



06 Working paper

Paid domestic work and the labor market in Paraguay:

A diagnosis of the barriers to employment formalization



Ministerio de
**TRABAJO, EMPLEO
Y SEGURIDAD SOCIAL**



**GOBIERNO
NACIONAL**

*Paraguay
de la gente*

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ACRONYMS

ADESP	Asociación de Empleadas Domésticas del Paraguay.
CADEP	Centro de Análisis y Difusión de la Economía Paraguaya.
CAUTAL	Clasificación de Actividades de Uso del Tiempo para América Latina y el Caribe.
CDE	Centro de Documentación y Estudios.
CEDAW	Convención Contra Toda Forma de Discriminación contra la Mujer.
CEPAL	Comisión Económica para América Latina y el Caribe.
CNTT	Cuentas Nacionales de Transferencia de Tiempo.
CODEHUPY	Coordinadora de Derechos Humanos del Paraguay.
CUT-A	Central Unitaria de Trabajadores Auténtica.
EIFEP	Estrategia Integral para la Formalización del Empleo en Paraguay.
EPHC	Encuesta Permanente de Hogares Continua.
EUT	Encuesta del Uso del Tiempo.
FITH-IDWF	Federación Internacional de Trabajadoras del Hogar - International Domestic Workers Federation.
INE	Instituto Nacional de Estadística.
IPS	Instituto de Previsión Social.
LabMTESS	Laboratorio para la Formalización del Empleo en Paraguay.
MTESS	Ministerio del Trabajo, Empleo y Seguridad Social.
ONG	Organización No Gubernamental.
OIT	Organización Internacional del Trabajo.
ONU Mujeres	Entidad de las Naciones Unidas para la Igualdad de Género y el Empoderamiento de la Mujer.
PEA	Población Económicamente Activa.
PIB	Producto Interior Bruto.
PlaNi	IV Plan Nacional de Igualdad.
PNUD	Programa de las Naciones Unidas para el Desarrollo.
POLNA	Política Nacional de la Niñez y Adolescencia.
SINTRADA	Sindicato de trabajadoras Domésticas y Afines.
SINTRADI	Sindicato de Trabajadoras Domésticas y Afines de Itapúa.
SINTRADINDI	Sindicato de Trabajadoras Domésticas Indígenas del Chaco Central.
SINTRADOP	Sindicato de Trabajadoras Domésticas de Paraguay.
SINTRADO-L	Sindicato de Trabajadoras Domésticas de Paraguay-Legítimo.
SNPP	Servicio Nacional de Promoción Profesional.

Preface

The Ministry of Labor, Employment and Social Security (MTESS) established the Participatory Employment Formalization Laboratory (LabMTESS) in Paraguay with the support of the United Nations Development Program (UNDP) and advising from the International Labor Organization (ILO) in order to accelerate and strengthen the Integrated Strategy for Employment Formalization in Paraguay (EIFEP).

LabMTESS takes action and to identify, understand, and overcome barriers to the formalization of employment in Paraguay, also creating connections and partnerships between individuals, organizations, governments, and the private sector to promote improvements in the labor market. The Lab uses a learning methodology with three phases: **the discovery of** barriers to the formalization of employment in specific sectors or industries, the **exploration** of interventions to address these barriers, and **experimentation** with interventions and policy prototypes to evaluate their impact and produce evidence necessary to support the institutionalizing and scaling of successful interventions.

The Lab selected Paid Domestic Work as the focus of its second learning loop because of the precarious working conditions and high rates of informality in the sector.

This diagnostic report presents the findings of the discovery phase, describing the characteristics of informal work in the sector, identifying barriers to formalization of employment, and laying out remaining questions to guide the exploration and experimentation in this learning loop.

1. Introduction

Between 11 and 18 million people are engaged in paid domestic work in Latin America and the Caribbean. This is a highly feminized workforce; about 93% of paid domestic workers are women (ECLAC, UN WOMEN, 2020). In Paraguay, domestic work is one of the most common forms of women's labor insertion, especially for those who are in a situation of heightened vulnerability, such as poor, (rural-urban) migrant women, without specialized formal education and who are typically Guarani speakers. Paraguay is one of the three countries with the highest proportion of women employed in domestic service in the region (ECLAC, UN WOMEN, 2020).

Paid Domestic Work in Paraguay is characterized by its high degree of labor precarity. It had the highest rate of informality (over 90%) and one of the lowest average hourly wages (8,234 PYG per hour) of all occupational categories in the country in 2020. In addition, the average workweek in the sector was 40 hours per week (INE, 2020).

The high degree of labor feminization and precarious working conditions of the paid domestic work sector are detrimental to women's access to rights, and protecting labor rights in this sector is one of the main challenges for advancing gender equality in Paraguay (INE, 2020).

This diagnosis report describes the sector, focusing on identifying barriers to achieving decent work standards and employment formalization. In addition to a review of current technical and academic literature, its analysis is based on a review of current laws and regulations; an analysis of quantitative data available via the Permanent Continuous Household Survey (EPHC) and the National Statistics Institute's (INE) 2016 Time Use Survey (EUT); nine semi-structured interviews with specialists in women's work, domestic workers, public officials and domestic worker employers; a workshops with 24 domestic workers; and a non-probabilistic survey with 101 domestic worker employers.

The first section briefly analyzes domestic work in relation to the labor market, highlighting the role of domestic work in facilitating both men and women's insertion into the labor market. Thus, domestic work (paid and unpaid) is like linchpin that manifests the interdependence between productive and reproductive work. This section also highlights the economic logics and cultural and gender-based beliefs that have historically assigned domestic work (paid and unpaid) to women, producing multiple barriers to decent work for women workers in this sector.

The second section presents quantitative data describing informality in paid domestic work. The third section delves into the factors that explain informality in the sector, including: existing regulatory frameworks and social security entry requirements, the sector's actors and institutions, and the social norms that structure actors' behavior.

Finally, the main findings of the study are summarized, and the report concludes with a series of learning questions that will help guide the exploratory phase of this learning cycle, in keeping with the methodologies appropriate to laboratories for social policy innovation and experimentation.

2. Women, Domestic Work and the Labor Market

What is the relationship between domestic work in general, paid domestic work specifically, and women's insertion into the labor market? This section presents the concepts and definitions used in the rest of the report, which allow us to identify the formalization of paid domestic work as a high priority for decent work for women and households in general.

Viewed from a gender perspective, work is divided into two spheres according to its characteristics: the sphere of reproductive labor, which includes all those activities relating to social reproduction carried out within the domestic space, such as care work, emotional labor, education, feeding, etc. These tasks socially assigned to women and are generally assumed to be the “natural” purview of femininity and are often unpaid. This group of activities is generally not considered to be work (Batthyany and Tomassini, 2013, Kergat, 2002).

The other sphere is that of productive labor, where work is legally, socially, and economically recognized as work. It takes place in the public sphere and in the structure of the labor market and is rewarded with a wage or salary. This sphere has historically been assigned to men. The insertion of women into this sphere is fairly recent in history and has been marked by a series of cultural barriers that impinge on their rights at work (Avolio and Di Laura, 2017, Batthyany and Tomassini, 2013, ILO, 2019).

The division and hierarchization of the productive and reproductive spheres form the "sexual division of labor," in which men and women, based on socially assigned roles, experience different incentives, barriers, and facilities during their personal, professional and emotional development (Hirata and Kergoat, 1998).

The sexual division of labor means that the main socially accepted role of women is to carry out care-related tasks in the sphere of unpaid reproductive labor (Addati et al, 2019, Serafini, 2021). This manifests itself empirically in the observable differences in the economic inactivity of men and women (Table 1). While the principal reason for economic inactivity among men is education, housework is the main reason for inactivity among women. In addition, only 5.8% of men reported “family reasons” as a reason for inactivity, and the percentage of men who named “housework” as a reason for inactivity is not statistically significant. However, about 44% of women are not active in the labor market due to housework and family reasons.

Table 1:
Reasons for economic inactivity, 2020.

Reasons for labor force inactivity			
Men		Women	
Student	42.32	Housework	37.13
Elderly	14.35	Student	21.33
Health Reasons	11.47	Family Reasons	16.11
Retired or Pensioner	8.44	Elderly	8.46
Disability	7.83	Health Reasons	5.68
Family Reasons	5.83	Retired or Pensioner	3.68
Other	4.5	Cannot Find Work	3.22
Cannot Find Work	3.93	Other	2.07
Afraid of COVID-19 Infection	*	Disability	1.9
Housework	*	Afraid of COVID-19 Infection	*

Note: * indicates insufficient sample size

Source: Own elaboration with data from EPHC, INE. 2020

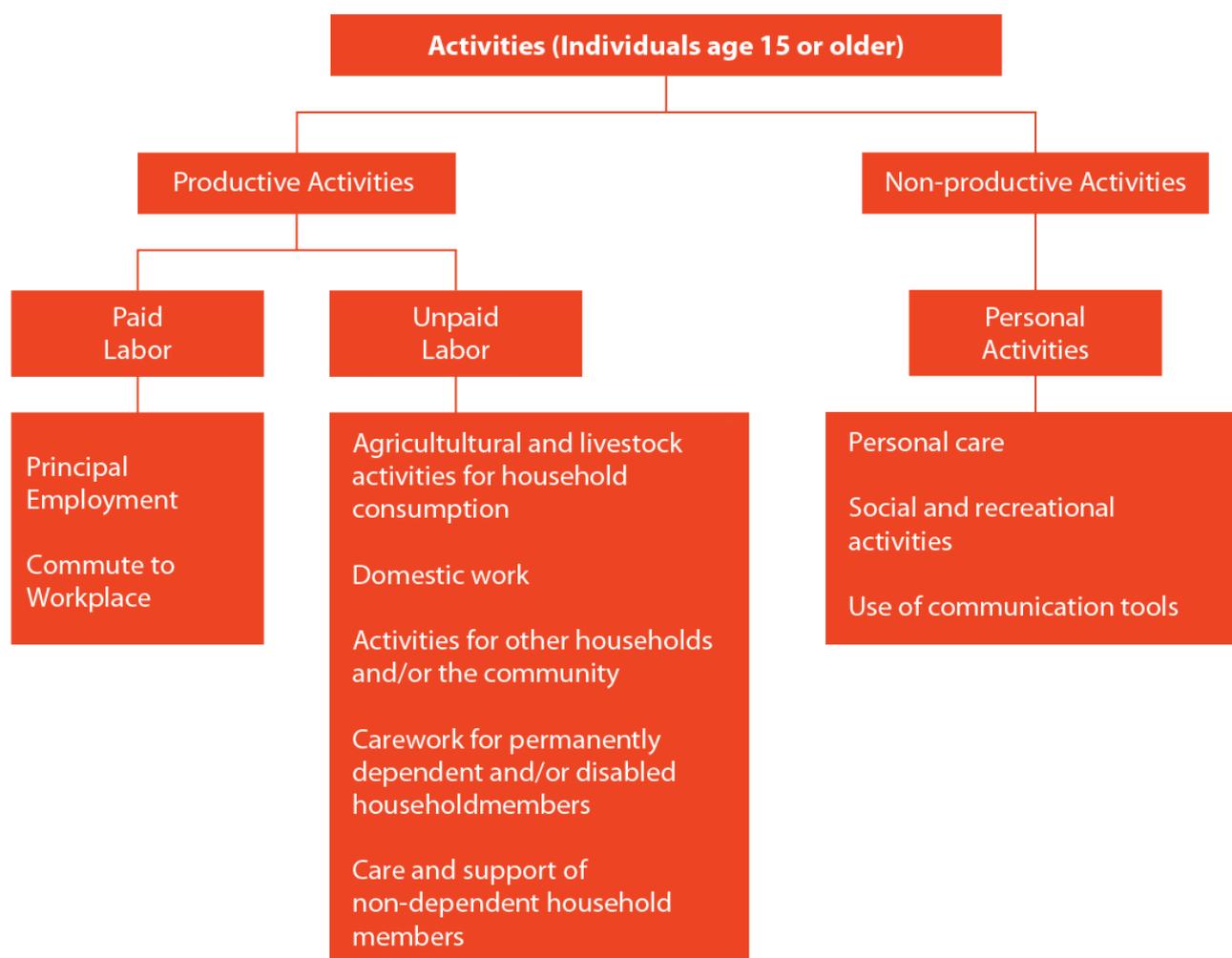
2.1. Unpaid domestic work

Unpaid reproductive work includes all those activities performed within the household, which are essential for the sustenance of human life and include the care of bodies, mental health, affectivity and education, among others (EUT, 2016, Gammage and Orozco, 2008, UN Women, 2015).

Orozco (2019) argues that unpaid jobs have three important functions in the economy: first, "welfare extension" refers to the management, maintenance, and transformation of products that come from the market. In some cases, it involves the generation of new resources, e.g., food production, care of household appliances, etc. Second, "welfare expansion," means transforming resources to meet the particular needs of each person. It encompasses affective and relational dimension of care and those related to life expectations. For example, food production involves affective memories to certain members of the household or may involve personalized care such as gluten-free food for people with celiac disease. Third, "reduction" refers to the availability of the labor force for the productive world. It involves absorbing all the needs and tensions generated by the need to make individuals work-ready (Picchio del Mercato, 2001).

The time dedicated to unpaid work in Paraguay can be analyzed using data from the 2016 Time Use Survey (EUT)¹. Figure 1 demonstrates the total activities of people aged 15 years and older.

Figure 1
Distribution of time use among activities by persons 15 years of age and older.



Source: EUT, 2016.

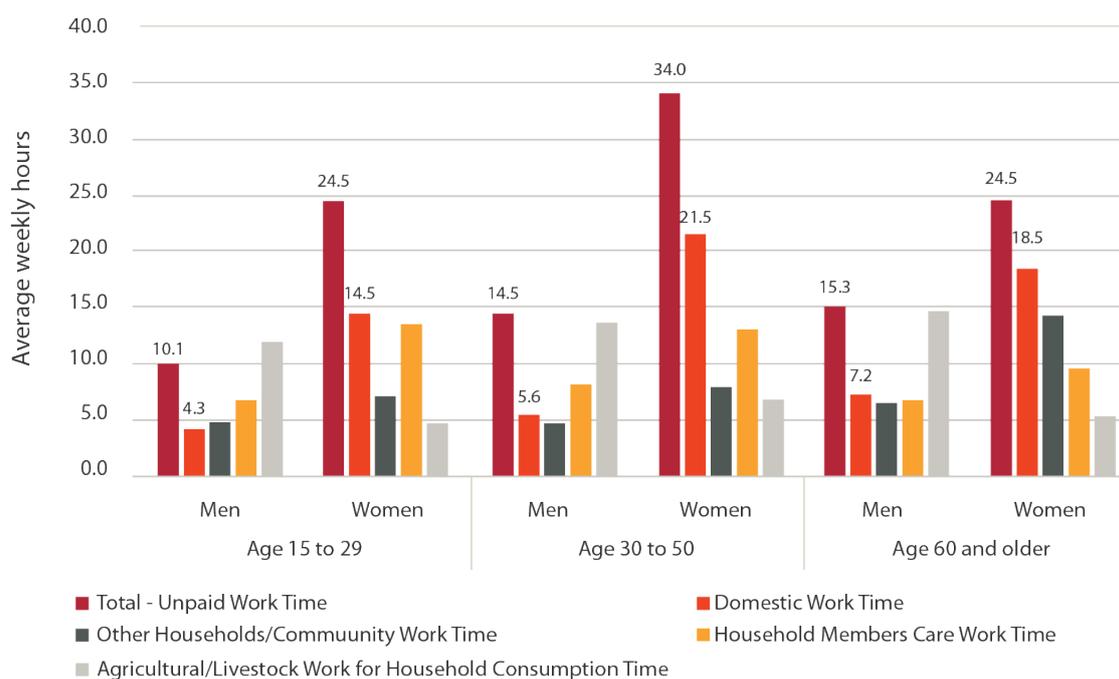
On average, people dedicate approximately 46 hours per week to paid productive activities and 21.5 hours per week to unpaid activities. Looking at the time dedicated to productive activities by sex, we see that men dedicate more time to **paid work** compared to women (49.7 hours vs. 40.4 hours). On the other hand, women dedicate more than twice as much time to **unpaid work** (29.1 hours for women vs. 13 hours for by men).

¹ This survey is the first and only national source of information on time use in Paraguay. According to INE (2016) in "Principales Indicadores de Uso del Tiempo y Quintiles de Ingreso," the definitions of paid work used in the EUT 2016 are based on the recommendations of the ILO's 1982 XIII International Conference on Labor Statistics, and those of unpaid work are adapted from the Classification of Time Use Activities for Latin America and the Caribbean (CAUTAL) of 2016, prepared by the Economic Commission for Latin America and the Caribbean (ECLAC).

Within unpaid work, there are also differences in time use according to sex. Women dedicate 18.5 hours per week to **unpaid domestic work**, while men dedicate an average of only 5.4 hours. Looking at other categories of unpaid work, we see that women spend more time on **activities for other households and for the community and to caring for household members**. Finally, the time that men dedicate to agricultural activities for self-consumption is greater than that of women (13.3 hours vs. 6.1 hours).

The use of time according to age ranges shows differentiated characteristics and even wider gaps between men and women. Among the young population, between 15 and 29 years of age, women spend three times as much time on **unpaid domestic work** as men. Among adults (30 to 59 years of age), the difference is almost four times greater (21.5 hours vs. 5.6 hours). Finally, in the range of people aged 60 and over, women dedicate 18.5 hours per week to unpaid domestic work and men 7.2 hours per week.

Figure 2:
Unpaid work by sex and age group (average weekly hours), 2016.



Source: Own elaboration with data from the Time Use Survey (EUT, 2016).

The large gap between men and women in unpaid housework is mainly observed across three key activities. First, women spend an average of 8.1 hours per week on *cooking, preparing food, setting the table or cleaning dining area*, while men spend only 3.6 hours per week on *cooking, preparing food, setting the table or cleaning the dining area*. Second, women again spend twice as much time *washing, drying and putting away cutlery and cleaning the kitchen* compared to men (4.8 hours vs. 2.6 hours). Third, women spend 3.9 hours a week *washing, ironing, putting away or mending clothes and cleaning or repairing footwear*, compared to men, who spend only 1.8 hours a week *washing, ironing, putting away or mending clothes and cleaning or repairing footwear*.

Table 2:
Classification of unpaid domestic work by sex, 2016.

Type of Activities Comprising Domestic Work	Total	Gender	
		Men	Women
Time Devoted to Unpaid Domestic Work	12.7	5.4	18.5
Cooking or preparing food, setting the table and cleaning up the dining area	6.8	3.6	8.1
Washing, drying and putting away dishes and cleaning up the kitchen	2.9	1.8	3.2
Cleaning the house and/or patio	4.2	2.6	4.8
Taking out, burning, or recycling garbage	0.5	0.5	0.5
Washing, ironing, putting away and/or organizing clothes and cleaning or repairing footwear	3.5	1.8	3.9
Carrying out or supervising minor repairs to the living space, household goods or personal objects	1.2	1.3	1
Cleaning, maintenance and minor repairs to personal/household vehicles	1.4	1.4	1.1
Shopping for food, cleaning supplies, medicine, clothes, footwear, etc.	2	1.9	2.1
Keeping track of balances, transfer, utility payments, applications and other administrative work	0.6	0.6	0.6
Caring for plants and/or pets	1.6	1.4	1.6

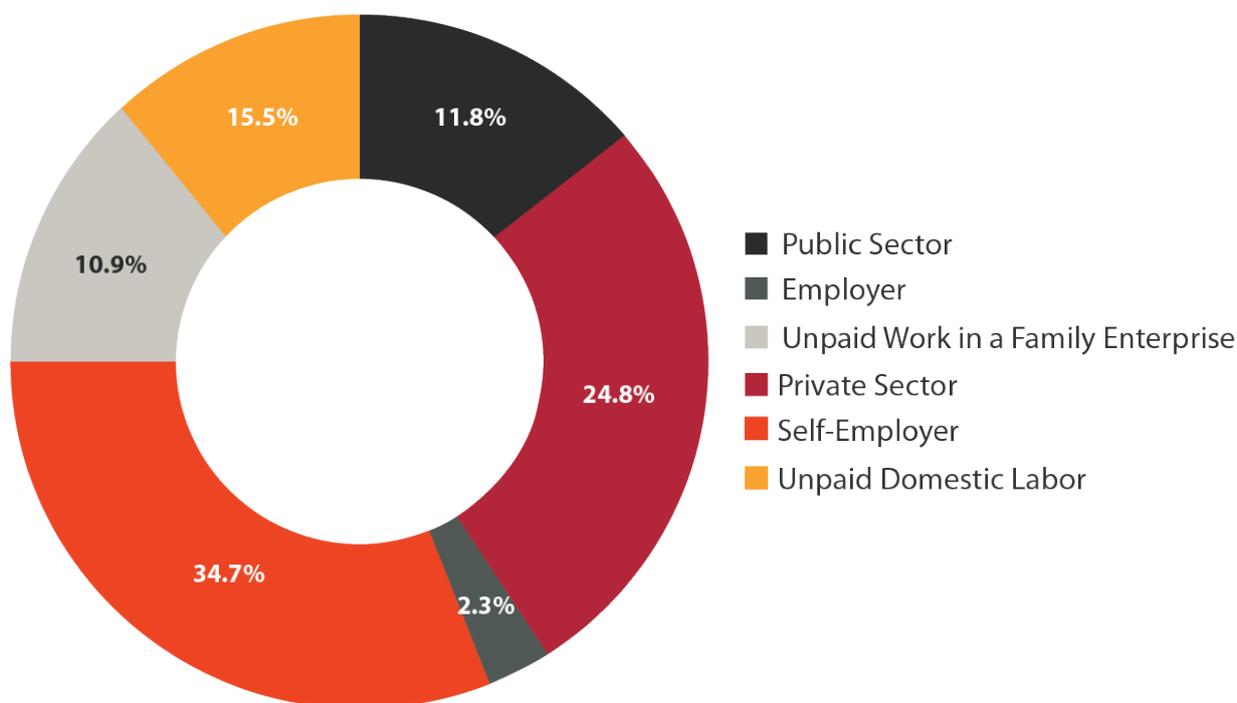
Source: Own elaboration with data from the Time Use Survey (EUT, 2016).

2.2. Paid Domestic Work

The sexual division of labor described above promotes the labor insertion of women *specifically in paid domestic work*, as they acquire requisite the skills and knowledge within the reproductive sphere (ILO, 2010).² These factors explain the high degree of feminization of this sector. In Paraguay, 94% of people employed in this category are women and 15.5% of women employed in 2020 were engaged in this activity (Figure 3).

² La elevada carga de trabajo doméstico y de cuidados no remunerada estructura la participación de las mujeres en el mercado laboral en general. Por un lado, limita la cantidad y la calidad del tiempo que le pueden dedicar al trabajo remunerado—trabajan menos horas, tienen menos tiempo para aumentar sus capacidades y habilidades en el mercado laboral, etc.—haciendo que se inserten en puestos más precarios con menos valoración social (segregación horizontal) y en posiciones jerárquicamente inferiores y con menor valoración económica (segregación vertical). Así, según datos de la EPHC 2020, más del 58% de las mujeres se insertan a la economía en los sectores más informales (cuenta propia y trabajo doméstico) que tienen menor protección social y son marcados por ingresos bajos que afectan sus posibilidades de desarrollo personal y condicionan su participación en la economía nacional.

Figure 3:
Occupational category of employed women, 2020.



Source: Own elaboration with data from EPHC, 2020.

Law 5407/2015 on domestic work defines domestic work as a "dependent, habitual, paid service, which may be may or may not entail residence in the home where it is employed, consisting of performing housekeeping, cooking, and other tasks inherent to the home, residence or room" (Art. 2). "The following are considered domestic workers: persons of either sex who perform on a regular basis the tasks of cleaning, assistance and other services within of a house or other place of residence or private habitation, including, among others: family drivers, housekeepers, maids, laundry workers and/or private ironers, nannies, family cooks and their assistants, gardeners and their assistants, caretakers of the sick, elderly or disabled, errand workers; and domestic workers for various household activities" (Art. 3).

The same legislation excludes from the concept people who perform domestic work in commercial establishments, who also perform specialized paramedical tasks relating to cleaning and caring for the elderly, people with disabilities and/or health problems. It also omits domestic workers who, also perform activities pertaining to industry, commerce or services, as well as domestic workers who perform their services independently and with their own equipment (Art. 4).

Therefore, paid domestic work is defined as that which is performed in the home and encompasses a series of tasks similar to those described in the previous chapter (unpaid domestic work), with the difference it is paid. It requires specific knowledge because it can include a series of activities such as direct care of people, cleaning of living spaces, maintenance of furniture and household appliances, acquisition of inputs for domestic transformation, ironing, mending clothes, and even supporting children in their schoolwork, as well as the emotional labor required in this service (Barbieri, 1978, Orozco, 2019).

Household access to paid domestic work services conditions the labor insertion strategies of household members. As domestic workers free other household members from care work, especially women from medium-high and high socioeconomic strata, they can achieve better insertion into the labor market and contribute to the economy of their households and the country (Zavattiero and Serafini, 2019).

At the same time, as will be seen below, this sector stands out for its low pay, high informality and precarious working conditions, relative to the rest of the labor market.

3. Diagnosis of the Informality of Paid Domestic Work

This section analyzes recent statistical data from the Permanent Continuous Household Survey (EPHC) to describe the sociodemographic characteristics of paid domestic workers, the level and characteristics of informality in this sector, and the associated working conditions.³ In general, official data indicate that the sector is mostly composed of women in vulnerable situations. Moreover, according to the data presented below, their jobs are highly informal, with precarious working conditions, low pay for the work performed, and almost no access to labor rights.

To define informal employment, we use the criteria recommended by the ILO (Casalí et al., 2018):

- public and private employees who do not contribute to the retirement system;
- who do not have a Unique Taxpayer Identification (RUC);
- employers who do not have RUC;
- domestic workers who work 12 hours a week or more and do not contribute to the retirement system;
- unpaid family workers.

We consider informal domestic employment to be that which is carried out by people for 12 hours or more per week and who do not contribute to any retirement fund⁴. According to Casalí et al. (2017), people who perform domestic work and who work less than the hours established in this criterion are excluded from the calculation. Therefore, the formality status of this group of paid domestic workers who are considered self-employed should be evaluated based on the possession of a RUC. However, the Permanent Household Survey carried out by the INE, which is used as the basis for these calculations, does not ask this question⁵.

In 2020, approximately 235,333 people reported domestic employment as their main occupation. Of these, 7.6% dedicated less than 12 hours per week to this occupation. As will be seen below, the remaining 92.4%, who worked 12 hours or more per week, is the population that can access social security and other benefits of formal employment in accordance with current regulations.

³ It should be noted that the data for the year 2020 present atypical characteristics due to the preventive and social distancing measures implemented during the COVID-19 pandemic. These measures have particularly affected domestic employment and all occupational categories during that period. For more details see: Instituto Nacional de Estadística (INE): https://www.ine.gov.py/Publicaciones/Biblioteca/documento/94ad_Boletin%20trimestral%203er%20trimestre%202020.pdf; and Economic Commission for Latin America and the Caribbean (ECLAC): https://repositorio.cepal.org/bitstream/handle/11362/46633/5/S2000740_es.pdf.

⁴ The minimum hourly load to be considered a dependent domestic employee, according to the regulations of Law No. 5407/2015 are 12 hours per week or 48 hours per month. MTESS Resolution No. 233 dated April 26, 2016 and MTESS Resolution No. 65 dated February 6, 2017.

⁵ The labor regulations state that all people with dependent employment have the right to access social protection. IPS allows the registration of domestic workers with less than 16 hours of work per week, however, it imposes 16 hours as the floor for calculating rights and obligations.

Table 3:
Distribution of employed personnel according to hours spent on paid domestic work, 2020.

Concept	Number of Individuals	Percentage Distribution
Fewer than 12 hours weekly spent	17,874	7,60
At least 12 hours weekly spent	217,459	92,40
Total	235,333	100,00

Source: Own elaboration with data from INE's EPHC 2020.

3.1. Labor Formality Indicators in Paid Domestic Work

According to 2020 data, paid domestic work is almost entirely informal. Its 90% informality rate is the highest of all paid occupational categories for that year, far exceeding the 71% informality figure for total employment in the country (see Table 4).

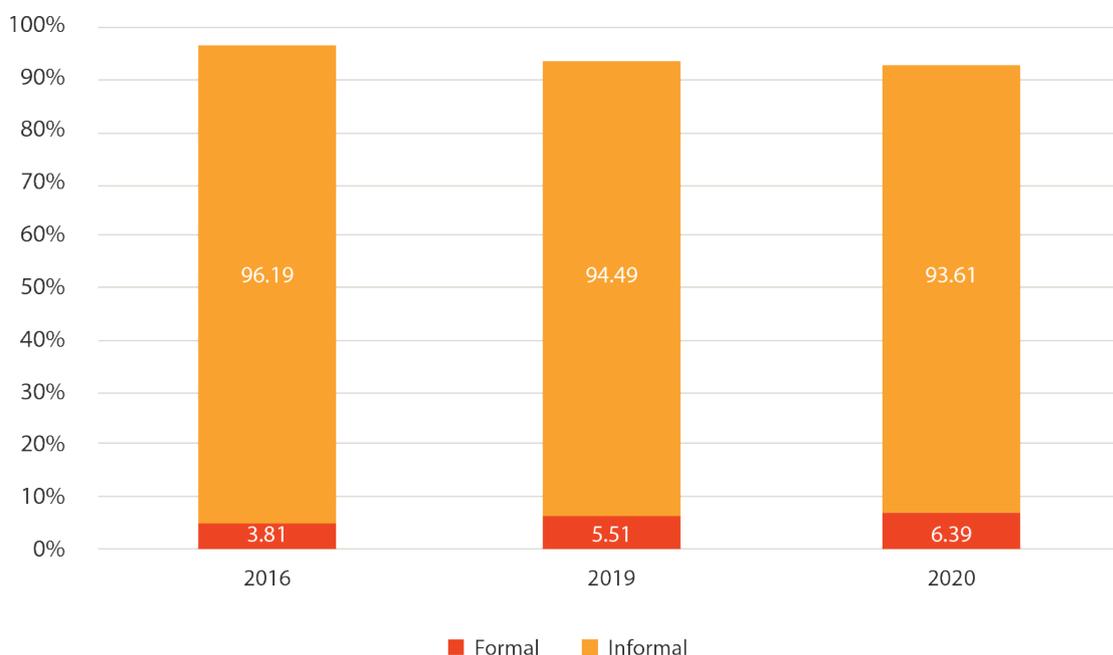
Table 4:
Share of informal employment by occupational category, 2020.

Occupational Category	Number			Percentage	
	Informal	Formal	Total	Informal	Formal
Public Sector	61.963	275.438	337.401	18,36	81,64
Private Sector	834.404	460.703	1.295.107	64,43	35,57
Employer	68.162	94.360	162.522	41,94	58,06
Self-Employed	984.003	138.775	1.122.778	87,64	12,36
Unpaid Work in a Family Enterprise	268.295	0	268.295	100,00	0,00
Paid Domestic Work (>12 hours weekly)	203.554	13.905	208.393	93,61	6,39
Total	2.420.381	983.181	3.394.496	71,11	28,89

Source: Own elaboration with data from EPHC 2020.

In recent years, there have been gradual increases in the percentages of formality in the sector. These coincide with changes in the regulations governing domestic work. As can be seen in Figure 3, the percentage of paid domestic workers who work 12 hours or more and are formally employment rose from 3.8% in 2016 to 6.4% in 2020.

Figure 4:
Distribution of paid domestic work, formal vs. informal, 2016, 2019
and 2020.



Source: Own elaboration with data from the EPH and EPHC of the INE.

Now, focusing our analysis on informal paid domestic work, we note that it is highly feminized: of the total 203,554 of people who provided domestic services informally in 2020 as reported by the INE, 94.5% (192,411) were women who worked at least 12 hours per week and did not contribute to a retirement fund during that time.

From a geographic perspective, there is a greater presence of informal domestic workers in urban areas (more than 70% of the total). In terms of departmental distribution, Table 5 shows that, in 2020, approximately 55% of domestic services provided by women in the informal sector were concentrated in Central, Alto Paraná, and Asunción. Caaguazú and Itapúa also stand out as departments where informal domestic services are contracted.

The sector is made up mostly of women who have an average of 9 years of schooling (equivalent to the ninth grade of Basic Education in the Paraguayan educational system). In terms of the respondents' main language, we note the prevalence of Guaraní. More than 150,689 (78%) informal domestic workers are Guaraní-speakers (of which 83,421 are bilingual).

In terms of household structure, Table 5 also shows that more than 33% of informal domestic workers are heads of household and many are single (46%) or living with a partner (30%). Most informal paid domestic workers hail from households that can be characterized as full (34%) and extended (41%) nuclear households. It is important to mention that more than 39,000 women engaged in informal domestic service are in poverty, according to data reported by INE in 2020.

Table 5:
Sociodemographic characteristics of informal paid domestic workers (absolute values and %), 2020.

Year 2020	Cantidad de trabajadoras domésticas informales	Distribución según categoría (%)
Total Informal Domestic Workers	192.411	100
By Area		
Urban	135.798	70,58
Rural	56.613	29,42
By Department		
Asunción	15.616	8,12
Caaguazú	16.170	8,40
Itapúa	16.152	8,39
Alto Paraná	21.894	11,38
Central	66.640	34,63
Remaining Departments	55.939	29,07
Age		
15-29	86.561	44,99
30-59	96.246	50,02
60 and older	9.604	4,99
Years of Formal Educaiton		
Average of total among Informal Domestic Workers	192.411	9,08
Language Spoken Most of the Time		
Guaraní	67.268	34,96
Guaraní and Spanish	83.421	43,36
Other (Spanish and another language)	41.722	21,68
Household Role		
Head of Household	64.054	33,29
Other*	128.357	66,71
Marital Status		
Married or in a Domestic Partnership	59.636	30,99
Single	88.932	46,22
Other**	43.843	22,79
Household Type		
Complete Nuclear	66.531	34,58
Incomplete Nuclear	33.308	17,31
Extended	79.632	41,39
Other (individual and blended)	12.940	6,73
Poverty		
Poor	152.857	79,44
Not Poor	39.554	20,56

Note: * indicates insufficient sample

**Other includes: spouse, partner, child, stepchild, grandchild, son-in-law/daughter-in-law, father/mother, father-in-law/mother-in-law, other relative, non-relative, domestic staff, relative of domestic staff.

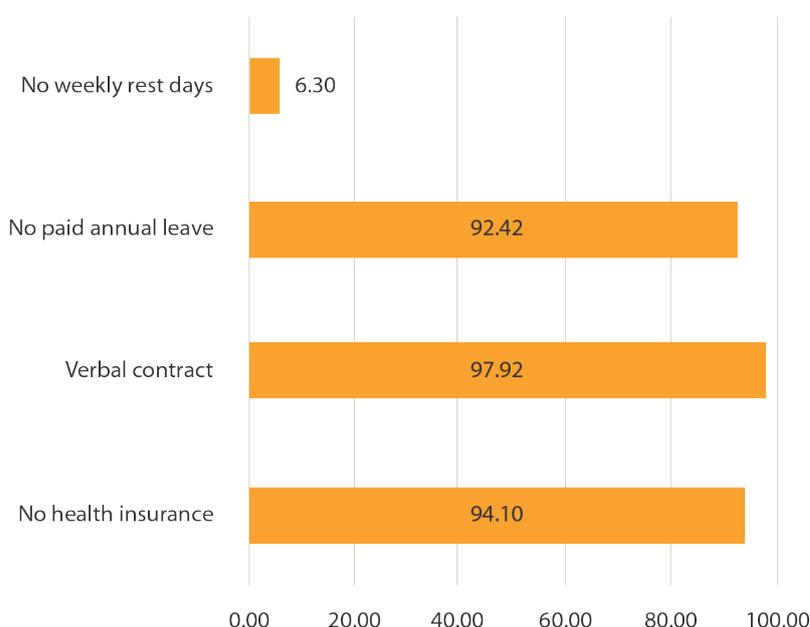
***Other includes: married, divorced, separated, widowed.

Source: Own elaboration with data from the EPHC of the INE.

3.2. Informal paid domestic working conditions

Another characteristic of this sector are the precarious working conditions. **Figure 5** shows that, in 2020, more than 90% of female workers did not have access to paid annual leave and were hired through verbal contracts. In addition, more than 90% of these 192,411 women did not have access to any type of health insurance and around 12,000 did not have days off during the week.⁶

Figure 5:
Access to labor rights of informal paid domestic workers (%), 2020.



Source: Own elaboration with data from the EPHC of the INE.

Table 6:
Average number of hours worked, income received per hour and years of work with the same employer for informal workers. Year 2020.

Occupational Category	Weekly Hours Worked in Given Occupation	Years Worked with the Same Employer (temporality)	Hourly Earnings (Guaranies)
Public Sector	36,69	4,98	19.079
Private Sector	46,46	3,68	10.468
Employer	44,04	13,33	13.437
Self-Employed	35,04	13,24	8.222
Unpaid Work in a Family Enterprise	33,81	12,27	
Domestic Worker	39,09	2,98	8.234

Source: Own elaboration with data from the EPHC of the INE.

⁶ Includes: IPS, individual private insurance, employer-based private insurance, family private insurance, military benefits and police benefits.

Precariousness is also reflected in long working hours. Statistics indicate that the average number of hours worked by informal domestic workers is close to 40 hours per week, while interviews with the workers reveal that they work no less than 10 hours per day. In this sense, it is important to mention that informal female workers have one of the highest average weekly hours worked compared to other informal jobs in the other occupational categories and their hourly income is the lowest. In other words, informal domestic workers earn less than public and private employees, employers and self-employed informal workers. With respect to the average monthly salary received by informal domestic workers, it is notable that only about 11% of them receive a monthly amount higher than the current legal minimum wage.⁷ Finally, it is important to note that informal workers also report the shortest length of service with the same employer, approximately 3 years (Table 6).

⁷The Current Minimum Legal Minimum Wage (SMLV) for the year 2020 was 2,192,839 GYP.

4. Explaining the informality of paid domestic work

In order to describe and analyze the possible causes of labor informality in the paid domestic work sector, we adopted a framework provided by the International Labor Organization, which highlights the variables defined in **Table 7**. These will be analyzed in turn in the following four sections of this report.

Table 7:
Factors influencing the formality of paid domestic work

<p>Labor regulatory frameworks (laws, policies and oversight)</p>	<p>Depending on their design, scope and implementation in a given national context, these regulations may facilitate and encourage (incentivize), or hinder and discourage formal or informal practices. They may cause a shift in work or workers from formal to informal arrangements and vice versa. Real and perceived costs (financial, time and effort) and the benefits of formality and informality exert pressures on employers and workers.</p>
<p>Frameworks for entry into the social security system</p>	<p>The rules for qualifying and using social security coverage are a major source of incentives. For example, minimum thresholds with respect to duration of employment, minimum hours of work or minimum earnings, may exclude some categories of domestic workers. Legislation generally also sets other parameters, such as those around contribution levels and portability of benefits, even when domestic workers are covered by the legislation, employers' and workers' decisions on whether or not to comply with the legislation. They are also influenced by their awareness of their rights and obligations, the accessibility of administrative procedures (registration, payment of contributions), and the credibility and efficiency of the system. All these factors can influence employers' decision to hire formally or informally, or workers' decision whether or not to declare their job.</p>
<p>Other labor market institutions</p>	<p>Apart from labor regulations and standards, other institutions that operate in the domestic work sector and shape employment and labor relations, promoting or impeding formality. They include: i) public and private agencies that recruit and place workers, ii) companies, government agencies and non-profit organizations that directly provide personal care to people in their homes (such as home-based services, elderly care) and domestic services (such as cleaning) and iii) domestic workers' organizations and trade unions, employers' organizations of domestic workers, and national employers' organizations that represent the interests of domestic work in national policy dialogues, tripartite bodies and collective bargaining.</p>
<p>Social dimension: norms, values, traditions, attitudes and perceptions.</p>	<p>Certain norms, values, traditions, practices, attitudes and perceptions influence labor relations in the sector because of their particular characteristics. First, the workplace is a private home and, very often, the employer is the head of a private household. Second, interactions between worker and household members take place in close proximity and intimacy, and tend to be highly personalized. In addition, it has historical roots in slavery and feudal serfdom.</p>

Source: Adopted from "Formalizing domestic work" (ILO, 2016).⁸

This diagnostic report adopts this perspective based on its literature review and analysis of the interviews conducted over the course of the study. In the following sections, we discuss in depth the elements of this schema that are most relevant to the Paraguayan case.

4.1. Regulatory framework for domestic work

The domestic work sector has experienced one of the highest rates of regulatory changes in recent years. This reflects the impact of unionization efforts and social mobilization within the sector as well as its growing relevance in national and international policy agendas.⁹ This section reviews those regulations and policies that have had the greatest relevance and impact on the domestic employment sector.

At the international level, there are conventions that, when ratified by Paraguay, become part of national law. The Convention Against All Forms of Discrimination Against Women (CEDAW),¹⁰ is the first comprehensive and legally binding international instrument that obliges governments to adopt measures to promote gender equality and eliminate discrimination against women, including measures for non-discrimination at work and in social security.

ILO Convention 189 on Decent Work for Domestic Workers¹¹ establishes a series of principles, rights and protections to advance decent work for workers in this sector. Although there are other international instruments for the protection of women's work, this is the first binding treaty that takes into account the particularities of domestic work and the vulnerability to which groups working in this sector are subject. Indeed, the convention's preamble describes the conditions of this sector: "[...] *domestic work continues to be undervalued and invisible and is mainly carried out by women and girls, many of whom are migrants or members of disadvantaged communities and who are particularly vulnerable to discrimination in respect of conditions of employment and of work, and other abuses of human rights [...]*." Its ratification in 2015 was the impetus for the development of a range of public policies and generated momentum for the development of new regulations.

According to the provisions of articles 148 and 151 of the Paraguayan Labor Code, domestic workers are defined as "persons of either sex who perform on a regular basis the tasks of cleaning, assistance and other services within of a house or other place of residence or private habitation" and "their salary may not be less than 40% of the minimum wage." This final provision led to a series of observations by the CEDAW Committee, which considered this provision to be directly discriminatory against the rights of domestic workers.¹²

In 2015, the enactment of Law No. 5407/2015 on Domestic Work established a number of rights for this sector. The Labor Code's prior definition of domestic work was modified so that it was now defined as a "subordinate, habitual, paid service, which may be may or may not entail residence in the home where it is employed, consisting of performing housekeeping, cooking, and other tasks inherent to the home, residence or room." This category includes family drivers, housekeepers, maids, laundry workers and/or private ironers, nannies, family cooks and their assistants, gardeners and their assistants, caretakers of the sick, elderly or disabled, errand workers; and domestic workers for various household activities.

⁹Available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_536998.pdf

⁹ During these years, trade union and civil society organizations have carried out campaigns and advocacy actions specifically to achieve changes in the regulations that favor the formalization of paid domestic work.

¹⁰ Ratified by Law 1215/1986.

¹¹ Ratified by Law 4819/2012.

Another relevant feature of the law regards the nature of contracts. The domestic work contract is presumed to be valid for an indefinite term, unless there is evidence to the contrary, and it should establish a payment modality, which may be by the hour, day, week or month. Likewise, domestic work is not allowed piecework basis and contracts may or may not stipulate on-site residence, depending on what the parties agree. The minimum wage was set at 60% of the Current Legal Minimum Wage, and limits were established regarding prorated wages for domestic workers who work discontinuous shifts or who work less than the maximum legal working day. Pay that is proportionally lower than the minimum legal wage for this type of activity may not be set.

Due to input by international organizations and to the claims of the organized domestic workers, in 2019 the minimum wage for domestic workers was finally pegged to Current Minimum Legal Minimum Wage for general workers. Thus, by amending Art. 10 of Law 5407/2015, domestic workers were able to receive the minimum wage for unspecified miscellaneous activities established by the Executive Branch. It was established that persons performing domestic work in discontinuous shifts or shifts shorter than the maximum legal working day may not receive pay that is proportionally lower than the legal minimum wage for this activity.

Law No. 5407/2015 on Domestic Work also further strengthened other legal elements that protect of domestic workers' rights. It established legal working hours, with set limits for day and night work; stipulated mandatory holidays weekly days off; established the mandatory clauses of employment contracts; and regulated the provision of food for workers who do not reside on-site, and the provision of accommodations for workers who do reside on site.

The Ministry of Labor, Employment and Social Security is responsible for the implementation and enforcement of all necessary measures deriving from this law, and for the implementation of pro-formalization policies for this sector. The law establishes that, in order to protect workers against abusive and/or fraudulent practices, said Ministry has the power to regulate the operation of private employment agencies that hire and/or place domestic workers nationally and abroad by specifying the obligations and responsibilities of said enterprises, as well as the penalties in case of abuse and/or fraud.

In addition, according to the Labor Code and to Law 5515/2013, the MTESS is responsible for executing labor audits and inspections for economic activities involving dependent employment. However, domestic employment has certain peculiarities that do not allow for the application of the same inspection procedures as at other worksites. The complexity of compliance issues pertaining to the working conditions of domestic workers, combined with the National Constitution places on entering private premises,¹³ make it difficult for authorities to inspect and audit those responsible for supervising work carried out in family residences. Therefore, measures to dissuade informal employment in this sector are mainly focused on increasing awareness and training on labor standards and social security benefits. These policies are reinforced by the establishment of specialized offices for domestic workers and employers that provide advice on labor regulations, collect complaints of noncompliance, and mediate in the event of conflict between the parties.

¹³ Art. 109 National Constitution.

The Labor Administrative Authority is also responsible for guaranteeing the freedom of association and/or unionization in the domestic sector and the freedom to form organizations, federations and confederations as members deem appropriate. For these cases, the norms established in the Labor Code apply with respect to the protection that grants union stability to certain workers who are members of unions and/or organizations of domestic workers.

Subsequently, in 2019, the Partial Employment Law (Law No. 6339/2019) was enacted to regulate the labor relationship between workers and employers in the private sector when work is contracted on an hourly basis, establishing a series of contract modalities that may be adopted between the parties according to the nature of the work or service.¹⁴ This law establishes that persons working a minimum of 16 and a maximum of 32 hours per week may opt for this contractual modality. Under special conditions, worker under this rubric may be registered for social security. This modality may only be agreed to in writing; verbal agreement will be presumed to entail a full-time contract. The regulation expressly excludes three sectors: white-collar personnel—which refers to all those working in the health system—, public and private sector teachers, and transportation workers, these latter groups having special laws which regulate their work.

The law provides for the calculation of hourly wages based on workers' work type or on the Minimum Wage for unspecified miscellaneous activities.¹⁵

Part-time workers have the same rights as full-time workers; the law does not discriminate in this regard. With regard these workers' vacation time, it stipulates that, upon completion of one year of service with the same employer, workers will be entitled to vacations. Likewise, with respect to maternity and lactation rights, the law establishes that these rights will be available to workers under this type of contract, alongside other rights provided by the Labor Code.

However, with respect to formalizing part-time workers and their inclusion in social security, this modality creates an exception to the minimum taxable income requirements for social security applicable to full-time workers.

Other complementary regulations that protect the rights of domestic workers are Law N°5777/2016 for the comprehensive protection of women against all forms of violence, which defines and penalizes different forms of discrimination and violence towards women. This law introduces the definition of labor violence as follows: it "is the action of mistreatment or discrimination against women in the workplace, exercised by superiors or colleagues of equal or lower rank through 1) humiliating disqualifications; 2) threats of dismissal or unjustified dismissal; 3) dismissal during pregnancy; 4) allusions to workers' private life that violate their

¹⁴ The types of contracts established in the partial employment law are: fixed-term, indefinite-term, continuous, discontinuous and occasional.

¹⁵ Article 6 of Law 6339/2019 provides that: "The remuneration of part-time workers shall be calculated in accordance with the number of hours worked and such calculations shall be made on the basis of the current legal minimum wage; in the event that this is higher, such calculations shall be made on the basis of the salary agreed between the parties, divided 26 (twenty-six) days and further divided by 8 (eight) hours.

In no case, can a wage that is lower than the current legal minimum wage be used to calculate the hourly wages of part-time workers. For those activities in which the salary is regulated by the administrative labor authority, the base of calculation shall such as is established in the respective, current ministerial resolution. "

privacy; 5) the imposition of tasks outside the scope of their duties; 6) requiring work outside of established work hours; 7) unjustified denial of sick leave, maternity leave or vacations; 8) conditions social isolation imposed to undermine workers' employment, permanence, or promotion prospects; or, 9) the imposition of requirements that undermine workers' employability based on marital or family status, age and physical appearance, including the obligation to undergo tests for Human Immunodeficiency Virus HIV/AIDS and/or pregnancy tests." This law empowers the MTESS to enforce compliance with these standards of non-violence and non-discrimination against women in the workplace.

Figure 6:
Evolution of the paid domestic work regulatory framework



Source: Own elaboration based on regulations.

4.2. Frameworks for entry into the social security system

Since 1965, social security coverage for domestic workers has been limited to the city of Asunción (Law 1085). It was not until 2009 that coverage was extended to the entire country, as determined by the IPS Board of Directors through Resolution 89-012/09¹⁶. The enactment in 2015 of Law 5407/15 and its inclusion of domestic workers in the social security system represented a step forward in the protection of these workers and was one of key victories for this group of workers in the last 50 years.

Although Law 5407/2015 on domestic work contains special regulations for the labor relationship between workers and employers in this sector based on the special characteristics of labor contracts meant to be effected within a private residence, with regard to social security two conditions are expressly established: that the domestic worker, whatever the modality of their contract, must be registered into the IPS's general mandatory regime, and that workers' taxable incomes, to be taxed at the rates of 9% and 16.5% respectively, comprises the total sum of pay actually received, either from single employer or from various employers as in the case of pluri-employment. All other legal aspects related to domestic workers' social security are to be enforced analogously or supplementarily in accordance with the provisions of the IPS Charter.

One of the key issues at involved in this final point is related to the obligatory nature of employers' registration of their employees into the social security system. Article 3 of the IPS Charter states that employers first must register as such, and second register or send notice of workers' entry into their employ at the beginning of the employment term.

In this sense, the requirement to register with social security is based on the employment relationship, i.e., each employer who hires an employee must register them, declare the contractually agreed upon wages, and pay the contributions of 9% and 16.5%, respectively. In

¹⁶ Figure 6 presents the evolution of IPS requirements and coverage in the paid domestic work.

cases where workers have more than one registered job, all of their employers are obligated to register for social security. This is not only protect against the risks of any given work activity, but is based on the principle of solidarity which is characteristic of social security schemes.

Hence, in order to understand why contributions must be made for reach employment relation, one must resort to the principle of solidarity, which is understood as "a principle of collective and reciprocal responsibility, immanent to social groups that morally binds members to each other and to past and future generations, in order to achieve a common destiny".¹⁷ In the case of social security, this bond of solidarity is not voluntary, but obligatory. And its obligatory nature is configured by a constitutional and legal mandate for the protection of workers in conditions of dependent employment. In this sense, social security registration is not an act that can be chosen by citizens according to their preferences. Rather, under the conditions described above, there is a duty to carry them out. Thus, the responsibility falls directly on the employer, who is the main guarantor of their workers' insurance. Non-compliance directly implicates the employer.

The general insurance scheme that regulates contributions to both the health fund and the retirement and pension fund and, which, therefore provides access to the benefits related to these protected risks, provides a menu of insurance types that are adapted to various work contract modalities. Thus, depending on the kind of payment regime agreed upon—salary, or daily or hourly wage—employers may opt for the insurance type that matches their contract.

As a general rule, Law 5407/2015 establishes that, like private salaried workers, paid domestic work must be incorporated into IPS under the general regime. This is because, unless shown otherwise, it is presumed that their pay for paid domestic work takes the form of monthly salary and employment terms are quantified in 30-day increments. However, depending on the payment regime established in the employment contract, other enrollment options are available. One alternative is the per diem regime. Employers contracting workers on a per diem basis must enroll their employees under this regime and declare the number of days they will work, with a minimum being 18 and the maximum being 26 days.

Another option is the part-time modality (hourly work). In this case, the range of allowable weekly hours worked is 16-32. Unlike the other cases, the signed contract must be submitted in order to enroll in this exceptional category.¹⁸ This is a special modality established in Law 6939/2019, which expands the types of contracts allowable under the Labor Code and which

¹⁷ Donoso Cortes, cited in Cañón Ortigón, L. (2017) La solidaridad como fundamento del Estado social de derecho, de la seguridad social y la protección social en Colombia. Páginas De Seguridad Social, 1(1), 5-29. Pág. 8, <https://doi.org/10.18601/25390406.n1.01>

¹⁸ The computation of social security contributions required for benefit access is calculated in weeks: for employees on a monthly salary, the equivalent of thirty (30) minimum daily wages within the calendar month; for the daily wage worker, the simple accumulation of the days worked up to the maximum of 25 minimum daily wages and at least 18 minimum daily wages, within the same calendar month; for part-time workers, a minimum of 16 hours per week and a maximum of 32 hours per week; for seasonal workers, piece-rate workers, navigators or craftspeople, the simple accumulation of contributions equivalent to from 6 up to a maximum of 300 minimum daily wages, within the calendar year. These norms are the building blocks of the system that allows workers to effect the required weeks of contributions necessary to retire and which are equivalent to: 1 Legal Minimum Wage = 4 weeks of contributions; one month = 4 weeks; 1 year = 50 weeks and 25 years = 1250 weeks.

introduces a new category for social security enrollment based on two main criteria: the number of weekly work hours, and a modified basis for calculating social security contributions that differs from minimum wage.

The law establishes the cost/hour of work in relation to the minimum wage, and imposes contributions according to declared income based on that same cost/hour per week calculation. This is the only case in which there is an exception to the base taxable income on which contributions are levied within the general IPS system.

To this end, the employee contributes 9% of the declared salary while the employer pays 16.5%, but the Law, in accordance with the technical criterion for sustainability of the health fund, endeavors to safeguard the total taxable income apportioned to it by imposing on employers complementary contributions up to 100% of the amount to be paid, which vary according to the number of hours agreed in the contract.

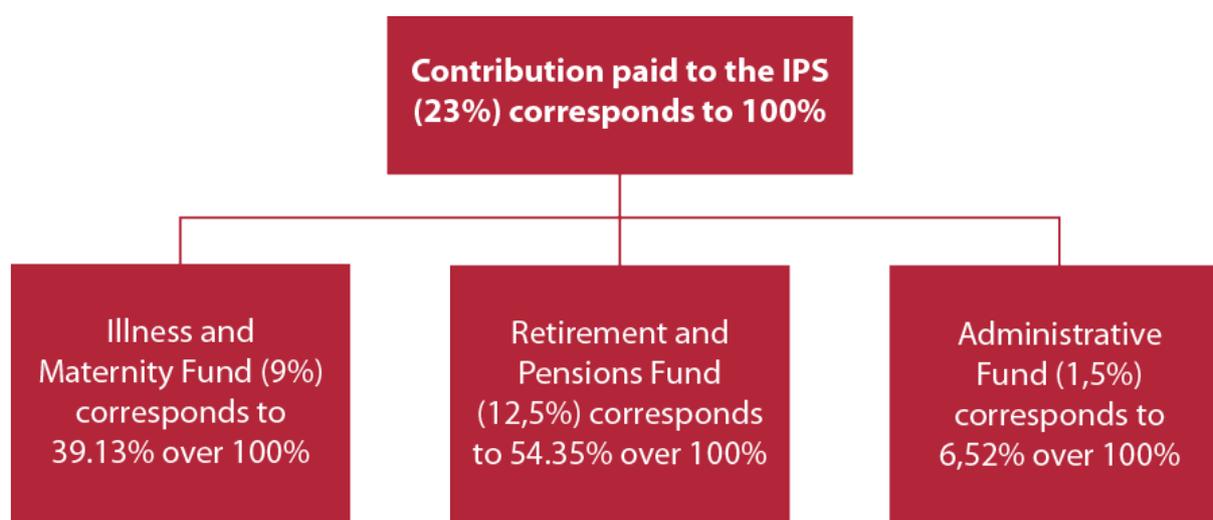
Table 8:
Percentage distribution of IPS contributions

IPS Contributions	
Contribution Paid to IPS	23,0%
Employer Contribution (16,5%)	16,5%
14%	Worker Contribution-IPS-Organic Law of the IPS Art. 17 subsection a)
2.5%	Additional Employer Contribution (SNPP, SENEPA)
Worker Contribution (9,0%)	9%
9%	Worker Contribution-IPS-IPS Bylaws Art. 17 subsection b)

Source: Prepared by the authors based on IPS regulations.

One of the reasons why this supplement was allocated to the health fund is the immediacy of the benefits derived from it. Short-term benefits are underwritten by this fund and operate on a purely pay-as-you-go basis, i.e., they do not generate profitability like the retirement and pension fund; therefore, there are financed directly by the balance of contributions minus expenses. It is on this simple math that the efficiency of health services, the provision of medication, and the timely payment of economic benefits depend.

Figure 7:
Distribution of funds contributed to IPS



Source: Prepared by the authors based on IPS regulations.

Table 9:
Table of wages and salaries in force

Wage and Salary Reference		
General Information	Current Legal Minimum Wage	Gs. 2.289.324
	Monthly = calculated over 30 days	30
	Daily = calculated over 26 days	26
	Estimated number of weeks in the month	4
	Working hours per day	8
	Weekly working hours	48
Information for Monthly Workers	Daily wage	Gs. 76.311
	Hourly wage	Gs. 9.539
	Number of days available to work	7
	Monthly hourly load	240
Information for Day Laborers	Daily workday	Gs. 88.051
	Hourly wage	Gs. 11.006
	Number of days available to work	6
	Monthly hourly load	208

Source: Own elaboration based on labor and social security regulations.

Table 10:
Distribution of contributions based on the current legal minimum salary

Distribution of IPS Contributions (calculated in reference to the SMLV as of March 2022)		
Employer contribution to IPS (A)	16,5%	Gs. 377.738
Worker contribution to IPS (B)	9,0%	Gs. 206.039
Contribution to IPS based on 25.5% of the minimum wage	25,5%	Gs. 583.778
Contribution Received by IPS	23,0%	Gs. 526.545
Illness and Maternity Fund	39,1%	Gs. 206.037
Retirement and Pensions Fund	54,4%	Gs. 286.177
Administrative Fund	6,5%	Gs. 34.331

Source: Own elaboration based on labor and social security regulations.

However, this supplement was not allocated to the retirement fund, and the workers' contributions were distributed across their actual income in the same month. One of the consequences of this type of special regime with a differentiated base taxable income is that they directly impact the accumulation of time worked towards retirement, since they do not add up to the full four weeks of contributions per month. Working for fewer “countable” days, requires workers to take on extra jobs in order to reach, within a month, the equivalent of 30 days worked or 26 days per month at the standard contribution level. For example, a worker with a single part-time job working 32 hours per week, only accumulates 66.6% of the monthly contribution required for retirement, which is equivalent to 2.6 weeks of contributions. For each hour of work below than the maximum established for this modality, the accumulation of time for retirement decreases proportionally.

On the other hand, by establishing the employer's Health Fund supplement (Sickness-Maternity), part-time workers' contributions are “topped up” to the monthly 4-week contribution requirement, that is to 100% of the monthly contribution required for benefits access. This means that the waiting periods for medical services, medicines, health, and paid leave for sickness, occupational accidents, and maternity are computed and accessible just as would be for a worker with a monthly salary.

As mentioned above, the role of the employer's supplement in cases of part-time employment in the context of this new contribution schema was agreed to by the main social actors due to the need to cover workers' immediate health- and maternity- related risks.

This implies that social workers must be registered with social security in each job they take on, and that their activities across the various modalities of daily, full-time, and part-time work all contribute to their access to long-term benefits such as retirement or pensions.

Figure 8:
Contribution and computation of time accrual of full-time workers in social security

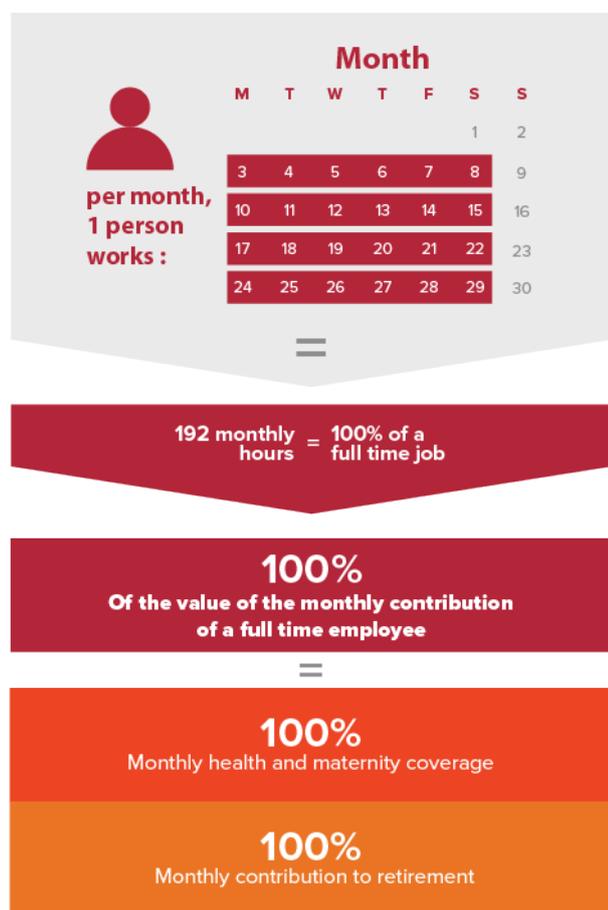


Figure 9:
Contribution and computation of accrual of contribution time of part-time workers in social security.



Source: Own elaboration based on labor and social security regulations.

Note: The hourly wage is calculated on the daily wage divided by 8.

Apart from this last modality, there is another concept mentioned in the law on time-based domestic work denominated “pluri-employment.” This concept refers to situations in which a worker has more than one job with different employers which, taken together, generate income below the minimum wage. When this situation is detected by the social security contribution system, no single employer has to pay the differences between a worker’s actual contributions and the minimum legal contribution, rather the difference is prorated among the various employers. This is subject to the rule that all of the various income streams are and are lower than the minimum, as documented by the agreed-upon contract modality.

In cases where a condition of pluri-employment doesn’t exist, yet a worker’s income falls short of the minimum wage, it is the employer’s obligation to cover the differences necessary to complete the legal minimum established by law, including both the shortfalls in employer and employee contributions.¹⁹

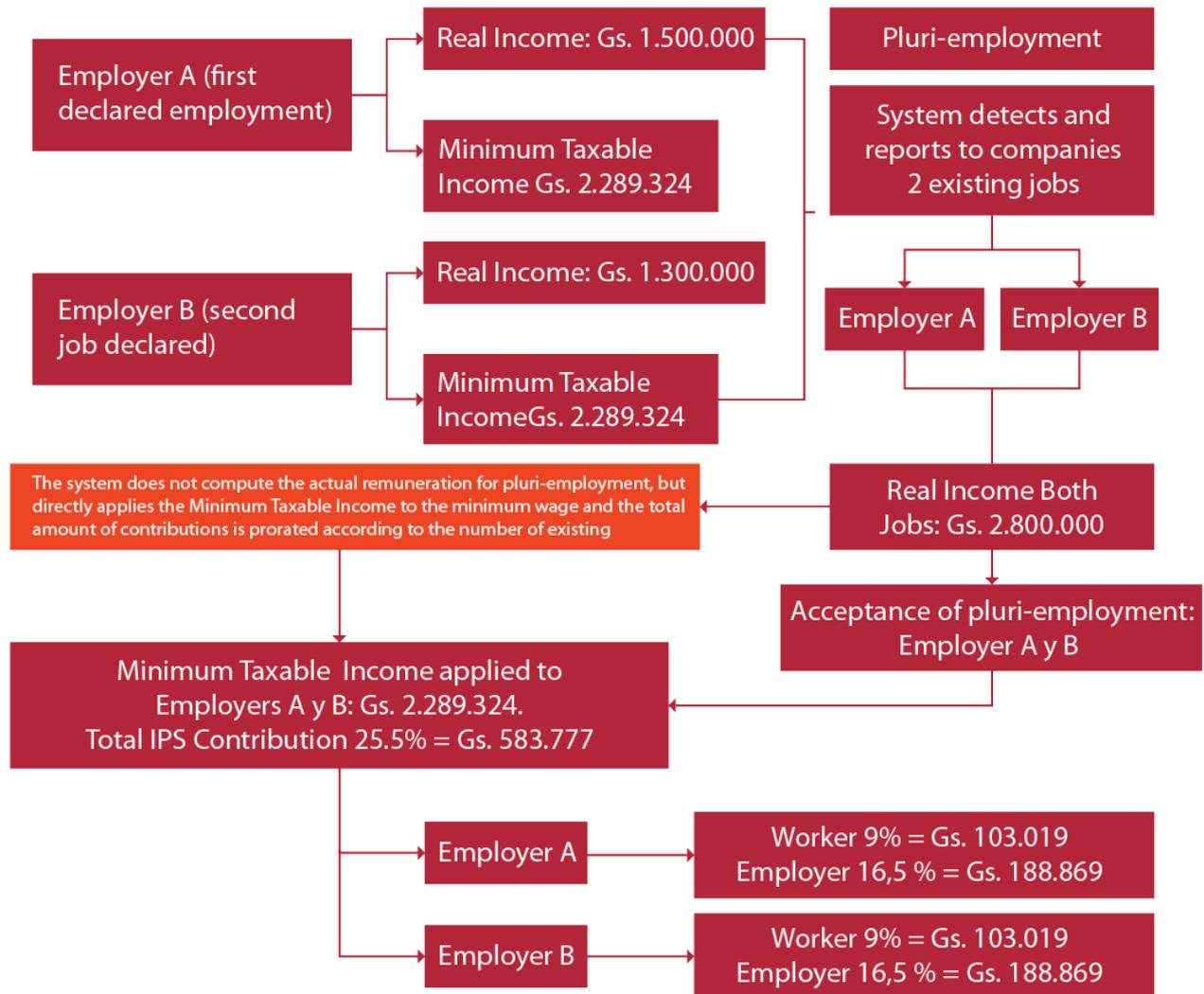
¹⁹ According to the rule covering employers’ withholding of employee’s contributions, withholdings are set at 9% of workers’ real pay, and in no case can withholdings be made to exceed this to complete standard SMLV-based withholdings.

The pluri-employment modality does not create an exception to standard, minimum wage -based social security contribution as it the part-time modality does. Rather it allows for the declaration of income from multiple contracts based on a variety of payment modalities, such as daily wages, piecework, and commission. The shortfall in contributions is then prorated among the various employers so that the monthly minimum contributions required to access social security benefits is reached.²⁰

It is important to highlight that the determining factor for accessing the pluri-employment modality for social security is the payment form and amount agreed upon by the parties in the employment contract. Once the sum of the salaries reaches the minimum taxable income threshold, the four weeks of contributions are reached automatically, regardless of the days actually worked, and the minimum taxable income rate is applied to all jobs declared. Contributions are prorated among the various employers, and the tax rate is set at the minimum wage -rate for all jobs.

²⁰ The pluri-employment modality is applicable only when the workers' income for each job worked is lower than the SMLV, since the intention is that workers' contributions be made based on at least one SMLV so that they can meet the minimum contribution threshold for health benefits and reach the full four weeks monthly contribution level necessary for the calculation and accumulation of long-term benefits, in addition to reaching the ⁵⁰ weeks that are equivalent to one year of contribution. Therefore, the pluri-employment modality is not applicable when the individual income streams, or one of them, exceed the SMLV.

Figure 10:
Conformation of pluri-employment



Source: Own elaboration based on labor and social security regulations.

However, there is a certain incompatibility between the types of payment modalities outlined by the Domestic Employment Law (hourly, daily, weekly and monthly) and the insurance modalities that allow for the registration of domestic workers in the social security system (part-time and general regime). As such, it is important to point out that daily-wage modality is not available when insuring domestic workers, which means that employers either have the option of registering workers under the minimum wage modality or the part-time work modality.

Table 11:
Types of insurance for domestic employment registration.

Payment Modality	
Domestic Work (Law N° 5407/2015, Article 6)	
Hourly	Applies
Daily	Applies
Weekly	Applies
Monthly	Applies
Piecework	Doesn't apply
Per project	Doesn't apply

Source: Own elaboration based on labor and social security regulations.

Table 12:
Type of contributors by regime

Type of Contributors to the General Regime - Domestic Work				
Contributor Type	Applies/Does Not Apply	Minimal Taxable Income	Contribution Table	Complement
General Contributor	Applies	Minimum wage	9% - 16,5%	No
Part Time Contributor	Applies	Equivalent to 64 hours in a month	9% - 16,5%	Yes, employer responsibility
Day Laborer Contributor	Does Not Apply			
Pluri-employment	Applies (More than 2 employers)	Minimum wage	9% - 16,5%	Contribution prorated among employers

Source: Own elaboration based on labor and social security regulations.

Social security registration under the general mandatory regime of the *Instituto de Previsión Social (IPS)*, which previously did not cover domestic workers, grants access to the following benefits:

- Health system, which includes health coverage and medicines.
- Allowances for common sick leave.
- Monetary benefits for work-related accidents.
- Maternity allowance
- Retirement and Pensions
- Other benefits established by law.

Access furthermore means that domestic workers may enroll their spouse, minor children, adult children with disabilities, and older relatives who are economically-dependent on the policy-holder as dependent beneficiaries.

4.3. Other labor market institutions involved in domestic work

Among the other institutions that are relevant to the paid domestic work labor market, we can list: social actors, policies, and social programs that directly or indirectly affect the barriers to formalization in the sector. This wide range of actors includes governmental actors, aid agencies, social organizations, academia, private enterprise and, of course, the community networks that provide care.

The greater regulation puts government institutions in a more active role vis-a-vis the fulfillment of legal mandates beyond those established in the Labor Code. On the other hand, the actors identified in this mapping exercise, such as academia, the media, social organizations and trade unions, have played an important role in raising social awareness relating to this sector.

4.3.1. Government institutions

In order to understand the network of relations between national government agencies and the State, it is essential to revisit the Integrated Strategy for the Formalization of Employment in Paraguay (EIFEP) 2018-2023, a public policy that comprises a series of actions to be implemented by government agencies in an articulated and comprehensive manner. The central actor leading the implementation of this policy is the Ministry of Labor, Employment and Social Security (MTESS) and other institutions. The MTESS is the governing and supervising institution for labor regulation in Paraguay. In terms of labor formalization, two directorates are involved in this task: the General Directorate of Social Security and the General Directorate of Labor Inspection.

1) The role of the General Directorate for the Promotion of Working Women is also noteworthy. Since 2014, this directorate mainly serves the domestic work sector through legal and technical advice to employees and employers on the applicability of the law on maternity, paternity and breastfeeding allowances. The *Emplea Igualdad* Plan "*Emplea Igualdad*" aims to empower women via a focus on labor rights, and a training plan administered by the National Service for Professional Promotion (SNPP) and the National System for Training and Labor Skilling (SINAFOCAL).

2) A notable initiative among the communication strategies for the formalization and promotion of labor rights, is the *Programa Canal Ciudadano*, a videoconferencing space with interactive, participatory channels devoted to issues around formalization on Wednesdays and to social security topics on Fridays. Additionally, the current Department of Labor Affairs, formerly known as the Center for Attention to Domestic Workers, in the past exclusively served this sector. With the enactment of the new regulations, the department's service was extended to other sectors, and it focused its actions on women workers and gender equity in labor relations. In this regard, it registers and mediates instances of gender-based violence.

3) The National Service for Professional Promotion (SNPP) is linked to the MTESS. Its purpose is the implementation of occupational policy. To this end, it carries out trainings in response to labor market conditions. In 2019, the SNPP launched the inaugural *Domestic Service Assistant* course. The course content includes: Duties and Rights, Self-care, First Aid and Safety Rules, Interpersonal Relations and Soft Skills, Basic Cooking, Personal Finances, Early Childhood Assistance, Assistance to the Elderly, General Housekeeping.

The Tripartite Commission for Equal Opportunities, which involves governmental representation from the ILO and domestic workers' unions, is outstanding achievement in the area of social dialogue. It is in this space that the regulations and norms for domestic employment were agreed upon. The Instituto de Previsión Social (IPS) is the institution responsible for administering social security in Paraguay. Its objective is to expand social security coverage in a country with a high percentage of informality. Given the Domestic Work Law, which implies domestic workers' incorporation into social security, supervision of contributions from this sector are no longer handled by the Special Regimes area of IPS. This is because, as of 2019, domestic workers already fully enjoy access to health and retirement benefits with the minimum wage as a base. Within the IPS, the Labor-Management Directorate together with the Social Security Directorate of the MTESS, follow up on the enrollment of workers from various sectors.

The Ministry of Women's Affairs is the governmental body in charge of gender policies. It is currently coordinating the implementation of the IV National Equality Plan (PlaNi) 2018 - 2024. This plan establishes the regulation of the labor situation of the most vulnerable women workers, including rural workers, home-based workers and, in general, informal workers, as an objective. The plan is aimed at extending the coverage of the social security system to the most vulnerable sectors, including informal workers and homemakers. The Ministry of Women's Affairs leads the Interinstitutional Steering Group for the development of the Care Policy. This interinstitutional body was formed by Executive Decree No. 1783/19, which mandates the formulation of the National Care Policy as a pillar of the Social Protection System.

In 2018, the "Vamos" Social Protection System was launched. This public policy aimed to expand access to health and education systems; improving the population's employability; productivity and participation in economic growth. It seeks to address vulnerable sectors in each of the stages of peoples' life-cycle. This intervention strategy has three basic pillars: 1) social integration; 2) labor insertion issues related to labor regulation; and 3) social security, with a focus on contributory and non-contributory policies.

4.3.2. International and aid organizations

- 1) The International Labor Organization (ILO). The ILO's role in providing technical assistance to paid domestic work is highly recognized. The first milestone was the technical support given towards the ratification of Convention 189 on Decent Work for Domestic Workers by the Paraguayan government. As a result, tripartite roundtables have been convened between the government and the domestic workers' unions. The ILO's support of trade union organizations has been constant and decisive. This linkage has brought trade union organizations into contact with other regional networks. In September 2020, a training session was held with five trade union organizations in this sector, with the support of the International Domestic Workers' Federation (IDWF). In addition, the ILO ensures compliance with conventions ratified by Paraguay.
- 2) UN Women has been another key player. It has strengthened domestic workers' organizations under two programs: the Joint Program for Opportunity: *Youth, Capacities and Opportunities for Social Inclusion*, and the regional *Race, Ethnicity and Gender* Program. Both programs sought to increase domestic workers' awareness of their rights and to build organizational capacities. UN-Women also provides technical support to the care policy initiative working group.

4.3.3. Unions

The trade union movement in Paraguay is comprised of workers' union centrals mainly integrating public sector unions. According to López and Loza (2019), the *Sindicato de Trabajadoras Domésticas del Paraguay* (SINTRADOP) was founded in 1960 as an association and became a union in 1989. During interviews conducted with female union leaders, internal struggles within the trade union centrals were cited as an early battle ground for advancing their sectoral interests.

SINTRADOP was inactive for years until 2010, when it was reactivated by its current leadership. At present, it operates mainly in two cities: Asunción and Lambaré (López and Loza, 2019). From its beginnings, this union proposed the creation of a daycare center for members' children, highlighting the complementarities between productive and reproductive work.

The *Sindicato de Trabajadoras Domésticas de Paraguay-Legítimo* SINTRADO-L, was formed through a scission from SINTRADOP, and is based in Barrio Sajonia in the city of Asunción. This union actively supported the wage equalization law and currently supports the application of prorating schemes for domestic workers who work on a daily or hourly basis.

The *Sindicato de Trabajadoras Domésticas y Afines de Itapúa* (SINTRADI) was born in 2008 obtained its legal status and a few years later. It brings together women from Caaguazú, Limpio, Ypané, Capiatá, Remansito, and Asunción. In other words, it concentrates its activities in the south of the country. It has been affiliated with the *Central Unitaria de Trabajadores Auténtica* (CUT-A) since 2012.

The unions SINTRADO-L, SINTRADESPY and SINTRADI work together on issues of legal assistance and training for the defense of labor rights. The radio program *Doméstica Ñe'ẽ, La voz de las trabajadoras domésticas*, managed by SINTRADO-L and SINTRADESPY, has been an important tool to this end²¹. The radio program offers legal advice from lawyers from organizations such as the Paraguayan Human Rights Coordinator (CODEHUPY) and the Center for Documentation and Research (CDE).

Other existing union initiatives include the *Asociación de Empleadas Domésticas del Paraguay* (ADESP) in Misiones, the *Sindicato de Trabajadoras Domésticas y Afines* (SINTRADA), the *Sindicato de Trabajadoras Domésticas Indígenas del Chaco Central* (SINTRADINDI), and the *Central Unitaria de Trabajadores Auténtica* (CUT-A).

Some of these unions are linked to the Latin American and Caribbean Confederation of Domestic Workers (COLACTRAHO). SINTRADI is the only Paraguayan organization affiliated with the International Domestic Workers Federation (IDWF).

²¹ The media have played a fundamental role in raising social awareness of paid domestic work, but union representatives not that, at the beginning, they questioned their struggle and promoted stigmatizing views. For this reason, they opted for their own means of communication, such as their radio program.

4.3.4. Civil society organizations and Academia

The Center for Documentation and Research (CDE) was founded in 1985 to support various dissemination, training, and research initiatives in the social sciences. Its Women's Area, which specializes in the defense and promotion of women's rights, as well as in advocating for their enforcement, stands out. It is under this program that sustained support for women's labor rights and care policy initiatives has emerged. Union representatives acknowledge the sustained support of the CDE towards the achievement of the Domestic Work Law, and highlight the Center's support via trainings on labor rights for the key unions, legal advice, support at technical roundtables, and the production of country reports on the subject. The organization also conducts a series of research on paid and unpaid domestic work. The CDE is a member of the Emancipatory Feminist Economy Working Group of the Latin American Council of Social Sciences (CLACSO), which promotes academic spaces such as the International Seminar titled "Struggles and Alternatives for an Emancipatory Feminist Economy," which fosters dialogue between activists and academics in Paraguay.

The *Coordinadora de Derechos Humanos del Paraguay* (CODEHUPY) is a network of social organizations working towards the defense of human rights. It presents an annual report on human rights in Paraguay, which in recent years has included chapters on domestic work conditions in the country. The connections it fosters among organizations allows for an active support network, principally for legal assistance and rights training.

The *Centro de Análisis y Difusión de la Economía Paraguaya* (CADEP) is one of Paraguay's main regional authorities on the topics of macroeconomics, international economics, employment and poverty, MSMEs, and regional development. Although it has not directly carried out research on domestic work, it does provide data on the labor market and its actors.

Academia

The research on the paid domestic work sector has been carried out largely by NGOs such as those mentioned in the previous section. In Paraguay generally, the development of an academic social scientific establishment is in its infancy. Notwithstanding the important trajectories of individual researchers and small communities of inquiry, the institutionalization of the social scientific research community is still in a developmental phase and needs to be strengthened.

Given this context, the formation of two working groups at the recently founded National Faculty of Social Sciences of the University of Asunción—the "World of Work" group and the "Gender Studies" group, which function as spaces for dialogue and reflection among researchers, teachers, and students—stand out as important developments.

Also, the PROCENCIA program of the National Science Council (CONACyT) has financed research on employment, labor, and social inequality in the country.

4.3.5. Private Sector

Although by definition, private cleaning service companies are not representative of domestic employment, these companies operate in a services and labor market that is closely linked in terms of specialized services they provide. These private agencies provide housekeeping, food, and specialized care services for each stage of the life cycle, and they represent an employment option for domestic workers. Some domestic workers interviewed commented that they have been temporarily employed by private companies.

Cleaning agencies offer services by the hour or day for homes and/or offices. The employer's contractual agreement passes through an intermediary company known as a cleaning agency. These agencies offer, among their services, the cleaning of residences, with monthly plans of 1-3 8-hour work days per week. Some companies have formalized their employees based on the current minimum wage. The people employed by these agencies are sent on a daily and indistinct basis to work in a given house or office. This breaks the logic of labor dependency based on "permanence," "trust," and "loyalty" to a single employer that is observed in paid domestic work.

4.4. Social norms and the cultural understandings of paid domestic work

This section describes the social norms that shape cultural views of paid domestic work, and is based on the voices of the sectors' key actors. Various methodological tools were used, and the fieldwork involved four categories of actors: employers in the sector were engaged via a non-probabilistic survey on information and valuation of domestic work; paid domestic workers (unionized, formalized and non-formalized) were engaged via interviews, workshops and cultural probes; and finally, academics and representatives from the public sector were engaged via interviews on initiatives related to paid domestic work.²²

The application of these methodological tools yielded empirical observations on the social norms underlying employment practices in domestic work and the cultural construction of these norms:

- Most of the interview respondents, workshop participants, and survey respondents, qualified domestic work as a task performed mainly by women. Stereotypes and discriminatory practices based on gender, ethnicity, age, origin, among others identifiers, persist, reinforcing the idea that domestic work is a highly socially devalued form of "women's work." In addition, the actors observe a wage gap compared to men who perform domestic chores or other forms of day-labor: *"To me it is unfair—I see in my work that electrician comes just to change the light bulb and they pay him 100 thousand, and then pay me that much for 8 hours. And I say it is unfair because I work more. And they don't protest if they [male workers] do something wrong, but if I arrive a little bit late, they tell me "you arrived late" and I can't leave at my normal hour and I have to stay longer to make up those hours I arrived late. That's unfair, that hurts me"* (C2.F2.T1. 14-2021)

²² The survey was conducted during the month of September 2021 and reflects the profile, knowledge about social security, registration procedures and perceptions about domestic work of 101 people who hire domestic services.

- The women interviewed noted the persistence of the practice of *criadazgo*, a form of indentured service. Older workshop participants (over 40 years of age) refer to the practice of *criaditas* as a way of entering the labor market and leaving one's community of origin, where access to education and job opportunities was lacking. Most mention that they were first employed as domestic workers between the ages of 10 and 12, and were commonly sent to work with families with the promise of receiving education, shelter, and food in exchange for "help" in the home. As one interviewee stated: *"I am 52 years old. I started working as a domestic worker when I was 10 years old. I came from the interior of the country when I was 10 years old and then I started working"* (C2.F1.E1.17-06-2021). *The social relations implicated in criadazgo blur working children's family ties and shape their future labor relationships.*
- Despite entering the labor market at an early age, few workers report having access to social security and most of the interviewees see access to retirement rights as something very distant: *"If God gives me health, I plan to continue working until I am 60 years old, if I am lucky. And enjoy my home, and I have hope for my children, maybe I will turn to my children again, because I do not have insurance"* (C2.F2.T2 20-08-2021).
- The interviewees articulated views on alternative forms of social security provided by their employers: *"For me, the safety net is that your employers provide you with security and understanding: when I get sick I can't complain about my employers, they buy me medicine and give me time off without discounting my pay, since I don't have IPS, I have never had a complicated situation until now"* (C2.F2. T2.S4 08-2021).
- Notable among the results of the employer survey is the weak social recognition of paid domestic work as "work" due to the notion of "help" that socially defines paid domestic work. Of those surveyed, only 41.6% consider the person hired for domestic work to be a person "who works", 36.6% consider them to be a person who "helps" in the home and the remaining 21.8% consider them to be part of the family. In addition, one of workshop participants voiced the social definition of the paid domestic work as a help rather than a job: *"Before, people didn't even talk about domestic workers, you were a person who helps... you are anything but a worker".* (C2.F2.T1. 14-08-2021)²³
- The survey also indicates a high level of ignorance about formalization and the administrative processes involved: 44.5% of employers do not know social security registration of part-time work is possible, or believe it is optional. As for the documentation required for registration, 51.5% either do not know that written contract should be signed when hiring a domestic worker or believe the opposite to be true. Other answers show a lack of awareness regarding whether payment for domestic work can be deducted from VAT or income tax.

²³ A non-probabilistic sample survey was carried out. Therefore, the results are not representative of the total population and refer in particular to the persons included in the survey. The survey was voluntarily self-reported by 101 employers, identified by their interest in learning about paid domestic work, having the potential to formalize domestic employment, and whose chief characteristics include residing in Asunción and the Central Department (97%), having undergraduate and graduate studies (89%), and having an average age of 39 years.

- The participants in the workshops were mostly young mothers from single-parent households who have to raise their children alone. Domestic work becomes one of the first employment options, due to the naturalized feminization of domestic work. Self-sacrifice is a value on which their self-representation is built and which underpins their persistence in domestic work: *"I have 6 children, I am married but separated, practically a single mother, I live with my children and I have been working as a domestic employee for 17 years now. My children are my strength and my weakness, I am a very hardworking mother (C2.F2.T2 21-08-2021).*
- Most workers agree that "trust" is a key factor in the worker-employer relationship. Having "the employer's trust" gives the worker a level of autonomy in the performance of household tasks without the employer's constant supervision. This fact reveals a point in favor of the employee's ability to negotiate working conditions with their employer; although enrollment in IPS is usually achieved after years of working with the employer. Trust is first achieved when complete care of the living space is delegated to the worker. One employer confirms the recognition of trust as the main value added to paid domestic work: *"We no longer look at whether or not she does well, she is completely trustworthy. Today, for us, trust is more important than anything else. If she doesn't clean up well, if she doesn't dust every day, that's the least of it. Trust is what counts. She (the employee) practically runs the house" (C2.F1.E5 21-06-2021).*
- During the workshop with domestic workers, they discussed compliance with other labor rights, such as respect for working hours, payment of Christmas bonuses, and vacations. Most of them work long hours, often without any limits on their working hours, and without the possibility of taking leave for vacations or holidays. Until recently, the maximum working day was 12 hours, as opposed to 8 hours in other sectors. This occurs most frequently in situations of live-in domestic work.

One element that deserves special attention in relation to domestic work conditions and social norms is the naturalization of hidden forms of violence or mistreatment in the workplace:

- The interviews conducted with the domestic workers reveals that warnings and complaints can turn into verbal aggression, since complaints and warnings about worker performance manifests as shouting and yelling at workers, psychologically affecting these workers. It was noted that this practice is more common towards young people or girls who have recently joined domestic work.
- Another aspect mentioned in the interviews refers to acts of discrimination and violence due to workers' poor command of the Spanish language. Conflict can arise when an employer assigns tasks. Workers' lack of understanding due to their poor command of the language leads to repeated warnings or reprimands. As one interviewee stated, *"I had a lot of discrimination because of my language, because I speak Guaraní and I don't speak much Spanish, as I always say to them, I am just now understanding. Before, I didn't understand. And it was very difficult for me to understand my employer. So in that sense, the discrimination was greater because of my language" (C2.F1.E1 17-06-2021).*
- The interviewees pointed out that "fear" limits the exercise and enjoyment of domestic workers' rights. For example, despite knowing about the existence of the new legislation on paid domestic work and wage equalization, there is still a fear of

demanding compliance with the eight-hour working day or payment of the current minimum wage: *"I haven't even dared to ask for it. I am not paid monthly, I am paid per day, and that is why, if I ask, they will not give me"* (C2-F2. T2. 21-08-2021).

Despite the entrenched nature of some of these social norms, organized social pressure has become a powerful force for advancing the fulfillment of rights; thanks to unions, laws have been passed. These actions had a positive impact on their workers' consciousness, strengthening their sense of identity as domestic workers.

Relatedly, there is a sense of generational change with regard to labor relations. It is noted that today there is access to rights, which was obtained thanks to organizing by workers: *"Not in my time, more than 35 years ago, when we started working, you accepted everything... then you got paid what you got paid and nothing else. I didn't understand many things until a long time later, and that is why I organized myself and started to organize my colleagues and I said someday things will change, and those who come after us must be different"* (C2. F2.T1.14-08-2021).

5. Summary of findings from the discovery phase

The study identified that paid domestic work is an extension into the labor market of the unpaid domestic work historically performed by women. The literature review points to the economic importance of care work in the home, and the quantitative data show that women spend three times as much time on unpaid domestic chores as men, which is the main reason for women's economic inactivity (44%).

The study's review of quantitative allows us to understand structural features of paid domestic work, which is marked by: the high degree of feminization of the sector, the highest rate of labor informality across all sectors, an average hourly wage that is among the lowest across all sectors, and precarious working conditions with long working hours and a high degree of turnover.

The analysis of the regulatory frameworks shows recent and continued progress towards improving labor rights access in the domestic work sector, specifically via the standardization of the legal minimum wage for the sector, the extension of access to all social security benefits to the sector, and the inclusion of legal concepts such as part-time work with access to social security.

Finally, this study made it possible to delve into the structure of the social and cultural norms that shape domestic work and to identify the following barriers to the formalization of the paid domestic work sector:

- Low inspection/audit capacity: first, due to the legal complications of carrying out inspections in private homes, and second, because working hours are often long or work is done under the “live-in” modality, which makes it difficult to gather information on possible non-compliance with regulations on working hours and/or functions. In addition, workers are structurally isolated from their peers, which makes communication and organization in the sector difficult.
- Low awareness of the rights and obligations of domestic workers: the rapid introduction of new regulations was accompanied by an important communication effort. However, a broad informational campaign regarding these rights and obligations is still needed. Based on the interviews conducted, we note that there is a lack of awareness of rights and obligations on the part of both workers and employers. This issue must be addressed in order to ensure compliance and the enforceability of rights.
- Low awareness of regulations on the part of domestic work employers: the evidence gathered suggests that this low level of awareness is due to the rapid pace of regulatory change and to the low social valuation of domestic work, which is linked in turn to historical patterns of discrimination in the sector.
- Low awareness of the processes for accessing rights: according to the interviews and the survey conducted, there is low degree of awareness regarding the mechanisms for registering domestic workers and effecting their monthly contributions, coupled with a perception by employers that procedures are highly difficult.

- The persistence of discriminatory social and cultural norms. The evidence gathered in the report suggests that cultural attitudes negatively affect the social valuation of domestic work and consequently affect domestic workers' access to rights.

6. Learning questions

How do we raise awareness about paid domestic work, the barriers to its formalization, and possible ways to overcome these barriers? In order to move towards practical and actionable answers to these questions, this paper concludes by enumerating several learning questions about the issues identified in the diagnostic report. These questions will guide an exploratory process for the development of interventions that can encourage the formalization of paid domestic work, as well as a subsequent experiment that will assess the impact of one of these interventions. At the same time, these questions serve to frame empirical and applied research from public institutions, civil society, and academia that seeks to address the challenge of formalizing paid domestic work.

The first learning question refers to the legal framework, which has undergone several modifications in recent years. In this regard, it is important to find out more about the degree of ignorance of the regulations. We also ask how ignorance of the regulations affects the formalization of domestic work.

The second learning question is focused on enrollment in social security. This question asks what subjective and objective factors related to actors' awareness and assessments affect enrollment in social security. Mechanisms and procedures have been established that employers must comply with in order to effect enrollment. In this sense it is important to verify the degree of employers' awareness of these procedures. We also ask to what extent do ignorance of the procedures and perceived red-tape affect enrollment in the IPS. More specifically, we ask what mechanisms can be improved and implemented to streamline the procedures for enrolling domestic workers in IPS.

The third leaning question relates to labor market institutions, such as domestic workers' unions, which in recent years have grown and developed into important actors in the social debate on decent work in the domestic sector, while also functioning as training centers on rights and on negotiation skills. We ask in what ways can these organizations' emergence as important social actors modify established cultural beliefs that mark labor relations in domestic work?

Within other market institutions, there are notable efforts by organizations and companies that have developed and are developing actions for the professionalization of paid domestic work, efforts that may favor a more positive social valuation of paid domestic work. The learning questions that arise from this approach are: how can the establishment of care work systems and policies favor the professionalization and formalization of paid domestic work? And, is there a demand for the professionalization of paid domestic work by the sector that employs domestic workers?

Finally, we raise questions about the crosscutting impact of persistent social and cultural norms that devalue reproductive work, and the way in which this cultural schema affects the development of labor relations in paid domestic work. The key question we raise regarding this point is: how can we transform the social and cultural practices that sustain the low valuation of paid domestic work? Relatedly, what are the most persistent cultural elements of these schema and what the keys to transforming them?

Given this perspective, we raise a few more questions: what are the main beliefs of employers regarding domestic work; how do these beliefs affect the formalization and valuation of domestic work by the employer sector; and finally, what are the main barriers to formalization identified by employers and what are their proposals for overcoming them?

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