



**“Colombia was good at regulation, the hard part was compliance”: Salua Garcia of Symplifica on leveraging technology for social justice and convincing people to do the right thing.**

**Rollo Romig**

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**Rollo Romig: To start us off, could you introduce yourself and tell me more about Symplifica?**

**Salua Garcia:** I'm Salua Garcia, the co-founder of Symplifica. Now I'm the CEO, but before I had another role in the company. I worked for almost seven years in huge companies and felt I was missing something because I wanted to achieve more social impact. I wanted to work with digital technologies because back in 2016, I didn't want to sell satellite television anymore in a company now part of AT&T. I looked for jobs and spoke to a guy who wanted to develop something related to domestic work. He proposed to me to join the team as a co-founder.

At the beginning of the meeting, he told me about how in Colombia we have this problem that domestic workers don't have access to pensions and healthcare. The country had this new regulation that if you have someone working in your house, you have to hire this person with all the benefits like any other worker in a company. But households often don't have lawyers or accountants and enrolling the person in the social security system with all the paperwork is

complex. He told me about the idea of developing something with technology, and software, and asked me to join him because of my marketing, sales, and IT background.

It clicked because two or three months before I had spoken with my nanny, who lived in Spain and, after 10 years, owns an apartment, has a pension plan and money to travel around Europe. When in Colombia will the domestic workers go on holiday, or go to the beach? It isn't common for a domestic worker to access these kinds of benefits.

All the parts got together and I decided to join the team and start developing this project with him. I'm born on San Andres, a small island in the Caribbean of Colombia. I always had domestic workers around me in my childhood and before this conversation, I had never thought of this. It was like, oh my God, of course, this is a job like any other job. All my life I have had access to this kind of service, there probably are many people like me who want to do this but don't know. The social impact of this will be huge.

At the beginning it was like, let's understand the regulation, the paperwork. Eight years ago it was a huge mess to access the Social Security system because everything was on paper, you had to fill out four forms in different entities and sign them. We developed the technology to access investors like venture capital (VC) funds and other angel investors who believe in the project.

That's how we started the first part of the product centered around the household and the employer because in Colombia we have almost 600,000 domestic workers and less than 20% of them are formal. The employer part is important because if you don't want to pay for the obligations, it is difficult for the domestic worker to have the conversation.

Maybe this has changed in these eight years at Symplifica, but at the very beginning of the regulation for domestic workers, to put this on the table gave a lot of fear about losing the job if you asked to be paid more hours or take maternity leave.

There are 67 million domestic workers globally of which 80% are employed informally. These jobs are invisible because the house is clean and you're not seeing the person. It's an unfair job and more than 90% of them are done by women which is another component that makes this more interesting and less recognized.

**Rollo Romig: It sounds like the laws in Colombia are pretty good around what should be happening, but compliance with the law is low.**

**Salua Garcia:** Yes. We have good regulations. Colombia was one of the first countries to say, this is a job like any other, let's make the regulation. Everything started with the International Labour Organization (ILO) convention of 2013, where all the countries said, "Okay, this is a job." Before this, it was women's work. The mothers or someone close to the family helped with some of the things you must do in the care economy jobs. The world took a lot of time to see and evolve this as a job like any other.

Colombia was good at regulation, the hard part was compliance. There are two important things: First of all, it's complex to do it by yourself because of the paperwork, but you could do it. And secondly, there aren't a lot of consequences.

The government can't go from household to household and doesn't have a good system for compliance. The only time lawsuits or fines play a role is when the domestic workers take action, for example, if someone sues their employer. But workers are surviving, they don't have the capacity or culture to do this, because the legal process could take four years or more, and is expensive. We have the regulations and the conditions, and it is more expensive to hire formally, maybe 30% more of the cost. The benefits, however, are for the domestic worker as well as for the employer.

When domestic workers get sick, their wages are still covered for those days. Employers also pay for incapacity (sickness and related costs).

**Rollo Romig:** When you say if a domestic worker is formalized and takes a sick day, who is paying for their salary on that day, is that the government?

**Salua Garcia:** If the sickness lasts more than three days and they go to the hospital and have formal conditions, the government will pay the salary for those days, and the employer will also pay the domestic worker. But if they are not formal, they may not receive any payments. If it's a serious illness, maybe public hospitals will cover it, but this is not ideal for the worker.

**Rollo Romig:** And Symplifica is a platform that makes formalizing the workers easier, right?

**Salua Garcia:** Yes. In the beginning, we just had the app and the website for the households where the employer can do this in a peace of mind way with good user experience and with all the payments integrated with the social security system. We provide the contract and what you need to formalize the relationship. You also learn when in the year you have to pay what and when you have to give uniforms and all the other things you face with your domestic worker.

We have a customer service line where you can ask questions, not only about the legal part but also regarding people management. For example, if the worker comes late every day, how to make the right process?

Four years later we developed a new app for domestic workers. We have two views of the impact. Domestic workers can have access to all the labor relationship information, the contract, the payments, etcetera. For example, where to go if you're sick, or what is covered if I get an accident at the job?

But we realized that if we want to improve the quality of life of domestic workers, we need to provide not only the legal part. So we developed new services; we provide financial education and access to mental health for free. Sick workers can access psychologists in our app. There is a line for those who are facing domestic violence in their house or job. We integrated a program that does all of this. It's simple for workers to access WhatsApp or a line and say, "Okay, I'm facing this problem, what should I do?".

[We have two apps]. The app for employers is Symplifica and for the workers, it's Symplifica Trabajador@s, with the @ in the name for both women and men. We are also providing fintech services, salary advances, and planning to develop new services. When we launched this app, we could see the overall impact. Normally when you have a domestic worker in your house - from our database, 9% of the households have more than one—you can't bring the benefits and perks of a corporation or big enterprise.

With 13,000 domestic workers in our app, you can negotiate new perks for all the domestic workers. We are a huge enterprise and it's easier for us to go to NGOs and fintech companies and show them our community of formal workers with a salary. We want to develop a special loan for them or a plan to access buying a house or training that we provide, another part we developed.

**Rollo Romig:** So it started with the idea that because it's so complicated to comply with the law this platform would make it a lot easier to do that. But then after you addressed that problem, it ended up being a good platform for addressing everything that a domestic worker or their employer might need related to the job or even beyond, right?

**Salua Garcia:** Yes. When the pandemic started we thought everyone would fire their domestic worker, so maybe the project would fail. We started a campaign saying, "Domestic workers can't

go to your house because of the pandemic, and the restrictions on mobility, but please don't fire your domestic worker. Keep giving them the salary because they have to survive."

We decided to partner with an NGO from a rich family who gave money to some people to go to a supermarket and buy things. We had like 4,000 domestic workers on the platform and said, "Okay, you are doing this, why don't you consider our community?" And they said, "Okay." And they gave \$20 to each domestic worker as a bonus for going to a supermarket and buying things.

We realized if we could do this with these people in this specific moment, we could do it with other problems and opportunities. For example, if you provide education or training, maybe they will have access to better jobs, not only for cleaning but for taking care of old people or kids or other kinds of jobs. It gave us a new perspective on the platform and the opportunity.

Almost 60% of the domestic workers are single mothers. We have a lot of opportunities not only for them but for their kids and their families. When you get into the healthcare system in Colombia as a formal worker, your kids become beneficiaries of the system. The impact is huge for them, and for their kids, or the people they are taking care of.

**Rollo Romig: What have you noticed of the impact of the platform in terms of encouraging compliance? What does it look like before you started versus now?**

**Salua Garcia:** At the beginning, for more than 60% of the domestic workers it meant they could save for a pension for the first time. For some of them, who have been doing this job for 15 years, it was the first time they were formal. We measured the social impact related to the social security system. For example, the beneficiaries of getting kids or parents of the workers into that system. We knew the salary they received before the formalization and after, and the increase and regularity of the salary. It has a real social impact because maybe you don't receive a lot of money, but if you are regulated with this kind of income, you can plan your finances and pay everything in order.

After the pandemic, we could evolve the processes for the model to scale. We had to work with the government and the social security system because we were a disruptive solution. For them it was weird because we are not outsourcing, we are not replacing the employer, we are making the bridge with technology.

The compliance part was interesting because some households thought they didn't need to do anything if their worker just came two days a week. But even with having a worker only one day

a month, you have to comply, we campaigned on national TV about it. The government should do that but domestic workers are not its priority.

**Rollo Romig: How did you convince the government that they should listen to you and make some changes to help make your work easier?**

**Salua Garcia:** The pandemic was a good help because they had to create new processes. We were there to help them and enable them to do this by email. They evolved with Application Programming Interfaces (APIs) to make this easier. Some of these entities got back to using papers and for us that was crazy. You just try this new cheaper and easier way, you want to promote formalization, so why make it so difficult?

Our operations manager started to look at these huge systems and develop pilots, Minimal Viable Products (MVPs), with them to try it by email. It worked by talking with many different people and making examples, in the pandemic moment we had.

And we realized the 6,000 households, and then 10,000, doing this with Symplicifica are important, and we should listen to them. In some parts of the system, domestic workers are not attractive because they can't afford [to give] a percentage of their salary. If you are always earning the minimum wage, the amount you give to the system is small compared to a manager or a huge enterprise with people earning 10 or 15 times as much.

Some of them told me off the record, "I'm not interested in increasing domestic workers in my healthcare entity because it's not profitable. For example, if a domestic worker gets pregnant, I'm losing money because they are giving just a little bit to the system." You have to deal with this and look for the right perspective to achieve something.

The government has a huge opportunity to make a change because it's not that hard to start campaigns and look for people who are not doing this in the right way, or to give incentives [to those who are] paying their domestic workers formally, a benefit in taxes or different programs.

In some countries like Uruguay or Argentina, the formalization is better. They have incentives and benefits for the households doing this appropriately. For example, if you are a family of more than two kids, it's obvious you need help. They give some benefits for you to hire a domestic worker. Maybe the current government will do something because our vice president was focusing on domestic workers herself in the past, but change is slow. You have to deal with the system, and always think about your role.

**Rollo Romig:** You mentioned earlier how there's this deep kind of global attitude towards domestic workers, that it's normal for them to be informal. And you're going up against that. You've got to change social norms. And you mentioned the TV advertisement. I'd love to hear more about how that came about and what else you have found has worked to help change that social norm.

**Salua Garcia:** It's hard for a company to sell something and people say, "Why are we paying taxes if they are corrupt?" It's challenging to ask people to buy something and comply with the law. In the beginning, we were naive, we thought if we talked about this, people would do it. Some of them did it which was interesting to find out. But many people didn't before Symplifica because they didn't know how much it would cost, how to do it, or all these kinds of questions they were asking us.

Then we started campaigns. At first, it was digital campaigns saying if you have someone in your house, you can do this with us and you will avoid lawsuits, fines, and problems, and you will have more loyal employees because if they have access to this, they will not leave your house. The most powerful source of growth for Symplifica is referrals. The people who use the platform tell other people to try it.

All these conversations about domestic work are very feminized. Many wives are talking about how they're hiring workers with this app. We started doing campaigns in women's Facebook groups with conversations around domestic work. We started to talk about it in these groups. We did different campaigns on Facebook, and Google. We have a successful blog, with a lot of answers to topics people have questions about.

For example, if you are going on holiday, in Colombia you have to pay the worker in June and in December half of the salary. There is a lot of news about this, newspapers and magazines published this information. It was Symplifica News.

We wanted to have at least three news articles every month about domestic work. That helps a lot. A new media investor invested through advertisements on a public channel here in Colombia. It was the opportunity to do something on national TV. But, surprisingly, it wasn't the reaction we expected. We thought, if more people saw this message, the sales would grow like crazy. But they didn't. And that's when we realized the informal culture was bigger than our possibilities as a company.

It was good for the brand and we had a lot of sales, but not in the proportion we expected for the advertising investment effort. So yes, we are trying to change behaviors, but this process could take years. We are doing our part, but we are not the only ones who have to work for this change. The people using Symplifica have an open mind. The solution is working well. In university cities like Bogotá and Medellín, people are justice-minded. But if you go to a small city without many domestic workers, they won't even ask about it.

Domestic workers are poor people who are okay with a place to live, something to eat, and earning some money. In Bogotá, many people know about Symplifica, but it's strange that in other parts of the country, they don't. They saw us in newspapers, on television, and in advertisements. It's been challenging for us and the system because informality is around 50% in every job. But it's motivating and inspirational too, when you can make a change in some houses and enterprises.

**Rollo Romig: You were saying earlier about how many of the domestic workers are understandably scared about claiming their rights because they don't want to lose their jobs. What have you done to convince them? And to what extent are employers learning about it from their domestic workers?**

**Salua Garcia:** This happens more in big cities. I did some sales in the houses of customers, like a conversation with the domestic workers and with them. In the beginning, we charged an amount for this and they didn't know I was a founder. We did this more than three times. When [we'd leave their homes], the domestic workers appeared [in the parking lot] saying, "Now I want to ask some questions because I was very shy in front of my boss." I realized they don't feel safe asking things in front of their employer.

So we started a private Facebook group and we now have 10,000 domestic workers in this group. They can ask anything they want and we give the information in a very transparent way referring to the law. When we did the social impact report, asking them about their social rights, 61% of them said that their knowledge about labor rights increased thanks to Symplifica. And more than 74% feel more safe and secure.

**Rollo Romig: If you were talking to someone who wanted to start working on a similar problem, what advice would you give them?**

**Salua Garcia:** A lot of people told us that nobody would buy this because it needs a cultural change. So you have to be curious and clever, and be committed to a problem that creates



dignified lives. Don't listen to the opinion of people saying it's impossible. Many investors told me, "I love you as an entrepreneur and I love the technology, but I don't think people will buy this."

There are now 35,000 domestic workers in the social security system. It went from one sale, 30 sales, to almost 1000 sales a month. It gives me hope about Colombians and humanity.

**Rollo Romig: Is there anything you'd like to add that we haven't talked about yet?**

**Salua Garcia:** The new thing we are developing is a similar technology for small entrepreneurs like restaurants and bakeries, similar to the households because the same person is doing everything—buying from suppliers and hiring the people. We will extend the impact because this market is huge.

**Rollo Romig: Thank you so much for your time today.**

*Rollo Romig: (he/him) is a freelance journalist who writes most often for The New York Times and The New Yorker. He is the author of the book I Am on the Hit List: A Journalist's Murder and the Rise of Autocracy in India. He teaches writing at The New School in New York City. He was born and raised in Detroit.*

*\*\*This conversation has been edited and condensed.*