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A QUALITATIVE STUDY ON UIF NONCOMPLIANCE BY THE DOMESTIC HOUSEHOLD SECTOR OF SOUTH AFRICA

Commissioned by

**DEPARTMENT OF LABOUR
RESEARCH POLICY AND PLANNING UNIT**

Compiled by the

**BUREAU OF MARKET RESEARCH
College of Economic and Management Sciences**



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Study commissioned by

**Department of Labour
Research Policy and Planning Unit**

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BUREAU OF MARKET RESEARCH

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ACRONYMS

ACTRAV	Bureau for Workers' Activities
BMR	Bureau of Market Research
CATI	Computer-Aided Telephone Interviews
DoL	Department of Labour
HRW	Human Rights Watch
IDWN	International Domestic Workers' Network
ILO	International Labour Organisation
IRENE	International Restructuring Education Network Europe
ISSA	International Social Security Association
ITUC	International Trade Union Confederation
RPP	Research Policy and Planning unit of the Department of Labour
SPSS	Statistical Package for Social Sciences
UIF	Unemployment Insurance Fund
Unisa	University of South Africa
SA	South Africa
SAARS	South African Revenue Service
UNPF	United Nations Population Fund
WIEGO	Women in Informal Employment: Globalizing and Organizing

CHAPTER 1

OBJECTIVES, METHOD AND SCOPE

1.1 BACKGROUND OF THE STUDY

The Unemployment Insurance Act 63 of 2001 (UIF Act) stipulates that employers and employees should contribute to the Unemployment Insurance Fund – UIF (SA 2001). If an employer is suspected of noncompliance, a compliance order can be issued against the employer by a labour inspector. This brief introduction poses two crucial questions, namely: (i) what are the levels of noncompliance with the Unemployment Insurance Act? and (ii) why is there noncompliance despite legislative measures? This study aims to explore these critical research questions in more detail. The relevance of the research study is even more pertinent when taking note of the fact that less than 10 % of employers in South Africa were registered with the unemployment insurance fund in 2003 (BUANews 2003). This finding should, however, be analysed against the fact that not all employers and employees are supposed to contribute towards UIF. Those excluded are national and provincial government employees, employers that hire labour for less than 24 hours in a month, workers who work less than 24 hours in a month, workers in a learnership, apprenticeship and persons from outside the borders of the country who are under a service contract or learnership and apprenticeship. Any other employers and employees are bound to contribute to UIF. Whereas an employee contributes 1 % percent of his/her salary to the employer, the employer also contributes an equal amount (Unemployment Insurance Contributions Act 4 of 2002) that is finally paid to the Unemployment Insurance Fund (UIF). Although this contribution is not substantial, some employers evade the law and do not contribute. Employers can evade paying contributions by applying several tactics. Employers may, for example, hire illegal or informal labour without written contracts. In this way, the employers contribute nothing towards UIF and workers without formal written contracts remain uncovered. Employers may also collude with employees that they can get paid more if they do not contribute to unemployment insurance. Others may hire short-term labour that does not require unemployment insurance. An employer can hire day labourers that work less than

24 hours a month, meaning that there is no need to contribute to UIF. Larger employers and their workers are more likely to pay unemployment contributions while smaller employers seem less inclined to do so.

Against this background, the Department of Labour (DoL) commissioned the Bureau of Market Research (BMR) of the University of South Africa (Unisa) to conduct a national survey amongst households employing domestic workers and small and medium enterprises in the taxi and catering services sectors to look at customer compliance regarding UIF service for use by senior decision makers in preparing intervention to noncompliance with labour legislation. This report only deals with the research findings emerging from the domestic household study.

1.2 **RESEARCH OBJECTIVES**

The overall aim of the study is to investigate the compliance level of small and medium enterprises amongst three sectors, namely domestic, taxi and catering.

More specifically the study aims to determine:

- key reasons behind noncompliance in the identified sectors
- strategies that can be undertaken to improve compliance in the three sectors
- specific areas that should be focused on in enforcing compliance
- the best ways to improve compliance where compliance is low

As mentioned, this report only focuses on the domestic household sector.

1.3 **RESEARCH METHODOLOGY**

The overall research design involved both an exploratory and a descriptive phase. In order to attain the research objectives outlined in section 1.2, the study typically followed a chronological research methodology that is explained in more detail in the sections to follow.

1.3.1 **Exploratory research**

An informative literature review was conducted on the DoL with specific focus on the UIF Act. The exploratory research also aimed to gain a better understanding of, amongst others, UIF contributions, benefits (ie unemployment, illness, adoption, maternity and death benefits), UIF registration (online, e-mail, telephone, facsimile and in-person) as well as UIF declarations, claims procedures (forms), payments and legislation.

Furthermore, two DoL Research Policy and Planning (RPP) task team members were seconded to the BMR to assist in exploring secondary sources and to investigate international 'best practices' in social security services with specific reference to unemployment insurance and compliance/noncompliance.

The information from secondary sources added value during the construction of the research instrument used to collect information from sample respondents.

1.3.2 **Descriptive research**

The descriptive research applied for UIF noncompliance amongst the domestic sector is described below.

1.3.2.1 *Sample size*

South African population statistics as well as analysis of the All Media and Products Survey (AMPS) served as the starting point for the composition of the sample of households in the domestic sector, geographically and by population group. It is important to note that the sample size by area was based on household landline telephone ownership, the number of domestics employed and the population composition by race. However, it must be remembered that the study is more of a qualitative than of a quantitative nature and the sample sizes by area are not necessarily a reflection of the total population with landline telephones and domestic workers employed by area.

Table 1.1 presents the sampling distribution according to population group and region.

TABLE 1.1
SAMPLING SIZE PER POPULATION GROUP AND REGION

Sample area	Africans	Coloureds	Indians	Whites	Total
Bloemfontein	0	0	0	28	28
Cape Town	16	35	6	38	94
Durban	42	0	31	10	83
Greater Johannesburg	45	4	18	40	107
Kimberley	0	12	0	9	21
Pietermaritzburg	19	2	7	7	36
Port Elizabeth	61	9	0	12	83
Pretoria	28	2	3	21	54
Umtata	26	2	0	9	36
Ulundi	21	0	10	7	38
Limpopo	87	0	0	11	98
Mpumalanga	14	0	0	11	25
North West	14	0	0	11	25
Stellenbosch	2	9	0	9	21
TOTAL	375	75	75	225	750

1.3.2.2 *Sample frame*

Telephone directories were used as sample frames. A systematic random selection method was followed to select the sample households. However, due to the fact that the sample frame does not only list households with domestic workers by population group, but also households without domestics and businesses, some provision was made for selecting sample elements according to a prescribed rule. In this regard, surnames and residential areas were used as an indication for selection by population group but even when a household did not belong to the intended population group, the interview was still completed.

1.3.2.3 *Research instrument design*

The survey questionnaire was drafted by the BMR with inputs from the DoL Project Steering Committee. Four graduate and experienced fieldworkers were used to conduct the pilot testing of the draft questionnaire. The regions selected for the pilot test included Greater Johannesburg, Polokwane, Durban and Cape Town.

The piloting of the questionnaire involved testing whether the questionnaire would achieve the desired research results. More specifically, piloting helped to determine the strengths and weaknesses of the questionnaire regarding question format, wording and sequence of the questions.

The pilot testing started on Thursday 12 August and ended on Saturday 14 August 2010. In total, 40 questionnaires were completed in the pilot phase, 27 of which were completed among UIF noncompliant respondents and 13 among UIF compliant respondents.

The necessary amendments were made after the debriefing session with the four interviewers who did the pilot testing. The questionnaire was then submitted to the DoL Steering Committee for final approval.

1.3.2.4 *Data collection*

Telephone interviews were conducted by experienced interviewers under the supervision of a BMR researcher from the BMR's CATI (Computer-Aided Telephone Interview) room at Unisa's main campus.

1.3.2.5 *Interviewer training*

Hard copies of the questionnaire and a training manual were used for interviewer training. The training manual consisted of general information on social security services in South Africa to ensure that fieldworkers understood all aspects related to the topics under investigation. Fieldworkers were encouraged to familiarise themselves with all topic matters relevant to the research study (ie child grants,

disability grants, UIF, workmen's compensation fund, etc) before starting with the actual interviews.

Knowledge of these aspects was regarded as essential to facilitate constructive probing and understanding of all concepts relevant to the study and enabled interviewers to interview with more authority and deal with any potential questions or enquiries of respondents.

1.3.2.6 *Data capturing*

The Statistical Package for the Social Sciences (SPSS) computer software package was used to capture the data. Prior to data capturing, the researcher conducted check back calls regarding a selection of completed questionnaires. A verification process was also conducted prior to storing the data for analysis and interpretation.

1.4 **DATA ANALYSIS PROCEDURE**

The data were captured in the SPSS program and analysed by using descriptive statistical methods. The results are presented in table format in chapter 3 and the qualitative responses condensed and analysed using content thematic analysis.

1.5 **REPORT LAYOUT**

This chapter provided the background, objectives, method and scope of the study. Chapter 2 elaborates on international best practices and chapter 3 discusses the research findings in more detail and concludes with a summary and recommendations in terms of improving future participation in the UIF scheme.

CHAPTER 2

STATUS OF UNEMPLOYMENT INSURANCE IN THE LOCAL AND INTERNATIONAL DOMESTIC SERVICE SECTOR ARENA

2.1 INTRODUCTION

This chapter contextualises unemployment insurance from a local and international perspective. The chapter underscores the importance of environmental research that aimed to acquire a sound understanding of unemployment insurance relevant to the local and international domestic worker sector. According to a recent International Labour Organisation (ILO) report, domestic work worldwide absorbs a significant proportion of the workforce, ranging between 5 % and 9 % of total employment in developing countries and constituting up to 2.5 % of total employment in industrialised countries (ILO 2010a). The renewed worldwide interest in domestic workers follows the growing social and economic significance of a sector that is traditionally associated with the most uncertain, low-paid, insecure and unprotected form of employment. Also, domestic workers appear legally and socially vulnerable and are *excluded either de jure or de facto from the effective protection of national labour law and social security regimes - both in industrialised and developing countries* (ILO 2010a). In some countries, even where laws have been passed stipulating minimum wages and conditions such as working hours, leave days and compulsory registration with labour departments, domestic work is still perceived as informal work where labour rights are often violated. Also, many domestic workers live undeclared in many countries and have no insurance coverage. In South Africa the Domestic Worker Sector Law was promulgated in 2002, but government enforcement of the law has not met expectations due to, among others, a lack of resources and capacity. Owing to these concerns alongside the apprehension articulated as recently as June 2010 by the ILO that inadequate international standards currently fail to meaningfully protect domestic workers, the worldwide aspiration and actual endeavours to develop international standards for domestic work is most opportune and will support at least minimum requirements of social protection of domestic workers. The notion of an increased focus on the domestic work sector worldwide substantiates the relevance of this study, which could have come at no better time.

2.2 UNEMPLOYMENT PROTECTION IN THE DOMESTIC WORK SECTOR OF SOUTH AFRICA

The Unemployment Insurance Act 63 of 2001 as amended by the Amended Unemployment Insurance Act for South Africa that provides protection to workers who become unemployed defines a domestic worker as follows (SA 2001):

‘domestic worker’ means an employee who performs domestic work in the home of his or her employer and includes a (i) gardener (ii) person employed by a household as a driver of a motor vehicle and (iii) person who takes care of any person in that home, but does not include a farm worker.

The employment of domestic workers in South Africa is governed by ‘Sectoral Determination 7’ of the Basic Conditions of Employment Act 75 of 1997 as amended by the Basic Conditions of Employment Amended Act (2002) and sets special rules governing the employment of domestic workers in South Africa (SA 1997). These include minimum wages, working hours, number of leave days and termination rules applicable to domestic workers in South Africa. The aim of this report is not to provide a detailed overview of these rules but rather to place the major focus of discussion on unemployment insurance. Despite this dedicated focus, it needs to be emphasised that the rules governing the employment of domestic workers in South Africa were considered as part of the exploratory research phase that aimed to also gain a better understanding of the local employment conditions and related aspects applying to and impacting on the domestic worker sector. This understanding was important to (i) secure sufficient knowledge of the topic matters relevant to the DoL study, (ii) allow for sufficient preparation of fieldworkers to professionally probe regarding uncertain responses and (iii) support objective reporting of the survey findings resulting from a host of open-ended questions used to probe the sample of South African households regarding their views on compliance with the Unemployment Insurance Fund (UIF) Act (see chapter 3).

Turning the focus to the UIF in particular, it is important to note that as of 1 April 2003 (Mywage South Africa 2010), all domestic workers in South Africa who work more than 24 hours a month need to be registered with the UIF according to the Amended Unemployment Insurance Act of South Africa (SA 2001). This ruling applies to part-time and full-time domestic workers. If domestic workers are not registered with the UIF and if employers and domestic workers do not pay their monthly contributions, the Department of Labour (DoL) can issue heavy fines. If a domestic worker is working for more than one employer, all of their employers must contribute to UIF. According to the UIF Act, domestic employers and their workers must pay 2 % (one % each) of the worker's wages. This came into effect on the 1st April 2003. Each employer that registers is allocated one registration number. An employer who hires two domestic workers only needs one registration number but has to register and declare two workers and pay for them with this registration number. In cases where the domestic worker has more than one employer then each employer must register the domestic worker separately and pay 1 % of his/her wages (DoL 2010a).

In cases where a commercial employer is also a domestic employer, separate registration needs to be done. This means that the commercial business may not register or pay a contribution for domestic employees working at the owner's home. Thus, in cases where a person is an owner of an enterprise and hires a domestic worker in his/her home to do household chores, he/she has to fulfil both these responsibilities separately. The definition of domestic workers does not include workers that are employed in a business that is being run from a private household. Close corporations, companies, partnerships or corporate bodies are not domestic employers. Persons who are hired by corporate entities (such as a body corporate) in housing complexes are not included in the definition of domestic workers (DoL 2010a).

The UIF provides for different kinds of benefits as displayed in figure 2.1. The figure clearly shows that there are two aspects to social security, namely social insurance and social assistance. Social insurance refers to mandatory employee contribution schemes. In South Africa, government is responsible for three primary social

insurance mechanisms, namely the UIF, the Compensation Fund and the Road Accident Fund (RAF). The UIF in particular provides short-term insurance to qualifying workers. The UIF pays benefits to contributors or their dependants in case of unemployment, illness, maternity, adoption of a child or death. In turn, social assistance in South Africa is represented by the grants system through which the state provides basic minimum protection to relieve poverty. Social assistance in South Africa includes social old age pensions (old age grant), disability grants, child support grants, foster care grants and care dependency grants. Receipt of this support is subject to a qualifying means test that is defined as financial assistance provided for those who are unable to cover basic needs, such as food, clothing and housing, due to poverty or lack of income because of unemployment, sickness, disability or caring for children.

Finally, figure 2.1 also displays voluntary savings and insurance mechanisms of the SA state such as medical schemes and retirement funds. These schemes are not mandatory but some companies enroll workers for health insurance arrangements and retirement funds as a matter of course and government provides tax incentives to encourage participation.

FIGURE 2.1

SOCIAL SECURITY ARCHITECTURE, SOUTH AFRICA

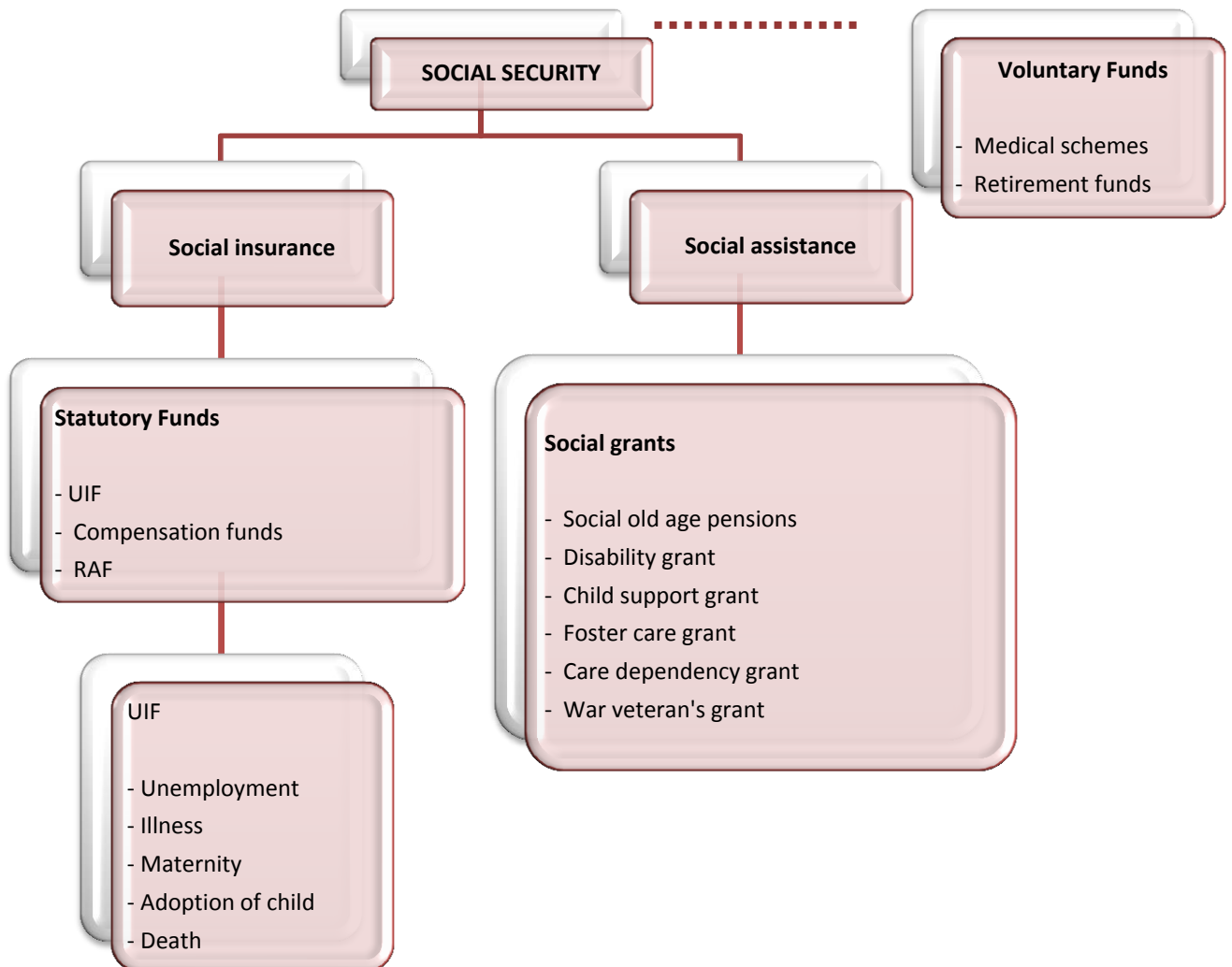


Figure 2.1 displays the entire social security architecture for South Africa. More specifically, the UIF provides the following types of benefits (DoL 2010a):

- *Unemployment benefits.* A domestic worker who contributed to the fund and whose employment has been terminated can claim. It should be noted that workers cannot claim if they resign from their job. If a worker loses his/her job he/she must apply within six months of becoming unemployed. Workers can claim benefits for up to 34 weeks (238 days).

- *Illness benefits.* A domestic worker who is unable to work because of ill health can claim for six months. If a worker is ill he/she can claim if he/she is unable to work for more than 14 days and is not receiving a salary or receiving only a part of his/her salary from his/her employer. Illness benefits cannot be claimed if the contributor refuses to undergo medical treatment.
- *Death benefits.* If a domestic worker who contributed to the fund dies, their dependants can claim. Dependant benefit can be applied for if the person who has been supporting the household financially dies. The spouse of the deceased can claim the benefit even if he or she is in employment. The application must be made within six months of the date of the death of the deceased contributor. If the surviving spouse does not make an application within six months, a dependent child under the age of 21 years and any person under the age of 25 years who is a learner and who was wholly or mainly dependent on the deceased, can apply for the benefits. The application must be made within 14 days after the six-month period has expired, during which the spouse should have applied.
- *Adoption benefits.* A worker who contributes to the fund who adopts children below two years of age can claim if he/she takes unpaid leave or receives only a portion of his/her salary while he/she is at home caring for the child. Only one parent may claim. Benefits are only payable if the child is adopted in terms of the Child Care Act and the period that the contributor was not working was spent caring for the child.
- *Maternity benefits.* A domestic worker who is pregnant can claim maternity benefits before and after the child is born. The amount that workers can claim depends on how long they have contributed to the fund. Workers will be paid a percentage (up to 58 %) of a day's salary for every six days that they worked while contributing to the fund. A worker due to have a baby is entitled to 17 weeks' (121 days) maternity benefits. If a worker has a miscarriage, she may claim for six weeks (42 days). Maternity benefits are separate from ordinary unemployment benefits.

The introductory discussion on the UIF will not be comprehensive without reference to the regulations pertaining to the payment of monthly UIF contributions and minimum wage levels. In this regard, employers are obliged to contribute 1 % of what they pay to the domestic worker to the fund on a monthly basis. In turn, the domestic worker also contributes 1 %. It is the employer's responsibility to ensure that these payments are made. The contributions must be paid before the 7th of every month. Alternatively, the contributions can be paid in advance every three, six or 12 months. Employers registered for tax purposes must pay their contribution to the South African Revenue Service (SAARS). Those employers who are not registered for tax purposes must pay their contributions directly to the UIF.

According to the 'sectoral determination' of the Basic Conditions of Employment Act 75 of 1997 as amended by the Basic Conditions of Employment Amended Act (2002), the minimum wages of domestic workers between 1 December 2010 and 30 November 2011 for Group A are R1 506.34 per month, R347.79 per week and R7.72 per hour (see exhibit 2.1). In Group B the minimum wages for the same period is R1 256.14 per month, R290.00 per week and R6.44 per hour (see exhibit 2.1). It should be noted that these minimum rates only apply to domestic workers who work more than 27 ordinary hours per week. Exhibit 2.2 displays the minimum wages for domestic workers who work 27 ordinary hours per week or less.

Given the minimum wages for domestic workers who work more than 27 ordinary hours per week, the employee is compelled by law to pay 1 % of this amount towards UIF which is R15.06 for Group A and R12.56 for Group B. This means that the employer and the employee collectively contribute R30.12 per month towards the UIF in Group A and R25.12 in Group B. This contribution is very reasonable when considering that an employee is able to get benefits such as maternity leave money for the four months duration of unpaid maternity leave and can access it when unemployed or their relatives can claim when they die.

EXHIBIT 2.1

**MINIMUM WAGE TABLES FOR DOMESTIC WORKERS
WHO WORK MORE THAN 27 ORDINARY HOURS PER WEEK**

Area A					
Bergrivier Local Municipality, Breederivier Local Municipality, Buffalo City Local Municipality, Cape Agulhas Local Municipality, Cederberg Local Municipality, City of Cape Town, City of Johannesburg Metropolitan Municipality, City of Tshwane Metropolitan Municipality, Drakenstein Local Municipality, Ekurhuleni Metropolitan Municipality, Emalahleni Local Municipality, Emfuleni Local Municipality, Ethekewini Metropolitan Municipality, Gamagara Local Municipality, George Local Municipality, Hibiscus Coast Local Municipality, Karoo Hoogland Local Municipality, Kgatelopele Local Municipality, Khara Hais Local Municipality, Knysna Local Municipality, Kungwini Local Municipality, Kouga Local Municipality, Langeberg Local Municipality, Lesedi Local Municipality, Makana Local Municipality, Mangaung Local Municipality, Matzikama Local Municipality, Metsimaholo Local Municipality, Middelburg Local Municipality, Midvaal Local Municipality, Mngeni Local Municipality, Mogale Local Municipality, Mosselbaai Local Municipality, Msunduzi Local Municipality, Mtubatuba Local Municipality, Nama Khoi Local Municipality, Nelson Mandela, Nokeng tsa Taemane Local Municipality, Oudtshoorn Local Municipality, Overstrand Local Municipality, Plettenbergbaai Local Municipality, Potchefstroom Local Municipality, Randfontein Local Municipality, Richtersveld Local Municipality, Saldanha Bay Local Municipality, Sol Plaatje Local Municipality, Stellenbosch Local Municipality, Swartland Local Municipality, Swellendam Local Municipality, Theewaterskloof Local Municipality, Umdoni Local Municipality, uMhlathuze Local Municipality and Witzenberg Local Municipality.					
Minimum rates for the period 1 December 2008 to 30 November 2009		Minimum rates for the period 1 December 2009 to 30 November 2010		Minimum rates for the period 1 December 2010 to 30 November 2011	
Hourly Rate (R)	6.88	Hourly Rate (R)	7.40	Hourly Rate (R)	7.72
Weekly Rate (R)	309.60	Weekly Rate (R)	333.13	Weekly Rate (R)	347.79
Monthly Rate (R)	1340.95	Monthly Rate (R)	1442.86	Monthly Rate (R)	1506.34
Wages in Area A will be subjected to a CPIX plus 1 % increase for the period 1 December 2010 to 30 November 2011. The CPI (excluding owners' equivalent rent) six weeks prior to 1 December 2010 stood at 3.4 %. This means that wages for this period were calculated as follows: CPI (excluding owners' equivalent rent) plus 1 % for Area A = 3.4 % + 1 % = 4.4 %.					
Area B					
Areas not mentioned in Area A					
Minimum rates for the period 1 December 2008 to 30 November 2009		Minimum rates for the period 1 December 2009 to 30 November 2010		Minimum rates for the period 1 December 2010 to 30 November 2011	
Hourly Rate (R)	5.63	Hourly Rate (R)	6.11	Hourly Rate (R)	6.44
Weekly Rate (R)	253.35	Weekly Rate (R)	275.14	Weekly Rate (R)	290.00
Monthly Rate (R)	1097.40	Monthly Rate (R)	1191.78	Monthly Rate (R)	1256.14
Wages in Area B will be subjected to a CPIX plus 2 % increase for the period 1 December 2010 to 30 November 2011. The CPI (excluding owners' equivalent rent) six weeks prior to 1 December 2010 stood at 3.4 %. This means that wages for this period were calculated as follows: CPI (excluding owners' equivalent rent) plus 2 % for Area B = 3.4 % + 2 % = 5.4 %.					

Source: (DoL 2010b)

EXHIBIT 2.2

**MINIMUM WAGE TABLES FOR DOMESTIC WORKERS
WHO WORK 27 ORDINARY HOURS PER WEEK OR LESS**

Area A					
Bergrivier Local Municipality, Breederivier Local Municipality, Buffalo City Local Municipality, Cape Agulhas Local Municipality, Cederberg Local Municipality, City of Cape Town, City of Johannesburg Metropolitan Municipality, City of Tshwane Metropolitan Municipality, Drakenstein Local Municipality, Ekurhuleni Metropolitan Municipality, Emalahleni Local Municipality, Emfuleni Local Municipality, Ethekewini Metropolitan Municipality, Gamagara Local Municipality, George Local Municipality, Hibiscus Coast Local Municipality, Karoo Hoogland Local Municipality, Kgatelopele Local Municipality, Khara Hais Local Municipality, Knysna Local Municipality, Kungwini Local Municipality, Kouga Local Municipality, Langeberg Local Municipality, Lesedi Local Municipality, Makana Local Municipality, Mangaung Local Municipality, Matzikama Local Municipality, Metsimaholo Local Municipality, Middelburg Local Municipality, Midvaal Local Municipality, Mngeni Local Municipality, Mogale Local Municipality, Mosselbaai Local Municipality, Msunduzi Local Municipality, Mtubatu Local Municipality, Nama Khoi Local Municipality, Nelson Mandela, Nokeng tsa Taemane Local Municipality, Oudtshoorn Local Municipality, Overstrand Local Municipality, Plettenbergbaai Local Municipality, Potchefstroom Local Municipality, Randfontein Local Municipality, Richtersveld Local Municipality, Saldanha Bay Local Municipality, Sol Plaatjie Local Municipality, Stellenbosch Local Municipality, Swartland Local Municipality, Swellendam Local Municipality, Theewaterskloof Local Municipality, Umdoni Local Municipality, uMhlathuze Local Municipality and Witzenberg Local Municipality.					
Minimum rates for the period 1 December 2008 to 30 November 2009		Minimum rates for the period 1 December 2009 to 30 November 2010		Minimum rates for the period 1 December 2010 to 30 November 2011	
Hourly Rate (R)	8.12	Hourly Rate (R)	8.74	Hourly Rate (R)	9.12
Weekly Rate (R)	219.24	Weekly Rate (R)	235.90	Weekly Rate (R)	246.30
Monthly Rate (R)	949.97	Monthly Rate (R)	1022.17	Monthly Rate (R)	1067.14
Wages in Area A will be subjected to a CPIX plus 1 % increase for the period 1 December 2010 to 30 November 2011. The CPI (excluding owners' equivalent rent) six weeks prior to 1 December 2010 stood at 3.4 %. This means that wages for this period were calculated as follows: CPI (excluding owners' equivalent rent) plus 1 % for Area A = 3.4 % + 1 % = 4.4 %.					
Area B					
Areas not mentioned in Area A					
Minimum rates for the period 1 December 2008 to 30 November 2009		Minimum rates for the period 1 December 2009 to 30 November 2010		Minimum rates for the period 1 December 2010 to 30 November 2011	
Hourly Rate (R)	6.65	Hourly Rate (R)	7.22	Hourly Rate (R)	7.60
Weekly Rate (R)	179.55	Weekly Rate (R)	194.99	Weekly Rate (R)	205.52
Monthly Rate (R)	778.00	Monthly Rate (R)	844.90	Monthly Rate (R)	890.52
Wages in Area B will be subjected to a CPIX plus 2 % increase for the period 1 December 2010 to 30 November 2011. The CPI (excluding owners' equivalent rent) six weeks prior to 1 December 2010 stood at 3.4 %. This means that wages for this period were calculated as follows: CPI (excluding owners' equivalent rent) plus 2 % for Area B = 3.4 % + 2 % = 5.4 %.					

Source: (DoL 2010b)

The Basic Conditions of Employment Act 75 of 1997 also stipulates that domestic workers must not work more than 45 hours per week. If they work five days a week they have to work nine hours per day and for those who work more than five days they should work eight hours a day. By law, domestic workers are not allowed to work more than 15 hours of overtime a week and no more than three hours a day. On Sundays and public holidays these workers should get double pay. Internationally, domestic workers work very long hours. According to ILO reports, domestic workers, on average, work as much as 16 hours a day, seven days a week. Many live-in domestic workers remain on call for 24 hours. Many countries do not have legislation regulating time of work. However, countries such as Hong Kong and Jordan have put legislation in place to regulate this issue.

Furthermore, by law, South African employers are only allowed to deduct 10 % of a domestic worker's salary for accommodation. The accommodation has to comply with the minimum standards such as a room with a door and a bathroom or the employee should have an accessible bathroom which he/she can use on the property. Internationally, domestic workers' complaints include inadequate accommodation. In some instances these workers sleep in corridors, storage rooms or under staircases. Where rooms are provided they are very small and poorly ventilated and they normally do not have any locks as employers insist on regularly checking the workers' quarters.

In concluding the introductory discussion to the UIF, it is important to note that workers who receive unemployment insurance benefits have to report immediately when they find employment to terminate the benefit, as receiving benefits while one is working is fraudulent (Mywage South Africa 2010).

2.3 INTERNATIONAL TRENDS REGARDING THE DOMESTIC WORKER SECTOR, SOCIAL SECURITY AND UNEMPLOYMENT PROTECTION

To explore international reforms regarding the domestic work sector and domestic/household worker protection, the secondary research relied on various internationally published sources. From the final analysis it was clear that worldwide the domestic work sector is significant in size although many domestic workers live undeclared and have no insurance coverage. Thus a key challenge internationally relates to expansion strategies that will aim to reach the large groups of informal economy workers and their families, such as domestic workers, the self-employed, family labour as well as workers with low skills and with precarious or no labour contracts. The international analysis conducted on the protection of domestic or household workers clearly revealed that social insurance and social assistance systems largely exclude this sectoral dimension. Limited examples of social insurance and social assistance systems that incorporate domestic workers are traceable. To showcase this, exhibit 2.3 displays social insurance and social assistance systems across the world with specific reference to domestic/household workers. The exhibit captures the extent to which social security systems have evolved and provides an ideal opportunity to compare, adapt and reform social security systems by security administrations. However, it should be noted that the table only displays cases where domestic workers are explicitly included or excluded from social security systems for the just more than 50 countries analysed (see Tustin, Ligthelm & Risenga 2010). The information guiding the analysis was primarily extracted from the work published by the International Social Security Association (ISSA) (2009). The ISSA dataset proved to be the most comprehensive database available to profile and compare social security practices with specific reference to the status of unemployment protection schemes. Also, in support of a conclusive research approach, the published information sourced from ISSA was verified and further explored via various other secondary sources cited in the bibliography. Some of these international research findings are further explored in section 2.3.1 with the aim of gaining a broader sense of social security reform and regulations relevant to the domestic work sector worldwide.

EXHIBIT 2.3

**SELECTED WORLDWIDE SOCIAL INSURANCE AND SOCIAL ASSISTANCE SYSTEMS
INCLUSIVE OR EXCLUSIVE OF DOMESTIC/HOUSEHOLD WORKERS**

Europe	France
Regulatory framework	Type of programme: Social insurance and social assistance system.
Coverage	<p>Unemployment insurance: Employed persons in France or in the principality of Monaco, including apprentices, home workers, child carers, and some salaried public-sector workers other than civil servants.</p> <p>Public-sector workers other than civil servants who are not mandatorily covered receive the same benefits directly from their employer.</p> <p>Exclusions: Civil servants and self-employed persons.</p> <p>Special systems for construction workers, dockworkers, merchant seamen, aviators, <u>domestic workers</u>, contract workers, doorkeepers, disabled personnel in sheltered workshops, journalists, performing artists, and certain expatriates.</p> <p>Unemployment assistance (means-tested): Long-term unemployed persons residing in France who are no longer entitled to unemployment insurance benefits or are not eligible for unemployment insurance benefits and certain other designated categories of unemployed persons.</p>
Source of funds	<p>Insured person: 2.4 % of covered earnings. The maximum monthly earnings for contribution purposes are €11 092.</p> <p>Self-employed person: Not applicable.</p> <p>Employer: 4 % of covered payroll; 0.15 % of covered payroll finances the salary guarantee fund in the event the employer becomes bankrupt. The maximum monthly earnings for contribution purposes are €11 092. The employer pays an additional contribution that varies according to the employee's age and the company's total number of employees if an employee older than age 50 is laid off.</p> <p>Government: The total cost of social assistance.</p>
Qualifying conditions	<p>Social insurance benefits</p> <p>Unemployment benefit: Younger than age 60, or between ages 60 and 65 and without the number of quarters of coverage required to qualify for a full old-age pension (160 quarters), with six months of work in the last 22 months. The insured must reside in France, be registered at an employment office, and be capable of, and available for, work. Unemployment is not due to voluntary leaving, misconduct, or the refusal of a suitable job offer.</p> <p>Preretirement benefit: The insured must be at least age 57 (or younger than age 56 under certain labour agreements) at the end of the labour contract, have at least 10 years of employment, and have worked with the same employer during the last year of employment. The employer must have concluded an agreement with the government. A reduced benefit is paid under certain conditions at age 55 if the labour contract is changed into a part-time labour contract.</p> <p>Social assistance benefits</p> <p>Solidarity allowance (means-tested): The insured must have at least five years of employment in the last 10 years before unemployment, be no longer entitled to unemployment benefits, and be registered at an employment office. The applicant can opt for the solidarity allowance instead of the unemployment benefit if aged 50 or older.</p> <p>Means test: The household's average monthly income (excluding social benefits, savings, and alimony) in the last 12 months before entitlement to unemployment benefits ceased must not exceed €980 for a single person; €1 540 for a couple.</p> <p>Insertion allowance (means-tested): Awarded to foreign nationals not covered by unemployment insurance, work injury beneficiaries, persons diagnosed with an occupational disease, refugees, certain groups of noncitizens, and persons who were previously in detention. The applicant must be registered at an employment office.</p> <p>Means test: The household's average monthly income (social benefits, savings, and alimony are excluded) in the last 12 months before registration as a jobseeker must not exceed €887.40 for a single person; €1 774.80 for a couple.</p> <p>Insertion minimum income (means-tested): The insured must be aged 25 or older (waived for pregnant women or if the insured has dependent children), registered at an employment office, and ineligible to receive or no longer entitled to receive social insurance and social assistance benefits.</p> <p>Means test: The household's average monthly income (including salaries, social benefits, and alimony) in the last three months must be less than the insertion minimum income.</p> <p>Activity minimum income: Awarded to unemployed persons receiving the insertion minimum</p>

	<p>income for at least a year who receive an offer of part-time employment of 20 hours or more a week with a conventional labour contract.</p> <p><i>Unemployed retirement-equivalent allowance (means-tested):</i> Paid to unemployed persons younger than age 60 who have 160 quarters of contributions for the old-age pension. The allowance can replace social assistance benefits or supplement the unemployment benefit.</p> <p>Means test: The household's average monthly income (excluding social benefits) in the last 12 months must not exceed €1 451.04 for a single person; €2 085.87 for a couple.</p>
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Europe	Germany
Regulatory framework	Type of programme: Social insurance and social assistance system.
Coverage	<p>Employed persons, including <u>domestic workers</u>, apprentices, and trainees. Other groups (including participants in occupational training schemes) are also covered, subject to conditions.</p> <p>Voluntary coverage for self-employed persons, subject to conditions.</p> <p>Exclusions: Persons in irregular employment</p>
Source of funds	<p>Insured person: 1.65 % of covered earnings. The maximum annual earnings for contribution purposes are €63 600 (E - €54 000).</p> <p>Self-employed person: 3.3 % of the monthly reference value. The monthly reference value is €2 450; E - €2 100.</p> <p>Employer: 1.65 % of covered earnings. The maximum annual earnings for contribution purposes are €63 600 (E - €54 000).</p> <p>Government: Loans or subsidies to cover any deficit and the cost of noncontributory unemployment benefits.</p>
Qualifying conditions	<p>Unemployment benefit: The insured must have at least 12 months of covered employment in the last two years, be registered at an employment office, and be capable of, available for, and actively seeking employment.</p> <p>In certain cases, the right to unemployment benefit can be suspended (for up to 12 weeks).</p> <p>Noncontributory unemployment benefit (means-tested): Paid to all needy unemployed persons between ages 15 and 65. The person must be ineligible for, or no longer be entitled to, the contributory unemployment benefit, be registered at an employment office, and be capable of, available for, and actively seeking employment. The benefit is also paid to persons living with a needy person capable of work in a supported environment. If the qualifying conditions are violated, the benefits may be reduced or suspended.</p> <p>Short-time work benefit: Paid to workers who lose working hours as a result of economic restructuring in the workplace.</p> <p>Bad weather allowance: Paid to construction workers whose work is halted because of bad weather.</p>
Cash benefits for insured workers	<p>Unemployment benefit: The benefit is equal to 67 % of the insured's net earnings for unemployed persons with children; 60 % if without children. The benefit is paid for six to 18 months, according to the length of the covered employment period and the claimant's age. The benefit is paid for 15 months to unemployed persons older than age 55 with at least 30 months of covered employment; for 18 months with 36 months of covered employment. Benefit adjustment: Benefits are adjusted annually in July according to changes made to pensions under Old Age, Disability, and Survivors, above.</p> <p>Noncontributory unemployment benefit (means-tested): 100 % of the standard flat-rate benefit is paid for a single person or a single parent. Since 2007, a single standard flat-rate unemployment benefit of €347 has been applied in principle everywhere in Germany. An additional 90 % of the standard flat-rate benefit may be paid if the claimant has an unemployed partner aged 19 or older (€312 a month per person); 80 % for children between ages 15 and 18 (€278 a month); 60 % for children younger than age 15 (€208 a month). In addition, support is provided for heating and housing costs.</p> <p>There is no limit to duration.</p> <p>Means test: A portion of the beneficiary's income above €100 a month is deducted from the benefit (20 % of income between €100.01 and €800.00; 10 % of income between €800.01 and €1 200.00 or €1 500.00 (if the claimant has children).</p> <p>Benefit adjustment: Standard flat-rate benefits are adjusted annually in July according to changes made to pensions under Old Age, Disability, and Survivors, above.</p> <p>Short-time work benefit: The benefit is equal to 67 % (60 % if without children) of the difference between previous and current income and is paid for up to six months.</p> <p>Bad weather allowance: The allowance is paid after the 100th hour of stoppage between November 1 and March 31. The allowance is equal to 67 % (60 % if without children) of the difference between previous and current income.</p>

Europe	Ireland
Regulatory framework	Type of programme: Social insurance and social assistance system.
Coverage	Employees younger than age 66. Exclusions: Certain part-time employees; self-employed persons; public servants who were permanent and covered by the public servants pension system before it was closed to new entrants on April 6, 1995; and casual <u>domestic workers</u> .
Source of funds	Insured person: See source of funds under Old Age, Disability, and Survivors, above. Self-employed person: Not applicable. Employer: See source of funds under Old Age, Disability, and Survivors, above. Government: Any deficit and the total cost of means-tested assistance.
Qualifying conditions	Jobseeker's benefit: Aged 16 to 65, unemployed for at least three days in six consecutive days, and with 39 weeks of paid contributions including 39 weeks paid or credited in the last tax year or at least 26 contributions paid in each of the last two complete contribution years before the beginning of the benefit year for which a benefit is claimed. The applicant must be available for, genuinely seeking, and capable of work and be registered at a Social Welfare Local Office. Unemployment must not be due to voluntary leaving, misconduct, refusal of a suitable job offer (the insured may be disqualified for up to nine weeks), or a trade union dispute (the insured is disqualified for the duration of the dispute). Jobseeker's allowance (means-tested): A resident with limited means, aged 18 to 65, unemployed for at least three days in six consecutive days, and does not satisfy the contribution conditions for the jobseeker's benefit. The applicant must be available for, genuinely seeking, and capable of work and be registered at a Social Welfare Local Office. Unemployment must not be due to voluntary leaving, misconduct, refusal of a suitable job offer (the insured may be disqualified for up to nine weeks), or a trade union dispute (the insured is disqualified for the duration of the dispute).
Cash benefits for insured workers	Jobseeker's benefit: The maximum benefit is €197.80 a week and is paid for up to 15 months (156 days if younger than age 18; 156 weeks if aged 65 or older). If a person is employed part time as the result of having lost some employment, a daily rate is paid subject to a minimum of three days of unemployment in a week. Dependant's supplement: €131.30 a week is paid for a qualified adult and €24 a week is paid for a dependent child younger than age 18 (age 22 if a full-time student and the insured has been receiving benefits for more than six months) or €12 if the qualified adult increase is not payable. If a person is employed part time as the result of having lost some employment, a daily rate is paid subject to a minimum of three days of unemployment in a week. Jobseeker's allowance (means-tested): Up to €197.80 a week is paid.

Europe	Spain
Regulatory framework	Type of programme: Social insurance system.
Coverage	Employees in industry, commerce, and services are covered according to 11 occupational classes. Exclusions: Self-employed persons, <u>domestic workers</u> , and public-sector employees.
Source of funds	Insured person: 1.55 % of covered earnings; 1.60 % of covered earnings if employed under a fixed-term contract. The minimum monthly earnings for contribution purposes are €700; the minimum daily earnings for contribution purposes are €23.33. The maximum monthly earnings for contribution purposes are €3 074.10; the maximum daily earnings for contribution purposes for certain occupational classes are €102.47. Self-employed person: Not applicable. Employer: 5.5 % of covered payroll; 6.7 % of covered payroll on behalf of those employed under full-time fixed-term contracts; 7.7 % of covered payroll on behalf of those employed under part-time fixed-term contracts or if employment is provided through an agency specialising in temporary work contracts. The minimum monthly earnings for contribution purposes are €700; the minimum daily earnings for contribution purposes are €23.33. The maximum monthly earnings for contribution purposes are €3 074.10; the maximum daily earnings for contribution purposes for certain occupational classes are €102.47. Government: Variable subsidies; contributes as an employer.

Qualifying conditions	<p>Unemployment benefit: The insured must have at least 360 days of contributions during the last six years and be registered at an employment office.</p> <p>Unemployment assistance: The insured is no longer entitled to the contributory unemployment benefit or does not meet the qualifying conditions for the contributory unemployment benefit. The unemployed person's monthly income must not exceed €382.05 (75 % of €509.40, the minimum monthly wage).</p>
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Asia and the Pacific	Turkey
Regulatory framework	Type of programme: Social insurance system.
Coverage	<p>Employees (including foreign nationals) aged 18 or older working under a service contract in the public or private sector and certain other specified groups.</p> <p>Exclusions: Civil servants, workers in agriculture and forestry, <u>household workers</u>, military personnel, students, and self-employed persons.</p>
Source of funds	<p>Insured person: 1 % of monthly earnings, up to a maximum.</p> <p>Self-employed person: Not applicable.</p> <p>Employer: 2 % of monthly payroll.</p> <p>Government: 1 % of monthly earnings, up to a maximum.</p>
Qualifying conditions	Unemployment benefit: Must have at least 600 days of contributions in the three years before unemployment, including the last 120 days of employment.
Cash benefits for insured workers	<p>Unemployment benefits: The minimum daily benefit is equal to 50 % of average daily earnings, based on the last four months of earnings. The benefit is paid for 180 days to an insured worker with at least 600 days of contributions; for 240 days with at least 900 days of contributions; and 300 days with at least 1 080 days of contributions. The monthly benefit must not be higher than the minimum wage for the industry in which the insured worked.</p> <p>A worker may receive unemployment benefits at the same time as sickness and maternity benefits.</p> <p>Benefit adjustment: Benefits are not adjusted but are calculated according to the insured's monthly earnings.</p>

South America	Argentina
Regulatory framework	Type of programme: Social insurance system.
Coverage	<p>Private-sector employees, including temporary and casual workers.</p> <p>Exclusions: Self-employed persons, <u>household workers</u>, public-sector employees, and teachers in private institutions.</p>
Source of funds	<p>Insured person: None.</p> <p>Self-employed person: Not applicable.</p> <p>Employer: 0.89 % or 1.11 % of gross payroll, according to the type of enterprise. The minimum monthly earnings for contribution purposes are 268 pesos. There are no maximum earnings for contribution purposes.</p> <p>Government: Finances any deficit.</p>
Qualifying conditions	<p>Unemployment benefits: The insured must have at least six months of contributions in the three years before unemployment; 90 days in the 12 months before unemployment for temporary workers.</p> <p>Extended unemployment benefit: The benefit may be extended for up to six months if the unemployed person is at least age 45 (men and women) and has children who are eligible for family allowances.</p> <p>Single-payment benefit: The benefit is paid to an unemployed person who intends to set up a business. The unemployed person must present a business plan to the Ministry of Labor, Employment, and Social Security for approval.</p> <p>The unemployed person must be registered and available for suitable employment and not be receiving any other social security benefit.</p>

Cash benefits for insured workers	<p>Unemployment benefits: The monthly benefit is 50 % of the insured's best wage in the 6 months before unemployment. The benefit is paid for 4 months if the insured has 12 to 23 months of contributions; for eight months with 24 to 35 months; for 12 months with 36 months or more.</p> <p>The minimum monthly unemployment benefit is 250 pesos.</p> <p>The maximum monthly unemployment benefit is 400 pesos.</p> <p>Extended unemployment benefit: The benefit is equal to 70 % of the first monthly unemployment benefit paid.</p> <p>Lump-sum benefit: The remainder of the benefit may be paid as a lump sum after the first monthly payment has been made, providing at least three monthly payments remain before entitlement ceases. The benefit is equal to twice the total amount of the remaining monthly payments.</p> <p>Unemployment beneficiaries may receive family allowances.</p>
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South America	Brazil
Regulatory framework	Type of programme: Social assistance system.
Coverage	Persons employed in the formal private sector and other categories of workers, such as <u>household workers</u> , survivors of slave labour, and fishermen (during closed-season periods). Exclusions: Self-employed persons.
Source of funds	Insured person: None. Self-employed person: Not applicable. Employer: None. Government: The total cost is financed by earmarked taxes.
Qualifying conditions	Unemployment benefits: The benefit varies according to whether the insured had six months to 11 months of coverage, 12 months to 23 months of coverage, or 24 months or more of coverage in the last 36 months. Unemployment must not be due to misconduct or resignation. The insured must lack other resources to support self or family and must not receive other social insurance benefits.
Cash benefits for insured workers	Unemployment benefit (means-tested): The monthly benefit varies according to average earnings in the last three months of employment: 80 % of average earnings is paid with average earnings up to 767.60 reais; plus 50 % of earnings between 767.61 reais and 1 279.46 reais. The minimum monthly benefit is equal to the legal monthly minimum wage (465 reais). The maximum monthly benefit is 870.01 reais. The benefit is paid for three to five months, depending on the insured's duration of coverage. Under special conditions, the benefit may be extended for an additional two months. Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

South America	Chile
Regulatory framework	Type of programme: Employment-related and mandatory individual severance account system.
Coverage	Employment-related system: Employed persons. Individual severance account: Mandatory coverage for employed persons hired on or after October 2, 2002; voluntary coverage for employed persons hired prior to October 2, 2002. <u>Exclusions:</u> Persons younger than age 18, <u>household workers</u> , apprentices, pensioners (unless partially disabled), self-employed persons, civil servants, and armed forces personnel.
Source of funds	Employment-related system <i>Insured person:</i> None. <i>Self-employed person:</i> None. <i>Employer:</i> None. <i>Government:</i> The total cost is met through the Unified Family Allowances and Unemployment Fund. Individual severance account <i>Insured person:</i> 0.6 % of covered monthly earnings (plus an administrative fee) for up to 11 years for each job; voluntary contributors, 0.6 % of covered monthly earnings (plus an administrative fee). Workers employed under a fixed-term contract do not contribute. The maximum monthly earnings for contribution calculation purposes are 90 UFs (unidad de fomento). The UF is equal to 20 958.67 pesos and is adjusted daily according to

	<p>changes in the consumer price index. <i>Self-employed person:</i> Not applicable. <i>Employer:</i> 2.4 % of covered payroll a month for up to 11 years (1.6 % to the insured's individual account and 0.8 % to the Solidarity Severance Fund); 3 % if an employee has a fixed-term contract (2.8 % to the insured's individual account and 0.2 % to the Solidarity Severance Fund). The maximum monthly earnings for contribution calculation purposes are 90 UFs (unidad de fomento). The UF is equal to 20 958.67 pesos and is adjusted daily according to changes in the consumer price index. <i>Government:</i> An annual contribution to the Solidarity Severance Fund of 225 792 UTM (unidad tributaria mensual). The UTM, a monthly tax indexed unit set by law, is 36 682 pesos.</p>
Qualifying conditions	<p>Unemployment benefits <i>Employment-related system:</i> The insured must be involuntarily unemployed with at least 12 months or 52 weeks of contributions in the previous two years, registered for employment, and able and willing to work. The receipt of an employment-related benefit with an individual severance account benefit is not possible. <i>Individual severance account:</i> The insured must be involuntarily unemployed with at least 12 months of contributions; insured persons with fixed-term contracts must have at least six months of contributions since they first joined the system or since the individual account was last fully drawn down. The benefit is suspended if the insured starts a new job. If the balance in the individual account is insufficient to pay a benefit, the insured is eligible for a benefit under the Solidarity Severance Fund provided that unemployment was involuntary and the insured had contributed 12 months before unemployment began, was not employed on a fixed-term contract, and had not refused a suitable job offer. The receipt of benefits from the Solidarity Severance Fund is possible only twice in any five-year period.</p>

North America	United States
Regulatory framework	Type of programme: Social insurance system.
Coverage	<p>Employees of firms in industry and commerce and employees of nonprofit organisations with four or more employees during 20 weeks in a year or that pay wages of \$1 500 or more in any calendar quarter in a year. Almost all state and local government workers, <u>household workers</u>, and more than 75 % of farm workers are covered. Federal civilian and military employers are also covered. Exclusions: Some agricultural employees, employees of religious organisations, casual employees, family labour, and self-employed persons. Special federal system for railroad employees.</p>
Source of funds	<p>Insured person: None, except in Alaska, New Jersey, and Pennsylvania. Self-employed person: Not applicable. Employer <i>Federal tax:</i> 0.8 % of taxable payroll. (The full amount is 6.2 %. However, there is a 5.4 % credit if states meet all federal requirements; includes a temporary surcharge of 0.2 % on the first \$7 000 earned by each worker in covered employment annually.) <i>State programs:</i> The standard rate is 5.4 % of taxable payroll. Actual rates vary from zero to 10 % or more, according to the individual employer's experience with laying off workers. The first \$7 000 to \$35 700 (varies according to the state) earned by each worker in covered employment is subject to this tax annually. Government: Federal tax revenue is used for the administration of state unemployment compensation programmes, loans to states to pay for unemployment benefits, or to finance the extended benefits programme. State tax revenue is used for unemployment benefits.</p>
Qualifying conditions	<p>Unemployment benefits: Most states require minimum earnings in the base period equal to a specified multiple of the weekly benefit amount or high-quarter wages, or a specified total amount of wages. A few states require a specified number of weeks of employment (for example, from 15 to 20 weeks). One state requires a certain number of hours of work. To be eligible, an unemployed worker must be registered with the employment service, be capable of and available for work, and must actively seek work. An unemployed worker will be disqualified for voluntarily leaving a job without good cause, being discharged from employment for misconduct, or refusing an offer of suitable work. Unemployed workers may be disqualified if they are participating in a labour dispute. The length of the disqualification period varies among states and depends on the reason for disqualification.</p>

Cash benefits for insured workers	<p>Unemployment benefit: The benefit is about 50 % of the insured's earnings (usually capped at around 50 % of the state's average weekly wage), according to diverse state formulas. The benefit is paid after a one-week waiting period in most states, for up to 26 weeks in most states.</p> <p>Dependant's supplement: About 25 % of states provide from \$1 to \$125 a week for each child and sometimes for other dependants.</p> <p>Federal law provides for up to 13 additional weeks of benefits in states with high levels of unemployment.</p> <p>Unemployment assistance: Assistance is available in some states to workers who are ineligible for unemployment benefits because of insufficient periods of covered employment, to unemployed persons who have exhausted benefit rights under the federal and state assistance programmes, and to unemployed persons participating in training programmes.</p>
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South America	Uruguay
Regulatory framework	Type of programme: Social assistance system.
Coverage	Private-sector employees in industry and commerce, rural workers, and <u>household workers</u> . Exclusions: Self-employed persons.
Source of funds	Insured person: None. Self-employed person: Not applicable. Employer: None. Government: The total cost.
Qualifying conditions	<p>Unemployment benefits: The insured must have at least six months of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have at least five months of work and have earned at least 8 892 pesos in the 12-month period before unemployment began.</p> <p>Rural workers who are paid monthly must have at least 12 months of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have at least 250 days of work and have earned at least 23 328 pesos in the 24-month period before unemployment began.</p> <p>Household workers must be registered; household workers who are paid monthly must have at least six months of work in the 12-month period before unemployment; household workers who are paid at irregular intervals must have at least 12 months of work in the 24-month period before unemployment began; workers who are paid daily or weekly must have at least 150 days in the 12 months or 250 days in the 24 months of work before unemployment began.</p> <p>Unemployment must not be the result of dismissal for disciplinary reasons.</p> <p>Partial unemployment benefit: A benefit is paid to workers who are paid daily or at irregular intervals if working time is reduced by 25 % or more.</p> <p>Dependant's supplement: Paid if the unemployed person is married, has children younger than age 21 (any age if disabled), or has disabled dependants.</p> <p>There is a 12-month waiting period before a new claim for unemployment benefits can be made.</p>
Cash benefits for insured workers	<p>Unemployment benefit: For full unemployment, workers who are paid monthly or at irregular intervals receive a monthly benefit of 50 % of average earnings in the six months before unemployment; a monthly benefit of 12 days of earnings before unemployment for workers who are paid daily.</p> <p>Partial unemployment benefit: The monthly benefit is 12 days of earnings before partial unemployment, minus the value of current monthly earnings.</p> <p>Dependant's supplement: 20 % of the benefit is paid.</p> <p>The monthly minimum unemployment benefit is 1 944 pesos.</p> <p>The monthly maximum unemployment benefit is 21 384 pesos.</p>

As evident from exhibit 2.3, maintaining and improving coverage levels of especially domestic/household workers is and will remain a major transformation area worldwide alongside changes to contribution rates, retirement ages and benefit formulas, and improvements in administration and governance of schemes.

As mentioned earlier, limited coverage of unemployment protection of domestic workers not only complicates but also challenges broader research attempts beyond simply using single-sourced databases such as ISSA. Against this background, additional meta-analysis has been conducted in an attempt not only to capture contemporary reform in social security and unemployment protection for the domestic work sector, but also to gain a better understanding of the size and composition of the sector. The outcomes of this exercise are summarised thematically in the subsections to follow.

2.3.1 **International profile of domestic work**

In the sections to follow the general approach was to profile the domestic work sector in terms of size and composition. As the domestic worker sector worldwide is dominated by women, a large part of the discussion is devoted to this gender group. This also motivated a separate discussion on motherhood at the end of the profile.

2.3.1.1 *Size of the domestic work sector in selected countries*

According to Anti-Slavery International (2010), a registered London-based charity organisation that focuses on the eradication of slavery and slavery-like practices in employment relations, domestic work is one of the oldest occupations in the world representing about 10 % of total employment in some countries. The size of the domestic work sector worldwide is demonstrated by the following statistics:

- Domestic workers form about 2.5 % of the working population in highly industrialised countries while in many developing countries, domestic workers form about 5 % to 9 % of the working population in the informal economy. Statistics show that there are about five million domestic workers in Brazil and about two million in New Delhi (India) (ACTRAV 2010).
- In Paraguay (with approximately 290 000 domestic workers), more than 20 % of all economically active women are employed in domestic work, where they are subjected to legalised discrimination. A domestic worker can be paid 40 % of the minimum wage, work 12 hours (rather than the normal eight), and has no right to days off on Sundays or to a written contract (ITUC 2009 & Estrada 2009).

- According to the Project to Promote Equality and Decent Work for Women through Trafficking Prevention, Protection for Domestic Workers and Gender Factsheet there are about 20 million domestic workers in China and around 600 000 domestic service agencies. It is reported that, in Hong Kong alone, there is a potential of about 15 million domestic opportunities, as the household demand for domestic help increases (ILO 2009b and ILO 2010c).
- Tokman (2010) found that there were 7.6 million people employed as domestic workers in Latin America in 2009. This is about 5.5 % of employment in the urban areas of Latin America in 2009. In many of these countries, most domestic workers work in the informal sector and their employment thus remains invisible to the government.
- According to WIEGO (2010), more than 1.2 million workers provided domestic services in Italy in 2009, and over 50 % of migrant workers in France were domestic workers.
- There were approximately 2.6 million domestic workers in Indonesia in 2007, the majority of whom are women and girls - some as young as 12 or 13. They are generally required to cook, wash clothes, clean the house, look after the children, and do the shopping (Amnesty International 2007).
- In Indonesia, the ILO estimates there were nearly 700 000 child domestic workers in 2006, while in El Salvador over 20 000 girls and women between the ages of fourteen and nineteen were domestic workers (HRW 2006).
- Asia Migrant Centre states that in Asia domestic workers formed between 1 % and 3 % of the population in 2009. In Lebanon, there were 130 000 to 200 000 domestic workers, who form part of a population of 4 million in 2009, according to research done by various institutions. Bangladesh as a major 'sending' country to the Middle East had around 700 licensed recruitment agencies, 10 000 subagents and 1 350 travel agencies in 2009, dealing primarily with domestic workers. The Philippines deploys 150 000 domestic workers overseas annually (ITUC 2010).
- According to Mywage South Africa (2010) there were about 1 million to 1.5 million domestic workers working in South Africa in 2010.

- By extrapolation, the ILO's Bureau for Workers' Activities (ACTRAV 2010) estimates that there are currently over 100 million domestic workers worldwide, predominantly women.

2.3.1.2 *Gender and age profiles of domestic workers*

According to the Women in Informal Employment: Globalizing and Organizing – (WIEGO) - an organisation representing women in informal employment worldwide - a combination of push and pull factors contribute to women entering domestic work, either in their own countries or abroad (WIEGO 2010). Rural poverty has increased in many countries, occasioned by structural adjustment programmes, devastation of the agricultural sector and economic crises. This has pushed many women and girls into the domestic labour market (Human Rights Watch 2006). With few formal jobs available and facing gender discrimination, often coupled with discrimination based on caste or class, race or ethnicity, the opportunities of female domestic workers for decent work are few. Also, as most female domestic workers are from poor households, they generally have low levels of education and few marketable skills, other than their skills in keeping house and caring for others. Cleaning and cooking, looking after children and the elderly is almost universally regarded as women's work, which means that men rarely compete with women in this job market. Domestic work is therefore one of the few employment opportunities open to poor women.

The ILO Bureau of Statistics Database (ILO 2010b) shows that domestic work is an important source of employment for women but not for men. In Latin America and the Caribbean, 10 % to 18 % of women employed were in domestic work in 2009. In the Arab countries, specifically in Qatar, Saudi Arabia and the United Arab Emirates over 40 % of women employed were in domestic work. Domestic work is also important in women's employment in many countries in Asia and Africa. Some examples in this regard include the Philippines (11 %), Botswana (11 %), Namibia (12 %) and South Africa (16 %) (WIEGO 2010).

Further examples of the extent of female domestic work, include the following:

- In China 90 % of the domestic workers were women between the ages of 16 years and 48 years of age in 2009 (ILO 2009b). These women are from rural areas or ex-factory workers who have been laid off. The education level of these women is very low. Most have primary to middle school education at most. This is in drastic contrast to domestic workers migrating to the west. Most of these domestic workers have teaching degrees and other forms of tertiary education but they are unable to earn good salaries in their own countries. Most of these highly qualified Asian workers find themselves migrating to the West to become domestic workers as this pays better than working as teachers or professionals in their own countries. Some Asian countries have put laws in place that allow for mass migration of workers to the West, as the remittances keep the countries afloat.
- According to the International Domestic Workers' Network (IDWN), 90 % of domestic workers in India were women, girls or children ranging from ages 12 to 75 in 2009 and it is estimated that 25 % are below the age of 14 (IDWN 2010).
- Domestic workers, the majority of whom are women, also constitute a large portion of today's migrant worker population. In Latin America, for example, they constituted as much as 60 % of all internal and international migration in 2005. The feminisation of migration, a trend that began in the early 1980s, has resulted in an increased number of women who migrate alone. Prior to that time, women generally accompanied their spouses to destination countries or joined them later. Unemployment and household poverty, which have significantly affected countries of origin since the beginning of the 1980s, pressured these women to find jobs abroad.
- In wealthy countries, heightened demands in certain employment sectors, especially in the household or domestic sphere, also made migration an attractive alternative (The Migration Information Source 2005).

- According to research conducted between 2006 and 2007 in the UK by Kalayaan (an organisation supporting rights of migrant domestic workers) 84 % of migrant domestic workers were female. Of these, 86 % worked more than 16 hours a day, 70 % complained of psychological abuse, and 56 % had no private room in the employers' house (Kalayaan 2007).

In contrast with female domestic workers, in very few countries more than 1 % of men are employed in the domestic service sector. Wage differences by gender are also notable from country data published by the ILO Bureau of Statistics (ILO 2010b). In this regard ILO statistics show that women employed in domestic work receive much lower wages than women working in other jobs and that the wage levels are lower for female domestic workers than for male domestic workers. For example, in Costa Rica, women employed as domestic workers in 2009 earned an average of 40 % of the wages paid to other women workers while the comparable ratio for men is 67 %.

2.3.1.3 *Migration profiles of domestic workers*

Some domestic workers (mostly women) are migrant workers who travel from rural to urban areas or from poor to richer countries to work as domestic labourers. In fact, migrant domestic work is a great source of employment for many women in especially poor countries. The Middle East and Asia have the highest number of migrant domestic workers in the world (ITUC 2010). It is estimated that about 196 000 migrant domestic workers currently work in Singapore, 200 000 in Lebanon, 660 000 in Kuwait and about 1.5 million in Saudi Arabia. Most of these migrant domestic workers come from the following countries: Indonesia, the Phillipines, Sri Lanka, Nepal, India and Ethiopia. These numbers show that domestic work is a lucrative occupation that is in high demand. Countries that are receiving the greatest numbers of domestic workers are Hong Kong, Singapore, Malaysia, Taiwan, countries in the Middle East and Saudi Arabia. Sending countries are mostly Asian countries (the Phillipines, Thailand, Indonesia, India, Bangladesh, Pakistan, Sri Lanka) and specifically one African country, Ethiopia.

According to WEIGO (2010) the share of women among international migrants has increased significantly over the past three decades. Women made up approximately half of the estimated 200 million migrants worldwide in 2006, with female and girl domestic workers an important part of this trend as of 2006 (HRW 2006). Asia is an important source of international migrants working as domestics both within Asia and beyond. As of the mid-2000s around 6.3 million Asian migrants were legally working and residing in the more developed countries of Asia. Most come from Indonesia, the Philippines and Sri Lanka, where women, mostly domestic workers, make up 60 % - 80 % of registered migrants. Perhaps another 1.2 million undocumented migrants were in the region, many working as domestic workers in 2006 (UNPF 2006). Arab countries employ millions of migrant domestic workers. In Saudi Arabia for example, there are approximately 1.5 million domestic workers, primarily from Indonesia, the Philippines and Sri Lanka in 2008 (HRW 2008). In Latin America domestic workers made up to 60 % of internal and cross-border migrants in 2006. Young women migrate from the less economically developed countries, for example Bolivia and Peru to work in the more developed countries, such as Argentina and Chile. Women migrants from Mexico and other parts of Latin America made up most of the domestic workforce in the US (UNPF 2006). In France, more than 50 % of migrant women were employed in domestic work in 2007. In Italy some 600 000 people are registered as domestic workers - the majority being non-EU nationals. There are also many who are undocumented, not having a work permit, making up an estimated total of 1.2 million workers in Italy providing domestic services to individuals (IRENE 2007).

Finally, the Annual Survey of Trade Union Violations conducted by the International Trade Union Confederation (ITUC) in 2009 reported that many migrant domestic workers, particularly in the Middle East, suffer violence at the hands of their employers or are even killed by their employers (ITUC 2009). Some migrant domestic workers feel so trapped by the abuse that they resort to killing themselves. Also in 2009 there were various cases of domestic suicide reported in Indonesia. In some cases, employers use child labour for domestic work, which is illegal. Poverty forces some parents to put their children up in wealthy families as domestic workers. This is not easy for the law to trace as households cannot be monitored properly by

labour inspectors as with normal workplaces. In many situations domestic workers are dependent on the good or bad will of the employer. Often domestic workers do not even have written contracts with their employers, which greatly reduces the possibility of registration with government.

2.3.1.4 *Pregnant women*

The ILO states that in many cases domestic workers are most vulnerable when they fall pregnant and have to go on maternity leave. In many reported cases, pregnancy can translate into immediate termination of employment. In some cases there is even no salary for the time spent at home nursing. When domestic workers have access to social security resources, they are able to get some money for the duration of maternity leave. The Decent Work for Domestic Workers ILO report rightly states that the majority of countries do not offer any wages or supplementary wages or even leave for domestic workers on maternity leave (ILO 2009a).

In South Africa, employers are forced by law to register their employees for unemployment insurance according to the Unemployment Insurance Act (UIA). Domestic workers are entitled to four months of unpaid maternity leave. Domestic workers whose employers have registered them for UI can get maternity benefits from the fund for those four unpaid months.

According to sectoral determination, domestic workers are entitled to severance pay of one week for each year of service. Nonetheless in many cases globally, severance pay for domestic workers is not possible as some do not even have proof that they were employed, as written contracts were never drafted and signed. In some countries, this cover for domestic workers has yet to be drafted, further disabling efforts by domestic workers to receive retribution.

2.3.2 **Legal protection for domestic workers**

Domestic work continues to be regarded in many contexts as woman's work and in many instances it is not regarded as a profession, or worthy of being covered by labour laws. According to Anti-Slavery International (2010) domestic workers *in*

many countries are not considered as 'workers' but rather as informal 'help' and are excluded from national labour legislation. The lack of legislation for 'informal' work such as domestic work is particularly problematic in developing countries as this means that these workers (mostly women) have no recourse to legal retribution against their employers when they are abused or not paid. The vulnerability and abuse of domestic workers are a direct consequence of the invisibility of this type of work and is further compounded by the weak legislation that is available for these workers. In this regards the ILO (ILO 2009a) states that:

In many countries, domestic work is not considered formal employment and often falls outside of labour protection laws. Put simply, domestic workers are often at the mercy of their employers. Should the employer physically or sexually abuse them, withhold wages or degrade them, many women, in both perception and reality, feel they have little recourse except to run away.

As mentioned above, legislation for domestic work in many developing areas remains a tenuous terrain. In Mexico for instance, many worker associations have been campaigning for a legal framework for these workers for over 12 years without any success (ILO 2009a). Domestic workers in many countries continue to survive on the margins of the legal framework. Lack of enforcement of the little legislation that is available for them leaves them destitute.

In addition, in China the government does not provide legal provisions for governing the conditions of domestic workers as this type of employment is regarded as informal. Private households are not defined in the law as employing units. Under these circumstances domestic workers are not guaranteed their wages, working conditions, social security and labour protection as they do not have legal employment status. Despite the fact that domestic workers work without proper legal coverage in China, there are two ministries, the Ministry of Human Resources and Social Security and the Ministry of Commerce that are mandated to cover domestic work. The first ministry is responsible for issuing laws, policies and

regulations pertaining to labour relations of domestic workers. The second ministry is responsible for monitoring domestic service associations (ILO 2009a).

There is an obvious need for concrete steps towards drafting legislature covering domestic workers. Domestic workers usually work long hours. In Guangzhou and Beijing 35 % of workers work about 10 hours per day and do not get weekends off (ILO 2009b). More than 60 % of domestic workers in Beijing and Chengdu do not subscribe to any insurance scheme so when they are laid off they are unable to claim unemployment insurance. The numbers of domestic workers in China as a whole who have not joined any insurance scheme are equally high. The ILO also states that the lack of information with regards to domestic workers makes it even harder to know the depth of vulnerability of domestic workers, not only in China but in many countries.

The main argument in many Asian and developing countries is that governments should endeavour to incorporate the informal economy part in the formal economy in order to acknowledge work such as domestic work. This would at least promote some legislation for domestic work. The main argument from international bodies that represent domestic workers states that the decent work agenda that the International Labour Organisation advocates in many sectors should also apply to domestic workers worldwide (ILO 2009a).

2.3.3 Domestic workers and social security coverage

D'Sousa (2010) found that there is a lack of social protection and security for domestic workers, unlike other categories of workers in the labour market. In cases where social protection for workers is available, employers avoid formalising the employment relationship in order to avoid paying contributions towards medical benefits, pension schemes and unemployment insurance. This makes it harder for these workers to access health and pension benefits. Migrant workers are more vulnerable as employers are fully responsible to pay for their health benefits. Many domestic workers are undeclared by the employers *precluding contributions to social security and health coverage* (ILO 2009b).

It is estimated that 70 % - 80 % of domestic workers in Europe are undeclared. These are mostly undocumented migrants. Austria currently has an estimated 300 000 undeclared domestic workers working in private households compared with 5 000 who are registered (ILO 2009b). A study conducted in France found that there are five undeclared domestic workers for one declared worker. Italy has three undeclared workers for one that is declared. The Ministry of Employment, Work and Social Security in Argentina indicated that 96.4 % of female domestic workers working in that country were not registered in 2004. However changes in the law, which granted tax deduction for domestic employers reduced this proportion to 75 % (D'Sousa 2010).

Tokman (2010) maintains that 19 % of domestic workers in Latin America contributed towards social security in 2010. Disaggregated by gender, 30 % of male domestic workers are socially protected compared with only 18 % of female domestic workers. Tokman further argues that the existence of a formal written contract increases the likelihood of having social protection. In this study, more male domestic workers had written contracts than female domestic workers. However, the author also states that not having a written contract does not translate into zero social protection but it decreases the likelihood of being protected. According to Tokman (2010):

Having a labor contract generates the legal obligation to contribute to protection, but the level of protection is also affected by the type of contract and by the effective enforcement of labor legislation... Working under an atypical labor contract in domestic services is accompanied by greater access to social security than working under a permanent contract for both women and men... There are significant differences across countries in the availability and type of contracts as well as in the links of contracts to social security coverage.

In the following countries coverage (social protection) is almost nonexistent: Guatemala, Ecuador, Bolivia, Paraguay and Peru (Tokman 2010). D'Sousa (2010) also concurs with this statement as she argues that in Guatemala 8 % of all women work

as domestic workers but *hardly have any legal protection*. In Brazil, domestic worker contracts have to be registered with government in order for these workers to contribute and access social protection coverage. Tokman (2010) elaborates the situation in Latin America as follows:

Coverage through contributions to social security for all urban wage workers is from 90 % to 96 % in Panama, Mexico and Chile in ascending order; in Ecuador 74 % and in Argentina 66 %. Working with a contract does not necessarily ensure domestic workers' protection. Only in Chile the coverage is almost universal. Mexico and Panama reach around 40 % and Ecuador to 20 %. In Argentina, less than 9 % of the workers in domestic services have social security coverage although 81 % have a contract. Working without a contract does not mean a total lack of coverage for domestic service workers, except in Argentina. In Panama the coverage of domestic workers without contract is 29 %, while in Chile it is 12 % and around 8 % in Ecuador and Mexico. In most cases men are more likely than women to be covered.

According to Tokman (2010) the coverage of workers with a permanent contract is high, but with differences among countries. In Chile 97 % of all wage workers including domestic workers, and in Mexico and Panama 95 % and 93 % respectively are covered. Corresponding figures in Ecuador and Argentina are 79 % and 69 %. On the other hand, short-term or fixed contracts for domestic workers do not have automatic social protection coverage. Only in Chile domestic workers' coverage reaches 93 % but in Mexico and Panama the coverage of domestic workers is less than half that of all urban wage workers and in Ecuador it is only one third. The biggest gap is observed in Argentina, since, although 69 % of all urban wage workers under permanent contracts are covered by contributions to social security, only 9 % of domestic workers with permanent contracts have coverage.

In Brazil, domestic workers are mandated to be hired under a registered contract and have most of the rights of any other workers, including social security coverage. According to the ILO, Brazil offers unemployment insurance for everyone including

domestic workers. This is provided with limitations and only in dismissal without reasonable cause.

Uruguay also offers unemployment insurance. However, information is lacking on whether domestic workers have access to this fund.

In the United States of America D'Souza (2010) notes that domestic workers are excluded from legal protection or provisions of the National Labour Relations Act applicable to other categories of workers. However, there are differences according to states. For instance, in New York, legislation has been drafted and enacted to protect domestic workers, local and migrant. This law specifies legal minimum wages and conditions of employment. Once an employee is hired, *state labor laws become enforceable, regardless of the employee's immigration status* (Buettner 2010).

Recently the National Domestic Women's Movement, which operates in 23 Indian states has won rights for domestic workers in some states, including that of accessing social benefits such as unemployment benefits and pensions from the government. In countries where there is not much improvement in the employment conditions of domestic workers, organisations and unions representing these workers are actively lobbying and fighting governments to draft protection for these workers.

Currently some countries have laws on domestic workers but there is no international law or convention that covers the rights of domestic workers worldwide. In this situation domestic workers rely on the minimal labour law that has been afforded to them by individual countries where they work. However, many laws prohibit domestic workers from contributing towards unemployment insurance or any kind of social security protection. In many states, unemployment insurance is part of a wider social security system to which citizens and other designated groups can contribute and claim from. This also applies in the South African case. Legal and illegal domestic workers are covered by the labour law but many workers do not

contribute towards unemployment insurance. This also implies that their employers do not contribute either.

According to Mywage South Africa (2010) the number of declared domestic workers in South Africa for unemployment insurance by end of March 2010 amounted to 642 007. This means that less than a half the domestic workers working in South Africa are not registered for UIF.

As implied in much of the discussion, many workers live undeclared and are denied access to social security due to the informality of contracts signed between employers and employees. In an important step to overcome 'informality' and encourage employers and employees to work on a declared rather than undeclared basis and thus guarantee a minimum of social protection, several countries have introduced a *service cheque* system. This system was introduced after recognising that heavy administrative procedures discourage employers and workers from registering, especially with casual work carried out on an occasional basis. Countries that introduced such systems include France, Belgium, Austria and Canada (Quebec). Even in Brazil the government has introduced fiscal incentives for employers to encourage them to register domestic workers under the social security system (ILO 2010a).

In order to simplify the formalities for companies wishing to hire temporary or casual staff and reduce the levels of undeclared work, the French government, for example, introduced a system of service cheques (Enterprise Service Employment Voucher or *Titre Emploi Service Entreprise* - TESE system) in April 2009 specifically targeted at small enterprises using casual workers (Eurofound 2009). This system avoids the normal bureaucracy involved in employing a person and aims to reduce the temptation for the employer and/or employee to operate on an undeclared basis. The aim of TESE is to relieve companies of a number of declarative obligations. To enroll, employers are deemed to have satisfied all necessary formalities when they send the required information on remuneration, hours worked and the job to an agency empowered to collect taxes and social security contributions. The agency then calculates the payroll taxes owed by the employer and issues the payslip. It

also prepares all of the paperwork, including the declaration of recruitment, employment contract and employment certificate. In addition, it calculates the wages, calculates and reports payroll taxes and social security declarations and provides the annual payslip and tax certificate for employees. To enroll is simply a matter of stating the relevant sector of economic activity and the TESE centre then issues a receipt of membership, a practical guide and a booklet of cheques and the associated employee identification form.

The Entreprise Sociale Privée (the foundation which runs the 'Chèque Service' system in Geneva and has followed the French example alongside many other French-speaking cantons in Switzerland), explains the working of the system as follows (ILO 2010a):

We are facilitators simplifying the administrative process between the domestic worker and the employer but we do not act as an employment agency. Our customers are employers, that is to say, people who would like to get some help in the garden, in the house, or to care for children or the elderly at home. They contact us and we prepare all the administrative work to obtain social security coverage for their employee. Without our support, the employer would have to be constantly keeping abreast of all the different social contributions covering a wide range of risks, including retirement, accidents, invalidity, unemployment, maternity and so on. And without our intervention the social insurance system would have to deal with all the small insurance payments for each worker contributed by the various employers – which would considerably increase its administrative work. We streamline the administration process for all these insurances. The employers pay a fee of about 5 % of the employee's salary for our services, while the social security contributions for their employees amount to 15 % of the salary.

Despite many attempts internationally (some of which have been discussed and outlined in this chapter), the ILO recently indicated that still only 20 % of the world's population has adequate social security coverage and more than half lack any coverage at all. The following approximation by ISSA reflects the ILO's concerns and emphasises the worldwide concern regarding the challenge facing social security coverage (ISSA 2009):

Between 70 % and 80 % of the global population live in a state of 'social insecurity'.

Responding to the concern outlined above an increased focus on social security has recently been witnessed. The most comprehensive study on global trends and challenges facing the extension of social security was published by ISSA in 2009. The ISSA 2009 study cites important developments in Africa, Asia and the Pacific, Latin America and the Caribbean, and includes case studies on the People's Republic of China, Senegal and Uruguay as well as on selected high-income countries (ISSA 2009). The study points to a variety of positive trends and experiences in coverage extension. In sub-Saharan Africa, a first important trend is the development of community-based and micro-insurance schemes, which have emerged since the 1990s. A second trend is that various governments are starting to define national social security plans that aim to achieve universal coverage in the long term. A third trend is the introduction of universal social pensions, for example in Botswana, Lesotho, Mauritius and Namibia, or means-tested pensions or assistance such as in South Africa and Zambia.

The 2009 ISSA study also reveals that various countries have taken measures to improve compliance and to reach groups that are difficult to cover. In Argentina and Uruguay for example, the self-employed can fulfill their tax and social insurance obligations through one single monthly payment, the so-called '*monotributo*'. Viet Nam has encouraged private and public enterprises to affiliate to social health insurance through relatively low contributions and a generous benefits package. Many countries have also set up new schemes – often with substantial government subsidies. Rwanda has successfully developed a micro-health insurance scheme that

now covers almost the whole population and which is partly financed by donor contributions. China, Thailand and Tunisia have significantly extended health-care coverage over the past five to 10 years. Chile has reached almost universal old-age pension coverage through a combination of contributory and social assistance pensions.

Some low- and middle-income countries have also developed schemes for particular groups of workers, often those in the informal economy. For example, South Africa has introduced a scheme for domestic workers, while India has extended coverage to construction and other workers through the so-called welfare funds. Over the past 40 years Ecuador has extended health-care coverage to a significant part of the rural population. Population ageing in high-income countries has in many cases led to lower benefit levels provided by mandatory contributory pension schemes. Long-term care for the elderly has become a new social priority, and is now provided through social security schemes in some countries, such as Germany and Japan. Some former communist countries in South-East and Eastern Europe have moved towards a restoration of universal social security coverage. Broadly speaking, high-income countries have reached universal social security coverage. However, as a result of increased international competition, the informalisation of employment and the population ageing, high-income countries face considerable challenges to maintain coverage and benefit levels.

According to the ISSA (2009) the following major challenges to social security can be identified:

- (i) Reaching workers in the informal economy through adapting existing schemes and through new approaches. Recognition of the right to social security is regarded by ISSA as a powerful means to support extension efforts. For example social health insurance can play an important role in providing access to health care, which is generally the first social security priority for workers in the informal economy. Pension coverage is a second

key priority, which can be achieved through a combination of tax-financed and contributory schemes.

- (ii) Addressing the social security needs of migrant workers. In this regard the design, implementation and monitoring of bi- and multi-lateral social security agreements can play an important role.
- (iii) Generating reliable and comparable statistics on social security coverage is indispensable for effective national and international extension strategies.

2.3.4 Domestic worker rights

The HRW has surveyed countries regarding legislation for domestic workers and found that Jordan has made the most progress in giving these workers more rights such as paid annual leave and sick leave, a weekly day of rest, a 10-hour work day and guaranteeing a monthly salary through a bank. However, other workers generally have more employment guarantees than domestic workers.

The HRW argues that, despite the fact that domestic workers have rights under many existing international labour conventions, these prescriptions are unable to address the exceptional circumstances facing these workers. Domestic workers' labour situations are unique as they work in private households, which are sometimes not covered by legislation as employing units and cannot be easily accessed to monitor domestic workers' working conditions. It is therefore not surprising that the improvement of protection for domestic workers is being discussed at a global level. HRW (2010) has stated that:

Many governments have argued that it is impossible to monitor private homes as a workplace, citing violations of employers' privacy and the difficulty in tracking conditions such as hours of work. Yet labor legislation in Hong Kong and South Africa has set positive examples: domestic workers have the right to a minimum wage, overtime pay, a weekly day of rest, maternity leave, and paid annual leave. While the domestic workers in these countries are not immune from abuse, they

have legal remedies available, unlike their counterparts elsewhere. Enjoying relative freedom to form associations and trade unions, many of these domestic workers have greater awareness of their rights, an ability to negotiate better working conditions, and avenues for reporting labor exploitation (HRW 2010).

There has been no convention on domestic workers in the International Labour Organisation (ILO). In 2008, the ILO decided to place the issue of decent work for domestic workers on the agenda for the 99th Session of the International Conference. In 2011 the ILO and its 156 member countries will adopt international standards listing the rights of domestic workers. In addition, ITUC has been working with the various labour organisations around the world for seven years to ensure rights for these workers.

2.4 CONCLUSION

It is clear from this overview that disaggregating unemployment insurance for different countries is very challenging. Nonetheless, the discussion showed that the domestic work sector is sizable, but has limited labour protection and social security coverage. The secondary research revealed that even in cases where there are limited legal frameworks for domestic workers in whichever country, the chances of contributing to and accessing social services is minimal. From the extensive literature review, it was clear that written contracts between employers and employees play an important role in compliance with and accessing labour rights and social security. Even in South Africa, there is limited compliance with the law in terms of registering and declaring domestic workers to the relevant ministries and institutions as less than 50 % of domestic workers have been declared with the UIF. This state of affairs also emphasises the difficulty in accessing private households to enforce the laws for domestic workers. Complicating the matter further in South Africa in particular is the unreliable numbers of migrant domestic workers who are covered by South African law but are unable to contribute to and access unemployment insurance.

In this chapter many contemporary issues relevant to the domestic worker sector have been highlighted. The secondary research proved to be most valuable to profile the domestic work sector which, from an international perspective, is gaining considerable attention in terms of setting labour standards and monitoring compliance. Adding to these noble endeavours and supported by a need to capture the status quo and uniqueness of the domestic work sector in South Africa, with specific reference to compliance, this research study also produced some empirical work sourced from a sample of South African households employing domestic workers. The outcomes of the research findings related to the standing of UIF compliance in South Africa are discussed in detail in chapter 3.

CHAPTER 3

EMPIRICAL RESEARCH ANALYSIS AND INTERPRETATION

3.1 INTRODUCTION

In this chapter the research results of the interview among the 753 participating households are analysed and interpreted. To contextualise the outcome of the findings, the discussion starts with an exposition of the typology of participant households. This overview is followed by an overview of the awareness, perception and knowledge of government social security services. The bulk of the discussion focuses on the employment profile of households with specific reference to the number and type of domestic workers employed, their household duties fulfilled, hours worked and remuneration. This discussion is followed by an exposition of the type of deductions from salary/wages and the monetary contributions made by households to domestic workers. This discussion finally steers the analysis to a specific focus on domestic worker participation in the Unemployment Insurance Fund (UIF). The analysis explores the UIF registration status of domestic workers and presents an overview of the reasons for contributing or not contributing to the UIF. Households' value sets and concerns regarding the UIF constitute the central focus point among the many illuminating findings. The section also explores ways in which the Department of Labour (DoL) can encourage people to contribute to the UIF. The discussion concludes with some final preconditions for participation in the UIF scheme.

3.2 HOUSEHOLD TYPOLOGY

This section presents an overview of the participating households by region, population group and size of the household. Table 3.1 displays the household typology of participating households according to these selected demographics. The fact that not all households provided demographic details resulted in sample loss, also reflected in the analysis to follow. For clarity, a sample loss is defined as the number of households not responding to a specific question, which ultimately results in a lower participation rate than the actual total sample (n = 753). Notably, the sample loss displayed in the sections to follows is very low.

TABLE 3.1

HOUSEHOLD TYPOLOGY OF PARTICIPATING HOUSEHOLDS BY POPULATION GROUP AND SUBREGION¹

Subregion	Population group									
	African		Coloured		Asian/Indian		White		Total	
	n	%	n	%	n	%	n	%	n	%
Bloemfontein	3	9.7	0	0.0	0	0.0	28	90.3	31	100.0
Cape Town	15	16.1	31	33.3	6	6.5	41	44.1	93	100.0
Durban	32	39.0	1	1.2	34	41.5	15	18.3	82	100.0
Great Johannesburg	43	41.3	2	1.9	18	17.3	41	39.4	104	100.0
Kimberley	0	0.0	10	50.0	0	0.0	10	50.0	20	100.0
Pietermaritzburg	23	57.5	3	7.5	5	12.5	9	22.5	40	100.0
Port Elizabeth/Uitenhage	65	76.5	5	5.9	0	0.0	15	17.6	85	100.0
Pretoria	32	59.3	4	7.4	2	3.7	16	29.6	54	100.0
Umtata	27	73.0	2	5.4	0	0.0	8	21.6	37	100.0
Ulundi	18	50.0	0	0.0	11	30.6	7	19.4	36	100.0
Limpopo	82	84.5	0	0.0	3	3.1	12	12.4	97	100.0
Mpumalanga	14	56.0	0	0.0	0	0.0	11	44.0	25	100.0
North West	9	45.0	0	0.0	0	0.0	11	55.0	20	100.0
Stellenbosch	1	4.8	9	42.9	0	0.0	11	52.4	21	100.0
Total	364	48.9	67	9.0	79	10.6	235	31.5	745	100.0

¹ Sample loss = 1.1 % (n = 8)

It is clear from table 3.1 that almost half (48.9 %) the participating households were African while almost a third (31.5 %) were White households. The remainder of the respondents consisted of Asian and Coloured households, who constituted approximately 10 % each of the total participating sample population.

A closer independent analysis by region (sample loss of 1.1 %) shows that both Gauteng (21.2 %) and KwaZulu-Natal (21.2 %) house almost a quarter each of the participating households. The corresponding figures for other provinces are as follows:

- Eastern Cape: 16.4 %
- Western Cape: 15.3 %
- Limpopo: 13.1 %
- Free State: 4.2 %
- Mpumalanga: 3.4 %
- Northern Cape: 2.7 %
- North West: 2.7 %

Besides presenting an analysis by region and population group, the research instrument also captured the size of households according to the number of permanent residents in the household. The outcome of this finding is displayed in table 3.2.

TABLE 3.2**AVERAGE HOUSEHOLD SIZE OF PARTICIPATING HOUSEHOLDS²**

Region	Population group				
	African Mean	Coloured Mean	Asian/Indian Mean	White Mean	Total Mean
Free State	3.3	-	-	2.6	2.7
Western Cape	3.7	3.2	4.2	2.6	3.1
KwaZulu-Natal	4.5	3.3	3.6	3.0	3.9
Gauteng	4.4	3.5	4.1	2.7	3.7
Northern Cape	-	3.2	-	3.0	3.1
Eastern Cape	4.0	3.6	-	3.1	3.8
Limpopo	4.1	-	4.7	2.5	3.9
Mpumalanga	4.0	-	-	2.8	3.5
North West	3.7	-	-	2.4	3.0
Total	4.2	3.3	3.8	2.7	3.6

It is clear that the average number of permanent residents per household ranges between 2.4 (for White households in North West) and 4.7 (for Asian households in Limpopo). Participating Asian and African households house an average of 3.8 and 4.2 residents respectively per household while Coloured and White households house an average of 3.3 and 2.7 people respectively.

A closer analysis of household size by family category and age is displayed in table 3.3.

² Sample loss = 1.6 % (n = 14)

TABLE 3.3**HOUSEHOLD SIZE BY FAMILY/AGE CATEGORY**

Family category	n	%	Minimum	Maximum	Mean
Head and spouse	753	100.0	1	2	1.74
Children (<18 years)	355	47.1	1	6	1.77
Children (>18 years)	313	41.6	1	6	1.81
Grandparents, aunts, uncles and cousins	118	15.7	1	7	1.52
Other	30	4.0	1	3	1.17
Total sample	753	100.0	1	14	3.61

It is clear from table 3.3 that just less than half (47.1 %) the participating households have an average of almost two children under the age of 18 years. About four in 10 households (41.6 %) on average have approximately two children older than 18 years still residing with them. Only 15 % of the households house grandparents, aunts, uncles and cousins.

Finally, table 3.4 displays the average size of the nuclear family (head, spouse and children).

TABLE 3.4**NUCLEAR FAMILY SIZE BY REGION AND POPULATION GROUP**

Region	Population group				Total Mean
	African Mean	Coloured Mean	Asian/Indian Mean	White Mean	
Free State	3.0	-	-	2.5	2.6
Western Cape	3.4	3.0	4.0	2.6	2.9
KwaZulu-Natal	4.2	3.0	3.4	3.0	3.7
Gauteng	3.9	3.0	3.8	2.5	3.4
Northern Cape	-	3.1	-	2.7	2.9
Eastern Cape	3.3	3.1	-	2.9	3.2
Limpopo	3.9	-	4.7	2.2	3.7
Mpumalanga	4.0	-	-	2.7	3.4
North West	3.6	-	-	2.3	2.9
Total	3.8	3.0	3.6	2.6	3.3

Table 3.4 shows that a typical nuclear family of participating households houses approximately three residents. Nuclear families ranged from a low one to a maximum of 11 household residents.

3.3 AWARENESS, PERCEPTION AND KNOWLEDGE OF GOVERNMENT SOCIAL SECURITY SERVICES

This section presents an overview of the awareness, perception and knowledge of government social security services. It should be noted that a dual approach was used to probe respondents regarding their awareness of public social security services in South Africa. Firstly, the research design was developed to support unaided responses to measure knowledge levels spontaneously. Secondly, by applying an aided probing approach, respondents were then exposed to a list of 10 social security services and requested to indicate awareness of the pre-determined services. The outcomes of these findings are presented in table 3.5.

TABLE 3.5

AWARENESS OF PUBLIC SOCIAL SECURITY SERVICES

Social security services	Unaided	Aided
	%	%
Social grants		
Social old age pensions (old age grant)	19.9	87.9
Disability grant	18.9	87.0
Child support grant	22.3	91.9
Foster care grant	12.1	75.2
Care dependency grant	4.8	48.6
Mandatory social security schemes		
Unemployment Insurance Fund (UIF)	12.9	93.8
Workman's Compensation Fund	8.4	79.2
Road Accident Fund	10.8	90.4
Voluntary social insurance schemes		
Medical schemes	9.2	71.3
Retirement funds	9.7	69.6

It is clear from table 3.5 that most respondents were only able to name social security services once prompted. Approximately one in five respondents were able to name child support (22.3 %), old age (19.9 %) and disability (18.9 %) grants unaided. Only one in 10 (12.9 %) could name the UIF spontaneously under the

banner of social security services. However, with aided probing a high 93.8 % of households were able to name the UIF scheme. Social security services of which households seem least aware include foster care grants and voluntary social insurance schemes (medical schemes and retirement funds).

The research questionnaire was also designed to capture incorrect responses related to the understanding of social security services. In this regard less than 2 % of the sample population cited social security services incorrectly. Instead of the actual social security services outlined in table 3.5, respondents mostly cited police services and HIV/Aids grants as examples of possible government social security services.

3.4 **OPINION/ATTITUDE REGARDING PUBLIC SOCIAL SECURITY SERVICES**

This section highlights the outcome of the open-ended response displaying participating households' opinions/attitudes towards social security services offered by the South African government. More specifically, respondents were requested to *'state the first thing that comes to mind when you think of social security in South Africa'*. It should be noted that respondents were requested to voice their opinion/attitude after being exposed to the actual list of 10 social security services offered by government. A thematic analysis of the attitudes/opinions of participants regarding social security is summarised in exhibit 3.1. The analysis only features topics associated with social security for those cited by at least 30 of the participating households. This cut-off point is used as the bare minimum to support any form of generalisation regarding views on and a general understanding of social security. It should be noted that a colour coding approach is used to differentiate between positive and negative views regarding social security.

It should be noted that approximately a third of the participating households raised 'general' comments related to those services reflected in exhibit 3.1. Overall, participating households unanimously regard social security systems not merely as safety nets and poverty alleviating measures, but also as measures to promote self-sufficiency and independence. Respondents in general were unanimous that social security systems benefit especially the elderly, people with disabilities, children and orphans. However, grave concerns were expressed about whether social security

systems in fact promote self-sufficiency and independence. In many cases exploitation and corruption were cited as major risk factors that evoked scepticism about the current social security system to serve as a measure to alleviate poverty, redistribute resources and promote societal solidarity. As expected, participating households desire faster and more immediate redress of various social security problems cited. It is also important to note that most comments provided by participating households related to social assistance (grants) with child support grants mentioned most frequently (approximately 15 % of participants raised positive and negative opinions respectively on child support grants).

With specific reference to the UIF, participating respondents showed a fairly positive attitude towards the scheme's ability to provide income for part-time unemployment. However, respondents commenting on the UIF were unanimous that the UIF is not as important when compared to social grants such as child support, disability and old age grants. Overall, participating households do not regard the UIF as a sustainable income source but rather as a weak short-term instrument to deal with the risk of unemployment and consequently holds long-term implications of destitution.

Besides the topics covered in the thematic analysis displayed in exhibit 3.1, perceptions regarding disability, care dependency and foster care grants as well as the Workman's Compensation Fund and retirement funds were also cited by participating households. However, the frequency of mentioning these additional social security service types was low and comments were mainly positive. Consequently they require no further detailed elaboration besides mentioning that the grants/funds are regarded as inadequate, payments are processed too slowly and most grants are generally unknown to the general public.

EXHIBIT 3.1

**OPINIONS, ATTITUDES AND PERCEPTIONS REGARDING
SOCIAL SECURITY SERVICES IN SOUTH AFRICA**

General
<ul style="list-style-type: none"> ⊕ High levels of acknowledgement of and admiration for social security services provided by government and benefiting especially the poor and vulnerable individuals such as the elderly, children (orphans) and people with disabilities. ⊕ Social assistance or welfare grants are seen as important sources of income or 'social safety nets' and have been important in the fight against poverty and to promote equality (redistribution of income).
<ul style="list-style-type: none"> ⊗ Current high levels of unemployment and poverty illustrate that long-term goals of social transformation in South Africa have not been reached hitherto ⊗ Perceived corruption, misuse and maladministration in the delivery of social grants (social assistance system) ⊗ Increase needed of social grants / More money should be made available for social grants ⊗ Not informed about existing social security services ⊗ Social assistance (grants) promotes indolence and make too many people dependent on the government and does not empower or develop individuals to be self-reliant ⊗ Social grants are not sustainable due to too many people reliant on grants
Child support grants
<ul style="list-style-type: none"> ⊕ Child support grants provided by the government are positively perceived and play an important role in poverty reduction (especially vulnerable poor households and child poverty) and education (families receiving grants will send children to school at an earlier age) ⊕ Grants should also be paid out in the form of food or clothing vouchers ⊕ School and clinic attendance should be a pre-condition for receiving child grants
<ul style="list-style-type: none"> ⊗ Child support grants encourage child bearing at an early age which creates poverty and promotes HIV/Aids ⊗ Cash transfers to unmarried teenage mothers in particular is an unproductive investment and encourages teenagers not to work ⊗ Child bearing out of wedlock is morally and culturally undesirable ⊗ Child support grants are abused and misused by mothers and grandmothers ⊗ Teenage mothers are misusing child grants to buy alcohol, clothing and cosmetics and to gamble ⊗ Child grants make teenagers indolent ⊗ Perceived corruption and fraud cause monetary losses ⊗ Grants discourage savings, remittances and work seeking
Old age grant
<ul style="list-style-type: none"> ⊕ Old age grants provides financial assistance to elderly (especially lower income and retired)
<ul style="list-style-type: none"> ⊗ Old age grant is too small

Social security/responsibility/development
<ul style="list-style-type: none"> ⊕ Social security provides economic assistance to aged, disabled or unemployed persons ⊕ Social security is important for poverty prevention, secures a minimum standard of living for people and contributes to achieving more equitable income distribution in society ⊕ Social security is essential to many people's survival and provides a safety net for impoverished individuals
Road Accident Fund (RAF)
<ul style="list-style-type: none"> ⊗ Perceived poor service delivery and treatment of claimants and administrative inefficiency ⊗ RAF disregards claimants' interests. Considerations of claims are slow and RAF unresponsive ⊗ Technical legal defences are relentlessly pursued by RAF ⊗ Perceived corruption in RAF
UIF
<ul style="list-style-type: none"> ⊕ UIF supports people who have lost their employment due to termination of contract, dismissal or insolvency (good safety net) ⊕ Benefit people unable to work on account of illness, pregnant contributors, surviving spouses as well as households adopting children ⊕ UIF plays important role in providing replacement income to the short-term unemployed with work experience ⊕ Social security system is skewed towards income support for the young, elderly and disabled with little direct support to the unemployed
<ul style="list-style-type: none"> ⊗ UIF provides limited income support ⊗ UIF only caters for cyclical unemployment and only provides short-term insurance ⊗ UIF has long-term consequences for destitution ⊗ UIF is weak instrument to deal with risks of unemployment ⊗ UIF services associated with poor communication, slow processing of applications and payments

3.5 EMPLOYMENT PROFILE OF HOUSEHOLDS

This section focuses on the domestic worker profile of participating households with specific reference to the number and type of domestic workers employed, their household duties fulfilled and hourly remuneration. It should be noted that this study defines a domestic employee as a worker responsible for housekeeping, gardening, cooking (chef), caring of children (nanny), nursing, driving, managing of household staff (butler/personal assistant) and a stable worker/groomer. Against this background, table 3.6 shows the number of domestic workers by type for the participating households.

TABLE 3.6**NUMBER OF DOMESTIC WORKERS BY DOMESTIC WORKER TYPE**

Domestic worker type	n	%
Housekeeper	593	78.8
Gardener	271	36.0
Chef	2	0.3
Nanny	15	2.0
Driver	1	0.1
Groom	2	0.3
Security guard	2	0.3

Table 3.6 shows the proportion of households employing at least one housekeeper, gardener, chef, etc. Of the total participating households, almost one in eight (78.8 %) of the households indicated that they employ at least one housekeeper. Also, approximately a third (36.0 %) of the households claimed to employ at least one gardener. A marginal proportion of the participating households employ at least one nanny (2.0 %) while less than 1 % of the households employ at least one chef, driver, groom or security guard.

A regional profile of the households who employ housekeepers and/or gardeners is shown in table 3.7. It should be noted that other domestic worker types are not displayed in the table due to the fact that too few households employ domestic workers other than housekeepers and gardeners.

TABLE 3.7

**REGIONAL DISTRIBUTION OF HOUSEHOLDS EMPLOYING
HOUSEKEEPERS AND/OR GARDENERS**

Province	Housekeeper*		Gardener**		Total***	
	n	%	n	%	n	%
Free State	25	4.3	14	5.2	31	4.2
Western Cape	87	14.8	45	16.7	114	15.3
KwaZulu-Natal	135	23.0	41	15.2	158	21.2
Gauteng	134	22.9	46	17.1	158	21.2
Northern Cape	17	2.9	8	3.0	20	2.7
Eastern Cape	73	12.5	58	21.6	122	16.4
Limpopo	75	12.8	35	13.0	98	13.1
Mpumalanga	21	3.6	15	5.6	25	3.4
North-West	19	3.2	7	2.6	20	2.7
Total	586	100.0	269	100.0	746	100.0

* Sample loss = 1.2 % (7 of the 593 participating households did not indicate province)

** Sample loss = 0.7 % (2 of the 271 participating households did not indicate province)

*** Sample loss = 0.9 % (7 of the 753 participating households did not indicate province)

It is clear from the table that almost half the participating households who specified their regional distribution and indicated that they employ a housekeeper are located in either KwaZulu-Natal (23.0 %) or Gauteng (22.9 %). A further quarter of participating households who employ a housekeeper indicated that they reside in either the Eastern Cape (12.5 %) or Limpopo (12.8 %). Of all 269 households employing gardeners and who specified their geographic region, almost a quarter reside in the Eastern Cape. Clearly more households employing gardeners in the Eastern Cape were sampled by chance than any of the other households in 'other' regions. Against this background it needs to be emphasised that the sample was not stratified by domestic worker type. Consequently, table 3.7 does not display a representative sample by domestic worker type but merely provides an objective analysis of the type of domestic workers employed by the randomly sampled households across region. This regional profile is important for interpretation purposes when considering hourly remuneration rates, which differ across domestic

worker type depending on the number of hours worked per month and in some cases the total number of domestics employed. In this regard, gardeners seem to work appreciably fewer hours than housekeepers, who are consequently paid a higher wage due to longer hours worked.

Prior to profiling and analysing the remuneration of domestic workers, it should be noted that in some households housekeepers are responsible for household duties ranging beyond only housekeeping. In some cases domestic household duties also shared with other housekeepers. These survey findings are summarised in table 3.8.

TABLE 3.8

MULTIPLE DOMESTIC HOUSEHOLD DUTIES PERFORMED BY HOUSEKEEPERS

Duties	n	%	Valid %
Housekeeper doing housekeeping only	580	77.0	97.8
Housekeeper also has cooking duties	4	0.5	0.7
Housekeeper also has cooking and nanny duties	2	0.3	0.3
Housekeeper sharing cooking and nanny duties with second housekeeper	1	0.1	0.2
Housekeeper sharing only housekeeping duties with second housekeeper	6	0.8	1.0
Subtotal	593	78.8	100.0
Other domestic worker types (gardener, chef, nanny, groom, etc)	160	21.2	
Total sample	753	100.0	

Table 3.8 shows that 580 or 77.0 % of the households who employ a housekeeper use them for housekeeping duties only. The other 13 households (1.8 %) who indicated that they employ a housekeeper and use him/her for housekeeping tasks, indicated that the housekeeper is also responsible for cooking (1.2 % of all households who employ a housekeeper) or also works as a nanny (0.5 % of all households who employ a housekeeper). In 0.5 % of the households, the housekeepers share the responsibilities of nanny and cooking. In a mere 1.0 % of the households housekeeping tasks are shared with a second housekeeper.

Some households indicated that they employ more than one domestic worker. The different types and number of domestic workers employed by households are shown in table 3.9.

TABLE 3.9

NUMBER OF DOMESTIC WORKERS BY DOMESTIC WORKER TYPE

Number of domestic workers	n	%
One housekeeper only	457	60.7
Two housekeepers	6	0.8
Two housekeepers and gardener	1	0.1
Housekeeper and gardener	124	16.5
Housekeeper, gardener and chef	1	0.1
Housekeeper & nanny	1	0.1
Housekeeper, gardener & security guard	2	0.3
Gardener & nanny	2	0.3
Housekeeper and two gardeners	1	0.1
One gardener	139	18.5
Two gardeners	1	0.1
One chef	1	0.1
One nanny	12	1.6
One groom	2	0.3
One driver	1	0.1
No workers employed	2	0.3
Total	753	100.0

It is clear from table 3.9 that approximately six in 10 households (60.7 %) indicated that they employed one housekeeper who only does housekeeping tasks. A further 16.5 % employed a housekeeper and a gardener while 18.5 % employed only one gardener. Only 1.6 % of the households employed one nanny (15 or 2.0 % of all participating households employ nannies). Table 3.8 clearly shows that in many

cases more than one domestic worker is employed by a household. Table 3.10 provides a more precise overview of the number of domestic workers per household.

TABLE 3.10

NUMBER OF DOMESTIC WORKERS PER HOUSEHOLD

Number of workers	n	%
0	2	0.3
1	612	81.3
2	134	17.8
3	5	0.7
Total	753	100.0

Table 3.10 shows that eight in 10 (81.3 %) of the participating households employed only one domestic worker. A total of 134 or 17.8 % of households employed two domestic workers. The provincial distribution of the number of domestic workers employed is displayed in table 3.11.

TABLE 3.11

PROVINCIAL DISTRIBUTION OF NUMBER OF DOMESTIC WORKERS PER HOUSEHOLD

Province	0 workers		1 worker*		2 workers**		3 workers		Total	
	n	%	n	%	n	%	n	%	n	%
Free State	0	0.0	21	67.7	10	32.3	0	0.0	31	100.0
Western Cape	0	0.0	94	82.5	20	17.5	0	0.0	114	100.0
KwaZulu-Natal	1	0.6	136	86.1	19	12.0	2	1.3	158	100.0
Gauteng	0	0.0	130	82.3	27	17.1	1	0.6	158	100.0
Northern Cape	0	0.0	13	65.0	7	35.0	0	0.0	20	100.0
Eastern Cape	0	0.0	105	86.1	16	13.1	1	0.8	122	100.0
Limpopo	1	1.0	82	83.7	15	15.3	0	0.0	98	100.0
Mpumalanga	0	0.0	12	48.0	12	48.0	1	4.0	25	100.0
North-West	0	0.0	14	70.0	6	30.0	0	0.0	20	100.0
Total	2	0.3	607	81.4	132	17.7	5	0.7	746	100.0

* Sample loss = 0.8 % (5 of the 612 participating households did not indicating province)

* Sample loss = 1.5 % (2 of the 134 participating households did not indicating province)

It is clear from table 3.11 that more households sampled in Mpumalanga (48.0 % of all Mpumalanga households), the Northern Cape (35.0 %) and North West (30.0 %) employed two domestic workers. Relative to other provinces, more households with three domestic workers employed were sampled from Mpumalanga. This regional profiling is important to provide a better understanding of the household monthly expenditure on domestic workers. The work frequency (days worked per month and hours worked per day/month) as well as the total and hourly remuneration rates of domestic employees are displayed in tables 3.12 to 3.17. It should be noted that the computations regarding the average remuneration is based on the average expenditure on domestic workers per household (as indicated in table 3.10, approximately a quarter of households employ more than one worker). This computation was required as households only provided total expenditure on all workers and not for each domestic worker employed separately. However, the days worked per month and hours worked per day were provided for each worker separately. This allowed for computing the number of hours worked per month (days worked per month x hours worked per day). The hourly remuneration rate was derived by dividing the average expenditure per worker by the average number of hours worked per month.

Table 3.10 provides a regional profile for the work frequency and remuneration. **Readers are cautioned not to overgeneralise the findings as sample sizes in some regions are simply too small to support generalisation.** For the entire sample of participating households, the table shows that domestic workers employed by the participating households work an average of approximately 10 days per month and just more than six hours per day. On average, domestics work 65 hours per month and are paid an average of just more than R800 per month. The minimum and maximum hourly rates range between R2.60 per hour to R66.67 per hour. The average hourly rate paid is R17.29 per hour. When interpreting the minimum and maximum hourly rate per hour, some households clearly do not comply with the Domestic Workers Act requiring hourly rates of between R6.11 per hour (nonurban areas) and R7.40 per hour (urban areas) for domestic workers that work for more than 27 hours per week. Corresponding figures for domestic workers that work for

27 hours or less per week are R7.22 per hour (nonurban areas) and R8.74 per hour (urban areas). Relative to other domestic workers, it seems that housekeepers are exploited most when taking into account the minimum remuneration rate for housekeepers being lower than for other domestics (see table 3.11). However, table 3.11 shows that housekeepers receive a higher average remuneration than, for example, gardeners but work longer hours. This suggests that the rate of remuneration drops for workers that work longer hours. Also, the rate of remuneration for additional workers employed increased for this study (see table 3.14). This trend is explained by the fact that additional workers mostly work fewer hours at a higher remuneration rate.

When analysing regions where less than R7.50 is paid for domestic workers, it seems that more households in Limpopo, Mpumalanga and North West pay hourly rates below R7.50 per hour (see table 3.15). In turn, more households in the Western Cape, Gauteng and the Free State pay more than R15.00 per hour for domestic workers. Table 3.16 also shows that more households pay housekeepers less than R7.50 an hour when compared to households with gardeners. Also, more households employing one worker pay less than R7.50 than households with more than one worker (see table 3.19). Of all participating households employing at least one worker, 11.9 % pay less than R7.50 per hour (see table 3.17).

TABLE 3.12

HOURLY AND PER CAPITA MONTHLY REMUNERATION RATE OF DOMESTIC WORKERS BY PROVINCE

Region	n*	Days worked per month per worker	Hours worked per day per worker	Hours worked per month per worker	Expenditure per worker	Hourly rate per worker		
		Average	Average	Average	Average	Minimum	Maximum	Average
Free State	31	4.52	6.06	27.94	537.37	8.33	66.67	23.41
Western Cape	114	7.11	6.15	47.29	867.60	5.00	40.00	21.85
KwaZulu-Natal	158	11.19	6.37	74.66	845.38	3.13	65.00	15.34
Gauteng	158	10.19	6.55	72.68	954.91	3.13	48.00	18.62
Northern Cape	20	11.35	6.00	67.45	869.10	9.75	37.50	17.13
Eastern Cape	122	8.66	6.43	60.85	634.48	2.60	43.75	15.24
Limpopo	98	10.78	6.16	72.91	746.67	4.17	48.00	14.09
Mpumalanga	25	12.04	7.04	86.48	909.67	3.33	28.57	12.06
North West	20	9.00	6.30	57.35	706.75	4.76	43.75	16.19
Total	746	9.58	6.36	65.33	806.06	2.60	66.67	17.29

* Sample loss = 0.7 % [5 of the 751 households (2 households with no workers) did not indicate work frequency or remuneration]

TABLE 3.13

HOURLY AND PER CAPITA MONTHLY REMUNERATION RATE OF DOMESTIC WORKERS BY WORKER TYPE

Worker type	n	Days worked per month per worker	Hours worked per day per worker	Hours worked per month per worker	Expenditure per worker	Hourly rate per worker		
		Average	Average	Average	Average	Minimum	Maximum	Average
Housekeeper	462	10.87	6.54	74.85	926.14	2.60	66.67	16.86
Gardener	220	5.79	5.98	37.55	583.46	3.33	66.67	19.09
Nanny	2	18.67	7.07	131.80	1672.22	7.50	16.62	12.06
Chef	9	15.50	7.50	118.50	1240.00	6.25	28.57	15.33
Driver	1	2.00	5.00	10.00	120.00	12.00	12.00	12.00
Groom	1	22.00	7.50	164.00	1000.00	6.25	6.25	6.25
Security Guard	2	13.50	6.50	89.00	2500.00	25.25	29.76	27.51
All	594	9.57	6.36	65.29	806.06	2.60	66.67	17.27

TABLE 3.14

HOURLY AND PER CAPITA MONTHLY REMUNERATION RATE OF DOMESTIC WORKERS BY NUMBER OF WORKERS

No of workers	n	Days worked per month per worker	Hours worked per day per worker	Hours worked per month per worker	Expenditure per worker	Hourly rate per worker		
		Average	Average	Average	Average	Minimum	Maximum	Average
0	2	-	-	-	-	-	-	-
1	612	9.71	6.31	66.17	772.85	2.60	48.00	16.94
2	134	8.81	6.56	60.50	922.08	4.59	66.67	18.70
3	5	12.80	6.60	84.80	1861.67	12.82	29.76	21.11
Total	753	9.57	6.36	65.29	806.06	2.60	66.67	17.27

TABLE 3.15

HOURLY RATES BY PROVINCE

Region	n	Hourly rate	Less than R6.00		R6.00 - R7.49		R7.50 - R10.00		R10.01 - R15.00		R15.01 - R20.00		R20.01 - R30.00		More than R30.00	
			n	%	n	%	n	%	n	%	n	%	n	%	n	%
Free State	30	23.41	0	0.0	0	0.0	5	16.7	5	16.7	6	20.0	7	23.3	7	23.3
Western Cape	99	21.85	1	1.0	1	1.0	4	4.0	20	20.2	26	26.3	32	32.3	15	15.2
KwaZulu-Natal	111	15.34	9	8.1	5	4.5	21	18.9	35	31.5	17	15.3	19	17.1	5	4.5
Gauteng	123	18.62	4	3.3	7	5.7	20	16.3	25	20.3	20	16.3	34	27.6	13	10.6
Northern Cape	10	17.13	0	0.0	0	0.0	1	10.0	6	60.0	1	10.0	0	0.0	2	20.0
Eastern Cape	105	15.24	6	5.7	4	3.8	19	18.1	33	31.4	24	22.9	13	12.4	6	5.7
Limpopo	66	14.09	5	7.6	11	16.7	12	18.2	15	22.7	14	21.2	7	10.6	2	3.0
Mpumalanga	25	12.06	2	8.0	3	12.0	6	24.0	8	32.0	4	16.0	2	8.0	0	0.0
North West	20	16.19	2	10.0	2	10.0	3	15.0	3	15.0	3	15.0	6	30.0	1	5.0
Total	589	17.29	29	4.9	33	5.6	91	15.4	150	25.5	115	19.5	120	20.4	51	8.7

TABLE 3.16

HOURLY RATES BY WORKER TYPE

Worker type*	n	Hourly rate	Less than R6.00		R6.00 - R7.49		R7.50 - R10.00		R10.01 - R15.00		R15.01 - R20.00		R20.01 - R30.00		More than R30.00	
			n	%	n	%	n	%	n	%	n	%	n	%	n	%
Housekeeper	462	16.86	28	6.1	28	6.1	74	16.0	115	24.9	87	18.8	92	19.9	38	8.2
Gardener	220	19.09	4	1.8	4	1.8	31	14.1	62	28.2	46	20.9	45	20.5	28	12.7

* Analysis limited to housekeepers and gardeners due to too low samples for other domestic worker categories.

TABLE 3.17

HOURLY RATES BY NUMBER OF WORKERS

Hourly rate category	n	1 worker		2 workers		3 workers	
		n	%	n	%	n	%
Less than R6.00 p/hour	29	26	5.3	3	2.9	0	0.0
R6.00 - R7.49 p/hour	33	32	6.6	1	1.0	0	0.0
R7.50 - R10.00 p/hour	93	76	15.6	17	16.5	0	0.0
R10.01 - R15.00 p/hour	151	122	25.1	28	27.2	1	25.0
R15.01 - R20.00 p/hour	116	94	19.3	21	20.4	1	25.0
R20.01 - R30.00 p/hour	121	101	20.7	18	17.5	2	50.0
More than R30.00 p/hour	51	36	7.4	15	14.6	0	0.0
Total	594	487	100.0	103	100.0	4	100.0

3.6 DEDUCTIONS/MONETARY CONTRIBUTIONS FROM SALARY/WAGE

The research questionnaire was designed to determine which type of deductions or monetary contributions are made monthly from domestic workers' salaries/wages. The main aim of the question was to determine whether UIF among six other predetermined deductions/contributions, was deducted from salaries/wages monthly or whether households contribute to UIF off per annum. Table 3.16 shows the salary/wage deductions or contributions by participating households.

TABLE 3.18

MONTHLY/ANNUAL SALARY/WAGE DEDUCTIONS OR CONTRIBUTIONS

Deductions/contributions	<i>n</i>	%
Accommodation	2	0.3
Repayment of loans	1	0.1
Third party payments	1	0.1
Benefit funds (monthly)	3	0.4
Benefit funds (annually)	16	2.1
Other*	22	2.9
UIF (monthly)	125	16.6
UIF (annually)	106	14.1
UIF (monthly and annually)	231	30.7

* Other: Transport, clothing, food, pre-paid electricity, old toys, school fees, medicine and toiletries

Table 3.16 shows that very few of the participating households indicated that they deduct for/contribute to accommodation, loan repayments or third party (bank, union) payments. A mere 2.1 % of the participating households indicated that they contribute to a benefit fund (pension, provident, retirement, medical aid) annually or monthly. Also, almost 3.0 % of the households indicated that they deduct or contribute to cover domestic workers' additional expenses in terms of transport, clothing, food, pre-paid electricity, old toys, school fees, medicine and toiletries. Of the total participating households, approximately a third (30.7 %) deducts or contributes to UIF. Of these, 16.6 % deduct for UIF monthly while 14.1 % contribute to UIF on an annual basis (once-off payment).

The regional profile for households that contribute to UIF is displayed in table 3.17.

TABLE 3.19

PROPORTION OF HOUSEHOLDS CONTRIBUTING TO UIF BY PROVINCE

Region	UIF contribution	%	Total households	% paying UIF
Free State	13	5.7	31	41.9
Western Cape	43	18.9	114	37.7
KwaZulu-Natal	45	19.8	158	28.5
Gauteng	57	25.1	158	36.1
Northern Cape	9	4.0	20	45.0
Eastern Cape	17	7.5	122	13.9
Limpopo	21	9.3	98	21.4
Mpumalanga	14	6.2	25	56.0
North-West	8	3.5	20	40.0
Total*	227	100.0	746	30.4

* Sample loss = 1.7 % (4 of the 231 households who contribute to UIF did not indicate region)

Table 3.17 shows that fewer households in the Eastern Cape (13.9 %), Limpopo (21.4 %) and KwaZulu-Natal (28.5 %) indicated that they contribute to UIF. Households in Mpumalanga (56.0 %), the Free State (14.9 %) and North West (40.0 %) seem more inclined to contribute to UIF when compared with other regions. **Readers are, once again, cautioned not to overgeneralise the regional findings as sample sizes are too small in some cases to allow for any meaningful comparisons.**

The section in the questionnaire that prompted respondents in terms of UIF payments used a typical funnel approach whereby 13 follow-up questions were directed to those households who contribute to UIF while five follow-up questions were directed to those households who indicated that they do not contribute to UIF. Three of the follow-up questions for both UIF contributors and noncontributors were similar. Almost all of these follow-up questions were qualitative (open-ended). The outcomes of the sections focusing on UIF contributors and noncontributors are discussed in detail in the sections to follow.

3.7 PARTICIPATION IN UIF SCHEME

3.7.1 UIF registration status and reasons for nonregistration

Table 3.16 showed that approximately a third (30.7 %) of households indicated that they contribute to UIF. For these households, the following follow-up question was asked:

Have you registered some or all of your workers for UIF?

The outcome of the findings related to this question is presented in table 3.18.

TABLE 3.20

REGISTRATION STATUS OF DOMESTIC WORKERS

Response	<i>n</i>	%
No	6	2.6
Some	26	11.3
All	199	86.1
Total	231	100.0

When interpreting table 3.18 it should firstly be noted that the table only applies to those households (231 or 30.7 % of all households) who contribute to UIF. Of those who contribute to UIF, almost nine in 10 (86.1 %) have registered all their workers with the Department of Labour (DoL) for UIF. Just more than one in 10 households registered only some (11.3 %) of their domestic workers for UIF while 2.6 % have not registered any. To determine the main reason(s) for not registering workers for UIF, the survey instrument was constructed to probe deeper on this finding. The reasons cited by participating households for not registering for UIF are summarised thematically in exhibit 3.2. The exhibit shows the reasons for registering some or none of the workers for the 29 households applicable to the topic under investigation. The exhibit displays the thematic analysis of the responses that are

ordered according to the frequency of mention by participating households (29 households).

EXHIBIT 3.2

MAJOR REASONS FOR REGISTERING ONLY SOME OR NO WORKERS FOR UIF

[n = 29: Sample loss = 9.4 % of respondents provided no reason]

- Worker not permanent/part time/temporary (44.8 %)
- Casual/occasional worker/work once a week/month (31.0 %)
- UIF repeatedly captured data incorrectly which caused exasperation and final nonregistration (3.4 %)
- Only register some who are permanent and would benefit if resign or retrenched (3.4 %)
- Worker is also employed elsewhere (3.4 %)
- Worker only started recently (3.4 %)
- No response to Internet/facsimile application (3.4 %)
- Worker not available to attend to registration (3.4 %)
- UIF paid by another family member (3.4 %)

It is important to note that almost all the households who indicated that they have not registered some or all their domestic workers were referring to gardeners, who were part time or casually employed in most cases.

3.7.2 Reasons for contributing to UIF

Those households who indicated that they contribute to UIF were also requested to indicate why they believe households contribute to UIF. Exhibit 3.3 displays the outcome of this finding in more detail.

EXHIBIT 3.3**REASONS FOR CONTRIBUTING TO UIF**

[n = 223: Sample loss = 3.5 % of respondents providing no response]

- Households are forced by law/compulsory/mandatory (40.8 %)
- UIF provides income benefits/security to workers who lose their jobs, become pregnant/jobless, who are involved in accident, or resign, migrate or retire (25.5 %)
- Paying UIF is the right thing to do/social responsibility/employers have a duty to contribute to UIF (7.2 %)
- Households are expected/obliged to contribute to UIF (4.9 %)
- UIF is paid to prepare for unexpected future (4.5 %)
- UIF protect workers when jobless/provides insurance for unemployment (3.1 %)
- Workers must be handled with respect and human dignity/moral obligation/humane (1.8 %)
- Workers justify UIF payment/appreciation of employees/workers deserve it (1.8 %)
- Employers care for employees/UIF is important for workers/goodness of heart (1.8 %)
- To support workers (1.8 %)
- UIF contributions are low (1.8 %)
- It's essential/necessary to contribute to UIF (1.3 %)
- Workers need to be rewarded for their work (0.9 %)
- It's for workers own good/well being (0.9 %)
- To make provision for the future when retrenched (0.4 %)
- To assist workers to live independently after being retrenched (0.4 %)
- Workers have right to receive UIF (0.4 %)
- It's for the country/patriotism/nationalism (0.4 %)

3.7.3 Feelings evoked by contributing to UIF

Households who contribute to UIF (30.7 %) were requested to share the feelings that the contribution towards UIF evoke. The outcome of this research finding is summarised in exhibit 3.4.

EXHIBIT 3.4**FEELINGS EVOKED BY CONTRIBUTING TO UIF**

[n = 223: Sample loss = 3.5 % of respondents provided no response]

- Fine/good/responsible/morally right/obligation/doing the right (good) thing/assisting someone (42.6 %)
- Content/pleased/happy/proud (UIF is good idea and has interest of worker at heart and is supported since employers regard themselves as responsible citizens) (22.0 %)
- Contributing/donating/helping/making difference/not a problem/worthwhile/responsible for employers to build future income/feel safe as worker's future is secure (17.9 %)
- Feel obliged to contribute to UIF/normal practice to contribute (5.4 %)
- Fine/financially unaffected due to low cost of UIF contributions (4.5 %)
- Law abider/cooperating (2.2 %)
- Contribution does not make any difference in terms of income security and contentment of employees/negative (1.8 %)
- Feel free from any potential problems of not paying/trouble free (1.3 %)
- Appalled as UIF does not deliver on promises/no control over payouts (1.3 %)
- Uncertain (0.9 %)

3.7.4 Major concerns/problems with UIF

Households who contributed to UIF (30.7 %) were also requested to cite their major concern(s) with UIF. These concerns are summarised in exhibit 3.5.

EXHIBIT 3.5**MAJOR CONCERNS/PROBLEMS WITH UIF**

[n = 221: Sample loss = 4.3 % of respondents provided no response]

- No problems (64.5 %)
- Waiting period for payment too long/do not pay in time/claims process too long/uncertainty about future payments (6.2 %)
- No proof or communication about payments for UIF contributions (4.7 %)
- UIF contributions and payout are too small (2.8 %)
- UIF provides short-term insurance, is not sustainable and discriminates against long-term contributors (2.4 %)
- UIF excludes workers who resigned (1.9 %)
- Some workers do not receive their money (1.9 %)
- Queues too long at labour centres (1.9 %)
- Administration system not always great (1.4 %)
- Claims procedure is complicated and uncertain (0.9 %)
- Uncertainty about certain UIF benefits accruing to retired and maternity workers (0.9 %)
- Difficult to work out contribution rates (0.9 %)
- UIF is not user-friendly due to distance from labour office (0.9 %)
- UIF registration period too long/change registration system (0.9 %)
- Corruption (0.9 %)
- Delays with registration (0.5 %)
- Receiving payments is difficult - Paying contributions easy (0.5 %)
- Difficult to implement UIF (0.5 %)
- Exploitation of workers (0.5 %)
- Employers in arrears with UIF contributions (0.5 %)
- Uncertainty about efficiency of payout system (0.5 %)
- Nuisance to contribute monthly (0.5 %)
- Lack of information by language of choice (0.5 %)
- No access to information for people with no Internet, phone or private transport (0.5 %)
- UIF officials not informed/lack knowledge (0.5 %)
- Some workers abuse UIF (0.5 %)
- Many do not contribute to UIF (0.5 %)
- UIF Website (0.5 %)
- Difficult to contact UIF offices (0.5 %)

3.7.5 Recommending UIF to others

The effect of recommending UIF to others was measured among those 231 participating households who indicated that they contribute to UIF (30.7 %). The views of participating households are captured in exhibit 3.6.

EXHIBIT 3.6

EFFECT OF RECOMMENDING UIF

[n = 180: Sample loss = 22.1 % of respondents provided no response]

- Assist/benefit/empower more workers/employees to prepare for future (20.6 %)
- Assist/benefit more people (poor)/Nation building (17.2 %)
- Don't know (12.2 %)
- Improve awareness of/registration for/contributions to UIF/educate the unaware (11.1 %)
- Improve understanding and awareness of UIF and related legalities to create law abiding citizens (4.4 %)
- Others are personally responsible to educate themselves on UIF and contribute to UIF (2.8 %)
- Protect/empower employer and employee (2.8 %)
- Contribute to more unemployed workers receiving benefits/insurance when unemployed (2.2 %)
- DoL should take sole responsibility to inform employers and employees about UIF (2.2 %)
- Help worker to prepare for future (2.2 %)
- Assist worker/unemployed to receive UIF payments and address problems (2.2 %)
- Enable people to access/enjoy benefits (1.7 %)
- Assist employers to inform and guide workers better (1.7 %)
- Inform current worker about deficiencies of UIF (nonpayment) (1.7 %)
- Help the DoL (1.7 %)
- Improve understanding of why UIF is necessary (1.7 %)
- Make employers more responsible/have to pay (1.7 %)
- Uncertain (1.7 %)
- Assist unemployed to contribute to fabric of society (1.1 %)
- Assist and guide unregistered workers (1.1 %)
- Change quality of live and living standard of unemployed (1.1 %)
- Rescue workers at time of hardship (ie economic crises, layoffs) (0.6 %)
- Confuse those workers employed by more than one employer (0.6 %)
- Confusing due to malpractice (0.6 %)
- Improve proper management of UIF system (0.6 %)
- Improve salaries/wages of domestic workers (0.6 %)
- Improve understanding that UIF is insurance scheme that protects both employers and employees (0.6 %)
- Make no difference - most are informed (0.6 %)
- Improve UIF system (0.6 %)
- Ensure broader coverage of UIF fund (0.6 %)

3.7.6 Impressions of people not contributing

Respondents who contribute to UIF (30.7 %) were also requested to provide some associations with people who do not contribute to UIF. These associations are captured in exhibit 3.7.

EXHIBIT 3.7

ASSOCIATIONS WITH NONCOMPLIERS

[n = 213: Sample loss = 7.8 % of respondents provided no response]

- Lawless/unlegislated/cheaters/criminals/crooks (19.2 %)
- Unfair to workers (18.3 %)
- Don't know/unsure (18.3 %)
- Ignorant/inflexible/uninformed/unaware (11.7 %)
- Ridiculous/unreasonable/idiotic/irresponsible (6.6 %)
- Cruel/malicious (4.7 %)
- Egocentric/selfish (3.8 %)
- Not contributing to redistribution of wealth or worker's future (2.8 %)
- Careless/negligent/inconsiderate (2.8 %)
- Missing opportunity to participate in UIF scheme (1.9 %)
- Smart as they will lose the money due to malpractice (1.4 %)
- Finding the system/registration process too complicated (1.4 %)
- Appalling (0.9 %)
- Greedy (0.9 %)
- Shortsighted (0.9 %)
- Cowardly (0.5 %)
- Employees' salaries are enough (0.5 %)
- Indolent/lazy/uninterested (0.3 %)

3.7.7 Discussion of UIF benefits with workers

Participating households that indicated that they contribute to the UIF (30.7 %) were also requested to indicate whether they discuss the benefits of UIF with workers. Figure 3.1 displays the outcome of this finding.

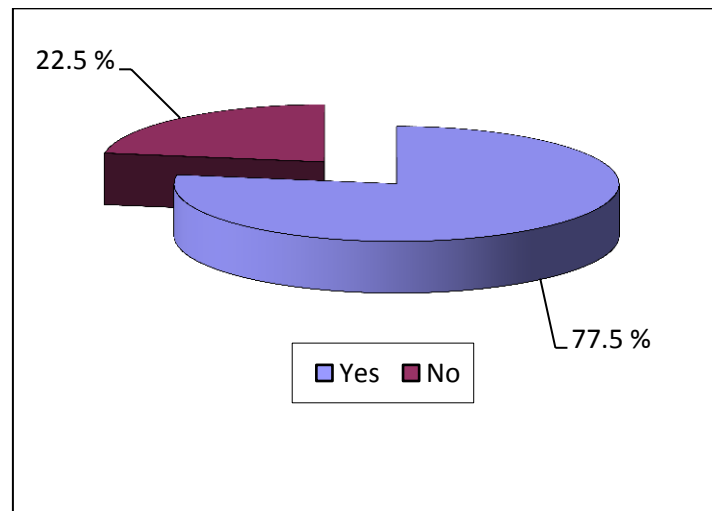
FIGURE 3.1**AFFIRMATION OF EMPLOYERS DISCUSSING UIF BENEFITS WITH WORKERS**

Figure 3.1 shows that approximately three quarters of employers (179 households) who contributed to the UIF discussed the benefits of UIF with their workers. The nature of the discussion regarding these benefits is captured in exhibit 3.8.

EXHIBIT 3.8**NATURE OF EMPLOYER/EMPLOYEE DISCUSSIONS REGARDING UIF**

[n = 177: Sample loss = 1.1 % of respondents provided no response]

- Benefits/value of UIF (22.0 %)
- Functioning and importance of UIF and UIF system (20.3 %)
- Employers/employees contributions (11.9 %)
- Informal/formal discussion (word-of-mouth) (10.2 %)
- Employee is experienced, educated and self-informed regarding UIF (8.5 %)
- Employer/employee worker contract/sick leave (6.8 %)
- UIF Act/legal obligations to pay/compulsory to pay/legal entitlement (5.6 %)
- UIF application/registration (5.1 %)
- Can't recall (4.5 %)
- Application for UIF benefits/assistance with UIF application forms (1.7 %)
- UIF schemes (pension/unemployment/migration) (1.1 %)
- Proof of UIF payment reflected on pay slip is provided and discussed (1.1 %)
- Printed information from UIF Web and discussed it with employee (0.6 %)
- Communicating with UIF office to address enquiries (0.6 %)

In turn, households who claimed to contribute to UIF (30.7 %) but indicated that they have not discussed the benefits of UIF with their workers (52 households), were also requested to supply reasons for not discussing these benefits with workers. The main reasons for not conversing about UIF benefits with workers are cited in exhibit 3.9.

EXHIBIT 3.9

REASONS FOR NOT CONVERSING ABOUT UIF BENEFITS WITH WORKERS

[n = 46: Sample loss = 11.5 % of respondents provided no response]

- Workers are aware/informed of UIF (contributions displayed on pay slips) and associated benefits (58.7 %)
- No reason (13.0 %)
- Not important/necessary to discuss UIF with workers (6.5 %)
- Never considered option (6.5 %)
- UIF is important enough and obligatory by law, which makes workers self responsible (6.5 %)
- Informed via agency (2.2 %)
- No time (2.2 %)
- Worker just started (2.2 %)
- Worker is part time (2.2 %)

3.8 NONPARTICIPATION IN UIF SCHEME

Those households who participated in the study with no employees or those not contributing to UIF (69.3 %) were requested to (i) indicate why they believe households do not contribute to the UIF and (ii) identify the type of feeling(s) evoked by not contributing to UIF. Exhibits 3.10 and 3.11 summarise the views of the noncontributors/compliers.

EXHIBIT 3.10**REASONS FOR NOT CONTRIBUTING TO UIF**

[n = 506: Sample loss = 3.1 % of respondents provided no response]

- Employ casual/part-time/temporary worker/low wage/irregular payments (55.7 %)
- Not informed about UIF/registration/lack knowledge of UIF (5.9 %)
- Worker still new/started recently (4.5 %)
- No specific reason/don't know (4.0 %)
- In process of registering worker (4.0 %)
- Unaware of UIF scheme and procedures (3.6 %)
- Family member/relative (3.6 %)
- Foreigner/no ID book (3.4 %)
- Work at multiple households/assumed to be covered elsewhere (3.4 %)
- Requested by workers not to deduct UIF (1.8 %)
- Not affordable (employer is pensioner) (1.6 %)
- Never considered it (1.2 %)
- Worker support regarded as charity for poor (provide free food, clothes, transport, studies, medical expenses, etc) and disabled (1.2 %)
- Do not need to participate in scheme or communicate about the scheme (1.0 %)
- Waste of time/UIF scheme unfeasible/misused (1.0 %)
- Worker is incompetent/unreliable (0.8 %)
- Unaware where to register worker (0.6 %)
- No formal contract was signed (0.6 %)
- Do work self (0.2 %)
- Employ more than one or rotate workers (0.4 %)
- Registered for life policy (0.4 %)
- No time to attend to UIF (0.4 %)
- No receipts for payments received (0.2 %)
- Save contributions in savings account due to mistrust in UIF (0.2 %)
- Deliberate failure to inform workers (0.2 %)
- Household not registered (0.2 %)
- UIF application process too slow (0.2 %)

EXHIBIT 3.11**FEELINGS REGARDING NONCONTRIBUTION**

[n = 446: Sample loss = 14.6 % of respondents provided no response]

- Nothing (17.9 %)
- Wonderful/acceptable/innocent as workers receive benefits other than UIF (food, clothing, transport, free rent, support to build house, study fees, savings account, etc) that will help them now and not only when they are unemployed (17.3 %)
- Content due to part-time/rotating workers not qualifying or obliged to register (11.9 %)
- Uninformed/stupid/unaware/innocent regarding UIF scheme and process (registration/application/payout) (9.4 %)
- Don't know/uncertain (7.4 %)
- No comments (7.0 %)
- Good because salary/wage deductions are not beneficial to low income earners/deductions/contributions are unnecessary (especially migrant workers) (6.1 %)
- Bad but intending to change behaviour of noncompliance (4.7 %)
- Nothing as workers receive income, are employed by more than one employer (households and/or businesses) or are family members (3.1 %)
- Humiliated/immoral/appalling due to UIF being a good cause or morally correct (2.5 %)
- Ignorant/outside the law/isolated/contractually irresponsible (2.0 %)
- Too old (pensioner)/incapable (disabled) (1.8 %)
- Denying people a safety net/partial income when unemployed (1.6 %)
- Terrible due to lack of income to afford UIF (pensioners) (1.6 %)
- Frustrated due to difficulty to obtain registration forms online and persuade workers to contribute (1.6 %)
- Forced to contribute as it's the right thing to do (0.9 %)
- Content as UIF system is complicated and confusing and unsustainable (small amounts paid out) (0.9 %)
- Guilty due to reluctance to participate or devoting enough time to register worker (0.7 %)
- Not guilty as worker only recently started (0.4 %)
- Not guilty - worker already receives old age pension or other benefits (0.4 %)
- Untrustworthy/dishonest (0.2 %)
- Disinterested in workers (0.2 %)
- Good - have no obligations towards employees (0.2 %)
- Nothing, as workers are unreliable and ill-disciplined (0.2 %)

3.9 LASTING VIEWS REGARDING UIF

The final section that focused on the participation of household employers in the UIF scheme used an open-ended question approach to determine self-reported views of respondents regarding the use of UIF contributions as well as ways in which the DoL can improve on contribution rates. The views of respondents regarding these issues were prompted by using the following incomplete sentence approach:

- (i) *Contributions received by the UIF are used for*
- (ii) *The DoL can encourage people to contribute to UIF by*
- (iii) *I am aware of households not registering because*

It is important to note that these questions were asked to both UIF contributors (231 households) and noncontributors (522 households).

3.9.1 Perceived usage of UIF contributions

The views of the participating households regarding the use of UIF contributions are summarised in exhibit 3.12.

EXHIBIT 3.12

USE OF UIF CONTRIBUTIONS

[n = 753]

- Support/assist/compensate contributors/temporarily unemployed/females (maternity leave)/pensioners/injured/ill/family of deceased (49.4 %)
- Fund/trust fund/insurance/savings/investment scheme (18.9 %)
- Uncertain (13.9 %)
- Benefiting contributors (10.6 %)
- Safety-net/cover insurance/protection for/benefiting temporary unemployed/pregnant/retired/poor/household to survive (until new job is obtained or returning to work) (3.2 %)
- Fraud/corruption (2.1 %)
- Paying government officials' salaries and 'other' government expenses (ie infrastructure development) (0.8 %)
- Family feeding schemes/charity/grants/supporting people with disabilities and children (0.4 %)
- Searching for new jobs on behalf of unemployed (0.4 %)
- Other purposes besides UIF (0.1 %)
- Misallocated to urban areas and not rural areas (0.1 %)

It is important to note from exhibit 3.12 that the second most mentioned aspect listed by 18.9 % of the participating households is funding related. Also, the exhibit displays some confusion regarding a proper understanding of the difference between social insurance and social assistance. In many cases UIF was confused with typical social grants such as child support and old age pensions.

3.9.2 Ideas to encourage contributing to UIF

The proposals of households on how the DoL can encourage people to contribute to UIF are captured in exhibit 3.13.

EXHIBIT 3.13

IDEAS TO ENCOURAGE CONTRIBUTING TO UIF

[n = 753]

- Educating/awareness/information campaigns (ie door-to-door, road shows, company and community workshops, seminars, radio talk shows on community radio, shopping complexes) on UIF benefits/importance (29.3 %)
- Uncertain/no suggestions (23.2 %)
- Advertise/market across all media [print media (newspapers, magazines), broadcast media (television, radio) electronic media (Internet and SMS), outdoor (bill boards), flyers, posters and pamphlets, retail shopping spaces, face-to-face with employees], more and more frequent communication, apply philanthropic approach, advertise in all languages/improve image of UIF (16.3 %)
- UIF should improve its administration system/assist with registration and simplify registration process introduce user-friendly UIF system/introduce SMS system to communicate with contributors/employ more competent staff/design DoL uniforms/corporate wear for staff/improve information structures/less red tape (paper work) (5.8 %)
- Force employers to contribute as part of their social responsibility/introduce more stringent rules and regulations (5.2 %)
- Implementing stricter UIF payment monitoring mechanisms/site inspectors/penalise/fine those not paying/clearly highlight and communicate consequences of not paying/mystery calls to households (3.7 %)
- Provide transparency/guarantee responsible management of UIF funds/ensure feedback or follow-ups with contributors on UIF issues and benefits and responsible money management/UIF needs to be more visible regarding assistance provided to people/publish statistics on benefits provided in public/ensure that benefits received correlate with contribution/send statements showing payments/too many examples of unpaid workers (2.8 %)

- Nothing: UIF is compulsory/enough is done to inform people/uninformed about UIF/people are already struggling financially and cannot afford to pay/UIF doing good job and people are informed/system is too complex (1.7 %)
- Combat the perception of corruption/create/win trust/avoid empty promises (1.5 %)
- Government should cross-subsidise worker salaries/increase salaries (1.3 %)
- All employers should contribute and be covered (1.2 %)
- Broaden coverage to include informal sector, part-time workers, rural areas and foreigners (1.1 %)
- Deducting contributions from salary/sign debit orders to deduct money from bank account/deducting correct amounts (0.9 %)
- Creating jobs (0.9 %)
- Employ door-to-door campaigners to educate and inform citizens and households (0.8 %)
- Increase UIF contributions/benefits (0.7 %)
- Introduce a special tax refund for those contributing (0.5 %)
- Employers should be more responsible to register workers for UIF/sign formal contract (0.5 %)
- Consulting directly with workers regarding the need for deductions (0.4 %)
- Deducting money from permanent/full-time workers/high income households who mostly employ domestics (0.4 %)
- Reduce waiting period for receiving benefits/speed up process of claiming money/improve faith in UIF system (0.4 %)
- Encourage people to liaise directly with labour centres (0.3 %)
- Employees should self-register and participate independently from employers (0.3 %)
- Conduct on-site and off-site research and inform people about outcomes (0.1 %)
- Prioritise health and education issues over unemployment (0.1 %)
- UIF registration process should start immediately and ideally prior to starting work (0.1 %)
- Limit frequency of payment to once a year (0.1 %)
- UIF should be noncompulsory (0.1 %)

3.9.3 Awareness of households not registering for UIF

The questionnaire was also constructed to establish participating households' awareness regarding households not registering workers for UIF. The outcome of this open-ended response is captured in exhibit 3.14.

EXHIBIT 3.14**AWARENESS OF PERCEIVED REASONS FOR HOUSEHOLDS NOT REGISTERING FOR UIF**

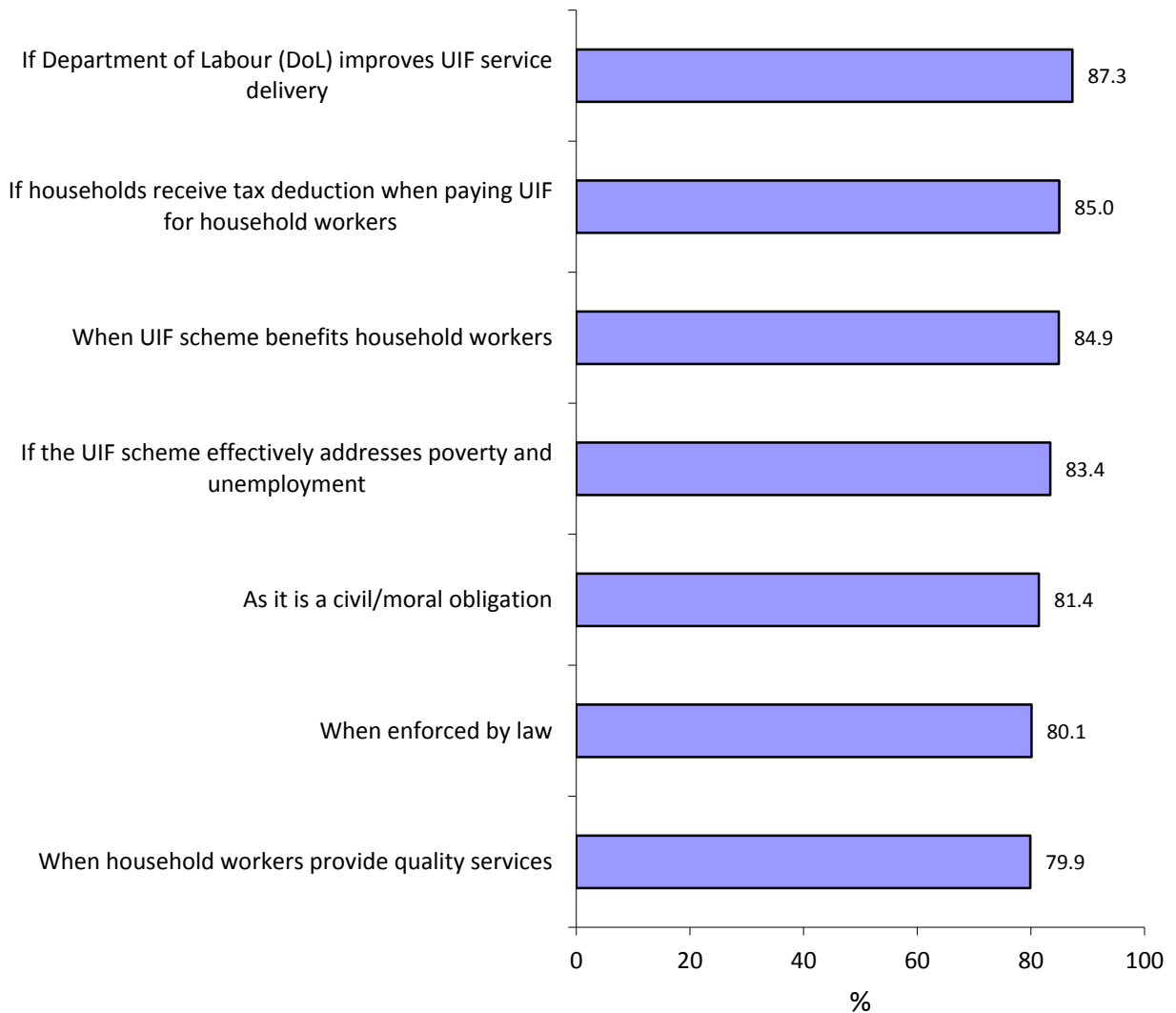
- Don't know/unsure about other peoples' behaviour (37.1 %)
- People are not informed/ignorance/do not care to participate in UIF scheme (19.1 %)
- Not aware of any nonpayers (10.9 %)
- Employers are dishonest regarding people employed/employers disobey the law/employers exploit workers/employers do not want to spend more money than required/employers lack commitment/employers lack caring attitude/employers fear rigid labour laws and consequently cut back on labour force/employers employ cheap labour/change workers frequently (7.7 %)
- Households experience financial vulnerability/difficulties due to recession/UIF contributions increase household expenses/households (pensioners) cannot afford contribution (5.4 %)
- UIF process is cumbersome/complicated/extra burden/bureaucratic process/disorganised/too much red tape/slow service/great disbelief in UIF terms and conditions (3.7 %)
- Government misuse money/DoL/UIF not trusted/no confidence in government/inefficient government/UIF contribution is money wasted (3.5 %)
- Employees are not permanent/part-time workers (3.1 %)
- Domestic workers prefer not to be registered/skeptical about money deductions (1.9 %)
- Many workers are foreigners and do not have the necessary documents to register (1.5 %)
- Domestic workers are unreliable/quit jobs easily/incompetent/disrespectful (1.3 %)
- Paying small amounts monthly is nuisance (0.9 %)
- Apathetic regarding nonpayment (0.5 %)
- People have no time available/simply forget/live too far away (remote areas) (0.5 %)
- Payouts of benefits take too long (0.4 %)
- Sympathetic towards nonpayment phenomenon but not aware of nonpayers (0.4 %)
- No contract exists (0.4 %)
- Workers feel intimidated and fear losing jobs should they expose nonpayers (0.4 %)
- Some domestic workers are pensioners and already receive old age grant (0.3 %)
- UIF benefits too small (0.3 %)
- Households differ (0.1 %)
- Limited evidence of UIF money spent responsibly (0.1 %)
- Workers are employed by more than one household (0.1 %)
- Employees are afraid to lose social grants if they participate in UIF (0.1 %)
- Employees demand and get too many other contributions such as transport, housing, clothing, food and 'other' contributions (0.1 %)
- Employers are not forced to contribute (0.1 %)

3.10 PRECONDITIONS FOR PARTICIPATION

The last section of the survey questionnaire enquired about certain preconditions that would motivate participation in the UIF scheme. These conditions are displayed in figure 3.2.

FIGURE 3.2

PRECONDITIONS FOR PARTICIPATION



3.11 SUMMARY AND CONCLUSION

This study features the outcome of an empirical research study conducted in 2010 among 753 households residing in South Africa. The study follows a qualitative approach and measures the opinions of households who employ domestic workers regarding compliance and noncompliance with the UIF Act. Of those households interviewed, almost 80 % employ housekeepers while a third employ gardeners. In some households, housekeepers fulfill more than just simply housekeeping tasks, doing the cooking and working as a nanny. Some households also employ more than one housekeeper or gardener. Almost one in five participating households employ two domestic workers (in most cases a housekeeper and gardener). In comparison, eight in 10 households employ only one domestic worker (mainly a housekeeper). For the entire sample of participating households, the research revealed that domestic workers employed by the participating households work an average of approximately 10 days per month and just more than six hours per day. On average, domestics work 65 hours per month and are paid an average of just more than R800 per month. The minimum and maximum hourly rates range between R2.60 per hour to R66.67 per hour. The average hourly rate paid is R17.29 per hour. When interpreting the minimum and maximum hourly rate per hour, some households clearly do not comply with the Domestic Workers Act requiring hourly rates of between R6.11 per hour (nonurban areas) and R7.40 per hour (urban areas) for domestic workers that work for more than 27 hours per week. Corresponding figures for domestic workers that work for 27 hours or less per week are R7.22 per hour (nonurban areas) and R8.74 per hour (urban areas). Relative to other domestic workers, it seems that housekeepers are exploited most when taking into account the minimum remuneration rate for housekeepers being lower than for other domestics. However, the research findings showed that housekeepers receive a higher average remuneration than, for example, gardeners but work longer hours. This suggests that the rate of remuneration drops for workers that work longer hours. Also, the rate of remuneration for additional workers employed increased exponentially. This trend could possibly be explained by the fact that additional workers mostly work fewer hours at a higher remuneration rate.

To contextualise the research focus of the study, secondary research on contemporary national and international reforms related to employment protection for domestic workers was conducted. The secondary research revealed that the domestic work sector worldwide is dominated by women and absorbs a significant proportion of the workforce. Despite this, many domestic workers live undeclared and have no insurance cover. Some estimates show that up to 80 % of domestic workers worldwide live in a state of social insecurity. However, from an international perspective, the renewed focus on social security for domestic workers with some international standards currently being debated and considered to secure at least basic social security protection for domestic workers, is encouraging. The notion of an increased focus on the domestic work sector worldwide also affirms the relevance of this study, which could have come at no better time.

From the empirical research, it was evident that households in general seem fairly aware of social security although such awareness only became evident after social security and social insurance concepts were mentioned by name. Respondents were generally unanimous that social security systems benefit especially the elderly, people with disabilities, children and orphans. However, grave concern was expressed about whether social security systems in fact promote self-sufficiency and independence. In many cases, exploitation and corruption were cited as major risk factors that evoked scepticism about the current social security system serving as a measure to alleviate poverty, redistribute resources and promote societal solidarity. As expected, participating households desire faster and more immediate redress of various social security problems cited.

With specific reference to UIF, participating respondents showed a fairly positive attitude towards the scheme's ability to provide income for part-time unemployment. However, respondents commenting on UIF were unanimous that the UIF is not as important when compared to social grants such as child support, disability and old age grants. Overall, participating households do not regard UIF as a sustainable income source but rather as a weak short-term instrument to deal with

the risk of unemployment and consequently holds long-term implications of destitution.

In general, households displayed a fairly high level of confusion between UIF and social security (social grants). This implies that very few households are truly informed about social security and unemployment insurance. Against this background, it is not surprising that approximately half the participating households supported increased marketing and communication efforts in support of improved understanding and awareness. Suggested education/awareness and information campaigns in this regard include door-to-door campaigns, road shows, company and community workshops, seminars, radio talk shows on community radio and awareness campaigns at shopping mall complexes. Preferred communication media in this regard included print media (newspapers, magazines), broadcast media (television, radio) electronic media (Internet and SMS), outdoor advertising (bill boards), flyers, posters and pamphlets, retail shopping spaces and face-to-face communication with employees. Households also suggested more frequent communication to improve the awareness and image of UIF and advertising in all languages.

The empirical study used a dual approach in understanding households' behaviour regarding compliance with the UIF Act. In this regard the research instrument was designed to measure the views of compliers and noncompliers. More specifically, the questionnaire directed 13 follow-up questions to those households who claimed that they made contributions to the UIF in the 12 months prior to the study. Also, five follow-up questions were directed to those households who indicated that they had not contributed to the UIF in the 12 months prior to the study. Three of the follow-up questions for both UIF contributors and noncontributors were similar and consequently directly comparable. Almost all the follow-up questions were qualitative (open-ended).

Turning the attention to the UIF compliers first, the study revealed that approximately a third (30.7 %) of the total participating households deducted for or contributed to UIF. Of these, 16.6 % deducted for UIF monthly while 14.1 % contributed to UIF on an annual basis (once-off payment). Of those who contributed to UIF, almost nine in 10 (86.1 %) had registered their workers with the Department of Labour (DoL) for UIF. Just more than one in 10 households had not registered any (2.6 %) or had only registered some (11.3 %) of their domestic workers for UIF. The major reasons cited for not registering workers were:

- Worker not permanent/part time/temporary
- Casual/occasional worker/work once a week/month

It is important to note that almost all the households who indicated that they had not registered some or all domestic workers were referring to gardeners who were generally employed part time or casually.

Those households who indicated that they contribute to UIF were also requested to indicate the major reasons(s) why they believe households contribute to UIF. The top five reasons cited included the following:

- Households are forced by law/compulsory/mandatory
- UIF provides income benefits/security to workers who lose their job, become pregnant/jobless, who are involved in an accident, or resign, migrate or retire
- Paying UIF is the right thing to do/social responsibility/employers have a duty to contribute to UIF
- UIF is paid to prepare for unexpected future

The feeling(s) that contributions towards UIF evoked amongst households who contribute to UIF (30.7 %) were as follows:

- Fine/good/responsible/morally right/obligation/doing the right (good) thing/assisting someone
- Content/pleased/happy/proud (UIF is good idea and has interest of worker at heart and is supported since employers regard themselves as responsible citizens)
- Contributing/donating/helping/making difference/not a problem/worthwhile/responsible for employers to build future income/feel safe as worker's future is secure

In turn, households who contributed to UIF (30.7 %) cited the following as major concern(s) with the UIF:

- Waiting period for payment too long/do not pay in time/claims process too long/uncertainty about future payments
- No proof or communication about payments for UIF contributions
- UIF contributions and payout are too small
- UIF provides short-term insurance, is not sustainable and discriminates against long-term contributors

Recommending UIF to others had the following effect:

- Assist/benefit/empower more workers/employees to prepare for future
- Assist/benefit more people (poor)/nation building
- Improve awareness of/registration for/contributions to UIF/educate the unaware
- Improve understanding and awareness of UIF and related legalities to create law abiding citizens

Respondents who contribute to UIF (30.7 %) were also requested to provide some impressions of people who do not contribute to UIF. Such associations included:

- Lawless/unlegislated/cheaters/criminals/crooks
- Unfair to workers
- Ignorant/inflexible/uninformed/unaware
- Ridiculous/unreasonable/idiotic/irresponsible
- Cruel/malicious.

The study also revealed that approximately three quarters of employers (179 households) who contributed to UIF discussed the benefits of UIF with their workers. Aspects discussed mainly focus on the benefits and value of UIF, the functioning and importance of UIF and UIF system and employers'/employees' contributions.

Those households who participated in the study with no employees or those not contributing to UIF (69.3 %) were requested to (i) indicate why they believe households do not contribute to the UIF and (ii) identify the type of feeling(s) evoked by not contributing to UIF. The major reasons advanced for noncontribution were:

- Employ casual/part-time/temporary worker/low wage/irregular payments
- Not informed about UIF/registration/lack knowledge of UIF
- Worker still new/started recently
- No specific reason/don't know
- In process of registering worker

In terms of how households feel by not contributing, the following major feelings were revealed:

- Feel nothing
- Wonderful/acceptable/innocent as workers receive benefits other than UIF (food, clothing, transport, free rent, support to build house, study fees,

savings account, etc) that will help them now and not only when they are unemployed

- Content due to part-time/rotating workers not qualifying or obliged to register
- Uninformed/stupid/unaware/innocent regarding UIF scheme and process (registration/ application/payout)
- Good because salary/wage deductions are not beneficial to low income earners/deductions/contributions are unnecessary (especially migrant workers)
- Bad but intending to change behaviour of noncompliance
- Nothing as workers receive income, are employed by more than one employer (households and/or businesses) or are family members

The view of both contributors and noncontributors regarding UIF contributions evoked the following major responses:

- Support/assist/compensate contributors/temporarily unemployed/females (maternity leave)/pensioners/ injured/ill/family of deceased
- Fund/ trust fund/ insurance/savings/investment scheme
- Benefiting contributors

Some ideas on how to improve contributions included:

- Educating/awareness/information campaigns (ie door-to-door, road shows, company and community workshops, seminars, radio talk shows on community radio, shopping complexes) on UIF benefits/importance
- Advertise/market across all media [print media (newspapers, magazines), broadcast media (television, radio) electronic media (Internet and SMS), outdoor (bill boards), flyers, posters and pamphlets, retail shopping spaces, face-to-face with employees], more and more frequent communication, apply philanthropic approach, advertise in all languages/improve image of UIF

- UIF should improve its administration system/assist with registration and simplify registration process introduce user-friendly UIF system/introduce SMS system to communicate with contributors/employ more competent staff/design DoL uniforms/corporate wear for staff/improve information structures/less red tape (paper work)
- Force employers to contribute as part of their social responsibility/introduce more stringent rules and regulations
- Implementing stricter UIF payment monitoring mechanisms/site inspectors/penalise/fine those not paying/clearly highlight and communicate consequences of not paying/mystery calls to households
- Provide transparency/guarantee responsible management of UIF funds/ensure feedback or follow-ups with contributors on UIF issues and benefits and responsible money management/UIF needs to be more visible regarding assistance provided to people/publish statistics on benefits provided in public/ensure that benefits received correlate with contribution/send statements showing payments/too many examples of unpaid workers

Finally, households' awareness regarding households not registering workers for UIF mainly centered around the following:

- People are not informed/ignorance/do not care to participate in UIF scheme
- Employers are dishonest regarding people employed/employers disobey the law/employers exploit workers/employers do not want to spend more money than required/employers lack commitment/employers lack caring attitude/employers fear rigid labour laws and consequently cut back on labour force/employers employ cheap labour/change workers frequently
- Households experience financial vulnerability/difficulties due to recession/UIF contributions increases household expenses/households (pensioners) cannot afford contribution

- UIF process is cumbersome/complicated/extra burden/bureaucratic process/disorganised/too much red tape/slow service/great disbelief in UIF terms and conditions
- Government misuse money/DoL/UIF not trusted/no confidence in government/inefficient government/UIF contribution is money wasted
- Employees are not permanent/part-time workers

Despite the above, participation in the UIF scheme is regarded as the morally correct thing to do and many participating households indicated that they intend to change their behaviour once certain concerns are addressed. However, the onus of participating in the UIF scheme, according to expectations, is on both employers and employees. From the study conducted primarily from an employer perspective, both the employer and employee are seemingly noncompliant in many instances. As many households employ casual or part-time workers, pensioners or even foreign workers, noncompliance is often motivated by the fact that the working hours of these employees do not exceed the minimum required to register workers for UIF. Also, the poor socioeconomic circumstances of employees often lead to in-kind contributions (such as food, clothing, transport, children's school fees) by employers. Such 'add-ons' are often stated as a reason why already overburdened and financially vulnerable households cannot afford additional expenses such as UIF which, in many cases, is regarded as unsustainable and inadequate. Also, in many cases workers are not regarded as experienced or reliable enough, discouraging employers from contributing and incurring additional expenses. On the other hand, there are also cases where workers deliberately request employers not to contribute to UIF out of fear of losing other forms of social security (ie old age government grants).

Besides citing employees as the culprits not contributing to UIF, some employers place the blame on the DoL. Firstly, the fact that the DoL does not issue any official communication of payment receipts evokes negative feelings of mistrust among employers, who consequently abstain from complying. The precondition of improved service delivery by the DoL, cited by almost 90 % of the employers affirms the need for (i) greater transparency, (ii) responsible management of UIF funds, (iii) improved

feedback or follow-ups with contributors on UIF issues and benefits, (iv) improved visibility of UIF, especially in rural areas. Requirements stated by employees included: (i) improved assistance with UIF registration, (ii) simplifying the UIF registration process, (iii) introducing a user-friendly UIF system, (iv) introducing an SMS system to communicate with contributors, (v) employing more competent staff at labour centres, (vi) designing DoL uniforms/corporate wear for staff, (vii) guaranteeing less red tape, (viii) forcing employers to contribute and (ix) implementing stricter UIF payment monitoring mechanisms. Other supporting mechanisms that may encourage more commitment towards future participation include (i) publicly combating the perception of corruption, (ii) ensuring that all employers contribute to UIF by including foreigners and informal workers in especially rural areas, (iii) the introduction of a special tax refund for those who contribute and (iv) facilitating UIF payments on a once-off annual basis to address the currently perceived cumbersome and time consuming process.

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ACTRAV, see Bureau for Workers' Activities.

IRENE, see International Restructuring Education Network Europe.

ITUC, see International Trade Union Confederation

IDWN, see International Domestic Workers' Network.

UNPF, see United Nations Population Fund.

HRW, see Human Rights Watch.

WIEGO, see Women in Informal Employment: Globalizing and Organizing.

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