Conditions of Work and Employment Programme

Measuring the economic and social value of domestic work: Conceptual and methodological framework

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Preface

Paid domestic work is an important source of employment for at least 53 million workers across the world, of whom 80 to 90 per cent are women; many more millions are unregistered, hidden and non-enumerated by labour force surveys and censuses. They provide essential housekeeping services and look after the needs of children and the elderly, sick or invalid members of other people's households. Yet, domestic workers are underpaid and overworked, poorly regulated and protected by labour legislation.

The recently adopted ILO Convention concerning decent work for domestic workers, 2011 (No. 189), and its accompanying Recommendation No. 201, explicitly affirm that domestic workers are real workers. They are neither "members of the family", servants nor second-workers. Domestic workers must enjoy the same basic labour rights and guarantees as those available to other workers. Convention No. 189 and Recommendation No. 201 provide a framework to guide policy and legal action at national level.

However, promoting decent work for domestic workers will require more than establishing regulations or enforcement mechanisms. Because domestic work has long been ignored and undervalued, policy and legislation need to be accompanied by a change in thinking about the value of domestic work among employers of domestic workers, leaders and regulators, domestic workers themselves and members of the whole society. Making visible its economic and social worth through tangible and quantifiable measures will help change perceptions, and lend legitimacy to and reinforce actions aimed at improving the working and living conditions of domestic workers.

In this paper, Ms. Budlender addresses two key questions: What is the "true" value of domestic work? Can this value be measured and how? The paper presents a conceptual framework about what is meant by "economic and social value" of paid domestic work, and explores possible methods of measuring it. It shows that there are a range of different ways in which domestic work can be "valuable", and a range of different individuals and groups, at different levels, who can benefit from it.

Ms. Budlender puts forward some measures that could be applied immediately to estimate the extent to which domestic workers are underpaid as an indicator of the degree of undervaluation of domestic work. She also offers useful starting points for further research work on the valuation of domestic work.

It is hoped that this working paper will help advance the thinking and debates for decent work to become a reality for millions of domestic workers across regions, and not just a noble aspiration.

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Manuela Tomei,
Chief,
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Acronyms and abbreviations

CEACR	Committee of Experts on the Application of Conventions and Recommendations
ECH	Encuesta Continua de Hogares
GDP	Gross domestic product
ILC	International Labour Conference
ILO	International Labour Office
ISCO	International Standard Classification of Occupations
LFS	Labour Force Survey
QLFS	Quarterly Labour Force Survey
SNA	System of National Accounts

1. Introduction

Background

This paper was commissioned by the International Labour Office (ILO) in preparation for the adoption of new international labour standards on domestic workers by the International Labour Conference (ILC) of 2011.

This paper attempts to provide a conceptual framework for framing and understanding the economic and social contributions of paid domestic work. It also explores methods for estimating the value of these contributions. The paper builds on previous work commissioned by the ILO including, in particular, a report on law and practice (ILO, 2010), based on secondary sources, which constituted an early preparatory step in the ILO standard-setting process.

The first section that follows presents a conceptual framework for thinking about what we mean when we refer to the "economic and social" value of paid domestic work. In so doing, it draws in particular on the literature on unpaid care work but, in this discussion, also highlights ways in which the questions in respect of paid domestic work differ from those for unpaid work.

The conceptual section is followed by a short section that discusses technical issues related to the survey-based estimates presented in a later section. The issues discussed include how domestic workers can be defined for work using household survey datasets, the source data used for the estimates in the following sections, and challenges associated with wage data.

The sections that follow then propose, and sometimes illustrate, ways in which the social and economic value of domestic work might be estimated from a range of different perspectives using relatively commonly available survey data sources. The methods are categorized into four broad groups – each accorded a separate section – according to the main beneficiary of the value or level, namely the worker and her (it is usually a woman) family, the employer and his/her household, the country and globally. These sections of the paper point out links for each approach with the preceding conceptual approach. They also discuss the conceptual and methodological strengths and weaknesses of each approach, and the challenges likely to be encountered in producing the estimates.

The paper does not aim to come up with a single "true" value of paid domestic work. Instead, it recognizes that there are a range of different ways in which domestic work can be "valuable", and also a range of different individuals and groups, at a range of different levels, who can benefit from this value.

The different methods are thus not meant to be alternatives to each other. Instead, for the most part each measures value from a different perspective. Choice of measure would depend on the purpose for which it will be used as well as other considerations, such as availability of data. In terms of purpose, for example, some measures will be more useful than others in advocacy around increased wages for domestic workers.

The paper includes examples of estimates derived using some of the approaches on the basis of data from South Africa and Uruguay. These two countries were chosen due to availability of data and the national policy and legal measures adopted in favour of domestic workers. More examples are presented for South Africa than for Uruguay. This reflects both the author's greater knowledge of South Africa as well as the greater number of survey datasets available for analysis.

The examples from the two countries are presented in a different font to distinguish them from the main text and to allow readers who choose to do so to skip over them.

The ILO hopes that the framework developed in the paper can be used as the basis for planning further research that will build an empirical basis for claims about the value of domestic work. The short conclusion to the paper thus suggests which of the proposed methods seem most useful for follow-up work, and the purposes of such follow-up work.

More generally, the hope is that by making the value of domestic work visible, one will encourage society to see domestic workers as workers with rights like other workers, and promote support for international and national standards that promote decent work for domestic workers. Further, an appreciation of the "real value" of domestic work would inform political debates on remuneration in a worldwide context where domestic workers are among the lowest-paid workers.

2. Conceptual framework

2.1 Factors contributing to low value and status of domestic work

The law and practice report prepared for the June 2010 International Labour Conference (ILO, 2010) notes that domestic work is "undervalued, underpaid, unprotected and poorly regulated". It suggests that one of the reasons for this is that domestic work is similar to work that is traditionally performed by women without a wage, that the work "is not aimed at producing added value, but at providing care to millions of households", that the workers concerned are usually not male breadwinners, but instead overwhelmingly women (who may well be the main breadwinners for their families and themselves) and, in many countries, child labourers. Further, these workers often either belong to historically disadvantaged and despised communities, such as minority ethnic groups, indigenous peoples, low-caste, low-income rural and urban groups, or are migrants. The workers are therefore particularly vulnerable to discrimination in respect of conditions of employment and work.

The report observes further that paid domestic work remains relatively invisible as a form of employment because it takes place in the home, often in isolation from other workers. Workers are often depicted as "being part of the family", rather than "workers". The employment relationship is often informal and undocumented, and often inadequately captured by employment statistics. Because women have traditionally been considered capable of doing the work, and the skills they are taught by other women in the home are perceived to be innate, domestic work is looked upon as unskilled, meriting low pay.

All the above factors contribute to a situation where the work of domestic workers is under-valued in monetary terms, as reflected in the generally low wages received. Further, it is under-valued in societal terms in that its economic and social value is not adequately recognized by governments, citizens and others. The view of domestic work as a low-value (and low status) job is shared by other employed people and by those who benefit from the work.

2.2 The meaning of value

This paper is concerned with the question of how to estimate the economic and social value of paid domestic work.

In economic terms, one can distinguish between valuation that is based on the cost of inputs, and valuation that is based on the value or price of the outputs produced.

On the input side, one might assume that the most obvious measure of economic value is the value that "the market" seems to assign it, namely the wage. This is supported by the fact that discussions of valuation in respect of unpaid care work – the housework and care for other members of the household done by many women daily on an unpaid basis in their own homes highlight that most valuation exercises use the input measure (see, for example, Budlender and Brathaug, 2002). (The concept of unpaid care work is discussed further below.) Further, most such valuation exercises tend to consider only the input of "labour time". This is excused on the basis that this is the most important input of unpaid care work. A similar argument could be made in respect of paid domestic work.

However, it is generally acknowledged that there are many other factors beyond simple supply and demand that affect wages and that might make the wage an inaccurate

measure of value. [1] As noted above, the report on law and practice suggests that the characteristics of the typical worker (including gender, ethnicity, caste, age and origin) influence wages, as does where the work is done (such as in which country, in a private space), and the formality of the employment relationship. Further factors could be added, such as ease of organization and presenting collective demands. All these factors suggest that the wage is not an accurate measure even if we are concerned only with the "economic" value. Several of the measures proposed in this paper thus explore how to improve on the wage as a measure. Implicitly these approaches could be suggesting what a "fair" wage for this work would be.

In output-based valuation, one estimates the value of the goods and services produced rather than the labour, capital and other inputs that go into producing the goods and services. For full output-based valuation one therefore needs (a) the output of the service, measured in physical units; (b) intermediate consumption, i.e. the goods and services used during production, measured in either physical or monetary terms, and (c) market prices for the physically-measured items in (a) and (b) so as to be able to convert them into a monetary measure.

However, on the output side, domestic work constitutes a special case in that paragraph 6.88 of the 1993 version of the international System of National Accounts (SNA-1993) explains that for domestic workers, "[b]y convention, any intermediate costs and consumption of fixed capital incurred in the production of the domestic services are ignored and the value of the output produced is deemed to be equal to the compensation of employees paid, including any compensation in kind such as food or accommodation".

In essence, the SNA thus states that by definition the output produced by a domestic worker is equivalent to their wage (including in-kind payments), which is equivalent to their productivity. Accepting this circular logic would mean that domestic work is never undervalued in terms of what is produced. It would also mean ignoring the caveats about the input approach described above.

Even if the wage alone is not taken as the measure of output, valuing a worker in terms of their output seems problematic, as there are other factors – beyond the skill, volume and other characteristics of the worker's work – that determine output. For example, a worker who works with sophisticated machines (a washing machine in the case of a domestic worker) rather than "by hand" will produce greater output (in terms of dishes washed), but this is not due to a greater amount of work or skill on the part of the worker.

Finding a physical measure of the output to which one can attach a price is also often challenging for paid domestic work, just as it is for unpaid care work. One could perhaps assign the value of restaurant or take-away meals to cooking done by a domestic worker. But what value would one assign to a clean and neat home? And what market output equivalent would one assign to the fact that a child has been looked after and thus survived another day safe and healthy?

There are further challenges in considering what "productivity" means in the case of services such as domestic work. When producing "things", productivity is increased when more things are produced with the same amount of inputs or within a smaller amount of time. In the case of services, the time and care taken per person is part of the service. For these services, increasing productivity in the standard sense of the term would result in a lower quality or "amount" of output. Using examples from domestic work, it may make sense to measure productivity in a conventional way for an activity such as ironing. It

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[1] See Green (1996, p. 717ff) for a discussion on reasons why labour markets are not perfectly competitive.

would not make sense for many of the tasks associated with looking after for a child or older person.

Assuming one could overcome some of these challenges, Budlender and Brathaug (2002) argue that the fact that the output measure "corrects" for different productivity levels can be seen as a positive aspect of this approach. They explain that this correction would ensure that the labour value of producing similar meals would not differ with this method, even though the time spent on it might differ substantially, for example because of using an electric stove or microwave rather than a wood-burning stove. This seeming advantage could, however, be seen as a disadvantage if the aim is to produce measures that can assist in determining wages. The approach would be a disadvantage because it would penalize workers with less access to modern technology that makes work quicker.

The above considerations refer to economic value. What of social value? The fact that domestic work enhances the quality of life for the household could be considered to have a social value, as could the extent to which it eases the time and other pressures for the women and men who hire domestic workers and the children for whom they provide care. This value is difficult to measure. Further, what might be considered a social value by some could be considered to have little value by others. For example, some might argue that employing paid domestic workers reduces the pressure on men to do housework and thus diminishes possibilities of gender equality. Some might also argue that the values and attitudes learnt by children in a typical household that employs domestic workers in terms of treatment of people of lower class and status are harmful to society more generally. These two examples suggest that the social value would differ according to individual values, prevailing social norms as well as the extent to which domestic workers are treated with dignity.

Some of the measures discussed below suggest other ways, which have both economic and social aspects, in which paid domestic work has value. These include the contribution, both economic and social, that paid domestic work plays in lowering the poverty and unemployment rates in the country. These contributions have a value in themselves, which is heightened when the wages earned through domestic work and the conditions under which it is performed are decent. These contributions could, for example, be seen as furthering the right to work and ensuring socio-economic rights more generally.

2.3 Determination of wages

The discussion above has questioned the assumption that the wage is an accurate measure of value. Further, even if one assumes that this is usually the case, the ILO report on law and practice argues that there is usually a penalty associated with doing domestic work. [Norway is an exception here, in that domestic worker earnings are above mean earnings for that country (Budlender and Brathaug, 2002).] Ideally one would therefore want to estimate what the "real" value of paid domestic work would be if wages were not skewed by discrimination and social values. This could then serve as an indication of what domestic worker wages "should" be.

Before exploring ways in which to "correct" the wage value, one needs to understand the reasons why the values are "incorrect". Useful for this discussion are the theory and concepts underlying comparable worth (or pay equity), which argues that jobs of equal value should be equally well remunerated. This is in line with the requirement in the Convention for the Elimination of All Forms of Discrimination Against Women that states parties ensure "the right to equal remuneration [between men and women], including benefits, and to equal treatment in respect of work of equal value" (cited in Human Rights Watch, 2006, p. 47). As discussed in the literature on comparable worth, the challenge is

that women and men often do not do similar work. The challenge then becomes how to assess and compare the value of jobs dominated by women and jobs dominated by men.

Paragraph 63 from the report on law and practice prepared for the ILO (2010) provides a good introduction to some of the relevant issues. It notes that the Committee of Experts on the Application of Conventions and Recommendations (CEACR):

> *has called upon governments to ensure that rates for female-dominated occupations such as domestic work are not set below the level of rates for male-dominated occupations involving work of equal value. For example, Costa Rica's National Institute for Women ... and Gender Equality Unit have taken action to ensure that the minimum wage of female domestic workers is equivalent to the minimum wage for unskilled workers, and that the national Wages Board approves a percentage increase. In respect of Convention No. 100, the CEACR noted that this constituted progress as it improved the income of female domestic workers.*

There can be many debates as to what constitutes discrimination, what reflects "objective" differences in value (and thus differentiation in wages by a "rational" labour market), and what emanates from social values. Instances such as that cited in the ILO report on law and practice, where Filipino workers receive higher wages than Indonesian workers in Malaysia, appear to constitute outright discrimination (2010, paragraph 24). Other instances are less clear, in that they require judgments on what constitutes value.

Budlender (1992) presents the overall pattern in the South African economy whereby women are concentrated, in a range of divides, on the low-paying side.

> *Men and women tend to work in different sectors of the economy. Within manufacturing women predominate in industries such as clothing and textiles, while men predominate in heavy engineering. Within the formal sector more widely defined, more women are found in the service industries – domestic work, shops, banks, hospitals, etc. – while men are found in production – in the factories and mines. And while men predominate in the formal sector as a whole, women outnumber men in the informal sector. All these divisions have at least one other common characteristic – the areas where men predominate are those where average pay is higher.*

> *... within each sector and industry there are further gendered divisions. Men are found predominantly in the more production-oriented jobs, while women predominate in the reproductive or service functions. Men work on the shop-floor while women are cleaners, tea-makers and secretaries. Men are the doctors while women are the nurses. Again these dichotomies are mirrored in pay differentials which disadvantage women.*

Similar patterns would be found in most countries. Indeed, Anker (1998) has shown empirically with cross-country data that occupational segregation is probably the strongest determinant of the gender wage bias. Some might argue that women's relatively low pay is caused by this positioning, and argue further that this reflects the fact that women are working in jobs that have/produce less value for society. Others would argue that the low pay within these parts of the economy is, at least in part, caused by the fact that they are dominated by women. These arguments are relevant for this paper given that paid domestic work in most countries is dominated by women.

The ILO report on law and practice (2010, paragraph 139) highlights some of the factors that tend to depress domestic worker wages even more than those of otherwise comparable categories of workers:

> *... domestic workers are structurally dependent on the degree to which different households can afford domestic work – and this may explain the customary low levels*

of wages paid to domestic workers and the relative power of employers to force wage levels downwards… Domestic workers' unequal bargaining power and frequent isolation often undermine their ability to extract an adequate living wage, let alone one that is commensurate with the work that they perform and the skills required. Moreover, the perception that the ability to perform domestic work is innate may further result in the various skill levels being undervalued when wages are established.

Some argue that male-female wage differentials reflect skills differences. However, the CEACR (ILO, 2010, paragraph 63) discussion of male-female wage differentials quoted above goes on to note that "*considering the complex tasks and responsibilities assumed by many domestic workers, the CEACR questioned the classification of domestic work as "unskilled" work*".

In a similar vein, Budlender (1992) quotes a cleaner in a South African electronics factory, which illustrates the contradictory way in which skills of such workers are viewed. The cleaner notes that, on one hand, she occupies the lowest position in the factory and is paid very little because she is told that the job is not important. On the other hand, when she applies for promotion, she is told that this is not possible because another worker would then need to be trained to replace her.

Budlender then further discusses questionable (gender-biased) assumptions underlying common perceptions of skill among training theorists and practitioners. As Phillips and Taylor (1986, p. 79) state bluntly: "Far from being an objective economic fact, skill is often an ideological category imposed on certain types of work by virtue of the sex and power of the workers who perform it". They go on to say that, in some cases, it seems that the easiest way to become skilled is to change one's sex! Similarly, a study of the US Department of Labor's Dictionary of Occupation Titles commented that in rating female-dominated jobs "... job evaluators were confusing the content and responsibilities of a paid job with stereotypic notions about the characteristics of the job-holder" (quoted in Hyman, 1988, p. 240).

There can be few jobs that are more stereotypically typecast as women's work than the job of a domestic worker.

2.4 Domestic work as a form of care work

2.4.1 Defining care work

As noted above, one of the factors seen as contributing to low wages and value of domestic work is that it so closely resembles the unpaid care work performed primarily by women in households in the form of housework and caring for children and other household duties. This factor is likely to be especially important because, while there are various forms of paid care work or market-based care services that constitute an alternative to unpaid care work, paid domestic work is one of the most commonly used alternatives.

Discussion of these issues is complicated by the fact that the terminology used in respect of these types of work and related activities can be confusing, and is often used inexactly in the literature as well as in advocacy. This sub-section thus discusses the meaning of the term "care work", while the following section considers whether, given this meaning, domestic work can be considered a form of care work.

Razavi (2007) provides a useful explanation of the differences between the terms "unpaid work", "care work" and "unpaid care work" – three concepts that are often used loosely and thus confused (see also Elson, 2000).

Unpaid work, Razavi explains, encompasses a range of different types of activity that include (i) unpaid work on the household plot or in the family business (in statistical terms, as a "contributing" or "unpaid family worker"); (ii) collection of water and firewood for household use; and (iii) unpaid care of other household members. The first and second of these sub-elements are, in strict terms, considered to be employment and should be included in estimates of gross domestic product (GDP), while the third is not.

The situation in respect of unpaid care work and GDP arises because the SNA that stipulates the rules that must be used by all countries in estimating GDP so as to provide comparable estimates provides that all market-based production of goods and services should be included in the estimates, as well as non-market-based production (i.e. production for own consumption) of goods, such as occurs in subsistence production. However, non-market-based production of services for one's own consumption should not, according to the SNA, be included in calculation of GDP. The only exceptions in this respect are the imputed rent for owner-occupied dwellings and the wages of paid domestic workers. It is this excluded work, which is openly acknowledged by the SNA to constitute "work" and "production", that makes up unpaid care work. The fact that it is not "seen" in the calculation of one of the most important economic measures both reflects and contributes to the under-estimation of its value. As argued in the ILO report on law and practice (2010), this then in turn contributes to the under-estimation of the value of paid domestic work.

Razavi describes "care work" more generally as involving direct care of people, whether on a paid or unpaid basis. Care work can take place in private homes, where it might be done on an unpaid basis by household members, or on an unpaid basis by non-household members, or on a paid basis by non-household members. The last-named could include domestic workers. Care work can also take place in public and private institutions such as hospitals, nursing homes or – if care if defined broadly – schools.

Razavi points out that direct care is often perceived as being different from less-direct activities that ensure the conditions for direct caregiving are present. These activities would include housework and cooking, tasks which are typical of the work that domestic workers do. Razavi suggests that the boundary between direct and indirect care is arbitrary, especially in the case of those most in need of intensive direct care, such as old people, those who are ill and children, especially as these people are often unable to do less direct activities for themselves. Further, Budlender (2010b, p. 25) notes that Tobit regressions performed on data for seven countries reveal that in all these countries the presence of a young child in the household tends to increase the amount of unpaid care work done, not only the amount of direct care of persons. Razavi notes explicitly that domestic workers often do care work, such as childminding, although they may not be perceived or defined as "paid carers". It is possible that this merging of roles is more likely in less-developed economies where there are less formal conceptions of jobs and tasks.

The broader conception of care work to include "indirect" care activities, such as housework, greatly expands the amount of work under consideration, even if attention is confined to unpaid care work. The bulk of this work takes the form of housework and care of children, as well as lesser amounts of care of other household members, particular the ill, old and people with disabilities. Unpaid care work also encompasses unpaid care provided to others in the community on an unpaid basis – what might be termed "voluntary work". Comparing the first two sub-categories – housework and direct care of persons – reveals that the former vastly outclasses the latter in terms of time spent. Thus, for example, of the seven mainly developing countries compared by Budlender (2010b, p. 22), the difference between the two elements was greatest in Japan (where women reported 7.4 times as many minutes spent on housework as on direct care of persons) and smallest in the Republic of Korea (where the ratio was 3.1). Unfortunately, the data are not available

to show if the ratios are similar for paid domestic work, but it is likely that there is a similar imbalance between housework and care of persons.

As noted above, Razavi points to the fuzzy boundaries of what constitutes care. Esplen (2009, p.10) illustrates the same point by listing a range of different situations, which include a girl minding her younger siblings, a man assisting his disabled brother to bath and dress, a nurse caring for an ill patient, a migrant domestic worker cooking and cleaning in her employer's home, a woman cooking for her own family in her own home, and a community care provider visiting the home of a person with chronic illness to assist him or her. She notes that all the above constitute care, and that "this list could be expanded to cover many more pages!".

Both Razavi and Esplen also raise the issue and refer to debates as to the extent to which particular emotions need to be present for work to constitute care. Esplen (2009, p. 11) notes that writers such as Folbre and Nelson argue that care is "as much about" the caregiver's feelings as about the activities performed. Such questions are, however, generally posed in relation to very direct person-to-person care rather than in respect of the wider notion of care adopted in this paper. This argument is, for example, less likely to be raised about housework than about feeding or bathing a child. The question of feelings also seems out of place in a discussion such as this one about paid work, as it would be difficult to argue that payment of a salary or wage must be compensated for, on the worker's side, by particular feelings in carrying out their work.

The "care is about feelings" debate thus seems of limited relevance for our definition of care. It could, however, be relevant in helping to explain one of the factors that depress domestic workers' wages. One could argue that, because women are expected to be altruistic and to have warm feelings towards their families, the care they provide in the home is natural and not really "work", and thus would translate into limited – if any – monetary value. When other people do similar work on a paid basis, muddled reasoning could lead to this low or non-existent monetary value being carried over.

2.4.2 Is domestic work care work?

The question whether all the work done by domestic workers constitutes care work needs to be considered if the methods used to estimate the value of domestic work are to draw on the methods used for valuation of other types of care. The questions are also important if we argue, as is often done, that the reason that domestic work is currently "undervalued" is that it involves a form of care work, and that care work more generally tends to be undervalued.

The conclusions of the Committee on Domestic Workers of the 2010 International Labour Conference (ILC) define domestic work as "work performed in or for a household or households", and domestic workers as "any persons engaged in domestic work within an employment relationship", but excluding those who do the work sporadically and not as an occupation. The law and practice report (ILO, 2010, paragraph 22) notes that domestic workers may cook, clean, take care of children, the elderly, the disabled and domestic animals in private homes. These workers seem to fit neatly into the definition of care workers if we accept Razavi's contention that general housework should be included.

Definitions of domestic workers often also include gardeners or guardians in private homes and family chauffeurs. The categorization of these workers as care workers is less clear. If we define guards and chauffeurs as care workers, does this mean that policemen and -women and taxi drivers are also care workers? If not, on what basis are those working in the home defined as care workers and those elsewhere not, whereas with other types of care we are saying the term care applies regardless of where and by whom the work is done – it is the activity that is important?

Similar questions could be posed about gardeners. Why should these workers be classified as care workers while other agricultural workers who grow plants are not? Are we saying that gardening is a form of household maintenance similar to housework that is necessary to provide a conducive environment for more direct forms of care?

Answering these questions is difficult, as there is no single accepted definition of care and also not at this stage an agreed definition of domestic workers. Nevertheless, it is probably an overstatement to say that all forms of paid domestic work and all categories of domestic workers are care workers. A more accurate statement would be that the majority of domestic workers are care workers and/or spend the bulk of their time doing care work. Further, the fact that this is the case influences the perception of domestic workers and the value attached to their work. Thus, even if not all domestic work is care work and not all domestic workers are care workers, this overall perception of the work could influence the value accorded to their work, including their pay.

2.5 The care diamond

Razavi (2007) introduces the notion of the "care diamond" as a way of structuring thinking around the institutions that can provide care. The four corners of the diamond are the family or household, markets, the public sector and the not-for-profit sector.

The discussion above on the analogies and differences between unpaid care work and paid domestic work is implicitly about the family/household and market corners of the diamond. The question then arises whether consideration of the remaining two corners – and in particular the public sector – is useful for estimating the value of paid domestic work.

For the purposes of the paper, the care diamond is potentially useful in highlighting to what extent government considers care work similar to paid domestic work to be important enough to either provide these services itself, or subsidize or fund provision in some other way. Where government does this, it would suggest that government attached significant value to the work. Government provision or funding thus becomes an indicator of value.

Razavi (2007, p. 21) notes that the care diamond is particularly pertinent when considering care provided "for those with intense care needs such as young children, the frail elderly, the chronically ill and people with physical and mental disabilities". However, the usefulness of the care diamond is perhaps less pertinent for the less-direct forms of care, such as housework, as it is difficult to think of many circumstances in which the state or indeed the non-profit sector would be the provider of ordinary housework services. They might do so as part of a package of support for particular groups, such as the elderly or ill, but it would be a very unusual state that introduced widespread policies for public provision of housework.

The likely limit to state engagement is implicitly evident from Williams' (2010) exploration of the "claiming and framing" of care policies in European countries. Williams explores the motivations underlying the introduction of various policies, and the justifications advanced by different actors, including governments, carer groups and some care receiver groups. She notes explicitly that her focus is primarily on childcare policies, although she refers several times in passing to the very limited types of state provision or support for housework for vulnerable groups noted above.

Williams' discussion of the demands and position of care recipients, and framing of the "right to care", further suggests that general housework is less likely to be the focus of government provision or funding, as for most groups there would be few who would consider that people have the right to have general housework done for them. Williams highlights the role that government provision, funding or support can play in facilitating

and promoting women's engagement in the paid labour market by relieving their unpaid care burden. She notes that this has been an explicit purpose of care policies in some countries, but that over time the emphasis tends to have shifted to the motivation of social investment in the form of contributions to alleviating child poverty and promoting child development.

Policies in respect of relieving the burden of housework through direct government provision of these services or supporting their provision through subsidies could similarly be justified on the basis of encouraging women's engagement in the paid labour market – both for the employing women whose time is freed up and for the domestic workers themselves. It would be more difficult to justify such policies on the basis of their contribution to alleviating poverty or promoting child (or human) development.

One of the measures proposed below to value paid domestic work attempts to reflect the value of the contribution in freeing up employing women to engage in the labour market. Other proposed measures attempt to estimate the value of paid domestic work in this respect in terms of the number of (mainly women) engaged in this work and the number of people they support.

2.6 Subsidization of government

Discussions of unpaid care work commonly discuss the extent to which this work in the home relieves the pressure on government to provide services. Expressed differently, the discussion explores to what extent unpaid care work "subsidizes" government. In a sense, this question is the converse of that discussed in the previous sub-section in highlighting the trade-off between different providers of what are considered necessary services.

A similar question can be asked in respect of paid domestic work to that asked in respect of unpaid care work. The difference is that, while in the case of unpaid care work individuals pay the subsidy through their labour, in the case of paid domestic work employers pay in money. However, as Mather (2006) observes, the work associated with services provided by paid domestic workers is usually done for lower pay and under worse conditions than similar work financed by government.

Budlender (2008, pp. 41-42) compares the results across a range of developing countries of comparing the value of unpaid care work as a whole, and care of persons in particular, with a range of macro measures. One of these measures is government expenditure on remuneration of government officials providing social services. An exact measure of this comparator was not available for any of the countries; for example, in some cases it was not possible to separate remuneration from other expenditure on social services. Where this was possible, it was sometimes not possible to separate out remuneration of service delivery staff from remuneration of administrators. The social services covered also differed somewhat between countries, especially in respect of whether social welfare was covered.

Similar challenges in sourcing appropriate data are likely to be encountered in the case of paid domestic work. An additional challenge in respect of paid domestic work is choosing the appropriate government sectors and activities. The exercise described by Budlender focused on activities which would largely be classified as "care of persons". Similarly, much of the work that discusses the trade-offs that occur between public, private sector and unpaid home provision of services focuses on person care or, even more narrowly, on childcare. So, for example, Gornick and Meyers (2008, p. 315) explain their focus on childcare as follows:

...we think that the care and rearing of children is a special case because of the public benefits that result from this care and because of the deep impact of unequal parenting on the next generation... Moreover, the costs of raising children are private, but the benefits of healthy, well-nurtured children are broadly shared by society. Hence, the case for government intervention is particularly strong.

However, care of persons forms a small proportion of all unpaid care work, which – as pointed out above – is generally dominated by housework, just as paid domestic work probably has housework as the dominant activity overall. Further, Gornick and Meyers (2008, p. 318) themselves quote statistics that reveal that men's contribution to general housework is even less, when compared with that of women, than their contribution to childcare. If one of our aims is to investigate how paid domestic work contributes to (or undermines) gender balance in society, housework should not be ignored.

Government-funded childcare would clearly merit inclusion in the comparison for paid domestic work. The inclusion of household security guards in the definition of domestic workers suggests that the government police budgets should also be included in the comparison. It is less clear what government services could be considered alternatives to ordinary housework, including cooking.

If the challenges discussed here were addressed and an estimate of the subsidy derived, its meaning would need to be considered carefully. Stated crudely, is it a "good thing" that some households (mostly wealthier ones) are buying for themselves services that the state should or might otherwise provide, including important services such as policing, health and childcare? What does this means in terms of access by the less wealthy to these services? Does it mean that the money "saved" by not having to provide for the wealthier households can then be spent on providing for the poor? Or does it mean that there is less public pressure on government to provide these services at all? These questions become more complicated if we introduce the possibility that the state might provide certain categories of individual/household with grants with which they can then buy domestic work assistance (see ILO, 2010, paragraph 26).

2.7 Lessons from valuation of unpaid care work

The drawbacks of using the domestic worker wage as a measure of the value of the work done have been discussed above. In trying to find alternative measures, the literature describing attempts to value unpaid care work are potentially useful. The unpaid care work valuations are different from the current endeavour, in that they attempt to assign a value to the work in the complete absence of a wage. Nevertheless, there are enough similarities between unpaid care work and domestic work that there might be useful lessons.

Budlender (2010b, p. 35ff) explains that underlying most approaches to valuation of unpaid care work is the equation that specifies that the value of unpaid care work is equivalent to the number of hours worked multiplied by some measure of hourly earnings. While there are many variations, most of these can be clustered into one of four basic standard approaches, namely (a) the average earnings approach; (b) the opportunity cost approach; (c) the generalist approach; and (d) the specialist approach. [2]

Underlying the first two approaches is the question of how much the person would have earned if he or she had done paid work rather than unpaid care work. The first

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[2] See Budlender and Brathaug (2002) for a more detailed discussion of the four main approaches to valuing unpaid care work.

approach calculates this using the average earnings for all people in the economy, while the second approach uses the actual earnings of the person who did the unpaid care work.

The first of these approaches can potentially be used to derive the "correct" value of paid domestic work and is explored further below. The second approach seems less appropriate, as one would be replacing the domestic worker wage with the domestic worker wage.

Underlying the third and fourth approaches to valuation of unpaid care work is the question of how much a household would need to pay someone else to do the unpaid care work – the replacement cost. The generalist approach calculates this using the average wage paid to a worker, such as a domestic worker or housekeeper, who does most of the tasks associated with unpaid care work. The specialist approach does separate calculations for each task as if the household had employed a specialist to do it. Budlender and Brathaug (2002) describe the approach as follows:

> *The specialist approach assigns different wages to different activities, regardless of who performs them. In each case, the paid worker whose functions and circumstances most closely match the unpaid work concerned is chosen. For example, for housework the cooking activities would be assigned the wage of a paid chef or cook, the cleaning activities those of a paid cleaner, and so on.*

For paid domestic work, the third approach would, like the second, be circular as one would be replacing the domestic worker wage with itself. In theory, the fourth approach seems more possible. However, as discussed below there are technical and practical challenges.

2.8 Terminology

The ILO report on law and practice (2010, paragraph 38) highlights the confusion that can arise as to how domestic work should be conceptualized from an economic perspective. It notes that the work of domestic workers

> *… does not constitute a "productive" labour market activity, but rather what Adam Smith initially referred to as "non-productive" personal care services. Yet the same domestic services are treated differently when regulated outside the home and when performed within the household.*

In fact, standard economic theory recognizes paid domestic work (whether paid in cash or in kind) as both production and employment. As noted above, paid domestic work falls within the production boundary of the System of National Accounts and should thus be included when calculating GDP. Indeed, even where individuals do this work on an unpaid basis, as "unpaid care work" in their own homes, this is recognized by economic theory as "production" (and thus "productive"), although this work is not currently included when calculating GDP.

This point needs to be emphasized lest one perpetuates the view that it is only production of goods that constitutes "proper" production, while production of services constitutes an activity of lesser value. In essence, this view places a higher value on "things" than it places on "people".

3. Technical issues

3.1 Defining domestic workers

As noted above, the category "domestic workers" includes paid workers who cook, clean, take care of children, the elderly, the disabled and domestic animals in private homes. It can also include gardeners or guardians in private homes or family chauffeurs. It excludes those who perform domestic work only occasionally and not for earning a living (e.g. occasional babysitters).

For the purposes of this paper, it was necessary to operationalize a definition of domestic workers so as to be able to identify domestic workers in household survey data.

The ILO report on law and practice (2010, Box III:1) identifies the categories within the semi-skilled major category 5 and elementary/unskilled category 9 of the 1998 International Standard Classification of Occupations (ISCO-88) corresponding to domestic work as follows:

Classification 5 … covers two key categories: housekeeping (minor group 512), which includes housekeepers and related workers and cooks; personal care and related workers, including childcare workers and home-based personal care workers (minor group 513). Housekeeping foreseen under 5121 emphasizes the supervisory work of the housekeeper. Classification 5131 defines childcare workers as those who "take care of employers' children and oversee their daily activities" and considers that the tasks include:

(a) assisting children to bath, dress and feed themselves;

(b) taking children to and from school or outdoors for recreation;

(c) playing games with children, or entertaining children by reading or storytelling;

(d) maintaining order in children's bedrooms and playrooms;

(e) taking care of schoolchildren at lunch or other school breaks;

(f) taking care of schoolchildren on excursions, museum visits and similar outings;

(g) performing related tasks;

(h) supervising other workers.

Similarly, home-based personal care workers under classification 5133 "attend to various personal needs and in general provide personal care for persons in need of such care at their own homes because of physical or mental illness or disability or because of impairment due to old age". Tasks of this category, an example of which is a "home nursing aid", include:

(a) assisting persons in getting into and out of bed and making the appropriate change in dress;

(b) changing bed linen and helping persons with their bath and toilet

(c) serving food – prepared by them or others – and feeding persons needing help;

(d) giving or ensuring that persons take the necessary medicaments;

(e) watching for any sign of deterioration in the person's health and informing the relevant medical doctor or social services;

(f) performing related tasks;

(g) supervising other workers.

Classification 913 speaks specifically of "domestic and related helpers, cleaners and launderers". It covers private households, hotels, offices, hospitals and other establishments, as well as a variety of vehicles to keep interiors and fixtures clean. The classification includes domestic helpers and cleaners, as well as hand-launderers and pressers. Under classification 9131, domestic helpers and cleaners "sweep, vacuum, clean, wash and polish, take care of household linen, purchase household supplies, prepare food, serve meals and perform various other domestic duties".

The categories described in the report on law and practice do not, in fact, include all workers who might be considered domestic workers. The exclusions include private security guards and chauffeurs employed by private households and gardeners. ISCO includes codes for these occupations, but does not have a separate code for those employed domestically. Some household surveys include questions on location of work. However, even where this information is present, it is not possible to identify those who can be classified as domestic workers, as gardeners, for example, might work in private homes but be employed by a commercial gardening service.

Subsequent to the conclusions of the Committee on Domestic Workers of the 2010 ILC, the ongoing work done by the ILO in generating global and regional estimates of the magnitude of domestic work adopts a statistical definition based on the International Standard Industrial Classification (ISIC). In ISIC Revision 3.0 and 3.1, division 95 refers to "private households with employed persons" as a separate "industry" or sector. Unlike the occupational categories relating to domestic workers, the ISIC division 95 is high-level (two-digit in Revision 3.1 and one-digit in Revision 3.0, where it coincides with tabulation category P). Therefore, data based on ISIC are more likely to be available in datasets and tabulations for a greater number of countries than the ISCO-88 unit groups, which are on the four-digit level.

One potential weakness of this approach is that non-domestic workers are sometimes included in this category, whether due to coding error or otherwise. However, as seen below, this seems to happen in a relatively negligible number of cases for the South African and Uruguayan datasets.

Both the South African and Uruguayan datasets contain the ISCO occupational categories specified in the report on law and practice, namely housekeeper and related (5121), personal care of children and babies (5131), home-based personal care workers (5133), and domestic helpers and cleaners (9131). However, for the purposes of this paper, the ISIC-based approach is used so as to include gardeners in the estimates, as this category of worker cannot be defined on the basis of occupational code alone.

A further definitional issue relates to whether one includes employed domestic workers who do not receive a monetary wage, but instead receive some form on in-kind compensation. The objective of the paper suggests that these workers should be included as one would want their work to be recognized and "valued". In an ideal world, one would also want them to receive decent wages.

The examples that follow thus include all employees categorized as domestic workers regardless of the recorded earnings. However, when monetary value is calculated, some of the measures will, by definition, exclude domestic workers for whom no wages are recorded.

3.2 Source data

The majority of the measures proposed in the paper require access to data on earnings. Wage and earnings data are often available from household surveys, including labour force surveys. However, even the latter sometimes omit questions on earnings. This

is sometimes done on grounds of sensitivity of the question, i.e. that respondents will not be prepared to provide this information and that asking for it could prevent respondents from participating in the survey.

If industry is used to define domestic workers, coding of this variable to only two digits is necessary. If occupation is used to define domestic workers, the survey in question will also need to have information on occupation that is sufficiently detailed to be able to identify domestic workers. Where the occupation classification system is based on ISCO, occupation should ideally be coded to four digits. Where it is coded only to three digits, codes 513 and 913 would provide a proxy for domestic workers but would include some non-domestic workers. Beyond industry and occupation, some surveys might allow identification of domestic workers through a direct question, such as one that has domestic worker as a separate category for status in employment. Where this is not the case and industry and occupation coding are not sufficiently detailed other questions – such as on location of work – may be helpful in finding a proxy method for identifying domestic workers.

In terms of earnings, survey data are widely acknowledged to give under-estimates of actual earnings. In South Africa, for example, it has been estimated that the earned incomes reported in the 2004 labour force survey would need to be adjusted upward by between 75 per cent and 100 per cent to reach the national income figures less grants and investment income (Meth, 2006, pp. 25, 32-33). Internationally, Deaton (2003, p. 8) notes that, on average, survey data tend to provide an estimate that is less than 60 per cent of gross domestic product (GDP).

Under-reporting of earned income can result from reluctance of respondents to provide accurate information. This reluctance can reflect, among others, fear of additional taxation. This fear is likely to be greater at the upper end of the earnings scale and, indeed, earnings of higher earners are thought to be more seriously under-reported than those at the lower end. This should mean that domestic workers – who are clustered at the lower end of the earnings scale in most countries – should be less affected than others. However, lower earners could also under-report, for example out of fear that they could be excluded from various benefits or access to services on account of the level of their earnings.

Despite the shortcomings, household survey data are acknowledged to be a generally better source of employment-related data than population censuses (United Nations Statistics Division and International Labour Office, 2002). The latter provide more cases, as they aim to cover the full population, while the former cover only a sample. However, the fuller coverage of the census means that the instrument is usually shorter. Employment questions are, as a result, usually less thorough in prompting and capturing accurately the employment situation of individuals.

Further, in a census, one member of the household often responds on behalf of all others. This person may not have full knowledge, especially of sensitive issues such as earnings. In a labour force survey, in contrast, the aim is often to interview as many household members as possible individually so as to avoid this. A further difference in quality is likely to arise from the fact that, in a household survey, the interview is usually administered by a trained fieldworker. In a census, in contrast, the questionnaire is sometimes self-completed. Where the census questionnaire is administered by a fieldworker, the fieldworker might be less well-trained and experienced than a survey fieldworker given that censuses are conducted less frequently, and also the much bigger fieldworker numbers than need to be trained.

One situation in which a census might be preferable to a household survey is where domestic workers constitute a small proportion of the workforce. In such a case, a sample survey might not capture sufficient numbers of domestic workers to give reliable estimates, especially on a variable with relatively high variance such as earnings.

South Africa

In South Africa the best source of wage and earnings data up until 2007 was the twice-yearly Labour Force Surveys (LFSs) conducted by Statistics South Africa. In 2008, the agency replaced the LFS with the Quarterly Labour Force Survey (QLFS). The new survey had many similar questions to the LFS but, unfortunately, did not include a question on earnings until late 2009. The raw data from the surveys is freely downloadable from Statistics South Africa's website within a few months of each survey being conducted. However, the agency has not as yet made the earnings data from the QLFS available. The analysis in this paper thus relies on the last of the LFS surveys, namely that of September 2007.

The questions in South African surveys are phrased in a way that should provide estimates of the gross wage received by the worker. The question reads: **What is …'s total salary/pay at his/her main job? Including overtime, allowances and bonus, before any tax or deductions**. The information provided in surveys probably excludes irregular payments such as a 13th cheque and other bonuses. Again, this is unlikely to skew the data seriously for domestic workers. Where measures described below involve comparison of the domestic worker wage and wages of other categories of worker, exclusion of these extra payments could result in the gap between the two being under-stated.

The question on pay is asked of all employed people, regardless of status in employment. The responses provided by self-employed people are likely to be less accurate than those received from employees. Reasons for this include the framing of the question in terms of 'salary/pay' rather than income, lack of clarity as to whether gross or net income is required, and the tendency for income of the self-employed to fluctuate.

The question on pay allows the respondent to provide the information either by specifying the amount received per week, month or year, or by indicating the pay bracket within which the worker falls. In the latter case, the mid-point of the bracket was used for estimations that require an exact amount, with one-and-a-half times the lower limit used for the top open-ended bracket.

Uruguay

For Uruguay the Encuesta Continua de Hogares (ECH) of the Instituto Nacional de Estadistica is an appropriate dataset. The examples in this paper are based on data from the 2009 round of the survey.

The questionnaire asks about both primary and secondary employment. For the most part, the analysis in this paper focuses on primary employment.

The question on status in employment distinguishes between private and public employees, members of cooperatives, employers, formal and informal self-employed, unpaid family helper, and worker on a social employment programme.

The question on pay is addressed only to dependent workers, and pay is thus recorded for very few non-employees. The question on pay asks separately for the amount received in the past month for each of several items, namely (a) salary or wages; (b) commission, incentives, overtime or bonus; (c) per diem; (d) tips; (e) Christmas bonus; (f) holiday pay; (g) arrears; (h) transport tickets. For the analysis in this paper only, the first category of salary or wages is considered as the other items do not constitute regular pay.

3.3 Challenges related to wage data

Many of the measures proposed below are based on wage data, whether of domestic workers or of other earners. It is thus important to consider some of the challenges that arise in using such data both for all workers, and for domestic workers in particular.

One of the weaknesses of the simple approach of valuing work by the wages received is that it focuses on the monetary value, i.e. what is paid to the worker. The approach thus yields an under-estimate to the extent it excludes in-kind benefits. The exclusion is more important for domestic work than most other kinds of work in many countries, as domestic

workers are often more likely than other workers to receive at least part of their compensation in kind. This is particularly true of live-in workers.

Some surveys also ask about the in-kind compensation. Where this is done, the values can be included in the calculation. Where the respondent is asked to report the value of the in-kind compensation, this value can be included in the calculation. Where the respondent merely reports the presence of in-kind compensation, one could try to find a way to impute the value of the compensation. The extent to which this is possible will depend on the amount of information provided about the in-kind compensation.

The simple approach of using the wage to assign value yields an over-estimate to the extent that it does not correct for (monetary) costs associated with undertaking domestic work. For workers who do not "live in" at the employer's home, travel is often one of the biggest costs. This is especially the case, as in South Africa, where residential areas for the wealthy and the poor are spatially far apart and public transport systems are inadequate and/or costly. Travel and all the other costs associated with long-distance migration are obviously also an important cost for migrant workers. These workers may also be charged recruitment, placement and transfer fees, and have a range of deductions made from their wages for these and other purposes (Human Rights Watch, 2006, p. 25).

> Migrant domestic workers are not a major consideration in South Africa and Uruguay. However, there are some domestic workers who are migrants in these countries and the numbers in South Africa might be increasing. Firstly, as other employment opportunities become available to black South African workers that were not available during the apartheid years, they may become more reluctant to do domestic work given its low pay and low status. Secondly, as increasing numbers of people from the sub-region enter the country in search of work (and sometimes political refuge), more non-citizens become available for domestic work. Thus the series of focus groups conducted by the Community Agency for Social Enquiry as input to the 2010 deliberations of the International Labour Conference heard worker complaints in both Johannesburg and Cape Town about competition from migrant domestic workers (Budlender, 2010a).

> The prevalence of foreign/migrant domestic workers in South Africa is unknown. The LFS and QLFS do not ask about nationality. Even if they did, migrant workers might not provide full information if they have doubts about their legal status in the country and the legality of their working.

The simple wage approach to valuation misses out completely on domestic workers who receive no monetary wages. This grouping would include the elusive category of (predominantly young) people, often from rural areas, who live in the houses of people other than their parents and who do domestic work in exchange for accommodation, food and perhaps other benefits, such as access to education. The grouping is elusive in the sense that they are difficult to capture in household surveys. This is so because households in which they work will often claim that these young people are relatives rather than domestic workers. Their work will be categorized as ordinary domestic duties rather than domestic "work", and they will thus not be captured as domestic workers. "Au-pairs" working in more developed countries may similarly not be reported as domestic workers but instead be regarded as "working holidaymakers" (Mather, 2006). Thus, even if we were able to devise a way to impute a wage for these workers, we would first need to find a way to "find" them.

Survey-based estimates based on reported wages may also under-estimate the value of domestic work earnings because of under-recording even of paid domestic workers. This could happen, for example, in cases where the worker or employer feels that the employment is in some way illegal. This could happen with migrant workers. It could also happen in cases where legislation requires that workers be registered, or that other conditions be fulfilled, such as a minimum wage, minimum quality of accommodation, etc. These exclusions are likely to affect lower-paid domestic workers more than better-paid.

Their exclusion will thus bias upwards estimates that reflect averages, but bias downwards estimates that reflect total earnings summed across all domestic workers.

There is a methodological reason why live-in domestic workers, in particular, may be under-counted. This reason relates to the definition of a household. The definition differs across surveys. In some surveys, live-in domestic workers are meant to be included among household members in that they live in the dwelling and share some of the resources. In these cases, the main household respondent may not list the domestic worker as a member as they are not regarded as a "full" member. In other surveys, live-in domestic workers are meant to be considered as a separate household on the basis that they "eat from a separate pot", i.e. the household resources are not shared. In these cases, the fieldworker would need to check carefully to ensure that all households, including the domestic worker households, are enumerated. Sample design would also need to ensure that domestic worker households were included in the sampling frame.

In both South Africa and Uruguay, domestic workers are generally not regarded as members of the households in/for which they work. In Uruguay, just under 1 per cent of domestic workers have their relationship to the household head recorded as domestic worker.

4. Value for domestic workers and their families

This section explores different ways of estimating the value of domestic work to the workers themselves and their families.

For the methods proposed in this section, where data on wages are used, the value of the wage minus direct taxes is probably the ideal form to use, as this represents the money that the worker receives. One could debate whether amounts deducted for pension and other benefits should be excluded or included. In reality, however, it would make very little difference in most cases to the result what decision was made in this respect, as many domestic workers are not eligible for benefits and associated schemes.

4.1 Calculating the absolute value

The most obvious way to measure value for the workers doing the work is to use their wage/earnings.

Using the simple wage-based approach, measures of the value of domestic work to domestic workers could include:

- Total number of domestic workers employed (equivalent to number of "direct beneficiaries")

- Total number of individuals living in households that include a domestic worker (equivalent to number of "indirect beneficiaries")

- Mean and median wages earned

- Total wages earned for a given period

Both mean and median wages are proposed as ways of presenting the "average" value of domestic work to a domestic worker. The first reason for this is that wages are often highly dispersed, and also often clustered at lower values. Where this is the case, the mean presents an over-optimistic picture of the size of the "average" wage. The second reason for presenting both mean and median is that wage data often include errors. The mean will be affected by a few very high or lower outliers, while the median is not so affected.

The measures proposed above could be disaggregated by variables considered relevant for a particular country, including sex, ethnic group, location and the like.

South Africa

The LFS of September 2007 records a total of 1.26 million domestic workers aged 15 years and above, of whom 0.95 million (76 per cent) are women. Of the total, 1.06 million (85 per cent) are domestic helpers and cleaners and 0.19 million (15 per cent) are gardeners, with a much smaller number classified as childcare workers. (In South Africa, domestic gardeners are allocated occupation code 9211 rather than the skilled gardener category of 6113.) The female percentage stands at 88 per cent among the domestic helpers and cleaners and only 4 per cent among the gardeners.

In terms of Apartheid-defined population group (race), 1.14 million (91 per cent) of domestic workers are African, while a further 0.11 million (9 per cent) – almost all the rest – are coloured. The African percentage is higher among domestic cleaners and helpers (91 per cent) than among gardeners (88 per cent).

In terms of age, 0.70 million (55 per cent) of the domestic workers are aged 30-49, with 26 per cent aged 50 and above, and 19 per cent below the age of 30 years. Among gardeners, 50 per cent are in the middle age group, with 23 per cent older and 28 per cent younger. Among domestic helpers and cleaners, 57 per cent are in the middle age group, with 26 per cent older and 17 per cent younger.

Of the 47.94 million people recorded in the country, 4.12 million (9 per cent) live in households that include at least one domestic worker.

The mean wage recorded for domestic workers is R1,000 per month, while the median is R867 per month. If analysis is restricted to domestic helpers and cleaners, the mean increases to R1,011 per month, while the median remains at R867. For gardeners, the monthly mean is R937 and the mean R800. [The means and medians here and elsewhere include observations (3 unweighted for domestic workers) for which earnings are recorded as zero. They exclude observations (46 unweighted for domestic workers) with missing information on earnings.]

If hourly wages are considered rather than monthly, the mean is R25.19 overall for domestic workers, and R25.18 for domestic helpers and cleaners and R25.47 for gardeners.

Total earnings across all domestic workers for whom earnings are recorded stand at R1,233 million per month. Total earnings across domestic helpers and cleaners stand at R1,058 million, and for gardeners at R171 million.

Uruguay

The ECH of 2009 records a total of 123 thousand domestic workers aged 14 years and above in Uruguay, of whom 112 thousand (92 per cent) are women. More than 80 thousand (66 per cent) of the domestic workers are classified as domestic cleaners and helpers, and over 16 thousand (13 per cent) as childcare workers.

About 112 thousand (92 per cent) of the domestic workers give their ethnic background as white, with under 8 thousand (6 per cent) declaring themselves as African or black and 2 per cent as indigenous.

Over 53 thousand (44 per cent) of the domestic workers are aged 30-49 years, nearly 47 thousand (38 per cent) are 50 years or older, leaving 22 thousand (18 per cent) under 30 years of age.

Among domestic workers reporting non-zero wages, the mean is 3,673 pesos per month and the median 3,000.

In Uruguay, 399 thousand people – 13 per cent of the total population of over 3 million – live in households that include at least one domestic worker.

Total wages across all domestic workers are 382.8 million pesos per month.

4.2 Calculating the relative value

With this approach, the value (as measured by wages earned) of working as a domestic worker is compared with the value (again measured by wages earned) of doing other paid work. This measure is important given the widely acknowledged fact that, in most cases, domestic workers tend to earn among the lowest wages in the country.

The difference between using this approach and the approach proposed in the previous sub-section is analogous to the difference between the mean (average) wage approach and "generalist" wage approach to valuing unpaid care work discussed above. Thus in the former, each hour spent on unpaid care work is valued at the mean hourly wage in the economy, while, in the latter, each hour spent on unpaid care work is valued at the mean domestic worker wage for the country.

For this method, household surveys – and labour force surveys in particular – are again an ideal source, as long as they include questions about earnings and occupational information of sufficient detail to be able to identify domestic workers.

A range of comparators can be considered. For example, one could compare mean (or median) earnings for domestic workers with earnings of all other earners, including employers, the self-employed and employees. Alternatively, one could compare mean (or median) earnings for domestic workers with those of all other employees. The choice here will to some extent depend on how domestic workers are categorized in the survey in terms of status in employment. In some countries, all domestic workers are categorized as employees. In other surveys, domestic workers (or some of them) are categorized as own-account workers offering their services to households. Categorization as an employee is probably more "correct" in terms of international standards. It is also in line with the intentions of the International Labour Conference intention in respect of a Convention.

South Africa

In terms of status in employment, all but three (unweighted) employed people recorded as being in the household sector are categorized as employees. This is, at least in part, a result of the fact that the question on employment status has a separate response option of "working for one or more private households as a domestic employee, gardener or security guard". It seems that in cleaning and coding of the data, observations with this option chosen are automatically coded into the ISIC private household sector. The analysis in this paper excludes the non-employee observations.

Uruguay

In Uruguay, 90 per cent of domestic workers are categorized as private employees, with a further 10 per cent categorized as informal self-employed. Of the domestic helpers and cleaners (occupation code 9131), 87 per cent are categorized as private employees and 12 per cent as informal self-employed.

Where the comparison is with earnings of all employed people, challenges may arise from the questions on earnings being framed differently for different categories of status in employment.

South Africa

The table below reveals that average monthly earnings for domestic workers are substantially lower – less than a quarter if one considers the mean – than those for other employed people in the economy. If analysis is restricted to employees, the disparity between domestic workers and other workers increases.

Worker category	Mean	Median
Domestic workers	1,000	867
Non-domestic workers	2,400	4,604
Non-domestic employees	2,600	4,652

Uruguay

In Uruguay, the comparison can only be done for employees, as earnings data are not available for other categories of status in employment. For domestic workers, as noted above, mean wages are 3,673 pesos per month and the median wage is 3,000 pesos. For non-domestic employees, mean wages are 10,914 pesos per month and the median is 8,000 pesos.

The comparisons of domestic worker earnings with earnings of others could also be disaggregated in terms of characteristics thought to be relevant. This could be done through simple tabular comparison or through regressions in which the characteristics are used as independent variables. The variables investigated might include sex, education, age and years of experience, among others.

A tabular comparison might focus on hourly and/or total earnings, depending on the purpose. In its simplest terms, the approach would involve calculating mean earnings for each sex-education-age-experience combination of characteristics and recording them in a table.

If regression is chosen rather than tabulation, it should ideally be performed on hourly earnings to control for possible differences in hours worked between domestic and other workers. It is also standard practice to use the log of the hourly wage rather than the wage. The underlying aim would be to investigate what a domestic worker might earn if she was doing another job, but taking into consideration that the worker's personal characteristics would influence what she would be likely to earn. This analysis would thus provide a sense of the penalty (or advantage) imposed on a worker doing domestic work rather than some other job.

South Africa

The table below gives the results of a regression on the log of hourly earnings using South African LFS September 2007 data that include gender, population group, education level, skill level, age, age squared, and status in employment. The base case consists of a female, African with primary education who is doing elementary work, is an employee and is in an occupation other than domestic work. All included variables except having no formal education are significant at the 95 per cent confidence interval. As expected, the domestic worker variable has a large negative coefficient. The R^2 is 0.3960.

lnhourwage	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Domworker	-0.15	0.03	-4.75	0.0000	-0.21	-0.09
Male	0.19	0.02	10.37	0.0000	0.15	0.23
White	0.93	0.04	23.3	0.0000	0.85	1.00
Indian	0.69	0.06	11.04	0.0000	0.56	0.81
Coloured	0.35	0.02	14.17	0.0000	0.30	0.40
NoEducation	-0.10	0.04	-2.3	0.0220	-0.18	-0.01
Secondary	0.24	0.03	8.35	0.0000	0.18	0.29
PostSchool	0.86	0.03	26.98	0.0000	0.80	0.92
Unskilled	-0.47	0.02	-23.36	0.0000	-0.51	-0.43
Age	0.02	0.00	21.25	0.0000	0.02	0.02
AgeSquared	0.00	0.00	-21.31	0.0000	0.00	0.00
Employee	-0.39	0.03	-13.15	0.0000	-0.44	-0.33
_cons	2.65	0.05	51.4	0.0000	2.55	2.75

Applying the coefficients for a 40-year old woman worker with no education gives a predicted hourly wage of R23.84 for a domestic worker as compared to R27.62 for other employees with these characteristics. Domestic workers thus earn 13.6 per cent less than other employees with the same characteristics.

Uruguay

The next table gives the results of a regression on the log of hourly wages using ECH data that include gender, ethnic background, education level, skill level, age, and age squared. The base case consists of a white female with primary education employed in an occupation other than domestic work. The post-school variable is dropped from the regression as not making any contribution. All other included variables except the Asian proxy are significant at the 95 per cent confidence interval. As expected, the domestic worker variable has a relatively large negative coefficient. The R^2 is 0.3451.

Lnhourwage	Coef.	Std. Err.	T	P>t	[95% Conf.	Interval]
Domworker	-0.19	0.01	-13.57	0.0000	-0.22	-0.17
Male	0.16	0.01	22.05	0.0000	0.15	0.18
Afro	-0.08	0.02	-4.21	0.0000	-0.11	-0.04
Indigenous	-0.08	0.03	-2.71	0.0070	-0.14	-0.02
Asian	0.14	0.13	1.08	0.2810	-0.12	0.40
NoEducation	-0.30	0.01	-35.31	0.0000	-0.32	-0.29
Secondary	0.66	0.01	72.82	0.0000	0.65	0.68
PostSchool	(dropped)					
Unskilled	-0.18	0.01	-19.43	0.0000	-0.20	-0.16
Age	0.06	0.00	35.04	0.0000	0.06	0.07
AgeSquared	0.00	0.00	-25.48	0.0000	0.00	0.00
_cons	3.72	0.03	108.81	0.0000	3.65	3.78

Applying the coefficients for a 40-year old woman worker with no education gives a predicted hourly wage of P142 for a domestic worker as compared to R172 for other employees with these characteristics. Domestic workers thus earn 17.5 per cent less than other employees with the same characteristics.

The above examples include sex as one of the variables and, for both countries, this variable is revealed to have a strong influence on wages. One could argue that this variable should be included, as it explains away much of the apparent wage penalty of paid domestic work on the basis that it is a result of these workers being mainly female, rather than the type of work done. A regression that excludes sex as a variable is based on the assumption that being female does not in and of itself make a person's work less valuable, and that the "domworker" variable should thus capture the full extent of discrimination, whether due to sex or occupation. A similar argument could be made for other variables, such as ethnicity, if domestic workers are predominantly from particular ethnic groups. However, for the next examples we exclude only sex.

South Africa

The next table gives the results of a regression that excludes gender, but retains all the other variables. The R^2 is very similar to the regression above at 0.3898, but the influence of the domestic worker variable increases.

Inhourwage	Coef.	Std. Err.	T	P>t	[95% Conf.	Interval]
Domworker	-0.22	0.03	-7.30	0.0000	-0.28	-0.16
White	0.92	0.04	23.61	0.0000	0.85	1.00
Indian	0.70	0.06	11.03	0.0000	0.58	0.82
Coloured	0.34	0.02	13.71	0.0000	0.29	0.39
NoEducation	-0.10	0.04	-2.22	0.0260	-0.18	-0.01
Secondary	0.23	0.03	8.06	0.0000	0.18	0.29
PostSchool	0.82	0.03	25.65	0.0000	0.76	0.89
Unskilled	-0.49	0.02	-23.91	0.0000	-0.53	-0.45
Age	0.02	0.00	21.00	0.0000	0.02	0.02
AgeSquared	0.00	0.00	-21.04	0.0000	0.00	0.00
employee	-0.41	0.03	-13.69	0.0000	-0.47	-0.35
_cons	2.81	0.05	56.96	0.0000	2.71	2.91

For Uruguay, with sex omitted the coefficient for domestic work increases. The R^2 falls to 0.3360.

Lnhourwage	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Domworker	-0.29	0.00	-129.56	0.0000	-0.30	-0.29
Afro	-0.08	0.00	-21.33	0.0000	-0.08	-0.07
Indigenous	-0.08	0.01	-13.54	0.0000	-0.09	-0.07
Asian	0.16	0.03	6.31	0.0000	0.11	0.21
NoEducation	-0.28	0.00	-172.60	0.0000	-0.28	-0.27
Secondary	0.63	0.00	371.83	0.0000	0.62	0.63
PostSchool	(dropped)					
Unskilled	-0.17	0.00	-103.44	0.0000	-0.18	-0.17
Age	0.06	0.00	216.21	0.0000	0.06	0.06
AgeSquared	0.00	0.00	-162.64	0.0000	0.00	0.00
_cons	3.85	0.01	689.41	0.0000	3.84	3.86

The above regressions serve simply as illustrations. One could add further variables. For example, if most domestic work is considered to be relatively low-skilled, one could add a variable (or variables) reflecting skill level. For present purposes, however, the illustrative regressions above should suffice.

4.3 Calculating the "real" value of paid domestic work

In theory, one should be able to correct for some of the factors that depress domestic worker wages by considering separately each of the tasks performed by a domestic worker and assigning the relevant wage of a non-domestic worker doing similar tasks to the time spent on each of the tasks. This approach would be similar to the "specialist" approach to estimating the value of unpaid care work described in a previous section.

A necessary step in this approach would be to identify occupations in which workers do similar work to paid domestic workers and for whom there are sufficient observations in the dataset to give reliable wage estimates. This might not be too difficult for the main domestic work tasks. For ordinary housework, the work of cleaners in offices, hotels and similar formal establishment (ISCO-88 code 9132) could be appropriate. For care of children, one could consider childcare workeres (5131) or pre-primary teachers (2332). For cooking, one could consider the earnings of chefs and cooks (5122). For gardeners, there would be the earnings of commercial gardeners, horticultural and nursery growers (6113). The latter two examples could be interpreted as illustrating the extent to which domestic work is undervalued, in that chefs and cooks are considered to be service workers with some level of skill, as illustrated by their position in major group 5 of ISCO, and commercial gardeners are considered to be skilled agricultural workers, in major group 6 of ISCO, whereas most observers would consider domestic cooks and gardeners to be "unskilled" (major group 9).

There are two reasons why this approach is not recommended. Firstly, the necessary data describing how long domestic workers spend on different tasks within their workday are probably not currently available in any country. Secondly, this approach would still produce an under-estimate of the "true" value of paid domestic work, as many of the jobs associated with the sub-components of paid domestic work are also under-valued because they are dominated by women, produce services rather than products, and so on.

An alternative approach would be to calculate the mean wage for non-domestic employees with given personal characteristics known to influence wages – such as education level, broad occupational group, and age group – and to assign the relevant mean to all domestic workers. In choosing characteristics, one would need to avoid characteristics – such as sex – that are known to bias the value attached to different types of work. Unfortunately, even characteristics such as occupational group include some bias in that, while the occupational classification is meant to reflect level of skill; as seen above, societal perceptions of skill are in themselves sometimes biased.

South Africa

For South Africa, we use the variables education level (no formal education, primary, secondary, and post-school), occupational group and age group (under 30, 30-49 and 50 plus), and generate means for non-domestic workers. After assigning all domestic workers the mean for the education-occupation-age group to which they belong, total earnings sum to R2,017 million.

Uruguay

For Uruguay, using the same approach as for South Africa, after assigning all domestic workers the mean for the education-occupation-age group to which they belong, total earnings sum to 798,599 million pesos.

4.4 Estimating the degree of household reliance on domestic work

The previous estimates focus on the benefit to the worker. The estimates that follow expand the focus to the worker's family and dependents.

The first proposal in this respect is for estimates that measure the extent to which households are reliant on domestic worker earnings. These could include

- estimating the number of households in which the only earnings are domestic worker earnings;

- estimating the number of households in which at least one earner is a domestic worker; and

- estimating the proportion of earned income or total income of the household derived from domestic worker earnings.

The choice between earned income and total household income will be influenced by the nature of available data. If household surveys include both earned income and other income, both measures can be derived.

South Africa

Of the 12.55 million households in South Africa in September 2007, 1.03 million (8 per cent) included a domestic worker among its members, with a further 0.09 million (less than 1 per cent) with more than one domestic worker among its members.

Among the households that have a domestic worker among their members, 49 per cent of earned income represents domestic worker wages. In nearly two-thirds (63 per cent, or 0.63 million) of these households, domestic worker wages are the only form of earned income.

Uruguay

Of the 1,062 thousand households in Uruguay, 114 thousand (11 per cent) list a domestic worker among their members. Less than 8 thousand (1 per cent) have more than one domestic worker in the household.

For Uruguay, further calculations are less meaningful given that earnings data is only available for employees.

4.5 Contribution of domestic work to poverty reduction

In the final approach suggested for this section, one would estimate how many households are "lifted out" of poverty through the employment of one or more of their members as domestic workers. At root, the method would involve estimating the total number of households under a given poverty line at a given point in time, and then re-doing the calculation after subtracting income earned by households through paid domestic work.

Many countries have developed country-specific poverty lines. These could be used for developing country-level estimates that are meaningful in national debates. As background work for the planned ILO domestic work Convention it would, however, probably be better to use a standard poverty line across countries. The one- or two-dollar a day lines would be prime contenders because, while crude, they are relatively simple to calculate.

As with the other proposed measures, the nature of the source data will determine the accuracy with which this measure can be calculated. One likely challenge is that – as noted in respect of the previous measure – many labour force surveys will not provide information on sources of income other than earnings. The poverty levels calculated from these data would thus differ from levels calculated using other, fuller data that include other income sources. The extent of the difference between the two will depend on the relative importance of other income sources. For South Africa, the difference will not be negligible, given the large number of households that benefit from government grants.

5. Value for employing households

This section explores ways of estimating the value derived by employing households from using the services of a domestic worker. This value could include increased opportunity (especially for women) to engage in paid work. It could also include the value of leisure time afforded by having someone else do work that one would otherwise have to do. For the approaches suggested below, as for value calculations for the domestic worker and her family, earnings net of taxes are probably the most appropriate if these data are available.

5.1 Number of households benefiting from employing domestic workers

The simplest measure in respect of benefiting households is the number of households that employ paid domestic workers. Where data are available, the measure could be disaggregated by relevant variables, such as location (rural/urban, or province) and income/expenditure quintile.

While this might seem a simple measure, it is not necessarily easy to derive it. The number of households cannot be derived from standard labour force surveys because there is not a one-to-one relationship between workers and households. Thus a single worker may do domestic work for more than one household. Conversely, a single household may employ more than one domestic worker. This is especially the case if one uses a broad definition of domestic worker that includes categories such as security guards and gardeners.

One possible alternative source of information is household expenditure services. Here one would look for questions that asked about expenditure on paid domestic services.

Some time-use surveys have indirect indicators of employment of a domestic worker. In the United Republic of Tanzania, the Integrated Labour Force Survey includes among the relationship codes for categorizing household members a code for domestic workers. This allows identification of households that employ a live-in domestic worker (Budlender, 2010c, p. 54).

The South African time-use survey of 2000 included a question asking who in the household did the most housework. One of the pre-specified coded responses for this question indicated that a non-member of the household did so. In most cases, the non-member was likely to be a domestic worker. This question can thus be used to generate a proxy for the number of households with domestic workers.

South Africa

In the South African time-use survey of 2000, 7 per cent of households indicated that a non-member did most of the housework. The percentage was highest in urban formal areas (11 per cent), next highest in rural commercial areas (6 per cent), and 2 per cent or lower in urban informal or deep rural (i.e. ex-homeland) areas. In terms of population group, the percentage is 29 per cent in households in which the first respondent was classified white, 19 per cent among Indian households, and only 2 per cent among coloured and African households.

5.2 Total value of freed-up time

The benefit most frequently named by economists for a household of employing a domestic worker is that it can "free up" women in the household to undertake paid work.

This approach could in some ways be seen as analogous to computing the value of unpaid care work through the opportunity cost measure described in a previous section. In the opportunity cost method, one is estimating the earnings foregone when a woman does unpaid care work in her own home and is thus not able to be earning for those hours. In the case of paid domestic workers, one is estimating the earnings received by another woman when that woman employs a domestic worker to do the domestic work so that the employing woman can engage in paid work elsewhere.

The estimate derived for this measure will almost always be larger than the domestic workers' wages. There are least two reasons for this. Firstly, as the ILO report on law and practice notes, "[a]lmost by definition the wages of domestic workers are less than their employers earn on the labour market" (2010, paragraph 23). This is so because the employer must usually pay the domestic worker out of her own earnings. Catelene Passchier expressed this point more starkly at a conference organized by the European Trades Union Confederation: "Increasingly low-paid, mostly migrant, women are paying the price to allow other women (and men!) to participate in the labour market" (Mather, 2006).

The second reason for lower earnings would be that domestic work might require fewer skills and have a lower "value" than the work done by the employer. However, as discussed above, these statements are open to question.

The method used for calculating this measure will be dependent on the form of available data. If the dataset allows identification of households that employ a domestic worker, then the calculation could sum the earnings of all adult female earners in that household or, alternatively, identify one of the adult female earners as the "employer" and thus the one whose earnings should be included. For example, the highest-earning female earner in the household could be chosen on the basis that she is likely to have more decision-making power in the household and also more able, financially, to pay the wages of the domestic worker.

Use of a female member's earnings assumes that it would be a woman whose work would be replaced. This could be considered a reasonable assumption given that it is generally women who bear the main burden of unpaid care work. However, it must be recognized that this assumption is likely to result in a lower estimate than if men were also considered potential employers, given that female earnings are generally lower than male earnings. Further, if the decision is to focus on female earners in the household, a decision-rule would be needed for households in which there are no adult female earners. Exclusion of these households would be inadvisable, as it would result in an under-estimate of the total contribution of domestic work.

If the dataset does not allow identification of households that employ a domestic worker, an alternative crude approach would be to assign the mean earnings calculated across all female earners other than domestic workers to all domestic workers and then to sum these attributed earnings. This approach would likely yield an under-estimate, in that employers of domestic workers are likely to be clustered among higher earners rather than – as suggested by use of the mean – evenly distributed across earnings categories. The approach will yield an over-estimate to the extent that not all (women) employers of domestic workers will engage in paid work. They might instead use the freed-up time for leisure, especially in societies where hiring paid workers is seen to accord status and engagement oneself in paid work is seen as low status.

South Africa

For South Africa, the crude approach yields total earnings of R5,177 million per month for the "freed-up" workers, calculated on the basis of mean earnings of R4,123 for female non-domestic workers.

Uruguay

For Uruguay, the crude approach is again used and is even cruder than for South Africa, in that the calculation is restricted to wages of employees. The approach yields total wages of 1,209 million pesos.

6. Value for the country

This section explores possible ways of estimating the value of domestic work for the country as a whole in the case of a specified country.

6.1 Contribution to employment

A simple way of estimating the national benefit is to calculate domestic work's contribution to employment, as measured by standard indicators such as the employment rate and unemployment rate. The "beneficiary" measure suggested in the first section already gives an indication of this. Here the contribution is measured as the impact on a rate rather than as an absolute number of people employed.

One would probably want to calculate these measures both at the overall national level and disaggregated. One obvious basis of disaggregation would be sex. Rural/urban or other locational disaggregations might also be illuminating.

South Africa

Standard South African employment and unemployment estimates are generally calculated on the basis of the age group 15-64 years. We therefore use this age group for the estimates for this measure. We use the "official" definition of employment rather than the expanded definition, i.e. we categorize discouraged jobseekers as not economically active rather than as unemployed.

As seen in the table, the overall employment rate would be 4 percentage points lower without domestic work and the unemployment rate would be 7 percentage points higher. The effect is particularly marked for female workers. For female workers, the employment rate would be 6 percentage points lower and the unemployment rate 12 percentage points higher without domestic work.

	Rate	Male	Female	Total
With domestic work	Employment	52%	36%	44%
	Unemployment	20%	27%	23%
Without domestic work	Employment	50%	30%	40%
	Unemployment	23%	39%	30%

Uruguay

The ECH includes three categories among the unemployed – those seeking work for the first time, those who are receiving unemployment insurance, and other unemployed. All are considered unemployed for the analysis in this paper. The estimates are produced for the age group 14 years and above.

The table below shows a decrease in the employment rate of 6 percentage points and an increase in the unemployment rate of 8 percentage points if domestic work is excluded. As for South Africa, the impact is stronger for women than men: for women, the employment rate drops by 9 percentage points and the unemployment rate increases by 16 percentage points.

	Rate	Male	Female	Total
With domestic work	Employment	70%	49%	59%
	Unemployment	5%	10%	7%
Without domestic work	Employment	69%	40%	53%
	Unemployment	6%	26%	15%

6.2 Contribution to personal income

This measure is proposed as a way of assessing the contribution that paid domestic work makes to disposable income in the country. One of the earlier measures focused on the benefit to an individual worker and her family of the income earned from domestic work. This measure gives a sense of the contribution that domestic work makes to overall spending power on the (Kenyesian) understanding that increased spending power is likely to stimulate increased growth.

A simple form of this measure would consist of the sum of all domestic worker earnings. This could then be expressed as a proportion of all earned income.

South Africa

For South Africa, the LFS of September 2007 records total domestic worker monthly earnings of R1,233 million and total non-domestic earnings of R50,461 million. Domestic worker earnings add 2.4 per cent to overall spending power from earnings.

Uruguay

For Uruguay, the ECH of 2009 records total domestic worker wage earnings of 382.8 million pesos and total non-domestic wage earnings of 9,359.6 million pesos. Domestic worker wages add 4 per cent to wage earnings.

Ideally, one would also like to have domestic worker income expressed as a proportion of all income, earned and unearned. Whether this is possible depends on available data sources in a given country. Further, even where data on total income are available, the calculated proportion will be inaccurate if the domestic worker earnings estimate is an undercount. As discussed earlier, the latter is likely because of under-reporting of domestic workers as well as under-reporting of earned income in surveys.

6.3 Comparison of time spent on paid and unpaid domestic work

Another possible measure would involve a comparison of the total work time of domestic workers, summed across the economy, with the total time spent by non-domestic workers doing similar work. Rather than measuring monetary value, this approach could be seen as measuring "volume" of work.

The comparator – time spent by non-domestic workers doing similar work – could be estimated from time-use data if such data are available for the country concerned. Decisions as to which activities to include should not pose major problems, as most time-use classification systems include categories that cover the different forms of unpaid care work.

For example, the trial international classification proposed by the United Nations Statistics Division includes major categories for (a) household maintenance, management and shopping for own household; (b) care for children, the sick, elderly and disabled for own households; and (c) community services and help to other households. Similarly, the subsequent classification developed by the UN Statistics Division has (a) providing unpaid domestic services for own final use within household; (b) providing unpaid caregiving services to household members; and (c) providing community services and help to other households. The first two of each of these sets of categories should probably be included in the comparison with domestic workers. Alternatively, only the first could be used for a narrower conception of the work that paid domestic workers tend to do.

In the Eurostat classification, the major category household and family care is equivalent to (a) and (b) in the United Nations classifications. Within this category it is possible to separate out childcare and "help to an adult family member" if one wants a more narrowly conceived comparison with paid domestic work.

The activities specified in the time-use classification schemes are similar to the types of activities described in the ILO report on law and practice (2010, paragraph 22):

> *Domestic workers may cook, clean, take care of children, the elderly, the disabled, or even domestic animals – tasks that may not be closely defined at the outset and may vary widely over time. The terms themselves are vague, and "taking care" of a child may range from babysitting to assuming primary responsibility for their education.*

At a later point (paragraph 101), the report notes that some domestic workers are also required to assist with commercial or professional activities. These activities would not match well with the unpaid care work time-use categories. Indeed, as the paragraph of the law and practice report points out, in at least some countries the relevant legislation does not consider them to be domestic work. However, in Uruguay such work is included.

In Uruguay, section 1 of Act No. 18.065 of November 2006 refers to "direct economic gain" by the employer when prescribing regulations for domestic work. The background report prepared for the ILO (2010, paragraph 102) suggests that "this language illustrates both that domestic work requires a broad range of skills and training and that it can provide material benefits to families and to the broader economy".

Given that this type of work is excluded by some other countries, as well as the fact that there is probably only a small proportion of domestic workers who do such tasks, exclusion of these activities in the comparator should not substantially skew the comparison.

One complication in using information from time-use surveys in a comparison with labour force indicators is that time-use surveys provide measures in hours, while labour force surveys measure mainly in people. Ideally, one would therefore want to compare paid domestic work and the relevant categories of unpaid care work using data only from the time-use survey so as to have comparable units.

Unfortunately, even if one excludes these "lucrative" activities, one cannot get exact matching data from time-use surveys on the time spent on equivalent tasks by paid domestic workers. This is not possible, because most time-use classification schemes regard time spent on paid work as a "black box". The time spent is thus not broken down into the different activities that make it up. It is only if a classification scheme followed the approach suggested by Hoffmann and Mata (1998) – in which time spent in employment-related activities was specified at a similar level of detail to time spent on other activities – that this exact match would be possible.

Fortunately, many surveys that ask about employment include questions enquiring how much time is spent by workers per day or week on this work. The responses from these questions can be used to derive estimates of the time spent by domestic workers, and these estimates can then be compared with the time spent by the population as a whole on domestic work-like activities. One complication is that the comparator would include time spent by domestic workers on unpaid care work in their own homes. This is not necessarily a weakness of the indicator, as the aim is to measure total time spent on paid domestic work and total time spent on unpaid care work involving similar activities, rather than to compare time spent by particular people. A second complication is that the questions on time spent on their work by paid domestic workers will probably rarely reflect the time spent on stand-by, especially by live-in workers.

Because time-use surveys often classify travel time associated with a particular activity together with that activity, while employment-related surveys do not usually include this time, the data from the time-use survey would need – if possible – to be adjusted so as to exclude travel time.

South Africa

The South African LFS asks about hours, including overtime, for the last seven days as well as "usual" hours per week. For each of these, it asks about time spent in the main job/activity as well as time spent in other work activities. For the purposes of this paper, usual hours in the main (domestic work) job are used. In the September 2007 round, 1 (unweighted) domestic workers specified zero hours and 2 (unweighted) did not specify hours at all. These cases are excluded from the analysis. For the remaining workers, total domestic work hours sum to 49,298,513 hours per week, or an average of 7,042,645 hours per day.

To obtain the comparator of unpaid care work from the time-use survey, we sum the minutes spent per day by respondents aged 15 years and above on housework and care of persons other than travel related to these activities. We then calculate the time per person, which amounts to 157 minutes per day if we adjust for simultaneous activities and 176 minutes per day without the adjustment. Finally, we multiply the time per person by the population aged 15 years and above in September 2007. The result is 85,409,550 hours with the adjustment for simultaneous activities and 95,827,593 hours per day without the adjustment. The time spent by paid domestic workers is equivalent to 8 per cent of the unadjusted measure and 7 per cent of the adjusted measure of unpaid domestic care work.

Uruguay

The ECH asks how many hours the person usually works in the primary job [Q85] and, separately, how many hours the person works in the secondary job(s). There are further questions about extra hours that the person must work at home in relation to the primary job. These further hours are not considered in the analysis in this paper.

6.4 Proportion of households benefiting from paid domestic work

A simple additional measure could be the number of households that utilize the services of a domestic worker. This measure involves conversion of the earlier measure "Number of households benefiting from employing domestic workers" into a rate by dividing the earlier measure by the total number of households in the country.

South Africa

As noted above, 1.03 million (8 per cent) of the 12.55 million households in South Africa include at least one domestic worker as a member.

Uruguay

In Uruguay, 114 thousand (11 per cent) of the over a million households in the country include at least one domestic worker as a member.

6.5 Value produced by domestic work: Output approach

A previous section discusses some of the challenges associated with adopting an output-based approach for domestic work, as well as for other services.

A further complication with the output measure is that, if the aim is to estimate the value of the domestic worker's work, one would need to deduct the value contributed by

"capital" and other intermediary non-labour inputs. In the case of domestic work, one would need, for example, to deduct the cost of ingredients for cooking, and the depreciation cost associated with washing machines and stoves. Alternatively, if the aim is to estimate the monetary amount saved by not having to buy commercial alternatives, one would need to add the costs incurred for capital and other non-labour inputs to the domestic worker wage and then compare the total cost with the price of equivalent commercial services. Both these options require data that would not be easily available, if at all.

Given the conceptual and practical complications and paucity of the necessary data, the output-based approach is probably not worth pursuing.

6.6 Substitution for public expenditure

A previous section discusses the conceptual and practical questions that arise in respect of estimates of the extent to which paid domestic work "subsidizes" government by providing services that government would otherwise have to, or feel the need to, provide. The previous section also raises the question as to how one would interpret the meaning – and "value" – of this subsidy.

Given these challenges and questions as to the meaning, this measure is probably not a priority.

6.7 Value of remittances

The ILO report on law and practice (2010, paragraph 37) cites estimates by the Migration Policy Institute that officially recorded flows of remittances stood at US$ 280 billion in 2006. The report does not state what proportion of these flows represented earnings of paid domestic workers. However, the report and a range of other sources comment repeatedly on the large numbers of domestic workers who are migrants.

This question does not seem of great relevance for either Uruguay or South Africa. For other countries, where domestic workers account for a substantial number or proportion of work migrants, one could explore possibilities of estimating the amounts remitted specifically from domestic work. In some cases, it should be possible to do this using data from official sources. This would be the case, for example, where countries have well-regulated systems for registration and regulation of departing and returning migrants, and where these systems include reliable management information systems. In other cases, sample surveys within destination countries in which particular nationalities of domestic workers are employed or of returning migrants or migrants' households might provide indicative data.

6.8 Exploring the interaction of paid domestic work with other sectors

The measures proposed above all reflect the situation at a particular point in time. They do not provide a means of exploring how paid domestic work interacts with and affects other parts of the economy.

A suggestion in this respect would be construction of a social accounting matrix that includes paid domestic work as a separate sector of the economy. [3] This suggestion is similar to the more ambitious recommendation that these matrices be elaborated to include the unpaid care sector.

Social accounting matrices attempt to represent the flows of all economic transactions within an economy. At its core is a matrix of an equal number of rows and columns that represent the different factors and sectors of the economy and show the flows between them. Usually the matrix represents only the sectors and flows that are captured in the national accounts, i.e. in GDP. It is, however, possible to expand the approach to extend beyond the national accounts, for example by including unpaid care work.

A social accounting matrix is constructed for a particular point in time. However, it can be used to simulate "what-if" exercises, in which the impact of a change in one sector or factor is seen for other factors and sectors. It is this use that could potentially produce interesting information in respect of paid domestic work.

The choice of sectors and factors varies across social accounting matrices. For the model to be useful for valuation of paid domestic work, this would need to be delineated as a separate sector.

Constructing a social accounting matrix is an enormous and time-consuming task. It would not be worthwhile to embark on this task if the only objective were to measure the value of paid domestic work. However, if an existing matrix already contains paid domestic work as a separate sector, or if an existing sector could be easily disaggregated to create this sector, this approach might be worth pursuing.

[3] Thanks are due to Ben Fine for this suggestion.

7. Global value

This section highlights the need to look beyond a single country, but also the complications associated with doing so.

The need to look beyond a single country when considering the value of domestic work arises because of the large number of domestic workers who do this work in a country that is not their own.

Global calculations of value are complicated by the fact that wage rates of domestic workers vary so much between countries. To some extent, these variations may reflect differences in general wage rates in the various countries. These might, in turn, reflect different levels of wealth across countries. Alternatively, they might reflect differences in purchasing power parity. It is these differences that can result in the executive director of an established non-governmental organization in the Philippines spending two months each year in the United States working as an ("unskilled") carer for an elderly person because, by doing so, she can earn more in these months than she earns in the rest of the year.

However, the variation extends beyond this. Firstly, countries have different rates of wage dispersion or inequality. As a result, the domestic worker wage in one country will, for example, be a very different percentage of the mean wage for the economy as a whole. Secondly, domestic work is valued differently compared to other jobs across countries. Expressed differently, the wage penalty associated with domestic work differs across countries. As an extreme, domestic workers in Norway earn more than the mean wage.

It should also be noted that, although this was not discussed above in respect of the other measures, the migrant phenomenon adds complication to some of the measures. For example, when calculating the value of domestic work to workers themselves, should this value be attributed to the country in which workers are working or the countries which they regard as "home"?

A Big Mac[®] measure

As noted in a previous section, the real value of wages in terms of what they can buy differs across countries. One could therefore explore ways of measuring the "real" (in consumption terms) value of an hour or day spent doing domestic work across different countries.

One possibility would be to estimate how many hours or days it would take a domestic worker to earn enough to buy one Big Mac[®] (or some other globally available product), analogously with the exercise that measures the real value of various currencies in a similar way. Alternatively, one could adjust domestic worker earnings in different countries by some other measure of relative purchasing power.

This would leave unanswered the question of whether a particular (migrant) domestic worker's wage should then be measured in terms of her work or "home" country's value.

8. Conclusion

This paper has presented a range of different possible ways of measuring the social and/or economic value of paid domestic work. Which of these ways is useful in a particular situation will depend on a range of factors. These include the purpose for which the measure is being used, as well as the available data sources.

Many of the proposed approaches result in monetary measures; in this sense, they can be seen as measuring "economic" value. However, in at least some of these cases, the monetary measure is proposed as a proxy for a social value: for example, while the number of households prevented from being poverty-stricken through having access to a domestic worker wage is both economic and social in the sense that poverty is a serious social concern. Similarly, the value of earnings of women "freed-up" to take on other employment through employing a domestic worker in their homes can be seen as contributing to the social goal of gender equality.

The contribution made by paid domestic work to lowering the unemployment rate, similarly, represents a substantial contribution. The contribution would, however, be even greater if the employment created took the form of decent work at a wage that recognized the contribution that the worker herself was making to the economy and society. This paper can hopefully make a small contribution to achieving this situation.

One possible use for estimates of the "true" value of domestic work would be to influence wage rates. Some of the proposed measures, such as those measuring the domestic wage penalty, could appear to be especially useful in this respect. However, contributing to the minimum wage debate should not be seen as the only, or perhaps even main, purpose of this paper. Instead, the paper attempts to give a broader view of the many ways in which value can be assessed and the different types of value that can be assigned to paid domestic work.

The paper proposes a relatively wide range of different measures. These include some which the paper suggests are not feasible, at least in the short term, and/or might not be particularly useful. The measures also include some which will be possible only in countries where the relevant data exist.

For purposes of thinking about minimum wages, the estimates of the current wage and wage penalty (and corollary of expected wage if there were no discrimination) are probably the most useful, and also will be feasible in many countries. The opportunity cost measure, which estimates (or perhaps over-estimates) the value of the earned income of employing women "freed-up" through employment of domestic workers, is also likely to be attractive to those who see this as an important contribution of paid domestic work. The overall purpose of this paper will have been missed, however, if these are the only measures that are pursued going forward.

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