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policy analysis on growth and employment



Informal employment and labour market policies. The case of domestic workers in Uruguay.

RESEARCH PROPOSAL

Presented to

Partnership for Economic Policy (PEP)

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SECTION I – RESEARCH

1.1. Abstract (100 to 250 words)

In recent decades there has been a systematic increase in the participation of women in the labour market, however women have been largely incorporated in occupations with unfavorable working conditions.

The high incidence of precarious employment among women has been associated with the need to reconcile paid and unpaid work as well as with the persistence of occupational segregation. In this sense, the domestic and care work sector concentrates 14.4% of employed women, which can be partially explained by women's responsibilities as a product of the traditional sexual division of labour. Therefore, given the high representation of this sector among female employment, it has a crucial role in improving working conditions among women and in reducing global gender gaps in wages and informality. In this context, Uruguay has been a pioneer in the implementation of labour regulation for the domestic work sector.

In this paper we study the effects of these recent policies in the domestic work sector on informality, employment and wages through a quasi-experimental methodology: difference-in-

differences.

Evidence in this research will contribute to the understanding of effects of public policies by analyzing if labour regulation at the domestic work sector has materialized into effective and substantial improvements in working conditions, so as to continue making progress towards greater equality between men and women in the Uruguayan labour market.

1.2. Main research questions and contributions

In recent decades there has been a systematic increase in the participation of women in the labour market. While the male activity rate has remained stable, the female one has increased by nearly twenty percentage points between 1981 and 2015. This meant a significant reduction in the gap in labour participation between men and women, although it still remains high: in 2015 the employment rate was 55.4% for women and 73.0% for men.

The integration process of women in the labour market has been characterized by a strong occupational segregation, defined as the concentration of women and men in certain occupations. Women have been largely incorporated in occupations with unfavorable working conditions, with lower wages that persist after decades of increasing female labour participation (Amarante & Espino, 2008). Precarious employment conditions faced by women have been associated with the need to reconcile the workload of paid and unpaid work as well as with the persistence of occupational segregation (Amarante & Espino, 2008).

Social security coverage is a key element of welfare analysis associated with employment, as it is crucial for access to other rights such as health, safety against risks and income security in old age, among others. While in recent years the informality gap between men and women has been reduced, there is still a high percentage of women who do not have social security coverage. In particular, domestic workers suffer a high social vulnerability: while about 75% of employed people in 2015 contributed to social security, this percentage drops to 47% for the specific sector.

The sector of domestic workers has been associated with women's responsibilities as a result of the traditional sexual division of labour. In this sense, it is constituted as the sector with greater female representation: 99.3% of the people employed in the sector are women and this represents 14.4% of total women employment (MTSS, 2014). The feminization of the domestic work sector has devaluated this occupation, associated with lower wages and higher levels of informality (Batthyány, 2012). The high representation of this sector among female employment makes it a key sector for improving the working conditions of a high percentage of women and for reducing global gender gaps in wages and informality between men and women.

In addition, it is possible to observe differences in working conditions according to different characteristics including age, education level and region of residence. First, there are significant differences by age in the percentage of women employed in different activities of the sector. There is a higher percentage of young women who perform tasks care of children, while in the tasks associated with care of sick people, there is a higher concentration of women over 60 years. Meanwhile, the highest percentage of women employed on domestic tasks corresponds to that between 30 and 59 years old. One can see that both, the average hourly wage as the percentage that contributes to social security, is higher for women doing housework respect to performing care

tasks, both children and people with illness (MIDES forthcoming).

Meanwhile, if the hourly wage and the percentage of occupied contributing to social security by educational level is analyzed, it is observed that, as increasing the level of education, the wage earned per hour and the percentage of contribution social security also increases. Finally, it is possible to observe meaningful differences according to the region of residence. In particular, in regions where the percentage of women employed in the sector is higher (Northeast and Litoral West) is where the average hourly wage and the percentage of contributors is lower. On the other hand, in the metropolitan area it is where the hourly wage achieved is higher (MIDES forthcoming).

Our country has positioned itself as a pioneer in the region with the implementation of labour and social policies that promote regulation and formalization of domestic workers (OIT, 2016).

In 2006 Law No. 18.065 regarding domestic work is passed, prepared jointly by the Ministry of Labour and Social Security (MTSS), Ministry of Social Development (MIDES), Social Security Institute (BPS) and business chambers. This law implied a substantial change in the labour regulatory framework for domestic workers, not only because it involved equal rights compared with other workers, but also for fixing wages through collective wage bargaining, legislation on hours of work and determination of inspection mechanisms, among others.

In relation to wage policy, regulation on minimum wages existed in Uruguay since 1943, although separately for private, rural and domestic workers. However, as well as in several Latin American countries, they were not effective to operate on the determination of wages ensuring minimum levels (Marinakis, 2014). In 2006, the minimum wage regain importance and collective wage bargaining between the state, business chambers and workers was reinstated. Both facts were extremely important in increasing work market regulation and empowerment of workers.

In particular, with regard to the domestic work sector, it was included in the collective bargaining system in 2008. This forced the strengthening of social and political subjects of negotiation, in particular, the Domestic Workers Union (SUTD). That year the Wage Council fixed a minimum wage and determined dissemination policies to promote the formalization of workers. Since then, it has continued fixing minimum wages and fiscalization mechanisms for the eradication of informality of domestic workers.

In 2012, through Law No. 18.899, Uruguay becomes the first country in the world to ratify the ILO 189 Convention on decent work for domestic workers (OIT, 2015), which placed Uruguay in an advanced position.

Despite the aforementioned progress, labour inequalities still prevail regarding the domestic work sector, making it essential to analyse recent changes in labour regulation to ensure further progress towards greater equality in the labour market and contributing to the full exercise of rights among workers.

All in all, a set of policies towards improving the quality of work in the domestic work sector has been observed in the last few years, as mentioned before: implementation of inspection mechanisms to disincentive informality, wage fixing through collective bargaining and legislation on work hours. Ideally, these policies would result in an increase in wages and formality, and in a reduction of working hours. Nevertheless, undesired effects have been documented in the literature and therefore, these policies could have had mixed results on the aspects intended to improve initially.

An increase in minimum wages could affect informal workers negatively, since the minimum wage only operates on the formal sector. In addition to this, an increase in inspection mechanisms could result in a reduction on employment or wages, since moving from an informal to a formal working relationship results in an increase in the employment costs, therefore the employer may reduce the previous wages, working hours or even end the working relationship to avoid the additional costs. This could ultimately result in a rise on domestic worker's multiple employment to compensate income reduction or in a displacement to other economic sectors. The set of policies evaluated generate a rise on the employment cost through different paths: increase of net income, costs of formality, which can also be seen as an increase of gross income, and payment of extra hours. Thus the importance of impact evaluation to determine the effects of these type of policies on workers' wellbeing.

In this context, the main objective of this project is to study the effects of this set of policies aimed at improving working conditions at the domestic work sector, through the following specific objectives:

- i) Estimate the effects of labour policies to promote regulation of domestic workers over wages, employment, formality and multiple employment, between 2006 and 2015 in Uruguay.
- ii) Estimate the existence of heterogeneous effects by age, level of education, region, income quintiles, among others of interest.
- iii) Understand the processes and mechanisms behind the effects of the analyzed labour policies and recognize opportunities and challenges for further progress in the sector.

Evidence about the possible consequences of raising minimum wages has become a topic of interest as well as controversial. It was not until 1990 that research in economics began to question the mainstreaming on the impact of minimum wage on employment and income.

However, the existing literature is not decisive regarding how favorable or unfavorable is the application of minimum wages. On one hand, there are studies which found that an increase in the minimum wage does not produce adverse effects on employment (Card & Krueger, 1994; Lawrence, Katz & Krueger, 1992; Dickens, Machin & Manning, 1999; and Stewart, 2004: cited in Campos et al, 2015 and Groisman et al, 2015) and on the other hand, some studies found that an increase in the minimum wage reduces employment of less skilled workers (Neumark & Wascher, 2008; Manning, 2012: cited in Campos et al, 2015 and Groisman et al, 2015). More recently at the regional level it has resurged the debate on the effectiveness of these instruments in economies with segmented markets. In particular, Latin American studies have generated evidence on the impacts of the minimum wage in economies with high levels of informality, finding mixed effects on employment, formality and income (Groisman et al, 2015). The diversity of results found is obviously permeated by the underlying methodological decisions. In our case, as will be seen later, after evaluating different methodologies (Lee, 1999; Neumark, Schweitzer & Wascher, 2004) we follow Card (1992) and Dinkelman & Ranchhod (2012) mainly due to the data availability.

Although there is mixed literature at international and regional level about the impacts of minimum wages, there is no evidence on the effect of these policies for the Uruguayan case. While evidence indicates that employment levels have decreased in the domestic work sector (Espino, forthcoming),

the hypothesis is that this is due to the shift of workers to better paid sectors caused by years of sustained economic growth. The reduction in the proportion of younger and more qualified women among domestic workers is in line with this hypothesis. Meanwhile, in relation to the formalization, the hypothesis is that dissemination campaigns and collective wage bargaining have generated the desired effects on informality. The channels on the side of supply are the increased awareness and the incentive to be formalized and have access to the benefits achieved through collective bargaining, and on the demand side the channels are the sustained income increasing and the employers fear for greater fiscalization.

The findings of this study will contribute to generate evidence on whether policies have had the desired effect and, in this sense, shed light to the improvement of national policies to promote the formalization of domestic and care workers. In addition, given Uruguay's pioneer role in the implementation of these kind of policies, the results will be learnings for replication in other countries of Latin America.

1.3. Methodology

The main objective of this research is to analyse the effects of the changes in labour regulation of the domestic work sector, specifically the introduction of collective bargaining since November 2008. Therefore, the main challenge regarding the methodological approach is to identify the causal relationship between new labour regulations that result in a significant increase of the minimum wage and a subset of relevant output variables: wages, employment, formality and multiple employment. Considering the analysed period, the minimum wage for the domestic work sector increased 96% between January 2008 (pre-reform) and January 2015, while the national minimum wage (NMW) increased in 70%, resulting in the domestic work sector having a minimum wage 20 percentage points higher in comparison with the NMW by the end of the period. In addition to this, informality in this sector was reduced considerably (from 69,9% in 2006 to 47,0% in 2015). Both factors resulted in an increase in the price of domestic workers, explained by gains in net salary and by social security contributions.

Firstly we will estimate before and after summary statistics regarding log hourly wages, weekly hours of work, number of workers, informality (workers without social security), and multiple employment in the domestic work sector. Secondly, we will estimate the causal effect of the increase in the price of domestic workers on the aforementioned variables through a quasi-experimental strategy: difference-in-differences. This methodology allows to measure policy effects in the context of a natural experiment, taking advantage of the fact that the intensity of treatment varies across regions, since the minimum wage and social security contributions are set at national level but the percentage of workers below this minimum wage and without social security are significantly different. In addition, it does not require panel data at individual level, which is a major advantage in our case since that type of data is not available in Uruguay with national representation.

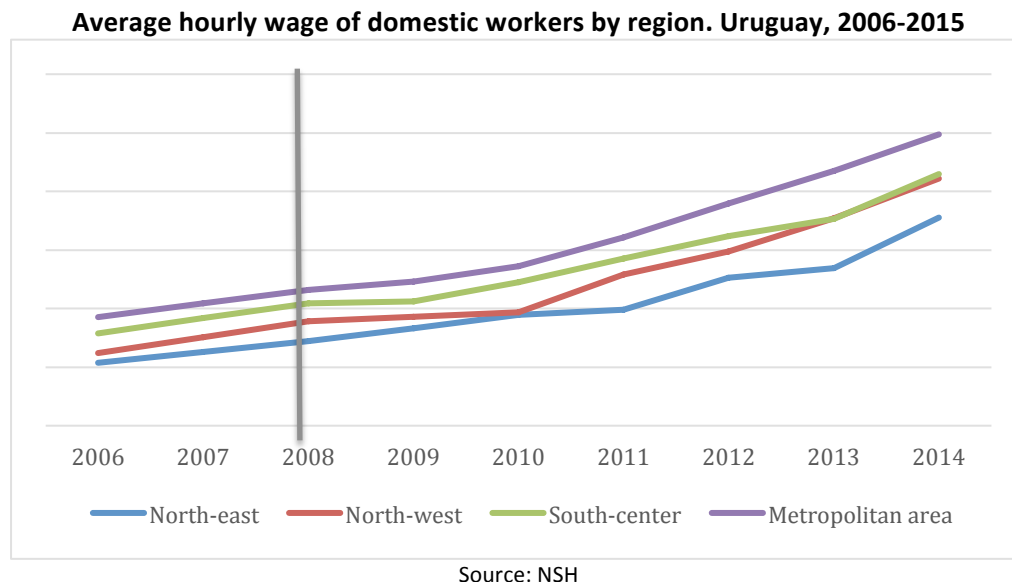
In order to apply difference-in-differences we follow Card (1992) and Dinkelman & Ranchhod (2012). The former constitutes the key reference in the introduction of treatment intensity in a difference-in-differences regression to analyse the effects of an increase in the minimum wage, while the latter is closely related to the objective of our study, as it analyses the effects of the introduction of a minimum wage in the domestic work sector of South Africa, using that same methodology.

The key identifying condition in using difference-in-differences is that in absence of treatment the different groups would have parallel trends, measuring the policy effect as deviations from the common trend, controlled for observable variables. This methodology does not rely on similar unobservable factors among groups, as long as they present the same evolution across groups. In the present study the groups are defined as clusters of Uruguay's 19 departments, defined by a national study of the domestic work sector from the Ministry of Social Development (MIDES forthcoming), as follows:

- North-east: Rocha, Treinta y Tres, Cerro Largo, Rivera, Artigas and Tacuarembó.
- North-west: Salto, Paysandú, Río Negro, Soriano, Flores and Colonia.
- South-center: San José, Florida, Durazno, Lavalleja and Maldonado.
- Metropolitan area: Montevideo and Canelones.

As can be seen in the following graph, previous to the intervention (2008) heterogeneity in wages can be observed across regions, in addition to parallel trends across time. After the intervention,

trends appear to differ not only in levels but in different slopes as well.



The different gaps across regions between the observed wage and the minimum wage is the crucial aspect of the identification strategy when using difference-in-differences with intensity of treatment. The policy effect is estimated through the comparison of output variables before and after the changes in regulation between groups with lower and higher original gaps. In our case, the intensity of treatment for each geographic cluster is constructed using two options. The first following Dinkelman & Ranchhod (2012):

$$Wage\ gap\ (WG)_j = \log(\text{minimum wage}) - \log(\text{median}(w_{j\ PRE}))$$

Where:

minimum wage is the wage set for the domestic work sector through collective bargaining
median($w_{j\ PRE}$) is the median wage for cluster j in the period before collective bargaining

The second option considers all the costs faced by the employer (the net salary and the social security contributions), and estimates the difference observed in the price of domestic workers compared to the one resulting from the minimum wage. The former is computed considering the net salary for informal workers and the net salary plus social security contributions in the case of formal workers. The latter is calculated considering the social security contributions associated with the minimum wage.

$$\begin{aligned} Price\ gap\ (PG)_j &= \log(\text{price of minimum wage domestic workers}) \\ &- \log(\text{median}(\text{price of domestic workers}_{j\ PRE})) \end{aligned}$$

The reason why we have decided to incorporate an alternative gap construction in the Uruguayan case is to evaluate the set of policies aimed at the domestic work sector as a whole, since they all contributed to an increase in the cost of hiring domestic workers through the formal market, therefore increasing not only net wages but also the price of hiring domestic workers from the

standpoint of the employer. Minimum wage policy and collective wage bargaining increased formal net salaries, the increase in inspection mechanisms generated incentives to transition from informal contracts to formal ones, adding social protection contributions as extra costs (which can be seen on gross salaries), and regulation on working hours increased the cost of the marginal hour after standard hours of work. Consequently, considering only the gap in net salaries could result in an underestimation of the difference in the before and after costs of hiring domestic workers, which is what the set of undertaken policies considered as a whole ultimately affected.

The pre-policy period is defined from January 2006 to October 2008, while the post-policy period is defined from November 2008 to December 2015. 2006 is taken as the initial year since the National Household Survey (NHS) has national coverage (including small cities and rural areas) since the mentioned year.

We estimate a difference-in-difference regression for each outcome in the domestic work sector:

$$(1) \log \text{hourly wages}_{ijt} = \alpha_0 + \alpha_1 \text{POST}_t + \alpha_2 \text{GAP}_j + \alpha_3 \text{POST}_t * \text{GAP}_j + X_{ijt} \gamma + v_{ijt}$$

$$(2) \text{informality}_{ijt} = \alpha_0 + \alpha_1 \text{POST}_t + \alpha_2 \text{GAP}_j + \alpha_3 \text{POST}_t * \text{GAP}_j + X_{ijt} \gamma + v_{ijt}$$

$$(3) \text{weekly hours}_{ijt} = \alpha_0 + \alpha_1 \text{POST}_t + \alpha_2 \text{GAP}_j + \alpha_3 \text{POST}_t * \text{GAP}_j + X_{ijt} \gamma + v_{ijt}$$

$$(3) \text{employment}_{ijt} = \alpha_0 + \alpha_1 \text{POST}_t + \alpha_2 \text{GAP}_j + \alpha_3 \text{POST}_t * \text{GAP}_j + X_{ijt} \gamma + v_{ijt}$$

$$(4) \text{multiple employment}_{ijt} = \alpha_0 + \alpha_1 \text{POST}_t + \alpha_2 \text{GAP}_j + \alpha_3 \text{POST}_t * \text{GAP}_j + X_{ijt} \gamma + v_{ijt}$$

Where:

i is the individual, *j* the cluster of departments and *t* the period

POST_t is a dummy variable that equals to one for the period Nov. 2008 – Dec. 2015

GAP_j can be either *WG_j* or *PG_j*

X_{ijt} is a group of controls for each individual: age, years of education, racial origin and income quintile

v_{ijt} is the error term

The parameter which accounts for the causal effect by measuring the difference in the change of the output in groups with low and high wage gaps (or price gaps) is α_3 . Regarding the outputs we expect a coefficient significantly different from zero in the log hourly wages and informality, while the hypothesis concerning employment, weekly hours and multiple employment are undetermined. As stated before, the sign of the coefficients in log hourly wages and informality could be either positive or negative: informal wages could have decreased as a result of the implemented policies, and formality could have increased due to a rise in the costs associated with formal contracts. In this sense, employment on the extensive or the intensive margin could have decreased as a result of the extra costs for the employer, which can be measured through equations 3 and 4, which could in turn generate an increase in the sector's unemployment, a displacement to other economic sectors, or an increase on multiple employment. This latter effect could be explained by an increase in the amount of employments together with a reduction of working hours for those workers who remain on the

sector, which could allow employers to maintain hiring costs and employees to maintain salaries, and will be specifically measured through equation 4.

Since the estimation relies on grouped variables (the gap only varies at department level), conventional standard errors are not suitable because they ignore intra-group correlation. We use Donald & Lang (2007) suggestion to estimate adequate standard errors in the case of grouped variables with a small number of clusters (Angrist & Pischke, 2008).

The causal inference potential of the evaluation model is threatened by two concerns: mean reversion in wages and systematic different macroeconomic shocks. Following Dinkelman & Ranchhod (2012), we propose to do a placebo test by checking if the difference-in-difference coefficients are also significant in the same estimation model but taking into account the evolution in wages of other sector in which the evaluated policies have no influence at all.

In addition to the quantitative design presented above, we intend to make a complementary analysis through a qualitative design. A discourse analysis will be performed through semi-structured interviews to qualified informants. In particular, we will interview domestic workers who are part of the labour union and others who are not, ex-workers, as well as state agents from the Ministry of Labour and Social Security and the Social Security Institute. Through interviews we expect to obtain information regarding the perception of changes in the sector, as well as opportunities and challenges for further progress, and to shed light into the processes and mechanisms behind the quantitative results.

The selection of the sample of domestic workers will be made through a theoretical sampling based on the results obtained from descriptive analysis of the National Household Survey. The snowball method will be used from the first contacts until reaching saturation of information.

1.4. Data requirements and sources

The analysis is based on information from the National Household Survey performed by the National Institute of Statistics covering 2006-2015. The survey provides information at household and individual level, and is representative of the entire population. Survey weights for 2006 to 2012 are benchmarked to projections based on the 2004 Census, while survey weights for 2013 to 2015 are benchmarked to projections from the 2011 Census. The National Household Surveys from 2006 to 2015 can be analysed as repeated cross sections, given their comparability and representativeness in terms of survey design.

The main objective of this survey is to provide information about employment, unemployment, underemployment, hours of work, income, duration of unemployment, industry, occupation, status in employment and level of education.

Sample selection and key variables

The sample size will allow us to describe and understand the employment situation of domestic workers for the pre and post-reform period. The NHS is the only survey available source Uruguay that combines information regarding workers' characteristics and their labour situation (hours, formality, wages, and others), which also covers the period of analysis.

Our sample includes all women, 14 years or older, who declare being employed at the domestic work sector. This implies people who work at the economic activity denominated "Activities of Households as Employers of Domestic Personnel" (International Standard Industrial Classification of All Economic Activities, ISIC), belonging to one of the following occupations (International Standard Classification of Occupations, ISCO):

- 5311: Child Care Workers
- 5322: Home-based Personal Care Workers
- 5162: Companions and Valets
- 9111: Domestic Cleaners and Helpers

The main modification in the NHS throughout the period of analysis is the change in the classification of activities and occupations. In 2012 the survey began to use the ISIC Rev. 4 and the Rev. 2008, instead of the 3th revision of ISIC and 1988 ISCO.

The survey contains information about all income sources, including a wide set of questions regarding monetary and non-monetary labour income, for the primary and secondary job. In addition to this, the sampling is stratified with optimal allocation for household per capita income and unemployment rate, which increases precision of income estimators.

The NHS also captures hours of work in primary and secondary job through the question "How many hours do you usually work in a week?" which allows us to create hourly wage measures. It also provides information regarding contributions to social security in primary and secondary job (i.e. informality) and number of current jobs.

The fundamental variables for the analysis included in the survey are:

- Workers characteristics: sex, age, level of education, family arrangement, geographic region.
- Work characteristics: hours, wage, informality and multiple employment.

As stated before, the analysis will be done through the construction of regions that are the addition of departments with similar characteristics (MIDES (forthcoming)). It is important to understand that the sample size for each department is not large enough in order to make inference with the desired confidence, therefore adding excessive variability to the estimations. The total sample size of domestic workers for the period under study was 4000 cases on average per year, and this have declined in recent years.

Additionally, there is homogeneity within each region and heterogeneity between the different regions in working conditions in this sector. So, despite the differences in the characteristics of domestic workers in the regions under analysis, it should be noted that in the analysed period there were not differential macroeconomic shocks across regions that could have affected the work domestic sector through a direct or indirect path.

Sample summary statistics.

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sample size	Household with domestic workers	85.313	49.163	50.397	46.936	46.550	46.669	43.839	46.622	48.583	45.391
	Domestic workers	8.133	4.968	5.075	4.721	4.603	4.600	4.149	4.133	3.998	3.468
Percentage employed as a domestic worker		17,6	17,6	17,2	17,0	16,9	15,6	15,3	14,4	13,5	12,9
Weekly hours of work		30,0	29,4	29,3	29,1	29,9	28,9	28,2	28,5	28,6	28,6
Relative hourly wages at the domestic work sector (100=women's wages occupied in other sectors)	Total	55,3	57,3	59,4	56,4	56,6	58,4	62,4	63,6	67,1	66,6
	North-east	48,9	49,4	50,0	54,0	55,1	50,8	58,6	55,9	70,8	70,0
	North-west	49,6	56,1	62,5	61,3	54,0	61,5	65,5	67,7	71,4	67,0
	South-center	65,1	69,0	72,9	55,0	64,6	66,8	62,2	65,7	69,0	71,2
	Metropolitan area	58,5	59,5	60,4	58,8	58,4	60,0	65,6	66,8	67,2	67,3
Percentage of workers without social security	Total	66,9	65,6	64,4	64,0	62,7	59,5	56,3	52,7	48,1	47,0
	North-east	75,3	74,7	76,4	76,7	76,3	75,9	73,2	71,2	62,6	60,0
	North-west	60,8	60,6	61,3	60,7	57,7	57,4	57,4	51,3	49,7	49,5
	South-center	67,3	66,5	64,3	64,0	65,1	61,8	54,6	52,9	47,7	46,9
	Metropolitan area	66,1	64,1	61,9	61,1	58,7	54,3	51,0	47,1	43,6	42,6
Number of employments for domestic workers	1 employment	79,8	81,1	80,7	82,42	81,4	80,9	79,8	81,1	80,7	82,42
	2 employment	15,7	14,7	14,8	12,73	13,5	14,8	15,7	14,7	14,8	12,73
	3 or more emp.	4,5	4,2	4,5	4,8	5,0	4,4	4,5	4,2	4,5	4,8

SECTION II – CAPACITY BUILDING

2.1. List of team members

Name	Age	Sex	Training and experience
Alma Espino	63	F	Degree on Economics. Her main research fields are labour market, macroeconomics and gender. She is the Department Coordinator on Development and Gender at the Interdisciplinary Centre for Development Studies, Uruguay (CIEDUR) since 1997. She is the Responsible of “Gender and Economics”, an optional matter to undergraduate student at the Facultad de Ciencias Económicas y de Administración - University of the Republic since August 2011.
Soledad Salvador	47	F	Master’s Degree on Economics. Her main research fields are labour market, care economy and gender. She is a Principal Researcher of the Development and Gender Department at the Interdisciplinary Centre for Development Studies, Uruguay (CIEDUR) since 2002. She is Tutor in the Virtual Seminar “Economy and Gender” of the Master in Gender, Society and Policies FLACSO Argentina .
Karina Colombo	29	F	Degree on Economics and master student in Economics at the University of Republic (UdelaR), Uruguay. She has expertise on social development analysis and has participated in courses of Impact Evaluation. She is Head of the Department of Analysis and Social Studies of the Ministry of Social Development.
Sharon Katzkowicz	27	F	Degree on Economics and master student in Sociology at the University of Republic (UdelaR), Uruguay. Her major field of interest is Social Economics and Gender Equality. She is research assistant on economics in the Women’s Institute of the Ministry of Social Development.
Gabriela Pedetti	30	F	Degree on Economics and master student in Demography at the University of Republic (UdelaR), Uruguay. Her major field of interest is social development and statistics. She is Head of

			the Department of Social Statistics and Programs Observatory of the Ministry of Social Development.
Martina Querejeta	27	F	Degree on Economics and master student in Economics at the University of Republic (UdelaR), Uruguay. She has expertise in database management and micro-data analysis. She is research assistant on economics in the evaluation and monitoring area of the Ministry of Social Development.

2.2. Expected capacity building

<p>The project will foster the research capacity among CIEDUR members and it will enhance the quality of the debate on public policies surrounding these issues by disseminating research findings through different ways (a website facilitating access to project outputs and data including visualization tools, the local media, seminars and capacity building workshops).</p> <p>CIEDUR has an important knowledge about the features of Uruguayan labour market and formal and informal employment. In particular, we have studied this sector in 2006 and in 2016. The project will allow knowing in a rigorous way the impacts of the legislative reforms on domestic workers.</p> <p>It will be important for career development of young researchers, as it is an explicit objective of the project to strengthen the skills and career of the young researchers not only in the econometric analysis but also in the communication strategy and dialogue with stakeholders. Furthermore, the interdisciplinary perspective will improve her ability to teamwork.</p>
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Name	Benchmark and expected capacity building
Alma Espino y Soledad Salvador	They will serve as advisors throughout all project process. Will collaborate in the development of the project in an interdisciplinary perspective due to the contemplation of various theoretical approaches of economics, demography, sociology and political science.
Karina Colombo	The research will significantly enhance her knowledge of the methodological approaches. She will acquire expertise to generate econometrics estimates with a certain level of difficulty, which will be useful for her master degree.
Sharon Katzcowicz	The project will strengthen her skills of policy recommendations as well as the analysis, contemplating economics and sociological approaches. Furthermore, she will deepen her knowledge about labour regulation policies, its origins, legal process and application.
Gabriela Pedetti	The research will significantly enhance their knowledge of the econometrics approaches proposed to evaluate the impact of labour regulation on wage, informality, and employment. Soon she will begin

	her master's thesis so the project will be very useful facilitating the understanding and application of econometric analysis
Martina Querejeta	This project will deepen her knowledge about the characteristics of labour regulation policies in Uruguay and the region as well as will strengthen her econometrics skills. Soon she will begin her master's thesis project so this work could guide the choice of topic and continue the line of research that arise.

Indicate which specific tasks each team member would carry out in executing the project.

Name	Task and contribution to the project
Alma Espino	Alma will be the researcher leader of the project team. She will be responsible for coordinating the research process, including the literature review, econometric analysis and preparation of partial and final reports.
Soledad Salvador	Soledad will be the responsible of the policy engagement and dissemination strategy. She will establish the consultation and communication with the government and academic stakeholders.
Karina Colombo	Karina will focus on the review of methodological approaches to estimates the effects of formalization policies on labour markets outcomes. She will be responsible for the design of difference in difference models and the analysis of the econometrics results.
Sharon Katzcowicz	Sharon will be responsible of the review of evidence on the impacts of formalization policies on labour markets outcomes. In terms of the methodological approach she will focus on the qualitative interviews to experts as well as it analysis. She will participate in the final policy recommendations.
Gabriela Pedetti	Gabriela will be responsible of the creation and management of the survey databases for statistical processing and econometric analysis. She will participate in the discussion of the econometrics results and the preparation of partial and final reports.
Martina Querejeta	Martina will focus on the review of evidence from Latin America on the impacts of formalization policies on segmented labour markets. In terms of the methodological approach she will be supporting the design of difference in difference models as well as the analysis of the results.

2.3. List of past, current or pending projects in related areas involving team members

Name of funding institution, title of project, list of team members involved.

Name of funding institution	Title of project	Team members involved
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International Labour Office (OIT)	Results of legal reforms for workers and domestic workers.	Alma Espino.
International Development Research Center (IDRC)	Enhancing women's economic empowerment through better policies in Latin America.	Alma Espino and Soledad Salvador.
International Development Research Center (IDRC)	Proposing new methods to measure women's economic empowerment in Latin America.	Alma Espino.
International Labour Office (OIT)	Social dialogue and gender equality in Uruguay.	Alma Espino and Gabriela Pedetti.
International Labour Office (OIT) and Central Workers's Union (PIT-CNT)	Labour and gender observatory.	Alma Espino, Soledad Salvador, Gabriela Pedetti and Martina Querejeta.
UN Women	The invisible basis of social wellbeing. Unpaid work in Uruguay.	Soledad Salvador.
Faculty of Economics and Administration-University of Republic	Occupational segregation and its impact on gender wage gaps.	Sharon Katzkowicz and Martina Querejeta.
Ministry of Social Development	Domestic workers and quality employment. Profile of domestic workers and job characteristics.	Sharon Katzkowicz.
Ministry of Social Development and Office of Planning and Budget (MIDES-OPP)	Labour and gender. Evolution of indicators in Uruguay.	Sharon Katzkowicz, Gabriela Pedetti and Martina Querejeta.
Sectorial Commission for Scientific Research (CSIC)-University of Republic	Rural Collective Bargaining System in Uruguay: impact on workers.	Karina Colombo and Gabriela Pedetti.
International Labour Office (OIT)	Seasonal workers in Uruguay.	Soledad Salvador, Karina Colombo and Gabriela Pedetti.
National Agency of Research and Innovation (ANII)	Child poverty in Uruguay: characterization and determinants from a dynamic perspective.	Karina Colombo.

SECTION III – POLICY ENGAGEMENT

3.1. Policy context and needs

In recent years there has been a significant decrease in the percentage of informal workers, both men and women: in 2013 the percentage of workers who contribute to social security come to 75 %.

In this context, an important contrast in the domestic work sector is observed. This sector does not seem to have maintained the same trend as the rest of the economy and the percentage of workers who contribute to social security does not reach 50%.

As mentioned above, Uruguay was a pioneer in the region when it comes to the regulation of domestic work sector. At the present time, the sector has labour rights legislation, three collective agreements that update the minimum wage, but nevertheless its effectiveness has not yet been evaluated. Even though the sector has evolved positively, increasing the number of posts contributors and the average wage level (MTSS, 2013), they are still prevailing unfavorable conditions in this sector and, consequently, strong inequalities between men and women in the market work.

Additionally, is necessary to stand out the high heterogeneity of tasks in the domestic sector, and the different skills associated with them. However, through the collective agreements the sector is seen homogeneously and these differences when negotiating awards are not reflected. Thus, labour categorization of persons employed in the domestic sector is extremely relevant.

In this sense, from the Law 19.353 that creates the National Integrated Care System, it is proposed as an objective the professionalization of care tasks through training. This means an opportunity for the re-categorization of the domestic sector, in particular care tasks seeking to make visible and valorize the sector, economically and socially.

In the same way, we must consider that in a context of sustained economic growth accompanied by an increase in female labour force participation, and the lack of development of the National Care System, it is expected that women employed in the domestic sector leave to others looking for more favorable working conditions. Again, the re- categorization of the domestic sector and care becomes a key to the recovery of the sector and ensure changes are sustained over time.

Finally, it is worth noting that the above regulatory changes were in a favorable economic situation, which could lead to improvements in the labour market and in particular the sector analysed. It is worth considering whether changes correspond to labour advances in regulatory matters or they are the result of the favorable situation facing the country.

Through this work, we aim to generate information that contributes to the study of the direct effects of the policy on formality, employment and wages. It is intended to provide input as a basis for the evaluation of public policy, analyzing to what extent legal developments as regards working conditions in the sector have materialized into effective and substantive progress, in order to continue moving towards greater equality between men and women in the Uruguayan labour market.

3.2. Consultations to date

Name	Title	Institution	Email
Gabriel Lagormarsino	Economist. Member of the directory.	Social Security Institute (BPS)	glagomarsino@bps.gub.uy
María José González	Economist.	Ministry of Labour and	mjgonzalez@mtss.gub.uy

	Director of the Market Labour Observatory.	Social Security (MTSS)	
Ivonne Pandiani	Advisor of the directory.	Social Security Institute (BPS)	ivonne.pandiani@gmail.com

3.3. Identify target audiences

Name	Title	Institution	Email
María José González	Economist. Director of the Market Labour Observatory	Ministry of Labour and Social Security (MTSS)	mjgonzalez@mtss.gub.uy
Sara Paysée	Coordinator of the Gender Commission of the Ministry and the Tripartite Commission for Equal Opportunity and Treatment in Employment.	Ministry of Labour and Social Security (MTSS)	spaysee@mtss.gub.uy
Ivonne Pandiani	Advisor of the directory and Coordinator of the Gender Commission of the Institute.	Social Security Institute (BPS)	ivonne.pandiani@gmail.com
Gabriel Lagomarsino	Economist. Member of the directory and responsible for the issues related with the National Care System.	Social Security Institute (BPS)	glagomarsino@bps.gub.uy
Libia Ferone	Responsible for labour market issues.	National Institute of Women of Uruguay (INMUJERES)	lferone@mides.gub.uy
Cecilia Capel	Responsible for care system issues.	National Institute of Women of Uruguay (INMUJERES)	ccapel@mides.gub.uy
Milagro Pau	Responsible for the Gender Equity Department.	PIT-CNT (the labour unions)	pauher@adinet.com.uy

Bertha Sanseverino	National Representative and member of the Feminine Bicameral Group	Parliament	bsanseverino@parlamento.gub.uy
Constanza Moreira	National Representative and member of the Feminine Bicameral Group	Parliament	cmoreira@parlamento.gub.uy
Mónica Xavier	National Representative and member of the Feminine Bicameral Group	Parliament	mxavier@parlamento.gub.uy

3.4. Define outreach and engagement strategy

The dissemination strategy involves frequent dialogue with policy makers, local media, labour leaders and unions, universities, and NGOs to enhance the quality of the debate on how to improve jobs and working conditions for women in the domestic work sector. In the process of knowledge production, the research work will be accompanied by the exchange of ideas and feedback from core actors in women's and feminist organizations, women's state agency, and national government. In this way, researchers will obtain first-hand accounts of key actors' expectations, previous knowledge and interests. Only by maintaining close communication with the potential users of the research, can the research team be highly informed of the needs of these stakeholders. This methodology will allow the researchers to adapt and re-adapt the work in process in order to fulfill the demands of the actors, and at the same time will ensure the effective linkages of key users and stakeholders to the project.

We will request interviews to María José González (Ministry of Labour and Social Security) and Gabriel Labomarsino (Social Security Institute) to inform them about the project's objectives. In addition, we will hold interviews with the following organizations: Tripartite Commission for Equal Opportunity and Treatment in Employment, whose members belong to the National Institute of Women (Libia ferone), Ministry of Labour and Social Security (Sara Paysée) and the Gender Equality Department from the Central Workers' Union (PIT-CNT), among others; Feminine Bicameral Group of Parliament; and Gender Commission of the Social Security Institute (BPS). The aim of this first contact is to inform relevant actors of the project's objectives and receive comments and first impressions. In addition, we will establish referents for future exchange meetings and for the presentation of the final results.

3.5. Outline your preliminary dissemination strategy

Name	Title	Institution	Email
Ana María Mizrahi	Journalist	Host of the program "Dimensión Uruguay", which analyses current and relevant social issues in our country. Channel 5.	anamizrahi@gmail.com
Soledad Legaspi	Journalist	Host of the program "La mañana". Channel 5.	soledadlegaspi@gmail.com
Agustina Larrosa	Degree in Communication	National Institute of Women	alarrosa@mides.gub.uy
Joel Rosenberg and Ricardo Leiva.	Journalists.	Hosts of the radio program "No Toquen Nada" (Océano FM), with high audience and national coverage.	sueleiva@gmail.com
Pablo Messina	Economist.	Member of the work cooperative "Comuna", which holds a column at the weekly newspaper "Brecha".	elauti@gmail.com

Outline your preliminary dissemination strategy.

As dissemination strategy, it intends to make a project launch with stakeholders as the previously mentioned actors. Then, during the project it will be a series of workshop with the Domestic Workers Union, the government stakeholders as well as with the business chambers in order to communicate progress and obtain a feedback.

As products once the investigation is completed, a series of seminars will be conducted to communicate the results achieved:

- Seminar for academic audience
- Seminar for government authorities, trade unions , women's and feminist organizations

In addition to the seminars, it is proposed to participate in the annual feminist economy conference, in order to share the experience and continue with the analysis. As a result of the investigation, an article will be prepared to send to a refereed journal, as well as a policy brief with key recommendations to present in the seminars and a brochure to spread in the Workers Union. All products and the dissemination of the seminars will also be conducted by the website of CIEDUR.

SECTION IV – OTHER CONSIDERATIONS

4.1. Describe any ethical, social, gender or environmental issues or risks that should be noted in relation to your proposed research project.

The qualitative and quantitative strategies of this project should follow international ethical considerations. This research will not put at risk individuals interviewed neither physically nor psychologically. In order to minimize any type of risk, we will use data that follows high standard ethical considerations and ensure the confidentiality of people interviewed for the qualitative analysis.

4.2. References and plagiarism:

Applicants should be very careful to avoid any appearance of plagiarism. Any text of three or more consecutive words that is borrowed from another source should be carefully contained between quotation marks with a reference to the source (including page number) immediately following the quotation. It is essential that we be able to distinguish what you have written yourself from what you have borrowed from elsewhere.

Note also that copying large extracts (such as several paragraphs) from other texts is not a good practice, and is usually unacceptable. For a fuller description of plagiarism, please refer, for example, to the following website:

- <http://writing.yalecollege.yale.edu/advice-students/using-sources/understanding-and-avoiding-plagiarism>

PEP will be using a software program to detect cases of plagiarism.

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