

Migrant domestic workers: Global people, in the margins and marginalized?¹

Introduction

This report presents the results of a four city study conducted in 2011 on *female migrant domestic workers* living in Hong Kong; Madrid, Spain; San José, Costa Rica; and Washington, DC. In particular, we explore issues relating to remittance transfers, financial capacity, and labor rights. These three issues reflect aspects of a persons' livelihood, asset building capacity, and labor security, which are all integral elements that contribute to a persons' welfare and quality of life.

The report documents a certain degree of vulnerability among this migrant population; as such, they may face greater challenges to achieve a healthy future in comparison to other workers. Among the findings, the report shows the following results:

Demographics

- A majority of respondents (39.1%) had completed high school.
- The average age of respondents was 36 years old; older respondents tended to be less educated.
- The average monthly personal income was \$758. San Jose had the lowest average with \$358 and DC had the highest with \$1,405.
- The majority of respondents (52.5%) were married or cohabitating.
- 81.1% of respondents had children, with 22.2% reporting that their children lived with them in the host country and 48.7% reporting that their children still lived in their country of origin. The DC results showed the opposite trend, as the majority had children living with them in the US (49.5%) as opposed to in their country of origin (only 14.9%).

Remittances

- The average amount remitted each year is \$3,093, with migrants in Madrid remitting the most (at \$5,387) and those in San Jose the least (at \$1,177). DC was near the average with \$3,058.
- The average number of years in the host country was 8, while the average length of time remitting was 6 years.
- Respondents who are more educated are remitting a greater amount per year.

Financial access

- 38.0% reported saving or investing (either formally or informally), with San Jose being the lowest (21.9%) and Hong Kong the highest (66.0%).
- The average amount saved each year was \$863, with the lowest in San Jose of \$235.
- The majority of respondents (54.5%) did not use formal financial services.
- 39.3% of migrants rated as "precarious" on our *financial capability index*, which took into account their level of income, whether or not they save or invest, and if they own an account. San Jose had by far the greatest number of "precarious" respondents (with 74.8%) of the population surveyed, while the majorities in Madrid and Hong Kong were categorized as "vulnerable." For DC, 22.3% were in the precarious category, 33.7% were vulnerable, 30.7% were literate, and 13.4% were capable.

¹ Manuel Orozco with Beatriz Slooten and Caryn Ellis, Inter-American Dialogue, February 2013.

Labor

- The majority of respondents (76.6%) worked full time,
- The average number of hours worked a week was 51.3, with respondents in Hong Kong working the most (65.6 hours a week) and respondents in DC working the least (40.0).
- 30.6% were rated as “very vulnerable” and 54.1% “somewhat vulnerable” on our *labor vulnerability index*, which took into account the number of hours worked and whether respondents had social security benefits.
- In DC, 78.7% of respondents did *not* have medical insurance, while only 6.9% reported that their employer pays for it (10.4% paid out of pocket).

All of these dynamics have diverse implications on domestic workers, affecting their social and economic position over issues relating to their capacity to move forward as economic agents. For the most part, we find that migrant domestic workers are typically poor, underpaid, alone, and unable to raise enough resources to support themselves and their families. Further, many worked under conditions that violated labor standards in their countries, even facing occasional abuse. Their earnings are relatively limited and committed in large part to family upkeep through remittances. The analysis centered on several key questions, such as how economically vulnerable are domestic workers? Can they create enough assets to achieve some form or path of economic independence? What is the extent of respect to their labor rights enforced? Is vulnerability greater among those without legal status? The report explores these issues based on the results from surveys of domestic workers in these four cities.

We also recommend a series of steps including considerations on financial inclusion, labor rights, and policy changes for this population.

About the study and methodology

This report is the result of a project on migrant domestic workers which aimed to learn about the condition of this population group as it related to three key issues: remittance transfers, financial position and labor condition. The choice of these three issues stem from an understanding that the majority of migrant workers (and domestic workers in particular) consider remitting money to their families as a central reason to immigrate (temporarily or permanently), and a decision that is partly informed by a consideration that migrating offers greater opportunity costs when it comes to improving the livelihood needs of the entire family, their children in particular. However, livelihood maintenance depends in part in the ability of an individual, migrant or not, to have the means and access to build assets that can allow them to generate wealth and ensure greater sustenance beyond covering basic needs of the family. Thus, understanding financial capability considerations is central to learn how migrant workers fare *vis-a-vis* their economic clout. Finally, because their labor is central asset and mechanism to earn, send money and build wealth, we consider the extent to which labor conditions fare among this population. Other reasons justifying this approach refer to existing and prior observations referring to the fragility of domestic workers with regards to their rights, and thus, assume that the same applies to migrant domestic workers.²

The method utilized to learn about this population included research on laws and rules relating to domestic work, a literature review on migrant domestic work, as well as conducting a four country survey covering 1300 migrants. The surveys were conducted by four separate teams operating in each region and administered the questionnaire to migrant workers who were intercepted while in the

² ILO. *Domestic workers across the world*, p.24. Geneva, 2013.

streets, parks or other recreational locations proper of their work. In each country there were lead researchers coordinating and carrying out the interviews with three enumerators in each location. Each coordinator and lead researcher has experience in conducting surveys as well as fieldwork with immigrants in the respective countries where the studies were implemented.

Table 1: Number of Survey Interviews per City

	Sample size	Lead researcher	Date
Hong Kong	303	Leila Rispen Noell	1/2012
Madrid	401	Angelica Vargas	1/2012
San Jose	401	Mauricio Navarro	10/2011
DC	202	Katherine Scaife	2/2012

The nationalities interviewed varied across cities, and with the exception of Hong Kong, in the other cities the large majority of immigrants interviewed were female Latin American immigrants.

Table 2: Nationality of Survey Participants

Country of origin	Hong Kong	Madrid	San Jose	DC
Mexico				13.40
Dominican Republic				1.00
El Salvador		4.00		21.30
Guatemala				22.80
Colombia		17.00	5.70	
Bolivia				2.50
Nicaragua			92.00	
Honduras				16.80
Peru				17.80
Other		59.40	2.20	4.50
Ecuador		16.50		
Paraguay		3.20		
Philippines	99.70			
Indonesia	0.30			

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

1. About domestic work: preliminary observations

Since the early seventies, female international migration has grown partly as a result of its insertion in the labor force, and predominantly with the deepening feminization of labor in the global economy in particular activities such as hospitality services (hotel, restaurant services, hospital care, day care), office and home cleaning/maintenance or domestic work, and light manufacturing, among others. According to the Domestic Workers Convention, domestic work is defined as an activity that (a) [...] means work performed in or for a household or households; (b) by any person engaged in domestic work within an employment relationship.”³

What is characteristic of domestic work is that it has become a key component of the global economy in so far as it contributes to labor productivity among professionals who need outside help in their homes.⁴

Despite the importance of domestic work, academics and experts agree that these migrant workers face major limitations (from exploitation to limited opportunities to move out of poverty).⁵ One issue of agreement refers to the way in which the work and personal life of domestic workers is subordinated to the privacy of employers. In turn, this subordination under this space has an effect in creating unequal labor conditions, socially invisibilizing workers,⁶ thus limiting the space for fair labor relations. Moreover, under these conditions domestic workers are less able to negotiate fair wages and duties. Among the elements of invisibilizing workers includes the use of referential language about the worker as a ‘close aid,’ someone who is ‘like family,’ both of which are phrases that distance the worker from her public life as an employee. Other aspects include informal payment methods (Hondagneu-Sotelo 2006). The literature on domestic work has yet to offer a systematic review and analysis of the dynamics involving the vulnerable position of domestic workers. Existing literature relies on small case studies or anecdotal evidence.

Another important aspect is that while these workers migrate as a cost benefit calculation over staying at home or working abroad earning up to five times what they would earn in the home country,⁷ their time abroad may consume energies and resources in ways that can limit their capacity to save liquid assets for the future. Upon return, they may go back with few new sets of portable skills, but with limited assets that can be invested in their productive life or in their future retirement.

The number of female migrant domestic workers may range from 20 to 80% of all migrants depending on the country they go to work. The countries under study are both industrialized and emerging economies with a significant demand for foreign labor in the hospitality industries. The need is strong in those places in part due to an emergence of a professional class of workers in need of receiving help in their homes.

³ Domestic Workers Convention, 2011 (No. 189).

⁴ Sassen, Saskia. “Global Cities and Survival Circuits,” in *Global Woman: Nannies, Maids, and Sex Workers in the New Economy*, eds. Barbara Ehrenreich and Russell Hochschild. New York: Holt Paperbacks. 2004.

⁵ See for example, Ehrenreich, Barbara and Arlie Russell Hochschild, *Global Woman: nannies, maids and sex workers in the new economy*, Owl Books 2003; Hondagneu-Sotelo, Pierrette, *Domestica: immigrant workers cleaning and caring in the shadows of affluence*, University of California Press, 2007, 2ed.

⁶ Slooten, Beatriz. “Trabajo domestico, normas y representaciones sociales” *Revista Centroamericana de Ciencias Sociales*, Vol. IX, N.1, Julio 2012; • Vesna Nikolic-Ristanovic “Refugee Women in Serbia. Invisible Victims of War in the Former Yugoslavia” *Palgrave Macmillan Journals. Feminist Review*, No. 73, Exile and Asylum: Women Seeking Refuge in 'Fortress Europe' (2003), pp. 104-113

⁷ A Nicaraguan immigrant in Costa Rica for example would earn in her home country less than US\$100 a month, against US\$400 in Costa Rica. A Latina from Central America working in Washington DC would earn US\$300 in her homeland, against US\$1800 in the U.S.

For example, in Hong Kong, migrant domestic work constitute an old practice that follows a regulatory framework on labor migration and labor rights, including bilateral agreements with governments, such as that of Philippines. Filipino workers are among the leading foreign labor force in Hong Kong, encompassing 48% of 273,609 domestic workers in 2010 and 53% in 2005.⁸

Table 3: Female Migrant Domestic Workers as Percent of Total Female Migrant Workers

City, country	Domestic workers	Source
San Jose, Costa Rica	30%	2009 survey to migrant workers in San Jose
Washington, DC	25% est.	2010 survey of migrant workers in Washington, DC
Madrid, Spain	33%	2010 survey of migrant workers in Madrid
Hong Kong, China	80%	2005 survey of migrant workers in Hong Kong

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

This report uses survey data in four main cities in order to gauge a better understanding of the financial and labor position of female domestic workers. Section two looks at the pattern of sending money to their families and the economic significance to them. Section three addresses the financial position of migrants and section four looks into labor and their labor position.

2. Remittances and migrant domestic workers

Sending money home is a key reason why women migrate. It is a means to improve the day-to-day life of their family and children. The act of international migration is no different from a worker going to a capital city to look for work. What changes is the opportunity cost of going abroad. To many workers who know about a particular demand for their labor in neighboring countries, international migration becomes a pattern. This is the case of the demand for foreign domestic labor in several industrialized countries, like Spain and the United States, and in emerging economies such as Costa Rica or Hong Kong.

a) Demographic characteristics.

Most if not all domestic workers are women; less than 4% of those interviewed in the four countries were men. Their age is similar across all groups, in the mid-thirties with less than 10% being over 50 years old. Domestic workers in Hong Kong are the oldest of all groups.

Table 4: Domestic workers' Age

	Mean	Maximum	Median	Minimum	Range
Hong Kong	38	60	38	23	37
Madrid	34	53	33	23	30
San Jose	36	62	36	19	43
DC	36	68	34	18	50

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

In terms of education there are significant differences among places. These differences may reflect the background and origin from where these migrants come from. For example, Nicaraguans in Costa Rica are mostly coming from cities outside the capital and rural areas. They have the lowest education level:

⁸ Annual Report 2009-2010, Hong Kong Immigration Department http://www.immd.gov.hk/a_report_09-10/eng/ch1/ accessed on October 9, 2011.

2% have a college degree and nearly 20% have only an elementary education. On the other hand, over 40% of the Filipinas in Hong Kong are well educated with a college-level education. Part of the reason is that these workers receive training and education with the purpose to migrate and work abroad as part of official guest worker programs. The education levels of migrants in Washington is distributed more evenly across all groups.

Table 5: Education Levels of Migrant Domestic Workers

	Hong Kong	Madrid	San Jose	Washington , DC
Complete college	41.4%	2.3%	.5%	6.0%
Some college	39.0%	27.0%	1.5%	14.4%
Complete high school	18.5%	65.9%	28.4%	37.3%
Complete 6th grade	.7%	4.8%	55.5%	25.9%
Not complete 6th grade but literate			10.5%	13.9%
Not complete 6th grade and not literate			3.6%	2.5%
Total	100.0%	100.0%	100.0%	100.0%

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

b) Income among migrants

Earnings among migrants varied from place to place, with domestic workers in Washington, DC, earning higher nominal amounts than other places. Income from Filipinas is among the lowest relative to the other countries as well as the cost of living in Hong Kong. Although many of these workers live with their employees and do not incur living expenses, their earnings are still low *vis-a-vis* the costs in the city.

Table 6: Average Monthly Personal Income (USD)

Country	Average income	Minimum	Maximum
Hong Kong	\$500	\$386	\$1,803
Madrid	\$885	\$211	\$1,238
San Jose	\$358	\$120	\$3,000
Washington, DC	\$1,405	\$60	\$4,000

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

In most cases, the majority of women are married, with nearly 60% of the Filipinas in Hong Kong and Latinas in Washington, DC saying they were married or living with someone. Only a fraction - less than 20% - does not have children. This number is a stark contrast to the general trend among most immigrants, where less than one third typically have children. Of those with children, we observe important differences. Filipinas in Hong Kong exhibit a higher percentage of their children living apart from them in the Philippines, while only 15% of Latinas in DC are living apart from them and another 17% saying they have children in both places. Fifty percent of migrants in Madrid and San Jose have their children in the home country. Moreover, most domestic workers have lived in the host country between 6 to 9 years.

Table 7: Children of Female Migrant Workers

Country	Live with me in host country	In country of origin	With me <i>and</i> in country of origin	I don't have any children	NR/Don't know
Hong Kong	2.3	65.8	.3	29.6	2.0
Madrid	24.2	49.9	13.7	11.7	.5
San Jose	20.7	50.4	10.5	17.7	.7
DC	49.5	14.9	16.8	18.8	0

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

Other characteristics of domestic workers include their nationality and living conditions. Workers in Hong Kong are predominantly South East Asians coming from the Philippines and Indonesia. Domestic workers in Madrid are predominantly Latin American women of various nationalities. Among those migrants in Madrid, 39% have a work permit, 26% have permanent residency, and 25% have no papers—these are predominantly migrants who overstayed their visa and searched for work before returning to their home countries. Over half of these migrants are married and 41% are full time workers living outside the house they work. 28% works for hourly wages, while the remainder works part time. 41% of them indicated that they have been ‘loaned out’ to work for others by their primary employer. In Hong Kong, 92% of Filipina workers live in the house in which they work. These women tend to be more vulnerable to labor violations as they are ‘disappeared’ from the public eye while receiving the ‘family’ treatment described above that has the effect of conditioning any effort to protect their labor rights.

c) Remittance characteristics

The vast majority, if not all, of the domestic workers interviewed for this project sent remittances⁹ with varying average amounts that partly related to their income capacity as well as their home country cost of living. Thus, the amount remitted as a ratio to their income varied across the different places. Filipina workers in Hong Kong are among those who sent a greater proportion of their income than migrants in all other countries. This may partly be explained by the relatively low wages earned in Hong Kong. Immigrants in Spain remitted more on average than other migrants. Migrant domestic workers in Costa Rica, mostly of Nicaraguan origin, remitted US\$100 a month, approximately one third of their income. These domestic workers in Costa Rica earn lower incomes compared to migrants in other countries.

With the exception of Spain - where respondents remitted an average of 9 times a year - domestic workers remit regularly on a monthly basis. Migrants in Spain, however, remit far more at any given time than any other group, up to US\$500. Typically, these funds arrive at households where half of their income is coming from these remittance transfers. As such, they represent a major source of relief. On average, these migrants believe that they will continue remitting for another three years in addition to the six years they have been sending. Based on this, the projected remitting cycle for this group is similar to what other migrants typically remit over time.

⁹ In Costa Rica, 80% of all approached sent money, in Hong Kong the number was 100%, all those interviewed remitted. In the United States and Spain the percentage was similar to the average immigrant, 70%.

Table 8: Remittance Sending Characteristics

City of residence (nationality)	Remittances as ratio of income	Total sent per year (USD)	Sent each time (USD)	Cost per transaction as % of amount sent*	Number of times per year	Years remitting	Additional years they intend to remit
Hong Kong (Filipinos)	.43	2614	236	8.9	11	7	4
Madrid (Latin American)	.37	5387	496	1.0	8	5	3
San Jose (Nicaraguan)	.31	1177	111	4.5	12	5	4
DC (Latin American)	.19	3058	242	3.7	13	8	3

*excludes commission on exchange rate.

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

In addition to these broad characteristics, those who remit more are characterized by a few important features. First, those remitting for longer are more likely to send more money. Moreover, if they are going to stop remitting in the shorter term, then they will remit even more. That means that women have a clearer idea of their remittance timespan and their obligations while abroad. What is important to ask is whether that awareness of remitting in larger quantities includes an understanding of increasing their wealth or equity as they age and return to their homeland. Second, education is an important determinant of the amount sent: those with college degrees are more likely to remit more than those with no education. This factor is both a combination of income status, where education partly functions as a proxy for income, and formation. That is, those better informed understand the importance of remitting more. Similarly with years of remitting, it is important to understand whether education plays a role in informing a migrant's decision to build assets.

Third, owning a bank account increased the likelihood of sending more money (whereas sending via banks reduced the amount sent). Bank account ownership functions as proxy for economic status, a mix of income, savings capacity, and some economic stability. Fourth, those workers with children abroad, back home, were more likely to remit more than their counterparts with children in the host country or with no children. The table below shows OLS regression results on these variables against remittance amount as the dependent variable. These values hold using annual transfers or amount remitted every time as the dependent variable. Table 10 shows how domestic workers with children abroad remit significantly more than with their children in the host country or without children.

Table 9: Determinants of Remitting among Female Migrant Domestic Workers

Model	Beta Coefficients	t
(Constant)		4.734
Years remitting	.198	2.401***
Bank	-.226	-4.194***
Future years sending	-.110	-2.123***
Age	-.049	-.753
Education	-.176	-2.952***
Number of years in host country	.007	.084
Children's location	.162	2.899***

Married	-.054	-1.017
Formal savings: do you have a savings account	.148	2.625***

*** significant at 5% level

Table 10: Amount Remitted (USD) and Location of Children

Children's location	Hong Kong	Madrid	San Jose	Washington, DC
"Live with me"	2208	3873	1072	2403
"In country of origin"	2701	6110	1323	4765
"With me and in country of origin"	3091	5142	1058	4262
"I don't have any children"	2528	5842	971	2355

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

3. Asset considerations and the financial position of domestic workers

To most migrants, remittance transfers are a family obligation that is part of their financial management responsibilities. Those financial activities and transactions are enhanced depending on how wealth is managed and built. Immigrants with limited resources and skills oftentimes face the pressure of basic obligations that make it difficult for them to create wealth for their future.

Here we look at the financial position of domestic workers, while keeping in mind that this study focuses on women in their thirties with low income, significant obligations back home, and who will likely remain as migrants four to five more years. Under that scenario, is important to understand to what extent they are able to own and build assets during migration and in the long term. For example, we examine the extent of their financial practices and whether they are able to save and hold bank accounts. Part of this focus is on their ability to build savings. We turn then to consider their financial capability by analyzing whether domestic workers are able to return with a basis for further asset accumulation once back home and upon return to the host country.

The accumulation of savings is a central component in the achievement of financial capability and independence. With savings, individuals can make smarter long-term decisions on purchases, weather sudden changes in their financial conditions, and better plan for the future. Savings accumulation provides individuals and households additional stability and can lead to other beneficial financial behaviors, including investing in small business, in risk mitigation instruments, or using formal financial services. Part of a strategy to promote savings accumulation includes enabling financial access among traditionally marginalized populations.

Access to finance for the world's poor has greatly expanded over the past decade. Yet as financial products become more accessible worldwide, a growing gap in financial knowledge threatens to undermine the economic and developmental opportunities provided by this expansion. Domestic workers may fall into this category of people unaware of affordable financial products for them. Only a quarter of the world's poor who do have access to financial products and services have actually been taught how to gain the full benefits from these products. As a result, they are left vulnerable to potentially dangerous situations and are at risk of adopting behaviors that could detrimentally affect their ability to gain financial independence in the long-term.¹⁰

¹⁰ Deb, Anamitra and Mike Kubzansky. "Bridging the Gap: the business case for financial capability." Monitor. March 2012, 2.

a) Factors of Savings Mobilization

According to the literature, savings mobilization is influenced by certain variables. These variables have the potential to act as triggers that mobilize asset building behavior. They include variables such as income, wealth, education, financial access, sex (ratio of female to male), and urban location. As these increase, so will savings.

Table 11: Factors that Influence Savings Mobilization

Intrinsic triggers: as one increases...	...its effect on savings goes
Income	↑
Wealth	↑
Education	↑
Financial access	↑
Female	↑ (liquid assets)
Male	↑ (formal services)
Urban location	↑
Other triggers (trust, convenience, advice, incentives)	↑

Source: Review of literature on savings mobilization.

Both academic literature and our own research at the Inter-American Dialogue have shed light on savings determinants. Claessens argues that income, wealth, and education are the most important factors in the use of formal financial services, while convenience, trust, and savings are important factors for households that do not use formal financial services.¹¹ Traditional research has found that as relative income increases, so do rates of saving.¹² Additional data collected on remittance recipients in other countries confirmed this research; we found that respondents with higher annual income were more likely to save and invest.¹³ Yet we also found that these positive effects on savings tended to count more towards informal savings as opposed to savings in a formal financial institution.¹⁴ Further, low income households employ multiple methods of saving, oftentimes combining formal and informal methods.¹⁵ Studies have found that the rural poor use multiple savings strategies, though the vast majority of them are informal.¹⁶ Our own research has found that those living in rural areas are more likely to save and invest but they are less likely to use a formal financial product.

Gender differences are another factor that affects savings accumulation and mobilization. Our own surveys showed that across the board, women are more likely than men to save or invest, especially by using informal methods. They are also more likely to use a financial product. In particular, respondents who listed their occupation as “housewife” exhibited greater financial capability characteristics than their male counterparts: they were more likely to already have a budget, save and invest, and use a

¹¹ Claessens, Stijn. "Access to Financial Services: A Review of the Issues and Public Policy Objectives." *The World Bank Research Observer* 21.2 (2006): 207-40.

¹² Denizer, Cevdet, Holger C. Wolf, and Yvonne Ying. *Household Savings in Transition Economies*. Working paper no. WPS 2299. Washington, DC: World Bank, 2000.

¹³ Data collection was conducted in seven countries (Georgia, Azerbaijan, Tajikistan, Kyrgyzstan, Guatemala, Nicaragua, and Paraguay) between 2010-2012. Over 81,000 cases were analyzed.

¹⁴ Newman, Carol, Finn Tarp, Kathleen Van Den Broeck, Chu Tien Quang, and Luu Duc Quai. "Household Savings in Vietnam: Insights from a 2006 Rural Household Survey." *Vietnam Economic Management Review* 3.1 (2008): 34-40.

¹⁵ Marinangeli, Matteo, and Andrea F. Presbitero. *Can the Poor Save More? Evidence from Bangladesh*. Working paper no. 57. Ancona, Italy: Money and Finance Research Group, 2011.

¹⁶ Paxton, Julia. "Subsistence Savings Strategies of Male- and Female-Headed Households: Evidence from Mexico." *Eastern Economic Journal* 35.2 (2009): 209-31.

formal method of saving. On the other hand, a 2009 study in Mexico found that male-headed households are more likely to use formal financial services and instruments, such as credit and insurance. The types of savings also differed: females engaged in informal savings tend to favor liquid consumption assets (such as small animals) and home investments and males tend to favor financial and quasi-liquid assets.¹⁷

b) Financial position of domestic workers

In order to understand where migrants fit in their financial status, we look into the extent to which they own the means of financial independence. Those means include the ability to save, formally or informally, to manage those savings, to own other assets, and to have incomes above certain thresholds. Domestic workers were asked whether they were able to save, how much, for what purpose and whether they own financial instruments. Table 12 shows that overall, there are differences among those who save. Nicaraguans in Costa Rica were among the group whose percentage saving was the lowest(22%), followed by Latinas in Spain. It is interesting to note that Filipinas in Hong Kong saved the most in this group, yet committed more of their income to send remittances. Migrants in Washington, DC, were split among those who say they save and those who don't.

Table 12: Domestic Workers who Save

	%
Hong Kong	66
Madrid	31
San Jose	22
DC	48

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

Respondents were also asked how much they saved annually and for what purposes. Their savings stocks were relatively low, except among those living in Washington, DC. The other three groups indicated very low amounts saved and their level of savings as a ratio to their income was also relatively low. Again, domestic workers in Costa Rica had the lowest saving capacity, of 5% their annual income. Surprisingly, even respondents in Washington only saved 12% of their annual income. Those savings typically follow an intended purpose that is accumulated within a cycle of 3 years or so before is mobilized. Savings are mobilized to build assets, cover livelihood expenses or deal with emergencies or risk mitigation. When these resources are mobilized for asset building, which allows increasing economic independence, the amounts needed are typically in correspondence with the intended investment in assets. Whether the investment is for a business activity, to buy or improve a fixed asset, or to invest on more intangible assets such as education, the amount needed typically exceeds the average annual income.¹⁸

¹⁷ Paxton.

¹⁸ Business formation requires investments in capital and operating costs. For unipersonal microenterprises, an initial investment requires at least resources that are two times a country's per capita income that would cover labor costs and equipment. Investments on homes, particularly to repair or improve include amounts that reflect a percent of the home value. These costs may range between half to one annual income.

Table 13: Amount Saved and Income

Country	\$USD	Average annual income	(Savings/Annual) Income, (%)
Hong Kong	\$546	\$6,000	9%
Madrid	\$1,221	\$10,620	11%
San Jose	\$235	\$4,296	5%
DC	\$2,023	\$16,860	12%

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

In line with the reality of amounts saved, immigrants were also asked about the purposes of their savings. On average, immigrants identified that their savings were intended for a specific activity. Typically that activity included health emergencies, education, and home improvements. In other words, while their interests are varied, they mostly save for one of those purposes.

Table 14: Domestic Workers' Purposes of Saving (%)

	Purpose	Hong Kong	Madrid	San Jose	DC	All workers	Main choice
Health emergencies	Risk mitigation	19.4	21.8	23.3	10.9	18.5	47.8
<i>Pay for education</i>	<i>Asset building</i>	12.6	15.1	12.6	30.0	17.0	18.2
<i>Home improvements</i>	<i>Asset building</i>	15.5	12.2	11.9	11.2	13.4	34.8
Send money home	Livelihood	3.6	16.9	17.0	16.7	10.9	43.9
Retirement	Risk mitigation	14.2	2.6	15.7	7.3	10.2	26.3
<i>Invest in small business</i>	<i>Asset building</i>	16.6	5.2	.6	3.3	9.4	5.0
Death in family	Risk mitigation	10.9	4.4	8.2	1.5	7.1	28.2
Other		.3	7.0	5.0	11.5	4.8	24.3
Appliances or furniture	Livelihood	1.8	9.6	1.3	2.4	3.7	6.0
Special occasion	Livelihood	2.5	1.7	2.5	2.4	2.3	2.1
<i>Buy new car</i>	<i>Asset building</i>	1.3	3.2	1.3	2.1	1.9	9.5
Religious celebrations	Livelihood	1.2	.3	.6	.6	.8	12.4

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

Another important consideration to their financial stock is whether they own bank accounts, independently of whether they are saving through them. For example, a large number of Latinas in Madrid indicated that they have bank accounts, yet only a smaller number actually have savings. Bank account ownership is an important point of entry for financial access but is not sufficient, as clients need to understand all the advantages of using financial institutions. Those who own bank accounts and save their money formally are more likely to do better financially overall.

Table 15: Formal Financial Product Ownership (%)

Country	Checking account	Debit card	Credit card
Hong Kong	50.3	7.7	2.0
Madrid	70.3	33.8	23.3
San Jose	5.5	3.5	.7
DC	55.4	55.9	20.8

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

Overall, domestic workers are financially ill-equipped, with a large percentage unable to save. Those who save are holding small amounts of money. However, what is relevant is that those who are saving greater amounts are doing so to build assets as opposed to save for livelihood or emergencies. A closer look at their financial capability consisted of exploring an index of three components (income above average, owning a bank account, and saving). The results show that nearly 40% of migrants are in a precarious financial status and 34% are vulnerable. Immigrants in San Jose, Costa Rica, are among the least financially safe

Table 16: Financial Vulnerability Index for Migrant Domestic Workers

	Precarious (%)	Vulnerable (%)	Borderline (%)	Capable (%)
	Meets none of the requirements: <ul style="list-style-type: none"> Income is at or below average Does not save or invest Does not own a formal savings account 	Meets one of the requirements: <ul style="list-style-type: none"> May have above average income May save or invest May have a formal savings account 	Meets two of the requirements: <ul style="list-style-type: none"> May have above average income May save or invest May have a formal savings account 	Meets all of the requirements: <ul style="list-style-type: none"> Has an above average income Saves or invests Has a formal savings account
Hong Kong	29.70	35.60	31.40	3.30
Madrid	19.70	45.40	28.70	6.20
San Jose	74.80	21.90	2.70	0.50
Washington, DC	22.30	33.70	30.70	13.40
Total	39.30	34.10	21.70	4.90

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

In summary, from a financial standpoint, for domestic workers it is important to consider strategies that can help them raise their financial stock through savings mobilization, financial advice, and other special programs. This is particularly important considering the implications for immigrants who return after 8 years abroad with a stock of savings below six months' worth of income. Their ability to leverage that stock will be limited and may be another consideration to emigrate one more time.

Table 17: Financial Capability of Female Migrant Domestic Workers

Country	Hong Kong	Madrid	San Jose	Washington, DC
Average income	500	885	358	1405
Amount remitted annually (US\$)	2614	5387	1177	3058
Amount as ratio of annual income	0.43	0.37	0.31	0.19
Workers who save (%)	66	31	22	48
Amount saved US\$	546	1221	235	2023

Savings/Annual Income, (%)	0.09	0.11	0.05	0.12
People with bank account (%)	50.3	70.3	5.5	55.4
People with Debit card (%)	7.7	33.8	3.5	55.9
People with Credit card (%)	2	23.3	0.7	20.8

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

4. Domestic worker labor rights from a comparative perspective

This section reviews labor conditions of domestic workers. We pay attention to aspects covered by the law and how they apply in practice among these migrant workers.

a) Regulations on labor rights

Because of the private space in which domestic work occurs, it is typically regulated under a particular norm different from regulatory environments protecting the labor force. In each country under study, regulations on domestic work cover different elements associated with wages, hours of work, social benefits, and the nature of the contract.

For example, in Hong Kong, the law requires that employers issue the Standard Employment Contract (ID 407). The contract requires that the employer be very specific about household duties and living arrangements for the employee.¹⁹ In 2003, Hong Kong's government adopted a special policy charging a tax on employers of domestic workers. In return, many employers rely on informal hiring of migrants, which puts immigrants in a more vulnerable condition because they do not have a formal relationship with the government and are more prone to abuse. The regulatory environment allows two weeks for an immigrant to find another employer, if her contract is terminated, to extend her stay for 2 more years. However, the time allowed to obtain a new job is significantly limited. In 2012, domestic workers were found ineligible to apply for residence in Hong Kong, even though other migrant workers can enjoy that right. Such restrictions limit the options for migrants to decide whether to return from, or stay in Hong Kong, including losing the chance of obtaining citizenship.

US federal labor laws are weak regarding the rights of domestic workers. The Fair Labor Standards Act (FLSA) of 1938, which was last revised in 2011, sets out general employment rights and responsibilities, with some references to domestic workers. The Act distinguishes between full time domestic workers and casual workers - those who work "on a casual basis in domestic service employment to provide companionship services for individuals who (because of age or infirmity) are unable to care for themselves."²⁰ The law requires minimum wage for full time employees, but excludes 'casual' workers from it. The law also stresses that that employers of domestic workers shall not compel them to work more than 40 hours per week unless they provide overtime pay.²¹ Again, live-in domestic employees and

¹⁹ Government of the Hong Kong Special Administrative Region, "Practical Guide for Employment of Foreign Domestic Helpers," 5. Available online at www.labour.gov.hk/eng/public/wcp/FDHguide.pdf.

²⁰ US Department of Labor, "The Fair Labor Standards Act of 1938, As Amended," 29. Available online at www.dol.gov/whd/regs/statutes/FairLaborStandAct.pdf.

²¹ US Department of Labor, "The Fair Labor Standards Act of 1938, As Amended," 19.

‘casual’ employees are not included in the maximum hour regulations.²² Partly due to these weaknesses in the law, some states have stepped up to protect these workers. Both New York and California have passed a domestic workers bill of rights that mandates minimum wage amounts, stipulates work hours, and outlines contracting procedures, among other aspects.

In Spain, regulations protecting workers are more comprehensive than in the United States. The law mandates minimum wage. However, like in the United States, Spain exempts temporary or ‘sporadic’ domestic workers from minimum wage. It also allows for in-kind payment for up to 30% of the remunerated work. Domestic workers are eligible for general health-care, compensation for work-related injuries, maternity leave, and retirement pensions that are guaranteed by the government. Domestic employees are to have at least 30 days of vacation per year.²³

In Costa Rica, the labor code was reformed in 2004 to address issues of exploitation, some of which pertained to domestic workers. However, domestic workers are categorized under a special wage scale that is below minimum wage.

Table 18: Basic Labor Rights: A Country Comparison

	USA	Spain	Costa Rica	Hong Kong
Contract	Verbal or written; employee can be fired without reason	Verbal or written; fired only with valid reason	Written contract; work discontinuation requires 15 days advance notice	Standard Employment Contract (ID 407); employee can be fired with valid cause and given 20 days’ notice
Hours	40 hours p/w; if overtime, gets paid 1 ½ hourly pay; casual workers excluded from 40 hour rule	40 hours p/w; domestic employees receive 36 hours of rest per week, 24 of which must be consecutive	8 hours a day (6 p/night), one hour rest per full day of work	40 hours p/w; one day off per week
Wages	Minimum wage; “casual” employees are excluded from the minimum wage	Minimum wage; excludes ‘sporadic’ workers; payment in kind is allowed up to 30% of remuneration	Entitled to minimum wage	Government-mandated minimum wage of HK\$3,740 in 2011
Vacation/compensation		30 days’ vacation p/y	5 days paid vacation per year	12 statutory holidays, and paid annual leave (7-14 days)
Social protection	Domestic workers, or any private-sector workers at companies with less than 50 employees, aren’t covered by maternity leave	Eligible for general health-care, compensation for work-related injuries, maternity leave, and retirement pensions	Entitled to social security, maternity leave and paid leave if injured at work	Entitled to medical insurance and 2 sick days p/m; 10 weeks of paid maternity leave

Source: Orozco, Manuel.

b) About the labor condition of migrant domestic workers

The context in which labor rights are enforced varies among the four countries. Each society exhibits a different set of values and norms, which in some ways have an effect on domestic workers.

In this section, we will analyze the implications for labor laws and rights in the four countries studied.

²² *US Department of Labor, “The Fair Labor Standards Act of 1938, As Amended,”* 31.

²³ Real Decreto 1620/ 2011.

In particular, we pay attention to vacation remuneration and worker's compensation. In the first case, it is noteworthy that 58% of domestic workers do not receive vacation compensation, despite the fact that 70% are full time workers. Although the law in Spain stipulates that a worker should take 36 hours of rest when working 40 hours a week, the survey showed that workers in Madrid were working a maximum of 144 hours a week (or 21 hours a day). Moreover, 33% of these workers did not receive extra pay. In Hong Kong, 50% of domestic workers did not receive additional pay for extra hours worked and 54% said they did not get vacation time. Among these workers, 80% reported working full time, 36% are live-in workers, and 44% did not receive vacation compensation. In Costa Rica, the average number of hours worked is 53.4 per week, which is also above the 48 hours required by law.

Table 19: Hours Worked per Week

	Mean
Hong Kong	65.6
Madrid	43.9
San Jose	53.4
DC	40
Total	51.3

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

With regards to minimum wage, the large majority (97%) of domestic workers in Madrid claimed to earn below minimum wage. In the United States, domestic workers in Washington, DC, have earnings above the minimum wage with a monthly income of US\$1400, based on a 40-hour work week. Many domestic workers in the Washington, DC, area work more than two kinds of jobs; the primary job is usually domestic cleaning and while the secondary jobs can be cleaning buildings, childcare, or part time work at a restaurant. Their domestic work is somewhat more akin to a micro-entrepreneurial activity, though this is also subject to a lack of social and labor protection. Although they may get a higher wage, oftentimes charging US\$10 to US\$20 an hour for cleaning, they are usually unable to have medical insurance, social security, and remunerated vacation time.

In Hong Kong, despite prevailing penalties for labor violations against domestic workers (including a three year jail sentence for not paying the minimum wage standard), there still exist some problems. For example, our survey shows that on average, respondents worked 66 hours a week. Half of these women did not receive additional pay for overtime work. This is in line with the finding in a 2005 study that showed how 53% of Indonesian workers in Hong Kong earned less than minimum wage.²⁴

In Costa Rica, 33% of respondents said they were earning less than minimum wage. As our survey results showed, these workers spend their time performing multiple tasks. Domestic work is unique in that the activities do not always stick to what was negotiated in the initial contract. At the same time there can be additional leveraging or coercion from employers to pressure their domestic workers do more than they should or want. As the table below shows, in addition to house cleaning, workers performed childcare and eldercare duties. At least 20% of them worked over 8 hours consecutively.

Table 20: Whether Worker Performed these Tasks (at least once in the last two months)

²⁴ Asosiasi Tenaga Kerja Indonesia Hong Kong (ATKI-HK)

	Childcare	Elder care	Take care of sick	Wash car	Bathe pets	Worked in another's house because asked	Worked over 8 hours for several days
Hong Kong	69	37.6	18.2	34.3	20.5	5.9	24.8
Madrid	53.1	31.9	7	0.5	2.5	41.1	19.0
San Jose	48.6	23.2	4.5	8.5	9.2	6.5	42.9

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

With regards to social protection, particularly healthcare and social security, lack of compliance was widespread. In the United States, nearly 80% of workers said that they did not have health insurance, and only 7% said their employer paid for it. In Hong Kong, 38% do not have medical insurance and 38% of employers provide additional compensation for their employees' insurance, while the remainder covered the costs out-of-pocket. In Madrid, workers mainly rely on public health programs; 53% of those surveyed pay for their own insurance. Similarly, although universal health care exists in Costa Rica, 60% of domestic workers said they did not have medical insurance. This was partly due to the fact that many employers were not complying with the law and many of the workers were undocumented.

Overall, domestic workers are as vulnerable in labor issues as they are financially. A labor vulnerability variable was created in order to capture the extent to which an immigrant was working overtime, with no social security benefits and working w/out compensation. The results show that at least one in ten migrant domestic workers is in a precarious labor position and as many as 40% are in a very vulnerable position.

Table 21: Labor Condition among Migrant Domestic Migrants

City	Not vulnerable	Somewhat vulnerable	Very vulnerable	Precarious
Hong Kong	3.00%	30.40%	53.50%	13.20%
Madrid	20.00%	44.40%	25.40%	10.20%
San Jose	1.00%	20.20%	59.60%	19.20%
DC	26.20%	46.00%	27.20%	0.50%
Total	11.20%	34.00%	42.70%	12.20%

Source: Orozco, Manuel. Surveys of Migrant Domestic Workers, 2011-2012.

5. Final considerations

Female migrant domestic workers are vulnerable individuals even though their contribution to the global productive chain is not only important but increasingly necessary. A comprehensive approach to this population group is also necessary, one that takes into consideration their priorities as well as status. In addition to encouraging countries to adhere to the new ILO 189 Convention on domestic worker rights, within this consideration and line of thought is important to approach some policy issues within the three areas we have addressed: remittances, finance and labor.

Remittances

To most migrant domestic workers remittances are central to their commitments and rationale for migrating. Because their income levels are typically below average income among migrants, expenditures matter and the value of their expenses is monitored more cautiously. These migrants spent about 5% or more of every transaction to send money (from US\$5 to US\$12). They can be better informed about lower cost alternatives which at the same time offer value added to the transaction, for example, use of the internet using their bank account to transfer at cheaper rates and depositing the remittance into a bank account on the receiving side. Improved information about better transfer mechanisms has an effect in protecting an immigrant's pocket.

Financial base

One key to personal development consists in having a strong financial and economic base. Such a base is built through at least four factors: a job that pays wages or salaries at competitive prices, a solid stock of assets (liquid and fixed), money management skills and financial access. As the section on finances showed, domestic worker migrants are financially vulnerable, they lack a good stock of assets, their income is relatively low, and judging by the number of people with bank accounts have poor financial access. Financial advice to migrants can help improve their perspectives on finances as well as methods to consider long term asset building strategies. Lessons learned on financial education show that there is a significant value added to train people on how to manage their personal finances considering their immediate and long term goals and needs. More importantly financial education can help determine an immigrants' prospects for return and retirement, personal development, and financial needs.²⁵ Local financial institutions can also partner and help through financial outreach programs to open bank accounts for migrants in order to insert them into the financial system while fostering a culture of well-managed personal finances.

Labor rights

The protection of domestic worker labor rights demands greater action. A poor, financially disempowered person is still weaker when her rights are not respected by many standards. Solutions to this issue often are placed on the side of the ministry of labor in each country to address labor rights. However, it has often been the initiatives by international organizations or civil society in different forms, such as non-governmental organizations, social movements in various countries that have pushed for major reforms. It is important to continue supporting civil society advocacy on labor rights that includes training and the potential for labor organizing among these workers.

Moreover, increasing a liaison between domestic workers, organized labor and civil society, and local cities where domestic workers do their labor is of central importance. Establishing these links matters because local cities can better help to address some of the labor problems these migrant workers face, often times without the constraint or limitation of addressing only those who are living legally in the

²⁵ See Orozco, Manuel. Financial Literacy Initiatives at the Inter-American Dialogue.

country. To this effect, cities can work in creating a commissariat for domestic workers that works to protect their labor rights, identify their needs and seek solutions. Domestic workers are at the center of the global production chain, more specifically within the so-called reproductive labor activities.²⁶ It is in global [and globally emerging] cities that their work is even more central for productivity and development. Cities are thus well positioned to work face to face with these laborers and provide them with much needed support in protecting their labor rights. The commissariat can function as an entity that hears claims over labor rights violations and implements support programs for domestic workers.

²⁶ Duffy, Mignon. "Doing the Dirty Work: Gender, Race, and Reproductive Labor in Historical Perspective" *Gender & Society* June 2007 21: 313-336; Tung, Charlene. The Cost of Caring: The Social Reproductive Labor of Filipina Live-in Home Health Caregivers, *Frontiers: A Journal of Women Studies*, Vol. 21, No. 1/2, Asian American Women (2000), pp. 61-82