

# **Domestic Workers: How to Give Them Their Due**



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## ABSTRACT

The paper dwells on the solutions to the problems faced by domestic workers. It analyses the steps taken by the government of India. The research findings indicate that informal sector is better for the domestic workers than the formal sector for their welfare. It then goes on to study two different models of formalisation, which might be of great assistance in solving the problems of domestic workers in the informal sector

## INTRODUCTION

Domestic work is gaining importance as a source of occupation today. While domestic work was not insignificant in India before independence, the demand for domestic workers has drastically increased in India since independence. In pre-modern times, domestic workers were mostly associated with rich aristocracy like kings in the medieval era and landlords in the colonial era. But in independent India, despite the era of kings and landlords coming to an end, the demand for domestic workers is increasing<sup>1</sup>. This increase is mainly due to increased demand from the middle class in India.

However, till date, the relationship between a domestic worker and employer, as Sagarika Ghose has said, is “urban India’s most unresolved relationship. A relationship that goes to the heart of the inequality that every affluent Indian unthinkingly accepts.”<sup>2</sup>Since home is not seen as a workplace, a typical domestic worker is not recognized as a worker, but as a servant who takes care of the household. In my own personal interviews with employers and the domestic workers, the employer is seen as a ‘maalik’ rather than an employer who hires the ‘services’ of the domestic worker.

In recent years many NGOs and workers’ organisations have put pressure on the government to protect the rights of domestic workers. There is no national law for domestic workers, and domestic workers have been excluded from various laws that provide social security benefits for workers in general. Domestic workers do not even enjoy the right to form unions. The government is building on a national policy for domestic workers. However, the main challenge to these laws, when formulated, will be their implementation.

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<sup>1</sup> Ministry of Labour and Employment, Government of India, “Final Report of the Task Force on Domestic Workers”(September 12<sup>th</sup>, 2011), page 44.

<sup>2</sup>SagarikaGhose, “ ‘Servants’ of Destiny”, [www.ibnlive.com](http://www.ibnlive.com)

The implementation of the laws is a challenge because of the informal and decentralised nature of the domestic labour market. This paper analyses whether formalisation of domestic work is feasible, and beneficial.

There are organisations which have aimed at formalising this domestic labour market. These have mostly been placement agencies. But the presence of such organisations has not benefited domestic workers. The employers also pay much more than they would have had they negotiated directly with the domestic workers while still getting the same services. The survey desires to test the hypothesis whether domestic workers negotiating directly with employers have better working conditions than domestic workers working through placement agencies. I have also analysed two social enterprises which have aimed at formalisation of domestic labour market. These are The Maids Company and sSTEP.

## **PROBLEMS FACED BY DOMESTIC WORKERS**

The supply of domestic work absorbs the uneducated and unskilled part of the population which has limited job opportunities. Their low education leads to their limited bargaining power, and consequently, low wages.

The general problems faced by domestic workers include<sup>3</sup>:

- Lack of decent wages and work conditions.
- No uniformity in receiving monetary and non monetary benefits like holidays etc.
- Violence, abuse and sexual harassment at workplace
- Exploitation by placement agencies: The domestic workers who come through placement agencies suffer exploitation. Many even get caught in cases of trafficking (see section on placement agencies)
- Since they are not recognised as 'workers' they do not enjoy access to social security benefits that other workers do, like health insurance, maternity protection and old-age security.

Some, but not all domestic workers are able to have horizontal mobility (i. e. change of place of domestic work), but very few of them have upward mobility because of lack of access to education and skills training.

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<sup>3</sup>Ministry of Labour and Employment, Govt. Of India, Final Report of Task Force of domestic workers, page 46.

Although the employers are educated, yet the traditional notion of a “servant” is deep rooted in their minds. Many of them think that it is justified to look down upon the domestic workers, and there have been numerous cases of employers exploiting domestic workers, both physically and sexually. Very recently, a case domestic work abuse came up in Dwarka locality in Delhi, where a doctor couple had kept their 13 year old domestic help locked up with insufficient food while they were holidaying in Thailand. The other employer-employee relationship may not be so severe, yet things like not letting the domestic worker sit on a chair, not letting them use a toilet in the house are quite common. The employers feel that these workers are not ‘entitled’ to these rights. Verbal abuses are used quite often. The extent of exploitation is more severe in smaller towns than metropolitan cities and in places where a domestic worker is attached with only one employer.

Till now, there is no single law specifically for domestic workers in India. There are two major hurdles to legislations:

- Domestic work is not considered real work; it is just an extension of household services which are not even accounted in the GDP.
- Lack of availability of accurate data: Governments all over the world find it very difficult to estimate accurately the number of domestic workers. Some part-time domestic workers may not report domestic work as their main occupation, as they would take this work occasionally when work is not available in their villages. “There are varying definitions of domestic work in national statistics. Sometimes, sample surveys conducted miss out on domestic workers intensive inhabitations, which remain concealed in slums”<sup>4</sup>.

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<sup>4</sup>Ministry of Labour and Employment, Govt. Of India, “Final Report of Task Force on Domestic Workers”, page 47

## STEPS TAKEN BY THE GOVERNMENT OF INDIA AND ILO

There have been many attempts to regulate the sector since independence. Most of these have failed due to governmental resistance-active or through neglect. The Domestic Workers (Conditions of Service) Bill 1959; All India Domestic Servants Bill 1959; Domestic Workers (Conditions of Service) Bill 1972 and 1977, and The House Workers (Conditions of Service) Bill 1989 are some of the major legislations during the period. However, the government ignored the recommendations of the Committee on the Status of Women in India 1974, and the recommendation of the National Commission on Self Employed Women and Women in the Informal Sector 1988<sup>5</sup>.

Following are the laws which have been enacted till date that offer protection to domestic workers<sup>6</sup>:

### Centre:

1. The Child Labour (Prohibition and Regulation) Act 1986, amended in 2006 to ban the employment of children as domestic workers.
2. The Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979 provides scope for protection of individuals who migrate to cities to work as domestic workers.
3. Domestic workers are included in The Unorganised Workers' Social Security Act, 2008, which provides social security benefits to workers of the unorganised sector.

### State level:

1. Delhi: The Delhi government regulates placement agencies under Delhi Shops and Establishments Act, 1954. "It also seeks to invoke Contract Labour (Regulation and Abolition) Act, 1970". The Delhi Government has drafted "Delhi Private Placement Agencies (Regulation) Bill, 2012", whose copy has been sent to Delhi High Court. The bill requires compulsory registration of all placement agencies of domestic workers. The placement agencies need to keep a record of all the details of their client, domestic workers, and domestic workers' at least one kin. An officer will be appointed to monitor the implementation. Failure to abide by the terms in the bill will lead to cancellation of the license. Any placement agency without a license is banned from placing domestic workers.

2. Tamil Nadu:

Domestic workers were included in the Minimum Wages Act, 1948 in 2007<sup>7</sup>.

<sup>5</sup>Neetha N, "Domestic Workers: Profile and Emerging Concerns", Labourfile.org

<sup>6</sup>RoopaMadhav, "Legal Recognition of Domestic Work", page 1

<sup>7</sup> www.ndwm.org

In 2007, Tamil Nadu constituted the Tamil Nadu Domestic Welfare Board by including domestic workers in the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act 1982.

3. Kerala:

Notification for Minimum Wage Act for Domestic Workers passed on 23<sup>rd</sup> May 2005.

Domestic workers are currently members of the Kerala Artisan and Skilled Workers' Welfare Fund.

The Kerala Domestic Workers (Livelihood Rights, Regulation of Employment, Conditions of Service, Social Security and Welfare) Bill 2009 is distinctive because it attempts to regulate the entire sector in a more comprehensive manner, not merely in terms of wages, social security or placement agencies.

4. Maharashtra:

Maharashtra enacted the Maharashtra Domestic Workers Welfare Board Act 2008. The Act provides for the setting up of a District Domestic Labour Welfare Board with a wide range of functions. These include the registration of workers as beneficiaries; the distribution of benefits to registered workers in the event of an accident; education finances for children; medical assistance in case of ailments of the beneficiary or her dependants; maternity benefits restricted to two children and funeral expenses in case of death of a beneficiary.

5. Others:

The Governments of Bihar, Jharkhand and Orissa have also included domestic workers in their Minimum Wage Schedule.

**Steps taken by ILO<sup>8</sup>:**

On 16<sup>th</sup> June 2011, delegates of International Labour Organisation (ILO) adopted Convention on Domestic Workers, 2011 and a supplementary Recommendation. The Convention recognises domestic work as 'work' and sets international standards for decent working conditions for domestic workers. The two standards will be the 189th Convention and the supplementing 201<sup>st</sup> Recommendation adopted by the Labour Organization since its creation in 1919. The Convention is an international treaty that is binding on Member States that ratify it, while the Recommendation provides more detailed guidance on how to apply the Convention.

## National Policy for Domestic workers

A task force of Ministry of Labour and Employment submitted its final report on domestic workers on 12<sup>th</sup> September 2011. It has framed a draft National Policy for domestic workers which is set to

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<sup>8</sup> www.ilo.org



go to the Cabinet for approval. This is a major step towards formulating an umbrella law for domestic workers.

### **Elements of the National Policy<sup>9</sup>**

The National Policy has recognized the importance and the problems of the market for domestic worker and has emphasized the need for 'inclusion' rather than exclusion of domestic workers in the existing legislations as well as 'supplementing these with legislations specific for domestic workers'.

The National Policy proposes amendments in the existing legislations for workers in general to explicitly include domestic workers. The legislations proposed to be amended are as follows:

1. The Workmen's Compensation Act, 1923
  2. The Trade Union Act, 1926
  3. The Payment of Wages Act, 1936
  4. The Minimum Wages Act, 1948
  5. The Maternity Benefit Act, 1961
  6. The Contract Labour (Regulation and Abolition) Act, 1970
  7. The Equal Remuneration Act, 1976
  8. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- The National Policy provides a direction to Central and State Governments to set up a legislative mechanism in case where existing labour laws don't work properly. In case the existing labour laws don't function well, the central government is required to give reasons for the failure in implementation of the laws, solve the inconsistency through other means including setting up new laws specifically for domestic workers.
  - The National Policy gives the right to domestic workers to register them as workers with the Ministry of Labour and Employment, Government of India. Registering themselves as workers will give them access to rights and benefits that are given to any other worker and also it will give them the right to seek legal remedy in case of dispute with their employer.
  - The National Policy gives the domestic workers the right to form or join any Trade Unions or other organizations.
  - The National Policy gives domestic workers right to decent working conditions by enacting minimum wage laws, establishing number of hours of work, rest periods etc. Moreover, it

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<sup>9</sup>Ministry of Labour and Employment, Govt. Of India, "Final Report of Task Force on Domestic Workers", Page 9

provides social protection and social security benefits like health and maternity benefits, death and disability benefits etc. Inclusion of domestic workers under RSBY scheme will be the top priority. Steps will be taken to set up institutional mechanisms for providing social security benefits.

- For the protection of domestic workers who are seeking work abroad, the policy proposes that the Ministry of Labour and Employment in collaboration with Ministry of Overseas Indian Affairs set up a suitable legislative mechanism so that terms of contract are made clear to the employee before he goes abroad. Also the rights and privileges of the domestic worker should be made clear both to the domestic worker and the employer. The domestic worker will also be made aware of the appropriate helplines, worker organizations, and contact points such as embassies etc.
- The National Policy gives domestic workers right to skill development. State governments are recommended to include domestic work as one of the occupations under state-level implementation of National Skills Development Initiative (a PPP enterprise).
- The Central Government will establish a mechanism for regulation of placement agencies of domestic workers. Till such a mechanism is formulated, all the placement agencies must be registered under the Shops and Establishments Act, 1953. The placement agencies also need to maintain all the records regarding domestic workers and their employers which will be sent for assessment to State Labour Departments.
- For Grievance Redressal, the domestic worker has the right to seek legal remedy, either by himself or through a representative (Trade unions etc. ). The policy also proposes that the Ministry of Labour and Employment shall set up a grievance redressal cell which will provide a single window access for domestic workers to address all their grievances.
- The Ministry of Labour and Employment shall develop a Code of Practice for domestic workers for decent working and living conditions and will create public awareness for this in collaboration with workers' organisations, NGOs and other stakeholders of this sector.

## **CRITICAL ANALYSIS OF THE GOVERNMENT'S NATIONAL POLICY FOR DOMESTIC WORKERS**

The government has sought to protect the domestic workers through a rights based approach. The provisions of the National Policy are very good on paper, but its implementation will pose the biggest challenge. Since the workplace here is a private place, it is not always accessible to legal scrutiny. Any designated authority will not be able to move in a private residence as and when they desire for inspection of the working conditions without the consent of the owner. Moreover, carrying out inspection of each and every household will entail a huge cost, both in terms of time and money.

The aspect of Resident Welfare Associations (RWAs) and employers organising and attending the awareness campaigns is highly unrealistic. The National Policy has proposed that Resident Welfare Associations or the RWAs should be involved in helping the domestic workers connect with the benefits and privileges provided to them by the government and also involve the domestic workers in skill building activities. Employers would not be very willing to make the domestic workers aware of their rights, neither would they encourage them for skill development initiatives. In fact, the members of RWAs who are the employers of domestic workers will be reluctant to promote such skill building activities since skill building activities will provide upward mobility to domestic workers. It will encourage domestic workers to quit domestic work and shift to better jobs requiring more skill. It will also increase bargaining power of existing domestic workers, which the employers would not want to happen.

Trade unions, worker organizations and NGOs find a lot of difficulty in reaching each and every domestic worker. They may expand their activities in cities in medium term, but domestic work is an occupation that extends even to small towns. Accessing each and every domestic worker and making him/her aware of his/her rights will be a major challenge.

It will be very difficult to make skill building centres and grievance redressal centres accessible to each and every domestic worker, as suggested in the National Policy. Monitoring of placement agencies is a major problem. This is because the domestic workers coming through placement agencies are not brought to the cities by a single agent. There are multiple agents who have a well organised network for migration and handling of these domestic workers.

Other than the National Policy, the Delhi Private Placement Agencies (Regulation) Bill, 2012 has also been criticised on various counts. According to Shaktivahini (an NGO which has rescued many

domestic workers from abuse), “the Bill in its present form is very detrimental to the safety of women and children in the source areas. This is because providing legal sanctity to placement agencies without monitoring mechanism in source areas will lead to increase in trafficking and traffickers will work with impunity in the source areas on the basis of legal sanctity in Delhi”<sup>10</sup>.

## **FORMAL VERSUS INFORMAL: POSSIBILITIES**

The problems posed to effective implementation of the laws are the general problems posed by the informal sector. Even the accurate number of domestic workers cannot be easily tabulated. So is formalisation of domestic work possible? Will formalisation prove beneficial for domestic workers?

### **The Placement agency**

One form of formalisation that currently exists is placement agency. A typical placement agency supplies domestic workers on a contractual basis. In Delhi, placement agencies generally bring domestic workers, chiefly children and women, from the villages of Jharkhand, West Bengal and Bihar. These domestic workers usually have poor standards of living, very few job opportunities and the placement agents lure them to move to the cities for work with promises of loads of money and a better life. 9-10 year old girls are encouraged to earn for their family.

Moreover, the managers of placement agency operating in Delhi need not necessarily bring the domestic workers from the villages themselves. In fact, there is a network of agents who facilitate transportation of the domestic workers from villages to the cities. I had talked to 10 placement agencies as a potential client who wants a maid. On asking whether I could talk to any maid of their agency, 9 of them said that they do not have any maid with them. They say that they get the maid whenever the demand arises. There is an “agent” which will bring these maids within 2-3 days. Only one agency had a maid with them, and the maid lived in Delhi who had come to find work through placement agency since she currently could not find a job.

This verifies the existence of network of the agents bringing domestic workers. The stories of domestic workers being kept in a dingy place in cities with many being physically and sexually assaulted are well known. However, the stories of what goes on during the transportation of these workers, how the various agents use these workers remain largely hidden. My conversations with domestic workers and organisations like Jagori, Chotanagpur Working Women’s Association brought out some stories of exploitation of these workers while they were being brought to Delhi. The domestic workers shudder at the thought of placement agencies. Whether or not they have been

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<sup>10</sup> [www.shaktivahini.org](http://www.shaktivahini.org)

associated with any placement agency, they know that placement agencies exploit the workers both on the way and upon arrival in the cities.

To check the benefits received and costs borne by workers in informal and formal sectors (in this case, placement agencies) of domestic work, I conducted a survey in which I compared the monetary and non monetary benefits received by those working directly under employer (henceforth I will refer to them as non-placement agency workers) versus those working through a placement agency. I surveyed 10 non-placement agency workers in Morna (a Jhuggi Jhopri area in NOIDA) and Delhi; and 8 placement agency workers in Delhi.

### Research findings: Placement Agency workers versus workers of the Informal sector

#### Comparison between placement agency workers and non-placement agency workers

PARAMETER	Non- Placement Agency domestic worker	Placement Agency Domestic worker
Average Wage (on a per hour basis)	<b>Rs. 24. 466</b>	<b>Rs. 6. 98</b>
Average number of Working hours	<b>5. 775</b>	<b>10. 0321</b>
Percentage of domestic workers getting clothes from their employers	<b>40%</b>	<b>75%</b>
Percentage of domestic workers who can get loans from their employers	<b>60%</b>	<b>12. 5%</b>
Percentage of domestic workers getting festival bonus	<b>60%</b>	<b>62. 5%</b>
Percentage of domestic workers getting food from their employers daily	<b>60%</b>	<b>100%</b>
Percentage of domestic workers getting leftover food of their employer	<b>40%</b>	<b>50%</b>

Percentage of Domestic workers getting holiday on festivals*	<b>80%</b>	<b>37. 75%</b>
Average number of holidays per month	<b>2. 6875</b>	<b>0. 75</b>
Percentage of domestic workers who get help from employer during sickness	<b>70%</b>	<b>87. 5%</b>
Average Number of Years of Working of Domestic worker	<b>7. 425</b>	<b>3</b>
Percentage of domestic workers who communicated with other domestic workers	<b>80%</b>	<b>12. 5%</b>
Percentage of domestic workers who felt that their situation has improved**	<b>88. 88%</b>	<b>80%</b>

\* This percentage includes those who are entitled to a holiday but some of them prefer not taking a holiday in lieu of extra cash.

\*\*Some domestic workers were not very sure when asked about this question, so their response is not included while calculating the percentage

As can be seen, the average per-hour wage of the non placement agency worker is 4 times that of placement agency worker. It needs to be noted that none of the non-placement agency workers had any connection with any NGO. Moreover, the average wage calculated for the placement agency workers here might be an overestimation of what they actually get. In my survey, only 25% of these workers were getting their entitled salary. The reasons for that are as follows:

1. The per hour wage of the placement agency workers mentioned here is their entitled wage. Most of the placement agency workers that I had interviewed get less than their entitled salary. With my conversations with placement agency workers and their employers, I came to know that, in the first 2-3 years of working, the domestic worker does not get even a single penny, but she is promised that she will get the salary once she goes back to her village. After 2-3 years, when the maid becomes more trained, and starts communicating with other maids, then she slowly starts becoming aware of her rights and starts demanding higher wage. She starts getting some wages which are still approx. 600-700 less than her entitled wage.

2. Since some of the domestic workers could not communicate well and did not know their wages, I used the wages that employers pay for the domestic workers to the placement agency for the data tabulation.
3. Even when the domestic workers are getting their entitled wages, they get the aggregate wages at the end of the contract. Since these low income workers have negligible access to credit (In the language of economics: 'borrowing constraints'), getting wages in the end might serve to their disadvantage. It restricts their mobility outside the house they are working in.

The working hours for placement agency workers are almost double that of non placement agency workers- that too in a single house. This indicates a complete restriction on the worker's mobility.

Although the placement agency workers are getting better non-monetary benefits like clothes, help during sickness, it does not compensate for the low income and lack of freedom that these workers have. The benefits are not given in areas which would increase their social mobility and freedom for example, loans, better wages, holidays etc. The restriction on getting any type of cash is the main obstacle in improving their welfare.

I observed that the placement agency workers are more illiterate and have lesser information than non-placement agency workers. They were comparatively younger. Many didn't know how to speak in Hindi. One of these workers was an 11 year old girl who was too small to know the answers to questions like whether her life has improved after working etc.

**Other findings on Non-Placement Agency Domestic Workers**

Range of per-working hour Wage	Number of Domestic Workers
0-10	2
10-20	3
20-30	2
30-40	1
40-50	
50-60	2

In my survey, I got an insight into how wages are set for non-placement agency workers. Some of the findings are as follows:

One worker told that before she started working in the house she was currently working in, she discussed with other workers who were working in the same area the wages that they were charging in their respective places. She also asked what the previous maid charged in the household she was going to work. On the basis of that she decides a minimum wage below which she would not work and asks for about 200-300 rupees more than that to the employer. At the end of negotiation she gets at least the minimum wage she had decided to charge.

2 workers in my survey worked in the same apartment. In that apartment the minimum rate for each type of work was fixed for all workers. Some workers did get more but nobody got less than that wage. The difference between minimum wages and the actual wages depended on the employer. The minimum number of holidays to be taken in a month was also fixed in the apartment to be 2 days per month.

The fixed minimum wage might seem to be a phenomenon of cartelisation. But when I talked to the domestic workers they did not agree that they together fixed a rate for that area. They just discussed wages with each other and on the basis of that charged a similar wage. This was said by other workers also.

One worker commented that there is no unity among domestic workers. Everyone is concerned with their own self interest so even if they decide to charge a fixed rate in the area, someone ends



charging a higher amount while some are willing to work at a lower amount. This also shows that there is no cartelisation.

I concluded that when there is poverty and little external support, an individual's actions are motivated solely by his own self interest. This prevented cartelisation in domestic work. However, the communication with other workers ensured that they the domestic workers are aware of their bargaining power and of the rights and privileges that they other workers are getting. Whether they want to avail the rights and privileges depends on them. I will elaborate on the importance of communication later.

In the apartments in NOIDA, the guards do the police verification of the domestic workers and create a pass for each of them. This ensures security for both employers and employees, even without the role of any placement agency.

**Other findings on Placement Agency Domestic Workers**

Range of Per-working hour Wage	Number of Domestic Workers
0-10	6
10-20	2
20-30	
30-40	
40-50	
50-60	

The lowest wage in the entire sample of domestic workers is of a worker working through a placement agency.

Since the workers who are working through placement agency are full time workers, it is very difficult to get to talk to them. The employers do not let them go out of the house for the fear that the domestic workers will catch some other work.

Some of the interviews of placement agency workers were given by their employers since the workers could not communicate were afraid to discuss such matters. Many employers of placement agency workers refused me to let me talk to their maids.

Many are entitled to a holiday but take cash in lieu of a holiday (like an overtime wage).

The domestic workers who come via placement agency look for a way to get directly employed under the same employer. Two domestic workers that I interviewed were earlier associated with agency but their employer helped them get rid of placement agency, and they were very thankful to their employer for doing this. The domestic worker then gets higher wages under the same employer. Moreover, since the employer is paying the monthly salary of domestic worker plus the commission to the placement agency, he has the incentive to directly employ the domestic worker as it saves him from paying the humongous commission to the placement agency. But the placement agencies are aware of this fact and for this very reason, they maintain contracts with their client for a definite period of time, which is usually for a period of 11-12 months. They make the domestic workers go to their villages after that. After the workers are back from their villages, the agencies make sure that each domestic worker not employed in the same house as she was in the previous contract, even if the previous contract's client is ready to hire the worker from their

agency. In order to avoid the maid getting placed with the same previous client, the agency charges both higher salary and higher commission from the client, saying that the maid has now become 'trained' with (at least) 1 year work experience. The employer is made to hire a different worker. This avoids the possibility of the worker getting permanently 'attached' to the client. When the worker gets attached, then she develops an emotional connect and a sense of comfort with her employer. The employer also starts getting used to the services of that maid.

Few domestic workers find out a way to come to the cities to work on their own without a placement agency, but most of the placement agency maids who have gone to the villages are brought through placement agency only. The reason might be because the maids have no means by themselves to get to the cities.

In my survey, my personal observation was that the domestic workers working through placement agencies were very timid and were very cautious to talk to anyone. In the absence of any communication with the world outside the house she was working in, and in the absence of any salary, they are only concerned about going to their village where they are promised that they would get their money. They refrain from saying anything bad for their employer or the agency so that they do not ruin their chances of going back to the village and meeting their family.

On the other hand, the non-placement agency workers appeared much happier and confident than the placement agency workers. They freely criticized their employers and felt comfortable in eliciting their wants and their opinions.

Most domestic workers who were working without the placement agency were aware that placement agencies sexually exploit the domestic workers. They clearly did not want to join any agency, as they believed that the agencies eat up a lot of money that the worker herself should be getting. Also, the placement agencies use the workers for 'wrong' reasons.

Placement agency workers were all from north-eastern states like Jharkhand, West Bengal, Bihar and Assam whereas non placement agency workers mainly from states like U. P, Rajasthan etc. : Places which did not require a placement agency to bring them to Delhi. Some of the non placement agency workers were from Bengal, but they had come to Delhi either with their husbands, or by receiving information of this job by their relative in Delhi. In fact all the non-placement agency workers came to Delhi to work because of some family connection in Delhi. However, the placement agency workers had no family connections.

### **Communication: A key factor for improving bargaining power**

As mentioned earlier, communication of a domestic worker with other domestic workers improved the worker's bargaining power. For the entire sample of workers in my survey the average wage of workers in communication with other domestic workers was Rs. 21,97. Those who had no communication had an average wage to be Rs. 11,42.

The importance of networks is shown by the fact that the two workers who had the lowest wages in the sample admitted that they didn't maintain communication with other domestic workers. One of these two also said that their living conditions have deteriorated since the time they started working.

One worker who shifted from being a placement agency worker to independent worker said that when she was with placement agency, she had no communication with other maids. She was not aware of the fact that she had much less bargaining power than her counterparts. Other placement agency workers also live in such isolation, and the restriction of their movement by their employers is a reason for their isolation.

To conclude, my research finding is that the non placement agency workers are better off than the placement agency workers. The informal sector gives the domestic workers a greater bargaining power, and a better standard of living than the formal sector in the form of the placement agencies.

### **Are domestic workers willing to associate with workers' organisation/trade unions?**

In the recent years, many NGOs and other workers' organisations like JAGORI, Shaktivahini, National Domestic Workers' Movement have sprung up to protect the rights of the domestic workers. Till now, their activity has been majorly to conduct research in the subject of domestic workers, mobilise domestic workers and make them aware of their rights, rescuing domestic workers who have been victims of physical, sexual and mental abuse, conducting awareness programs etc. They also helped draft the National Policy for domestic workers and give recommendations for the same.

A major thrust of the National Policy is that it gives the domestic workers the right to form trade unions. According to Jagori's 2010 study on part time domestic workers, the domestic workers are not very keen to join the trade unions or a 'formal work structure' as the standardisation of wages, holidays etc. does not give the domestic worker the flexibility "that is critical for their personal

lives<sup>11</sup>. However, I had a conversation with a Jagori Team Member who claimed that this is no longer true in the area they are working to mobilise the domestic workers. I conducted my own survey with 20 domestic workers working in Delhi NOIDA region. In my survey I asked the domestic workers whether they knew of any such organisation which fights for their rights and whether they would want to join any such organisation.

All the domestic workers that I interviewed had no connection with any workers' organisation. When asked whether they want to associate with any such organisation which decides minimum wages for them, minimum numbers of holidays etc. , almost all the domestic workers do not want to join any workers' organisation. Only one out of 20 domestic workers, who was associated with a placement agency wanted to get more protection under a trade union.

Reasons that domestic workers gave for their lack of willingness to join a trade union:

1. "Koi samjhauta nahi hai": There is no unity among the domestic workers. One domestic worker told me that the workers try to collectively decide the rate of the area. But many maids do manage getting more and many maids who do not get enough work are ready to work for lesser wages. The domestic workers don't have trust in their counterparts. So they doubt whether any such organisation which standardises wages and other working conditions will really work.
2. Some workers believed that even without any minimum wage, the workers have reasonable bargaining power.
3. One maid claimed that she was happy getting whatever she was getting at present (a non placement agency worker).
4. One maid said that there is no need to join unions as her employers understand her situation and they are willing to provide for her welfare.
5. The maids are more comfortable negotiating their own terms by themselves.
6. They do not have the time to join any trade union.

Some placement agencies arrange meetings of their domestic workers 2-3 times a year and request their clients to send their workers to the meeting. The domestic workers who have worked for 4-5 years form some kind of an informal trade union in which they tell their placement agency what wages they should get, what amount the agency should charge the clients and other terms of working conditions.

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<sup>11</sup>Jagori, "Domestic Workers: Conditions, Rights and Responsibilities", (2010), Page 52.

## The Aspirations of Domestic Workers

1. Education for themselves
2. Education for children
3. Less commission to agent and more wages to the maid
4. Land/property of their own
5. Proper sanitation
6. A better job: for example work in a beauty parlour
7. Engage in skill building activities like stitching etc.
8. Food( as told by a maid who wasn't getting food)

## Problems of the informal sector

Though the survey shows the domestic workers in the informal sector are better off than those in formal sector, there are many problems posed to both employers and employees of domestic work.

### **Problems faced by employees (domestic workers):**

1. There is no standardisation of skill levels and wages. While one worker with the same level of skills and same type of work may be getting Rs. 5000 per month, the other may be getting 3000.
2. There is no accountability of employer behavior. The benefits that workers receive are highly dependent on the employer's benevolence.
3. There is no contract in place. Hence no limitation in the amount of work to be completed.
4. Domestic workers in Delhi NCR region are majorly migrant women. Hence no legal identity, which might lead to susceptibility and oppression.
5. There is gross imbalance of power between worker and employer.

### **Problems faced by employers of domestic work<sup>12</sup>:**

1. Irregular Service
2. High dependence on informal networks for hiring a domestic worker
3. Security concerns
4. Low retention of domestic workers

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<sup>12</sup>[www.themaidscompany.com](http://www.themaidscompany.com)

Are there other forms of formalisation of domestic work that will work to the benefit of domestic worker as well as for the employer? Now I will examine two business models which have aimed at formalising the market for housekeeping services to the benefit of domestic workers:

1. The Maids Company
2. Society for Social Transformation and Environmental Protection (sSTEP)

### **Model 1: The Maids Company, Gurgaon<sup>1314</sup>**

The Maids' Company is a social enterprise in Gurgaon which provides professional housekeeping services. It was set up by Gauri Singh.

Gauri Singh observed that the housekeeping service sector has a huge market potential which is still untapped. The demand for labour is increasing tremendously, yet the bargaining power of a large number of domestic workers remains low. There are problems faced by both the individuals demanding this service and those who supply it.

The Maids Company aims to fill this gap in the market by professionalising the service, which includes the company providing the following services:

For clients-employers of domestic work:

1. It aims to provide not a domestic worker, but housekeeping service. If the worker does not turn up for work, the company guarantees replacement.
2. The company negotiates a proper contract which all the terms and conditions are clearly laid down. The company takes the responsibility of ensuring that both the parties are enforcing the terms of the contract.
3. The company provides trained domestic maids. It also provides for on-the job training to ensure a smooth transition.
4. The company does police verification of its employees and is responsible for the accountability of domestic worker in matters of security.

For employees (domestic workers):

1. The domestic workers are recognized as co-owners of the company.

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<sup>13</sup> [www.themaidscompany.com](http://www.themaidscompany.com)

<sup>14</sup> Gauri Singh, interview by author, Gurgaon, 9<sup>th</sup> July, 2012.

2. 20% equity of the company is reserved for domestic workers.
3. The 20% equity will be used in providing welfare activities to the employees of the company i. e. Domestic workers. The welfare activities will include the following:
  - a. Providing day care services for workers' children and thus increase their productive hours
  - b. Legal worker protection
  - c. Support for those facing domestic abuse
4. The company helps in mobilising the workers and forming a collective.
5. The company will help the domestic workers access saving, credit and health care programmes.
6. The domestic workers will be able to get standardised wage, holiday etc.

The Company differentiates itself from a placement agency in the following ways:

1. The domestic workers are co-owners of the company
2. The maids are recognised like 'workers' of the company.
3. Just like any company, these workers are on payrolls of the company and are provided Provident Funds and ESI cards
4. The workers are provided with finance and other welfare services.

The Company was formally started in Gurgaon in September 2011. Before this Gauri Singh had researched in the field of this unorganised sector. She started a pilot project named Urban Mahila & Mazdur Alliance (UMA) in Ludhiana with 50 domestic workers for providing similar kind of housekeeping services. It convinced her of the feasibility of the idea after which she started The Maids' Company in Gurgaon.

I had a conversation with Ms. Singh on her business model, the success she has achieved, and the challenges she is facing. She classified the domestic workers in Delhi in three categories according to the income they are receiving. The top bracket is that of well- trained maids which are earning Rs.



10000 or more and has a good bargaining power. The lowest bracket is of extremely vulnerable workers which are in clutches of placement agencies. She is targeting the middle income bracket which is not associated with placement agencies, is living in urban slums capable of earning 5000-6000 but are ready to work for less, even though many of them are earning no more. In other words there is no standardisation. This is the category where domestic workers find work through association with informal networks. But these informal networks have no standardised wages, and the workers are not able to access any training services. The result is low bargaining power of the domestic worker and unskilled and irregular services for the employers.

The clients of the company have to pay roughly Rs. 1500 more than what they would have paid had they negotiated directly with the employers. This includes the registration fee of the company. The monthly payment for the housekeeping services is taken by the company, 90% of which is the worker's salary and 10% the company's commission.

The company is working with maids in the urban slums of DLF phases 1,2,3,4 and near Galleria Market. Since I had surveyed domestic workers (not associated with placement agency) which were living in urban slums of NOIDA and Delhi who generally preferred working independently for their employers over working with an organisation, I questioned Gauri Singh to what degree was she successful in making domestic workers of urban slums work with her organisation. She admitted that initially it was difficult to persuade domestic workers to work through their company. She had also observed that the domestic workers are reluctant to join any organisation. But once the domestic workers had started working with the company, they did not want to go back. Gauri Singh claimed that not a single domestic worker in their organisation has left the company to work directly under the employers.

Gauri Singh told me that significant steps have been taken in organising welfare activities for the domestic workers. They are helping them gain access to credit. Ms.Singh told me that the biggest incentive that the workers feel they have to be associated with the company is access to interest-free loans that the company provides. The amount that is loanable increases as your time of association with the company increases. She also feels that that a big hindrance to female domestic workers in expanding their earning opportunities is having the charge of taking care of their children. The company aims to set up crèches so that the workers can freely go to work without worrying for their children. There is also a constraint of working in farther areas which restricts their earning opportunities. The company is planning to arrange transport facilities to facilitate commutation of maids to farther areas. Some of their domestic workers have also bought small plots of land in their villages with their own salary.

On the other hand, the Company is facing a greater challenge in persuading the potential clients to take services from their company. The clients feel that that the service is overrated. The company is also having problems in placing the workers because most of their workers are Muslims and their clients do not want to hire a Muslim domestic worker.

Ms.Singh said that the company has not reached the break-even point yet. For breaking even, they need to have 130 domestic workers working while presently they have 70. However, when they have 130 employees, then the network (or the collective) of domestic workers would have become so large that it will ensure steady inflow of domestic workers. The workers in this network will communicate to other maids about the benefits of this organisation, thereby attracting more maids to work through their company. This will ensure steady profits for the company.

There is no hierarchy in the domestic workers for getting welfare benefits and ownership of the company. But the workers are categorised according to the degree of training. The most trained maids supervise the on-the-job training of untrained domestic workers. They also help the company mobilise the workers in urban slums, persuading them to join the company. The company started with only 2-3 employees and it was the latter that helped the company get more workers.

As a person who was earlier associated with Self Employed Women's Association (SEWA), Gauri Singh has focused on mobilisation and organisation of domestic workers at the grassroots level rather than just fighting for legal protection. She personally agrees that laws won't be solely effective in tackling the issues of the informal sector, particularly a sector as decentralized as domestic work. According to her, mobilisation of domestic workers to form collectives and unions should be the first step taken to protect the rights of domestic workers. The Maids Company is also one such initiative on her behalf to do the same.

The Maids Company plans to introduce microfinance programs for domestic workers. It is currently doing counselling sessions to convince clients to take domestic workers through their organisation.

## **Model 2: sSTEP<sup>15</sup>, <sup>16</sup>**

Based in Guwahati, Assam,sStep is a Non-profit placement and support agency for domestic workers. It essentially aims to combine social entrepreneurship with innovation and good return on investment.

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<sup>15</sup> Boldsteps.org

<sup>16</sup> DijenSaharia, Secretary, sSTEP, interview by author.

sSTEP carried out a research on the labour market conditions of domestic workers in Guwahati in 2008. They found out that there were approximately 40,000 domestic workers in Guwahati. In the market for domestic labour, there is excess demand and a potential to create 10,000 jobs. Yet the wages are stagnant because of “lack of information, class relations, and the high-risk nature of the occupation”<sup>17</sup>.

According to Sstep, “In other cities, we found placement agencies (favouring employers and trafficking women) and unions (favoring domestic workers and often alienating employers).

sSTEP aims to solve these imperfections in the labour market through formalising the market and providing mutually beneficially beneficial solutions to employees and employers in the following ways:

1. Contract based placement of domestic workers:

- The organisation places domestic workers on a contract based system. Contract includes all details on the tasks to be done, monetary and non-monetary benefits, and responsibilities of both the parties. The terms of contract are made clear to both the parties and need to be signed by both.
- : sSTEP maintains a database of both domestic workers and employers such that they can be appropriately matched for placement according to geographic location and skills required. The database also helps sSTEP assess its impact as an organization on the lives of both domestic workers and employers. This helps in removing information asymmetry. It is also giving domestic workers options to choose work unlike placement agency. This indirectly improves their bargaining power.
- Quality Control: Staff at sSTEP randomly select a group of households (among those placed) to visit each month and ensure fair treatment by employers and quality service by domestic workers. New relationships are more closely monitored.
- Screening: To ensure that domestic workers are trustworthy, sSTEP collects information on the employee’s identity and family ties such that they can be held accountable in the case of abuse of trust. sSTEP also screens employers, visiting their home before placement to ensure labor conditions are appropriate and risk is minimized.
- Create rural and urban networks

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<sup>17</sup> Boldsteps.org

2. The organisation will provide training for domestic workers in the fields of housekeeping, cooking, childcare, and elderly care.
3. Providing Financial Education: informing them about savings and credit programs and educating them on matters of budgeting and managing their portfolio well.
4. Helping them connect to government schemes.

#### **How is sSTEP different from a placement agency?<sup>18</sup>**

Unlike a typical placement agency, sSTEP does not take charge of bringing and keeping domestic workers with them. The domestic workers have their own Domestic Workers' Organisation which is like sSTEP sister organisation. sSTEP provides to the members of that organisation access to the database, placement, training, financial education and help for linking with other government programs.

70% of domestic workers of their sister organisation are part time workers who work in 3-4 households. However, the demand for full-time workers is increasing steadily in Guwahati. So sSTEP also searches for domestic workers. But the difference between a typical placement agency and them is that the domestic workers they get are first registered for membership in the Domestic Workers' Organisation. Then sSTEP provides them placement and training.

Does skill development oriented training induce domestic workers to leave the job of domestic work for better forms of livelihood?

Training activities in the organisation are meant for skill up gradation, not livelihood promotion. Training is given on household works like child care, elderly care, use of machinery such as washing machine, cleaning machine and cooking. So it is very unlikely that this will make domestic workers quit their job of domestic work.

#### **Other unique features:**

Before placement, the sSTEP workers investigate the client's house. After the contract has been approved by both client and domestic worker, there is kept a probationary period which can help both the client and employee ensure whether they have appropriate service/working conditions and whether each party is following the terms of the contract.

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**Achievements so far:**

1. The bargaining power of domestic workers' has significantly increased, with they getting 2-3 times more than the previous remuneration.
2. A positive employer response: Although the supply of domestic workers is also increasing to meet the huge demand, the employers are concerned about their own security from the domestic workers, especially after a domestic worker was charged guilty in a recent crime incident in Guwahati. Hence the employers are willing to take domestic workers through sSTEP.

**CONCLUSION**

The aspect in which The Maids Company and sSTEP are different from a typical placement agency is that the terms of the contract are made explicitly clear to both employers and employees. A typical placement agency negotiates a contract that is known fully only to the employer. The domestic worker is not aware of the contract. Moreover, in a typical placement agency, the terms of the contract are also open to negotiation thereby opening a window to manipulation of the terms of the contract and exploitation of domestic workers. Also, the terms that are negotiated are between the potential employer of domestic worker and the placement agency, not between the worker and the employer. This leads to misalignment of incentives. The incentive for the domestic worker will be maximising their own income as well as their welfare, while the incentive for the placement agency will be only maximising their own income (which partially takes care of the income of domestic workers, but not necessarily their welfare). Also, the placement agencies take charge of keeping the domestic workers. That is the reason why the domestic workers are better off negotiating directly with their employers than through a placement agency.

However, professionalising the occupation of domestic work or 'housekeeping service' will even solve the problems posed by the informal sector for both employers and employees of this work. The benefits of professionalization are as follows:

1. It will increase bargaining power of all domestic workers. In the informal sector, there was no standardisation of wages. So if one worker was getting more, it did not necessarily mean that many others were getting the same.
2. It will also help remove the problems faced by employers of domestic work in the informal sector. Standardisation will ensure that they get a quality, skilled housekeeping service.

3. Professionalising will imply that all information pertaining to domestic workers and their employers will be better documented than it is in the informal sector. This will help in effective implementation of laws legislated to protect the rights of domestic workers.
4. Professionalising of domestic work will raise the respect of the domestic worker in the eyes of their employer. Many experts have commented that any law that comes to protect the rights of domestic workers would not be implemented effectively until and unless the mindset of employers does not change. Formalising this occupation and providing it like a service will help in changing the mindset of employers.

We need to recognise the fact that domestic work is also a 'service', a care service which is multifaceted in nature, ranging from housecleaning services to taking care of children and elderly. Still domestic work is not accorded the value it ought to. There are many other care services that are professionalized, for example nursing in India. Earlier nursing was considered a menial occupation. But after the nursing service started getting professionalised, it raised both the bargaining power and respect of the nurses. Similar change can be expected in the domestic work sector if we do the same.

The business models of The Maids Company and sSTEP have a great potential to remove the imperfections of the market for domestic labour. The government should encourage setting up such business ventures by providing financial aid, or other appropriate incentives.

Since communication of a domestic worker with other domestic workers was found out to be an important factor in improving her bargaining power, there should be a focus on mobilising the domestic workers as much as possible. The NGOs and other workers' organisations should be encouraged to do the same.

Indeed, the time has come when the domestic workers should get the respect that they deserve. But the respect should not arise out of sympathy, but giving them opportunities for self-empowerment. Professionalization and formalisation will be a major step towards empowerment.

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## ANNEXURE

### Questionnaire for Domestic Workers' Survey<sup>19</sup>:

1. What work do you do?
  - Mopping and sweeping
  - Washing clothes
  - Cleaning/dusting
  - Cooking
  - Cleaning utensils
  - Other (specify)
2. Are you working full time in a single house or part time?
3. For how many hours do you work in a day?
4. How much money do you get for each work?
  - Mopping and sweeping
  - Washing clothes
  - Cleaning/dusting
  - Cooking
  - Cleaning utensils
  - Other (specify)
5. Do you get non monetary benefits like:
  - Sari
  - Clothes
  - Loans
  - Festival bonus
  - Food leftovers
6. How many holidays can you take within a month?
7. How many holidays can you take in a year?
8. Do you get any festival bonus?
9. What happens when you fall ill- are you taken to a doctor/ given medication/given a holiday?
10. Where do you belong to?
11. From how long are have you been working in here?

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<sup>19</sup> The questions were translated in Hindi in a way that could be understood by the domestic worker.



12. Are you aware of any placement agency?
13. Are you from placement agency?
14. Have you ever been a part of placement agency?
15. If you are from placement agency:
  - Who gets your wages: agency or you?
  - How much do you get in the end? (net wages)
16. If you are not from placement agency:
  - How did you come to Delhi?
    1. With husband who was seeking employment?
    2. Through placement agency?
    3. Information through relative/ someone they knew?
    4. Other?
17. Are you in contact with other domestic workers?
18. Are you in contact with domestic workers who work in the area you are working?
19. Do you discuss wages?
20. Do you decide with other workers the minimum wages you will charge?
21. Are you able to charge those wages?
22. If not how much less do you get?
23. Are you in contact with workers who come from similar places you come from?
24. Do you go to your village? How many times in a year??
25. Since the time you started working, has your condition/standard of living improved?
26. What do you think is the reason for this improvement/non improvement?
27. What do you think can improve your condition?
28. Are you a part of any network/ trade union?
29. Do you want to be a part of any organization which will fight for your rights?
30. Do you engage in any other skill building activities-like learning, stitching etc.?