The Impact of Raising Labor Standards for Domestic Workers: Evidence from Spain*

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Extended Abstract

Domestic workers provide essential services such as cleaning, cooking, and caregiving inside private households. Globally, more than 75 million people work in this sector, most of them women (ILO, 2025). Despite their central role in sustaining care systems, domestic workers often face low pay, unstable hours, limited access to social protection, and weak enforcement of labor rights (ILO, 2024). These challenges stem from the nature of the job: the work takes place inside private homes, where regulation is hard to monitor, and it is often undervalued and not recognized as requiring specific skills or formal training (Gorfinkiel and López, 2016).

In response to these long-standing concerns, the International Labour Organization adopted Convention 189 in 2011, calling on governments to extend core labor protections to domestic workers. Spain offers a particularly relevant setting to study the effects of such reforms. The country has the largest domestic work sector in the European Union, employing nearly one-third of all domestic and care workers in the region. Domestic work also represents more than 5 percent of female employment in Spain, reflecting its importance in meeting growing care needs amid population aging and rising female labor-force participation (Boneta et al., 2025; INE, 2025).

To improve conditions in this sector, Spain enacted Royal Decree 1620/2011, effective January 2012. The reform replaced the outdated 1985 framework and aligned domestic

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work more closely with general labor standards, in line with ILO Convention 189. It introduced mandatory written contracts for employment relationships lasting at least four weeks, clarified rules on presence time, leave, and dismissal, and reduced the scope for in-kind payments. In parallel, Law 27/2011 abolished the previous special social-security regime for domestic workers and integrated them into a special system within the General Regime, ensuring mandatory affiliation regardless of hours worked and expanding access to retirement and temporary-disability benefits.

This paper examines the impact of raising labor standards on the job quality of domestic workers using a difference-in-differences approach. The treated group consists of women employed in domestic service, while the control group includes women working in low-wage service activities not directly affected by the reform. The analysis draws on quarterly microdata from the Spanish labor-force survey, the *Encuesta de Población Activa* (EPA), from 2008 to 2015, restricted to women aged 25–64 working in these sectors or unemployed with previous employment in them.

The results indicate that the reform generated substantial contractual formalization but limited changes in effective working time or employment. The share of domestic workers without a written contract falls by about 8 percentage points, a 38% reduction relative to baseline, and the probability of having an indefinite contract rises by about 3 percentage points (around 5%). Employment declines by only about 1 percentage point (1% decrease), indicating no meaningful adjustment in overall labor demand.

By contrast, measures related to working time change very little. Average weekly hours in the main job and total hours worked remain essentially unchanged, and unpaid extra hours do not decline. These results suggest that the reform did not materially alter effective working time inside households. Some adjustment occurs in how work is distributed across employers. The probability of holding more than one job increases by about 0.7 percentage points (a 19% rise), indicating that workers piece together their hours across more employers rather than reducing total working time.

Average tenure falls by roughly 21 months (about 35%), consistent with long-standing informal relationships ending and being replaced by new, more formal arrangements. This reflects a micro-level restructuring of employment relationships within the sector, even as aggregate employment and total hours remain broadly stable.

Ongoing work will extend the analysis to broader measures of individual and household well-being using the *Encuesta de Condiciones de Vida* (ECV). This will allow me to examine how labor-market adjustments translate into changes in income security, material living conditions, and health.

A growing body of research examines the effects of labor-standard reforms in domestic

work. Several studies show that strengthening labor rights generally increases formalization and improves earnings, while often reducing working hours (Dinkelman and Ranchhod, 2012; Bhorat et al., 2013; de Melo Costa, 2016; Feld, 2024). Other work highlights that formalization can interact with household circumstances and social norms, influencing take-up and employment dynamics (Boruchowicz, 2025; Pires, 2025). My findings align with this literature in showing a clear rise in formal contractual coverage, but differ in the adjustment margin: total hours worked remain stable, and the main response occurs through an increase in multiple-job holding. The significant decline in tenure also suggests that reforms can reshape employment relationships even when aggregate employment levels remain mostly unchanged. In addition, the absence of changes in unpaid extra hours or very long work weeks indicates that, despite higher formalization, many day-to-day working conditions within households remain largely unchanged.

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