



Minimum Wage Policy Guide

Chapter 8 – Minimum wages for domestic workers

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Summary

[Domestic workers](#) are amongst the lowest paid and often amongst the most informal group of wage employees.

They are also [frequently excluded](#) from minimum wage protection. **An estimated 21.5 million domestic workers have no minimum wage that is applicable to them, although they exist for other workers.** Among those who are covered, many are entitled to a rate that is lower than the minimum wage for other workers.

Domestic workers should not be discriminated against. They [should enjoy minimum wage coverage](#) equivalent to that provided to other workers generally, where such coverage exists. **A minimum wage recognizes the economic and social contribution of these workers and is a key means of ensuring the principle of equal pay for work of equal value.**

ILO [Convention No. 189](#) recognizes that “Each Member shall take measures to ensure that domestic workers enjoy minimum wage coverage, where such coverage exists, and that remuneration is established without discrimination based on sex” (Article 11).

Setting a minimum wage for domestic workers follows [largely the same procedure](#) as for workers in other sectors. Organizations of domestic workers and employers of domestic workers [should be involved](#), where such bodies exist. They are most intimately aware of the challenges surrounding wages in the sector.

When extending a single national minimum wage to domestic workers, in cases where they were previously excluded from the minimum wage coverage, some countries elected to provide them gradually with equality of treatment. This gradual approach involves cases where the minimum wage is initially set at a lower level than the national minimum wage in place and is gradually increased over time to equal the national minimum wage level.

As for other sectors, minimum wage levels should be set by taking into account the [needs of workers and their families](#) , as well as [economic factors](#) .

An effective minimum wage should also take into account the working time of domestic workers, and the prevalence of [live-in and live-out](#) workers. Limits should also be placed on [payments in kind](#) . Some countries have also opted to set both [hourly and monthly](#) minimum wages to ensure effective protection.

- [See also ILO's thematic website on Domestic Workers.](#)

8.1 Defining domestic work

When defining the term “domestic worker”, the delegates to the 2011 International Labour Conference did not rely on listing the specific tasks or services performed by domestic workers – these vary from country to country and may change over time. Rather, they supported a general formulation that draws on the feature common to domestic workers – that they work for private households.

The [Domestic Workers Convention, 2011 \(No. 189\)](#) , reflects this when it defines “domestic workers” in Article 1:

- (a) the term “domestic work” means work performed in or for a household or households;
- (b) the term “domestic worker” means any person engaged in domestic work within an employment relationship;
- (c) a person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker.

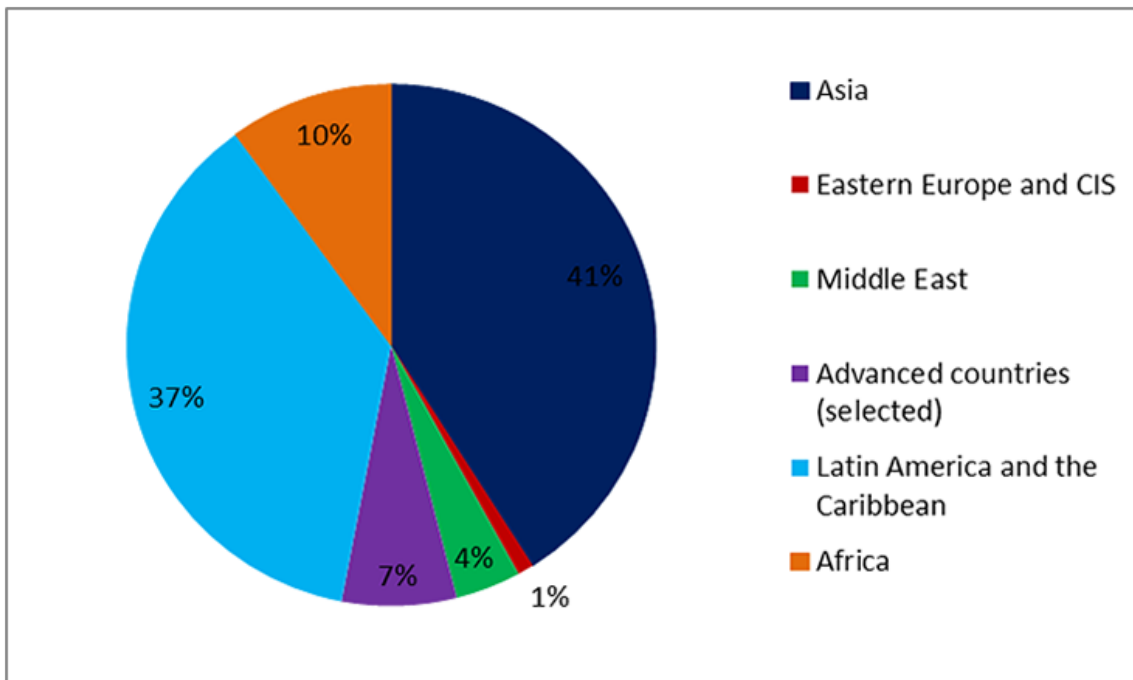
From a statistical standpoint, the restriction of domestic work to private households also provides a convenient way of identifying domestic workers under the International Standard Industrial Classification (ISIC). The still widely used ISIC Revision 3.1 contains the sectoral division “Activities of private households as employers of domestic staff” (Division 95), which corresponds to the definition in [Convention No. 189](#). It captures:

the activities of households as employers of domestic personnel such as maids, cooks, waiters, valets, butlers, laundresses, gardeners, gatekeepers, stable-lads, chauffeurs, caretakers, governesses, babysitters, tutors, secretaries etc. It allows the domestic personnel employed to state the activity of their employer in censuses or studies, even though the employer is an individual.¹

A second advantage of this sectoral approach is that it imposes relatively low requirements for the level of detail in statistical data. Using this sectoral approach, 52.6 million men and women were employed as domestic workers across the world in 2010. Figure 1 below shows that the vast majority of domestic workers work in Latin America and the Caribbean and Asia.

¹ Published in 2008, ISIC Revision 4 includes Division 97 “Activities of households as employers of domestic personnel”; however, its definition is identical to that of ISIC Revision 3.1 Division 95, despite the slight modification to the title. ISIC Revision 4 was developed for use during the 2010 Population Census round, but it has not yet been adopted by many national statistical offices around the world. [More information on ISIC.](#)

Figure 1. Distribution of domestic workers by sex and region, 2010



Source: Reproduced from [ILO \(2013\), Domestic workers across the world: Global and regional statistics and the extent of legal protection, \(Geneva, ILO\)](#).

It is also possible to identify domestic workers on the basis of their occupation however, this is not recommended. Although some occupations are predominantly performed within households, others can also be performed outside the home – a cook can also work in a restaurant, a gardener in a flower nursery and a gatekeeper at an office building. This makes it difficult to distinguish domestic workers from other workers, thereby potentially over or undercounting them.²

8.2 Why domestic workers' wages are often very low

Domestic workers provide crucial services to households around the world. It is thanks to the labour of domestic workers that the women and men of the households for which they work are able to go to work, to earn a living for their own family, and to realize sustainable and fruitful futures for themselves and their children. Yet, the wages paid to domestic workers are often extremely low. In fact, available data shows that they receive substantially lower wages in comparison to other employees.³ Estimates suggest that they typically earn less than half of average wages – and sometimes no more than about 20 per cent of average wages.

The low levels of remuneration among domestic workers is the result of a range of factors, including a large labour supply, undervaluation of domestic work and its contribution to society, the low bargaining power of domestic workers, the lack of representation in the sector, and frequent exclusion from labour protection, particularly minimum wage coverage – all of which tend to be interlinked. Establishing a minimum wage for these workers is a key means to ensure their right to decent work and a decent life.

Undervaluation

Despite the clear contributions of the sector, domestic work is frequently not perceived as real work, performed within an employment relationship. Employers and societies often perceive domestic work as a natural part of any woman's work, and

² Cited from ILO (2013). [Domestic workers across the world: Global and regional statistics and the extent of legal protection, \(Geneva, ILO\)](#).

³ ILO (2013). [Domestic workers across the world: Global and regional statistics and the extent of legal protection, \(Geneva, ILO\)](#).

not as a valuable service provided to their households, performing concrete tasks such as cleaning, cooking, shopping, laundry, as well as caring for children, older people, disabled and other household members in need of care.

Such attitudes and perceptions tend to result in domestic work being undervalued in comparison with jobs predominately performed by men.⁴

Gender-based pay discrimination in domestic work may also be compounded with other forms of discrimination. For example, the worker's ethnic or social origin, or nationality may determine the level of remuneration as opposed to being based on legitimate criteria, such as the type of work performed or actual hours of work.

Low pay in the domestic work sector is also linked to the perception of domestic work as “unproductive” because it is not seen as directly generating economic gains or profits for the households employing them. Yet, domestic workers enable their employers – especially women – to go to work and earn income to support their families. In this way, domestic workers' labour supports households and national economies.

Low bargaining power and representation

Domestic workers' weak bargaining power in the home and the low incidence of representative domestic workers' organizations also make them subject to low wages.

Because their workplace is a private household, domestic workers perform their duties in relative isolation from other workers. This particularly holds true for domestic workers who reside in the household for which they work (“live-in workers”). Domestic workers usually have no co-workers. Long and unpredictable hours of work may make it exceptionally difficult for them to meet up with fellow workers to exchange experiences and information and to organize collectively. Employers often do not see themselves as employers and are usually not organized.

This decentralization and isolation of the workforce has posed challenges to establishing representative organizations for domestic workers, or for their employers. Although organizations do exist in some countries, large swaths of the domestic workforce remain unorganized and therefore more vulnerable to abusive practices such as unduly low wages or non-payment of wages. Live-in domestic workers are particularly unlikely to demand higher wages, since losing their job also means losing their accommodation.

In some countries, socio-cultural factors, such as language barriers, may prevent domestic workers, particularly migrant domestic workers and those belonging to ethnic minority groups or indigenous peoples, from engaging and negotiating with their employers.

Low levels of education among domestic workers and their position in society often limits their access to other job opportunities, pushing domestic workers into accepting poor conditions. Such factors also increase their vulnerability to abusive treatment, discrimination and unfair working conditions.

⁴ ILO (2007) “General Observation on the Equal Remuneration Convention, 1951 (No. 100)”, in Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part IA), International Labour Conference, 96th Session, Geneva, 2007 (Geneva), pp. 27172; and ILO (2009): Decent Work for Domestic Workers, Report IV(1), International Labour Conference, 99th Session, Geneva, 2010 (Geneva).

8.3 Should domestic workers be covered by minimum wages?

Many domestic workers around the world are excluded from minimum wage coverage

Low remuneration is also due to the frequent exclusion of domestic workers from labour law generally, and from minimum wage coverage specifically. In fact, 22.4 million domestic workers (42.6 per cent of the total worldwide) do not have any protection against unduly low wages and no minimum wage is applicable to them.

To a small extent, this is due to the fact that they live in countries that do not have minimum wage legislation (0.8 million workers thus affected). However, far more domestic workers – 21.5 million – live in countries with minimum wage regulations that protect other workers but not them. In addition, many more domestic workers are not effectively covered by minimum wage provisions because of the high levels of informality in the sector.

Just over half of domestic workers have the right to the same or higher statutory minimum wage as other workers under their national legislations. Around 3.1 million domestic workers (5.9 per cent of the total) are entitled to a minimum wage fixed below the statutory minimum wage for other workers. Moreover, when there are several minimum wages, for example, at sectoral level, the minimum wage for domestic workers tends to be the lowest of these. Even where minimum wages are in place, ensuring that employers comply with the rate poses challenges. Employers often are not aware of their responsibilities, labour inspectorates are frequently under-resourced, and often require permission from the householder or judiciary authorization to enter the home.

However, numerous labour ministries and inspectorates have developed innovative practices to raise awareness among employers about the minimum wage when it is introduced, and to ensure that employers are in compliance.⁵

Domestic workers deserve minimum wage protection equivalent to that enjoyed by workers generally

Minimum wage provisions are important instruments to protect the most vulnerable and lowest-paid workers – such as domestic workers – from unduly low wages. A minimum wage recognizes the basic contribution of these workers to homes and societies, and is a key means of ensuring the principle of equal pay for work of equal value.

In fact, Convention No. 189 explicitly states that “Each Member shall take measures to ensure that domestic workers enjoy minimum wage coverage, where such coverage exists, and that remuneration is established without discrimination based on sex” (Article 11). In line with this provision, several countries have taken measures to extend minimum wage coverage to domestic workers, such as Namibia, Brazil, [South Africa](#), Switzerland, the [United States](#), and some [Indian States](#).

Minimum wages should respect the principle of equal pay for work of equal value

Countries across the globe have different minimum wage systems in place. Some set a national minimum wage, while others have a regional system. Some set minimum wages by sector or occupation or use a combination of multiple systems (see chapter 2). South Africa, for example, sets minimum wages by sector, region and occupation. An overview of selected country practices is provided in Table 1 below.

In some countries with a single national minimum wage, domestic workers have the same minimum wage rate as all other workers. This is in line with Article 11 of Convention No. 189.

In countries that adopt a sectoral or occupational approach, a minimum wage can also be established specifically for the domestic work sector – for example, through a tripartite wage board or via collective bargaining. However, when sectoral minimum wages are set, it is important that they respect the principle of equal pay for work of equal value (see section 2.4).

⁵ ILO (2015). [Labour inspection and other compliance mechanisms in the domestic work sector: Introductory guide](#) . (ILO, Geneva).

Otherwise the minimum wage fixing mechanism would directly reinforce the traditional undervaluation of care work, and the system would then be in violation of that principle.

Table 1. Summary of minimum wage systems for domestic workers in selected countries

Included in national minimum wage	Gradual approach	Sectoral approach	Combination
United States	Chile	Switzerland	South Africa (sectoral, regional, and by occupation)
Brazil	Ecuador	Italy	Philippines (sectoral, regional)
Algeria	Portugal	Austria	
Burkina Faso		Botswana	
Colombia		India	
Mexico		Namibia	
Republic of Moldova		Uruguay	
Netherlands		Zambia	
Russia		Tanzania	
Spain			
Turkey			
Senegal			

8.4 Who should set the minimum wage for domestic workers?

Organizations of domestic workers and employers of domestic workers should be involved

The [Minimum Wage Fixing Convention, 1970 \(No. 131\)](#), clearly outlines that organizations of employers and workers concerned or, where no such organizations exist, representatives of employers and workers concerned on a basis of equality and persons having recognized competence for representing the general interests of the country should be involved in the minimum wage setting process (see Chapter 3).

This is no different for domestic workers.

When setting a minimum wage for the domestic work sector, organizations of domestic workers and employers of domestic workers should be involved, where such bodies exist. They are most intimately aware of the challenges surrounding wages in the sector.

The [Domestic Workers Convention, 2011 \(No. 189\)](#), taking into account the low level of organization in the sector, calls for Members to:

...implement the provisions of this Convention, in consultation with the most representative employers' and workers' organizations, through laws and regulations, as well as through collective agreements or additional measures consistent with national practice, by extending or adapting existing measures to cover domestic workers or by developing specific measures for them, as appropriate. (Article 18)

Ensuring the voice and representation of workers and their employers is a fundamental right. Yet domestic workers are not always organized into representative organizations of workers, and their employers are even less frequently organized into representative organizations of employers.

Sometimes organizations of domestic workers and their employers exist and domestic workers are represented by the most representative organizations. In other cases, they either do not exist, or are not affiliated with such representative bodies.

In some countries, domestic workers are not organized into formal unions. This occurs because they may not have the right to form a union, or because of practical barriers to forming a union.

Several countries have established minimum wages for the sector through collective bargaining, tripartite consultations, or tripartite expert groups, in consultation with organizations of domestic workers and of employers of domestic workers, or with the most representative organizations of employers and workers, or both.

Specific situations to consider

When representative organizations exist

When domestic workers and their employers have their own representative organizations, wage setting should take place through collective bargaining or in consultation with these representative bodies.

France's minimum wage (SMIC) applies to all workers, including domestic workers. Three collective agreements have also been negotiated between various trade unions and organizations representing employers of domestic workers. Each agreement takes into account varying employment relationships, depending on whether a public or private agency places the workers, or if the household employs the worker directly. Organizations of employers representing each type of employment relationship exist, and each one is a signatory to the respective collective agreement.

When there is an alternative employers' organization

Often, a union of domestic workers exists, but there is no organization of employers. In Uruguay, the domestic workers' union SUTD advocated for a minimum wage for domestic workers, but an employer body first had to be identified to act as the negotiating counterpart.

The government approached the Chamber of Commerce, which declined. It then approached the Liga de Amas de Casa, Consumidores y Usuarios de la Republica de Uruguay (LACCU), [the Housewives' League], to step in as the representative organization of employers. The LACCU accepted, and agreement was signed including, among other working conditions, a minimum wage for domestic workers.

An agreement on a minimum wage increase was also reached between seven domestic workers' unions and two employers' organizations in Argentina.⁶

When domestic workers and employers are insufficiently organized

More often than not, the minimum wage is established specifically due to the vulnerability and lack of representation within a sector. For this reason, other representatives sometimes play a role.

In Switzerland, a minimum wage was negotiated for the sector through a standard employment contract. This process was called for by the national trade union confederation UNIA, and was negotiated by the representative sectoral organizations that most closely related to domestic work (i.e. the hotel and service sector union, and its employer counterpart from the restaurant and hotel business).

In [South Africa](#), sectoral determinations for a minimum wage were issued through consultation with a tripartite committee of experts to set wages for sectors that do not have representation. In 2002 the South African Ministry of Labour established the first minimum wage for the domestic work sector, following consultation with tripartite experts, the domestic workers' union SADSAWU, workers, employers, and the general public.

⁶ Hobden, C. (2015). Labour Relations and Collective Bargaining, Issue Brief 2: [Improving working conditions for domestic workers: organizing, coordinated action and bargaining](#) (Geneva, ILO).

8.5 How should the level be set and adjusted for domestic workers?

The criteria should be the same as for all other workers, observing the principle of equal pay for work of equal value

There is a common perception that the process and criteria used to set a minimum wage for domestic workers should be different from that used for other workers. This is not the case.

The process and criteria used to set a minimum wage for domestic workers should be the same as that used for all other workers (see chapter 5). [Article 3 of Convention No. 131](#) gives guidance on the basic criteria that should be used when establishing a minimum wage for any group of workers:

The elements to be taken into consideration in determining the level of minimum wages shall, so far as possible and appropriate in relation to national practice and conditions, include—

(a) the needs of workers and their families , taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups;

(b) economic factors , including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

In the case of a national or regional minimum wage – where domestic workers are included in the legal scope of their application – the process of minimum wage setting is the same for all workers across the economy.

The particular effects on the domestic work sector should be considered, just as for all other sectors of the economy, in the analyses conducted by the country concerned to set a national minimum wage. However, in some countries, domestic workers are excluded from surveys. Measures should be considered to include them in [data collection](#) (see [Technical Note 1](#) for more examples).

In general, the minimum wage for domestic workers is and should be set using the predominant system in the country concerned. Where a national minimum wage is in place, this protection should be extended to domestic workers. When sectoral wages are set, a sectoral approach should be taken, observing the principle of equal pay for work of equal value.

In countries where sectoral minimum wages are in place, minimum wages should be set using the same criteria outlined in [Convention No. 131](#) – namely, [the needs of workers and their families](#), and [economic factors](#).

Gradual approaches can be used

When extending a single national minimum wage to domestic workers, in cases where they were previously excluded from the minimum wage coverage, some countries elected to provide them gradually with equality of treatment. This gradual approach involves cases where the minimum wage is initially set at a lower level than the national minimum wage in place and is gradually increased over time to equal the national minimum wage level.

The gradual approach is often based on prevailing wage rates in a particular sector and arises from employment concerns. If they are particularly low, in relation to all other sectors, a drastic increase in the wage in a particular sector could prompt considerable negative employment effects.

Such an approach was applied in the domestic work sector in countries like Portugal, Chile and Ecuador, but it has also been used in other countries for different sectors. For example, it was used for small and medium enterprises in Malaysia and for different regions in Brazil before 1984 when one national minimum wage was established.

➤ [Chile: A gradual approach for domestic workers](#)

The gradual approach, described above, has been used in cases where a national minimum wage is significantly higher than the average wage in the domestic work sector, prompting concerns about the negative effects on employment and informality if the minimum wage were to increase significantly at once. A gradual approach allows time for employers to adapt to new wage levels, with the promise of achieving equality within a clear timeline.

In these cases, a clear plan for the gradual increase is key to ensure that equality is reached within a reasonable timeframe. Otherwise, in cases where a national minimum wage is in place, and a separate and lower sectoral minimum wage is set for domestic workers, this would violate the principles of equal pay for work of equal value, and of equality of treatment in line with [Convention No. 100](#) and [Convention No. 189](#).

Adjusting the minimum wage

Adjusting the minimum wage for domestic workers should be carried out in the same manner as minimum wages are adjusted for all other workers. This generally involves considering changes in the needs of workers and their families and economic factors since the previous period when the minimum wage was adjusted.

For example, this includes increases in the incomes of the households that employ domestic workers. More detailed information about adjusting minimum wages can be found in Chapter 5 and [Technical Note 1](#).

Careful stock must be taken of the particularities of the sector

Irrespective of the approach taken, careful stock must be taken of the particularities of the sector – most notably the high prevalence and proportion of [wages paid in kind](#), and the typically [long weekly hours and lack of working time protections](#), such as limits on working time and right to overtime pay. These situations effectively reduce the take-home pay of domestic workers.

Indeed, if a domestic worker works 60 hours a week and is not protected by working time or overtime provisions, that person is effectively bringing home a lower wage per hour than other workers who earn the monthly minimum wage, are protected by working time legislation and work 40 hours a week. The result is inequality in the outcome of the minimum wage legislation.

8.6 Needs of domestic workers and their families

Assessing the needs of workers and their families is no different for domestic workers than for other workers. Generally this involves assessing the needs of domestic workers' families in relation to the national and/or international poverty line, family size and number of individuals who work within the household.

See Section 5.2 on "The needs of workers and their families".

8.7 Economic factors in the domestic work sector

As for other sectors, some of the indicators on which the economic factors in the domestic work sector are based include: the percentage of employees affected by an increase in the minimum wage, the impact of this increase on the total wage bill, and the minimum to average wage ratio (see chapter 5).

In the case of domestic work, these indicators are defined by the employer's capacity to pay. Identifying the capacity to pay requires identifying who the employer is (the household) and what proportion of the household budget can go to domestic work (see [Technical Notes 1, 2 & 3](#)).

Who is the employer?

In this sector, households are the employers. Instead of balance sheets with profit and loss statements, they have a household income. In this regard, the capacity of employers of domestic workers to pay is based on the household income (see [Technical Notes 1, 2 & 3](#)).

Figures 2 and 3⁷ use data on household income from Namibia and the Philippines to show that domestic workers are disproportionately hired by the wealthiest families (see [Technical Note 1](#)).

It is also possible to calculate the percentage of household expenditure which is spent on the employment of domestic workers. This exercise is akin to calculating the total wage bill of an enterprise (see chapter 5). Figure 4 shows the percentage of household income spent on the employment of domestic workers in Costa Rica. While the percentage of household income spent on domestic work varies depending on the household's income, on average, households spent about 4 per cent on domestic work.

In computing these analyses, it is also important to consider both wage costs and social contributions that employers must pay.

Data on household income is also used because labour productivity – as calculated from a country's national accounts statistics – cannot be computed for the domestic work sector as it is for sectors like manufacturing.

In the manufacturing sector, for example, labour productivity is computed as the value of the output produced by the sector minus the value of the inputs used to produce the output.

Domestic work is not the only sector that faces this challenge: similar challenges also arise in the public sector.⁸ (see chapter 5). However, it is possible to use other indicators to assess the potential economic impact that an increase in the minimum wage for domestic workers might have. These include the percentage of domestic workers who would be affected by a particular minimum wage level (i.e. the percentage of domestic workers who currently earn less than the proposed level), and the impact this increase might have on average wages in the economy and on the average wage of the domestic work sector.

Ensuring affordability for employers

Concerns often arise about the ability of households to afford higher wages for domestic workers. There are often claims that many employers are minimum wage earners themselves. An excessive increase in the minimum wage could result in a loss of employment, a loss in the number of hours worked and/or an increase in undeclared hours and work. This is facilitated by high levels of informality in the sector and the low capacity of institutions to enforce compliance. Indeed, when setting a minimum wage, government and social partners must balance the needs of workers and their families, and the capacity of households to pay the minimum wage.

As the information we provide here shows, data on households can significantly help in identifying a suitable wage level in countries where minimum wages are set at sectoral level. Where there are concerns about affordability for lower-income households, whether in national or in sectoral minimum wage setting systems, several countries have established or promoted the establishment of child care and older people's care centers that are usually more affordable for these households.

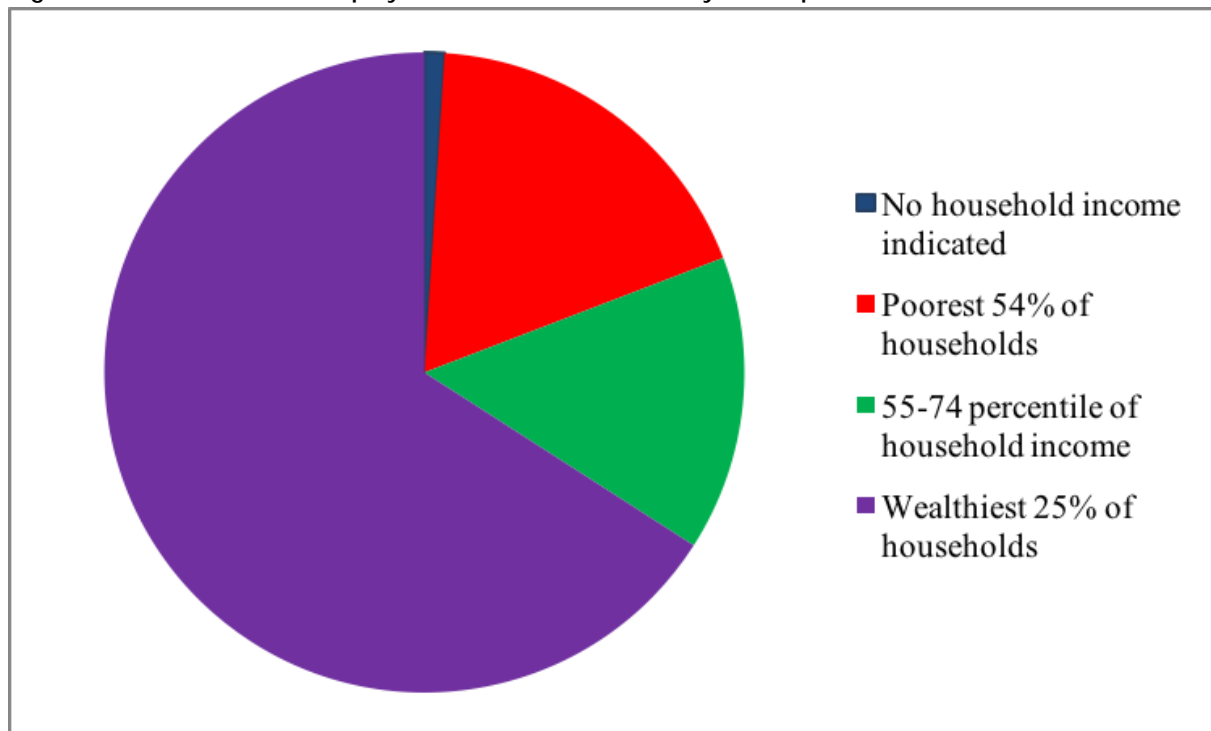
In countries like France and Belgium, domestic work is publicly subsidized to enable the payment of a minimum wage that meets the needs of workers and their families. In doing so, these countries have ensured protection for a typically vulnerable category of workers who provide essential services to hundreds of millions of homes around the world.⁹

⁷ Data collected from household surveys do not always fully capture the size of the domestic work labour force or the hours they work because of high levels of undeclared work and hours.

⁸ [Atkinson \(2005\). Atkinson Review: Final Report, Measurement of Government Output and Productivity for the National Accounts \(New York, Palgrave MacMillan\)](#) .

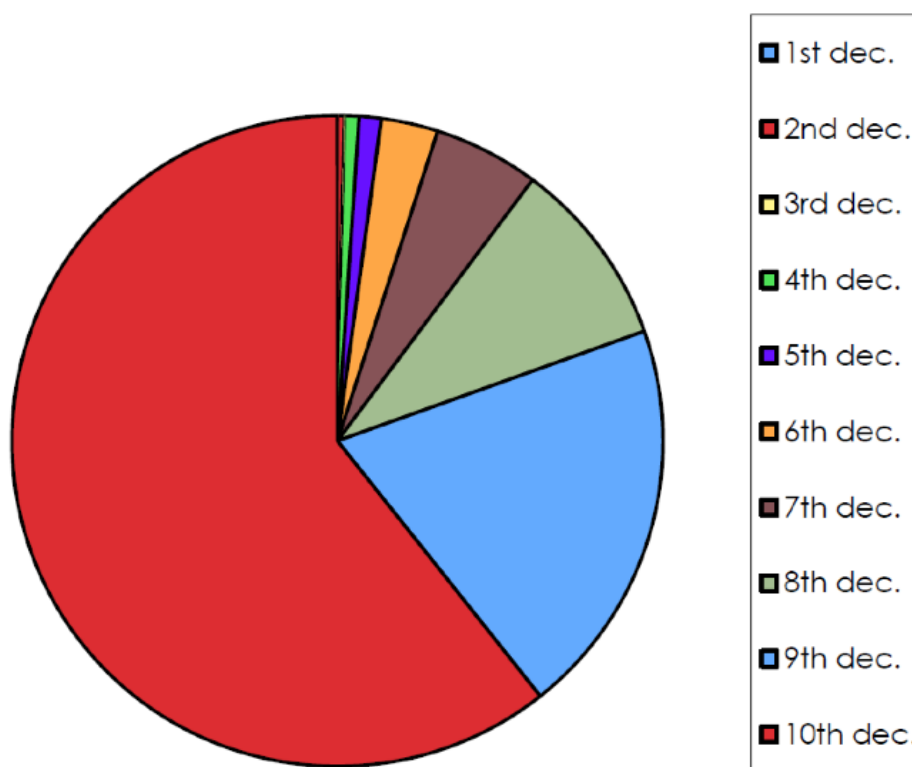
⁹ [ILO \(2010\). Policy Brief 1: remuneration in domestic work, \(Geneva, ILO\)](#) .

Figure 2. Domestic worker employment in Namibia in 2012, by the disposable household income of the employer



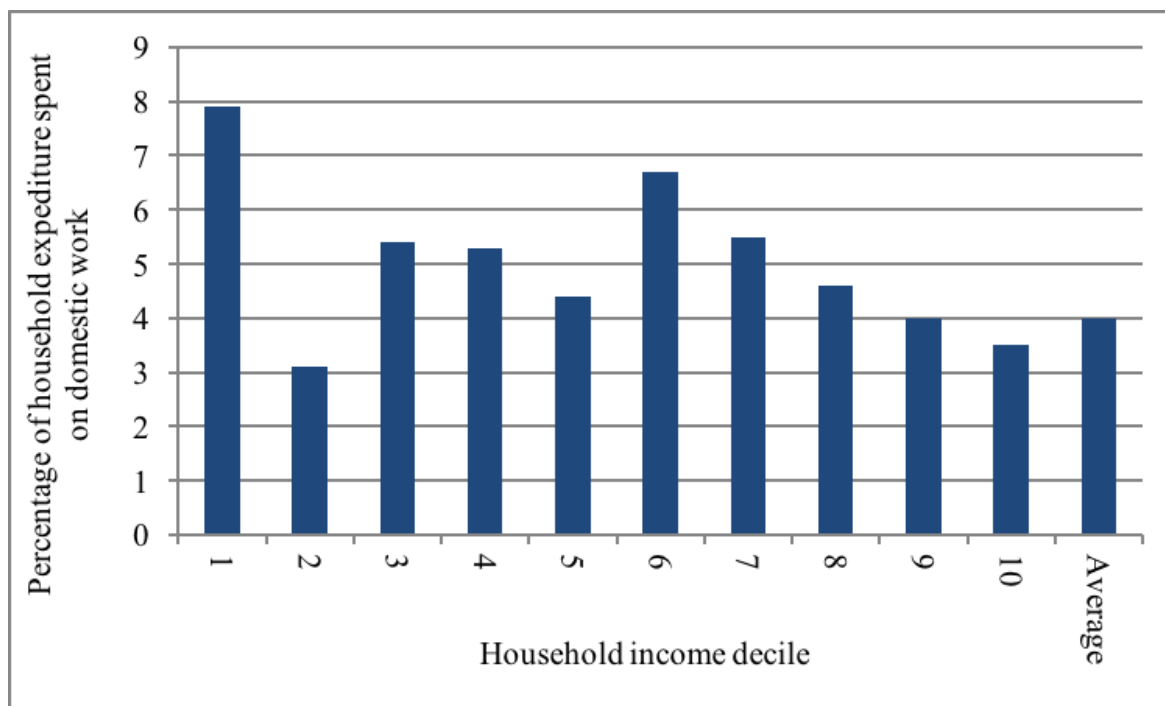
Source: ILO commissioned study. Budlender, D. Wages and conditions of work of domestic workers in Namibia. 2013.

Figure 3. Domestic worker employment in the Philippines in 2009, by the disposable household income of the employer.



Source: [ILO, Domestic Workers in the Philippines: Profile and Working Conditions \(Geneva, ILO\)](#).

Figure 4. Percentage of household expenditure spent on payment for domestic work services in Costa Rica in 2013, by decile



Note: Deciles divide a group into 10 parts. For example, in the figure, the first decile refers to the poorest 10% of households, while the 10th decile refers to the wealthiest 10% of households.

Source: ILO commissioned study. Trejos, J.D. The application of minimum wages in the domestic work sector in Costa Rica. 2015.

8.8 Putting the numbers together

Once the calculations on the needs of workers and their families, and economic factors have been done, there will be a series of indicators available for discussion. These will include:

- the amount required for a worker to support their family
- the number and profile of households that employ domestic workers
- their capacity to pay a given wage level
- the percentage of workers affected if the minimum wage were to increase by a specific amount
- the minimum wage proposed as a share of the current average wage.

How should these numbers be used to determine a final minimum wage level?

First the indicators could be ranked from lowest to highest. For example, there will likely be several potential minimum wage values based on the needs of workers and their families that could be ranked.

Each of the values for the other indicators falling under economic factors could also be ranked, thereby creating a range of minimum wage values for each indicator. Once the ranges for all of the indicators are overlaid (combined together), the result is a general range of figures wherein social partners can negotiate.

However, the indicators could also be examined individually, and parties to the negotiation process could decide how much weight to attribute to each indicator. For example, some countries may give more weight to the needs required to support a worker and their family, while others may give more weight to trends in productivity. This is described in more detail in chapter 5.

8.9 Live-in and live-out domestic workers

The two guiding criteria have now been adapted to set general parameters for a minimum wage rate negotiation. In addition, several particularities of the domestic work sector, including different types of employment practices, are usually considered when setting the level, to take into account the working time arrangements of live-in and live-out domestic workers, their average weekly hours, and prevailing practices of payments in kind.

Domestic work employment practices and types

Among domestic workers, there are various types of employment arrangement that create subgroups within the sector. One major differentiation is between domestic workers who live in the homes of their employers and those who live in their own homes (live out). Among those who live out, some work full time for a single family, whereas others work on a daily or hourly basis for several households within a week, or even within a single day.

Recent ILO estimates have found that domestic workers generally work some of the longest and most unpredictable hours.¹⁰ Those who live in are particularly vulnerable to long hours because they remain in the homes of their employers. Indeed, the average weekly working hours of live-in domestic workers tend to be higher than those of live-out domestic workers.

In Chile, live-in domestic workers worked in 2000 an average of 67.6 hours per week, while live-out domestic workers averaged a far more reasonable 40 hours.¹¹ In the Philippines, 51 per cent of female and 38 per cent of male live-in workers worked at least 61 hours in a given week in 2010 – approximately one-third recorded working on average two hours more per day than live-out domestic workers.¹²

Such long working hours arise partly from the workers' exclusion from provisions that limit working time. The ILO estimates that 56.6 per cent of domestic workers have no legal limits to their normal weekly hours,¹³ and 44.9 per cent have no entitlement to weekly rest.¹⁴

When setting the minimum wage, governments and social partners should therefore take into account whether domestic workers have rights to limits on normal weekly hours, daily rest and weekly rest, and whether they have overtime protection – many don't.

These types of protection are necessary to ensure domestic workers' human and labour rights, and also to facilitate the process of setting a minimum wage.

These employment types may see different practices in wage setting and payment. A live-out domestic worker, for example, may be paid on an hourly, weekly, or monthly basis, while live-in domestic workers are often paid weekly or monthly. A monthly wage without strict limits on working time or a right to overtime pay puts domestic workers at risk of excessively long hours, thus reducing the de facto hourly wage rate to unreasonably low levels.

Live-in domestic workers are often paid partly in kind. Since they are living in the household of the employer, the employer sometimes pays an even lower wage, under the presumption that some of the worker's daily living costs are covered by living with the employer. This can put live-in domestic workers in a vulnerable position.

¹⁰ ILO (2013). [Domestic workers across the world: Global and regional statistics and the extent of legal protection, \(Geneva, ILO\)](#)

¹¹ *ibid*

¹² ILO, [Domestic Workers in the Philippines: Profile and Working Conditions \(Geneva, ILO\)](#) .

¹³ ILO (2013). [Domestic workers across the world: Global and regional statistics and the extent of legal protection, \(Geneva, ILO\)](#) . p.61.

¹⁴ *ibid.* p.63

Similarly, live-in domestic workers who are paid partly in kind risk not bringing in enough cash income to support their own family members, contribute to social security, or put aside savings for future needs. When accommodation is provided to the worker instead of cash, workers become especially vulnerable to abuses. If they suddenly must find alternative accommodation they may have very little money in pocket. Consequently workers often remain in abusive situations that they may otherwise have chosen to escape.

The effective cash wages of domestic workers are therefore closely linked with their working time and the proportion of the wage paid in kind. Domestic workers earning a monthly salary equivalent to other workers may still earn a comparatively low salary if they are in reality working a 60-hour week. As such, minimum wage protections should ideally be accompanied by limits on working time and a right to compensation for overtime.

Policy-makers may also consider having separate wage rates for live-in and live-out workers. When there is a common practice of paying a high proportion of the wage in kind, the wage rate should still be set such that workers receive sufficient payment in cash to be able to provide for their future financial well-being as well as for their own families. Policy-makers may also consider prohibiting in-kind payments as part of the minimum wage, with payments in kind only allowed above this threshold (see [Technical Notes 1, 2 & 3](#)).

8.10 Payment in kind

Under certain circumstances [ILO Convention No.95](#) allows for the partial payment of wages in-kind, particularly when such form of payment is customary, appropriate for the personal use and benefit of workers and their families, and the value of such allowances is fair and reasonable. See section 1.6 for a review.

To summarise:

- Domestic workers should be entitled to conditions that are not less favourable than for workers generally.
- When setting a minimum wage for domestic workers, it should be paid in cash.
- If payments in kind are to be allowed, the terms cannot be less favourable than for workers generally; they should be limited to the personal use and benefit of the worker and their family; they should be fairly and objectively valued; and they should not unduly diminish the remuneration necessary for the needs of domestic workers and their families.
- If domestic workers are required to live in, no deductions from the remuneration for accommodation should be allowed, unless agreed to by the worker.

The impact of payment in kind in domestic work

In domestic work, it is quite common for a portion of the wage to be paid in kind. Domestic workers who live in the homes of their employers in particular receive monthly cash wages below the average because they receive accommodation. Employers of domestic workers may also provide meals that are deducted from the wage paid, whether they live in or out.

While receiving food and accommodation from the employer can be of benefit to the domestic worker, and of expense to the employer, receiving such payments in kind as part of the minimum wage makes these workers more dependent on the employer. This can have negative long-term impacts on their pension and other contributory social security schemes that are based on income.

In addition, a domestic worker who lives in the home of their employer may well be receiving accommodation, but it also means that in case of an unresolvable dispute, that worker would lose both job and shelter. Moreover, domestic workers must earn sufficient amounts in cash in order to provide shelter and food for their own families, while saving enough for their future and that of their families'.

The Committee of Experts has also reinforced the notion that payments in kind do not necessarily benefit the worker. In the General Survey on the reports concerning the Protection of Wages Convention, 1949 (No. 95), and the Protection of Wages Recommendation, 1949 (No. 85), the Committee of Experts states that:

"Paying remuneration in the form of allowances in kind, that is to say providing goods and services instead of freely exchangeable legal tender, tends to limit the financial income of workers and is therefore a questionable practice. Even in those industries or occupations in which such a method payment is long-established and well-received by the workers concerned, there is still a need for safeguards and legislative protection against the risk of abuse."

Limiting payment in kind

Recognizing the high prevalence and the sometimes abusive practices of paying domestic workers in kind – and the risks that workers face as a result – [Convention No. 189](#) explicitly states that domestic workers are to be paid in cash, like workers generally. It places strict limits on the proportion of the wage that can be paid in kind, when such payments can be made, and what they can include, under conditions not less favourable than those enjoyed by workers generally.

A limited proportion of the remuneration in the form of payments in kind may be allowed, under the following conditions:

- Payments in kind cannot be less favourable than those generally applicable to other categories of workers.
- The worker must agree to the payments in kind.
- The payments in kind must be for the personal use and benefit of the worker; and
- The monetary value attributed to such payments in kind must be fair and reasonable. (Art. 12(2))

Paragraph 14 of the [Domestic Workers Recommendation, 2011 \(No. 201\)](#), provides further guidance on how policy-makers can ensure that payments in kind are not abused. These provisions are also in line with those contained in Article 4 of Convention No. 95, which also aims to protect workers from abusive or excessive payments in kind. It equally applies to domestic workers

When provision is made for the payment in kind of a limited proportion of the remuneration, Members should consider:

- (a) establishing an overall limit on the proportion of the remuneration that may be paid in kind so as not to diminish unduly the remuneration necessary for the maintenance of domestic workers and their families;
- (b) calculating the monetary value of payments in kind by reference to objective criteria such as market value, cost price or prices fixed by public authorities, as appropriate;
- (c) limiting payments in kind to those clearly appropriate for the personal use and benefit of the domestic worker, such as food and accommodation;
- (d) ensuring that, when a domestic worker **is required to live in accommodation provided by the household, no deduction may be made** from the remuneration with respect to that accommodation, unless otherwise agreed to by the worker; and
- (e) ensuring that items directly related to the performance of domestic work, such as uniforms, tools or protective equipment, and their cleaning and maintenance, are not considered as payment in kind and their cost is not deducted from the remuneration of the domestic worker. (para. 14).

While the Convention and Recommendation do not fix a specific threshold for payments in kind, the [Committee of Experts](#) has expressed doubt concerning payment in kind that exceeds 50 per cent of the wage (see section 1.6)

These measures ensure the effectiveness of the minimum wage protections. By ensuring that domestic workers earn sufficient remuneration in cash, policy-makers are effectively protecting them from unacceptable forms of work and situations of abuse that they may face in the homes of their employers.

In practice

- [Prohibiting the deduction of payments in kind from the minimum wage](#)
- [Measuring the value of payment in kind](#)
- [Should the value of payments in kind count towards social security contributions?](#)

8.11 Hourly or monthly minimum wage rates for domestic workers

In principle, minimum wages can be set for an hour of work, a week of work, or a month of work (see section 1.8 for a review).

Domestic workers are often in a situation of partial legal coverage – they are covered by minimum wage legislation, but not by working time provisions. 56.6 per cent are excluded from limits on working time worldwide. Regardless of legislation, live-in domestic workers typically work on average far longer hours than other workers, sometimes with no clear indication of when they are on a break or free to dispose of their time as they please.

In Chile, for instance, live-out domestic workers worked an average of 40 hours per week in 2000, while live-in domestic workers worked an average of 67.6 hours. Similarly, in Peru the average weekly working time was 49 hours for live-out domestic workers and 62 hours for live-in domestic workers.

As a result, a monthly minimum wage may not correspond to the number of hours actually worked by a domestic worker, making their pro rata hourly minimum wage significantly lower than that received by other workers who work a standard work week.

In light of this, the first step to setting a minimum wage for domestic workers is to determine:

1. Whether domestic workers are covered by working time provisions.
2. The proportion of domestic workers who live in the homes of their employers, and those who live out.

Once those answers are identified, they can be used to set the minimum wage using the appropriate unit or units (hourly, monthly, weekly, daily).

Hourly minimum wages:

Hourly minimum wages provide the most flexible approach to minimum wage setting, irrespective of whether a domestic worker lives in or out. They:

- Ensure equal treatment between live-in and live-out domestic workers.
- Ensure that workers are paid for the hours for which they actually work, as opposed to the assumed standard work week. This is especially relevant if certain groups of workers are entitled to the minimum wage, but not covered by working time provisions (normal hours of work, daily rest, weekly rest or overtime).
- Require careful monitoring to record the number of hours worked.¹⁵

¹⁵ [ILO. 2014. Working around the clock? A manual for trainers to help live-in domestic workers count their working time. \(Geneva, ILO\)](#)

However, while an hourly minimum wage may be practical in countries where live-out domestic work is common, setting an hourly minimum wage in countries where live-in domestic work is predominant can prove challenging because of the “standby” or “on-call” nature of the work. Standby or on-call periods refer to “periods during which domestic workers are not free to dispose of their time as they please and remain at the disposal of the household in order to respond to possible calls...”, according to [Convention No. 189](#).¹⁶

While standby time is considered working time – as opposed to a rest period – it is often remunerated at a rate lower than for a normal hour of work, and can be difficult for both employers and domestic workers to monitor. To address these concerns, some countries have devised specific practices to set the minimum wage such as to ensure equal treatment. These are some examples.

Monthly minimum wages:

Some countries have a monthly minimum wage with a separate standard work week that more accurately reflects the standard work week of a live-in domestic worker.

- This is the case in Burkina Faso where domestic workers’ working time is regulated by a special scheme. For workers under the general scheme, the standard work week is 40 hours. However, under the special scheme, week for domestic workers is 60 hours of work.
- This is also the case in Senegal where the standard working month for domestic workers is 260 hours (60 hours per week), of which 173.33 represent hours of effective work. Overtime is only to be paid for hours that exceed 60 hours per week. In other words, the domestic worker receives the monthly minimum wage for working between 40 and 60 hours per week.

Other countries have a minimum wage that includes separate rates of pay for standby time:

- Czech Republic: the worker is entitled to remuneration of at least 10 per cent of their average earnings, unless it has been agreed otherwise in the relevant collective agreement regarding standby time.¹⁷
- Finland: in cases where workers are obliged by contract to remain at home in order to be available if they are called to work comprising child minding or care of a sick family member or another member of the household, no less than half such standby time shall count as working hours or such standby shall be remunerated [at at least half the worker’s basic wage payable for an equal number of hours].¹⁸
- Spain: in any case, except for where it has been agreed that the worker will be compensated with rest periods in lieu, standby time shall not exceed an average of 20 hours per week in any given month, and shall be remunerated at least at the same rate as normal hours of work.¹⁹
- France: there is regulation of what is known as “hours of responsible presence”, which is different from “night presence”. The former are defined as “those during which the employee can use his or her time for himself or herself, while being ready to intervene if necessary”. The latter is defined as “compatible with a daytime job, refers to the obligation for the employee to sleep on site in a separate room, not actually working, but being ready to intervene if necessary as part of his or her duties. Night presence cannot exceed 12 hours. It shall not be requested more than five consecutive nights, except in exceptional cases.”²⁰

While one “hour of responsible presence” counts for two-thirds of the wage normally paid for one hour of work, one hour of “night presence” is remunerated at no lower than one-sixth of the normal rate of hourly pay. If several interventions are needed at night, all night hours are considered hours of responsible presence.

¹⁶ [Convention No. 189, Article 10\(3\) ; Recommendation No. 201](#) , Paragraph 9(1).

¹⁷ ILO. 2012. [Effective Protection for Domestic Workers: A guide to designing labour laws](#) . (Geneva, ILO).

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

A third group of countries have a monthly minimum wage based on the minimum rest period.

Instead of regulating standby time and hours of work, the monthly minimum wage can be set by regulating rest. Once the minimum rest period is established, a monthly or weekly minimum wage is established for the remaining hours. For example, in the Philippines, domestic workers are entitled to eight hours of daily rest in addition to a 24-hour weekly rest. This is also the case in Chile where the domestic worker must rest for at least half an hour per day and daily rest should at least be 12 consecutive hours long.

Combining hourly and monthly minimum wages:

If countries have both live-in and live-out domestic workers, one approach is to set both an hourly and a monthly minimum wage.

For example, while the federal minimum wage for domestic workers in Switzerland is specified at the national level, the minimum wage specified in one of its cantons (states), Geneva, provides it at the monthly level alongside a formula to calculate the hourly rate for part-time domestic workers.²¹

The hourly rate is simply the monthly rate divided by 195 hours (which corresponds to a 45-hour work week). This approach is not limited to the domestic work sector – many countries use it to accommodate the different working hours of full- and part-time employees (see [Technical Note 2](#)).

²¹ [Contrat-type de travail de l'économie domestique \(CTT-Edom\) in Switzerland](#) .