiations, domestic workers' bargaining power can be quite limited by several factors including economic necessity, social isolation, and lack of awareness of labor rights, among others. Even if a domestic worker wants to negotiate for formal employment and better working conditions, she may not be successful if she is constrained in a weak bargaining position.

In light of these findings, I propose a three-pronged policy strategy. The prongs include (1) an initiative to send 'threat-to-inspect' messages to non-compliant households (to address weak enforcement and employer incentives), (2) a 'demo' awareness campaign to generate support for a multi-year large-scale awareness program (to address bargaining power and employer attitudes), and (3) a pilot skills training program to provide domestic workers with qualifications that are valuable both to private households as well as to formal firms (to address unequal bargaining power). The ILO is uniquely positioned to create a platform for dialogue and tripartite negotiations around the design and implementation of these policy proposals.

Section I explains in greater detail the motivation for this SYPA as well as the problem statement. **Section II** describes the data and methodology used for the analysis. **Section III** presents an in-depth analysis of the shortcomings of the law and the true determinants of working conditions at the household level. **Section IV** outlines each of the three policy recommendations. **Section V** concludes.

I. MOTIVATION

THE CHALLENGES OF DOMESTIC WORK IN CHILE

Domestic workers play a fundamental, yet undervalued role in the economic backbone of Chilean society. They provide essential homemaking and caregiving services to thousands of households, support the career ambitions of middle and upper-class women, and help meet the care needs of a growing elderly population (Fernández, 2018). Yet despite their crucial role, domestic workers are some of the most vulnerable workers in Chile and face persistent challenges associated with their gender, socioeconomic status, ethnicity or place of origin (International Labour Office, n.d). Of the approximately 300,000 domestic workers in the country, 97% are women and most are over 40 years old.¹ On average, domestic workers have a much higher poverty rate than other workers (7% compared to 4.3%),² and lower levels of education. In addition, immigrant women from other Latin American countries represent an increasing share of domestic workers in Chile (from 6% in 2010 to almost 10% in 2018). Migrant workers face a series of special challenges, as they stand at the confluence of migratory vulnerability, racial/ethnic discrimination, socioeconomic precarity, and gender bias.

The concentration of socioeconomically vulnerable women in domestic work is a result of the sector's servile origins in Chile. Historically, domestic workers came from rural areas, indigenous ethnic groups, and poor families, while currently an ever-growing share are arriving as immigrants from abroad. These women were, and often still are, viewed as inferior and of lower social status. Moreover, domestic work is culturally and economically undervalued as 'women's work,' rather than 'real work' because it replaces the unpaid work that women traditionally performed (Valenzuela & Mora, 2009). Thus, domestic work exists at the epicenter of subordination and exploitation along class, racial, and gender lines and continues to suffer the legacy of Chile's colonialist and patriarchal foundations (Stefoni & Fernández, 2011).

¹ Author's calculations, Encuesta Suplementaria de Ingresos del Instituto Nacional de Estadísticas (ESI) 2018

² Author's calculations, CASEN 2017.

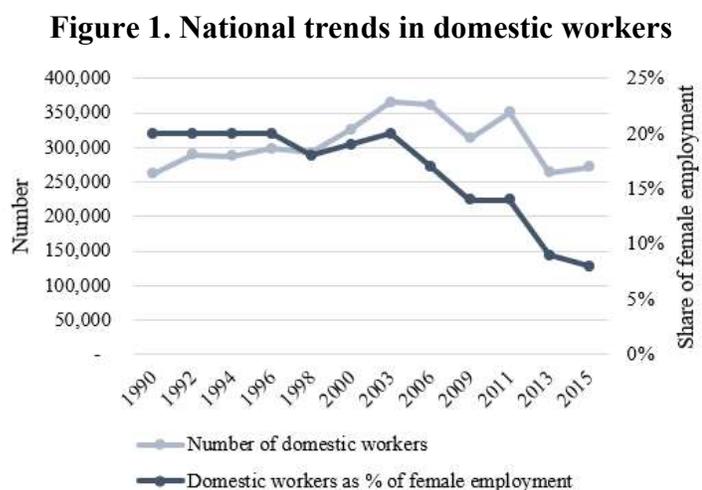
The social discrimination faced by domestic workers is exacerbated by the isolation and fragmentation that characterizes the sector. Domestic workers typically work alone, hidden behind the closed doors of a private home (Del Campo & Ruiz, 2013; Ratto 2020). Given that the physical workspace consists of thousands of private homes, it is difficult to reach such an invisible and decentralized workforce. The lack of natural and routine gathering spaces hampers information sharing and collective organizing among domestic workers (Chen, 2011; Hobden, 2015). Indeed, a recent study found that only three percent of domestic workers had strong knowledge of their labor rights, and only one percent are members of a union (Boccardo, et al., 2018; Ratto, 2020). Thus, innate structural aspects of the sector, combined with the legacy of exploitation and social hierarchy, perpetuate deep-rooted barriers to fair working conditions.

RECENT TRENDS IN DOMESTIC WORK

The International Labour Office defines domestic workers as “being employed by and providing services for a private household” (International Labour Office, 2013). These services may include a range of responsibilities: domestic workers “sweep and clean, wash clothes and dishes; shop and cook; care for children or the elderly, sick, and disabled; or provide gardening, driving, and security services” (Chen, 2011).

Traditionally, domestic work has been an important source of employment for many women in Chile, especially those with less income and education (Bravo & Ordenes, 2015). Since 1990, the number of domestic workers in the country has remained steadily between 250,000 and 350,000, and the sector continues to be an

important source of employment for working women with lower education: over one fifth (22%) of women without secondary education were employed in domestic work in 2018.³ Nevertheless, a shrinking share of women in Chile are entering the labor market as domestic workers: just 8%



Data from Bravo & Ordenes (2015), calculations using CASEN 1990-2015

³ Author's calculations using the Encuesta Suplementaria de Ingreso of the Instituto Nacional de Estadísticas

from 2015 onwards compared to 20% in 1990 (see Figure 1). As women entering the labor force seek alternative opportunities, the domestic worker workforce has aged substantially. In 1990, 37% of domestic workers were 40 years old or older; by 2013, this share had increased to 78% (Bravo & Ordenes, 2015). The aging demographics of domestic workers means that many are nearing retirement and will also begin to have more health problems. This trend, combined with the fact that the salaries of domestic workers are quite low (Boccardo et. al, 2018), adds further urgency to efforts to ensure that domestic workers have adequate pensions and health insurance.

As fewer Chilean women enter domestic work, immigrants are increasingly filling the void.⁴ Domestic workers themselves note the change and predict that immigrants are the future of domestic work in Chile. One domestic worker recounted how a former employer fired her and hired two Peruvian women instead, paying them less for longer hours. **Another important trend is a move away from full-time work for a single employer towards shift-based work for multiple employers.** Although full-time arrangements with a single employer used to be the norm, a recent study found that 35% of live-out domestic workers work part-time, and among these part-time workers, over 40% work in two or more homes (Boccardo et. al, 2018). In conversations with domestic workers, many described similar trends in the sector and predicted that the future of domestic work is moving towards part-time shifts with multiple employers.

CHILE'S LEGAL REFORMS

Until very recently, Chile's labor laws reflected a deep societal undervaluation of domestic work. Domestic workers were subject to lower minimum wages, substantially longer working hours, and less access to social protections than the national standards guaranteed to all other workers. However, beginning in 1990, a steady stream of legal reforms were passed to achieve more equal labor rights for domestic workers (Bravo & Ordenes, 2015). In 1990, Law 19.010 established employer-financed severance pay for domestic workers in the case of dismissal. Previously domestic workers had no safety net if they were fired or let go. In 1993, Law 19.250 decreed that Sundays and holidays would be days of rest for domestic workers, the same as for other types of workers. In 1998, Law 19.591 extended maternity leave to domestic workers in Chile (Donaire, Ratto & Andrade, 2018). In 2008, Law 20.279 decreed that the minimum wage

⁴ Author's calculations, CASEN 2003-2015 and interviews with domestic workers.

for domestic workers would rise to 100% of the national minimum wage (previously it was set at 75% of the national minimum wage). Finally, in 2014, Chile passed a comprehensive law intended to close most remaining gaps in labor protections for domestic workers, formalize the profession, and facilitate the enforcement of labor rights. Among its more notable provisions, Law 20.786 requires that employers must have a formal contract with their domestic worker (informal arrangements are now illegal), which must be registered with the labor inspections agency, the Dirección de Trabajo (DT). The contract must specify the hours, responsibilities of the domestic worker, and the address of the location where she is to work. Employers must make monthly contributions on their worker's behalf into pension and health insurance funds. The maximum number of hours a domestic worker can be required to work is 45 hours a week (with some flexibility allowed with overtime pay), down from 72 hours previously.⁵ Notably, employers are also prohibited from requiring their domestic worker to wear a uniform in public spaces (such as an apron or vest). This last provision signals that social stigma and class-based hierarchies still permeate labor relationships in domestic work. Finally, the law established that the DT has the right to visit (although only enter with permission) the homes of employers with registered contracts (ChileAtiende, 2020).

One of the key aspects of the latest law is its push for greater formal employment in the domestic work sector. The ILO defines formal employment as a relationship that is, both in law and in practice, subject to “national labour legislation, income taxation, social protections or entitlement to certain employment benefits” (ICLS, 2003).⁶ Law 20.786 aligns well with this definition. Employers are now legally obliged to register a signed contract with the DT within 15 days of the hiring date and to make contributions into pension and health insurance funds on behalf of their domestic worker (Barends Ramirez, 2017). **Theoretically, the importance of formalization lies in the protections it provides to domestic workers.** Without a written and registered contract, workers have no right to compensation if their employer arbitrarily terminates their employment, they have no insurance if they suffer from a workplace injury, and no legal recourse if their employer unilaterally increases the tasks, hours, or homes where they

⁵ Live-in domestic workers have a right to 12 hours of uninterrupted rest per day.

⁶ Historically, the formalization debate focused on informal enterprises and self-employed. Only more recently has it grown to encompass informal wage employment, including domestic workers.

must work. In addition, without health insurance and pension contributions, domestic workers do not have access to affordable health care and are prone to economic vulnerability in their old age. Finally, informality weakens domestic workers' power of collective action because without a formal contract, domestic workers are not legally recognized as workers and therefore cannot exercise legal formal rights to unionize (Ratto, 2020). Essentially, informal employment leaves domestic workers outside the protections that formal regulations are meant to guarantee.

Formalization may also be desirable for the government from a fiscal perspective. A large informally employed population can translate into losses in income tax revenues and incomplete coverage of formal social programs, which in turn can lead to an overreliance on noncontributory social programs, such as Chile's basic supportive pension, *Pensión Básica Solidaria* (Kuddo & Rutkowski, 2011). However, the revenues and savings from increased formalization must outweigh the costs of incentives and enforcement mechanisms that the state must use to decrease informality. In the case of domestic work, the costs of enforcement are particularly high given the fragmented and decentralized nature of the work. Considering domestic workers' generally low earning power, the increases in tax revenues and contributions may not be large enough to justify serious investment in promoting formalization from a fiscal standpoint.

EFFECTS OF CHILE'S LEGAL REFORMS

The latest law was a major legal victory for the domestic workers who had pushed for it. It had widespread political support and bestowed new professional legitimacy for domestic workers (Ratto, 2019). The law was especially successful in reducing working hours⁷ and in providing domestic workers with legal backing to defend their labor rights if they felt they were being subjected to unfair or illegal working conditions.⁸

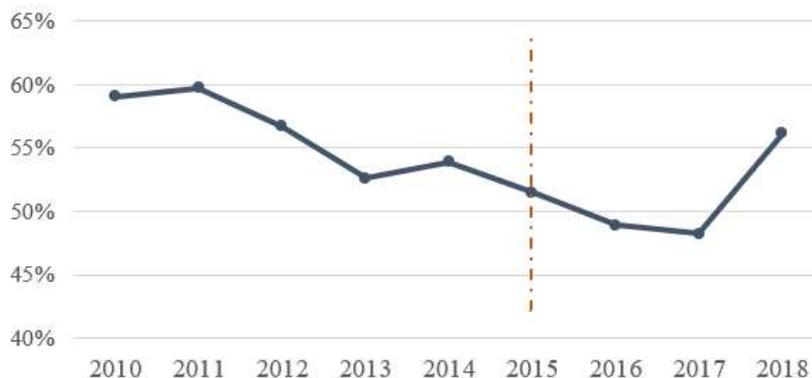
However, in practice domestic work continues to be highly informal and vulnerable to exploitation, despite the law's intention. In the first years after the law became effective, the

⁷ The 90th percentile of weekly hours worked among domestic workers dropped from 54 hours in 2014 to 48 hours a week by 2016. Authors calculations, ESI 2014-2016.

⁸ Author's interviews with domestic workers in Chile, June/July 2018.

share of domestic workers working informally⁹ dipped briefly from 54% in 2014 right before the law went into effect to a low of 48% in 2017, but has since risen back to its original level in 2018 (roughly 56%).¹⁰ The trend indicates that the law

Figure 2. Informal employment among domestic workers



has not successfully translated into real improvements in formal employment on the ground: over half of domestic workers still fall outside of important worker benefits and social protections.

PROBLEM STATEMENT

This SYPA is motivated by this conundrum: despite Chile’s extensive legal reforms intended to promote formal employment (and hence important social protections) among domestic workers, why has there been no substantial shift in formalization in the sector?

The country is an important case study precisely because of its relatively advanced legal protections. Legislative reforms have been a major strategy for domestic workers to push for increased recognition, protection, and opportunity in many countries around the world.¹¹ Yet Chile represents a case in which despite rules and regulations which mandate and facilitate formalization, informality steadily persists among domestic workers. It appears that between the letter of the law and the reality on the ground, there is a large gap in which a multitude of factors influence how working conditions and employment arrangements are determined. Examining these factors in Chile represents an opportunity to better understand what elements are critical determinants of working conditions in this unique sector. As more and more countries pass labor rights legislation for domestic workers, learnings from Chile can help inform policies that go beyond existing legal measures to create meaningful change on the ground.

⁹ Informal wage employment is defined as having no employer contributions to pensions or health insurance

¹⁰ Author’s calculations, Encuesta Suplementaria de Ingresos del Instituto Nacional de Estadísticas, 2010-2018.

¹¹ Conversation with C.Hobden, Technical Officer on Vulnerable Workers and coordinator of the ILO strategy on decent work for domestic workers.

II. DATA & METHODOLOGY

To better understand the gap between existing legislation and the employment realities of domestic workers, I use a mixed methods approach involving both qualitative and quantitative data.

QUALITATIVE ANALYSIS

The qualitative data consists of two sets of interviews: one with domestic workers and one with employers of domestic workers. In June and July of 2018, I conducted three focus groups and individually interviewed 23 domestic workers about their working conditions and opinions on existing labor regulations, with a special emphasis on Law 20.786. All of the domestic workers I interviewed were women, reflecting the gendered nature of the sector, but they were varied in terms of geographic location, union affiliation, age, country of origin, and type of work arrangement (see Appendix A, Table A1). To ensure such a diverse set of domestic workers, I sought participants through three different channels (1) through relationships I had established with domestic workers unions, (2) through cold calls to domestic workers who had posted flyers about their services on supermarket bulletin boards, and (3) snowballing, in which I asked each current interviewee if she could connect me to any friends or acquaintances who were also domestic workers and who might be willing to speak with me. It was important to capture the perspectives of domestic workers affiliated with unions, because the unions were heavily involved in pushing for the 2014 legislation. However, the vast majority of domestic workers are not affiliated with a union and therefore may have very different knowledge of existing labor protections and opinions on working conditions. The snowballing and supermarket flyer channels allowed me to reach a wider circle of domestic workers beyond those who are union affiliated. Nevertheless, given that just over half of the workers I interviewed are union-affiliated, yet unions members represent only one percent of all domestic workers in Chile, the perspectives represented in my sample are likely more informed and empowered than those of most domestic workers.

In January 2020, I interviewed eleven employers of domestic workers about why they hired domestic workers, their opinions on the fairness of the labor regulations, and the constraints they

faced in complying with their obligations. These employers were all women (reflecting the gendered nature of household responsibilities) and all lived in Santiago, primarily in the wealthiest neighborhoods of the city. However, they varied in terms of age, whether or not they had young children, and what type of work arrangement they had with their domestic worker (see Appendix A, Table A2). I sought employer participants via my own personal network of friends and acquaintances, and then used snowball sampling to reach a wider network of employers. However, it is likely the employers willing to speak with me were self-selecting. Perhaps they are more likely to support workers' rights and feel secure in their good treatment of their workers. Even if they do not always have a good relationship with their workers, they may not be willing to admit this during an interview because of fear of judgement. As a result, compared to the larger population of employers of domestic workers, benevolent attitudes and supportive working relationships are likely overrepresented among my sample.

QUANTITATIVE ANALYSIS

I complement this qualitative data with a quantitative analysis that further explores the association between formal work arrangements and domestic workers' characteristics and bargaining power. I use the Supplemental Survey of Income (ESI), a supplemental survey of the National Survey of Employment (Encuesta Nacional de Empleo (ENE)) that is released quarterly by the National Institute of Statistics of Chile (Instituto Nacional de Estadísticas). The ESI is collected with the October-December round of the ENE and is available from 2010 to 2018. It is a repeated cross-sectional survey and has data on multiple aspects of employment and unemployment, including occupation, whether a worker has a contract, whether they contribute to health insurance and pension funds, the hours they work, underemployment, income, and demographic information such as education level and immigrant status. It is representative at the regional, national, and city level (for larger cities). Using this survey data, I attempt to identify the characteristics and conditions that influence the bargaining power of domestic workers and via this mechanism are associated with formal employment arrangements. Identifying these characteristics and conditions can shed light on what additional strategies beyond legal measures can be undertaken to improve domestic workers' working conditions.

III. PROBLEM ANALYSIS

WORKING CONDITIONS & HOUSEHOLD NEGOTIATIONS

My research indicates that persistent informality among domestic workers is due to the fact that the design of Law 20.786 does not recognize existing budget and capacity constraints facing the key enforcement agency, overestimates worker power in the employment relationship, and does not adequately consider employer attitudes or workers' incentives. **As a result, the labor reforms do not provide a truly universal guarantee for domestic workers – instead working conditions are still determined on a case-by-case basis at the household level.**

THE UNHEARD STAKEHOLDERS: EMPLOYERS

To understand the gap between the law and its implementation, it is first helpful to understand how the law came about and which stakeholders were involved in its passing. The legal reforms were in large part the result of a multi-year effort of domestic workers unions to put their labor rights on the political agenda. The three major domestic workers unions in Chile, SINTRACAP, ANECAP, and SINDUCAP, created an alliance under a single coordinating body. As Ratto (2020) documents, the unions undertook a three-pronged strategy to push for legal reforms ensuring greater recognition and protection of their labor rights. The first prong was to leverage the power of international labor institutions and the ILO's recently passed Domestic Worker Convention 189 to pressure for changes in national labor regulations. The second prong was to influence the public discourse, primarily by amplifying media coverage of a series of abuses or denigration of domestic workers. Finally, the third prong consisted of direct political pressure through lobbying of politicians, participation in round table discussions, support of the presidential candidate Michelle Bachelet in return for her support of their agenda, and low-intensity public protests.

Notably, the law took shape through negotiations between two major stakeholders: domestic workers and the state. However, employers - the third major group of stakeholders - were not important participants in this process. Their silence is due to the fact that the private households that employ domestic workers are highly fragmented, decentralized, heterogeneous, and may not even consider themselves as "employers" (Chen, 2011). In Chile,

there is no employer association that acts as a counterpart to the domestic workers unions, and therefore, there was no representation of employers in the debates and considerations that shaped the law. The absence of employer voices and perspectives complicates efforts to ensure labor regulations that are agreed upon and accepted by all affected parties.

REACTIVE ENFORCEMENT AND THE PRINCIPAL AGENT PROBLEM

The absence of employers from the design of the legislation is particularly concerning

because of their unique influence over its implementation. The law's major implementation mechanism is a reactive enforcement process in which the labor inspections agency, the Dirección de Trabajo (DT), responds to complaints filed by domestic workers regarding employer abuse or non-compliance with the law.¹² While a complaints-based process is logistically sensible given limited resources and the extreme decentralization of domestic

workers, it does not account for the constraints domestic workers often face in reporting non-compliance. Although filed complaints are intended to be anonymous, given that there is generally one employee per employer, it is not difficult to identify who filed the complaint.¹³ This reality means that domestic workers who file complaints may risk their job security. As one informally employed domestic worker explained, *“if you report an employer, obviously you'll lose your job”* (Domestic

worker #6). This fear is exacerbated by the fact that the domestic work job market relies heavily on word of mouth and recommendations from previous employers. Indeed, among the employers I interviewed, all of them had found their domestic workers through their personal network of

Figure 3. Inspections in domestic work: predominantly reactive



Source: Author's calculations using administrative data from the Dirección de Trabajo

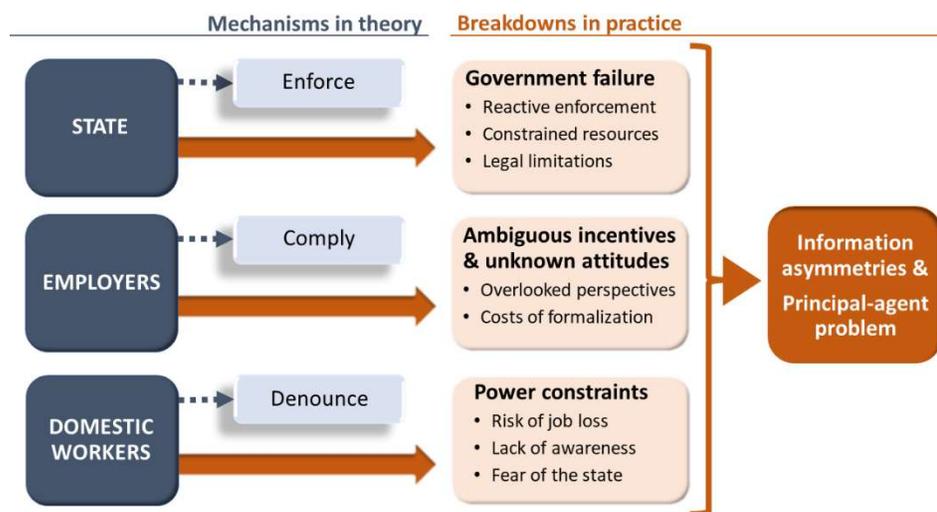
¹² Apart from 2015 (the year Law 20.786 was enacted), most inspections of domestic work are complaints-based.

¹³ In this sense, one of the shortcomings of the law was to assume that a reactive structure that works in traditional workplace settings, where there are multiple employees working together and anonymity in complaint-filing is possible, could be replicated successfully in the domestic work sector.

friends, family and acquaintances, and all of them stressed the importance of recommendations in finding a trustworthy domestic worker. This highly personalized job market gives current employers substantial power over domestic workers' future job prospects, which may in turn force workers to endure unfair or unpleasant working conditions without complaint. One domestic worker described how in a household where she worked previously, *"I was going to leave on the second day because the woman was unbearable. But I put up with her for two years to have a good recommendation"* (Domestic worker #2). Filing a complaint jeopardizes not only current but also future employment of domestic workers. Given the socioeconomic vulnerability of many domestic workers, when forced to choose between pressing economic needs and their labor rights – often the former will take priority.¹⁴ Immigrant domestic workers are especially reticent to report abuse to the authorities because they wish to avoid involvement with state, leaving them at high risk of exploitation (Fernández, 2017). **By placing the burden of enforcement on domestic workers, the system ensures that, paradoxically, those who are most in need of protections are precisely those who are least protected by the state.**

In summary, neither the state nor domestic workers are able to guarantee systematic enforcement of the law. Thus, implementation depends heavily on the third group of stakeholders: employers. Yet employers were not part of the legislative process and their incentives are likely misaligned with those of the state: adherence to the labor law incurs additional costs for the employer in the form of pension and insurance payments, reduced flexibility in hiring

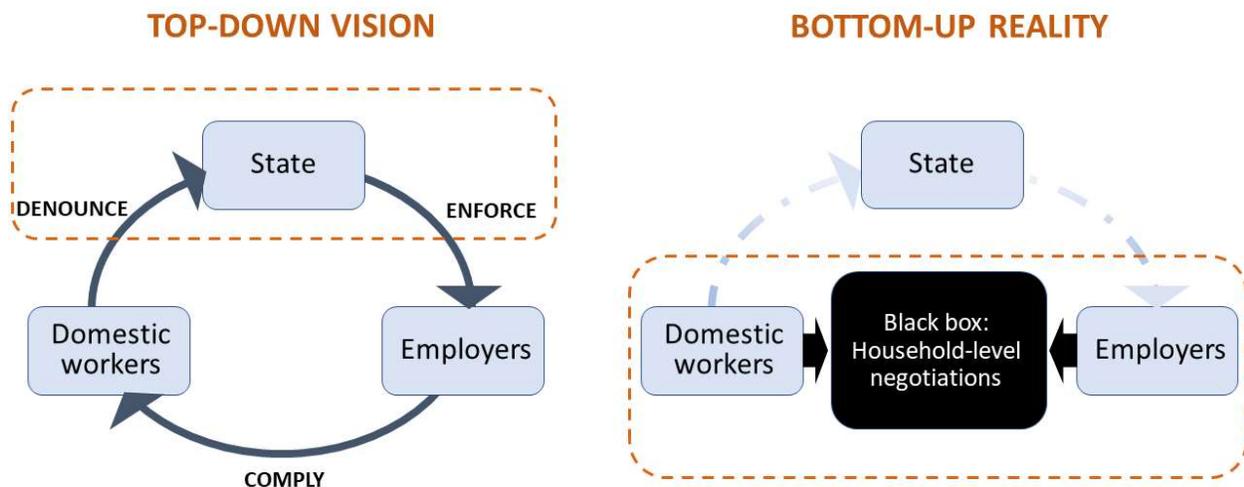
and firing, additional holidays, and more. Despite these costs, the law has no provision to encourage employers to adopt formal contracts with domestic



¹⁴ Author's interviews with domestic workers in Santa Juana, Chile, July 2018.

workers. Thus, the contradiction of dependence on a stakeholder group with ambiguous incentives creates a typical principal-agent problem of asymmetric information: the state (the principal) wishes for the employer (the agent) to comply with all labor regulations for domestic workers, but the employer may not wish to comply and the state cannot easily monitor whether the employer is behaving as desired. The state must assume that employers are complying unless a domestic worker actively claims otherwise. However, given that domestic workers are often hesitant to denounce, in practice the state has very little visibility into the realities on the ground.

In such a context of information asymmetries, misaligned incentives, reactive enforcement, and constrained beneficiaries (domestic workers), the state is not able to guarantee systematic enforcement of labor regulations for all domestic workers. **Instead, working conditions and formal arrangements are still largely negotiated on a case-by-case basis between employers and workers within each household.** The state has little visibility into this black box of household negotiations. As a result, this SYPA attempts to look inside and illuminate the factors which determine the outcomes of these negotiations. These factors must be better understood and addressed in order to close gap between the promise of the law and the reality on the ground.



INVISIBLE DETERMINANTS OF WORKING CONDITIONS AND FORMALIZATION

The forces at play in these household-level negotiations are key because for further improvements in working conditions, top-down driven enforcement alone is unlikely to be the answer. It is unrealistic to assume that the state will commit a large enough budget to enforcement in the domestic work sector to have a real impact. This means that ultimately

working conditions will continue to be determined by the local discretion of thousands of private households and domestic workers scattered across the country.

Given that implementation is determined in a bottom-up fashion, further efforts to improve working conditions and formalization among domestic workers should take a bottom-up approach as well. Based on quantitative and qualitative evidence, I posit that **employment conditions and formality are determined by three key policy-relevant bottom-up factors: (1) employer attitudes, (2) domestic worker incentives, and (3) the relative bargaining power of each party.** Below I will examine each of these factors in depth.

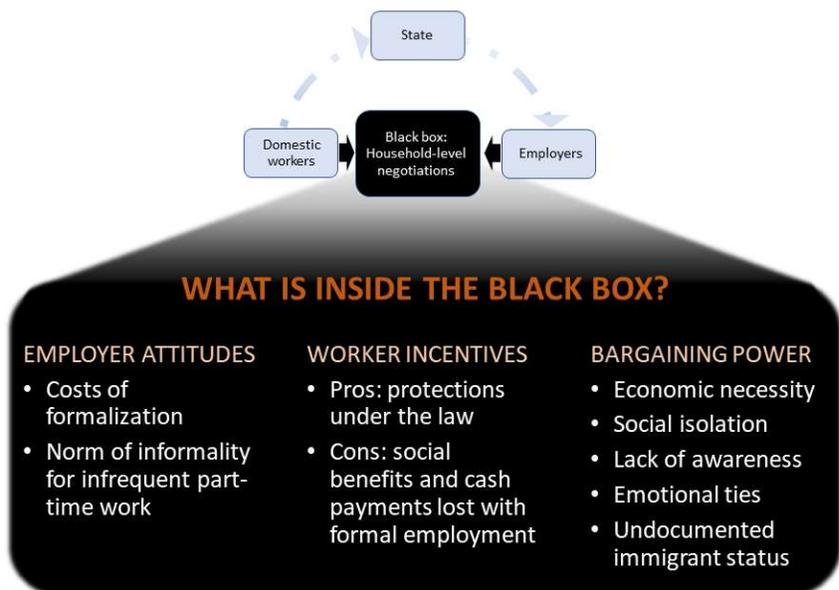
EMPLOYER ATTITUDES

Among the employers interviewed, there was a general consensus that more and more employers hire domestic workers formally, and that a generational change is occurring in which younger employers (those in their 30s) have a greater respect for domestic workers' labor rights than their parents did.¹⁵

Employers also cited the legal repercussions of not having a contract as a major reason for increasing formalization, and several expressed a feeling that in the case of a dispute, the DT would always favor the domestic worker. One employer epitomized this feeling that the state sides with domestic workers, saying that as employers, “*we have neither voice nor vote, we have nothing*” (Employer #2).

Even still, of the eleven employers I interviewed, five had informal employment arrangements with their domestic workers and an additional two had formal arrangements but

FACTORS AFFECTING HOUSEHOLD-LEVEL NEGOTIATIONS OF WORKING CONDITIONS



¹⁵ This sentiment was also echoed in interviews with domestic workers.

underdeclared the true salary so as to reduce the amount of contributions owed. The main reasons employers gave for hiring informally or underpaying contributions are as follows:

- **The domestic worker prefers informality.** Five employers described how often domestic workers themselves will request an informal relationship, either because (1) they prefer a larger cash payment rather than have their employer contribute to pension and health insurance funds, or (2) if their employment is registered with the state they will lose access to social benefits like low-cost health insurance or educational subsidies for their children's higher education.¹⁶ Even in formal relationships, employers recounted how some domestic workers prefer them to report and pay contributions based on the minimum salary and then give the worker the difference between the reported and the true salary separately in cash.
- **High costs of hiring formally or making full contributions.** One employer explained that she has a formal contract with her domestic worker and pays contributions, but that they have an informal side agreement for the domestic worker to stay over night two nights of the week. Although she pays her domestic worker an additional amount for these two nights, she does not report this income to the state because the additional required contributions would be too expensive. Employers explained that some prefer to hire immigrant domestic workers because they don't have to pay contributions for the first few months before the workers have proper documentation to work legally in the country. Cost avoidance also came up in interviews with domestic workers: one informally employed worker explained that her employer didn't want to give her a contract because the social contributions were too costly.
- **Informality is considered normal for infrequent or seasonal domestic services.** The interviews revealed a stark difference in employer attitudes about formalization regarding full-time domestic workers versus those who worked infrequently, like once a week, or

¹⁶ Two of the employers interviewed explained that they hired informally because at the request of their domestic worker so she wouldn't lose access to benefits. In interviews with domestic workers, the issue of social benefit loss was also mentioned as a reason for informality, but to a much lesser extent.

seasonally, such as in a summer home. Close to half of the employers expressed the view that informality is common or understandable for infrequent or seasonal domestic workers. Informal arrangements are also considered natural when a domestic worker is ‘shared’ by employers who are family. For example, one employer explained that her mother’s domestic worker cleaned her home once a week on an informal basis. The normalcy of informality for seasonal work was exemplified by one employer who clearly stated that she always had contracts with her domestic workers, but later mentioned that for her second summer home, she used informal seasonal domestic workers like everyone else. Her initial oversight of these informal workers underscores the strong influence of peer effects and social norms on whether or not employers even consider the need to hire their domestic workers formally. For infrequent or seasonal work, employers may not view informal arrangements as avoiding the law, but rather as natural and normal – just the way things are.

Employers’ accounts of informality in part-time domestic work is corroborated by the data. Among part-time domestic workers, 84% are informal, compared to just 37% of full-time workers.¹⁷ Even among domestic workers, there is a misconception that infrequent work is excluded from formalization requirements (Grupo NOUS, 2010).¹⁸ This misconception exists despite the fact that legal protections and labor regulations apply to all domestic workers, even if they only work a few hours a week (BCN, 2015).

This evidence highlights how employer attitudes and worker misinformation complicate the incorporation of part-time domestic workers into the formal workforce. This finding is concerning for the future of formalization efforts since the sector is moving toward arrangements where domestic workers service multiple households but each only once or twice a week (Boccardo, et. al, 2018). Given this trend, formalization efforts should direct special attention to attitudes and misconceptions around the employment of infrequent part-time domestic workers.

¹⁷ Author’s calculations, INE ESI 2018.

¹⁸ Author’s interviews with domestic workers.

DOMESTIC WORKERS' INCENTIVES: A COST-BENEFIT CALCULUS

As highlighted in conversations with employers, not all domestic workers wish to have a formal contract or contributions. Often they may perform their own cost-benefit analysis when deciding whether to work formally (Grupo Nous, 2010). The interviews with employers and domestic workers highlight **two key aspects that domestic workers weigh when deciding if they want a formal contract: the employment and social protections gained versus the social benefits and cash payments lost with formal employment.**

- **Gains: protections under the law:** Domestic workers highly value some of the protections that come with formal employment, including severance payments when the employment relationship is terminated, access to health insurance, and reduced employer discretion around the location, tasks, and hours of work. For immigrant workers, a formal contract is highly valued because it is the first step to obtaining legal residency documents. However, the appeal of the protections depends upon their quality. One employer described how her domestic worker complained that the amount she would receive from her contributory pension was no better than the amount she would receive from the noncontributory “solidarity pension.” This comment reveals how attitudes towards formal employment are shaped not only by access to, but also by the quality of the social protections received.
- **Costs: social benefits and cash payments lost with formal employment:** As mentioned previously, some domestic workers prefer to remain informal because employers will pay them cash instead of making the contributions, or because the under-declaration of income allows workers to access social benefits such as lower health insurance copayments and educational subsidies for their children. These costs seem to be a real consideration for domestic workers as they came up repeatedly in interviews with both employers and domestic workers, and have also been documented previously in other studies (Bravo & Ordenes, 2015).

The factors that enter into domestic workers' calculus regarding formal employment highlight the need for policymakers to consider social and labor policies as a whole. While

labor policies seek to promote formalization, means-tested social policies with sharp eligibility cliffs may discourage formalization as workers seek to maintain benefits. Strategies to promote formalization should also consider more carefully the true benefits to formalization, including the quality of protections. If contributory pension benefits are no better than noncontributory benefits, or if aging workers only have a few years left and will not contribute long enough to access adequate pension benefits, then formalization may not be viewed as a ‘good deal.’

Importantly, although many employers I interviewed said that informal arrangements were often requested by domestic workers, among the informally employed domestic workers I interviewed, five were voluntarily so and four were not. **In general, those who were voluntarily informal did not want to formalize their employment in order to keep social benefits or flexibility. However, those who were involuntarily informal expressed a lack of power to demand formal employment.** Thus I hypothesize that there are two types of domestic workers who work informally: those who do not wish to become formal for reasons of their own (flexibility, loss of social benefits, higher cash payments), and those who wish to become formal but have too little bargaining power. **Precisely because those who feel disempowered to negotiate formal labor rights or report abuse may be the most vulnerable workers, it is important to understand what factors shape bargaining power and whether they are policy actionable.**

BARGAINING POWER

To examine sources of bargaining power (or lack thereof), I complement the qualitative testimony of domestic workers with a descriptive analysis of the determinants of informality among domestic workers using the ESI survey from 2010 to 2018. The interviews revealed five main characteristics especially linked to difficulties demanding formal employment or filing complaints for noncompliance. These are as follow:

1. Economic necessity

Economic necessity is one of the most notable factors that impedes domestic workers from demanding or defending their labor rights, including formal employment. Domestic workers have higher rates of poverty compared to women in other occupations and a large share are the primary breadwinners of their households (Boccardo et.al., 2018). In

such a situation, the urgent need to have a job no matter the working conditions is prioritized over labor rights. One informally employed domestic worker described how this reality plays out on the ground. She had verbally agreed upon a daily payment of \$15,000 pesos with her employer, and yet,

...she told me at first that she was a bit short on money and so on, and that she would pay me \$13,000 some days when she didn't have enough cash. And well I accepted because I preferred to accept that rather than not work that day, obviously. But that was a while ago and this arrangement is being drawn out, a long time already. Yesterday I went and she paid me \$13,000. [...But] I don't want to complain because if the lady tells me, 'well, you know what, don't come on Wednesday and I'll only pay you for Saturday, I'll die. (Domestic worker #32)

As this case exemplifies, economic necessity can be so strong that any job is better than none. Under such circumstances, it is unrealistic for a worker to feel empowered to demand fair treatment or to file a complaint for abuse because this would risk an indispensable source of income. Other domestic workers also reported sacrificing their labor rights because of economic necessity, including working on holidays and working extra hours or doing extra tasks without receiving additional pay.

2. Social isolation

The isolated and hidden nature of domestic work can be psychologically debilitating for domestic workers. As one described:

After two years I got up the courage to come [to the union]. And [the director] welcomed me, took me in like a mother. Because each of us feels very alone, very alone. And the way she welcomed me, it felt really good, and I started to develop some character, I started to develop as a person. I started to see that we're worth something, and that there is someone fighting for us. (Domestic worker #2)

This testimony highlights how social isolation, combined with the stigma and discrimination facing many domestic workers, can result in low self-esteem and submissive attitudes. As this worker described and other studies have found, outside spaces for gathering, such as the offices of unions and other social organizations can

counteract this disempowerment (Del Campo & Ruiz, 2013). Yet in Chile, very few domestic workers are part of a union (just one percent), meaning that for many, persistent isolation exacerbates the uneven power dynamics in the workplace.

3. Lack of awareness about labor rights

Lack of awareness about labor protections is widespread among domestic workers – a recent survey found that more than three fourths of domestic workers in Chile have very low levels of knowledge about Law 20.786. (Boccardo et.al., 2018). For example, although the law clearly states that formal employment arrangements are required for all domestic services, even if only provided for a few hours a week, many domestic workers believe that they do not have a right to a formal contract if they only work once a week for an employer. This misconception closely mirrors employers' attitudes that informality is normal for infrequent or seasonal domestic services. Misinformation affects bargaining power because a worker will not negotiate for labor rights she does not know she has.

4. Emotional ties

In interviews with both domestic workers and employers, the emotional ties that develop between them was mentioned frequently. While close intimacy can be a positive force in the employment relationship, it often also discourages workers from defending their labor rights. Similar to the findings of other studies, my interviews revealed that the intimacy, affection or feelings of gratitude that many workers develop towards their employer can lead them to forfeit their labor rights for the benefit of the employer (Del Campo & Ruiz 2013). For example, one domestic worker described how she had asked an employer many times for a formal contract without success, and yet,

... I didn't file a complaint because she [the employer], well in a sense, she wasn't a bad person [...]. She is a really good person, for example with food, she sees me as an equal, I would sit at the table with her, all of that. Anything I wanted - if I wanted a café, I could serve myself a café, there was no difference there, in that sense she was really good. But at the same time, she can take advantage of you. (Domestic worker #6)

As this testimony illustrates, domestic workers at times find themselves in a difficult situation in which insisting on formal employment or filing a complaint with the DT can

jeopardize a relationship which is otherwise favorable. Filing complaints is sometimes perceived as too harsh a punishment for an employer who is generally ‘good’ or ‘generous.’ Under these conditions, the emotional ties that often grow between employers and domestic workers can hamper the effectiveness of the law.

5. Undocumented immigrant status

As previously mentioned, immigrants represent an important and growing share of domestic workers in Chile. For immigrants arriving without papers, domestic work is one of the few available job options while they regularize their residency status. In this sense, domestic work is an important source of employment for workers who would otherwise not be able to enter the labor force. However, being undocumented with few employment options and urgent economic needs leaves workers prone to an extremely unbalanced power dynamic with their employers. As one informally employed and undocumented domestic worker explained:

It isn't in my interest to contradict my boss, because I'm a foreigner, so here if they decide to kick me out, where will I go? I can't work (...). I'm doing this with a low profile, that's the reason I'm working in a private home, because in a private home no one can detain me, no one can tell me not to work. (Domestic worker #17)

As this migrant worker explains, the lack of alternative employment options and fear of the state create a dependency on the employer. In other words, being undocumented relegates the worker to a very weak bargaining position. Another undocumented domestic worker described this lack of power in blatant terms: “*You work with both hands and since you're not legal, you can't speak, you can't say anything – what are you going to say if you're illegal?*” (Domestic worker #37).

Considering these five characteristics, it is clear that having one or more of them reduces domestic workers' bargaining power when negotiating working conditions. They also affect the enforcement of the law since this depends on domestic workers' willingness to file complaints. **In other words, these often overlooked characteristics directly affect the formalization of the sector because many domestic workers do not have the bargaining power necessary to demand formal employment.**

Quantitative data analysis corroborates many of these qualitative findings, although in some cases reveal important and contradictory nuances. Table 1 shows the results of a descriptive probit regression examining the relationship between informality for domestic workers and other characteristics that likely influence bargaining power. The regression is not meant to establish causality because the analysis is vulnerable to omitted variable bias, reverse causality, and joint determination of explanatory variables with informal employment. However, it does provide interesting insights regarding characteristics or conditions that may influence informality, either via the incentives or the bargaining power of domestic workers. The explanatory variables were chosen specifically because of their possible relationship with bargaining power or domestic workers' incentives. See Appendix B for additional details.

Outside options: In Model 1, the three explanatory variables may indicate workers' access to outside options, that is, alternative employment opportunities. As shown, in a simple regression, higher local unemployment rates and lower levels of schooling are associated with a higher likelihood of informality. One possible mechanism is a worker with better access to alternative employment options because of local labor market conditions or education has more power to bargain for formal employment because she can more credibly walk away if her employer refuses. Interestingly, being foreign-born is strongly associated with an increased probability of being formally employed, despite the stories of employment vulnerability and uneven power dynamics recounted in the interviews. Precisely because many foreign-born workers arrive looking for a formal contract to obtain a work visa, they may insist more forcefully in formal employment arrangements. The magnitude of this relationship is reflected in descriptive data as well: in 2018, only 16% of foreign-born domestic workers were informally employed, compared to 60% of Chilean domestic workers. The contradiction may be explained by the fact that foreign-born workers are most vulnerable to exploitation when they are undocumented, but this is only a transitional stage before they attain greater employment stability and formality. Moreover, the ESI has difficulties obtaining representative samples of foreign-born workers, which could also cause overestimation of formality since the most vulnerable workers are also those most likely to hide from the state.

Worker value for employers: In Model 2, the two explanatory variables may indicate the value of the worker to the employer. Job tenure is associated with reduced informality, while part-time work is strongly associated with increased informality. Job tenure may increase bargaining power for formal employment given that domestic work occurs in private homes, and a long-term and trusted worker is highly valuable to employers. As domestic workers' increase their tenure with a particular employer, trust is built and confirmed over time, making the domestic worker increasingly difficult to replace. Thus, her bargaining power with the employer increases with longer tenure, and she may be able to more successfully negotiate for formal employment because the employer is unwilling to lose her. However, it could also be that once a domestic worker has a formal contract, she is more likely to want to stay with a particular employer and therefore longer tenure is a result of formalization rather than formalization being a result of tenure. The association between part-time work and informality has already been discussed, and has several possible explanations including: (1) misinformation among both workers and employers about the labor rights of part-time domestic workers, (2) attitudes assuming informality is 'normal' for infrequent part-time, and (3) domestic workers' desire for flexibility.

Worker incentives and constraints: In Model 3, the four explanatory variables are related to both the incentives and the economic necessity of domestic workers.

- **Incentives:** Being older and being married are both associated with a higher probability of being informal. Possible explanations drawn from the interviews relate to workers' perception of the value of social protections accessed through formal employment. For married workers who can access benefits through their spouse, the value of formal social protection may not outweigh the costs of other benefits that are lost with formalization. Similarly, older workers approaching retirement may decide that the contributions they will make over the rest of their working life will not yield valuable retirement benefits and as a result prefer to remain informal to access non-contributory benefits or higher cash payments.
- **Economic necessity:** Being the primary household provider and having lower levels of income are both associated with a higher probability of being informally employed. This

quantitative finding reflects qualitative evidence that economically desperate workers do not have much bargaining power to negotiate for better working conditions. Despite this triangulation, the coefficient on income should be interpreted with caution because of reverse causality. However, the relationship of primary provider is especially interesting because it exists despite controlling for income. In other words, it may capture the ways in which economic necessity affects informal employment without being as confounded by issues of reverse causality like income levels. This relationship may indicate that being the primary breadwinner for the household lowers bargaining power: domestic workers who are responsible for financially supporting the household may not feel they can leave an employment situation even if they are denied desired formal arrangements.

Table 1. Factors associated with informal employment among domestic workers

	Model 1	Model 2	Model 3	Model 4
Local area unemployment rate	0.997** (0.39)			0.086 (0.23)
Education level	-0.033** (0.02)			0.001 (0.01)
Foreign-born	-0.373*** (0.05)			-0.149*** (0.03)
Current job tenure (years)		-0.084*** (0.01)		-0.065*** (0.00)
Part-time		0.372*** (0.01)		0.135*** (0.02)
Married			0.055*** (0.01)	0.020* (0.01)
Age			0.002*** (0.00)	0.004*** (0.00)
Primary household provider			0.062*** (0.02)	0.036*** (0.01)
Income categories (multiples of minimum wage)			-0.331*** (0.01)	-0.180*** (0.01)
Year dummies (2014 reference)	NO	NO	NO	YES
Local area dummies	YES	YES	YES	YES

Notes: Dependent variable of interest is informal employment arrangement (yes/no). Results displayed are in terms of marginal effects. Data consists of repeated cross-sectional surveys from 2010-2018. Local area fixed effects control for unobservable time-invariant local labor market conditions. I define 'local' as pertaining to one of the 33 large urban areas included in this analysis. The local area unemployment rate is specified for women with a secondary education or lower because this group best reflects the labor market prospects for domestic workers: 97% are women and 94% have a secondary education or less.

The final Model 4 incorporates all of these variables, and also includes year dummies to control for unobservable factors that are the same across all local labor markets but vary across the years (such as country-wide macroeconomic changes over time). The year fixed effects are important because the relationship between the unemployment rate and informality is likely influenced by cyclical economic forces more than bargaining power. Indeed, once year fixed effects are added, the coefficient on labor market tightness (unemployment) is no longer significant. It is also possible that the local unemployment rate is too crude a measure of outside options.

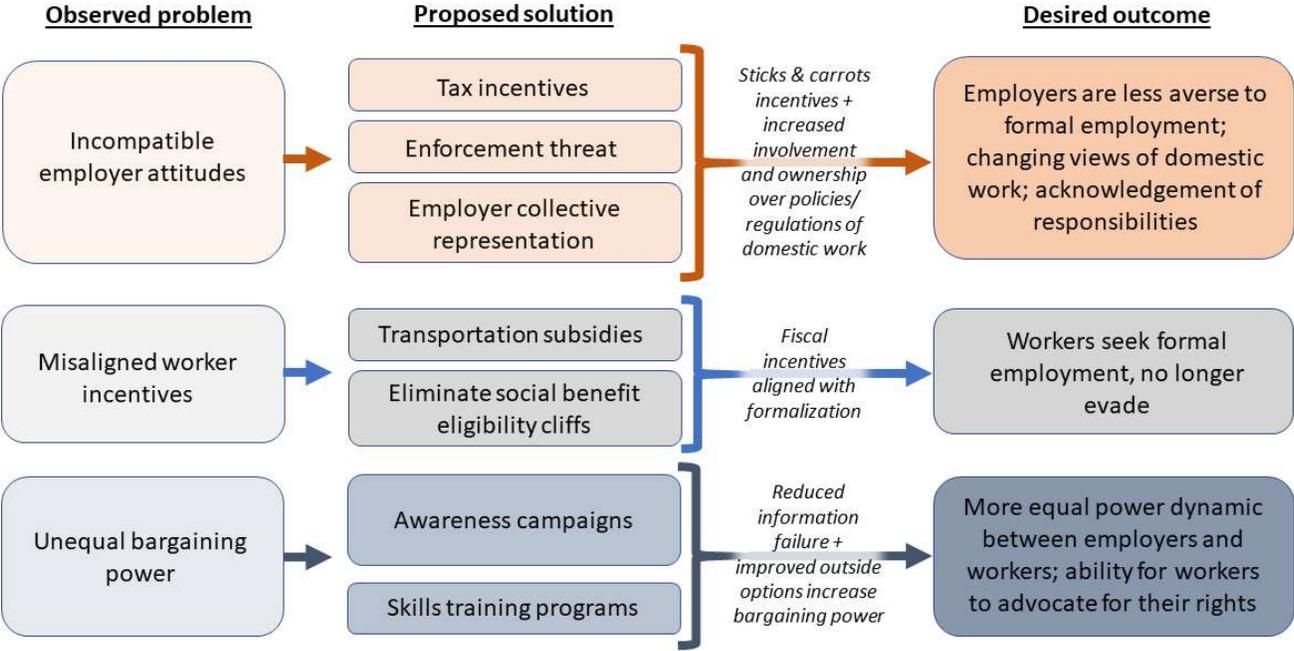
Nonetheless, besides measures of access to outside options, all other covariates remain statistically significant, indicating they have a strong relationship with informal employment. The relationships between informality and these characteristics are too complex to fully explain in a simple multivariate regression analysis such as the one presented here. The current analysis is not sufficiently robust to establish causality or identify whether bargaining power is truly the mechanism behind these relationships. However, the qualitative evidence provides some theories for how incentives and bargaining power could produce these relationships.

In sum, both qualitative and quantitative analyses highlight the importance of employer attitudes, worker incentives, and employer-worker power dynamics in determining formal or informal employment arrangements. These factors should be the focus of future policy interventions, given that widespread enforcement is an unlikely solution to persistent informal employment. **Instead, policymakers should work to align attitudes and incentives with formalization goals, and to strengthen the bargaining power of domestic workers so that they are better able to negotiate for proper working conditions.**

IV. POLICY RECOMMENDATIONS

Reducing informal employment among domestic workers is a complex undertaking. Given the vast number of actors, the diverse and sometimes conflicting incentives each face, and the high degree of local discretion, there is no silver bullet or one-size-fits-all policy solution. Instead, a multidimensional approach to promote formalization among domestic workers has been the most successful. Multidimensional policy efforts go beyond legal reforms to also include strategies to improve enforcement, align incentives, improve collective negotiation among workers and employers, and promote awareness of legal rights (Lexarta et. al, 2016). Thus, a comprehensive package of policy initiatives is ideal to address the three major problems identified: incompatible employer attitudes, misaligned worker incentives, and unequal bargaining power at the household level (See Figure 4).

Figure 4. Theory of change of a comprehensive & multidimensional policy response



Although Figure 4 outlines the elements of a comprehensive response to persistent informality among domestic workers in Chile, the reality of constrained resources and political will limits the near-term feasibility of many of these policies. As a result, I recommend prioritizing three

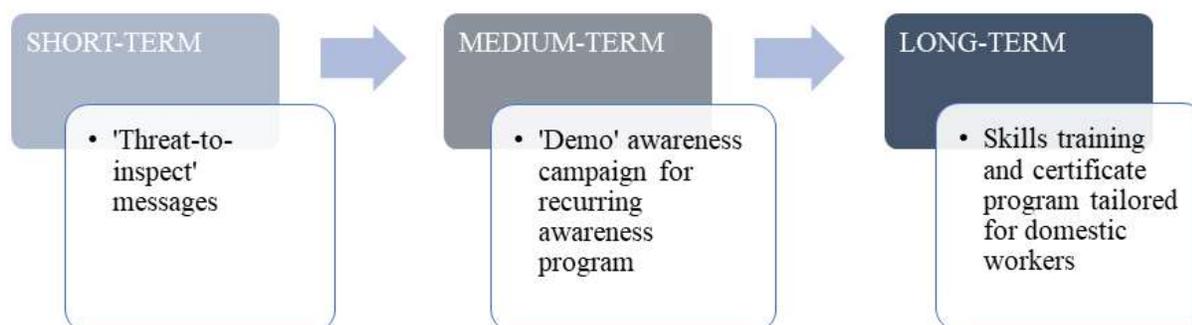
initiatives that are administratively and politically viable and can address some of the key failures identified in the current system:

INITIATIVE	FACTORS ADDRESSED
1. An initiative to send ‘threat-to-inspect’ messages to non-compliant households	- Government failure (weak enforcer) - Incompatible employer attitudes
2. A ‘demo’ awareness campaign to generate support for a multi-year large-scale awareness program	- Unequal bargaining power - Incompatible employer attitudes - Worker’s cost-benefit calculus
3. A pilot skills training program to provide domestic workers with qualifications that are valuable both to private households as well as to formal firms	- Unequal bargaining power

If the proposed initiatives are effective and scaled up, a successful policy outcome would be for Chile to increase formal employment by 10 percentage points, from 55% to 65%.

Formalization is a process, not an event, and therefore incremental improvement is most realistic. This incremental goal is benchmarked from Chile’s neighbor Uruguay which has steadily increased formal employment among domestic workers from 49% in 2012 to 65% in 2018 (AGSS, 2019). Uruguay has a similar history and culture to Chile, but has pursued improved working conditions for domestic workers much more forcefully. Thus, with renewed policy efforts, a goal of 65% formal employment among domestic workers is achievable for Chile.

Figure 5. Implementation time horizons for selected policy initiatives



The ILO is uniquely situated to help build the political will and coalitions necessary for the proposed policy agenda. It should leverage its resources and experience in tripartite negotiations to build momentum around the proposed three-pronged policy strategy. In

particular, it should create a platform for dialogue among key stakeholders and provide support to the organizations or agencies spearheading the initiatives. The implementation horizons of each initiative vary by the extent of coalition-building and multi-actor coordination needed. The ILO can take advantage of these staggered timelines to focus efforts and build momentum across initiatives.

ADDRESSING THE GOVERNMENT FAILURE & EMPLOYER INCENTIVES

RECOMMENDATION #1: Threat-to-inspect messages

An important finding of this analysis is that current enforcement efforts are insufficient. **Given the limited resources of Chile’s inspections agency, the Dirección de Trabajo (DT), it is important to find low-cost methods of expanding the ‘presence’ of the DT in employers’ minds.** A large literature has found that the perceived chance of being audited lowers tax evasion and increases tax payments among households and firms (Kleven et al., 2011; Slemrod et al., 2001; Ortega & Scartascini, 2015). Moreover, Ortega and Scartascini (2015) found that while letters to taxpayers with overdue taxes increased their probability of paying by five percentage points, emails were even more effective – increasing the likelihood by 15 percent. Given this promising low-budget approach, the DT should seek to expand its reach by exploiting the behavioral effects of a ‘threat of inspection.’ The DT should pilot this approach¹⁹ as follows:

The agency should identify a sample of 3,000 households among those that are likely to have a domestic worker but do not have a registered contract. This likelihood can be predicted based on characteristics such as income, wealth, and neighborhood of residence. The agency should then randomly assign half of these households (1,500) to receive a message stating that they have certain probability – for example, a 20% chance – of being visited by an inspections officer in the following two months to verify that they are in compliance with labor laws regarding domestic workers. The message should also include information about the legal obligations of employers, the benefits of compliance for employers and domestic workers, and highlight emphatically that the regulations also apply for workers who only work a few hours a

¹⁹ Argentina has used ‘threat-to-inspect’ letters for households on a large-scale. While no impact evaluation was conducted, it may be useful for DT officials to consult with their Argentinian counterparts to draw on their experience.

week (not only full-time). Finally, it should include instructions on how to create and register a formal contract as well as how to make social protection payments. This message should be tested among a pre-sample of employers to ensure it is effective in communicating its message.

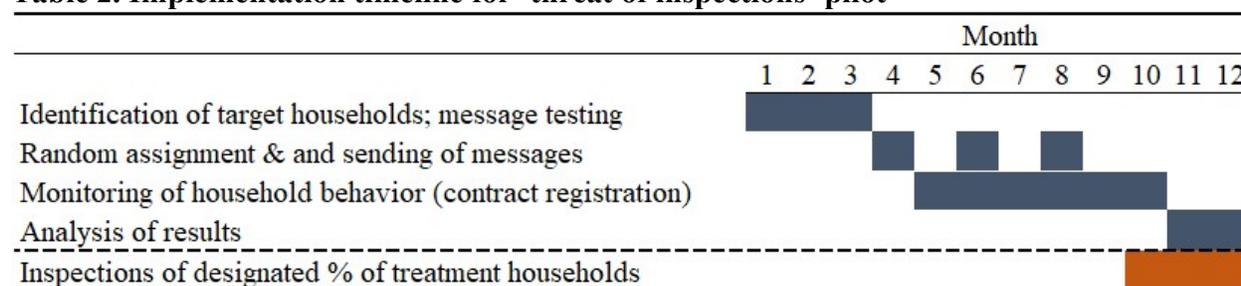
To be able to assess the impact of such an intervention, the other half of the sampled households will not receive any

communication from the agency. The DT can then track both groups and monitor the share that register contracts and beginning to contribute to health insurance and pensions to see if there is a meaningful increase in registered contracts among treatment households. Finally, to ensure that the messages are viewed as credible threats, the agency should begin the process of inspecting the ‘threatened share’ of treatment households towards the end of the study period. If a share of 20% is chosen, then of 1,500 households, 300 must be inspected. Given that in 2019 the DT conducted 312 active inspections (not initiated by complaints), **this level of inspections does not imply any additional cost outside of the agency’s normal activities.**

How is this initiative different?

The DT has not experimented with the use of ‘threat-of-inspections’ messages targeted towards households that are likely in compliance with labor legislation for domestic workers. This pilot leverages administrative data to predict which households are in compliance, and then uses a low-cost method to incentivize better compliance. The DT has yet to use this type of low-cost technology and data analysis to extend its reach in a sector that is otherwise difficult to monitor.

Table 2. Implementation timeline for ‘threat of inspections’ pilot



The advantage of this approach is that many components can be individually adjusted to fit the budgetary needs, targeting priorities, and preferred communications approach of the DT. For example, if the DT can only afford to actively inspect 100 households, the sample size

could be reduced to 500 households per treatment and control group (assuming a 20% threat of inspection). If the DT has a predetermined target group of households for active inspections, the pilot could work within these priorities to randomly assign households that fit the agency's criteria. The approach could also incorporate multiple treatments to maximize learning about what works best. For example, the DT could test the effects of emails vs traditional letters and it could also phase in different treatments every two months to test different threat thresholds (50% chance of inspection, 20%, 10%, etc). This additional information would help the agency determine the optimal level which incentivizes the most compliance among households while keeping the number of actual inspections as low as possible.

Finally, if the results show a worthwhile increase in compliance among treatment households, the DT should consider scaling up this cost-effective strategy. Each year, the agency can send emails to a new cohort of several thousand targeted households, yet visit only a small share of these. In this way, it can substantially expand its reach at minimal cost. The agency can also engage in on-going monitoring and testing of new messaging to continuously learn and adjust strategies to maximize compliance.

This pilot is financially feasible. Given that emails are free and the cost of a letter is just \$370 Chilean pesos, the total cost of sending 1,500 messages is USD\$715. Part-time personnel costs devoted to the pilot would be roughly USD\$2,500 for a full year. Assuming an additional 50% unexpected costs, the total would be roughly USD\$5,000. This amount is less than 0.001% of the DT's annual budget (DIPRES, 2019). There is no clear political opposition to this pilot since it can be carried out unilaterally by the DT (and thus there is no need for coalition-building), it is low-cost, and seeks only to increase compliance with a pre-existing law.

ADDRESSING THE BARGAINING FAILURE

A second important finding of this report is that power dynamics between workers and employers within each household are key determinants of working conditions. Uneven power dynamics lead to bargaining failures that result in unfair working conditions and involuntary informality for domestic workers. To balance out the uneven dynamic, I recommend recurring awareness campaigns and professional skills training and certificate programs for

domestic workers. The awareness campaigns will alleviate the information failure that currently exists among both domestic workers and employers, while the certificate programs have the potential to improve workers' outside options. In turn, improved awareness and outside options can help equilibrate power dynamics in household negotiations, thereby taking a first step at rectifying bargaining failures in domestic work.

RECOMMENDATION #2: Recurring awareness campaigns

An integrated multi-actor, multi-channel awareness campaign should be spearheaded by the major domestic workers unions, in collaboration with allied ministries and civil society organizations. Importantly, this campaign should be carried out as a 'demo' for a larger recurring awareness campaign program.

While ideally government ministries would proactively coordinate amongst themselves and invest resources into designing a large-scale recurring awareness campaign program, political priorities make this unlikely, especially given ongoing social unrest in Chile. As a result, other actors must build interest and excitement around the possibility of sustainable and recurring awareness campaigns.

The major domestic workers unions of Chile, including ANECAP, SINTRACAP, and SINDUCAP, are most suited to spearhead this effort. They should create a coordinating body with the immediate goal of a 'demo' awareness campaign that can build interest and momentum for a future recurring program. The 'demo' awareness campaign can draw inspiration from the successful *Hogar que Valora* campaign carried out in Lima, Peru in 2016.²⁰ Using the experience in Lima as guidance, the 'demo' campaign should be carried out through a collaborative, network-based approach with the following stages:

Stage 1: Planning the 'demo' awareness campaign

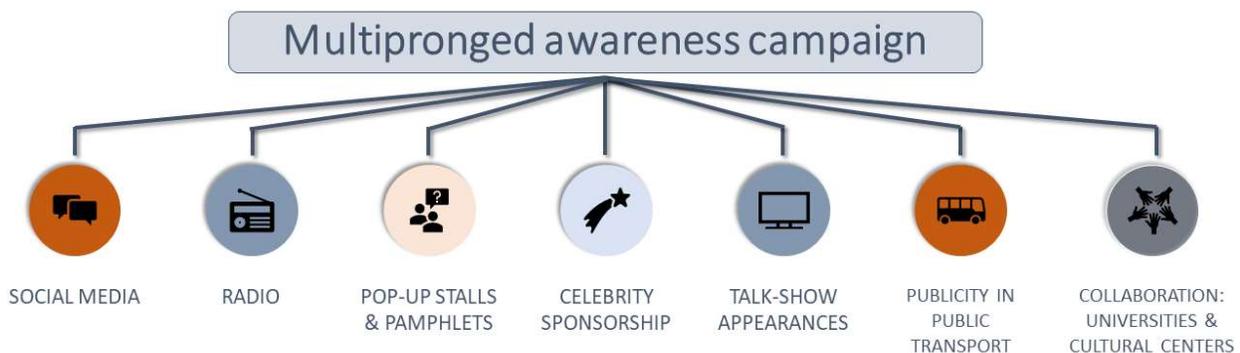
The union coordinating body should identify a target municipality for the demo campaign, as well as funding partners. It should set up round table working groups, *mesas*, to develop the

²⁰ A sister awareness campaign was carried out in 2019 in a high-income neighborhood of Santiago, Chile. However, it lacked many of the key components for scale-up, including the participation of all major domestic workers unions (only two were involved) and close collaboration with government agencies.

campaign strategy and scope. The *mesas* should include representatives from government stakeholders with vested interests in domestic workers' formalization or working conditions, including the Ministry of Work and Social Protection, the national agencies overseeing public health insurance and pension funds, the DT, and the municipality selected for the campaign (see Appendix D). Representatives will share the information dissemination efforts of each of their respective agencies, breaking down silos and allowing everyone to learn about the existing resources that can be leveraged. Campaign strategies and materials should be developed with collaborative input from all stakeholders and with advice from organizations with experience in successful campaigns. Strategies should involve multiple channels to reach a scattered and diverse target audience. Importantly, given attitudes and misconceptions around the labor rights of infrequent part-time domestic workers, campaign materials should especially emphasize their right to formal employment and social protection.

How is this initiative different?

While different government agencies and unions have sponsored awareness campaigns around domestic workers, these efforts have been sporadic and siloed, and often small-scale. For awareness campaigns to have a lasting impact, they must be repeated across time, coordinated across many agencies, and larger scale. In short, rather than a single awareness campaign, what is needed is a multi-year program of awareness raising coordinated across many ministries and civil society organizations at the national, regional, and local level. This 'demo' campaign will demonstrate the sustainability and effectiveness of an integrated awareness campaign that can be grown into a larger-scale multi-year campaign effort.



Stage 2: Executing the ‘demo’ awareness campaign

The launch of the campaign should be timed so that it does not coincide with any other major initiatives affecting domestic workers (so as to be able to isolate the effect of the campaign). Execution will require substantial commitment and energy from union members since they will be the likely implementers. The campaign coordinating body should hold frequent meetings with on-the-ground implementers and volunteers to address roadblocks and adapt strategies in real time. In addition, the DT should monitor any changes in formal contracts and contribution payments among domestic workers and their employers in the target municipality to estimate the impact of the campaign. While it will not be possible to definitively establish causality (because of confounding factors), providing evidence of impact is a crucial motivator for future scale-up.

Stage 3: Scaling up into a recurring awareness campaign program

The experience of the *Hogar que valora* campaign in Lima suggests that a collaborative low-budget campaign can have substantial impact and generate ministerial interest in scale-up. Assuming the ‘demo’ campaign has similar levels of success, the union coordinating body should push for continued *mesas* to discuss funding and strategies for the roll-out of a regional or national multi-year campaign program. Two important challenges include:

1. **Replicability across place:** The *mesas* should carefully weigh what aspects of the ‘demo’ campaign can be easily scaled and to what level (regional, national, etc). If there is political will for a national recurring campaign program, some strategies must be reinforced (like social media) while others may be deprioritized (like volunteer-based pop-up info stands). The *mesas* should consult with implementing staff to understand which strategies were most successful and how scale up will impact their effectiveness.
2. **Sustainability across time:** Political turnover within ministries may jeopardize momentum for a program of recurring campaigns. This is especially the case given the current social unrest in the country. The coordinating body should work urgently with their allies to develop strategies that ensure continued ministry commitment to scale-up efforts.

A case study: *Hogar que Valora*

Hogar que Valora was a coordinated, multidimensional awareness campaign in 2016 carried out by Peru's two major domestic workers federations in coordination with government ministries. The two-month campaign targeted a single district in Lima, and involved myriad communication channels including social media, radio, television, informational pamphlets, celebrity support and more. It was a low-budget initiative that relied heavily on social networks and the creativity of federation members.

The campaign was associated with an additional 5,000 registered contracts and generated substantial government interest in scaling up the intervention by pooling existing but fragmented ministry resources.



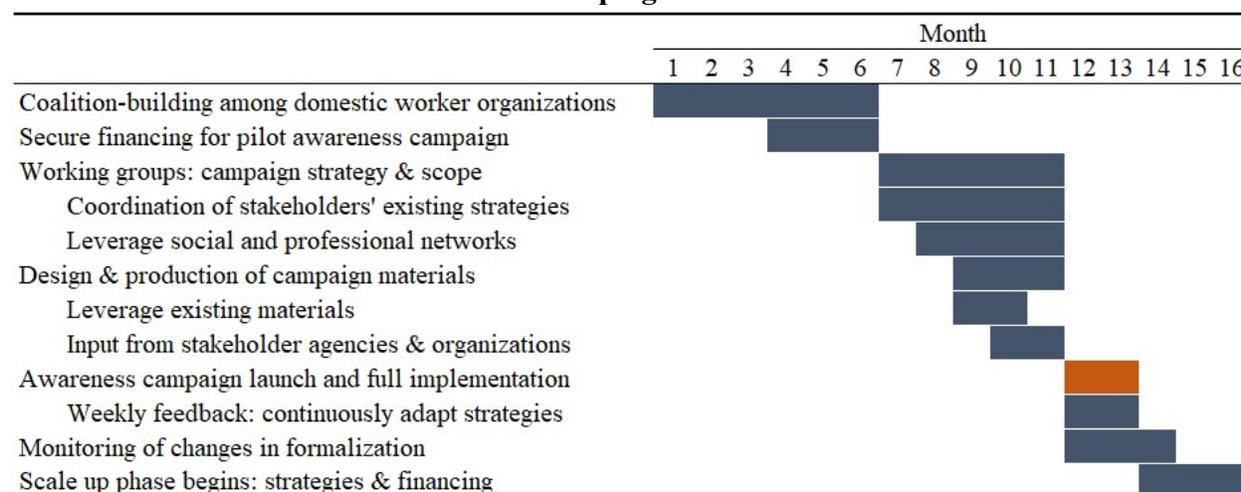
Sample material provided by campaign organizer

A ‘demo’ awareness campaign of this scale does not require large amounts of funding. As the *Hogar que Valora* campaign demonstrated, network-based tactics (social media, radio and TV appearances arranged through personal connections and voluntary support, etc) can achieve important impacts without a large budget. In terms of longer-run sustainability and scale-up, substantial government financing may be available through pre-existing but siloed awareness efforts among ministries and agencies. As a result, rather than require additional government investment, existing resources can be redirected into an integrated ongoing awareness program. This should save costs by eliminating duplication of efforts across ministries and increase effectiveness by communicating a clearer and more unified message to employers and workers.

Finally, there is likely to be political support for the ‘demo’ awareness campaign. The current Minister of Labor, María José Zaldívar, has made numerous statements related to improving female labor participation, working conditions for women, and has a history of pushing for increased formal contributions into pension funds. The ‘demo’ awareness campaign

is a low-cost intervention that aligns well with these policy inclinations towards formalization and support for women workers.

Table 3. Timeline of ‘demo’ awareness campaign



RECOMMENDATION #3: Skills training and certificate program for domestic workers

A skills training and certificate program specifically tailored to part-time domestic workers should be piloted by the National Service for Training and Employment, SENCE, in collaboration with domestic workers unions, civil society actors, and local business interests.

The SENCE is a national agency that provides job training and placement services to workers, unemployed persons, and those who are economically inactive. **Domestic workers fall neatly into the agency’s target population** since it especially focuses on vulnerable populations, including women and low-income individuals (SENCE, n.d.). Many of the SENCE’s service offerings are free of charge.

The skills training program should provide domestic workers with clearly marketable skills and an official certificate that is valuable both to private households as well as to formal firms in the area. The skills and certificates should be aligned with market trends and labor

demand, and positions workers in a sector with the potential for upward mobility. The pilot should be carried out in the following stages:²¹

Stage 1: Identification of location for the pilot training program

The national SENCE should collaborate with domestic workers union leadership to identify a municipality that is well-suited to carry out a pilot training program for domestic workers. Factors to be considered should include (1) the level of labor informality in the area, (2) the local economy, major industries, and future growth, (3) the interest and capacity of regional SENCE branches, and (4) potential partnerships with local firms, NGOs and universities or technical institutes, and regional branches of other ministries.

How is this initiative different?

The SENCE's current job training programs are not specifically tailored to build on the skills or accommodate the schedules of domestic workers. Moreover, among training programs offered by other organizations that target domestic workers, most focus on professionalizing their work within the private home, but not on building credentials that are also valued by formal firms. Finally, there are few evaluations of what types of training work for domestic workers - this pilot will create learnings for incremental scale up.

Stage 2: Designing the pilot program

The regional SENCE should establish a working committee with local representatives of domestic workers unions and other local stakeholders (see Appendix E). The SENCE should also partner with a team of researchers to evaluate the training program. The working committee should then determine the occupation/industry targeted by the skills training program and key logistics²² including (1) the number of participants and eligibility criteria, (2) the subcontractor to provide the skills training, (3) certificates signaling skills acquisition (such a 'basic certificate' followed by an 'advanced certificate'), (4) the total number of hours of training, (5) the schedule and location of the training, (6) participant recruitment strategies, (7) the provision of any

²¹ See Appendix E for more details.

²² To maximize learning from the pilot program, the working committee should consider running multiple programs that vary the logistics to see what training formats produce the best outcomes. Details in Appendix E.

support services such as child care or transportation subsidies, and (8) data collection and IT considerations.

Stage 3: Implementation of pilot program

With the launch of the training program, the SENCE and key partners should recruit enough workers to create a waitlist of applicants and collect contact information for later follow-up, including baseline data about pay, hours, and employment arrangements.

With the help of the research team, the SENCE should then randomly assign applicants to the training program via a lottery. The subcontractor will conduct the training program and the research team will monitor implementation. Over the course of the training, the SENCE should encourage feedback from implementers and participants to continuously improve the program.

Looking forward: the health care field

As Chile's population ages, the demand for high quality home health aides as well as staff in nursing homes will expand substantially. Domestic workers are well-positioned to help meet these demands, since many of them already provide care services even without formal training. The up-skilling of domestic workers in elder care and home health will give them greater versatility in the labor market, expanding their employment options and hence improving both their bargaining power and career trajectories. In addition, it presents a path for the country to address the care needs of its aging population.

Stage 4: Follow-up & analysis of results

With support of the SENCE, the research team will conduct several phases of follow-up data collection to monitor both treatment and control groups' occupations and working conditions (salary, hours, responsibilities) over time.²³ Short and longer-term time horizons are important to assess how the program may contribute to immediate employment outcomes as well as career trajectories over a longer period.

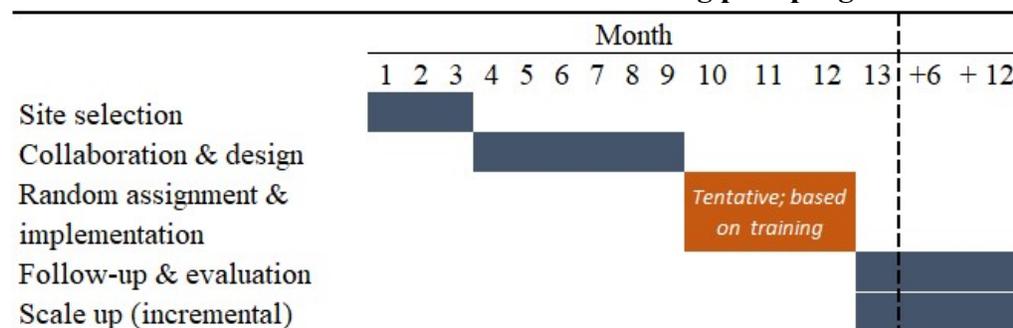
Stage 5: Incremental scale-up

Based on the learnings from the pilot, the working committee should initiate a new planning stage to scale up the training program to a larger pool of workers or to additional locations or

²³ The control group's participation in other training programs should be tracked to understand the counterfactual.

regions. Two important challenges include (1) **replicability**: incremental scale up is more advisable than jumping to a full-scale national program because the training programs are inherently local in both their content and process; and (2) **sustainability**: the working committee should also explore ways to roll the training program into other ongoing initiatives of the SENCE so that it becomes baked into existing training priorities.

Table 4. Timeline of domestic worker skills training pilot program



Financing for this pilot is well within the resources of the Ministry of Work and Social Protection, which oversees the SENCE. As a benchmark of estimated costs, I use the training program Más Capaz which ran from 2014 to 2018. Más Capaz was an intensive program aimed at the hardest to employ and included 450 hours of training, along with child care, transportation subsidies, and attendance stipends. It was budgeted at roughly \$900,000 pesos per person, or around USD \$1,200 (El Mercurio, 2016). This figure likely represents the upper bound of the per-person cost of the proposed domestic worker training program. As a result, the pilot training program for 100 domestic workers could be as much as USD\$120,000. Assuming unforeseen costs of an additional 50%, the upper bound cost is USD\$180,000. This is just 0.16% of the Ministry’s total 2019 budget of roughly USD\$110 million for training activities (DIPRES, 2019).

Moreover, there is likely to be political support for this pilot program. The government is currently in a process of ‘modernizing’ the SENCE’s services to allow greater flexibility in training methods and clearer linkages to industry needs (#NuevoSence). The pilot program can position itself as a platform for new online learning technologies and direct pipelines into growing industries, hence contributing to the SENCE’s modernization efforts.

V. CONCLUSION

Law 20.786 was a necessary and important legal victory for domestic workers in Chile.

However, it is only one of many steps needed to make good working conditions a reality. As this policy analysis describes, more attention should be paid to the factors that influence household-level negotiations since these are the true determinants of working conditions.

The three policy recommendations outlined in this document are feasible initiatives that can help address some of the key barriers to formal employment (and therefore better protections) for domestic workers. Given that there is little political will for large interventions on this issue, all three recommendations are small-scale. However, all have the potential to grow into larger initiatives with regional or even national impact.

In addition, the scale-up of these three recommendations should be complemented by other policy initiatives to sustain long-lasting improvements to working conditions. These may include tax incentives for employers to formalize their workers, softened eligibility cliffs for domestic workers' social benefits to encourage formalization, and the cultivation of employer collective groups who can engage with the state and domestic workers unions in tripartite negotiations. These endeavors can help to ensure that positive employment practices become widespread and firmly rooted for the domestic work sector.

Finally, looking ahead, changes in domestic work will require changes in policy responses. Part-time work for multiple employers is increasingly common, and online platforms are playing a new role in the relationship between employers and workers. As domestic work is infiltrated by the new technologically-driven gig economy, it is up to domestic workers unions and the state to stay ahead of the game. Online platforms represent both a threat to working conditions (as there is little monitoring), but also an opportunity for connecting and organizing a hidden and scattered workforce. In collaboration with other civil society actors, unions and the state should consider how to use online platforms to their advantage: perhaps by creating one of their own that promotes fair practices and good working conditions. These challenges will require creativity and resilience, luckily something domestic workers have demonstrated time and time again.

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APPENDICES

APPENDIX A

Characteristics of participants of qualitative interviews

Table A1: Characteristics of participating domestic workers

City	Santiago	16
	Concepción	5
	Santa Juana	2
	San Felipe	0
Union-affiliated	Yes	12
	No	11
Age	Under 40	7
	Over 40	16
Origin	Chilean	13
	Foreign-born	10
Working arrangement	Puertas adentro	11
	Puertas afuera - single employer	8
	Puertas afuera - multiple employers	4
	Full-time	13
	Part-time	10
Formal employment	Yes	14
	No - voluntary	5
	No - involuntary	4

Table A2: Characteristics of participating employers of domestic workers

Working arrangement with domestic worker <i>(some employers have multiple DWs)</i>	Full-time / 4-5 days per week	6
	Occasional / once a week	5
	Seasonal	2
Formality of arrangements with domestic worker	Formal	6
	Informal	4
	Both (multiple DWs)	1
Sub-declaration of domestic worker income	Yes	2
	No	5
	N/A (informal)	4
Employer's age	30-40	4
	40-60	3
	Over 60	4
Employer has young children	Yes	6
	No	5
Employer works	Yes	6
	No	5

APPENDIX B

Analytic method for quantitative analysis of determinants of informal employment

To assess the impact of different characteristics on rates of informal employment among domestic workers, I conducted the following basic probit regression:

$$\text{Informal employment}_{ij} = \% \text{ unemployed in urban center}_j + \text{additional person-level covariates}_i + \text{urban area fixed effects}_j$$

This equation regresses whether a worker is informal or not on the local unemployment rate among women with no more than a secondary education, additional person level covariates as described in Table 1, and urban area fixed effects to control for unobservable time-invariant local labor market conditions.

Table 1. Characteristics of domestic workers and non-domestic workers in 2018

	Domestic worker	Non-domestic worker
Informally employed	56%	12%
Age (mean)	51	44
Foreign-born	9%	3%
Married or cohabitating	44%	57%
Primary household provider	38%	53%
Years in current job (mean)	6	8
Educational attainment		
Primary or less	43%	18%
Secondary	51%	44%
More than secondary	6%	38%
Income levels, in terms of minimum salary		
1*Minimum salary	51%	26%
2*Minimum salary	42%	35%
4*Minimum salary	7%	25%
6*Minimum salary	0%	6%
8*Minimum salary	0%	3%
10*Minimum salary	0%	2%
Over 10*Minimum salary	0%	3%

I define ‘local’ as pertaining to one of the 33 large urban areas included in this analysis. In addition, in some versions of the analysis I incorporate year dummies to control for unobservable factors that are the same across all local labor markets but vary across the years (such as country-wide macroeconomic changes over time). The local unemployment rate is specific to women with a secondary education or lower because this group best reflects the labor market prospects

for domestic workers: 97% are women and 94% have a secondary education or less. If alternative employment opportunities (more outside options) improve the bargaining power of domestic workers, then domestic workers should have greater power to negotiate formal employment relationships in labor markets with lower unemployment rates.

APPENDIX C

Table C1: Implementation roadmap for ‘threat to inspect’ messages initiative

WHO	HOW	ESSENTIAL INGREDIENTS
<p><u>SPEARHEAD:</u></p> <ul style="list-style-type: none"> • Dirección de Trabajo, Department of Inspections <p><u>SUPPORTING STAKEHOLDERS:</u></p> <p>Government ministries and agencies:</p> <ul style="list-style-type: none"> • Servicio de Impuestos Internos (SII) • Ministerio de Desarrollo Social y Familia • Ministerio de la Mujer y Equidad de Género <p>University researchers providing technical expertise</p> <ul style="list-style-type: none"> • Universidad Católica de Chile <p>Domestic workers unions</p> <ul style="list-style-type: none"> • SINTRACAP, ANECAP, SINDUCAP 	<p><u>PLANNING:</u></p> <ol style="list-style-type: none"> 1. Create an internal task force within DT to identify target households <ol style="list-style-type: none"> a. Data sharing with other ministries if needed (i.e. income from the SII) b. Compatibility with DT’s current target goals 2. Content and format of ‘threat’ message <ol style="list-style-type: none"> a. Develop and test in collaboration with employers, domestic workers unions and research experts <p><u>IMPLEMENTATION & LEARNING:</u></p> <ol style="list-style-type: none"> 3. Select sample households and randomly assign to treatment or control <ol style="list-style-type: none"> a. Consider multiple treatment groups 4. Send messages to treatment group <ol style="list-style-type: none"> a. Phase-in of different trmt messages 5. Monitor formalization rates between treatment and control groups <ol style="list-style-type: none"> a. Contract registration b. Contributions to pensions & health insurance <p><u>SCALE-UP:</u></p> <ol style="list-style-type: none"> 6. Incorporate learnings from pilot into a plan for continued use of ‘threat’ messages 7. Clearly communicate success to build support of Ministry leadership 	<ul style="list-style-type: none"> • DT interest in exploring ‘threat’ letters for improved compliance • Experimentation with multiple types of messages and formats to learn what is most effective • Administrative capacity to send messages and monitor compliance between treatment and control groups

APPENDIX D

Table D1: Implementation roadmap for ‘demo’ awareness campaign

WHO	HOW	ESSENTIAL INGREDIENTS
<p><u>SPEARHEAD:</u> Domestic workers unions:</p> <ul style="list-style-type: none"> • SINTRACAP, SINDUCAP, ANECAP <p>Financing organizations:</p> <ul style="list-style-type: none"> • WEIGO • Fundación Friedrich Ebert Stiftung <p><u>SUPPORTING STAKEHOLDERS:</u> Government ministries and agencies:</p> <ul style="list-style-type: none"> • Ministerio de Trabajo y Previsión Social & regional SEREMI • Dirección de Trabajo • Superintendencia de Pensiones • FONASA (health) • Ministerio de la Mujer y Equidad de Género • Ministerio de Desarrollo Social y Familia • Municipality where the demo campaign will occur <p>Civil society organizations and NGOs</p> <ul style="list-style-type: none"> • Int’l Domestic Workers Federation • Comunidad Mujer (women) • INCIAMI (immigrants) 	<p><u>PLANNING:</u></p> <ol style="list-style-type: none"> 1. Coalition-building among domestic worker organizations 2. Financing: identify & secure source 3. Campaign strategy & scope: developed via working groups <ol style="list-style-type: none"> a. Assessment of stakeholders' existing strategies & investment b. Leverage social and professional networks 4. Campaign materials: design and production (videos, flyers, etc) <ol style="list-style-type: none"> a. Leverage existing materials b. Input from stakeholder agencies & organizations <p><u>IMPLEMENTATION:</u></p> <ol style="list-style-type: none"> 5. Awareness campaign launch and full implementation <ol style="list-style-type: none"> a. Weekly feedback from campaign implementers to address roadblocks and adapt strategies in real time 6. Monitoring of impact: changes in formal contracts and contributions <p><u>SCALE-UP:</u></p> <ol style="list-style-type: none"> 7. Scale up & continuity: Working groups translate learnings into scaled-up, multi-year awareness campaign program 	<ul style="list-style-type: none"> • Ownership & commitment from domestic worker organizations • Buy-in & collaboration from government ministries • Multifaceted campaign: multiple communication formats, use of mass media. • Continuous learning from unanticipated challenges • Action plan for pooling existing efforts and resources into an integrated, multidimensional larger scale multi-year awareness program

APPENDIX E

Detailed stages of skills training pilot program

Stage 1: Identification of location for the pilot training program

The national SENCE should collaborate with the leadership of domestic workers unions to identify a municipality that is well-suited to carry out a pilot training program for domestic workers. Factors to be considered should include:

1. Level of labor informality in the area: the local market should have enough alternative formal jobs to provide credible outside options once domestic workers have the necessary training and credentials.
2. Local economy, major industries, and future growth.
3. Interest and capacity of regional SENCE branches
4. Potential partnerships with local firms, NGOs and universities²⁴ or technical institutes, and regional branches of other ministries.

Stage 2: Designing the pilot program

1. Establish a working committee with the regional SENCE, local representatives of domestic workers unions and other local stakeholders (see Table E1 below). The SENCE should also partner with a team of researchers to evaluate the training program.
2. Determine the occupation/industry targeted by the skills training program. Requires close collaboration with representatives of both domestic workers and local industry, as well as input from domestic worker employers through focus groups.
3. Determine key logistics including:
 - a. Number of participants and eligibility criteria: Determined by cost, staffing constraints, and the sample size needed for the pilot evaluation.
 - b. The subcontractor to provide the skills training (consider quality and cost).
 - c. Certificates provided upon graduation: Consider a series of certificates (from basic to advanced) to cater to different goals and commitments of workers.
 - d. Total number of hours of training: Dependent upon the targeted industry/occupation and the training subcontractor's curriculum.²⁵
 - e. Schedule and location: The schedule should be compatible with part-time domestic workers' working hours and the location should be easily accessible. Online learning may be an important feature of the training program, as long as domestic workers have adequate internet access.

²⁴ For example, in 2017, the Departamento Universitario de Obreros y Campesinos de la Universidad Católica (DOUC) partnered with the Catholic University of Chile's Nursing School to offer a free three-month job training course in elderly caregiving to 30 immigrants. Source: <https://www.duoc.cl/educacioncontinua/noticias/educaci%C3%B3n-continua-de-duoc-uc-imparte-curso-gratuito-para-inmigrantes>.

²⁵ As a reference point, if home health aid is chosen as the target sector, the National Association for Home Care and Hospice in the United States requires 75 hours of training and a written examination for certification. Source: https://study.com/articles/Home_Health_Aide_Educational_Requirements.html

- f. Recruitment: The working committee should leverage its ties to the local community to devise an effective recruitment strategy.
4. Wrap-around or support services: Explore the possibility of providing childcare and transportation subsidies to facilitate participant attendance. The SENCE should draw on its previous experience in training programs with wrap-around services.²⁶
5. Data collection and IT considerations for ongoing monitoring and feedback loops

Note on maximizing learning: In the interests of learning as much as possible about what works best and why, the working committee and research team should consider having multiple treatment groups (for example, of 30-35 participants each) that receive training through different formats. These formats could vary by the training subcontractor used, the schedule or location of the trainings, the degree of online learning, the provision of wrap-around services, etc.

Stage 3: Implementation of pilot program

1. Recruitment: recruit enough workers to create a waitlist (collect contact information for later follow-up, including baseline data about pay, hours, and employment arrangements)
2. Randomly assign applicants to the training program via lottery.
3. Conduct training program; monitor implementation
4. Incorporate feedback from program implementers and participants on what is working and what is not to continuously improve the program. Document changes carefully since these will affect the interpretation of the program's impact.
 - a. Every two weeks the working committee should meet to receive updates from program implementers on successes and roadblocks or challenges. These updates help committee members understand the realities on the ground and possibly improve the training in real time, and will also provide learnings that influence future iterations of the program.

Stage 4: Follow-up & analysis of results

1. Conduct several phases of follow-up data collection to monitor participants' occupations and working conditions (salary, hours, responsibilities) over time. For applicants who were not assigned the program (the control group), follow-up data collection should also include any other type of job training they received as this could influence their outcomes. Short and longer-term time horizons are important to assess how the program may contribute to immediate employment outcomes as well as career trajectories and working conditions over several years. Tentatively, data on outcomes should be collected one month, six months, and one year after program completion. Each wave of data collection will provide further information about the effectiveness of the training program.

²⁶ For example, from 2014 to 2018, the SENCE ran the ambitious program "Más Capaz," which provided job training, placement, and wrap-around services to hard-to-employ individuals.

2. One month after the program, several program participants should be invited to ‘testify’ to the working committee on their experience with the program so that the committee can hear direct feedback from ‘expert users.’
3. Evaluation: the research team will use the follow up data to evaluate whether the program had an impact on the employment outcomes and career trajectories of domestic workers who participated.

Table E1: Implementation roadmap for skills training and certificate pilot program

WHO	HOW	ESSENTIAL INGREDIENTS
<p><u>SPEARHEAD:</u></p> <ul style="list-style-type: none"> • The National Service for Training and Employment (SENCE) <p><u>KEY PARTNERS:</u></p> <p>Domestic workers unions:</p> <ul style="list-style-type: none"> • SINTRACAP, ANECAP, SINDUCAP <p>Universities & NGOs with job training programs/ experience</p> <ul style="list-style-type: none"> • i.e. Departamento Universitario de Obreros y Campesinos de la Universidad Católica <p><u>SUPPORTING STAKEHOLDERS:</u></p> <ul style="list-style-type: none"> • Ministerio de Trabajo y Previsión Social & regional SEREMI • Municipality where the skills training program will occur • Local business community where the skills training program will occur • Local NGOs interested in women, domestic workers, immigrants • ChileValora: National agency for skills certification • Ministerio de Desarrollo Social (nat’l & local offices) • Ministerio de la Mujer y Equidad de Género (nat’l & local offices) 	<p><u>ESTABLISH COLLABORATION:</u></p> <ol style="list-style-type: none"> 1. Establish national collaboration among the SENCE and key partners 2. Selection of location for pilot program <p><u>PILOT PROGRAM DESIGN:</u></p> <ol style="list-style-type: none"> 3. Formation of working committee of the SENCE and local stakeholders 4. Determine the occupation/industry targeted by the skills training program 5. Determine key logistics, including number of participants, training partner, schedule & location, & recruitment <p><u>IMPLEMENTATION OF PILOT:</u></p> <ol style="list-style-type: none"> 6. Recruitment & baseline data collection <ol style="list-style-type: none"> a. Creation of waitlist 7. Random assignment of applicants to treatment (program) or control (no program) groups 8. Conduct training program and monitor implementation 9. Incorporate feedback and continuous improvement to program <p><u>FOLLOW-UP & ANALYSIS OF RESULTS</u></p> <ol style="list-style-type: none"> 10. Follow-up data collection across multiple time periods 11. Evaluation of short & long-term impact <p><u>SCALE-UP:</u></p> <ol style="list-style-type: none"> 12. Scale up & continuity: Working committee translate learnings into larger program scope 	<ul style="list-style-type: none"> • Ownership & commitment from the local SENCE and domestic workers unions • Buy-in & collaboration from local industry • Tailored program: Highly tailored to meet the needs and interests of local domestic workers • Continuous learning from unanticipated challenges • Action plan for incremental growth of pilot into larger scale program