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Marginalized Agency or Agency at the Margins: Domestic Workers and Informality*

Naomi Friedman-Sokuler[†] and Einat Lavee[‡]

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Abstract

This paper explores informality in a high income country among women who, at least legally, can take on formal jobs. Specifically, we examine the determinants of paid domestic work in Israel through the lens of existing theoretical frameworks of informality. Using rich administrative data, we identify and characterize domestic workers and their labor market histories and estimate the prevalence and degree of informality. We complement this analysis with a qualitative analysis of interviews with 144 women living in poverty, who describe their choices vis-à-vis informal employment. We find that domestic workers in Israel are best described through a conceptual framework of Marginalized Agency. For them, informal employment is not a choice of last resort but rather a site of control and agency within highly constrained life situations. Nevertheless, the structural constraints associated with informality, in turn, limit the realization of their goals, especially with respect to economic and social mobility.

Keywords: Informality, Domestic work, Poverty, Mixed methods

JEL Classification: J24, J46, I30

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1 Introduction

Explorations into the characteristics, causes, and gendered consequences of informal employment lie at the heart of feminist economics scholarship (Khan, 2018). This research highlights the connections between informality, poverty, and social marginalization, as well as the heterogeneity of informal wage employment, spanning a continuum of working conditions between formal and informal (Benería and Floro, 2005; Chen, 2006). Paid domestic work is an important source of informal employment for women globally and most analyses focus on the largest group of domestic workers, women from the Global South, whether working in their home countries or as migrant workers in Global North countries (ILO, 2021). In these contexts, the lack of formal employment opportunities, insufficient investment in the capabilities of women, as well as global care chains are viewed as inherent to the persistence of informal domestic work (Ehrenreich and Hochschild, 2004; Romero, 2002; Benería and Floro, 2005; Glenn, 2010; Altman and Pannell, 2012; Espino and Santos, 2021). However, as Carré and Chen (2020) have shown, informal wage employment is not confined to developing countries and is even increasing in industrialized high-income countries.

In this paper we use employment in paid domestic work, with its varying degrees of informality, as a case study, to investigate the determinants of informality in a high-income country among local women who, given their location and legal status, could presumably integrate into the formal economy. Israel is an apt setting to examine the unique patterns of informality in high-income countries, given its predominantly formal labor market and low unemployment rates (Shami, 2020). The paid domestic workforce in Israel comprises of women from two distinct groups: roughly half are local live-out domestic workers, constituting 3.3% of the local female labor force; and the other half are live-in migrant care workers (ILO, 2021; PIBA, 2022).¹ Local domestic workers are covered *de jure* by virtually all labor laws, including social security, pensions, and paid annual and sick leave, yet *de facto* there is no enforcement that guarantees the realization of these rights.² However, the lack of enforcement, coupled with anecdotal evidence from qualitative studies of domestic workers, suggests that virtually all direct employment by households in Israel, as in most countries, is informal to some degree (Jaehrling *et al.*, 2024).

We employ a mixed-methods approach, integrating qualitative analysis of in-depth interviews with a novel quantitative database that uses national surveys to identify domestic workers and then links them to detailed employment, welfare, and demographic administrative records. Addition-

¹ Among EU-28 countries, on average 1.3% of the labor force is employed directly by households with significantly higher shares (around 3%) in southern European countries (European Commission, 2018). In these countries, a significant share of paid domestic work is performed by live-out local workers. For example, in Spain, 54.6% of domestic workers are local (?).

² The main difference is that migrant workers are legally confined to eldercare in specific locations. For a review of the situation of migrant care workers in Israel, see Mundlak and Shamir (2008).

ally, we use newly digitized records from the National Insurance Institute's (NII) domestic worker registry to analyze the degree of informality, distinguishing between *semi-informal* employment, where employers make social security contribution, and fully *informal* employment. Previous research, analyzing samples of domestic workers, has commonly identified local domestic workers as women who: have low levels of education or human capital relevant to the formal labor market; belong to historically marginalized ethnic or racial groups; and who live in poverty (Glenn, 1992; Neetha, 2009; Bernstein *et al.*, 2011; Suleman and Suleman, 2019; Bonnet *et al.*, 2022). Against this backdrop, our contribution is in characterizing the 'marginal worker', meaning characterizing those women *within* broadly defined social groups who enter domestic work, in its varying degrees of informality, and why (Dong, 2020). For the quantitative analysis, our sample consists of women working in *domestic occupations*, meaning jobs that, according to the national Labor Force Survey (LFS), occur both inside households as well as in the formal labor market. These occupations include cleaners, childcare and personal care workers, none of which require specific training or education and women working these jobs under formal employers represent the counterfactual employment opportunities for domestic workers (Bernstein *et al.*, 2011). For the qualitative analysis we draw on a sample of 144 women who self-report they are "living in poverty". One third of them indicate working in domestic work, virtually all as cleaners, while the most common situation among those not engaging in domestic work is low wage formal employment.

We use this rich data to examine the power of existing theories of informality to explain local women's engagement in informal domestic work in Israel as opposed to formal employment. Drawing on reviews by Chen (2012) and Dell'Anno (2022), we distinguish between individualistic neoclassical theories that focus on the role of individual choice and utility maximization versus structural theories that focus on social structures and institutions that constrain access to (decent) formal jobs. Specifically, we examine three individualistic theories: voluntarist, legalist, and social actor. According to the voluntarist theory, workers opt into informal employment to increase their income by avoiding taxation and social security contributions. The legalist theory maintains that bureaucratic costs either inhibit domestic workers from formalizing, even if there are benefits to doing so, or from realizing the benefits associated with formal employment. Finally, the social actor theory posits that the choice to work informally is related to social norms that either amplify or discount the utility costs of doing so. From the structural perspective, we examine two frameworks: exclusion and marginalization. The exclusion framework, sometimes called the survivalist framework, represents the traditional view of informal economic activity as a strategy of last resort to escape unemployment and poverty (Perry *et al.*, 2007; Duffy, 2020). In contrast, the marginalization framework maintains that informal activities make a meaningful economic contribution, but remain marginal because capital and opportunities are monopolized by dominant groups 1978.

Applying the individualistic and structural theories of informality in our data provides important insights into the factors and processes determining women’s engagement in informal domestic work in Israel. However, they do not account for the interaction between individualistic and structural in shaping the lived experiences of workers. To bridge this gap, we employ Kabeer’s 1999 concept of agency and its expansion by Donald *et al.* (2020). We find that informal employment as domestic workers enables socially marginalized women to activate their agency by: defining goals in line with their values; having a sense of control allowing them to initiate actions; and acting upon their goals. In this sense, engaging in domestic work and its informality, as opposed to formal employment, is revealed as a position of strength. However, it is also the structural features of informality, coupled with observed commitment to care for their own children, that limit, and in some cases block, their ability to achieve their stated long-term goals. We thus conceptualize their engagement in informal domestic work as “marginalized agency”, capturing the paradox that, while women exercise agency in choosing informal employment as domestic workers over formal employment, this choice inherently limits their ability to fully realize their goals, especially in terms of social and economic mobility. The concept of agency, as outlined by Kabeer (1999); Donald *et al.* (2020), aligns with agency at the margins—the creation of spaces of action within a marginalized position. Our analysis suggests that marginalized agency occurs when the enactment of agency at the margins is transformed by structural constraints into a mechanism that reinforces the marginalized position itself.

2 Data and methodology

Our empirical analysis takes advantage of three preexisting data sources, combined for the purpose of this study—in-depth interviews, national representative survey data, and administrative data—all collected at the individual level. The survey data allow us to create a representative sample of workers. Linking it to the administrative data at the individual level adds a longitudinal dimension that is absent from most quantitative analyses of domestic work. The interview data complement the survey and administrative data in terms of depth, revealing additional factors that determine occupational and employment outcomes and expose the meanings that workers attribute to their behavior and that of others (Fontana and Frey, 1994; Patton, 2015).

2.1 Qualitative data collection

The qualitative analysis draws on in-depth interviews from two studies conducted by the second author between 2010 and 2021. The common criterion for participation in both studies was living in poverty, defined as the subjective experience of economic distress and repeated dependence on

welfare rather than income (Lister, 2005). The recruitment of participants in both samples was based on convenience and snowball sampling. Interviewees lived in various rural and urban localities in different districts across Israel. In terms of demographic composition, the first study, conducted between 2010 and 2014, was limited to working age (24-62) non-ultra-Orthodox Jewish women, with at least one child under 18 at home, yielding a data set of 49 interviews. The second study, conducted between 2017 and 2021, was broader in terms of gender, age, and ethnicity, resulting in 239 interviewees in total. From this data set, we created a sub-sample paralleling the sample of the first study, yielding a data set of 95 interviews with non-ultra-Orthodox working age Jewish women with at least one child in the household. Together, our study sample comprises 144 women, of whom 16% immigrated from the former Soviet Union. In the first study, participation was further conditioned on the women being the main breadwinner in their household, a criteria we did not impose on the later data set. As Table 1 indicates, the result is slightly different composition between the two samples in terms of employment and family structure. Overall, a third of the interviewees are single mothers, over 80% are employed, and 40% of those employed report working in domestic cleaning.

We gathered our data from semi-structured in-depth interviews, which allowed our participants to ascribe meaning to their behavior and that of others, as well as their emotions, beliefs, and worldviews (Patton, 2015). The interview protocol in both studies aimed to explore routes to economic survival. Participants were asked to describe their daily routines and practices in providing financially for their households, and coping with their material hardship. The protocol also asked about the possibility and opportunity to access financial resources and support from paid employment in the labor market, government institutions, and social networks. Interviews lasted between 45 minutes and 3 hours, with an average of 90 minutes. All interviews were recorded and transcribed verbatim. All identifying details were anonymized, and names were replaced with pseudonyms. The study conforms to the IRB ethical guidelines of the relevant institutions. We use Charmaz's (2014) grounded theory approach for the systematic examination of the data, using inductive coding to derive themes directly from the interviews. We analyzed the data using the Atlas.ti software, which helped us organize and manage the qualitative data effectively.

2.2 Quantitative data construction

Administrative records have become the most reliable and rich source of labor market data, overcoming traditional issues of attrition, non-response, and measurement error in traditional survey data (Card *et al.*, 2010). The nature of informal employment in general, and domestic work specifically, precludes it from appearing in administrative data. To overcome this, we pool seven waves (2012-2018) of the Israeli Labor Force Survey and Household Expenditure Survey, the most com-

prehensive sources of data on occupations in Israel. First, we identified occupations at the ISCO08 three digit level found in the International Standard Industrial Classification section T (Chen *et al.*, 2006)—95% of workers in this section belong to three occupations, which we named "domestic occupations": Cleaners and Helpers (911); Child Care Workers and Teachers' Aides (531); and Personal Care Workers in Health Services (532). Second, we identified all survey respondents who reported one of these three domestic work occupations as their main occupation, irrespective of employer type. This group of workers constitutes the population for our current study. Finally, upon our request, the Israeli Central Bureau of Statistics staff link the sample to information a wide range of administrative data sources, using national identification numbers, including the Population Registry; Tax Authority records; National Insurance Institute (NII) records; and the Israeli ICBS education registry and survey data.

We define three groups of workers by employment arrangement: formal, semi-informal, and fully informal. The first distinction is by employer type. Formal employers include firms in the private and public sectors. Informal employers, to varying degrees, are households. The second criterion, capturing the degree of informality, is whether social security contributions were made on the worker's behalf (Bonnet *et al.*, 2022). By law, all employers in Israel are required to pay social security on behalf of their employees, and among firms, this is done as part of payroll and contributions reporting to the Tax Authority. However, employers who are households are exempt from reporting to the Tax Authority, rendering domestic workers invisible to it. We take advantage of a recently digitized database from the NII—the domestic worker social security registry—which, for the first time, allowed us to determine whether an employer had made a contribution to social security on behalf of the domestic workers in our sample. Therefore, among those employed by households (informal employers) we distinguish between semi-informal employment, meaning workers registered and covered (at least partially) by social security, and fully informal employment meaning workers reporting employment by household who are not registered in social security. One limitation in the current analysis is that the NII records have been digitized only starting in 2017, while the surveys we use range from 2012-2018. Therefore, we use the earliest year in the NII registry in which a domestic worker appeared to categorize her as engaged in semi or fully informal work.

Panel (a) in Table 2 shows the composition of the population employed in domestic occupations, by occupation and employment arrangement. Of the 24,318 workers in domestic occupations, nearly half are in child care, and the other half is split between health care and cleaning. Not surprisingly, all three occupations are predominantly female: 96% in childcare; 88% in health; and 73% in cleaning, compared to the overall share of women in the Israeli labor market, 44%. This imbalance is even stronger in the domestic sector where over 90% of workers are women. Nearly 20% of workers in domestic occupations are under the prime working age (25), similar to

their share in among all workers (17.4%), but they are largely concentrated in domestic child care. We restrict our sample to women aged 25 and older to avoid conflating informal employment with temporary youth employment and to be able to observe completed education.

Panel (b) of Table 2 shows that our final study sample is comprised of 17,438 women in domestic occupations, 14% of whom are employed directly by households. Virtually all workers in the sample reported working in the week prior to the survey. For the formally employed workers, this result aligns with the percentage appearing in the tax records corresponding to the survey year.³ In contrast, among domestic workers, the percentage appearing in the NII registry is significantly lower—71% of cleaners and only 34% of child care and 25% of health care workers—revealing the variation in the degree of informality.

2.3 Mixing methods

We use a mixed concurrent equal status design, in which the quantitative and qualitative phases are integrated concurrently in one or more stages of the research process, for the purpose of complementarity and triangulation (Creswell *et al.*, 2003; Leech *et al.*, 2010). Triangulation involves seeking convergence between the findings of distinct methodologies. In our case, doing so is more challenging because the quantitative and qualitative data sets were constructed using different criteria, occupation and living in poverty respectively. The overlap between the two samples occurs among cleaners—33% of the interviewees reported engagement in domestic work, all of them as cleaners. Therefore, we present the quantitative analysis for two samples: the sub-sample of cleaners, more closely aligned with the qualitative sample; and the full sample of workers in domestic occupations.

The empirical analysis proceeded in multiple stages. First, we used the survey and administrative data characterized workers and jobs, by the three groups on the formal-informal continuum. In the qualitative analysis, initial coding focused on mapping the key characteristics that differentiated two groups of women: those who engaged in domestic work, and those who did not. In the second stage of analysis, the focus shifted to the interviewees who engaged in domestic work and the analysis was guided by the key research question: Why do they opt into informal employment? We used focused coding to explore the factors that emerged as central to explaining their decisions to engage in informal employment as domestic workers such as economic circumstances, access to formal job opportunities, and the personal characteristics as described by participants. We then searched for indicators corresponding to these factors in the administrative data. Finally, we used a linear probability model to estimate the relationship between informality and the factors iden-

³The smaller percentage of child care workers that appears in the tax registry is likely driven by the child care organizations in the ultra-Orthodox community where illegal employment practices by employers is well documented. See for example, Itach-Ma'aki (2019).

tified in the previous stages on two margins: formal employment vs. informal employment (by households); and among those employed by households, registered in the NII (covered by social security) vs. unregistered.

The final stage of the analysis involved theoretical coding, aimed at creating a coherent story line that explains why these women entered and remained in informal employment. By comparing the stories of the women involved in informal labor with existing theories, the analysis sought to provide a richer understanding of the dynamics at play, beyond what has been previously explored in the literature. This grounded theory analysis allowed for the empirical identification of key factors and their interrelationships, offering a comprehensive account of the determinants shaping informal domestic work among local women.

3 Characterizing domestic workers and jobs in Israel

Panel (a) of Table 3 outlines the demographic characteristics of workers, separately of cleaners in the left-hand panel and in all domestic occupations in the right-hand panel, by the three degrees of informality, compared to the general female labor force in Israel in 2016. Following Bernstein *et al.* (2011), we examine the concentration of the three major underprivileged ethno-national groups in Israel by their place in the social hierarchy (from higher to lower): Mizrachi—first and second generation immigrants from the Middle East and North Africa who came to Israel in the 1950s; FSU—first and second generation immigrants from the Former Soviet Union (FSU) who came to Israel in the 1990s; and Arab—citizens of Israel who belong to the Palestinian minority and/or the Druze religion. All three groups are over-represented among workers in domestic occupations and especially among cleaners, compared to their share in the female labor force. Workers in domestic occupations are, on average, older than the female labor force. The starkest difference between workers in domestic occupations and the female labor force is their level of education. Irrespective of employment arrangement, a third of all workers in our sample and half of the cleaners have not completed secondary education and have less than 12 years of schooling, compared to only 8% of female workers overall. At the other end of the educational distribution, more than two thirds of female workers in Israel have some post-secondary schooling, while in our sample less than a third do.

These patterns confirm that, as expected, workers in domestic occupations are drawn from demographic groups that are disadvantaged in the labor market—older workers from marginalized ethnic groups, with low educational attainment and non-standard family structures. However, when comparing the characteristics of workers by degree of informality *within* domestic occupations and especially among cleaners, a different pattern emerges. Women from the lower ranking ethno-national groups are more likely to be in formal employment, whereas the higher ranked

Mizrachi women are more prominent among domestic workers, especially those registered in social security (semi-informal employment). The same holds true with respect to education. Fully informal domestic workers are the most likely to have at least some post-secondary education. Among cleaners, the highest share of workers with less than 12 years of schooling is found among the formally employed. In addition, the degree of informality does not seem to increase with age. Semi-informal domestic workers are older than both fully informal and formally employed workers.

We trace workers' connection to the formal labor market through Tax Authority records. Only 10% of domestic workers never had a formal employment spell lasting at least half a year. For each worker we calculate the share of months in formal employment, from age 21 to the year they were surveyed, and find that most domestic workers have had a substantive connection to the formal labor market. On average, domestic workers spent a third of their working life in formal employment. This percentage is a significant share, especially compared to that of formal workers in domestic occupations who had spent slightly more than half of their working life in formal employment. Among domestic workers, fully informal workers actually have, average, more experience in formal employment compared to semi-formal domestic workers.

In Panel (b) of Table 3 we characterize workers' households. There are nearly twice as many divorcees and widows among the women in our sample compared to the general female labor force. However, they do not differ systematically in terms of the presence and number of dependent children.⁴ Domestic workers are slightly more likely to be divorced than workers who are formally employed and among domestic workers, fully informal workers are more likely to have dependent children. Domestic workers, especially those in full informal employment, are less likely to have an "income-generating partner" compared to formal workers. This difference is larger than the difference in the percentage that has a partner.⁵

Turning to the qualitative data, we compare women who engage in domestic work to those who do not. Among the 144 interviewees, a third (48 women) reported engagement in domestic work, all of them in domestic cleaning. Of the 96 women who do not engage in domestic work, roughly a third were not engaged in paid work at the time of the interview, though the vast majority did report working in the past. For those engaged in paid work, the most common jobs they reported were cleaning as contract workers, child care work in daycare facilities, contract work in childcare and elder care, and sales workers in retail stores. With the exception of the last group, these jobs are included in our quantitative sample of formally employed workers.

⁴Marital status is defined according to the population registry. The one exception is workers who report in the survey that they are "married living separately." We code them as part of the "no partner" category. We define children as dependents up to age 21.

⁵This does not necessarily mean that the women in our sample and their children have access to this income, but we cannot test for this possibility.

We identify two distinct groups among the women *not* engaged in domestic work. The first group comprises women whose economic situation is more stable than others, particularly in terms of familial and social networks. The members of these networks, such as parents or siblings, could assist with emergency economic situations. This group also includes most of the married women—those who share a stable household with a partner, not those who are married only formally.⁶ The second group comprises women in the poorest conditions: (a) women whose economic situation is dire suffering from acute levels of poverty; and (b) women with physical or mental disabilities. The life circumstances of these women, whether related to their economic, physical, mental, or emotional conditions, hinder their ability to engage in paid domestic employment.

The most salient insight that emerged from the qualitative analysis is the personal strengths exhibited by the interviewees who do engage in domestic work. These strengths are evident in three ways: their physical strength, mental strength, and social strength.

I. Physical strength: Domestic work is physically demanding, involving tasks such as prolonged standing, heavy lifting, and the need for flexibility in transitioning between various body positions, including kneeling, bending, and standing. Moreover, unlike other jobs, the physical effort is not only part of the job—it is the job itself. Many women described working in two shifts, meaning they work for five hours in one house and then another five hours in another house. Beyond the sheer volume of physically exhausting work involved, they are also required to maintain the same level of performance in the second shift as in the first. Some women described themselves as “machines.” As one said, “Similar to a machine, I don’t stop working” (I21). another note that: “In this work you bust your ass all day” (I34). The machine-like daily operation is evident in the words of the next interviewee:

“My day begins at half-past four in the morning when I wake up to organize the house and take care of the children. Once they leave for school at eight, I head to work. I work three times a week until four in the afternoon and twice a week until eight in the evening. I don’t get any breaks, except for a brief lunch break. If I need to talk with the children or to have other phone calls, I use headphones and keep working” (I3).

Beyond the exhausting paid work, most of the participants are also the main caregivers of their children, and have to take care of the children and the household at the end of the workday.

⁶As described earlier, by design, all interviewees are mothers who report living in poverty and come from families of origin who are poor as well. Overall, the majority of the women are *de facto* single mothers—in some cases, the official status of the women is “married” but they are, in fact, separated; in others, the men do not support their families for various reasons, such as being in prison or being absent for various periods

II. **Mental strength:** This element is a kind of resilience that was noticeable and present in the interviews with many of the women engaged in domestic cleaning. Some of the interviewees explicitly acknowledged having this strength: “I don’t mind working that hard, I’m not scared. I need to work, and I know that I have this strength in me” (I4). However, in other interviews, it was more difficult to point to such resilience from specific quotes. Nevertheless, the women’s mental and emotional strength were manifested in statements such as those of the next interviewee, who described her intensive routine that combined paid domestic work and functioning as a single mother to three children: “This is a very tough kind of life, but I do not break easily” (I79). Another interviewee, who described how she worked very hard after divorcing her abusive husband, stated firmly: “I’m a survivor, and this is how I’m rehabilitating myself. I earn this money, and take care of my kids, and that’s just how I do it!” (I52).

III. **Social strength:** This quality was manifested in social capital and social skills. The strength required for this type of work involves several aspects. First, to secure a job in private households, one needs to know where and how to search. Given the intimate nature of domestic work, working in people’s private homes, employers often prefer workers who are recommended by others. Therefore, a primary strategy for finding such employment is through “word of mouth.” In this context, it is important to emphasize that the women’s immediate social networks are often also impoverished and typically do not employ domestic workers themselves. Consequently, the social networks required to obtain such work must extend beyond one’s closest circle, involving, for example, the need to connect with people residing in more affluent neighborhoods.

Another aspect is the need for strong social skills. To find a job, the women need to know how to present themselves and how to approach potential employers. Moreover, after securing a job, many of the interviewees told us how this job is also requires understanding the “right amount” of communication with their employers. One interviewee said: “You need to be friendly, because no one wants to see an upset employee in their house. You need to ask how they are doing and also sometimes to say something nice, for example, a compliment on a new piece of furniture or something like this. But I also learned that I shouldn’t talk about myself too much; when they ask how the kids are, I need to reply very briefly, even if their situation is very complicated or even if one of them was very sick, for instance. I’m ‘on the clock,’ so to speak, and they are not paying me to talk about myself” (I33).

The qualitative analysis highlights the distinct characteristics of informal domestic jobs, and we return to the survey data to characterized these jobs compared to the formal employment alternatives in domestic occupations. We use the survey data to analyze hours and wages, because they

are the only comprehensive sources of information on hours worked in Israel.⁷ Panel (a) of Table 4 reveals that informal domestic work involves fewer working hours and higher hourly wages than formal employment. Fully informal domestic workers work on average the shortest number of hours per week, and formally employed workers the longest. Domestic workers in all occupations work on average 21% less than formally employed workers, and the gap is larger among cleaners, 31% less. Interestingly, semi-informal workers, who pay social security contributions, have a significantly higher hourly wage than both formal and fully informal workers. Their hourly wage is 20% higher among all workers in domestic occupations and 36% higher among domestic cleaners.

Our data allows us to examine two additional employment features of informal domestic work: stability over time and number of employers. For stability in semi-informal employment, we use the six years of digitized NII records (2017-2022) to gauge employment stability.⁸ Among the domestic cleaners who appear in the NII registry we see evidence of employment stability. The majority, over 58%, appear in all six years—with a lower rate of registration and stability among other domestic workers. A salient characteristic of live-out domestic work in many high-income countries is employment by multiple households concurrently, as most households can afford only a limited amount of paid domestic help (OECD, 2021). The bottom panel of Table 4 reveals that the majority of domestic cleaners, 54%, have four or more employers in a given year, while the majority of formally employed workers have a single employer. Taken together, we find that domestic work offers the benefit of relatively high pay per hour worked, but with fewer hours coupled with multiple small employers. This situation makes it harder for workers to realize their legal rights, especially with respect to annual and sick leave as well as job security.

4 Individualistic determinants of informal domestic work

Both the qualitative and quantitative characterizations of the domestic workers reveal an interesting pattern. While cleaners, and workers in domestic occupations in general, come from disadvantaged socio-economic groups, within these occupations, engagement in informal employment, meaning direct employment by households, is associated with relative strength. In what follows, we examine the stories of the interviewees' who do engage in domestic work and the administrative data in light of the three individualistic theories of informality.

⁷Hourly wages are calculated using the information on hours worked and monthly net income from labor reported in the Household Expenditure survey because it is the only source that has information on both hours and earnings, reducing the sample size substantially. The main limitation of the survey data is that not all respondents answered all of the questions. Therefore, for each statistic in what follows we also report the share of non-missing observations (in brackets).

⁸We have no information about domestic employment beyond the survey year for the fully informally employed.

4.1 The voluntarist theory

According to the voluntarist theory, workers enter informal employment arrangements because of higher returns to informal work versus formal work. In the interviews, most women indicated that employment in paid domestic work allows them to provide financially for their households, while retaining control over their working time and schedule in a manner not possible in other types of employment. In their account, as domestic cleaners, they can decide when, where, and how much they work. Thus, their situation is similar to a small business owner who is also the only employee and whose only capital is their own human capital.

“I’m the boss on myself, I work how much I want and I don’t have to give any explanations to anyone” (I88).

This autonomy over one’s schedule, a privilege that most workers in their social surroundings lack, is very attractive for these women:

“Before that, I worked as a sales agent in a newspaper. It was a never-ending job. I constantly had to meet potential clients and was called non-stop, morning and night. It was a nightmare. So, I asked myself, ‘Why do you need this, as if this career is a great honor?’ I decided to go clean houses quietly, to earn how much I earn, and that’s enough for me. This way, I have more peace of mind, and there are no bosses on my head driving me crazy” (I42).

“I can currently work only twice a week, so I took on two houses, and that’s what I do” (I23).

All of the women interviewed indicated they were the main, and in many of the cases the only, carer for their children. They underscored the need for flexibility and control over their time to meet their obligations to provide for their family and to care for their children:

“Don’t forget that my work, in housekeeping, I’ve focused on [my] the children. I’m here. I arrive before they come home from school, I’m here for them, and there’s no way I won’t be” (I3).

A single mother of five said:

“I tried working in something else, to integrate in a regular job at a kindergarten. But I had to work every day until five in the afternoon, and it demanded a significant amount of mental devotion. I’m a perfectionist and I felt that I was giving too much of myself, and ultimately, it came at the expense of my children. I would come home at five, and the children would sit and wait for me to serve them lunch. So, I gave it up and

returned to housekeeping. This way, I can be both emotionally available for them and physically at home with them” (I28).

These narratives align with the voluntarist framework. The women enter domestic work because of the higher returns, driven by higher pay per hour worked, as shown in Table 4, and lower costs in terms of mental effort. Moreover, their descriptions reflects agency—they make choices in a way that reflects their values and priorities given the external constraints they face (Donald *et al.*, 2020).

4.2 The legalist theory

According to the legalist theory, the institutional legal and bureaucratic settings prohibit informal workers from fully engaging in the formal labor market. In our setting these constraints arise in two situations. First, when holding multiple formal jobs, the workers must engage with the Tax Authority to adjust their tax rates. If they do not, employers will automatically deduct the highest tax rates on any job beyond their first one. This however does not apply to households as employers, who are exempt from deducting and paying income tax on behalf of their domestic workers.⁹ A few of the interviewees pointed to the ability to supplement their income flexibly by combining formal jobs with informal domestic work. For example, an interviewee who works as a sales person in a store said:

“Occasionally I find myself in a situation where I can’t make ends meet, so I search for some temporary work in domestic housecleaning. I know several women who always have work for me” (I2).

Such combinations could also be more permanent:

“For four years now I have worked in two jobs: full time [formal] job in the factory, and also three times a week I work in [informal] housecleaning. This is how I can have good income” (I60).

Table 4 examines whether workers appear simultaneously in the NII and tax records during the period that the two registries overlap (2017-2019). We find that indeed, 32% of semi-formal and 45% of fully formal cleaners also hold a formal job during this period. We examine the total reported annual earnings in each registry and the combination of the two, among those with non-zero earnings. The average monthly earnings are low, about three quarters of the minimum wage for full-time employment, even among those who are formally employed. Indeed, the combination of the two types of employment increases the average earnings among registered domestic workers

⁹This is in fact the only legal difference between households and formal employers.

by 18%, compared to only 2% among those whose main job is formal. These patterns indicate that combining semi-formal domestic jobs with formal jobs is mainly used to increase income and avoid the bureaucracy of having multiple formal jobs.

The second bureaucratic constraint may arise from the interaction between eligibility and size of means-tested welfare benefits and earnings from paid work. Several women interviewed pointed out that domestic employment enables them to combine income from work with welfare benefits. Earnings from work reduce welfare benefits, but neither earnings or benefits alone meets household needs. Therefore, informal employment is perhaps the only possibility for low-income women to escape deep poverty and make ends meet. This is best demonstrated by the following quote from a single mother of three:

“The only way I can manage economically properly, to make ends meet and not to have to many worries, is this way: I receive income support [governmental allocation] from the National Insurance. This is about 1600 NIS. Not something that you can live from. I also work in housekeeping with a formal paycheck of about NIS 1500. If you have a higher paycheck, you don’t get the income support. So I work informally [in housekeeping] for another 3000 NIS. I have to do it like this, you understand? It’s like a snowball - If I don’t receive income support, I also have no rent assistance, no discount in the children’s kindergarten, no discount in property tax, and so on” (I55).¹⁰

To gauge the extent to which informality is associated with higher benefits or benefit take-up rate, we use the administrative data on welfare benefits from the NII for the year in which each worker was surveyed.¹¹ In Panel (c) of Table 4 we see that, irrespective of the degree of informality, take-up rate of benefits is high, 52% compared to 19% in the general population. This difference reflects the significant economic distress among workers in domestic occupations—household of formally employed workers are as likely to receive benefits as those of the informally employed. However, the total household income from welfare is higher among semi- and fully-informal workers. The most relevant benefits to the analysis of informality are means-test benefits for workers and their partners. Fully informal workers and their partners are most likely to receive these benefits, and the size of their benefits are the largest. However, differences in take-up rates and amounts by degree of informality are not very large, suggesting that while there is an interplay between informality and welfare benefits, its explanatory power is limited.

¹⁰The total income reported by this participant is 6,500 NIS per month for the household, whereas the poverty line for this household is 7,653 NIS (2013).

¹¹These benefits include temporary wage replacement benefits such as unemployment or maternity leave; means-tested benefits such as income supplements or child maintenance (alimony); and permanent benefits such as disability benefits and basic pension allowances. Universal benefits such as child allowance are calculated as part of the household income, not as a welfare benefit.

Finally, in Panel (d) of Table 4 we examine how the various sources of income relate to the total household income of formal and semi-formal workers. Despite the significantly higher hourly wages among semi-informal domestic workers, monthly earnings in formal jobs are 19% higher among cleaners and 11% when pooling all occupations. The earnings gaps in favor of the formally employed workers persists even when accounting for partners' income and welfare benefits. Finally, we calculate poverty rates using the total income and household composition.¹² We see that poverty rate among workers in domestic occupations is high compared to the national poverty rate among households with at least one worker, 13% (National Insurance Institute, 2015). Households of domestic workers are only slightly more likely than formal workers to have incomes below the official poverty line. The aligns with the description of interviewee I55—while the choice to opt into informal employment reflects a calculation aimed to maximize income, this does not result in economic well-being but rather survival.

4.3 The social actor theory

In accordance with the social actor theory, the women's stories revealed that engagement in domestic work allowed them to demonstrate moral competency in several aspects:

- **Economic independence:** Economic independence is a core social value, particularly in the neoliberal era. Paid domestic labor allows the women to demonstrate that they are respectable and self-reliant, and adhere to this social norm even as low-income mothers. This view of themselves is very important, because their social surroundings and public institutions often regard the women in this group as dependent and not respectable. One single mother told us how her work allows her to gain respectability among her family members:

“They [parents, siblings] always thought they were better than me because I was always financially dependent on them, and they thought that they can tell me how I should live and what to do. When I started working in housekeeping, they saw that I was getting along. Now, they don't have too much to say” (I16).

Another interviewee explained the considerations she must take into account when choosing between work and welfare:

“I make the calculation: if I have to go to the social worker and complain to her, then a day's work is wasted. So, I give up and go to work. Also, if I go to some charity and get a box of food once a week, it is also wasting a working day. So I go to work. It looks better and more respectable that way” (I28).

¹²In Israel, the poverty line is defined by the Social Security Administration as 50% of the disposable median income from work for an individual (including transfer payments and taxes due), adjusted to the size of the family

- **High work ethics:** Beyond ensuring a source of income, engagement in informal domestic work allows women to affirm their moral worth by demonstrating diligence, reliability, and integrity. Many of the interviewees emphasized that being known as a hard worker—someone who does not “cut corners”, who takes pride in doing a thorough job, and who earns her wage with honesty—is crucial for their self-image and social standing.

“This job requires a high work ethic, in my opinion. The secret is to show that you don’t cut corners. That’s how people know who you are. They understand that you have a strong work ethic, that you are consistent, and you are reliable” (I63).

- **Good mothering (as consumers):** Informal domestic work grants the women the ability to express good mothering not only by being present, but also by purchasing goods. In the culture of consumerism, being a good parent also means allowing the children to participate in this culture, to feel equal to others (Pugh, 2009; Lavee, 2016):

“When I started working in housekeeping, I had cash in my pocket because I work and receive cash every day. My daughter said, ‘Mom, I want to go to the pool; all my friends are going.’ Now I have the money to let her go with them, buy pizza, buy coke, so that she can feel like everyone else and not feel that they are better than her because she cannot buy anything” (I16).

4.4 Estimation model

Finally, we use a Linear Probability Model to examine the relative power of the factors identified previous sections section in predicting the likelihood of informality among women working in domestic occupations:

$$Pr(y_{it} = 1) = \alpha + \beta_1 age_{it} + \beta_2 age_{it}^2 + \beta_3 child_{it} + ethnc'_i \gamma_e + educ'_i \delta_s + hh'_{it} \eta_n + \theta_1 PE_{it} + \theta_2 W_{it} + \epsilon_{it} \quad (1)$$

Table 5 presents estimates of Equation 1 for four samples. In the left-hand panel, we include the entire study sample and $y_{it} = 1$ if the worker i is a domestic worker at the time of the survey t . In the right-hand panel, we use only the subsample of domestic workers and $y_{it} = 1$ if the worker is fully informal. Within each panel, we present estimates once only for cleaners and once for all occupations. In the basic model we include only demographic information including: continuous variables for age and number of children under age 21; and indicators for groups of education, ethnicity and household structure (partner and children). In the second model we add

the indicators $PE_{it} = 1$ if the worker has an "income generating partner" and $W_{it} = 1$ if the worker or their partner receives means-tested welfare benefits. It is important to note that our estimates are statistical projections, testing a "horse race" between the different characteristics, and should not be interpreted as causal.

We find no statistical relationship between age and entering informal domestic work, but among domestic workers, older workers are *less* likely to be fully informal. This negative relationship may reflect generational differences in occupational choices and employment arrangements. Alternatively, this might be a results of age, whereby older workers are more "committed" to domestic work, meaning they see it as their permanent job. In the latter case, they are more likely to report it as their main job and comply with the bureaucratic demands of formalizing. Finally, as we will see in the next section, the negative consequences of domestic work increase with age and older workers might have a stronger incentive to insure themselves. The short time series of the NII record and our sample size do not allow us to identify age and cohort effects separately.

The ethnic differences in the likelihood of informality are estimated vis-a-vis native-born workers. Arab citizens and FSU immigrants are less likely than native-born Jews and Mizrahi women to be directly employed by households, even conditional on education and family structure. The common feature of these two groups is the presence of language barriers and social networks that may limit the access to such employment. The differences between ethnic groups shifts with respect to fully informal employment. Native-born women are most likely to be fully informal, followed by Arab women, then Mizrahi women and finally FSU women who are least likely.

The role of education differs between cleaners and other domestic work occupations. Among cleaners the relationship is positive and substantial—cleaners who completed high school and those with some post-secondary education are 9.2 and 12.4 percentage points more likely, respectively, to enter domestic work compared to workers who have not completed high school. In the entire sample of workers in domestic occupations, workers with 12 years of schooling are the least likely to enter domestic employment. Full informality in domestic work is highest among those with at least some post-secondary education, although not all differences are statistically significant.

Household composition can relate to domestic work and informality in two main ways. The first is the number of dependents, children and partner, which determines the need for income. The second is the available sources of household income, either through additional income from partner or through restriction on working hours due to care obligations. We do not find a meaningful relationship between the mere presence of dependent children and/or a partner to the likelihood of informality. However, the number of children and whether the partner has an income do seem to be important. The likelihood of being directly employed by a household goes down as the number of children increases. However, conditional on being employed by a household, the probability of being fully informal increases in the number of children. The probability of entering informal

domestic work decreases when a woman has an income generating partner, by 6.1 percentage points among cleaners and 3.4 percentage points in the entire sample. Finally, among cleaners, receiving means-tested welfare benefits reduces their likelihood of informality by 3.5 percentage points, but increases the likelihood of full informality by 6.4 percentage point.

5 Structural determinants of informal domestic work

The in the narratives presented in Section 4 the participants described a vast range of advantages derived from engaging in informal domestic labor. Interviewees describe entering domestic work as a rational choice in light of their defined goals—whether to maintain a standard of care for their children, gain economic independence, maintain respectability, or counter societal perceptions of dependency. Furthermore, the economic advantages of informal employment, such as combining work with a formal job or welfare benefits, allow these women to make ends meet and sustain their households. Through their narratives, it is evident that given the sets of choices and commitments in their lives, these women leverage informal domestic labor to exercise their agency, make informed decisions, and achieve a sense of control in and of their lives. However, the sets of choices and commitments the women face are determined by "structures of constraints" (Folbre, 1994; Kabeer, 2021). Structural constraints are rarely explicitly mentioned in people's depictions of their life choices, as people wish to believe that they are in control on their actions (Acker, 2006). In this section we delve deeper into participants' descriptions of the sets of choices and commitments they face, revealing the centrality of the structural aspects as fundamental determinants of their engagement in informal employment. As opposed to the discussion of individualistic theories, which can all be true at the same time within and across workers, our examination of the structural theories asks, which framework fits better with the narrative and quantitative patterns we observe?

5.1 The exclusion theory

The theoretical framework of exclusion frames informal domestic work represents the traditional view of the informal economic activity as a strategy of last resort to escape unemployment and poverty (Perry *et al.*, 2007; Chen, 2012; Duffy, 2020). A salient marker of exclusion is that the population engaged in informal domestic work belongs to the most disadvantaged social groups do not have access to formal jobs, and are, in general, excluded from social positions of power. Clearly the demographic comparison to the overall female labor force in Table 3 and the characteristic of the participants in the interviews support this contention. Workers in domestic occupations have relatively low levels of education, are predominantly members of lower ranking ethno-national groups, and come from impoverished families. However, our analysis on informality, within do-

mestic occupations, indicates that exclusion may to some extent drive the *types* of occupations in which they engage, but not the employment relationship as formal vs. informal. Both the qualitative and quantitative analyses reveal that within their social strata in which many engage in formal work, domestic workers do not represent the lowest social strata.

An important characteristic that stands out in the qualitative analysis and is somewhat supported by the administrative data is that domestic workers are more likely to be sole providers for their households—divorced, separated, or have partners who do not contribute resources to the household—and the primary caretakers of their children. Our evidence suggests that women engaged in informal domestic work do, in fact, have access to formal jobs. Both the quantitative and qualitative findings indicate that they have had significant engagement in formal employment. However, the formal jobs that are available to them, given the characteristic described above, are located at the bottom of the labor market. The low salaries of these jobs do not allow them to provide for their families or have the flexibility required for adequate childcare, nor do they offer opportunities for career development. While most women in their milieu enter these positions, the combination of their family situation that necessitates flexibility and a higher income per hour worked, coupled with their "stronger" personal qualities and educational background, allows them to "opt out" of precarious formal work rather than being excluded from the formal labor market.

5.2 The marginalization theory

This theory posits that marginalized informal activities contribute to the economy et large, as opposed to survivalist activities, but remain marginal through the lack of access to resources of production and product markets (Tokman, 1978; Dell’Anno, 2022). In our setting, workers who opt into informal domestic work possess valued productive skills, but their societal position constrains their access to opportunities to capitalize on them. Moreover, marginalization is a subordinate relationship where informal workers are continuously dependent on and exploited by the formal economy (Tokman, 1978). Therefore, the main implication of marginalization, is that in a given structure of opportunities, workers are "trapped" in their marginalized position, irrespective of their effort or skill level. We examine this by critically revisiting the central benefits described by interviewees in Section 4 as their reasons for opting into informal domestic work: control over their lives, economic independence, and the demonstration of social respectability.

- **Control over their lives:** While informal employment, directly by households, offers autonomy and control over one’s schedule it comes at the cost of a lack of legal protection—a critical aspect of labor market security (Lavee, 2016). The qualitative analysis reveals that while *de jure*, domestic workers are entitled to labor-related rights such as sick leave and

notice periods, *de facto* many do not enjoy these protections, nor are they always aware of their rights, as demonstrated by the following quote:

“I’m aware that I can be fired in an instant, and there’s nothing I can do about it. I can’t complain about it being unfair or receive any form of compensation” (I8).

Another participant summed up the precariousness of informal employment:

“If you work, you get paid; if you don’t work, you don’t get anything. Especially when you’re working without a paycheck, you don’t have the conditions that come with regular jobs, such as vacation, sick leave, or pension savings” (I28).

The need for flexibility and control derived from these women’s role as main carers, that drives them into informal domestic work, in turn, exposes them to greater risk of economic hardship in times of illness or other personal, family, or general emergencies.

- **Economic independence:** Informal domestic work offers higher wages per hours worked. However, the physically demanding nature of domestic labor often leads to reduced employability over time. Many interviewees described how their commitment to work, driven by the need to make a decent living, ultimately resulted in greater economic hardship when physical exhaustion or injury forced them to reduce their work hours or stop working altogether. One participant recounted her experience of working intense double shifts:

“Today I pay in my health for all this work. I used to work every day for two women. Then, I had a herniated disc, and I spent a year and a half unable to work” (I63).

Moreover, domestic work offers no opportunities for career advancement, as it is repetitive and lacks the potential for skill development or promotion. Therefore, despite relatively high hourly wages, their overall economic status remains stagnant, as they are unable to transition to less physically demanding, higher-paying jobs. Therefore, they often encounter challenges in securing additional employment, leading to unemployment and increasing poverty in older ages (Lavee and Kuronen, 2024).

- **The demonstration of social respectability:** Informal domestic work allows women to achieve a sense of social respectability. However, our analysis reveals that three key aspects of informal work undermine this goal. First, many women expressed feelings of shame about their work, comparing themselves to immigrants and implying that such jobs were not socially acceptable for local women:

“What can I say, it’s a humiliating job. I’d rather not be seen doing such a simple job” (I28).

Second, informal work is often associated with the stigma of single mothers as "cheaters" who work without a formal paycheck to continue receiving state benefits. Some interviewees confirmed this stigma themselves:

“Many mothers around here work informally, relying on social security and receiving benefits, especially single mothers” (I9).

These three examples reveal the dual nature of informal domestic work. By leveraging the concept of agency, we argue that the marginalization provides the most accurate framework for understanding for the determinants driving women into informal employment. While these women activate their agency and demonstrate high levels of personal strength and skills by opting for informal domestic work, the structural disadvantages inherent in this type of employment relationship obstruct their opportunities for long-term economic advancement, ultimately perpetuating their marginality, despite their efforts. Consequently, we propose that a fourth dimension should be added to the conceptualization of agency: the ability to achieve set goals. Our analysis suggests that the disadvantages of informal domestic work reduce the likelihood of realizing these goals, especially in the longer run, thereby reinforcing the marginality of these women. We term this as “marginalized agency.” In this situation, the activation of agency in itself can paradoxically lead to deeper marginalization over time.

6 Discussion and conclusion

In this paper we offered a rich analysis of the determinants of informal work in the context of high income countries, through the case of local domestic workers in Israel. Using a combination of qualitative and administrative data, we examine the determinants of informal domestic work through the lens of existing theories of informality. We found ample support for the individualistic theories of informality, indicating that domestic workers in Israel do, in fact, choose informal employment in a purposeful manner. In terms of the structuralist theories, we did not find support for the exclusion theory—while informal domestic workers belong to socially and economically excluded groups, a position that perhaps determines the occupations available to them, within their social strata, they seem to be "positively" selected into informal domestic work in terms of their social standing and skills. Combining these patterns with their individual stories, our analysis indicates that these women exercise agency in line with Kabeer’s (1999) and Donald et al.’s (2020) framework. They make strategic choices and exhibit the capabilities required to opt into informal

domestic employment that offers high current returns both economically and personally. At the same time, they are marginalized in the sense that their labor market opportunities remain severely limited by structural factors, namely, their social role as primary care givers and the social strata to which they belong.

The distinction between “marginalized agency” and “agency at the margins” lies at the heart of this study’s conceptual contribution. Agency at the margins refers to the ability of individuals to make choices and exert control over their lives, while operating within the confines of marginalized positions. Examples of this form of agency include Shah’s (2006) analysis of seasonal casual labor migration in West Bengal and Dong’s (2020) study of the different trajectories of urban women in textile manufacturing and informal domestic service in China. In this framework, individuals at the margins still demonstrate agency, but the scope of their choices are shaped by limited access to resources and opportunities. In contrast, marginalized agency implies that the exercise of agency is, in itself, a factor in reproducing the marginalization. Meaning the structural constraints not only limit the space of possible actions and goals, but also circumvent the possibility of achieving these goals when individuals are able to activate their agency. The use of a mixed methods approach, whereby both broader social positions and individuals’ narratives are observed simultaneously, rather than assumed, reveals this distinction.

As our findings illustrate, while women in informal domestic work do exert agency through strategic decision-making and efforts to control and improve their conditions, the characteristics of this type of employment restrict the possibility of long-term economic and social mobility. Thus, the term “marginalized agency” captures both the resilience and strength that these women display and the persistence of the structural forces that perpetuate their marginalization, providing a more nuanced understanding of agency in this context. The conceptual framework of marginalized agency is an extension of the feminist economic approach to the analysis of informality, bringing together concepts of intersectionality, agency, and the structural understanding of the ways in which social structures are continually produced and reproduced. However, this conceptual contribution is not limited to the analysis of informality. One such example can be found in earlier feminist studies on women in poverty and welfare in the United States in the 1990’s, exemplified by the work of Lein and Edin (1997) and Albelda (2001).

The immediate policy implication of our findings, in the context of informal domestic work, is that marginalization can be mitigated through policies that guarantee access *de facto* to social safety nets in both the short and long terms. Doing so requires the recognition of paid domestic work as a “real job” rather than a temporary disjointed state. In the second step, creating an administrative apparatus that offers domestic workers stability and security throughout the life cycle. In light of the complex nature of domestic employment relations, the multiplicity of employers per employee and the vulnerability of those who engage in domestic work, these guarantees require

institutional involvement and support from government or civil society bodies such as local unions or international organizations such as Women in Informal Employment: Globalizing and Organizing (WIEGO), to organize and support domestic worker throughout their careers. One of the most salient themes that emerges from the narrative analysis is the activation of agency for the benefit of the workers' children. While the current analysis focused on the workers, the next step will be to examine whether the choice of informal domestic employment and its benefits allows the workers' children to "break out" of their socially marginalized positions.

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Table 1: Interview samples

	2010-14 sample	2017-21 sample	Total sample
FSU	0.14	0.17	0.16
Has partner	0.22	0.51	0.41
Employed	1.00	<i>0.71</i>	0.81
Domestic cleaner	0.47	0.26	0.33
Total	49	95	144

All characteristics are based on subjective self-report. Employment status is defined at the time of the interview.

Table 2: Full sample composition

	Cleaners		Child care		Health care	
	Formal	Informal Domestic	Formal	Informal Domestic	Formal	Informal Domestic
(a) Full survey population in domestic occupations						
Total	5,025	1,504	8,971	2,203	6,225	390
Female	0.68	0.90	0.96	0.97	0.88	0.88
Prime working age (25+)	0.13	0.10	0.23	0.62	0.06	0.06
(b) Study sample (25 years and older, female)						
Total	3,174	1,253	6,658	835	5,190	328
Share in sample	0.18	0.07	0.38	0.05	0.30	0.02
Worked last week	0.91	0.91	0.91	0.83	0.91	0.87
Appears in:						
Tax authority records	0.92		0.88		0.95	
NII records		0.71		0.34		0.25

Notes: Panel (a) $N = 24,318$; panel (b) $N = 17,438$. Population includes all respondents in the Israeli Labor Force and Household Expenditure survey for the years 2012-2018 reporting the main occupation as one of the 'domestic work occupations': Cleaning, ISCO08 code 911—Cleaners and Helpers; Child care, ISCO08 code 531—Child Care Workers and Teachers' Aides; and Health care, ISCO08 code 532—Personal Care Workers in Health Services. Age and Tax authority records are reported for the year each individual was surveyed; NII records for the earliest year in which an individual appears.

Table 3: Descriptive statistics of female workers in domestic occupations

	Cleaners			All			Female LF
	Formal	Domestic		Formal	Domestic		
		Reg	UnReg		Reg	UnReg	
<i>(a) Demographics</i>							
Ethnic groups							
Mizrachi	0.36	0.50	0.45	0.41	0.52	0.42	0.38
FSU	0.35	0.28	0.24	0.26	0.25	0.19	0.20
Arab	0.22	0.11	0.15	0.13	0.09	0.09	0.09
Total	0.96	0.95	0.89	0.84	0.92	0.77	0.67
Age (survey year)	48.5	50.3	46.8	47.7	51.6	48.6	43.1
Years of schooling							
Less than 12	0.55	0.44	0.43	0.32	0.42	0.32	0.08
12	0.26	0.34	0.34	0.40	0.36	0.35	0.23
More than 12	0.19	0.22	0.24	0.28	0.22	0.34	0.69
Formal employment							
Ever (>6 months)	0.99	0.90	0.92	0.99	0.89	0.91	
Share since age 21	0.54	0.29	0.35	0.59	0.28	0.36	
<i>(b) Households</i>							
Has partner	0.64	0.63	0.61	0.69	0.63	0.64	0.70
No partner							
Divorced	0.20	0.23	0.22	0.17	0.21	0.18	0.12
Widowed	0.07	0.07	0.04	0.05	0.07	0.05	0.03
Single	0.09	0.08	0.12	0.09	0.08	0.13	0.16
Has children	0.86	0.88	0.85	0.87	0.88	0.82	
Has dependent children	0.53	0.48	0.59	0.56	0.43	0.47	0.55 ^a
N dependent children	2.57	2.11	2.53	2.61	2.06	2.91	2.30 ^a
Partner has labor earnings	0.43	0.39	0.35	0.46	0.40	0.36	
HH income below poverty line	0.31	0.33		0.28	0.30		
Observations	3,174	888	365	15,022	1,257	1,159	

Notes: $N = 17,438$. Population includes all female respondents over age 25 in the Israeli Labor Force and Household Expenditure survey for the years 2012-2018 reporting the main occupation as one of the 'domestic work occupations': Cleaners and Helpers; Child Care Workers and Teachers' Aides; Personal Care Workers in Health Services. Characteristics of the Female Labor Force are authors' calculations on the sample of women over age 25 who reported an occupation in the Public Use Data file of the 2016 Labor Force Survey.^a Share and number of dependent children is calculated for children under 17, as the survey does not collected information on children 18 and older.

Table 4: Jobs, employment and income, by employer type

	Cleaners			All domestic occupations		
	Formal	Domestic Reg	UnReg	Formal	Domestic Reg	UnReg
<i>(a) Labor -survey data</i>						
Weekly working hours (response rate)	30.97 (0.89)	22.03 (0.89)	19.24 (0.72)	29.97 (0.88)	23.74 (0.88)	23.43 (0.73)
Net income from work (response rate)	3,559 (0.29)	3,442 (0.26)	2,394 (0.18)	3,797 (0.26)	3,562 (0.26)	3,013 (0.16)
Hourly wage (response rate)	29.05 (0.28)	39.52 (0.25)	31.31 (0.16)	31.60 (0.25)	37.87 (0.24)	30.85 (0.14)
<i>(b) Labor- administrative records</i>						
<i>Appears in:</i>						
NII registry all years	0.03	0.58	—	0.02	0.50	—
N employers per year						
0	0.06		0.55	0.08		0.54
1	0.58	0.15	0.27	0.61	0.26	0.31
2	0.20	0.15	0.10	0.19	0.17	0.10
3	0.08	0.16	0.04	0.07	0.15	0.03
4+	0.08	0.54	0.03	0.05	0.42	0.02
<i>Tax registry</i>						
Appears (year of survey)	0.92	0.32	0.45	0.91	0.30	0.46
Earnings (NIS monthly)	3,250	3,107	3,500	4,301	3,307	3,238
<i>NII registry</i>						
Appears (ever)	0.09	0.71		0.05	0.52	
Earnings (NIS monthly)	1,479	2,672		1,751	2,942	
Combined	4,397	3,680	3,500	4,373	3,937	3,238
<i>(c) Welfare benefits</i>						
Household has any welfare	0.55	0.46	0.54	0.51	0.49	0.53
Total welfare income	2,579	2,850	2,816	2,479	2,743	2,780
Worker means tested	0.27	0.25	0.30	0.23	0.26	0.28
Amount	1,755	1,872	1,951	1,817	1,833	1,920
Partner Means tested	0.08	0.07	0.09	0.06	0.06	0.07
Amount	2,021	2,025	2,240	1,936	1,956	2,081
<i>(d) Household income</i>						
Total labor earnings	7,803	7,043		9,086	7,620	
Total income	9,076	8,620		10,695	9,064	
N	3,174	888	365	15,022	1,257	1,159

Notes: $N = 17,438$. Population includes all female respondents over age 25 in the Israeli Labor Force and Household Expenditure survey for the years 2012-2018 reporting the main occupation as one of the 'domestic work occupations': Cleaners and Helpers; Child Care Workers and Teachers' Aides; Personal Care Workers in Health Services. For survey data, we use only non-missing responses for each variable, and the share of non-missing from the population is reported in brackets. Survey questions on income and wages are drawn only from HE survey only, and hourly wage is calculated by authors based using only this survey.

Table 5: Linear probability model

	Workers in domestic occupations				Domestic workers			
	Pr(Domestic worker)		All		Pr(Unregistered)		All	
	Cleaners		(1)	(2)	Cleaners		(1)	(2)
Age	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
	0.004 (0.004)	0.002 (0.004)	-0.002 (0.002)	-0.002 (0.002)	-0.044*** (0.008)	-0.041*** (0.008)	-0.058*** (0.006)	-0.056*** (0.006)
Arab	-0.176*** (0.035)	-0.176*** (0.035)	-0.040*** (0.01)	-0.039*** (0.01)	-0.042 (0.063)	-0.045 (0.063)	-0.116*** (0.043)	-0.121*** (0.043)
Mizrachi	-0.041 (0.034)	-0.037 (0.034)	0.004 (0.008)	0.005 (0.008)	-0.083 (0.055)	-0.081 (0.055)	-0.160*** (0.031)	-0.160*** (0.031)
FSU	-0.201*** (0.034)	-0.196*** (0.034)	-0.047*** (0.009)	-0.045*** (0.009)	-0.142** (0.057)	-0.143** (0.057)	-0.224*** (0.034)	-0.227*** (0.035)
Years of schooling								
12 years	0.092*** (0.016)	0.092*** (0.016)	-0.028*** (0.006)	-0.028*** (0.006)	-0.028 (0.03)	-0.025 (0.03)	0.014 (0.024)	0.016 (0.024)
More than 12	0.123*** (0.02)	0.124*** (0.02)	-0.018** (0.007)	-0.018** (0.007)	0.055 (0.037)	0.057 (0.037)	0.139*** (0.027)	0.139*** (0.027)
Family structure								
No partner + children	0.037* (0.021)	0.004 (0.026)	0.030*** (0.009)	0.007 (0.011)	0.054 (0.039)	0.012 (0.048)	0.006 (0.034)	-0.025 (0.041)
Partner + no children	-0.025 (0.026)	-0.026 (0.026)	0.039*** (0.01)	0.037*** (0.01)	0.045 (0.049)	0.034 (0.049)	0.063* (0.037)	0.055 (0.037)
No partner + No children	-0.053** (0.026)	-0.095*** (0.029)	0.039*** (0.01)	0.014 (0.012)	0.052 (0.05)	0.023 (0.058)	0.047 (0.037)	0.022 (0.043)
N child under 21	-0.025*** (0.007)	-0.025*** (0.007)	-0.003 (0.002)	-0.004* (0.002)	0.041*** (0.013)	0.038*** (0.014)	0.054*** (0.009)	0.052*** (0.009)
Partner has earnings		-0.061*** (0.019)		-0.034*** (0.008)		-0.022 (0.036)		-0.023 (0.027)
Means-tested welfare		-0.035** (0.017)		-0.011 (0.007)		0.067** (0.033)		0.036 (0.025)
Constant	0.293*** (0.106)	0.374*** (0.109)	0.164*** (0.039)	0.189*** (0.04)	1.415*** (0.204)	1.368*** (0.208)	1.815*** (0.145)	1.806*** (0.146)
Observations	4427	4427	17438	17438	1253	1253	2416	2416
Adjusted R2	0.043	0.045	0.014	0.015	0.05	0.052	0.108	0.109

Sample and dependent variable vary by column. All regressions including a second degree polynomial of age; indicators for household composition, partner and dependent children; and an indicator for other immigrants. Standard errors in parentheses clustered by survey year. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.