

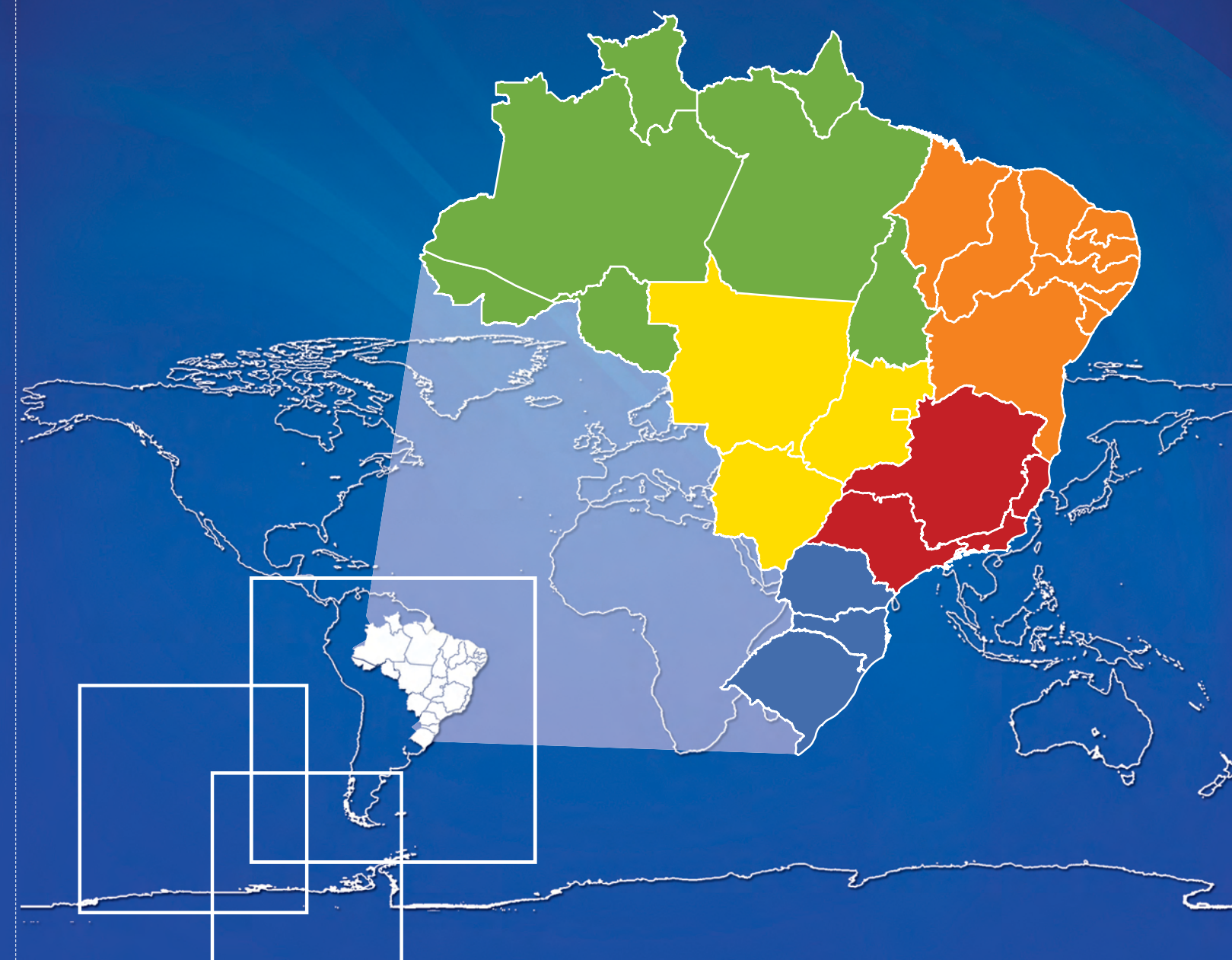


International  
Labour  
Organization

# DECENT WORK COUNTRY PROFILE

## A SUB-NATIONAL PERSPECTIVE IN BRAZIL

**DECENT WORK COUNTRY PROFILE**  
A SUB-NATIONAL PERSPECTIVE IN BRAZIL



"Published by the International Labour Office (ILO) with financial assistance from the European Union under the ILO/EC Project "Monitoring and Assessing Progress on Decent Work" (MAP)



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# Foreword

We live in an era of great transformation and challenges in the labor markets of Latin America and the Caribbean. The majority of the countries in this region and, among them, certainly Brazil, have experienced a period of sustained economic growth that engendered visible improvements in the creation of jobs and in the expansion of social protection coverage and the formalization of jobs.

Yet the persistence of poverty and inequality, informality, the lack of hope among youth and the precariousness of work, in addition to the large amount of people who, in the streets and squares of our cities, voice their apprehension and demands for a more fulfilling and satisfactory life, are telling signs that there is still a deficit of Decent Work that we must overcome.

The first step in facing our shortcomings is identifying them. To this end, it is necessary to develop a new generation of data and analyses complementing traditional investigations bringing us closer to what is in fact happening in labor markets and their direct impact in the lives of families and communities.

In this context, this second edition of the Decent Work Country Profile of Brazil represents a true innovation, since very few countries in the world can rely on such a variety and large amount of information on the behavior of Decent Labor. Furthermore, it is important to highlight measurement made at the sub-national level (Federation Units), especially considering the significant degree of social and territorial heterogeneity of the country.

According to the Report, Brazil has made significant progress in the promotion of Decent Work in its several dimensions. During the second half of the 2000s, the upward trend of female participation in the labor market and female employment rates was sustained. Formal employments expanded more rapidly and, as a consequence, the rate of formality increased from 46.7% to 52.6% between the years 2000 and 2009. However, there is still a large gap among Federation Units in terms of this indicator, ranging from a minimum of 23.7% in Piauí and a maximum of 67.8% in São Paulo.

Boosted by real increases of the minimum wage (+53.7% between 2003 and 2010), worker earnings soared, significantly contributing to the reduction of poverty and inequality, improved living conditions and diminution of earning gaps between men and women, blacks and whites. Child labor decreased significantly and the number of workers rescued from forced labor of conditions analogous to slavery increased. Between 2004 and 2009, the percentage of workers with excessive weekly work hours (over 44) also declined.

Despite the closing of many gaps during the period under analysis, there are still inequalities of gender and race and among the country's regions, which decisively contributes to the persistence of Decent Work deficits among women and blacks as well as among Federation Units.

Since 1999, when the ILO stressed the need to generate opportunities so that men and women could access productive and decent work, exercised in conditions of freedom, equality, safety, and human dignity, we have faced the challenge of developing and analyzing indicators to assess the levels of progress towards this goal.

This Report published in Brazil is an important contribution for the efforts that are made at the global and regional level for the consolidation and dissemination of a measurement methodology of Decent Work.

Elizabeth Tinoco  
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ILO Regional Office for Latin America and the Caribbean

# Preface

In 1999, the ILO developed the concept of decent work, which synthesizes its historical mission of promoting opportunities for men and women to obtain productive and quality work, with freedom, equality, safety and human dignity. Decent Work is the convergence point of four strategic goals of the ILO (respect to labor rights, the promotion of employment, the expansion of social security and the strengthening of social dialogue), and is a fundamental condition to overcome poverty, reduce inequality and guarantee democratic governance and sustainable development.

The Governments of the ILO's member states, as well as employers' and workers' organizations, have acknowledged the importance of monitoring the progress of decent work and, in 2008, the 97th Meeting of the International Labour Conference adopted the *Declaration on Social Justice for a Fair Globalization (2008)*, which recommends, among other measures, that Member States consider "the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate progress made [on decent work]".<sup>1</sup>

In September 2008, a Tripartite Meeting of Experts was held to address the measurement of decent work and to guide the International Labour Office on the compilation of a catalogue of indicators covering ten thematic areas ranging from employment opportunities, decent hours and combining work, family and personal life to social dialogue and workers' and employers' representation. In addition, the economic and social context for decent work is analyzed. Besides statistical data, the concept also includes qualitative information on rights at work and the legal and institutional framework for decent work.

In November 2008, the Governing Body of the ILO agreed to test this comprehensive approach in a limited number of pilot countries. The Government of Brazil was one of the first to offer collaboration to the Office and suggested that it be included in the pilot phase, alongside Austria, Malaysia, the United Republic of Tanzania and Ukraine. The Government of Brazil had been compiling a list of indicators to assess its progress in achieving the goals of the Decent Work Agenda for Brazil, adopted by the Government in May 2006.

In February 2009, the ILO/EC launched the project titled "Monitoring and Assessing Progress on Decent Work" (MAP), funded by the European Union with the purpose of supporting the ILO's effort to develop pilot experiences of measuring decent work in ten countries in different regions of the world. Brazil was selected as one of these countries, and the activities included in the MAP project began in July 2009.

In December of this same year, the ILO Office in Brazil published its report on the Profile of Decent Work in Brazil, which assesses the progress made on decent work between 1992 and 2007. Besides representing a first systematic attempt to measure this progress based on the guidelines proposed in 2008, the intended goal is to establish this report model as an instrument to monitor and periodically assess decent work in the country.

The elaboration of this first report was preceded by a tripartite consultation process. In August 2009, the ILO Office in Brazil organized a *Tripartite Workshop of Decent Work Indicators* for the purpose of assessing a set of indicators for monitoring decent work in

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I. See Paragraph II.B. ii) of the *Declaration on Social Justice for a Fair Globalization*, adopted by the International Labour Conference at its 97th Session in Geneva on June 10, 2008, available at: [http://www.ilo.org/wcmsp5/groups/public/---dgreports/-cabinet/documents/genericdocument/wcms\\_099766.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/-cabinet/documents/genericdocument/wcms_099766.pdf)



Brazil, in addition including others, taking into account the availability of information and the set of indicators already approved by the ILO during the aforementioned Tripartite Meeting of Experts. The workshop was attended by representatives from the Ministry of Labor and Employment (MTE), employers' and workers' organizations, the Brazilian Institute for Statistics and Geography (IBGE), as well as experts from the Institute for Applied Economic Research (IPEA) and academia. In addition to proposing additional indicators, the workshop discussed the statistical sources that could be used in measuring progress on decent work as well as some preliminary findings from the data. Several indicators proposed during the Workshop were incorporated into the first report, published in December 2009.

This report constitutes the second edition of the Decent Work Profile for Brazil. It refers mostly to the second half of the 2000s and incorporates a wider range of indicators than those adopted in the first edition. In addition, it features a pioneering chapter on companies and decent work. Besides presenting a set of indicators and analyses relative to companies, which may help define policies and actions relative to the promotion of Decent Work, it also contributes to the development and improvement of the measurement methodology of Decent Work. This is a first methodological effort that should be perfected in future editions of this report, by means of contributions stemming from tripartite workshops on the measurement and assessment of Decent Work.

The report also includes, in what also constitutes a first-time endeavor in the international scope of the MAP project, a series of disaggregated data relative to the 27 Federation Units that together compose Brazil. The purpose is to facilitate the analysis of the heterogeneous nature and diversity of situation found in all Brazilian territory in all dimensions of Decent Work. Breaking down data by Federation Unit (UF) is not only important from an analytical standpoint, but is also highly relevant considering the formulation of public policy.

The elaboration of this second report, under the ILO Office in Brazil, was also preceded by a consultation process with the tripartite constituents of the ILO in Brazil. In June 2011, in a partnership with the IBGE, a *Technical Workshop for the Construction of a Supplementary Household Survey Concerning Decent Work Themes* was held and included representatives from the government (federal and from states which at the time had Decent Work agendas), employers, workers and academia. Between July and August 2011, this consultation and discussion process was significantly expanded with six regional training workshops focusing on the elaboration and analysis of Decent Work indicators, which included 155 experts representing government (federal and state-level), employers' and workers' organizations, academia and other civil society organizations from 25 of the 27 Federation Units. These workshops were held within the framework of the cooperation agreement signed between the ILO and the FONSTE (National Forum of Labor Secretariats), based on a request made by this organization as part of the technical assistance process provided by the ILO in preparation for the State Conferences of Employment and Decent Labor, which was held in Brasília in August 2012. The workshops were an opportunity to present and discuss several new indicators that are comprised in this report.

Finally, in May 2012, a new Tripartite Consultation Workshop took place, in which the methodology, as well as preliminary findings, was discussed, in addition to possible consequences in terms of policies that promote Decent Work.

This report was elaborated by José Ribeiro Soares Guimarães, who is the coordinator of the MAP project in Brazil, whom I would like to emphatically thank for his technical skill and commitment to the coordination and execution of such a large-scale, and to some extent unprecedented endeavor, which we hope will provide a contribution to the advancement of Decent Work in Brazil.

Laís Abramo  
Director of ILO Office, Brazil

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The *Decent Work Country Profile: A Sub-national Perspective in Brazil* was compiled and elaborated by the Office of the International Labour Organization (ILO) in Brazil. We would like to acknowledge the contribution of the Brazilian Ministry of Labor and Employment (MTE), the National Forum of Labor Secretariats (FONSET), the Institute of Applied Economic Research, and the several ministries that provided technical assistance when needed.

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Statements found herein do not necessarily reflect the positions of the institutions mentioned above. Any errors are the sole responsibility of the International Labour Office.



# Technical Notes

The elaboration and analysis of the Indicators of Decent Work were based on official statistical sources, collected from a broad range of institutions that are comprised by the National Statistical System.

Until 2003, the geographical range of the National Household Sample Survey (PNAD) of the IBGE did not include the North Region of Brazil, with the exception of the state of Tocantins. In 2004, the PNAD was implemented in rural areas of Rondônia, Acre, Amazonas, Roraima, Pará and Amapá and thus achieved full coverage of the national territory. In view of this context, in order to ensure that data from the PNAD is comparable, the Decent Work Indicators, which are based on the PNAD, refer to the 2004-2009 period.

Some indicators refer to the years 2010 and 2011, and were mainly sourced from the 2010 Demographic Census of the IBGE and from administrative records of different ministries.

In the case of the disaggregated indicators by color or race from the PNAD, the category *blacks* included the population who self-identified themselves as black, *pardo* (browns), and indigenous and the category *whites* encompassed the population who self-identified as white or yellow (Asian). In 2009, the composition of the Brazilian population according to race and color was distributed as follows: *whites* (48.2%), *pardos* (44.2%), *blacks* (6.9%) and *yellow or indigenous* (0.7%).

With the purpose of providing a deeper analysis of gender and race, disaggregated indicators were constructed according to new categories of gender and color or race – *white men, white women, black men, and black women* in addition to the categories used in the previous edition of the report: *total, men, women, whites e blacks*.

In the majority of the chapter of this report several International Labour Norms are mentioned, in the form of conventions, recommendations, resolutions and declarations. All these instruments are adopted by the International Labour Conference, the ILO's highest decision-making instance, which convenes once a year.

The ILO conventions are international treaties that set minimum standards that must be followed by all ratifying member States. The ratification of a convention by any one of its member States is a sovereign act and entails its incorporation by the judicial, legislative, and executive and administrative system of the country and is thus binding.

The recommendations, in their turn, are not binding in legal and juridical terms. Often a recommendation complements a convention, proposing more well-defined principles concerning how conventions may be applied. There are also autonomous conventions, that are not associated to any specific convention, and that can serve as guides for legislation and public policies of Member States.

The resolutions consist of agendas intended to guide member States and the ILO itself with regard to certain subjects, and declarations contribute towards the creation of general principles of international law. Although they are not binding as in the case of conventions, the Member States must respond to the ILO regarding the initiatives and measures taken to promote and implement the goals and principles contained in the declarations.

With the goal of informing the reader who chooses to read specific chapters of the report, the definition of some concepts, the sources of data, indicators and terms are repeated throughout.

Lastly, the set of Legal Framework Indicators<sup>II</sup>, encompassing the dimensions of measurement of Decent Labor are presented. These indicators provide a succinct description of the national legislation related to the fundamental principles of Decent Work, information on the workers covered by legislation, existing policies, and information on the ratification of ILO conventions among others.

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II. Examples of Legal Framework Indicators: *Maxim work hours; Maternity leave; Child labor; Employment protection; Equal remuneration; Labor inspection.*

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# List of Acronyms and Abbreviations

|          |  |
|----------|--|
| AFT      | Labour Inspector   |
| AGECOPA  | Executive Agency of Public Works for the World Cup in the Pantanal                   |
| AIDS     | Acquired Immunodeficiency Syndrome   |
| ANTDJ    | National Agenda of Decent Work for Youth   |
| BB       | Bank of Brazil   |
| BACEN    | Central Bank of Brazil   |
| BNDES    | National Bank of Economic and Social Development                                     |
| BPC      | Long-term Social Welfare Benefit   |
| CadÚnico | Unified Register of Social Programs  |
| CAGED    | General Register of Employed and Unemployed Workers                                  |
| CAT      | Communication of Workplace Accidents   |
| CDES     | Economic and Social Development Council  |
| CEBRAP   | Brazilian Center of Analysis and Planning  |
| CEMPRE   | Central Register of Corporations   |
| CEN AIDS | National Corporate Council for the Prevention of HIV/AIDS                            |
| CEREST   | Center of Reference for Occupational Health  |
| CGTB     | General Center of Brazilian Workers  |
| CID      | International Disease Classification   |
| CIMT/OEA | Inter-American Conference of Labour Ministers of the Organization of American States |
| CIPA     | Internal Commission of Accident Prevention   |
| CIS      | Community Innovation Survey  |
| CIT      | International Labour Conference  |
| CLT      | Consolidation of Labour Laws   |
| CNAE     | National Classification of Economic Activities                                       |
| CNES     | National Council of Solidary Economy   |
| CNETD    | National Conference of Employment and Decent Labour                                  |
| CNIg     | National Council of Immigration  |
| CNJ      | National Council of Justice  |
| CMN      | National Monetary Council  |
| CNP      | National Ports Commission  |
| CNPJ     | National Register of Legal Entities  |
| CNPP     | National Permanent Ports Commission  |
| CNPS     | National Council of Social Insurance   |
| CODEFAT  | Deliberative Council of the Workers' Support Fund                                    |
| COFINS   | Contribution for the Funding of Social Security                                      |
| CONAETE  | National Coordination of the Combat Against Slave Labour                             |
| CONAETI  | National Commission for the Eradication of Child Labor                               |
| CONATRAE | National Commission for the Eradication of Slave Labor                               |
| COPOM    | Committee of Monetary Policy   |
| CRAS     | Center of Reference of Social Assistance   |
| CRB      | Commodity Research Bureau  |
| CREAS    | Specialized Reference Center for Social Assistance                                   |
| CRPD     | United Nations Convention on the Rights of Persons with Disabilities                 |

|             |   |
|-------------|---|
| CRT         | Council of Work Relations   |
| CSLL        | Social Contribution Net Profit Tax  |
| CTB         | Center of Brazilian Workers   |
| CTIO        | Tripartite Commission of Equality of Opportunities and Treatment of Gender and Race in Work |
| CTPAT       | Tripartite Commission of the Workers' Meal Program  |
| CTPP        | Permanent Equal Tripartite Commission   |
| CTRI        | Tripartite Commission of International Relations  |
| CTSST       | Tripartite Commission on Occupational Safety and Health                                     |
| CUT         | Unified Workers' Central (Central Única dos Trabalhadores)                                  |
| DAES        | United Nations Department of Economic and Social Affairs                                    |
| DENATRAN    | National Transit Department   |
| DIEESE      | Inter-Union Department of Statistics and Socioeconomic Studies                              |
| DORT        | Bone and Muscles Disorder Related to Work   |
| DSST        | Department of Occupational Safety and Health  |
| EAC         | High Growth Corporation   |
| ECA         | Child and Adolescent Statute  |
| ECLAC/CEPAL | Economic Commission for Latin America and the Caribbean                                     |
| EUROSTAT    | Statistical Office of European Communities  |
| FAP         | Prevention Injury Factor  |
| FAT         | Workers' Support Fund   |
| FEBRABAN    | Brazilian Federation of Banks   |
| FENATRAD    | National Federation of Domestic Workers   |
| FIFA        | Fédération Internationale de Football Association   |
| FGTS        | Time of Service Guarantee Fund  |
| FNAS        | National Social Assistance Fund   |
| FNTTAA      | National Federation of Waterways Transportation Workers                                     |
| FONSET      | National Forum of Labour Secretariats   |
| GDP         | Gross Domestic Product  |
| GEFM        | Special Mobile Inspection Group   |
| GTS-ICC     | Sectorial Working Group – Civil Construction Industry                                       |
| GTS-TRC     | Sectorial Working Group – Highway Cargo Transport   |
| HIV         | Human Immunodeficiency Virus  |
| IASERJ      | Institute of Assistance for the Servants of the State of Rio de Janeiro                     |
| IATUR       | International Association for Time-Use Research   |
| IBGE        | Brazilian Institute of Geography and Statistics   |
| ICMS        | Tax on the Circulation of Merchandise   |
| IDF         | Family Development Index  |
| IILS        | International Institute of Labour Studies   |
| ILO/OIT     | International Labour Office / International Labour Organization                             |
| IMF         | International Monetary Fund   |
| INCRA       | National Institute of Agrarian Settlement and Reform  |
| INEP        | National Institute of Educational Research  |
| INPC        | National Index of Consumer Prices   |
| INSS        | National Institute of Social Insurance  |
| IOF         | Tax on Financial Operations   |
| IPCA        | General Consumer Price Index  |
| IPEA        | Institute for Applied Economic Research   |
| IPEC        | International Programme on the Elimination of Child Labour                                  |
| IPI         | Tax on Industrialized Products  |
| IRPF        | Individual Taxpayers' Income Tax  |

|          |  |
|----------|--|
| JT       | Labour Justice   |
| LER      | Repetitive Strain Injury   |
| LOAS     | Basic Social Welfare Law   |
| MERCOSUL | Southern Common Market   |
| MDA      | Ministry of Agrarian Development                                     |
| MDG      | Millennium Development Goals   |
| MDS      | Ministry of Social Development and Fight against Hunger              |
| MEC      | Ministry of Education and Culture                                    |
| MEI      | Individual Micro-entrepreneur  |
| MGE      | Medium and Large Companies   |
| MPE      | Micro and Small Companies  |
| MPF      | Public Prosecutor's Office   |
| MPS      | Ministry of Social Security  |
| MPTS     | Multiple Donor Trust Fund  |
| MTE      | Ministry of Labour and Employment                                    |
| MUNIC    | Basic Municipal Information Survey                                   |
| NCST     | New Workers' Central Union (Nova Central Sindical dos Trabalhadores) |
| NR       | Regulating Norm  |
| NTEP     | Social Insurance Epidemiological                                     |
| OECD     | Organization for Economic Co-operation and Development               |
| PAC      | Growth Acceleration Program  |
| PAT      | Workers' Meal Program  |
| PBF      | Bolsa Família Program  |
| PCD      | People with Disabilities   |
| PCERP    | Survey of Population's Ethnic and Racial Characteristics             |
| PEA      | Economically Active Population                                       |
| PEC      | Constitutional Amendment Bill  |
| PETI     | Child Labour Eradication Programme                                   |
| PIA      | Working Age Population   |
| PIDESC   | International Pact of Economic, Social, and Cultural Rights          |
| PINTEC   | Technological Innovation Research                                    |
| PIS      | Social Integration Program   |
| PLANFOR  | National Plan on Training and Qualification                          |
| PLANSAT  | National Plan on Workers' Health                                     |
| PME      | Monthly Employment Survey  |
| PNAD     | National Household Sample Survey                                     |
| PNDS     | National Demography and Health Survey                                |
| PNETD    | National Plan for Employment and Decent Work                         |
| PNQ      | National Professional Qualification Program                          |
| PNSST    | National Policy on Occupational Safety and Health                    |
| PPS      | Social Protection Minimum Standard                                   |
| POF      | Household Budget Survey  |
| PROGER   | Program for the General of Employment and Income in Rural Areas      |
| PRONAF   | National Program for the Strengthening of Family Agriculture         |
| PRONATEC | National Program of Access to Technical Education and Employment     |
| PRP      | Professional Rehabilitation Program                                  |
| PSF      | Family Health Program  |
| RAIS     | Annual Social Information Report                                     |

|           |  |
|-----------|--|
| RAT       | Environmental Risks at the Workplace   |
| RD        | Ratio of Dependence  |
| RENAST    | National Network of Workers' Healthcare  |
| RGPS      | General Regime of Social Insurance   |
| RPC       | Complementary Social Insurance Regime  |
| RPPS      | Specific Social Insurance Regimes  |
| R&D       | Research and Development   |
| SACC      | Collective Hiring Monitoring System  |
| SAGI      | Secretariat of Information Evaluation and Management                                     |
| SAMU      | Mobile Urgent Care System  |
| SCN       | National Accounts Systems  |
| SDH/PR    | Secretariat of Human Rights/Presidency of the Republic                                   |
| SEBRAE    | Brazilian Service of Support for Micro and Small Companies                               |
| SELIC     | Special System of Public Bond Liquidation and Custody                                    |
| SEN       | National Statistical System  |
| SERASA    | Consultation Services S.A.   |
| SERT      | Regional Superintendence of Labour and Employment  |
| SINAN     | System of Information on Injury Notifications  |
| SINAN-NET | System of Information on Injuries to Workers' Health                                     |
| SINE      | National Employment System   |
| SIPD      | Integrated System of Household Surveys   |
| SIPS      | System of Indicators in Social Perception  |
| SIT       | Secretariat of Labour Inspection   |
| SITI      | System of Information on Child Labour Sites  |
| SFIT      | Federal System of Labour Inspection  |
| SNSST     | National System of Occupational Safety and Health  |
| SPC       | Credit Protection Service  |
| SPE       | Public Employment Service  |
| SPM       | Secretariat of Women's Policy  |
| SPSS      | Secretariat of Social Insurance Policy   |
| SST       | Occupational Health and Safety   |
| SUAS      | Unified Social Assistance System   |
| SUS       | Unified Health System  |
| TJLP      | Long Term Interest Rate  |
| TRT       | Regional Labour Court  |
| TST       | Superior Labour Court  |
| UF        | Unit of the Federation   |
| UGT       | General Union of Workers   |
| UN        | United Nations   |
| UN DESA   | United Nations Department of Economic and Social Affairs                                 |
| UN Women  | United Nations Entity for Gender Equality and the Empowerment of Women                   |
| UNAIDS    | Joint United Nations Programme on HIV/AIDS   |
| UnB       | University of Brasília   |
| UNDP/PNUD | United Nations Development Programme   |
| UNHRC     | United Nations Human Rights Council  |
| UNICEF    | United Nations Children's Fund   |
| UNPRPD    | United Nations Partnership to Promote the Rights of Persons with Disabilities Trust Fund |
| WHO       | World Health Organization  |



# 1 ECONOMIC AND SOCIAL CONTEXT

## The International Financial Crisis

The economic and social context during the period considered here, namely, the second half of the first decade of the 2000s, was severely affected by the financial crisis triggered on September 14, 2008 by the announcement of the bankruptcy of Lehman Brothers – the fourth largest commercial bank in the United States of America. Although the United States and Europe bore the brunt of the crisis, its aftershock was rapidly felt in emerging countries.

Brazil did not emerge unscathed from the slowdown of the world economy and, in 2009, the country's production rate shrunk (-0.3%), job creation fell and, consequently, the unemployment rate increased. However, the Brazilian government implemented several measures in order to reduce the impact of a recession, a process that generally tends to have a contagious effect in complex and globalized economies. As it shall be shown below, this set of measures, in addition to others, enabled a quicker recovery from the immediate aftershocks of the crisis therefore resuming its trajectory of production and employment (see Legal Framework Indicator 1 'Government commitment to full employment', Annex p. 361).

The rhythm of recovery and the levels of production and employment, as well as the success in mitigating the effects of the crisis were due to a series of factors, as highlighted by the study entitled: *Brazil: an innovative strategy driven by income* developed by the ILO (2011) and carried out by the International Institute of Labor Studies<sup>1</sup> and ILO office in Brazil:

*The experience during the pre-crisis and initial conditions:* After the 1999 crisis, Brazil strengthened its macroeconomic foundations and continued to improve its social protection system. Particularly, Brazil introduced a new macroeconomic regime guided towards the objective of reducing vulnerability to foreign crises and to achieving fiscal surplus. Also, since 2003, the government has set in place since a policy of incrementing the minimum wage value and, since 2007 – in cooperation with other social actors – has established a permanent mechanism for its readjustment, as will be discussed in the chapter referring to *Adequate Earnings and Productive Labor*. As a result, after the contagion-effect of the crisis, the Government was able to respond promptly by means of the adoption of a series of counter-cyclical measures and improvements of the extant social protection regime, initiatives only made possible by a more robust fiscal situation.

*The origins of the crisis:* The financial crisis significantly affected the domestic credit market. The government reacted decisively in order to restore credit flows in the banking

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<sup>1</sup> The International Institute for Labor Studies (IILS) was created in 1960 as an autonomous entity within the International Labor Organization (ILO). It has a mandate to promote a policy of investigation and public debate concerning issues that interest the ILO and its members: governments, employers and workers.

system for families and businesses alike. Among the measures adopted worth citing are: (i) the reduction of the target interest rate by five percentage points between January and September 2009 (from 13.75% in January to 8.75% in September); (ii) the introduction of credit lines for key sectors of the economy, including Small and Medium Businesses (SMBs) and bolstering credit concessions granted by its three public financial institutions; and (iii) a series of initiatives of the Central Bank aimed at attenuating exchange volatility and ensuring liquidity of US dollars for businesses, banks and exporters.

*Stimulating domestic demand in labor-intensive sectors:* The government also adopted a series of measures aimed at stimulating sectors capable of generating numerous jobs: (i) the expansion of the Growth Acceleration Program (*Programa de Aceleração do Crescimento* – PAC), being that the majority of resources were channeled to infrastructure investments that drove job creation; this program represents more than 40.0% of the stimulus package; (ii) the creation of the housing program *Minha Casa, Minha Vida* (My House, My Life) whose objective was to build one million new homes in 2009 and 2010 in order to stimulate growth and employment in the civil construction sector, which had been heavily affected by the crisis; (iii) reduction of the Industrialized Goods Tax (*Imposto sobre Produtos Industrializados* – IPI) levied upon automobiles and other products (some of which promoted ecological consumption).

*Stimulating demand and protection for vulnerable families by improving social protection:* although relatively minor in comparison to other measures, changes were implemented in two key areas of social protection, namely, the *Bolsa Família* Program and the unemployment insurance system: (i) the Ministry of Labor and Employment extended the duration of unemployment benefits in two months for workers formerly employed in sectors of the economy severely affected by the recession (as, for example, the mining and steel-making sectors); (ii) the government reiterated its commitment to the *Bolsa Família* program by increasing the value of benefits and extending its coverage. The cost of these two measures amounted only to 0,026% of the GDP. Even so, extension of coverage of the *Bolsa Família* allowed 1.3 million additional families to benefit from the program; it is also estimated that 310 thousand workers were able to receive additional support from unemployment benefits. Furthermore, though not considered a part of the stimulus package, the government followed the scheduled increases of the minimum wage in February 2009 and January 2010. More than 20.0% of the population was benefited as the minimum wage is used as a reference in the calculation of a series of social benefits.

*Guaranteeing that supply will meet the demand created by incentives:* the Government guaranteed the conditions so that the economy could respond to the stimulus measures and to social policies. In the first place, the investment of companies was supported by the availability of credit provided by its three public banks at a moment when private banks were zealous in making loans. The credit policies not only facilitated investments by large companies, but also helped small and medium businesses thanks to special credit lines designed for the sector. In the second place, a stabilized business environment was established thanks to social dialogue that gave priority to consultations with companies and union leaders in the design of policies, especially with regard to tax reductions. In the third place, the products market was the most susceptible to the new incentives through the reduction of taxes and the increase of available income, allowing low and mid-level incomes to boost buying power, providing solace to the economies of small rural municipalities. Finally, at the beginning of the crisis, the exchange rate was competitive, a factor that helped drive the consumption of goods and services produced domestically.

Lastly, the abovementioned study stresses that the main lesson to be learned from the Brazilian experience is that social protection and macroeconomic policies, as long as well designed, can greatly contribute to economic growth, job creation and equality. In addition, it draws attention to the fact that the effectiveness of such programs does not necessarily mean they must be costly as well.

This experience, as discussed above, was decisive in reversing the immediate negative effects of the crisis on production and employment and in rapidly reestablishing the dynamic of creation of new job and work opportunities with social protection, which is one of the indispensable conditions for the promotion of Decent Labor.

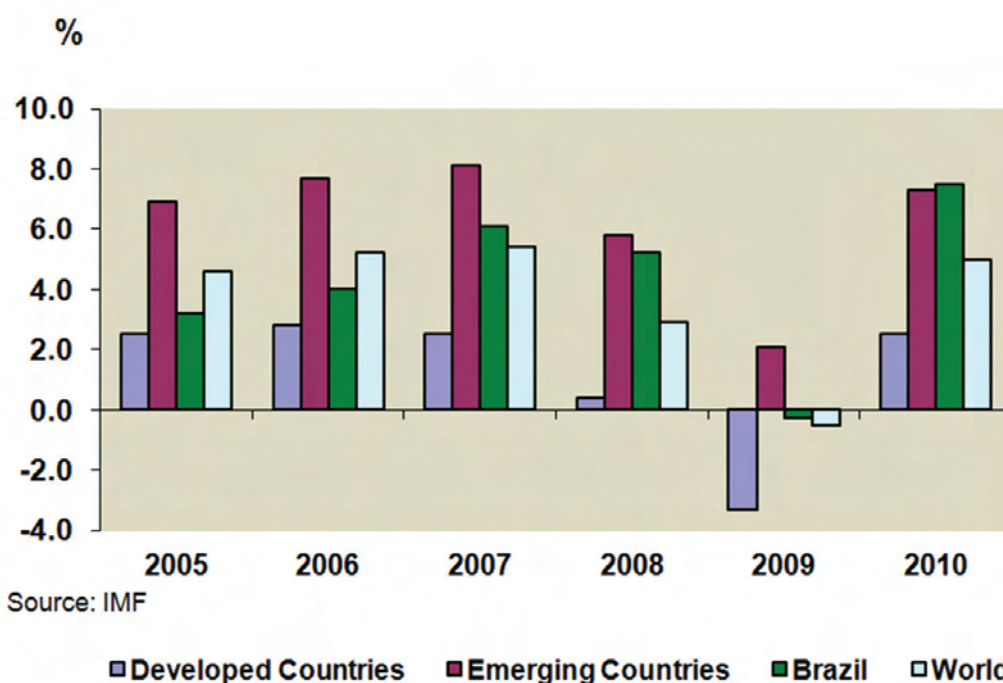
## The Performance of the Brazilian Economy

In 2010,<sup>2</sup> the Brazilian Gross Domestic Product was of R\$ 3.67 trillion, ranking the country as the world's 7th largest economy and placing the per capita income at R\$ 18,670.00. This figure reflects systematic growth rates, which between 2005 and 2010 reached a cumulative rate of 28.0%. This performance was by and large driven by considerable expansion of the world economy during the same period. In the realm of macroeconomic policy, the recovery of the Brazilian economy was fundamentally buttressed by income transfer policies, minimum wage increases, credit expansion and the allocation of resources for several investments. The combination of the cited factors allowed for the increase of internal demand and the recovery of employment and income levels, despite the onset of an international crisis, as mentioned above.

Graph 1 below illustrates the growth of different groups of countries and, among them, singles out Brazilian performance.

**GRAPH 1**

WORLDWIDE GROSS DOMESTIC PRODUCT (GDP) GROWTH  
SELECTED COUNTRY GROUPS, 2005 - 2010

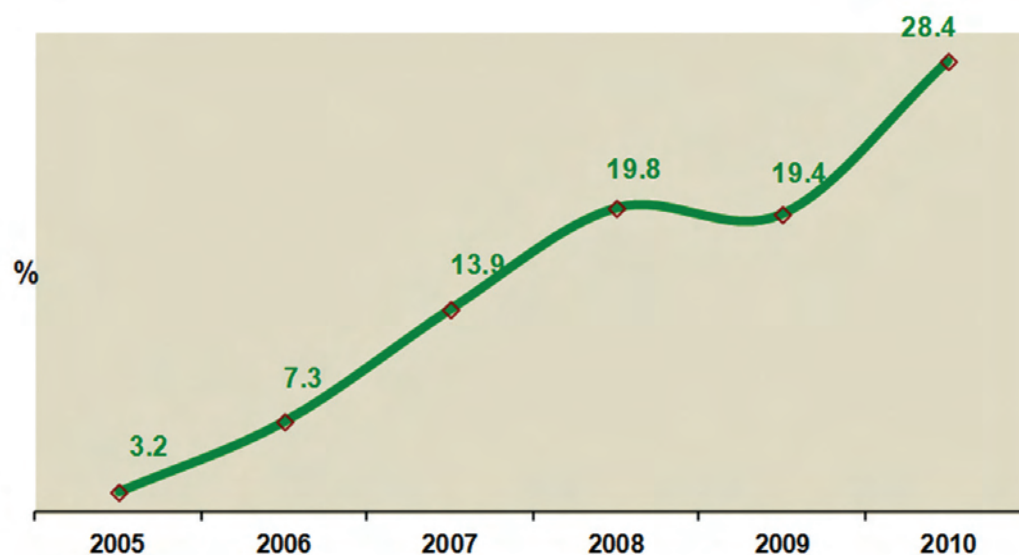


<sup>2</sup> During the elaboration of this report, most of the data available referred to the year 2010.

The trajectory of the Brazilian GDP shows consistent growth during almost all points of the analyzed set, except for a dip in 2009 as a result of the international crisis. However, in 2010 the economy returned to its upward trend: the annual growth rate reached 7.5%, which accounted for a good portion of the accumulated figure of the period (28.4%), as shown in Graph 2.

**GRAPH 2**

GROSS DOMESTIC PRODUCT (GDP) ACCUMULATED GROWTH  
BRAZIL, 2005 - 2010



Source: IMF

Several other indicators expressing the results achieved by the national economy also exhibited good performance, further signaling the consistency of this growth. The 2010 report elaborated by the Central Bank of Brazil thus describes the evolution of the Brazilian economy:

The GDP grew 7.5% in 2010 according to the numbers of the National Trimestral Accounting of the Brazilian Institute of Geography and Statistics, registering 10.3 percentage points of growth from contributions from demand and -2.8 percentage points from the external sector. From the perspective of supply, there were real annual increases in the values added by the three sectors of the economy: 10.1% by the secondary sector, 6.5% by the primary sector and 5.4% in the services sector.

The results for the agricultural sector is consistent with the annual expansion of 11.6% of the grain crop and with the respective increases of 8.5%, 7.7% and 3.8% in the production of cattle, poultry and swine compared to the same interval of the previous year. The performance of the industrial sector especially reflected the expansion of the extraction industries (15.7%), civil construction (11.6%) and transformation (9.7%). The annual evolution of the services sectors was fundamentally bolstered by responsiveness of the commercial (10.7%), transportation, storage and mailing segments (8.9%) and financial services, insurance, pension and other related services (10.7%), being that the results of the first two sectors are related to the results of the industrial and agricultural sectors.

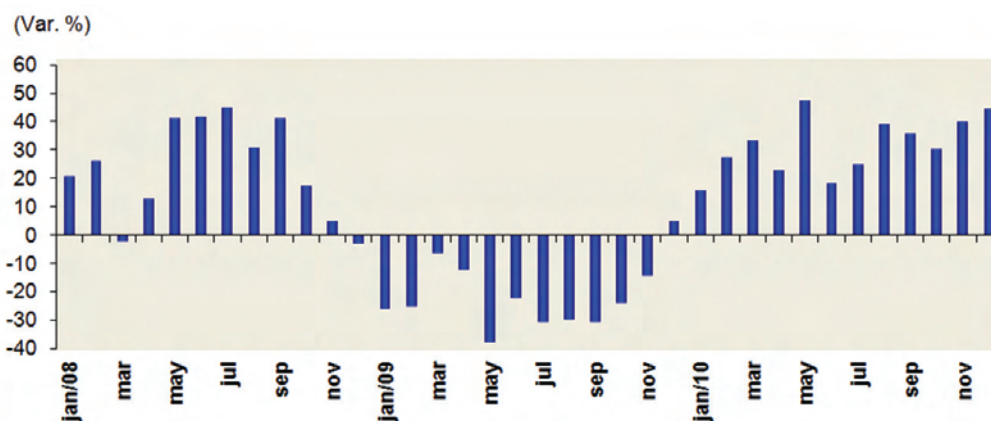
From the perspective of demand, in line with the performance of civil construction and the absorption of capital goods, investments increased 21.8% in 2010, while family consumption, reflecting the growth of overall income and of credit operations, increased 7.0%. The negative contribution of the external sector translates the differentiated annual increases in imports (36.2%) and exports (11.5%) due to the distinct rates of growth of the Brazilian and international economies.

The rate of investment, excluding stock variations, increased by 21.9% in 2010, according to the National Trimestral Accounting of the IBGE. The average growth rate of this variable between 2008 and 2010 reached 4.5% compared to the average expansion of 3.3% of the GDP, indicating the expansion of the economy's capacity of supply during the same period (Central Bank of Brazil, Annual Report, 2010).

In relation to Brazilian exports, expansion was achieved mainly due to the significant deployment of its principal commodities to importing countries, mainly China, whose economy grew by 10.4% in 2010.<sup>3</sup> Between 2005 and 2010, there was considerable progress, interrupted only by strong retraction in late 2008 and during most of 2009, when international trade was severely affected by the international financial crisis, Graph 3, below, illustrates the upward trajectory followed by the inflection of Brazilian exports during this period.

**GRAPH 3**

PERFORMANCE<sup>(1)</sup> OF BRAZILIAN EXPORTS  
JAN/2008 - DEC/2010



Source: Ministry of Development, Industry and Foreign Trade of Brazil - Secretariat of Foreign Trade  
\*Year-over-year variation in exports value

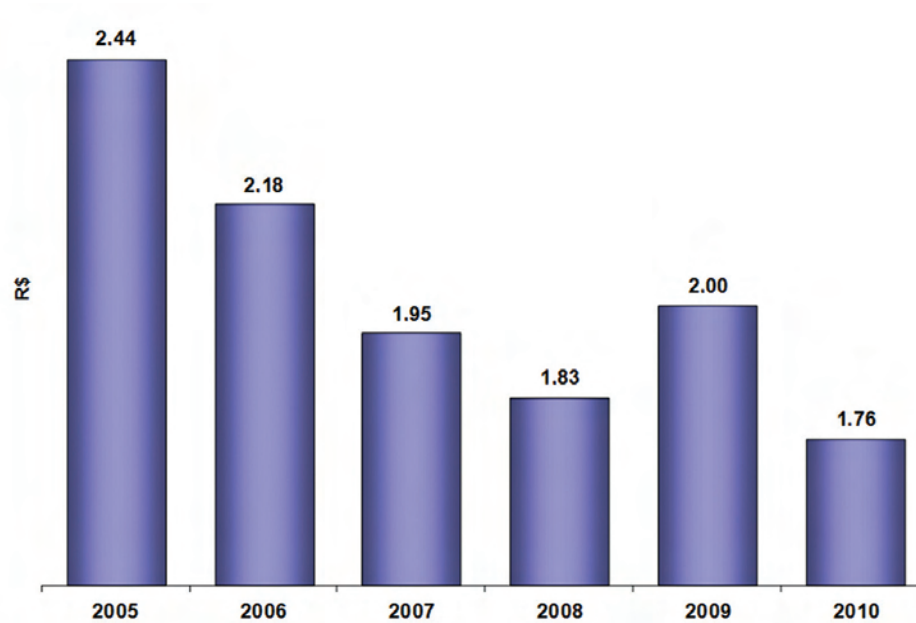
The Brazilian exchange rate was regulated in 2005 by resolution n. 3,265 issued by the National Monetary Council that unified the Free Rate Currency Market (commercial exchange) and the Fluctuating Rate Exchange Market (tourist exchange), thereby creating a single legal exchange Market in the country. In this sense, fluctuation reflected variation in the flux and the presence of dollars in the country.

Since the cited date, the appreciation of the Real has proven a trend that does not differ much from a process that affects the currencies of several countries. The issuing of bonds by the US government, in combination with the overall international outlook, has been a decisive factor for the devaluing of the US dollar. In Brazil, the exchange rate has become a concern for exporters as their products become more expensive and thus less competitive in the international market. From 2005 to 2010, the US dollar only once registered valuing in 2009 as a reflection of the crisis and as a result of interventions of the Central Bank, which increased the basic interest rate and bought dollars aiming to stave off further devaluation of the US currency, Graph 4, below, illustrates the trajectory of the exchange rate.

<sup>3</sup> According to a World Bank Report, China grew 10.4% in 2010 and its GDP is worth 5.9 trillion USD.

**GRAPH 4**

AVERAGE ANNUAL EXCHANGE RATES - R\$/US\$ - COMMERCIAL/SALE  
BRAZIL, 2005 - 2010



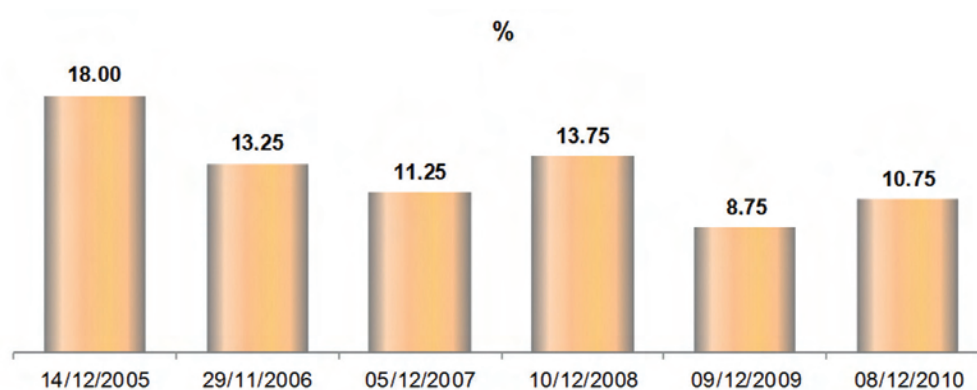
Source: Central Bank of Brazil

Control of the basic interest rate has been administrated by the Central Bank's Monetary Policy Committee (*Comitê de Política Monetária do Banco Central - COPOM*), aimed at adjusting the expansion of aggregate demand and, consequently monitoring inflation, at the same time it can change return on foreign applications in Brazil, specially the presence of short-term capital. The "overnight" index of the Sistema Especial de Liquidação e Custódia (SELIC), in its current expression, is the average index by the volume of financing operations during one day, backed by federal public bonds and liquidated in the SELIC system in the form of compromised operations. It is the basic index used as a reference by monetary policy.

The overall level of the Brazilian interest rate, although still significantly elevated, has followed a downward trend during the period being analyzed, as shown in Graph 5.

**GRAPH 5**

BASIC INTEREST RATE - SELIC, SET BY CENTRAL BANK OF BRAZIL  
BRAZIL, 2005 - 2010



Source: Central Bank of Brazil  
(\* ) Interest rate in annualized terms

## Inflation Behavior

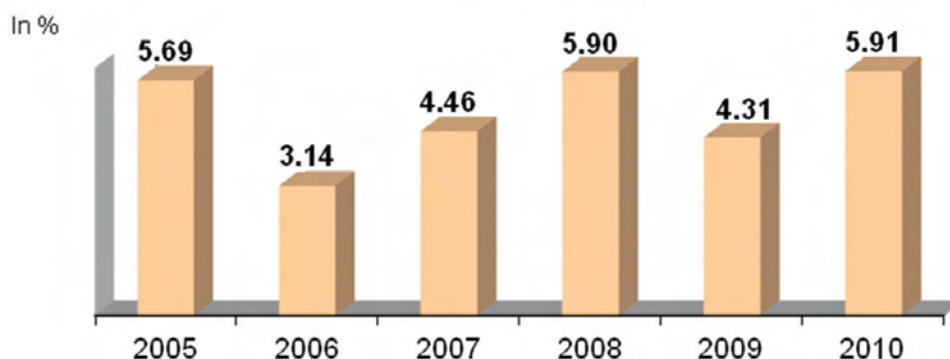
Inflation from 2005 to 2010 remained within the boundaries established by the Central Bank, even when the turbulence caused by the international crisis resurged. As a measurement indicator of prices levels, the chosen index was the Índice de Preços ao Consumidor Amplo (IPCA), elaborated by the IBGE. According to the institute, the index usually refers to prices observed during the period between the 1st and 30th of each month. The target population of the INPC encompasses families with monthly incomes between one and six minimum wages, taking as a reference the person of the family who earns a salary in his or her main occupation and resides in the urban areas of the metropolitan regions of the cities of Belém, Fortaleza, Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo, Curitiba, Porto Alegre, Brasília and Goiânia. The IPCA encompasses families with monthly incomes between one and forty minimum wages, regardless of the source of income.

Inflation targets varied during this period from a minimum of 2.5% and a maximum of 6.5%. The mid-range of the target was stipulated at 4.5%. The control of inflation targets has been monitored by the monetary authorities, who work to guarantee that inflation does not exceed the stipulated intervals.

In the analyzed period, the elevation of prices peaked 2010, when it reached 5.91%, as shown in Graph 6.

**GRAPH 6**

VARIATION OF CONSUMER PRICES INDEX (IPCA)  
BRAZIL, 2005 - 2010



Source: IBGE

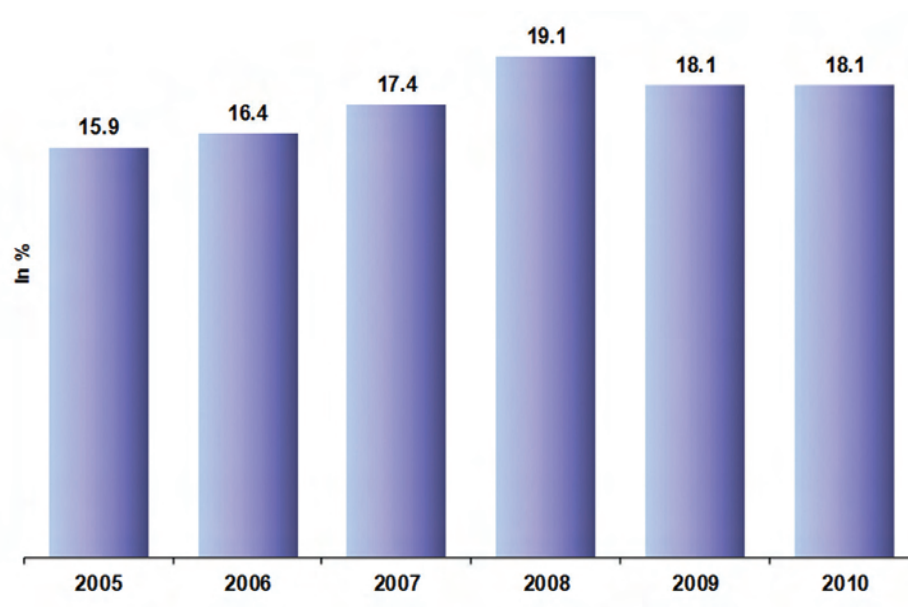
## Investment Rates in the Economy

The global investment rate in the economy (the ratio between the Gross Formation of Fixed Capital and the Gross Domestic Product) increased during the period from 2005 to 2010, despite a slowdown in 2009, when the negative effects of the global crisis were felt more intensely in Brazil, discouraging the acquisition of machinery and equipment and stymying growth in the civil construction sector. That year, the investment rate decreased 16.9%. However, in 2010, the level of investment in the Brazilian economy soared to 18.4%, reacting to the recovery of growth and the expansion of the installed capacities of companies, in addition to the earmarking of resources for funding in the Investment

Sustaining Program (PSI)<sup>4</sup> by the National Bank of Economic and Social Development (BNDES). Further contributing to this movement, the government made several resource allocations, especially in infrastructure, Graph 7, below, shows the levels of investment achieved by the Brazilian economy during the period being examined.

**GRAPH 7**

INVESTMENT RATES IN THE BRAZILIAN ECONOMY  
BRAZIL, 2005 - 2010



Source: IBGE

## Productive Investment – The Growth Acceleration Program (PAC)

With the goal of expanding the country's infrastructure and broadening the foundations for growth compatible with the expansion of aggregate demand, the federal government has elaborated the Growth Acceleration Program (PAC). The PAC was launched on January 28, 2007 and stipulated the execution of resources earmarked for investment in the order of R\$ 503.9 billion until 2010, as shown in Table 1.

This plan by the federal government aims to stimulate the growth of the Brazilian economy through structuring investment in ports, roads, energy generation, railways and social infrastructure, among others<sup>5</sup>. These resources, given their magnitude, are expected to increase the Gross Formation of Fixed Capital of the economy and thus offer higher investment rates for the Brazilian economy.

<sup>4</sup> A program creative with the objective of stimulating production, acquiring and exporting capital goods and technological innovation.

<sup>5</sup> The second stage of the Growth Acceleration Program (PAC 2) focuses on the following programs: Cidade Melhor, Comunidade Cidadão, Minha casa Minha vida, Água e Luz para todos, Transportes e Energia.



| <b>TABLE 1</b>   |              |
|--|--------------|
| GROWTH ACCELERATION PROGRAM (PAC)<br>SCHEDULED INVESTMENTS - FROM 2007 TO 2010 |              |
| Infrastructure and Origin of Resources   | R\$ billion  |
| <b>Logistics</b>   | <b>58.3</b>  |
| Fiscal Budget and Social Security  | 33.0         |
| Federal States and Other Sources   | 25.3         |
| <b>Energy</b>  | <b>274.8</b> |
| Fiscal Budget and Social Security  | -            |
| Federal States and Other Sources   | 274.8        |
| <b>Social Infrastructure</b>   | <b>170.8</b> |
| Fiscal Budget and Social Security  | 34.8         |
| Federal States and Other Sources   | 136.0        |
| <b>PAC Total</b>   | <b>503.9</b> |
| Fiscal Budget and Social Security  | 67.8         |
| Federal States and Other Sources   | 436.1        |

In February 2009, the federal government announced an additional allocation of R\$ 142 billion for the PAC. In March 2010, aiming to further increase the volume of available resources, particularly those for social and urban infrastructure, the federal government launched the PAC-2, which stipulates the investment of R\$ 1.59 trillion in sectors such as transportation, energy, culture, environment, health, social policy and housing. Investments are basically divided into six areas/programs: Cidade Melhor, Comunidade Cidadã, Minha Casa, Minha Vida, Água e Luz para Todos, Transportation and Energy. These extra resources aim at expanding infrastructure, generating more jobs and diminishing social problems and the negative effects of the global crises on the Brazilian economy.

## The Regionalized Brazilian Economy from the Perspective of GDP

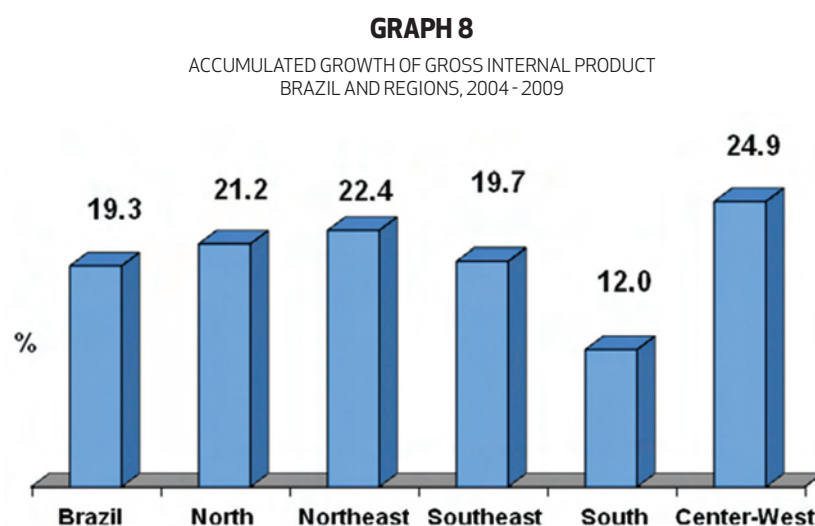
Based on the last results of the Regional Accounting System, published by the IBGE, it is possible to obtain a nationwide view of the magnitude of the Gross Domestic Product of each Federation Unit, according to regions, as well as their respective evolution within a determined timeframe, in this report established as the period from 2004 to 2009<sup>6</sup>.

The regionalized perspective based on the traditional division of states into greater areas on Brazil allows for a nuanced interpretation of the evolution of the Brazilian economy, attuned to the factors that led to differentiated intensities of growth.

Analyzing the accumulated growth rates between 2004 and 2009, it is possible to observe that although all regions underwent expansion, the Center-West Region was the region that most advanced in terms of real Gross Internal Production, reaching an accumulated growth rate of 24.9% in the analyzed period, 5.9 percentage points ahead of the average for the entire country (19.3%). The result of the Center-West Region was driven by and large by the progress of agricultural production of commodities, basically those derived from soy crops, whose favorable prices increased the international trade of the product and favored the growth of the region's GDP.

<sup>6</sup> The most updated information available at the time of the conclusion of this report.

On the other hand, the South Region did not exhibit the same degree of economic progress. It was especially influenced by the agricultural sectors of its states, which, in general terms, had unsatisfactory performances due to unfavorable climate. The percentages of growth registered were barely expressive and were reflected in regional performance, Graph 8 expresses the performance of regions in the period from 2004 to 2009.



Source: IBGE – Regional Accounts

With these performances, the relative participation of the product changed, repositioning regional economies and leading to an expansion of the North, Northeast and Center-West Regions, Even so, the economies of the South and Southeast Regions, together, still respond for 71.8% of the national GDP, according to Table 2 below.

**TABLE 2**  
SHARE OF REGIONS IN GDP  
BRAZIL AND REGIONS, 2004 AND 2009

| Regions     | 2004  | 2009  |
|-------------|-------|-------|
| North       | 4.9   | 5.0   |
| Northeast   | 12.7  | 13.5  |
| Southeast   | 55.8  | 55.3  |
| South       | 17.4  | 16.5  |
| Center-West | 9.1   | 9.6   |
| Brazil      | 100.0 | 100.0 |

Source: IBGE

The different intensities of the results in each one of the Federation Units entailed changes in the ranking of regional economies given the varying magnitudes. It is possible to observe from the ranking that, given the persistent economic concentration in the country, the five biggest states are still in the lead and, in 2009, they were responsible for 65.8% of all the wealth produced by the country. In turn, five states – Piauí, Tocantins, Amapá, Acre and Roraima – occupy the lowest positions in the classification of regional economies in Brazil and together represent only 1.7%, Table 3, below, shows the sizes of state economies, as well as their respective positions in the ranking.

In terms of per capita income, however, the ranking changes substantially.<sup>7</sup> The Federal District (DF) leads the ranking based on this criterion. The extreme concentration of services, especially the public service sector, propels the Federal District to first place, being followed by the economies of São Paulo and Rio de Janeiro. In opposite positions, the ten last places in this classification belong largely to the Northeast Region, with the exception of the state of Pará, which belongs to the North Region, but is also among the states with the lowest per capita GDP. It is important to note that the last three positions are occupied by the states of Alagoas, Maranhão e Piauí, Table 4 shows the position of each state in the economic ranking and the respective changes by the end of the period being analyzed.

| <b>TABLE 3</b>   |         |                 |           |                 |
|--|---------|-----------------|-----------|-----------------|
| GROSS DOMESTIC PRODUCT (GDP) AND POSITION IN NATIONAL RANKING<br>FEDERATION UNITS, 2004 AND 2009 |         |                 |           |                 |
| R\$ Million  |         |                 |           |                 |
| Federation Units   | 2004    | Ranking 2004    | 2009      | Ranking 2009    |
| São Paulo  | 643,487 | 1 <sup>o</sup>  | 1,084,353 | 1 <sup>o</sup>  |
| Rio de Janeiro   | 222,945 | 2 <sup>o</sup>  | 353,878   | 2 <sup>o</sup>  |
| Minas Gerais   | 177,325 | 3 <sup>o</sup>  | 287,055   | 3 <sup>o</sup>  |
| Rio Grande do Sul  | 137,831 | 4 <sup>o</sup>  | 215,864   | 4 <sup>o</sup>  |
| Paraná   | 122,434 | 5 <sup>o</sup>  | 189,992   | 5 <sup>o</sup>  |
| Bahia  | 79,083  | 6 <sup>o</sup>  | 137,075   | 6 <sup>o</sup>  |
| Federal District   | 70,724  | 8 <sup>o</sup>  | 131,487   | 7 <sup>o</sup>  |
| Santa Catarina   | 77,393  | 7 <sup>o</sup>  | 129,806   | 8 <sup>o</sup>  |
| Goiás  | 48,021  | 9 <sup>o</sup>  | 85,615    | 9 <sup>o</sup>  |
| Pernambuco   | 44,011  | 10 <sup>o</sup> | 78,428    | 10 <sup>o</sup> |
| Espírito Santo   | 40,217  | 11 <sup>o</sup> | 66,763    | 11 <sup>o</sup> |
| Ceará  | 36,866  | 13 <sup>o</sup> | 65,704    | 12 <sup>o</sup> |
| Pará   | 35,563  | 14 <sup>o</sup> | 58,402    | 13 <sup>o</sup> |
| Mato Grosso  | 36,961  | 12 <sup>o</sup> | 57,294    | 14 <sup>o</sup> |
| Amazonas   | 30,314  | 15 <sup>o</sup> | 49,614    | 15 <sup>o</sup> |
| Maranhão   | 21,605  | 16 <sup>o</sup> | 39,855    | 16 <sup>o</sup> |
| Mato Grosso do Sul   | 21,105  | 17 <sup>o</sup> | 36,368    | 17 <sup>o</sup> |
| Paraíba  | 15,022  | 19 <sup>o</sup> | 28,719    | 18 <sup>o</sup> |
| Rio Grande do Norte  | 15,580  | 18 <sup>o</sup> | 27,905    | 19 <sup>o</sup> |
| Alagoas  | 12,891  | 20 <sup>o</sup> | 21,235    | 20 <sup>o</sup> |
| Rondônia   | 11,260  | 22 <sup>o</sup> | 20,236    | 21 <sup>o</sup> |
| Sergipe  | 12,167  | 21 <sup>o</sup> | 19,767    | 22 <sup>o</sup> |
| Piauí  | 9,817   | 23 <sup>o</sup> | 19,033    | 23 <sup>o</sup> |
| Tocantins  | 8,278   | 24 <sup>o</sup> | 14,571    | 24 <sup>o</sup> |
| Amapá  | 3,846   | 26 <sup>o</sup> | 7,404     | 25 <sup>o</sup> |
| Acre   | 3,940   | 25 <sup>o</sup> | 7,386     | 26 <sup>o</sup> |
| Roraima  | 2,811   | 27 <sup>o</sup> | 5,593     | 27 <sup>o</sup> |

Source: IBGE - Regional Accounts

<sup>7</sup> Per capita GDP is the calculated by the dividing the total amount of wealth during a certain period of time in an economy by the population.

In terms of per capita income, however, the ranking changes substantially<sup>8</sup>. The Federal District (DF) leads the ranking based on this criterion. The extreme concentration of services, especially the public service sector, propels the Federal District to first place, being followed by the economies of São Paulo and Rio de Janeiro. In opposite positions, the ten last places in this classification belong largely to the Northeast Region, with the exception of the state of Pará, which belongs to the North Region, but is also among the states with the lowest per capita GDP. It is important to note that the last three positions are occupied by the states of Alagoas, Maranhão e Piauí, Table 4 shows the position of each state in the economic ranking and the respective changes by the end of the period being analyzed.

| <b>TABLE 4</b>  |        |                 |        |                 |
|---|--------|-----------------|--------|-----------------|
| GROSS DOMESTIC PRODUCT (GDP) PER CAPITA AND NATIONAL RANKING<br>FEDERATION UNITS, 2004 AND 2009 |        |                 |        |                 |
| Federation Units  | 2004   |                 | 2009   |                 |
|   | R\$    | Ranking         | R\$    | Ranking         |
| Federal District  | 30,991 | 1 <sup>o</sup>  | 50,438 | 1 <sup>o</sup>  |
| São Paulo   | 16,158 | 2 <sup>o</sup>  | 26,202 | 2 <sup>o</sup>  |
| Rio de Janeiro  | 14,664 | 3 <sup>o</sup>  | 22,103 | 3 <sup>o</sup>  |
| Santa Catarina  | 13,403 | 5 <sup>o</sup>  | 21,215 | 4 <sup>o</sup>  |
| Rio Grande do Sul   | 12,850 | 6 <sup>o</sup>  | 19,778 | 5 <sup>o</sup>  |
| Espírito Santo  | 11,998 | 8 <sup>o</sup>  | 19,145 | 6 <sup>o</sup>  |
| Mato Grosso   | 13,445 | 4 <sup>o</sup>  | 19,087 | 7 <sup>o</sup>  |
| Paraná  | 12,080 | 7 <sup>o</sup>  | 17,779 | 8 <sup>o</sup>  |
| Mato Grosso do Sul  | 9,461  | 10 <sup>o</sup> | 15,407 | 9 <sup>o</sup>  |
| Amazonas  | 9,658  | 9 <sup>o</sup>  | 14,621 | 10 <sup>o</sup> |
| Goiás   | 8,718  | 12 <sup>o</sup> | 14,447 | 11 <sup>o</sup> |
| Minas Gerais  | 9,336  | 11 <sup>o</sup> | 14,329 | 12 <sup>o</sup> |
| Rondônia  | 7,209  | 14 <sup>o</sup> | 13,456 | 13 <sup>o</sup> |
| Roraima   | 7,361  | 13 <sup>o</sup> | 13,270 | 14 <sup>o</sup> |
| Amapá   | 7,026  | 15 <sup>o</sup> | 11,817 | 15 <sup>o</sup> |
| Tocantins   | 6,556  | 16 <sup>o</sup> | 11,278 | 16 <sup>o</sup> |
| Acre  | 6,251  | 18 <sup>o</sup> | 10,687 | 17 <sup>o</sup> |
| Sergipe   | 6,289  | 17 <sup>o</sup> | 9,787  | 18 <sup>o</sup> |
| Bahia   | 5,780  | 19 <sup>o</sup> | 9,365  | 19 <sup>o</sup> |
| Pernambuco  | 5,287  | 20 <sup>o</sup> | 8,902  | 20 <sup>o</sup> |
| Rio Grande do Norte   | 5,260  | 21 <sup>o</sup> | 8,894  | 21 <sup>o</sup> |
| Pará  | 5,192  | 22 <sup>o</sup> | 7,859  | 22 <sup>o</sup> |
| Ceará   | 4,622  | 23 <sup>o</sup> | 7,687  | 23 <sup>o</sup> |
| Paraíba   | 4,210  | 25 <sup>o</sup> | 7,618  | 24 <sup>o</sup> |
| Alagoas   | 4,324  | 24 <sup>o</sup> | 6,728  | 25 <sup>o</sup> |
| Maranhão  | 3,588  | 26 <sup>o</sup> | 6,259  | 26 <sup>o</sup> |
| Piauí   | 3,297  | 27 <sup>o</sup> | 6,051  | 27 <sup>o</sup> |

Source: IBGE - Regional Accounts

<sup>8</sup> Per capita GDP is calculated by dividing the total amount of wealth during a certain period of time in an economy by the population.

## The Performance of Labor Productivity in Brazil

Dealing with the subject of Labor Productivity in Brazil calls for a brief discussion of its main conceptual elements. To this end, following in the same line suggested by several and classic economics textbooks, the definition employed here is the same one used by the ILO in its Guide to the New Millennium Development Goals Employment Indicators: Including the full set of Decent Work Indicators in this guide, labor productivity<sup>9</sup> is defined as “the amount of output achieved per unit of labor” (ILO, 2009c).

Labor productivity, calculated based on aggregate macroeconomic indicators, refers more precisely to the GDP values of a given economy, during a certain period of time, in relation to the contingent of occupied persons during the same period. When broken down by sectors, the indicator corresponds to the ratio between added values for each sector, basic prices, with employed persons in the respective sectors as the denominator.

In this sense, the different sector performances can be influenced by a set of factors, among which improvements in education and the formation of professional, infra-structure improvements, the level of economic integration to global markets, innovation and the capacity to absorb new technologies, in addition to efficiency in business management, aiming at sustainable increases of scales of production. Such factors, when optimized, tend to foster true increase of GDP superior to the need to absorb labor, ultimately leading to the expansion of labor productivity

Disaggregated results seek to provide a better outlook of the contribution of labor inputs in the quantities produced by the economy. Results can also be broken down by sector of economic activity, every time the cited variable is available and shows consistency.

In a recent study – Productivity in Brazil in the years 2000-2009: analysis of National Accounting – the Institute for Applied Economic Research (IPEA) conducted an analysis of the performance of productivity of labor in Brazil, using the information and results of the National Accounting released by the Brazilian Institute of Geography and Statistics.

The study arrived at several conclusions concerning the increases and decreases of labor productivity, broken down by macro-sectors of activity. The released results, in order to be comparable, were obtained according to a reference year, meaning that all values are the prices for the reference-year.<sup>10</sup>

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<sup>9</sup> Labor productivity represents the amount of output achieved per unit of labor input. For this purpose, output is measured as the national gross domestic product, or GDP, a measure found in national accounts of a country which represents the total value of national production minus the value of intermediate inputs such as raw materials, semi-finished products, services purchased and energy inputs. GDP for the aggregate economy is usually expressed at market prices, which reflect the market value of the output produced. Labor input is measured as the number of persons employed, or total employment, (ILO, 2009, p.16).

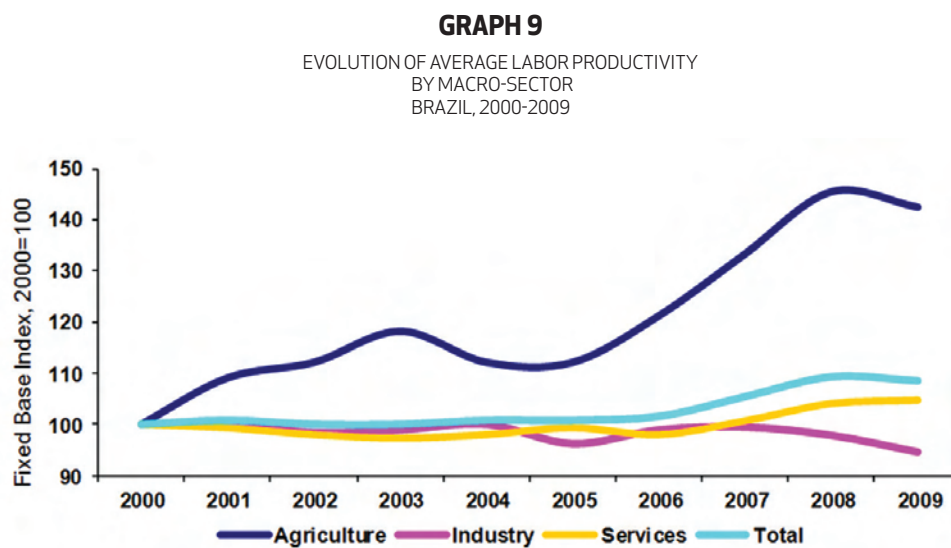
<sup>10</sup> Obtaining the real growth figure for the economic sectors required the use of accumulated Implicit Deflator of National Accounting, for the period, by sector of activity, in order to render the series comparable to the reference-year.

The respective labor productivity indexes by macro-sector are shown in Table 5, below.

| TABLE 5  |             |             |             |             |             |             |             |             |             |             |                                    |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------------|
| LABOR PRODUCTIVITY BY MACRO-SECTOR AND AVERAGE ANNUAL VARIATION<br>BRAZIL, 2000-2009 |             |             |             |             |             |             |             |             |             |             |                                    |
| Macro-sector<br>of Economic<br>Activity  | 2000        | 2001        | 2002        | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        | 2009        | Average<br>Annual<br>Variation (%) |
| Agriculture  | 3.3         | 3.6         | 3.7         | 3.9         | 3.7         | 3.7         | 4.0         | 4.4         | 4.8         | 4.7         | 4.00                               |
| Industry   | 18.4        | 18.4        | 18.1        | 18.2        | 18.4        | 17.7        | 18.2        | 18.3        | 18.0        | 17.4        | -0.60                              |
| Extractive   | 69.0        | 70.8        | 74.9        | 76.9        | 73.2        | 79.4        | 83.9        | 80.5        | 83.5        | 81.1        | 1.80                               |
| Transformation   | 18.5        | 18.9        | 18.7        | 18.4        | 18.6        | 17.6        | 17.9        | 18.2        | 18.1        | 17.1        | -0.90                              |
| Others   | 16.1        | 15.4        | 14.7        | 15.1        | 15.6        | 15.3        | 15.8        | 15.8        | 15.2        | 15.3        | -0.60                              |
| Services   | 14.8        | 14.7        | 14.5        | 14.4        | 14.5        | 14.7        | 14.5        | 14.9        | 15.4        | 15.5        | 0.50                               |
| <b>Total</b>   | <b>12.9</b> | <b>13.0</b> | <b>12.9</b> | <b>12.9</b> | <b>13.0</b> | <b>13.0</b> | <b>13.1</b> | <b>13.6</b> | <b>14.1</b> | <b>14.0</b> | <b>0.90</b>                        |

Source: IBGE - Regional Accounts  
Elaborated by: IPEA

Based on the data it is possible to observe the performance by sector compared to that of the economy as a whole, with respect to labor input, as illustrated in Graph 9. This graph also shows that the greatest gains in productivity were achieved by the agricultural sector, while the industrial sector underwent retraction as a result of the economic crisis.



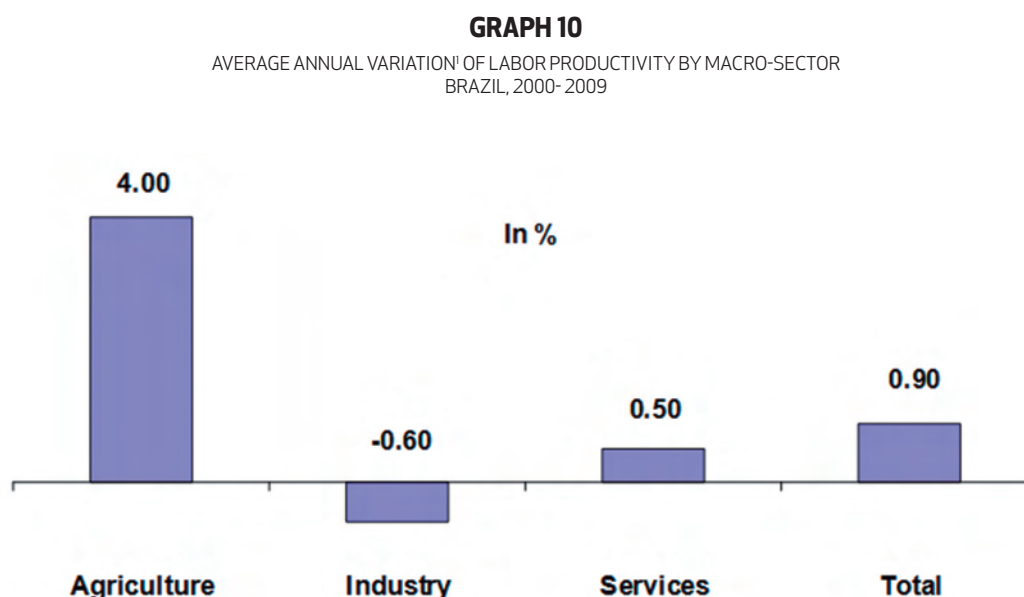
Source: IPEA, 2012  
(i) At constant prices for year 2,000

The performance that is gauged by the annual average variation of labor productivity in the period examined by the IPEA leads to the conclusion that the Brazilian economy presented a low level of dynamism, as described in the excerpt below:

From the aggregate standpoint, the Brazilian economy showed a low level of dynamism in terms of labor productivity between 2000 and 2009, given that the productivity for the set of the activities of the

economy grew a meager 0.9% per annum on average. This positive result stemmed most of all from the performance of agriculture, being that the services sector presented a slightly positive growth rate and industrial productivity decreased 0.6% per annum, on average, (IPEA, 2012).

The average variations of labor productivity obtained from 2000 to 2009 are shown in Graph 10.



Source: IPEA, 2012

(1) At constant prices for year 2000

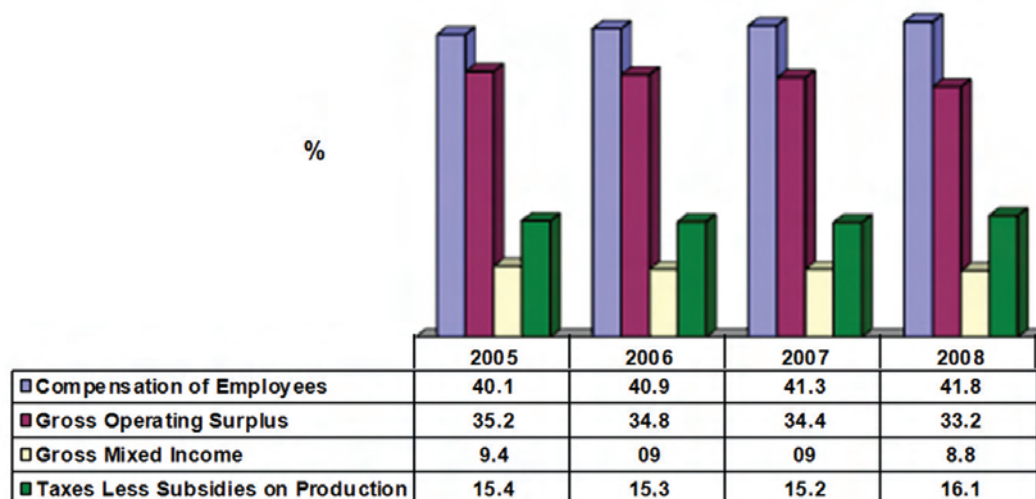
## Behavior of Income Distribution

### - The Functional Distribution of Income and Participation in Labor Input

In the National Accounting System (SCN), Gross Domestic Product can be interpreted from the perspective of income, in which it is possible to observe the functional distribution of income. By focusing solely on its main components, it is possible to observe the earning of employees, which, according to the SCN, corresponds to the stipends, salaries and social contributions paid by employers. From 2005 to 2008, it is possible to observe a systematic share of this category in the GDP, increasing from 40.1% to 41.8%. This increase is to a large extent a reflection of the positive overall evolution of income and, also, a result of the integration of a larger contingent of people in the labor market.

Conversely, the gross surplus from rent, a rubric that comprises capital revenues (profits, income and interest) and other property revenues paid by producing companies did not advance so as to interrupt a downward trajectory observed during this period, in which the rate decreased from 35.2% to 33.2%, as shown in Graph 11.

GRAPH 11

FUNCTIONAL DISTRIBUTION OF INCOME  
BRAZIL, 2005-2008

Source: IBGE

## - Distribution of Household Incomes According to the Gini Index.

The level of income concentration, measured by the Gini Index,<sup>11</sup> which refers to the distribution of household per capita income, has been successively declining each year since 2003. In fact, the value of this index, which was 0,572 in 2004, decreased to 0,569 in 2005, to 0,556 in 2007 and finally to 0,543 in 2009, reflecting improvements in the distributive process, as shown in Table 6.

TABLE 6

GINI INDEX OF HOUSEHOLD PER CAPITA INCOME DISTRIBUTION  
BRAZIL AND REGIONS, 2004-2009

| Geographical Area | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Brazil            | <b>0,572</b> | <b>0,569</b> | <b>0,563</b> | <b>0,556</b> | <b>0,548</b> | <b>0,543</b> |
| North             | 0,539        | 0,529        | 0,521        | 0,533        | 0,509        | 0,523        |
| Northeast         | 0,583        | 0,571        | 0,573        | 0,566        | 0,558        | 0,558        |
| Southeast         | 0,542        | 0,543        | 0,538        | 0,524        | 0,518        | 0,511        |
| South             | 0,522        | 0,515        | 0,506        | 0,505        | 0,495        | 0,491        |
| Center-West       | 0,573        | 0,577        | 0,563        | 0,574        | 0,568        | 0,560        |

Source: IPEADATA, based on data from IBGE - PNAD

The reduction of inequality of household incomes is directly related to the increase of income and the improvement of the population's quality of life, especially among the least affluent strata of society,<sup>12</sup> Thus, among the factors that explain this positive evolution those which stand out the most are: the significant expansion of income transfer programs—

<sup>11</sup> This index measures inequality within a distribution, at ranges from 0 (perfect equality) to 1 (absolute concentration or maximum inequality)

<sup>12</sup> The theme of poverty reduction will be approached in a specific topic in the chapter on the dimension of Social Security.



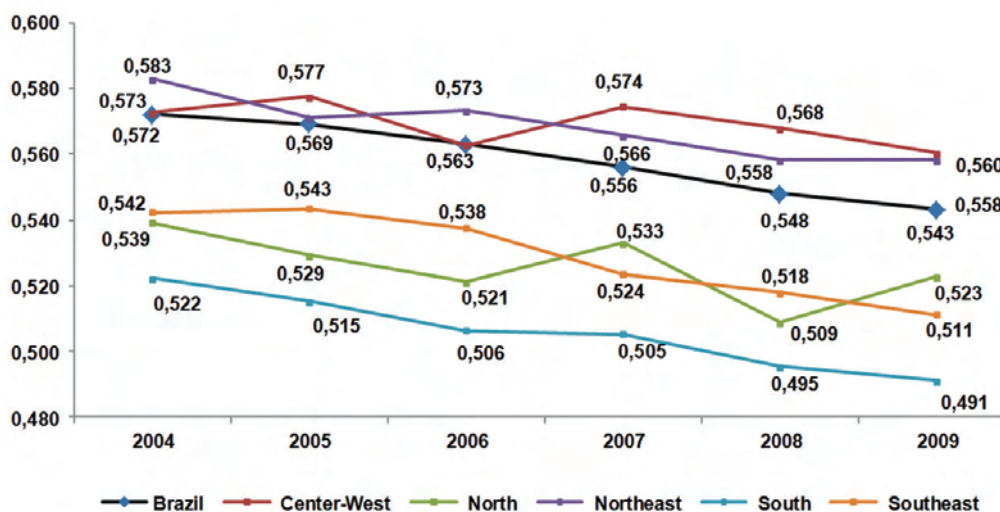
in particular the *Bolsa Família* Program (PBF) – the growth of formal employment and occupation in general, real minimum wage increases and the expansion of social security and assistance coverage.

The downward trend of income inequality in the period 2004-2009 was manifest in all regions, as shown in Graph 12. However, the analysis of the annual behavior reflects some noteworthy peculiarities.

In the North Region, the Gini index declined between 2004 and 2006, and then increased in 2007. Between 2007 and 2008, it reassumed a downward direction, being that in 2009 it increased again, according to Graph 12. It must be pointed out that, between 2008 and 2009, the North Region was the only one in which income concentration expanded.

GRAPH 12

GINI INDEX OF HOUSEHOLD PER CAPITA INCOME DISTRIBUTION  
BRAZIL AND REGIONS, 2004-2009



Source: IPEADATA based on the data from IBGE - PNAD

By the end of the first decade of the twenty first century, it was a noteworthy fact that the South Region was the only one in the country with a Gini index below 0,500, meaning that it had the lowest level of concentration in the country in 2009. Yet, on this same year, North and Northeast Regions had the largest levels of household income concentration in the country and also the only ones to be above the national average. It must be stressed that the situation is all the more unsettling due to the fact that the population of these regions have the highest levels of poverty and of Decent Work deficit in the country, as will be shown in the following chapters of this report.

#### - Deciles of Appropriation of Household Income

Based on the extreme deciles of household per capita income appropriation (the 10% poorest and the 10% richest within distribution) it is possible to analyze trends of the distributive process among the most impoverished and wealthy strata.

As already noted using the Gini Index, the deciles also confirm improvement in the process of income distribution, including the extremities of the distribution scale. In fact, the

share of income appropriated by the 10% poorest increased from 0.9% to 1.0% between 2004 and 2009, while the share in the hands of the 10% richest fell from 52.7% to 44.7% in the same period (see Table 7).

Despite this improvement, in 2009, the share in the hands of the richest was still 44.7 times greater to that of the poorest (in 2004, this difference was of the order of 52.7 times).

In 17 out of the 27 UFs, the share of the 10% poorest in the composition of overall income increased. Among the 10 UFs in which participation decreased, there are 5 states from the Northeast, three from the North and two from the Center-West Region. Meaning that in all of the UFs in the South and Southeast Regions, the 10% poorest achieved a greater share in the overall income.

The case of Rondônia stands out, as the 10% poorest saw representativeness drop from 1.5% to 1.1% between 2004 and 2009. On the other hand, in Roraima, this share climbed significantly from 0.3% to 1.1%, which combined with the reduction of the share of the 10% richest (which decreased from 44.2% to 39.6%) entailed a considerable decline of the multiplier separating the share of the richest from that of the poorest (from 156.8 times greater in 2004 to 35.7 times in 2009).

TABLE 7

SHARE OF TOTAL INCOME APPROPRIATED BY THE 10% POOREST AND THE 10% RICHEST OF THE DISTRIBUTION, BY HOUSEHOLD PER CAPITA INCOME AND RATIO BETWEEN THE 10% RICHEST AND THE 10% POOREST BRAZIL AND FEDERAL UNITS, 2004 AND 2009

| Geographical Area   | 10% Poorest (A) |            | 10% Richest (B) |             | Ratio (B/A) |             |
|---------------------|-----------------|------------|-----------------|-------------|-------------|-------------|
|                     | 2004            | 2009       | 2004            | 2009        | 2004        | 2009        |
| <b>Brazil</b>       | <b>0.9</b>      | <b>1.0</b> | <b>45.3</b>     | <b>42.8</b> | <b>52.7</b> | <b>44.7</b> |
| Rondônia            | 1.5             | 1.1        | 42.1            | 39.1        | 28.5        | 35.0        |
| Acre                | 0.9             | 0.7        | 48.4            | 49.9        | 52.5        | 75.3        |
| Amazonas            | 1.1             | 1.3        | 42.1            | 40.4        | 39.7        | 31.3        |
| Roraima             | 0.3             | 1.1        | 44.2            | 39.6        | 156.8       | 35.7        |
| Pará                | 1.4             | 1.3        | 43.3            | 40.5        | 31.6        | 31.1        |
| Amapá               | 1.1             | 1.3        | 41.7            | 40.4        | 37.9        | 30.3        |
| Tocantins           | 1.1             | 1.1        | 44.2            | 41.2        | 41.6        | 38.0        |
| Maranhão            | 0.7             | 0.8        | 50.6            | 42.3        | 70.5        | 52.4        |
| Piauí               | 0.9             | 1.1        | 49.6            | 44.7        | 54.5        | 40.6        |
| Ceará               | 1.0             | 1.0        | 47.8            | 44.0        | 45.6        | 44.1        |
| Rio Grande do Norte | 1.0             | 1.1        | 46.2            | 46.2        | 46.9        | 43.4        |
| Paraíba             | 1.0             | 0.9        | 50.2            | 49.8        | 50.0        | 55.2        |
| Pernambuco          | 0.8             | 0.8        | 51.4            | 44.7        | 64.4        | 53.5        |
| Alagoas             | 1.0             | 0.7        | 47.5            | 46.1        | 49.6        | 63.0        |
| Sergipe             | 1.1             | 0.9        | 44.8            | 47.0        | 41.0        | 50.0        |
| Bahia               | 1.0             | 0.9        | 45.3            | 44.9        | 43.3        | 48.3        |
| Minas Gerais        | 1.2             | 1.3        | 43.8            | 41.0        | 37.4        | 32.2        |
| Espírito Santo      | 1.1             | 1.2        | 42.7            | 41.9        | 39.3        | 35.6        |
| Rio de Janeiro      | 1.0             | 1.2        | 43.7            | 44.0        | 41.9        | 37.6        |
| São Paulo           | 1.2             | 1.4        | 41.3            | 38.3        | 35.8        | 27.8        |
| Paraná              | 1.1             | 1.3        | 43.8            | 39.0        | 39.7        | 30.4        |
| Santa Catarina      | 1.5             | 1.6        | 35.6            | 35.9        | 23.3        | 22.4        |
| Rio Grande do Sul   | 1.1             | 1.3        | 41.5            | 39.2        | 38.5        | 30.0        |
| Mato Grosso do Sul  | 1.2             | 1.4        | 43.4            | 42.0        | 36.5        | 29.7        |
| Mato Grosso         | 1.3             | 1.2        | 41.7            | 39.6        | 33.3        | 34.3        |
| Goiás               | 1.4             | 1.3        | 44.3            | 41.3        | 32.0        | 31.7        |
| Federal District    | 0.6             | 0.7        | 48.5            | 48.3        | 86.6        | 65.1        |

Source: IPEADATA, based on data from IBGE - PNAD

In 2009, in eight Federation Units, the 10% richest had more than 40.0% of all income, and simultaneously, the 10% poorest participated with less than 1.0% and in five units of the federation, the share appropriated by the richest was more than 50 times greater than that of the poorest: Acre (75.3 times), the Federal District (65.1 times), Alagoas (63 times), Pernambuco (53.5) and Maranhão (52.4 times), as shown in Table 7.

## Employment Structure By Economic Sector

During the second half of the 2000s, the fraction of workers employed in the *agricultural* sector followed the downward trajectory initiated in the 1990s as the figure fell from 20.0% to 16.4% between 2004 and 2009, according to Graph 13.

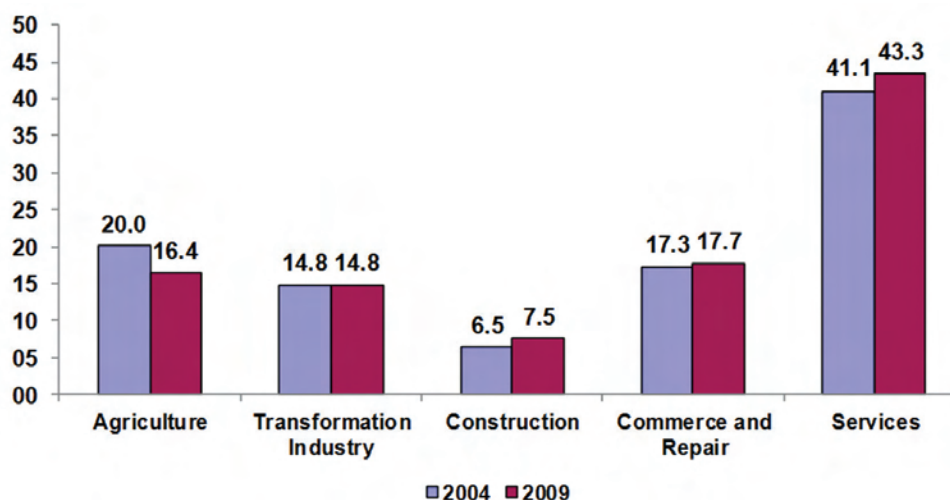
The *transformation industry* maintained its representativeness by absorbing 14.8% of the labor force both in 2004 and 2009. On the other hand, the share of civil *construction* in the employment structure increased from 6.5% in 2004 to 7.5% in 2009. This performance is connected with the public works started by the Growth Acceleration Program (PAC) in the areas of sanitation, housing, and infra-structure, as well as the new developments and business in the private sector.

The tertiary sector expanded its representativeness in employment, as *services* increased their participation from 41.1% to 43.3% between 2004 and 2009, as well as the activity of *commerce and repairs* - from 17.3% to 17.7% during the same period.

The expansion of the participation of sector of *commerce and repairs* in the occupation structure is directly connected with the maintenance of a minimum wage boosting policy in addition to direct income transfer policies – as the *Bolsa Família* Program - which extended its coverage and readjusted the values of benefits during the post-crisis period. As already noted, these measures in combination with other fiscal (tax exemptions) and credit policies ensured that consumption remained at the same level, consequently stimulating economic dynamism and job creation, especially in retail. In fact, based on information found in the Annual Social Information Report - RAIS database, 2.1 million new formal jobs in the commercial sector were created between 2004 and 2008.

**GRAPH 13**

DISTRIBUTION OF EMPLOYED POPULATION AT OR ABOVE THE AGE OF 16, BY TYPE OF ECONOMIC ACTIVITY OF MAIN JOB  
BRAZIL, 2004 AND 2009



Source: IBGE - PNAD

The *agricultural* sector reduced its participation in the occupational structure in all the regions of the country between 2004 and 2009. Despite this decline, in 2009, the sector was still very important in the employment of the workforce in the Northeast (28.6% of the total) and North (19.2%) Regions, as shown in Table 8.

On its turn, following the national trend, *agricultural* activity saw its relative participation fall in 26 out of 27 Federation Units, with the exception of the Federal District, whose participation was extremely narrow (0.6%) in 2004, and increased to 1.2% in 2009. In the majority of the UFs in the Northeast Region, despite the sector's shrinkage in the second half of the decade, its representativeness remained considerable in 2009, with the following states standing out: Piauí (40.7% of the total), Maranhão (33.5%), Alagoas (33.1%) and Bahia (31.8%).

In line with the national trend, in all regions the percentage of people employed by the *transformation industry* remained relatively stable in the analyzed period, with almost negligible fluctuation, ranging from -0.2 percentage points in the Southeast Region to 1.0 percentage points in the Center-West. In 2009, the industrial activity absorbed a more significant share of workers in the South and Southeast Regions (18.8% and 17.6%, respectively), being that in the Northeast it is less representative (9.5%). The states of Santa Catarina (22.4%), São Paulo (20.7%) and Rio Grande do Sul (18.8%) had the lowest shares of workers employed by the *transformation industry*.

Reaping the benefits of economic growth, higher employment and income, large public works, and of new public and private real estate development, the *construction* sector expanded its share in the occupational structure in all regions of the country and in 25 out of 27 Federation Units – the exceptions being a stable share in Rio de Janeiro (8.2% of the entire workforce) and a slight decrease in Mato Grosso do Sul (-0.3 percentage points, that is from 8.6 to 8.3% between 2004 and 2009). In two UFs (located in the North Region, *civil construction* comprised approximately 10.0% of the occupation in 2009: Acre and Amapá (both with 10.1%).

TABLE 8

DISTRIBUTION OF EMPLOYED POPULATION AT OR ABOVE THE AGE OF 16, BY TYPE OF ECONOMIC ACTIVITY OF MAIN JOB  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | 2004         |             |                         |              |                     |             | 2009         |             |                         |              |                     |             |
|---------------------------|--------------|-------------|-------------------------|--------------|---------------------|-------------|--------------|-------------|-------------------------|--------------|---------------------|-------------|
|                           | Total        | Agriculture | Transformation Industry | Construction | Commerce and Repair | Services    | Total        | Agriculture | Transformation Industry | Construction | Commerce and Repair | Services    |
| <b>Brazil</b>             | <b>100.0</b> | <b>20.0</b> | <b>14.8</b>             | <b>6.5</b>   | <b>17.3</b>         | <b>41.1</b> | <b>100.0</b> | <b>16.4</b> | <b>14.8</b>             | <b>7.5</b>   | <b>17.7</b>         | <b>43.3</b> |
| <b>North Region</b>       | <b>100.0</b> | <b>26.5</b> | <b>11.8</b>             | <b>6.8</b>   | <b>17.5</b>         | <b>36.7</b> | <b>100.0</b> | <b>19.2</b> | <b>11.6</b>             | <b>8.2</b>   | <b>19.1</b>         | <b>41.1</b> |
| Rondônia                  | 100.0        | 33.1        | 12.7                    | 6.5          | 15.0                | 32.7        | 100.0        | 27.0        | 9.0                     | 8.8          | 18.4                | 36.8        |
| Acre                      | 100.0        | 28.6        | 5.4                     | 7.8          | 13.1                | 45.1        | 100.0        | 19.4        | 5.9                     | 10.1         | 16.0                | 48.6        |
| Amazonas                  | 100.0        | 19.8        | 15.3                    | 6.6          | 18.5                | 39.6        | 100.0        | 15.2        | 14.2                    | 8.5          | 17.5                | 44.5        |
| Roraima                   | 100.0        | 22.0        | 7.2                     | 6.8          | 17.5                | 46.6        | 100.0        | 14.9        | 6.3                     | 9.2          | 16.8                | 52.8        |
| Pará                      | 100.0        | 27.6        | 12.1                    | 6.6          | 18.6                | 33.9        | 100.0        | 18.3        | 13.0                    | 7.8          | 21.1                | 38.4        |
| Amapá                     | 100.0        | 7.6         | 8.9                     | 9.0          | 19.3                | 55.2        | 100.0        | 5.0         | 8.8                     | 10.1         | 21.6                | 54.7        |
| Tocantins                 | 100.0        | 33.8        | 7.1                     | 6.8          | 14.9                | 37.5        | 100.0        | 29.8        | 7.9                     | 7.4          | 15.1                | 39.9        |
| <b>Northeast Region</b>   | <b>100.0</b> | <b>34.8</b> | <b>9.5</b>              | <b>5.6</b>   | <b>15.6</b>         | <b>34.2</b> | <b>100.0</b> | <b>28.6</b> | <b>9.5</b>              | <b>7.0</b>   | <b>17.0</b>         | <b>37.5</b> |
| Maranhão                  | 100.0        | 41.0        | 6.9                     | 5.3          | 16.1                | 30.7        | 100.0        | 33.5        | 6.5                     | 8.8          | 17.8                | 33.3        |
| Piauí                     | 100.0        | 47.5        | 7.4                     | 4.2          | 12.9                | 27.6        | 100.0        | 40.7        | 6.5                     | 5.1          | 15.4                | 32.2        |
| Ceará                     | 100.0        | 30.0        | 15.7                    | 5.2          | 15.9                | 33.1        | 100.0        | 24.6        | 15.5                    | 6.5          | 17.3                | 35.9        |
| Rio Grande do Norte       | 100.0        | 24.3        | 11.6                    | 7.1          | 16.8                | 40.1        | 100.0        | 20.0        | 11.0                    | 7.5          | 20.6                | 41.0        |
| Paraíba                   | 100.0        | 30.2        | 10.9                    | 6.3          | 14.4                | 38.0        | 100.0        | 23.8        | 11.5                    | 7.8          | 16.1                | 40.7        |
| Pernambuco                | 100.0        | 29.6        | 9.1                     | 5.2          | 17.3                | 38.0        | 100.0        | 24.0        | 9.3                     | 6.5          | 18.5                | 40.3        |
| Alagoas                   | 100.0        | 40.2        | 5.9                     | 5.1          | 14.3                | 34.4        | 100.0        | 33.1        | 6.4                     | 6.3          | 14.3                | 39.9        |
| Sergipe                   | 100.0        | 23.4        | 10.2                    | 5.9          | 19.3                | 41.1        | 100.0        | 20.7        | 11.2                    | 7.0          | 18.6                | 42.3        |
| Bahia                     | 100.0        | 38.3        | 7.7                     | 6.0          | 14.8                | 32.9        | 100.0        | 31.8        | 7.4                     | 7.2          | 15.8                | 37.5        |
| <b>Southeast Region</b>   | <b>100.0</b> | <b>9.7</b>  | <b>17.8</b>             | <b>7.0</b>   | <b>18.2</b>         | <b>47.0</b> | <b>100.0</b> | <b>8.6</b>  | <b>17.6</b>             | <b>7.8</b>   | <b>17.8</b>         | <b>48.1</b> |
| Minas Gerais              | 100.0        | 21.1        | 16.2                    | 6.7          | 16.0                | 39.9        | 100.0        | 19.2        | 15.7                    | 8.1          | 16.2                | 40.8        |
| Espírito Santo            | 100.0        | 22.8        | 13.5                    | 6.8          | 16.0                | 40.9        | 100.0        | 19.9        | 13.4                    | 8.7          | 15.9                | 42.0        |
| Rio de Janeiro            | 100.0        | 2.3         | 12.6                    | 8.2          | 18.6                | 57.3        | 100.0        | 1.6         | 12.8                    | 8.2          | 18.4                | 58.6        |
| São Paulo                 | 100.0        | 5.6         | 21.0                    | 6.8          | 19.3                | 47.3        | 100.0        | 4.7         | 20.7                    | 7.5          | 18.6                | 48.5        |
| <b>South Region</b>       | <b>100.0</b> | <b>21.4</b> | <b>18.8</b>             | <b>5.9</b>   | <b>17.1</b>         | <b>36.6</b> | <b>100.0</b> | <b>17.0</b> | <b>18.8</b>             | <b>6.9</b>   | <b>17.9</b>         | <b>39.4</b> |
| Paraná                    | 100.0        | 19.9        | 15.7                    | 6.2          | 18.5                | 39.6        | 100.0        | 14.9        | 16.5                    | 7.6          | 18.8                | 42.1        |
| Santa Catarina            | 100.0        | 19.4        | 23.8                    | 6.0          | 17.0                | 33.7        | 100.0        | 16.5        | 22.4                    | 6.4          | 18.9                | 35.7        |
| Rio Grande do Sul         | 100.0        | 24.0        | 19.1                    | 5.4          | 15.7                | 35.5        | 100.0        | 19.4        | 18.8                    | 6.4          | 16.4                | 38.9        |
| <b>Center-West Region</b> | <b>100.0</b> | <b>16.8</b> | <b>10.8</b>             | <b>7.4</b>   | <b>18.8</b>         | <b>46.2</b> | <b>100.0</b> | <b>14.8</b> | <b>11.8</b>             | <b>8.2</b>   | <b>18.2</b>         | <b>46.9</b> |
| Mato Grosso do Sul        | 100.0        | 17.5        | 10.9                    | 8.6          | 20.2                | 42.9        | 100.0        | 16.1        | 12.9                    | 8.3          | 19.6                | 43.0        |
| Mato Grosso               | 100.0        | 29.3        | 9.8                     | 6.5          | 18.8                | 35.6        | 100.0        | 23.5        | 10.3                    | 7.1          | 18.2                | 40.9        |
| Goiás                     | 100.0        | 16.2        | 13.0                    | 7.8          | 18.9                | 44.1        | 100.0        | 15.4        | 14.8                    | 9.2          | 17.6                | 42.9        |
| Federal District          | 100.0        | 0.6         | 6.1                     | 6.3          | 17.2                | 69.7        | 100.0        | 1.2         | 5.3                     | 7.1          | 18.6                | 67.9        |

Source: IBGE - PNAD

Bringing the tertiary sector (which involves *commerce and repair* and *service*) into the light of this analysis, indicators show that the activities comprised therein were directly responsible for more than half of the occupation of almost all UFs of the country in 2009, with exception of Piauí (where the share approaches half, at 47.5%)

The relative participation of the *commerce and repair* in the occupational profile expanded in the North, Northeast and South Regions between 2004 and 2009, and it fell slightly in the Center-West (-0.6 percentage point) and Southeast (-0.4 p.p) Regions. In 2009, the greater representativeness in the absorption of labor occurred in the states of Amapá (21.6%), Pará (21.1%) and Rio Grande do Norte (20.6%).

The *services* sector, on its turn, increased its share in the occupational structure in all regions and in 24 out of 27 UFs, with the exceptions being Amapá, Goiás and the Federal District. In 2009, *services* comprised at least a third of the occupational structure in all Federation Units. In the Federal District this share was as high as 67.9%, certainly due to the prevalence of the federal public administration in employment, and also comprised more than half of the workers in the states of Rio de Janeiro (58.6%), Amapá (54.7%) and Roraima (52.8%).

## The Evolution of Education Levels of the Population and of Workers

### - School Enrollment of Children and Adolescents

School enrollment of children and adolescents will be analyzed by means of the Net Attendance Rate in educational institutions, which allows for the identification of the share of people within a certain age bracket enrolled in school in the appropriate grade, according to the grade-age equivalency established by the Brazilian educational system, in relation to the total of people in the same age bracket.

As seen in Table 9, 91.1% of 6-14 year-old children were enrolled in primary school, in 2009. The rates were slightly higher in the South and Southeast Regions (approximately 92.5%), compared to the North (88.9%) and Northeast (89.4%) ones.

Among the units of the federation, the enrollment rate of children aged 6 to 14 were higher in Mato Grosso do Sul (94.4%), Ceará (93.5%), São Paulo and Minas Gerais (93.4%). The lowest rates were found in Pará (87.2%), Sergipe (87.3%), Pernambuco (87.6%) and Bahia (88.2%).

| <b>TABLE 9</b>  |   |  |             |
|---|---|--|-------------|
| NET ATTENDANCE RATE TO EDUCATIONAL INSTITUTION OF 6-17 YEAR-OLD POPULATION, BY AGE GROUP AND EDUCATION LEVEL<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009 |   |  |             |
| Geographical Area   | 6 to 14 years old (%)<br>Primary School | 15 to 17 years old (%)<br>Secondary School |             |
|   | 2009                                    | 2004                                       | 2009        |
| <b>Brazil</b>   | <b>91.1</b>                             | <b>44.4</b>                                | <b>50.9</b> |
| <b>North Region</b>   | <b>88.9</b>                             | <b>27.5</b>                                | <b>39.1</b> |
| Rondônia  | 90.7                                    | 35.6                                       | 45.7        |
| Acre  | 89.5                                    | 27.7                                       | 51.3        |
| Amazonas  | 89.2                                    | 28.2                                       | 39.6        |
| Roraima   | 89.9                                    | 38.3                                       | 50.3        |
| Pará  | 87.2                                    | 22.5                                       | 31.6        |
| Amapá   | 91.3                                    | 41.7                                       | 54.5        |
| Tocantins   | 93.2                                    | 33.5                                       | 55.2        |
| <b>Northeast Region</b>   | <b>89.4</b>                             | <b>27.9</b>                                | <b>39.2</b> |
| Maranhão  | 88.7                                    | 25.5                                       | 40.2        |
| Piauí   | 91.1                                    | 22.4                                       | 34.4        |
| Ceará   | 93.5                                    | 34.0                                       | 49.6        |
| Rio Grande do Norte   | 90.4                                    | 36.2                                       | 39.9        |
| Paraíba   | 88.7                                    | 24.3                                       | 37.7        |
| Pernambuco  | 87.6                                    | 27.2                                       | 38.2        |
| Alagoas   | 89.3                                    | 20.5                                       | 33.3        |
| Sergipe   | 87.3                                    | 29.6                                       | 36.5        |
| Bahia   | 88.2                                    | 27.4                                       | 36.1        |
| <b>Southeast Region</b>   | <b>92.4</b>                             | <b>58.0</b>                                | <b>60.5</b> |
| Minas Gerais  | 93.4                                    | 49.7                                       | 54.4        |
| Espírito Santo  | 88.3                                    | 50.3                                       | 54.4        |
| Rio de Janeiro  | 89.2                                    | 46.7                                       | 49.1        |
| São Paulo   | 93.4                                    | 66.5                                       | 68.8        |
| <b>South Region</b>   | <b>92.7</b>                             | <b>53.4</b>                                | <b>57.4</b> |
| Paraná  | 92.9                                    | 52.3                                       | 59.5        |
| Santa Catarina  | 92.6                                    | 58.3                                       | 60.9        |
| Rio Grande do Sul   | 92.6                                    | 51.6                                       | 53.1        |
| <b>Center-West Region</b>   | <b>91.5</b>                             | <b>44.9</b>                                | <b>54.7</b> |
| Mato Grosso do Sul  | 94.4                                    | 40.2                                       | 47.7        |
| Mato Grosso   | 90.9                                    | 43.7                                       | 53.3        |
| Goiás   | 90.5                                    | 45.6                                       | 54.5        |
| Federal District  | 91.6                                    | 49.5                                       | 64.1        |

Source: IBGE - PNAD (Summary of Social Indicators - 2005 and 2010)



On its turn, the Net Attendance Rate among 15-17 year-old adolescents is a reflection of the enormous challenge faced by the Brazilian educational system. Despite significant progress achieved between 2004 and 2009 – from 44.4% to 50.9% - by the end of the first decades of the 2000s, only half of these adolescents were enrolled in secondary school, the adequate level of schooling for this cohort.

The low level of enrollment among adolescents aged 15 to 17 is a result of the still existent educational lag between those who have completed primary schooling. In fact, in 2009, the average of years of education for people aged 14 was only 5.8 years, when, considering the grade-age equivalency, it should be at least 8.0 years.

Despite the overall progress in all regions and states during the analyzed period, in several states the enrollment rate in secondary school was still far below the already low national average in 2009: Pará (31.6%), Alagoas (33.3%), Piauí (34.4%), Bahia (36.1%) and Sergipe (36.5%).

The abovementioned rate was considerably higher in São Paulo (68.8%), in the Federal District (64.1%) and Santa Catarina (60.9%).

It is important to point out the fact that this significant educational lag compromises the working future of this generation of adolescents, as completion of secondary school is a highly important educational credential in order to obtain formal employment, as the next chapter will show.

#### - Literacy Rate of the Labor Force

The progress of the literacy index of the Brazilian population since the 1990s makes inroads into the examined period in this report: among the population aged 15 or older, it increased from 88.5% to 90.3% between 2004 and 2009, as shown in Table 10, Nonetheless, significant inequalities remain in terms of race and place of residence.

The literacy rate in the year 2009 was marginally greater among women (90.4%) than men (90.2%) and 7.5 percentage points higher among whites (94.1%) than blacks (86.6%).

One of the structural traits of the literacy rates in Brazil is the magnitude of the difference between the rates prevalent in the rural area (77.2%), still by far lower than that of urban areas (92.6%) in 2009, despite progress since 2004, when the rate was 74.1%.

Despite overall progress in all regions, the levels of literacy still reflected striking regionally inequalities in 2009, ranging from 81.3% in the Northeast Region to approximately 94.5% in the South and Southeast Regions of the country.

TABLE 10

LITERACY RATE OF PEOPLE AGED 15 OR OLDER, BY SEX, COLOR OR RACE AND URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERAL UNITS, 2004 AND 2009

| Geographical Area         | 2004        |             |             |             |             | 2009        |             |             |             |             |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>             | <b>88.5</b> | <b>88.3</b> | <b>88.7</b> | <b>92.8</b> | <b>83.7</b> | <b>90.3</b> | <b>90.2</b> | <b>90.4</b> | <b>94.1</b> | <b>86.6</b> |
| Urban Area                | 91.3        | -           | -           | -           | -           | 92.6        | -           | -           | -           | -           |
| Rural Area                | 74.1        | -           | -           | -           | -           | 77.2        | -           | -           | -           | -           |
| <b>North Region</b>       | <b>87.3</b> | <b>86.5</b> | <b>88.1</b> | <b>91.6</b> | <b>85.8</b> | <b>89.5</b> | <b>88.6</b> | <b>90.3</b> | <b>92.8</b> | <b>88.5</b> |
| Rondônia                  | 89.5        | 89.7        | 89.3        | 93.0        | 87.5        | 90.2        | 91.1        | 89.2        | 93.0        | 88.7        |
| Acre                      | 82.7        | 81.0        | 84.5        | 87.6        | 81.4        | 84.6        | 82.2        | 86.9        | 89.5        | 82.8        |
| Amazonas                  | 91.3        | 90.5        | 92.1        | 94.0        | 90.3        | 93.0        | 92.9        | 93.0        | 95.5        | 92.3        |
| Roraima                   | 89.7        | 88.3        | 91.2        | 91.6        | 89.1        | 93.3        | 92.5        | 94.0        | 95.2        | 92.6        |
| Pará                      | 85.7        | 84.7        | 86.8        | 90.9        | 84.4        | 87.9        | 86.4        | 89.3        | 91.4        | 86.9        |
| Amapá                     | 91.7        | 93.1        | 90.4        | 93.8        | 91.1        | 97.2        | 97.7        | 96.7        | 96.5        | 97.4        |
| Tocantins                 | 82.8        | 81.7        | 83.9        | 87.2        | 81.2        | 86.5        | 85.1        | 87.9        | 92.2        | 84.7        |
| <b>Northeast Region</b>   | <b>77.6</b> | <b>75.4</b> | <b>79.5</b> | <b>82.0</b> | <b>75.6</b> | <b>81.3</b> | <b>79.6</b> | <b>82.9</b> | <b>85.8</b> | <b>79.5</b> |
| Maranhão                  | 76.9        | 73.6        | 79.9        | 82.2        | 75.1        | 80.9        | 78.6        | 83.1        | 84.5        | 79.8        |
| Piauí                     | 72.7        | 69.6        | 75.6        | 77.9        | 71.0        | 76.6        | 73.4        | 79.6        | 83.0        | 74.7        |
| Ceará                     | 78.2        | 75.1        | 81.0        | 83.5        | 75.5        | 81.4        | 78.7        | 83.9        | 86.4        | 79.3        |
| Rio Grande do Norte       | 77.7        | 74.5        | 80.8        | 83.3        | 74.4        | 81.9        | 79.4        | 84.3        | 87.7        | 78.7        |
| Paraíba                   | 74.7        | 70.2        | 78.8        | 79.6        | 71.7        | 78.4        | 75.0        | 81.4        | 84.7        | 74.9        |
| Pernambuco                | 78.7        | 77.4        | 79.8        | 81.5        | 77.0        | 82.4        | 81.7        | 83.0        | 87.5        | 79.5        |
| Alagoas                   | 70.5        | 68.4        | 72.4        | 78.2        | 65.8        | 75.4        | 73.5        | 77.1        | 81.6        | 73.1        |
| Sergipe                   | 80.6        | 77.7        | 83.3        | 85.9        | 78.3        | 83.7        | 82.5        | 84.8        | 88.0        | 82.0        |
| Bahia                     | 79.7        | 79.2        | 80.1        | 83.3        | 78.6        | 83.3        | 82.8        | 83.8        | 85.4        | 82.6        |
| <b>Southeast Region</b>   | <b>93.4</b> | <b>94.3</b> | <b>92.6</b> | <b>95.1</b> | <b>90.6</b> | <b>94.3</b> | <b>95.1</b> | <b>93.7</b> | <b>96.0</b> | <b>92.0</b> |
| Minas Gerais              | 90.1        | 90.9        | 89.4        | 92.9        | 87.4        | 91.5        | 92.0        | 91.0        | 94.3        | 89.1        |
| Espírito Santo            | 90.5        | 91.4        | 89.7        | 93.5        | 88.1        | 91.5        | 91.7        | 91.3        | 93.7        | 89.8        |
| Rio de Janeiro            | 95.1        | 95.8        | 94.6        | 96.3        | 93.5        | 96.0        | 96.7        | 95.4        | 97.0        | 94.7        |
| São Paulo                 | 94.5        | 95.6        | 93.5        | 95.4        | 92.0        | 95.3        | 96.2        | 94.5        | 96.4        | 93.2        |
| <b>South Region</b>       | <b>93.7</b> | <b>94.4</b> | <b>93.1</b> | <b>94.9</b> | <b>87.8</b> | <b>94.5</b> | <b>95.0</b> | <b>94.1</b> | <b>95.6</b> | <b>90.5</b> |
| Paraná                    | 92.0        | 93.4        | 90.7        | 94.0        | 85.9        | 93.3        | 94.0        | 92.7        | 95.0        | 88.9        |
| Santa Catarina            | 95.2        | 95.5        | 94.8        | 95.8        | 90.0        | 95.1        | 95.6        | 94.6        | 95.7        | 91.0        |
| Rio Grande do Sul         | 94.5        | 94.7        | 94.3        | 95.1        | 90.3        | 95.4        | 95.7        | 95.2        | 96.0        | 92.5        |
| <b>Center-West Region</b> | <b>90.8</b> | <b>90.3</b> | <b>91.3</b> | <b>93.5</b> | <b>88.7</b> | <b>92.0</b> | <b>92.4</b> | <b>91.7</b> | <b>94.1</b> | <b>90.5</b> |
| Mato Grosso do Sul        | 90.5        | 91.1        | 89.9        | 93.5        | 87.6        | 91.3        | 91.8        | 90.9        | 93.3        | 89.3        |
| Mato Grosso               | 89.9        | 89.5        | 90.3        | 94.4        | 87.0        | 89.8        | 90.1        | 89.6        | 92.9        | 87.8        |
| Goiás                     | 89.3        | 88.5        | 90.1        | 91.6        | 87.5        | 91.4        | 92.0        | 90.8        | 93.3        | 90.1        |
| Federal District          | 95.8        | 95.5        | 96.1        | 97.0        | 94.8        | 96.6        | 96.7        | 96.5        | 97.7        | 95.8        |

Source: IBGE - PNAD

It is worthwhile noting that among UFs, the differences between literacy rates could be as large as 20.0 percentage points. In fact, in 2009, while this rate was only 75.4% in Alagoas and 76.6% in Piauí, it hovered around 95.0% and 97.0% in the Federal District, Rio de Janeiro, Rio Grande do Sul and Santa Catarina. When compared to the literacy rates among the black population in Alagoas (73.1%) and the white population of the Federal District (97.5%), the difference reaches almost 25.0 percentage points.

Despite the progress being made, these indicators reveal that illiteracy is still high within some social strata and geographical areas of the country.

#### - Functional Illiteracy Rate among Workforce

The definition of literacy became more rigorous in the debates concerning this subject in the beginning of the 1990s in advanced countries. In Latin America, the UNESCO stresses that the process of literacy only achieves consolidation when people reach the fourth grade, due to the high rates of regression to illiteracy among those who never complete this educational cycle. The concept of functional literacy emerges in this context and considers those aged 15 or older who have less than four completed years of education.

When literacy is analyzed from this standpoint, it is possible to notice that this situation is for obvious reasons more worrisome than what the tradition indicator suggests. In Brazil, according to the indicators in Table 11, in 2009, the total rate of functional literacy was 20.3%, being that in rural areas the rate was 40.7% and 16.7% in urban areas, even after a decline relative to 2004.

The occurrence of functional literacy fell in all regions between 2004 and 2009. In the Northeast Region, where the rate was the highest, there was a decline from 37.4% to 30.8% during the period being analyzed. Even so, this rate was equivalent to twice as much as those for the Southeast (15.2%) and South (15.5%) Regions, where the rates, although significantly lower, were still quite concerning.

Functional literacy fell in all UFs during the second half of the 2000s. However, the degree of variation of its occurrence in the national territory was still more pronounced than that the traditional indicator of literacy. In fact, in 2009, while the fraction of functionally illiterate was 8.8% in the Federal District, it was as high as 37.0% in Piauí and Alagoas. Among the black population of Piauí, the fraction was 40.3%.

TABLE 11

FUNCTIONAL ILLITERACY RATE OF PEOPLE AGED 15 OR OLDER, BY SEX, COLOR OR RACE AND URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | 2004        |             |             |             |             | 2009        |             |             |             |             |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>             | <b>24.4</b> | <b>25.0</b> | <b>23.8</b> | <b>18.1</b> | <b>31.4</b> | <b>20.3</b> | <b>20.9</b> | <b>19.8</b> | <b>14.9</b> | <b>25.6</b> |
| Urban Area                | 20.0        | -           | -           | -           | -           | 16.7        | -           | -           | -           | -           |
| Rural Area                | 47.4        | -           | -           | -           | -           | 40.7        | -           | -           | -           | -           |
| <b>North Region</b>       | <b>28.8</b> | <b>31.0</b> | <b>26.6</b> | <b>21.2</b> | <b>31.3</b> | <b>23.0</b> | <b>25.1</b> | <b>21.1</b> | <b>17.7</b> | <b>24.7</b> |
| Rondônia                  | 26.7        | 27.1        | 26.3        | 21.6        | 29.6        | 23.6        | 23.8        | 23.4        | 20.1        | 25.5        |
| Acre                      | 33.8        | 36.6        | 31.0        | 26.2        | 35.9        | 26.1        | 28.6        | 23.7        | 19.6        | 28.5        |
| Amazonas                  | 21.3        | 22.7        | 19.9        | 14.0        | 24.1        | 17.8        | 19.2        | 16.5        | 12.9        | 19.2        |
| Roraima                   | 23.6        | 26.0        | 21.0        | 20.9        | 24.4        | 15.9        | 18.9        | 13.1        | 10.9        | 17.7        |
| Pará                      | 32.5        | 35.4        | 29.6        | 24.4        | 34.7        | 25.6        | 28.3        | 23.0        | 19.4        | 27.3        |
| Amapá                     | 19.6        | 19.5        | 19.6        | 12.7        | 21.7        | 16.1        | 15.8        | 16.4        | 15.6        | 16.2        |
| Tocantins                 | 32.6        | 35.0        | 30.0        | 26.1        | 34.8        | 25.2        | 27.7        | 22.7        | 17.5        | 27.7        |
| <b>Northeast Region</b>   | <b>37.4</b> | <b>40.7</b> | <b>34.4</b> | <b>31.6</b> | <b>40.0</b> | <b>30.8</b> | <b>33.7</b> | <b>28.2</b> | <b>24.9</b> | <b>33.2</b> |
| Maranhão                  | 40.0        | 44.4        | 36.0        | 33.7        | 42.1        | 31.7        | 35.2        | 28.4        | 26.6        | 33.3        |
| Piauí                     | 42.3        | 46.2        | 38.7        | 35.8        | 44.4        | 37.5        | 42.5        | 32.9        | 28.4        | 40.3        |
| Ceará                     | 36.0        | 39.1        | 33.2        | 29.7        | 39.3        | 29.5        | 33.0        | 26.4        | 23.4        | 32.2        |
| Rio Grande do Norte       | 34.3        | 38.9        | 30.1        | 28.3        | 37.8        | 28.0        | 31.2        | 25.0        | 21.4        | 31.7        |
| Paráiba                   | 40.3        | 44.1        | 36.9        | 34.1        | 44.2        | 33.4        | 38.1        | 29.2        | 24.8        | 38.2        |
| Pernambuco                | 33.2        | 35.3        | 31.4        | 29.3        | 35.5        | 27.8        | 29.4        | 26.4        | 21.5        | 31.4        |
| Alagoas                   | 45.3        | 48.5        | 42.4        | 37.2        | 50.1        | 36.5        | 39.3        | 34.0        | 28.7        | 39.5        |
| Sergipe                   | 32.1        | 35.8        | 28.8        | 23.1        | 36.3        | 28.6        | 31.0        | 26.4        | 23.1        | 30.9        |
| Bahia                     | 37.7        | 40.6        | 34.9        | 33.5        | 38.9        | 30.6        | 32.8        | 28.6        | 28.4        | 31.3        |
| <b>Southeast Region</b>   | <b>18.0</b> | <b>17.1</b> | <b>18.9</b> | <b>14.9</b> | <b>23.4</b> | <b>15.2</b> | <b>14.4</b> | <b>15.9</b> | <b>12.2</b> | <b>19.5</b> |
| Minas Gerais              | 23.5        | 23.4        | 23.6        | 18.9        | 28.0        | 19.6        | 19.4        | 19.7        | 15.4        | 23.0        |
| Espírito Santo            | 20.9        | 20.2        | 21.5        | 17.2        | 23.9        | 20.0        | 20.2        | 19.8        | 17.2        | 22.1        |
| Rio de Janeiro            | 16.2        | 14.8        | 17.3        | 13.3        | 20.4        | 14.1        | 12.9        | 15.0        | 11.5        | 17.5        |
| São Paulo                 | 16.0        | 14.6        | 17.2        | 13.9        | 21.3        | 13.2        | 12.1        | 14.1        | 11.1        | 17.4        |
| <b>South Region</b>       | <b>18.4</b> | <b>17.5</b> | <b>19.2</b> | <b>16.3</b> | <b>28.8</b> | <b>15.5</b> | <b>14.9</b> | <b>16.1</b> | <b>13.8</b> | <b>22.2</b> |
| Paraná                    | 21.5        | 20.3        | 22.6        | 18.5        | 30.8        | 18.0        | 17.2        | 18.7        | 15.5        | 24.6        |
| Santa Catarina            | 16.0        | 15.0        | 16.9        | 14.7        | 27.8        | 14.0        | 13.1        | 14.9        | 13.2        | 18.6        |
| Rio Grande do Sul         | 16.7        | 16.1        | 17.3        | 15.5        | 25.6        | 14.0        | 13.8        | 14.3        | 12.7        | 20.2        |
| <b>Center-West Region</b> | <b>21.9</b> | <b>23.1</b> | <b>20.8</b> | <b>17.7</b> | <b>25.2</b> | <b>18.4</b> | <b>19.0</b> | <b>17.9</b> | <b>15.0</b> | <b>21.0</b> |
| Mato Grosso do Sul        | 25.2        | 25.2        | 25.3        | 19.6        | 30.6        | 21.5        | 21.4        | 21.6        | 18.1        | 25.0        |
| Mato Grosso               | 24.3        | 25.1        | 23.4        | 18.0        | 28.3        | 21.9        | 22.7        | 21.2        | 17.5        | 24.9        |
| Goiás                     | 23.6        | 25.4        | 22.0        | 20.6        | 26.1        | 19.7        | 20.5        | 18.9        | 16.3        | 22.0        |
| Federal District          | 11.8        | 12.3        | 11.4        | 8.6         | 14.4        | 8.8         | 8.8         | 8.8         | 6.2         | 10.7        |

Source: IBGE - PNAD

## - Average Number of Years of Schooling of Workforce

The average number of years of schooling among the population aged 15 or older increased from 6.8 to 7.5, between 2004 and 2009, an increase of 0.7 year. The level of schooling of women (7.7 years in 2009) was slightly superior to that of men (7.4 years). However, the gap between whites (8.4) and blacks (6.7) was still considerably large, as well as that between the population residing in urban areas (8.0) and rural areas (4.8), according to Table 12.

Even if this indicator improved in all UFs, the average level of education of the workforce over 15 years old was still quite low in several Brazilian states in the end of the 2000s. In Alagoas (5.7 years) and in Piauí (5.8 years) the average of years in school failed to reach a meager 6.0 years. On the other hand, in the Federal District (9.6 years), São Paulo (8.5 years) and Rio de Janeiro (8.4) this average was much higher.

TABLE 12

AVERAGE NUMBER OF YEARS OF SCHOOLING OF PEOPLE AGED 15 OR OLDER, BY SEX, COLOR OR RACE  
AND URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERAL UNITS, 2004 AND 2009

| Geographical Area         | 2004       |            |            |            |            | 2009       |            |            |            |            |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                           | Total      | Men        | Women      | White      | Black      | Total      | Men        | Women      | White      | Black      |
| <b>Brazil</b>             | <b>6.8</b> | <b>6.7</b> | <b>7.0</b> | <b>7.7</b> | <b>5.8</b> | <b>7.5</b> | <b>7.4</b> | <b>7.7</b> | <b>8.4</b> | <b>6.7</b> |
| Urban Area                | 7.4        | -          | -          | -          | -          | 8.0        | -          | -          | -          | -          |
| Rural Area                | 4.0        | -          | -          | -          | -          | 4.8        | -          | -          | -          | -          |
| <b>North Region</b>       | <b>6.2</b> | <b>6.0</b> | <b>6.5</b> | <b>7.4</b> | <b>5.9</b> | <b>7.1</b> | <b>6.8</b> | <b>7.5</b> | <b>8.1</b> | <b>6.8</b> |
| Rondônia                  | 6.2        | 6.0        | 6.4        | 7.0        | 5.7        | 7.0        | 6.8        | 7.3        | 7.5        | 6.8        |
| Acre                      | 5.9        | 5.5        | 6.2        | 7.0        | 5.5        | 7.3        | 6.9        | 7.6        | 8.5        | 6.8        |
| Amazonas                  | 7.0        | 6.9        | 7.2        | 8.4        | 6.5        | 7.7        | 7.4        | 7.9        | 8.9        | 7.3        |
| Roraima                   | 6.9        | 6.6        | 7.3        | 7.5        | 6.7        | 8.2        | 7.7        | 8.7        | 9.3        | 7.8        |
| Pará                      | 5.9        | 5.5        | 6.2        | 6.9        | 5.6        | 6.7        | 6.3        | 7.1        | 7.6        | 6.5        |
| Amapá                     | 7.3        | 7.2        | 7.4        | 8.3        | 7.0        | 8.2        | 8.0        | 8.5        | 8.7        | 8.1        |
| Tocantins                 | 6.1        | 5.7        | 6.4        | 7.0        | 5.7        | 7.3        | 6.8        | 7.8        | 8.6        | 6.8        |
| <b>Northeast Region</b>   | <b>5.5</b> | <b>5.1</b> | <b>5.8</b> | <b>6.3</b> | <b>5.1</b> | <b>6.3</b> | <b>6.0</b> | <b>6.7</b> | <b>7.3</b> | <b>6.0</b> |
| Maranhão                  | 5.3        | 4.8        | 5.7        | 6.0        | 5.0        | 6.2        | 5.8        | 6.6        | 6.9        | 5.9        |
| Piauí                     | 5.0        | 4.6        | 5.3        | 5.9        | 4.7        | 5.8        | 5.2        | 6.3        | 7.1        | 5.4        |
| Ceará                     | 5.6        | 5.3        | 6.0        | 6.6        | 5.2        | 6.5        | 6.1        | 6.9        | 7.5        | 6.1        |
| Rio Grande do Norte       | 5.8        | 5.4        | 6.2        | 6.6        | 5.3        | 6.5        | 6.2        | 6.9        | 7.4        | 6.0        |
| Paraíba                   | 5.2        | 4.8        | 5.6        | 6.2        | 4.6        | 6.1        | 5.6        | 6.5        | 7.3        | 5.5        |
| Pernambuco                | 5.8        | 5.6        | 6.1        | 6.6        | 5.4        | 6.6        | 6.3        | 6.9        | 7.6        | 6.1        |
| Alagoas                   | 4.7        | 4.3        | 5.0        | 5.8        | 4.0        | 5.7        | 5.3        | 6.0        | 6.8        | 5.2        |
| Sergipe                   | 6.1        | 5.7        | 6.5        | 7.2        | 5.6        | 6.7        | 6.3        | 7.1        | 7.7        | 6.3        |
| Bahia                     | 5.5        | 5.1        | 5.8        | 6.1        | 5.3        | 6.3        | 6.0        | 6.7        | 6.9        | 6.2        |
| <b>Southeast Region</b>   | <b>7.5</b> | <b>7.6</b> | <b>7.5</b> | <b>8.2</b> | <b>6.5</b> | <b>8.2</b> | <b>8.2</b> | <b>8.2</b> | <b>8.9</b> | <b>7.2</b> |
| Minas Gerais              | 6.7        | 6.5        | 6.8        | 7.4        | 5.9        | 7.4        | 7.2        | 7.5        | 8.2        | 6.7        |
| Espírito Santo            | 7.1        | 6.9        | 7.2        | 7.8        | 6.5        | 7.6        | 7.4        | 7.7        | 8.2        | 7.0        |
| Rio de Janeiro            | 7.9        | 7.9        | 7.8        | 8.5        | 6.9        | 8.4        | 8.5        | 8.4        | 9.1        | 7.5        |
| São Paulo                 | 7.9        | 8.0        | 7.8        | 8.3        | 6.7        | 8.5        | 8.6        | 8.5        | 9.0        | 7.5        |
| <b>South Region</b>       | <b>7.3</b> | <b>7.2</b> | <b>7.3</b> | <b>7.6</b> | <b>5.8</b> | <b>7.9</b> | <b>7.9</b> | <b>8.0</b> | <b>8.2</b> | <b>6.7</b> |
| Paraná                    | 7.2        | 7.2        | 7.2        | 7.7        | 5.8        | 7.9        | 7.8        | 7.9        | 8.4        | 6.6        |
| Santa Catarina            | 7.4        | 7.4        | 7.4        | 7.6        | 5.6        | 8.2        | 8.2        | 8.1        | 8.4        | 7.0        |
| Rio Grande do Sul         | 7.3        | 7.2        | 7.4        | 7.5        | 6.0        | 7.8        | 7.7        | 7.9        | 8.1        | 6.7        |
| <b>Center-West Region</b> | <b>7.1</b> | <b>6.8</b> | <b>7.3</b> | <b>7.9</b> | <b>6.4</b> | <b>7.9</b> | <b>7.6</b> | <b>8.1</b> | <b>8.6</b> | <b>7.3</b> |
| Mato Grosso do Sul        | 6.7        | 6.6        | 6.8        | 7.6        | 5.9        | 7.3        | 7.2        | 7.5        | 8.1        | 6.6        |
| Mato Grosso               | 6.7        | 6.4        | 7.0        | 7.6        | 6.1        | 7.4        | 7.2        | 7.7        | 8.3        | 6.8        |
| Goiás                     | 6.7        | 6.5        | 7.0        | 7.4        | 6.2        | 7.5        | 7.2        | 7.8        | 8.2        | 7.0        |
| Federal District          | 8.8        | 8.7        | 8.9        | 9.9        | 7.9        | 9.6        | 9.5        | 9.7        | 10.6       | 8.9        |

Source: IBGE – PNAD

#### - Average Number of Years of Schooling among the Occupied Workforce

Considering the average number of years of education of the workforce, two peculiarities stand out. First, this figure in 2009 was 8.2 years, therefore 0.7 year higher than the average for the entire workforce (7.5 years, as seen above).

Second, between 2004 and 2009 the increment in terms of years of education of the workforce was 0.9 year (rising from 7.3 to 8.2), more than the increase observed among the workforce (0.7 year) during this same period, despite the increase of this figure for the workforce since the 2004.

These two peculiarities mirror the selectivity of the labor market with respect to the level of education of workers. For this reason, the persistent low level of education of the working population, in 2009, is still a source of great concern.

As shown in Table 13, only in the Federal District (10.3) the average of years of schooling of those employed surpassed 10 years in 2009. Furthermore, in 15 out of the 27 Federation Units, this figure did not even reach eight years of education, which corresponds to the duration of primary education. This is a rather concerning structural trait of the Brazilian labor market for – as in the next chapter on *Employment Opportunities* will discuss – a complete cycle encompassing primary and secondary education (the equivalent of 12 years of education) metaphorically represents a *watershed* (in other words, credentials) that is required in order to ascend to most formal jobs being created in Brazil.

TABLE 13

AVERAGE NUMBER OF YEARS OF SCHOOLING OF OCCUPIED PEOPLE AGED 16 OR OLDER, BY SEX, COLOR OR RACE AND URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | 2004       |            |            |            |            | 2009       |            |            |            |            |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                           | Total      | Men        | Women      | White      | Black      | Total      | Men        | Women      | White      | Black      |
| <b>Brazil</b>             | <b>7.3</b> | <b>6.9</b> | <b>7.9</b> | <b>8.3</b> | <b>6.1</b> | <b>8.2</b> | <b>7.7</b> | <b>8.8</b> | <b>9.2</b> | <b>7.2</b> |
| Urban Area                | 8.1        | -          | -          | -          | -          | 8.9        | -          | -          | -          | -          |
| Rural Area                | 3.9        | -          | -          | -          | -          | 4.9        | -          | -          | -          | -          |
| <b>North Region</b>       | <b>6.5</b> | <b>6.0</b> | <b>7.2</b> | <b>7.8</b> | <b>6.0</b> | <b>7.6</b> | <b>7.0</b> | <b>8.4</b> | <b>8.7</b> | <b>7.2</b> |
| Rondônia                  | 6.5        | 6.1        | 7.1        | 7.5        | 6.0        | 7.4        | 7.0        | 8.0        | 7.9        | 7.1        |
| Acre                      | 5.9        | 5.4        | 6.7        | 7.4        | 5.5        | 7.7        | 7.1        | 8.5        | 9.3        | 7.1        |
| Amazonas                  | 7.4        | 7.0        | 8.1        | 8.9        | 6.8        | 8.2        | 7.7        | 8.9        | 9.7        | 7.8        |
| Roraima                   | 7.2        | 6.6        | 8.4        | 7.6        | 7.1        | 8.6        | 7.9        | 9.6        | 9.7        | 8.2        |
| Pará                      | 6.0        | 5.5        | 6.7        | 7.2        | 5.7        | 7.2        | 6.5        | 8.2        | 8.3        | 6.9        |
| Amapá                     | 7.8        | 7.3        | 8.4        | 9.1        | 7.3        | 8.8        | 8.3        | 9.6        | 9.6        | 8.5        |
| Tocantins                 | 6.4        | 5.9        | 7.3        | 7.5        | 6.1        |            |            |            |            |            |
| <b>Northeast Region</b>   | <b>5.7</b> | <b>5.1</b> | <b>6.5</b> | <b>6.7</b> | <b>5.3</b> | <b>6.8</b> | <b>6.1</b> | <b>7.7</b> | <b>7.9</b> | <b>6.3</b> |
| Maranhão                  | 5.3        | 4.8        | 6.0        | 6.2        | 5.0        | 6.6        | 5.9        | 7.5        | 7.5        | 6.3        |
| Piauí                     | 4.9        | 4.4        | 5.6        | 5.9        | 4.6        | 5.9        | 5.2        | 6.7        | 7.3        | 5.5        |
| Ceará                     | 5.8        | 5.2        | 6.7        | 6.9        | 5.3        | 6.8        | 6.2        | 7.6        | 7.9        | 6.4        |
| Rio Grande do Norte       | 6.3        | 5.5        | 7.3        | 7.2        | 5.7        | 7.1        | 6.4        | 8.1        | 8.1        | 6.5        |
| Paraíba                   | 5.5        | 4.7        | 6.6        | 6.5        | 4.9        | 6.7        | 5.9        | 8.0        | 8.0        | 6.0        |
| Pernambuco                | 6.2        | 5.7        | 7.0        | 7.0        | 5.7        | 7.2        | 6.6        | 8.2        | 8.5        | 6.6        |
| Alagoas                   | 4.9        | 4.4        | 5.8        | 6.3        | 4.1        | 6.3        | 5.6        | 7.3        | 7.7        | 5.7        |
| Sergipe                   | 6.4        | 5.8        | 7.1        | 7.8        | 5.8        | 7.2        | 6.5        | 8.1        | 8.5        | 6.7        |
| Bahia                     | 5.6        | 5.1        | 6.4        | 6.3        | 5.4        | 6.8        | 6.2        | 7.6        | 7.5        | 6.6        |
| <b>Southeast Region</b>   | <b>8.2</b> | <b>7.9</b> | <b>8.7</b> | <b>9.0</b> | <b>7.0</b> | <b>9.0</b> | <b>8.6</b> | <b>9.4</b> | <b>9.8</b> | <b>7.8</b> |
| Minas Gerais              | 7.1        | 6.7        | 7.7        | 8.0        | 6.3        | 7.9        | 7.5        | 8.4        | 8.8        | 7.2        |
| Espírito Santo            | 7.5        | 7.2        | 8.0        | 8.3        | 6.8        | 8.1        | 7.8        | 8.6        | 8.8        | 7.6        |
| Rio de Janeiro            | 8.6        | 8.3        | 9.1        | 9.4        | 7.6        | 9.3        | 9.0        | 9.6        | 10.1       | 8.2        |
| São Paulo                 | 8.7        | 8.4        | 9.1        | 9.3        | 7.3        | 9.4        | 9.1        | 9.8        | 10.1       | 8.3        |
| <b>South Region</b>       | <b>7.7</b> | <b>7.5</b> | <b>8.1</b> | <b>8.0</b> | <b>6.2</b> | <b>8.6</b> | <b>8.2</b> | <b>9.0</b> | <b>8.9</b> | <b>7.3</b> |
| Paraná                    | 7.7        | 7.5        | 8.1        | 8.2        | 6.2        | 8.6        | 8.2        | 9.0        | 9.1        | 7.2        |
| Santa Catarina            | 7.9        | 7.6        | 8.2        | 8.1        | 5.8        | 8.9        | 8.7        | 9.2        | 9.1        | 7.6        |
| Rio Grande do Sul         | 7.7        | 7.4        | 8.0        | 7.8        | 6.4        | 8.4        | 8.0        | 8.8        | 8.6        | 7.2        |
| <b>Center-West Region</b> | <b>7.5</b> | <b>7.0</b> | <b>8.3</b> | <b>8.5</b> | <b>6.8</b> | <b>8.4</b> | <b>7.9</b> | <b>9.1</b> | <b>9.3</b> | <b>7.8</b> |
| Mato Grosso do Sul        | 7.2        | 6.8        | 7.8        | 8.1        | 6.3        | 8.0        | 7.6        | 8.5        | 8.7        | 7.2        |
| Mato Grosso               | 7.0        | 6.5        | 7.8        | 8.1        | 6.4        | 7.9        | 7.4        | 8.6        | 8.9        | 7.2        |
| Goiás                     | 7.2        | 6.7        | 7.9        | 7.9        | 6.6        | 8.1        | 7.5        | 8.8        | 8.9        | 7.5        |
| Federal District          | 9.5        | 9.1        | 10.0       | 10.7       | 8.4        | 10.3       | 9.9        | 10.8       | 11.4       | 9.5        |

Source: IBGE – PNAD

## The Working Age Population (aged 15 to 49) with HIV – Acquired Immunodeficiency Virus and the Incidence of HIV/AIDS among Youths

For the analysis of the population fully eligible for work (15 to 49 years old) living with the HIV virus, this report will use the information published in the 2011 edition of the *Epidemiological Bulletin of AIDS-STDs (Boletim Epidemiológico AIDS-DST)* elaborated and regularly published by the Ministry of Health.

The first cases of AIDS in Brazil were identified in the beginning of the 1980s. After three decades, the profile of the diseases has stabilized as an epidemic and is concentrated among a few population subgroups. Treatment is provided free of charge by the Unified Health System (*Sistema Único de Saúde - SUS*) to any citizen with HIV or AIDS residing in Brazil, including foreigners.

Between 1980 and June 2011, approximately 608 thousand cases (accumulated) have been reported in Brazil – 65.4% of them being among men and 34.6% women. According to the Ministry of Health (2011), the gender ratio of the epidemic has become significantly more even in the course of the years. In 1985, the ratio was of 1 female case for every 26 male cases. In 2010, the ration had dropped to 1.7 men for each infected woman.

The HIV Prevalence Rate for the population aged 15 to 49, which early in the 1990s was 0.5% has remained stable at 0.6% since 2004, being 0.4% among women and 0.8% among men. It is important to stress that, in order to carry out an international comparison, this data has been rendered completely compatible with those in the *Report on the Global AIDS Epidemic* elaborated by the Joint United Nations Programme on HIV/AIDS (UNAIDS) in cooperation with the World Health Organization (WHO).

With the intent of understanding the behavior of the evolution of AIDS in an important and vulnerable working age cohort (15 to 49 years old) and at the same time using regionalized indicators, the AIDS Prevalence Rate (per 100 thousand inhabitants) among youths aged 15 to 24 will be analyzed next.

According to the data shown in Table 14, the AIDS Prevalence Rate among youths aged 15 to 24 increased from 9.2 to 9.5 per 100,000 in habitants between 2004 and 2010. In this last year, Brazil had recorded 3.2 thousand infected youths.<sup>13</sup>

The behavior of the occurrence of AIDS among youth was not evenly distributed in the regions of the country during the period analyzed. The Prevalence Rate increased in the North (from 9.3 to 12.8 per 100 thousand inhabitants) and Northeast (from 5.3 to 6.9) Regions and decreased in all other regions. Despite this trend, the highest rate in 2010 referred to the South Region (14.3 cases, on average, for each 100 thousand youths), and the lowest was observed in the Northeast (6.9 per 100 thousand).

Among the Federation Units, the significant increase of cases in the state of Amazonas stood out. The rate there soared from 14.4 to 25.3 per 100 thousand youths between 2004 and 2010. During this period, the number of cases reported in the state went from 99 to 178. As a result, Amazonas now has the highest rate in Brazil.

In all states of the Northeast Region, the rate expanded between 2004 and 2010, especially in Rio Grande do Norte – where it almost tripled, from 2.5 to 7.3 per 100 thousand

<sup>13</sup> This figure refers to the cases reported to the health system.

inhabitants in only six years. In 2010, the highest rate in the region was observed in Pernambuco (9.2), whereas the lowest one in Sergipe (4.5).

With the exceptions of Rio de Janeiro and Paraná, in all states of the South and Southeast Regions, the AIDS prevalence rate among youths fell between 2004 and 2010. In spite of this overall downward trend, the rate was still considerably high in some states in 2010: Rio Grande do Sul (18.8 per 100 thousand, the second highest in the country), Rio de Janeiro (16.2 per 100 thousand, the third highest).

In 2010, the lowest levels of AIDS cases among youths were observed in Tocantins (3.3 per 100 thousand) Acre (4.1), Sergipe (4.5) and Paraíba (4.6 per 100 thousand youths).

**TABLE 14**

NUMBER OF HIV CASES AND PREVALENCE RATE PER 100,000 INHABITANTS AMONG YOUTHS FROM 15 TO 24 YEARS OLD, BY GEOGRAPHICAL AREA OF RESIDENCE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004-2010

| Geographical Area         | 2004         |             | 2006         |             | 2008         |             | 2010         |             |
|---------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
|                           | Nº           | Rate        | Nº           | Rate        | Nº           | Rate        | Nº           | Rate        |
| <b>Brazil</b>             | <b>3,312</b> | <b>9.2</b>  | <b>2,788</b> | <b>7.4</b>  | <b>3,330</b> | <b>9.6</b>  | <b>3,238</b> | <b>9.5</b>  |
| <b>North Region</b>       | <b>287</b>   | <b>9.3</b>  | <b>243</b>   | <b>7.4</b>  | <b>356</b>   | <b>11.4</b> | <b>410</b>   | <b>12.8</b> |
| Rondônia                  | 24           | 7.6         | 26           | 7.8         | 19           | 6.3         | 26           | 8.5         |
| Acre                      | 5            | 3.7         | 4            | 2.6         | 11           | 7.9         | 6            | 4.1         |
| Amazonas                  | 99           | 14.4        | 105          | 14.3        | 122          | 17.6        | 178          | 25.3        |
| Roraima                   | 13           | 16.4        | 11           | 12.6        | 17           | 20.5        | 17           | 18.8        |
| Pará                      | 124          | 8.5         | 83           | 5.3         | 155          | 10.2        | 160          | 10.4        |
| Amapá                     | 13           | 10.5        | 5            | 3.6         | 21           | 16.2        | 14           | 9.9         |
| Tocantins                 | 9            | 3.3         | 9            | 3.1         | 11           | 4.2         | 9            | 3.3         |
| <b>Northeast Region</b>   | <b>560</b>   | <b>5.3</b>  | <b>529</b>   | <b>4.8</b>  | <b>654</b>   | <b>6.2</b>  | <b>699</b>   | <b>6.9</b>  |
| Maranhão                  | 89           | 6.7         | 87           | 6.3         | 86           | 6.3         | 100          | 7.5         |
| Piauí                     | 31           | 4.8         | 35           | 5.3         | 37           | 5.8         | 37           | 6.1         |
| Ceará                     | 105          | 6.6         | 67           | 4.0         | 124          | 7.3         | 128          | 7.7         |
| Rio Grande do Norte       | 15           | 2.5         | 22           | 3.5         | 22           | 3.6         | 44           | 7.3         |
| Paraíba                   | 29           | 4.0         | 20           | 2.7         | 35           | 4.7         | 32           | 4.6         |
| Pernambuco                | 129          | 7.5         | 129          | 7.3         | 131          | 7.8         | 150          | 9.2         |
| Alagoas                   | 24           | 3.8         | 34           | 5.2         | 48           | 7.8         | 36           | 6.0         |
| Sergipe                   | 17           | 4.2         | 19           | 4.4         | 28           | 7.1         | 18           | 4.5         |
| Bahia                     | 121          | 4.0         | 116          | 3.7         | 143          | 5.0         | 154          | 5.9         |
| <b>Southeast Region</b>   | <b>1,391</b> | <b>9.4</b>  | <b>1,158</b> | <b>7.5</b>  | <b>1,342</b> | <b>9.9</b>  | <b>1,253</b> | <b>9.2</b>  |
| Minas Gerais              | 207          | 5.6         | 175          | 4.5         | 188          | 5.3         | 191          | 5.5         |
| Espírito Santo            | 56           | 8.3         | 55           | 7.7         | 48           | 7.6         | 47           | 7.5         |
| Rio de Janeiro            | 403          | 14.7        | 352          | 12.4        | 376          | 15.0        | 418          | 16.2        |
| São Paulo                 | 725          | 9.5         | 576          | 7.2         | 730          | 10.6        | 597          | 8.6         |
| <b>South Region</b>       | <b>795</b>   | <b>16.3</b> | <b>647</b>   | <b>12.7</b> | <b>778</b>   | <b>16.2</b> | <b>672</b>   | <b>14.3</b> |
| Paraná                    | 223          | 11.7        | 178          | 9.0         | 304          | 16.1        | 214          | 11.7        |
| Santa Catarina            | 172          | 15.9        | 144          | 12.7        | 130          | 12.0        | 130          | 11.7        |
| Rio Grande do Sul         | 400          | 21.0        | 325          | 16.5        | 344          | 18.9        | 328          | 18.8        |
| <b>Center-West Region</b> | <b>279</b>   | <b>10.7</b> | <b>210</b>   | <b>7.6</b>  | <b>200</b>   | <b>7.9</b>  | <b>204</b>   | <b>7.9</b>  |
| Mato Grosso do Sul        | 51           | 11.7        | 38           | 8.3         | 40           | 9.2         | 25           | 5.6         |
| Mato Grosso               | 79           | 14.0        | 38           | 6.4         | 59           | 10.4        | 56           | 9.8         |
| Goiás                     | 109          | 9.8         | 101          | 8.6         | 70           | 6.6         | 75           | 6.9         |
| Federal District          | 40           | 8.0         | 33           | 6.2         | 31           | 6.5         | 48           | 10.3        |

Source: IBGE – PNAD



In the same year, the AIDS Prevalence Rate among youths aged 15 to 24 was of 2 cases per 100 thousand inhabitants, for men, and 1.6 for women. With respect to gender ratio, in this cohort, the last 20 years saw a decline in the gap between men and women. In 1990, for every female case of AIDS, there were 3.7 male cases. In 2010, this ratio dropped to 1.4 men for each infected young woman.

# 2 EMPLOYMENT OPPORTUNITIES

The promotion of opportunities for men and women to access Decent Work is one of the main pillars of Brazil's much needed strategy to overcome poverty, hunger and social inequality. Work is one of the main links between economic and social development. It is indeed one of the principle mechanisms for ensuring effective distribution of the benefits of such development among people.

In Brazil, according to the data collected by the Household Budget Survey (Pesquisa de Orçamentos Familiares – POF) for 2008 and 2009, conducted by the Brazilian Institute of Geography and Statistics, roughly 61.0% of family incomes is derived from earnings generated by labor. This means that a major portion of incomes, and the livelihoods of individuals, stem essentially from earnings generated in the labor market. In addition to adequate earnings, Decent Work also assumes access to rights associated to labor and to social protection and, when combined with increases in productivity and equality of opportunity and treatment in work, has the potential of exponentially reducing extreme poverty and hunger by ensuring more and more evenly distributed income. For this reason, therefore, the promotion of Decent Work must be furthered in the struggle against poverty and inequality<sup>14</sup>.

Employment and work opportunities thus represent one of the main pillars for the promotion of Decent Work. The main indicators used to assess employment opportunities within the scope of this report are labor force participation rates, the employment-to-population ratio, the rate of formality, youth-related indicators and the unemployment rate (see Legal Framework Indicator 21 'Administration of Labor', Annex p. 392).

## BEHAVIOR OF LABOR MARKET SHARE AND EVOLUTION OF EMPLOYMENT

In general terms, the supply of labor is determined by the size of the population (resulting from earlier rates of population growth and net migration), by the population structure by age and sex, determined by the dynamics of fertility, mortality and migration; and by the behavior of participation rates (proportion of economically active persons in relation to persons of working age) by age and sex, which, in turn, is influenced by economic, social, and cultural factors.

Traditionally, women have a lower participation in the labor force than men due to factors that include hard-to-change cultural barriers and a sexual division of labor which expects

<sup>14</sup> See Superar la pobreza mediante el trabajo, Memoria del Director General, Conferencia Internacional del Trabajo, 91ª Reunión, Oficina Internacional del Trabajo, 2003, Ginebra.

women to be in charge of care-taking tasks and social reproduction in the domestic realm of the household, which are not considered employment. Women thus have less time to look for work in the labor market.

It must also be stressed that the concept of employment is narrowly based on a definition of economic activities and fails to encompass activities most often performed by women, who contribute to personal and family well-being and incomes. Therefore many women workers are classified as economically “inactive.” In view of this “invisibility of women’s work” a significant portion of the work performed by women is underreported and not reflected in the labor force participation rate. Using PNAD information, it is possible to observe the real dimensions of underreporting of women’s work. In Brazil, in 2009, the total contingent of 23.1 million women between ages of 16 and 64 classified as “inactive” – roughly 92.0% (21.2 million) performed domestic tasks, whereas among inactive men, only 48.6% performed such tasks<sup>15</sup>. The invisibility of women’s work becomes even more apparent when we consider that economically “inactive” Brazilian women spent an average 33.3 hours per week working at domestic tasks.

Nonetheless, women’s participation in the labor force<sup>16</sup> has increased much more rapidly than that of men. Indeed, as shown in Table 15, women’s participation in the work force increased from 57.0% in 1992, to 62.9% in 2004 and then 64.8% in 2009. Men’s participation, on the other hand, declined from 90.0% in 1992, to 86.8% in 2004, and stayed practically the same until 2009 (86.7%).

As a result of these opposite trends, there has been a closing gap between participation of women and men (from 24 percentage points, in 2004, to 21.9 percentage points, in 2009) and the total labor force participation rate underwent slight growth from 73.0% in 1992 to 74.4% in 2004 and 75.3% in 2009. As a consequence of their greater participation in the labor force, women represented 44.5% of Brazilian labor force in 2009, compare to 40.0% in 1992.

In urban areas, the rate increased from 73.3% to 74.9% between 2004 and 2009, being that in areas classified as rural, there was a decline from 80.6% to 77.8% during the same period.

Among the larger geographical areas, it was possible to observe the expansion of this rate in the Southeast - 2.1 percentage points (p.p.) - and in the Center-West (1.5 p.p.) Regions. On the other hand, the rate underwent a slight decrease in the North (-1.1 p.p.) and Northeast (-0.2 p.p.) whereas it remained stable in the South Region. In 2009, the labor participation rate ranged between 72.4% in the Northeast Region and 78.7% in the South Region of Brazil (Table 15).

<sup>15</sup> Domestic tasks encompass performance, within the home, of non-economic tasks (i.e., that do not fulfill requisites under the concept of employment): tidying or cleaning the home, cooking, washing clothes, taking care of children and the elderly, as well as managing the home.

<sup>16</sup> It corresponds to the percentage of the Economically Active Population (PEA) ages 16 to 64 in relation to the Working Age Population (PIA) in the same age range.

TABLE 15

LABOR FORCE PARTICIPATION RATE (16 TO 64 YEARS OLD), BY SEX AND COLOR OR RACE, BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>74.4</b> | <b>86.8</b> | <b>62.9</b> | <b>74.4</b> | <b>74.5</b> | <b>75.3</b> | <b>86.7</b> | <b>64.8</b> | <b>75.4</b> | <b>75.2</b> |
| Urban Area              | 73.3        | 85.5        | 62.2        | 73.4        | 73.2        | 74.9        | 85.9        | 65.0        | 75.0        | 74.8        |
| Rural Area              | 80.6        | 93.1        | 66.7        | 81.7        | 79.9        | 77.8        | 90.8        | 63.4        | 78.6        | 77.3        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 74.7        | 88.6        | 60.8        | 74.9        | 74.6        | 73.6        | 86.8        | 60.9        | 73.5        | 73.6        |
| Northeast               | 72.6        | 86.1        | 60.0        | 71.4        | 73.1        | 72.4        | 85.8        | 60.0        | 71.0        | 73.0        |
| Southeast               | 73.9        | 85.8        | 62.9        | 73.1        | 75.1        | 76.0        | 86.2        | 66.4        | 75.2        | 77.0        |
| South                   | 78.7        | 89.4        | 68.5        | 78.8        | 78.0        | 78.7        | 88.3        | 69.6        | 78.8        | 78.5        |
| Center-West             | 75.7        | 88.7        | 63.5        | 75.2        | 76.1        | 77.2        | 88.8        | 66.4        | 76.5        | 77.7        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 76.9        | 90.2        | 63.8        | 75.7        | 77.6        | 76.8        | 89.8        | 64.4        | 76.4        | 77.0        |
| Acre                    | 76.7        | 88.8        | 64.5        | 78.8        | 76.2        | 76.0        | 88.2        | 64.2        | 76.1        | 75.9        |
| Amazonas                | 72.7        | 86.2        | 59.5        | 74.9        | 71.9        | 72.5        | 85.1        | 60.6        | 71.9        | 72.7        |
| Roraima                 | 67.4        | 81.3        | 52.4        | 72.7        | 65.7        | 74.4        | 85.3        | 64.4        | 76.1        | 73.7        |
| Pará                    | 74.7        | 89.4        | 60.0        | 73.9        | 74.9        | 72.2        | 86.9        | 58.2        | 72.5        | 72.0        |
| Amapá                   | 69.2        | 81.5        | 57.5        | 68.8        | 69.4        | 69.4        | 80.0        | 59.0        | 66.7        | 70.4        |
| Tocantins               | 80.0        | 92.4        | 67.1        | 79.8        | 80.0        | 80.7        | 90.1        | 71.2        | 78.4        | 81.5        |
| Maranhão                | 74.2        | 86.3        | 63.3        | 73.0        | 74.6        | 70.2        | 86.3        | 55.3        | 68.5        | 70.7        |
| Piauí                   | 79.1        | 90.3        | 68.1        | 78.0        | 79.5        | 77.9        | 88.8        | 68.1        | 77.4        | 78.1        |
| Ceará                   | 73.4        | 86.5        | 61.3        | 73.2        | 73.5        | 74.3        | 86.7        | 63.0        | 73.8        | 74.6        |
| Rio Grande do Norte     | 66.4        | 80.1        | 53.5        | 66.5        | 66.4        | 72.8        | 86.2        | 59.6        | 73.2        | 72.5        |
| Paraíba                 | 69.3        | 83.6        | 56.0        | 68.6        | 69.7        | 65.5        | 81.7        | 50.4        | 65.3        | 65.6        |
| Pernambuco              | 69.8        | 85.0        | 56.3        | 69.8        | 69.8        | 68.3        | 83.5        | 54.8        | 66.5        | 69.3        |
| Alagoas                 | 66.2        | 83.2        | 50.6        | 64.6        | 67.1        | 65.5        | 82.1        | 50.6        | 65.2        | 65.6        |
| Sergipe                 | 76.9        | 89.0        | 65.8        | 75.1        | 77.6        | 73.4        | 84.4        | 63.2        | 72.9        | 73.6        |
| Bahia                   | 74.8        | 87.6        | 62.3        | 73.9        | 75.0        | 76.6        | 87.8        | 66.0        | 75.5        | 76.9        |
| Minas Gerais            | 75.4        | 86.4        | 65.1        | 74.6        | 76.3        | 77.8        | 87.1        | 69.0        | 76.7        | 78.6        |
| Espírito Santo          | 76.7        | 88.6        | 65.4        | 78.3        | 75.4        | 78.1        | 87.8        | 68.9        | 78.4        | 77.9        |
| Rio de Janeiro          | 71.2        | 83.9        | 60.3        | 71.0        | 71.6        | 71.9        | 83.6        | 61.6        | 71.2        | 72.8        |
| São Paulo               | 73.9        | 86.0        | 62.7        | 73.0        | 76.2        | 76.5        | 86.6        | 66.9        | 75.8        | 77.7        |
| Paraná                  | 78.1        | 89.8        | 66.8        | 78.0        | 78.3        | 78.1        | 89.2        | 67.7        | 78.2        | 77.7        |
| Santa Catarina          | 79.0        | 89.7        | 68.8        | 79.2        | 78.1        | 79.7        | 88.6        | 70.9        | 79.5        | 81.2        |
| Rio Grande do Sul       | 79.1        | 88.8        | 69.9        | 79.4        | 77.3        | 78.8        | 87.2        | 70.8        | 78.8        | 78.5        |
| Mato Grosso do Sul      | 76.2        | 89.6        | 63.9        | 75.7        | 76.7        | 78.6        | 89.6        | 68.4        | 77.9        | 79.3        |
| Mato Grosso             | 77.8        | 91.2        | 64.6        | 77.1        | 78.3        | 76.8        | 89.6        | 64.1        | 77.6        | 76.2        |
| Goiás                   | 75.4        | 89.3        | 62.1        | 74.9        | 75.8        | 77.9        | 89.6        | 66.9        | 76.6        | 78.7        |
| Federal District        | 73.3        | 83.2        | 65.1        | 73.3        | 73.4        | 75.0        | 85.2        | 66.1        | 73.7        | 76.0        |

Source: IBGE - PNAD

Considering the entire set of 27 Federation Units of Brazil, the indicators show that, in 15 of the them, the participation rates expanded between 2004 and 2009, especially in the states of Roraima (from 67.4% to 74.4%) and Rio Grande do Norte (from 66.4% to 72.8%).

Among those in which labor participation fell, the declines in Maranhão (from 74.2% to 70.2%) and Pará (from 74.7% to 72.2%) stood out.

In 2009, the highest rates were observed in Tocantins (80.7%) and Santa Catarina (79.7%) and the lowest in Alagoas and Paraíba (both with 65.5%).

The highest women's labor participation rate in 2009 could be found in Tocantins (71.2%) and in Rio Grande do Sul and Santa Catarina – both roughly 71.0%. At the opposite end of the spectrum, female inclusion in the labor market was a lot less significant in Paraíba (50.4%) and Alagoas (50.6%) – where only half of women of working age actively participated in the labor market.

The analysis of the total level of employment<sup>17</sup> shows that the national rate rose from 67.8% to 69.0% between 2004 and 2009, according to Table 16. But the speed of growth was not the same for men and women. The growth of the employment level of women (from 55.5% to 57.5%) was stronger than that of men (80.9% to 81.3%). As a consequence, the gap between the employment levels between men and women was closed in 1.6 percentage point during this period; it fell from 25.4 to 23.8 percentage points between 2004 and 2009.

With respect to color/race, it is possible to observe that the rate of employment increased indistinctly. However, in 2009, the rate among White women (59.3%) was 3.5 percentage points higher than that for black women (55.8%).

Considering the larger geographical regions, the levels of employment underwent significant expansion – from 3.1 p.p, in the Southeast Region (climbing from 66.2% to 69.3% between 2004 and 2009) and less accentuated expansion in Center-West (1.7 p.p), whereas in the North Region, it underwent a decline (-2.1 p.p) since the level of employment fell from 69.3% to 67.2%. The rates remained relatively stable in the South and Northeast Regions.

As a result of these trends, in 2009, the rate of employment ranged from 65.7% (Northeast Region) to 74.0% (South Region).

Regarding the place of residence, opposite trends could be observed between the years 2004 and 2009. While the level of occupation increased from 65.8% to 67.9% in urban areas, it underwent a decline from 78.3% to 75.1% in rural areas. These results were influenced by a 3.1 p.p, and 1.7 p.p expansion of employment level in the Southeast and Center-West Regions, respectively, compared to the abovementioned decline in the North Region (-1.6 p.p.) and stability in the Northeast Region. Insofar as the Southeast and Center-West are more urbanized (92.2% and 87.9%, respectively, of the population as of 2009) compared to North (77.9%) and Northeast Regions (72.8%), these trends contributed towards the increase of the level of employment in urban areas and its decline in rural ones.

Among Federation Units, the behavior of the level of employment between 2004 and 2009 was fairly uneven since, in 14 UFs, declines were observed, whereas, in 13 other UFs, there were increases. Among the positive variations, the highest ones were found in Roraima (+5.6 p.p.), in Rio Grande do Norte (+4.7 p.p.) and in the Federal District (+3.7 p.p.).

As for negative variations, the largest declines occurred in Maranhão (-4.2 p. p.), Sergipe (-4.0 p.p.) and Pará (-3.8 p.p.).

It must be stressed that, as mentioned in the previous chapter on economic and social context, the information of the 2009 PNAD still reflects the international crisis and its effects on the labor market, which more clearly translated into the decline of indicators of

<sup>17</sup> Ratio of those ages 16 to 64 employed to PIA of the same cohort, multiplied by 100.

level of employment and unemployment rate in some of the country's geographical areas. However, the 2011 PNAD is expected to show a reversal of this trend. Indeed, other labor statistics (as the PME, the RAIS, and the CAGED) indicate that the labor market not only recovered but also expanded compared to pre-crisis levels, as the next topic will show. These considerations must be taken into account in the next topic on the analysis of the behavior of unemployment.

TABLE 16

LEVEL OF EMPLOYMENT OF POPULATION AGED 16 TO 64, BY SEX AND COLOR OR RACE, BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

In %

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>67.8</b> | <b>80.9</b> | <b>55.5</b> | <b>68.4</b> | <b>67.0</b> | <b>69.0</b> | <b>81.3</b> | <b>57.5</b> | <b>69.9</b> | <b>68.2</b> |
| Urban Area              | 65.8        | 78.7        | 54.1        | 66.9        | 64.5        | 67.9        | 79.9        | 57.1        | 69.1        | 66.8        |
| Rural Area              | 78.3        | 91.5        | 63.6        | 79.5        | 77.5        | 75.1        | 88.7        | 60.2        | 76.2        | 74.5        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 69.3        | 84.6        | 54.1        | 69.0        | 69.4        | 67.2        | 81.4        | 53.6        | 67.6        | 67.1        |
| Northeast               | 65.8        | 79.9        | 52.6        | 65.4        | 66.0        | 65.7        | 80.0        | 52.6        | 65.1        | 66.0        |
| Southeast               | 66.2        | 78.8        | 54.6        | 66.3        | 66.1        | 69.3        | 80.6        | 58.7        | 69.2        | 69.4        |
| South                   | 74.2        | 85.4        | 63.4        | 74.6        | 72.0        | 74.0        | 84.3        | 64.3        | 74.4        | 72.5        |
| Center-West             | 69.6        | 83.7        | 56.5        | 70.0        | 69.4        | 71.3        | 83.9        | 59.5        | 71.5        | 71.1        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 73.6        | 87.8        | 59.5        | 73.3        | 73.7        | 71.6        | 85.7        | 58.0        | 71.9        | 71.4        |
| Acre                    | 71.4        | 84.1        | 58.4        | 74.2        | 70.6        | 71.3        | 84.1        | 59.0        | 71.2        | 71.4        |
| Amazonas                | 65.1        | 80.9        | 49.6        | 65.4        | 65.0        | 64.9        | 78.6        | 51.9        | 64.3        | 65.1        |
| Roraima                 | 61.7        | 76.9        | 45.3        | 67.7        | 59.7        | 67.3        | 81.3        | 54.5        | 69.5        | 66.5        |
| Pará                    | 69.8        | 85.8        | 54.0        | 68.3        | 70.2        | 66.0        | 81.4        | 51.3        | 66.8        | 65.9        |
| Amapá                   | 59.9        | 73.1        | 47.4        | 60.2        | 59.9        | 60.1        | 72.4        | 47.9        | 56.0        | 61.5        |
| Tocantins               | 76.5        | 90.2        | 62.3        | 76.0        | 76.7        | 75.8        | 86.6        | 64.7        | 74.7        | 76.2        |
| Maranhão                | 69.0        | 82.0        | 57.3        | 68.5        | 69.1        | 64.8        | 81.4        | 49.6        | 64.6        | 64.9        |
| Piauí                   | 75.8        | 87.9        | 64.0        | 75.4        | 75.9        | 74.4        | 86.0        | 63.9        | 73.9        | 74.6        |
| Ceará                   | 67.4        | 80.8        | 55.1        | 67.9        | 67.2        | 69.0        | 81.9        | 57.3        | 68.2        | 69.4        |
| Rio Grande do Norte     | 60.6        | 73.8        | 48.1        | 61.2        | 60.2        | 65.3        | 79.1        | 51.7        | 65.0        | 65.4        |
| Paráíba                 | 63.0        | 77.6        | 49.4        | 62.7        | 63.2        | 60.0        | 76.5        | 44.6        | 59.8        | 60.1        |
| Pernambuco              | 61.7        | 77.2        | 48.0        | 62.6        | 61.2        | 59.7        | 76.2        | 45.1        | 58.9        | 60.2        |
| Alagoas                 | 59.8        | 77.1        | 43.9        | 58.1        | 60.8        | 58.6        | 75.3        | 43.6        | 59.3        | 58.4        |
| Sergipe                 | 68.8        | 82.5        | 56.3        | 67.3        | 69.6        | 64.8        | 76.9        | 53.6        | 66.9        | 63.9        |
| Bahia                   | 66.6        | 80.6        | 52.8        | 67.2        | 66.4        | 69.2        | 81.8        | 57.3        | 70.1        | 69.0        |
| Minas Gerais            | 68.9        | 80.6        | 57.8        | 68.7        | 69.0        | 72.1        | 82.4        | 62.4        | 72.2        | 72.1        |
| Espírito Santo          | 71.1        | 83.6        | 59.2        | 73.8        | 68.9        | 72.0        | 82.9        | 61.7        | 73.5        | 71.0        |
| Rio de Janeiro          | 63.1        | 76.4        | 51.7        | 63.6        | 62.5        | 65.3        | 78.3        | 53.7        | 65.6        | 64.9        |
| São Paulo               | 65.7        | 78.5        | 53.9        | 65.9        | 65.1        | 69.2        | 80.4        | 58.7        | 69.2        | 69.4        |
| Paraná                  | 73.3        | 85.4        | 61.8        | 73.6        | 72.6        | 73.3        | 84.9        | 62.5        | 73.6        | 72.5        |
| Santa Catarina          | 75.5        | 86.6        | 64.7        | 75.8        | 72.7        | 75.6        | 85.3        | 66.1        | 75.9        | 73.5        |
| Rio Grande do Sul       | 74.3        | 84.9        | 64.2        | 74.8        | 70.5        | 73.9        | 83.1        | 65.1        | 74.3        | 72.1        |
| Mato Grosso do Sul      | 71.0        | 84.9        | 58.1        | 71.1        | 70.9        | 73.3        | 85.0        | 62.3        | 73.5        | 73.1        |
| Mato Grosso             | 73.6        | 88.2        | 59.2        | 73.5        | 73.6        | 72.2        | 85.8        | 58.8        | 74.4        | 70.8        |
| Goiás                   | 70.0        | 84.6        | 56.0        | 70.0        | 70.0        | 72.0        | 84.9        | 60.0        | 71.2        | 72.6        |
| Federal District        | 63.0        | 74.6        | 53.4        | 65.2        | 61.2        | 66.7        | 78.3        | 56.6        | 66.8        | 66.7        |

Source: IBGE - PNAD

## BEHAVIOR OF UNEMPLOYMENT

In Brazil, during the first half of the 2000s, the rate of unemployment remained high, reaching two-digit figures. In addition to the low levels of GDP growth, unemployment was also spurred by a greater availability of workers in the labor market during this period, despite the declining speed of growth of the working age population, compared to the 1990s.

Given the acceleration of economic growth after 2005, combined with a greater output-job ratio and successive increments of formal employment, the unemployment rate starts falling again. In fact, the Unemployment Rate, which in 2004 was 9.0%, falls to 8.5% in 2006 and then declines more rapidly by the time it reaches 7.2% in 2008. In 2009, as a direct consequence of the international financial crisis, the downward trend of the unemployment rate was interrupted and the rate calculated based on PNAD information increased 1.2 percentage point, reaching 8.4%<sup>18</sup>.

As emphasized by the ILO (2011a), and already analyzed in the previous chapter of this report, *Economic and Social Context*, Brazil was not immune from the impacts of the crisis and was affected by three transmission mechanisms: (i) the decline of the value of exports, due to the collapse of foreign demand and commodity prices; (ii) the shortage of credit and liquidity in the developed economies and international financial markets, curtailing foreign credit lines (including those for trade) and in the outflow of foreign portfolio investment; (iii) the accentuated decline of domestic credit lines. The economy, previously growing at an annual rate of 7.0% in the third trimester of 2008, dramatically slowed down to an annual rate of 2.0%, in the first trimester of 2009. Industrial output was the most severely affected, with particularly intense impacts in the most credit-dependent sectors, such as the durable consumer goods sector. In fact, industrial output shrank almost 20.0% in the last trimester of 2008 and in the first trimester of 2009. The labor market was also significantly affected:

- From November to December 2008, roughly 700 thousand formal jobs were lost – losses were 3.6 times greater compared to the same months of the previous year.
- In the six largest metropolitan areas of Brazil, 594 thousand jobs (or 2.8% of the total) were lost between December 2008 and April 2009. Consequently, the unemployment level<sup>19</sup>, according to the Monthly Employment Survey - PME) carried out by IBGE, increased 9.0% in March 2009 (0.4 percentage point above the level of March 2008).
- The impact on the industrial sector was particularly pronounced: between November 2009 and March 2010, half a million formal jobs in industry were lost.

Data from the PNAD shows that the crisis equally affected men (for whom the Unemployment Rate increased from 5.2% in 2008 to 6.2% in 2009) and women (from 9.7% to 11.1%, during the same period). Among white working men and women, unemployment

<sup>18</sup> The financial markets crashed on 14 September 2008 after Lehman Brothers – the fourth largest commercial bank in the United States - declared bankruptcy. As usual, the month of reference for the PNAD in 2008 was September. In turn, the week of reference of the survey – for to which the Unemployment Rate refers – was the week of 21-27 September 2008. In view of this situation, the information of the PNAD for 2008 still did not reflect the more immediate effects of the crisis on the labor market.

<sup>19</sup> Refers to the six metropolitan areas investigated by the PME: Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre.

increased from 6.3% to 7.3% and among black men and women from 7.9% to 9.4%. Among black women – who already had a high rate of 10.9% in 2008 – unemployment increased to 12.8% in 2009.

As a whole, these indicators reflect the situation of the labor market in September 2009. However, as it shall be shown next, Brazil rapidly recovered from the nefarious effects of the crisis and levels of output and job creation rapidly returned to pre-crisis levels, causing the unemployment rate to fall once again decline, resuming the trend it had been following since the second half of the decade. Since the PNAD was not conducted in 2010 because of the demographic census, the analysis of the behavior of unemployment immediately after the crisis will be made based on information collected by the PME.

The economic recession in Brazil lasted only two quarters – the economy grew 4.2% in the fourth quarter of 2009 and GDP increased by 7.5% during 2010, at a speed superior to pre-crisis levels, in fact. Unlike other countries, the recovery of the labor market in Brazil began before recovery of the GDP, which helped stimulate aggregate demand and recoup most losses caused by the crisis.

Employment resumed growth in February 2009 and, by the end of the year, Brazil had created 1.76 million new formal job posts. Employment continued growing at an accelerated pace in 2010, with the creation of 2.86 million working contracts formalized in the course of the year – a record-breaking mark. This performance translated into an expansion of 6.94% in relation to the stock of already existing contracts as of December 2009.

The unemployment rate in the six largest metropolitan areas of the country started receding in April 2009 and continued declining rapidly throughout 2009, reaching 6.8% in December. The average for the year was 8.1% - still somewhat higher than 2008 (7.9%).

Although the rate rose in the beginning of 2010, as more people entered the market seeking jobs – by September 2010 the rate had declined to 6.2% - well below the pre-crisis level of 7.6%, registered in September 2008, as measured by the PME – and ended the year with a 6.7% average, the lowest in the period from 2003 to 2010. In 2011, the downward trend was sustained as the rate lowered to 6.0%

The weaker performance of the industry was also partially compensated by more vigorous growth of employment in the services sector, where the impact of the crisis was barely felt and employment continued expanded, almost without interruption, during the entire period.

Furthermore, Brazil was also successful in avoiding the growth of informal employment – that is jobs without signed contracts. During periods of crisis, workers often resort to this kind of work in order to compensate for income losses. Experience shows that, in general terms, once established for a long time, this is a hard pattern to break for workers. However, in Brazil, the increase of the informal employment rate resumed its downward trajectory from the pre-crisis period. For example, in six of the main metropolitan areas, the number of workers without signed contracts decreased by 280 thousand (or 6.5%) between August 2008 and August 2010 (OIT, 2011a).

In sum, the unemployment rate in 2009, measured by the PNAD in September (9.0%), despite the abovementioned temporary increase in the first months of this year, was 0.6 percentage points lower than that of 2004 (8.4%) as seen in Table 17.



The unemployment rate in 2009 for urban areas (9.3%) was considerably higher than that of the rural area (3.4%), despite the slight 1.0 percentage point decline in urban areas and the slight expansion (0.5 p.p.) in areas classified as rural

Considering Brazilian regions, it was possible to observe, between 2004 and 2009, a slight decline of the unemployment rate in the Northeast, Southeast and Center-West Regions, a slight increase in the South and 1.5 percentage point increase in the North Region. In 2009, the highest rate occurred in the Northeast (9.2%) and the lowest in the South Region (6.0%).

Among the Federation Units, the rates increased more significantly in Rondônia (+2.6 p.p.) and Pará (+2.1 p.p.), and dropped more drastically in the Federal District (-3.0 p.p.) and Rio de Janeiro (-2.1 p.p.). In 2009, the highest unemployment rates occurred in Amapá (13.5%) Pernambuco (12.5%) and Sergipe (11.7%), and lowest rates could be found in Piauí (4.6%) and Santa Catarina (5.2%).

In all 27 Federation Units, unemployment rate for women was higher than that for men. The percentage point gap was as high as 10.7 in Roraima in 2009 (being 15.4% among women and 4.7% for men). This gap was also significant in the state of Amapá (9.3 p.p.) and in Pernambuco (9.0 p.p.). In both UFs, it was possible to observe higher unemployment rates among women: 18.8% in Amapá and 17.7% in Pernambuco.

The highest unemployment rate among women –despite higher schooling levels – is directly related to more limited access to certain kinds of jobs due to stereotypes and gender inequality, as well as the obstacles standing in the way of certain jobs because of the need to reconcile work and family, as caretaking is a task for which women are still predominantly responsible<sup>20</sup>.

Unemployment was higher among the black working population (9.4%, compared to 7.3% for whites). Among black women, this rate was even higher (12.8%) especially compared to the corresponding rate for white men (5.5%). Among black working women in the state of Sergipe, the unemployment rate was significantly high: 17.6%.

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<sup>20</sup> See Chapter on Combining Work, Family and Personal Life.

TABLE 17

UNEMPLOYMENT RATE FOR POPULATION AGED 16 TO 64, BY SEX AND COLOR OR RACE,  
BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004       |            |             |            |             | 2009       |            |             |            |            |
|-------------------------|------------|------------|-------------|------------|-------------|------------|------------|-------------|------------|------------|
|                         | Total      | Men        | Women       | White      | Black       | Total      | Men        | Women       | White      | Black      |
| <b>Brazil</b>           | <b>9.0</b> | <b>6.8</b> | <b>11.8</b> | <b>8.0</b> | <b>10.1</b> | <b>8.4</b> | <b>6.2</b> | <b>11.1</b> | <b>7.3</b> | <b>9.4</b> |
| Urban Area              | 10.3       | 8.0        | 13.1        | 8.8        | 12.0        | 9.3        | 7.0        | 12.1        | 7.9        | 10.7       |
| Rural Area              | 2.9        | 1.7        | 4.6         | 2.7        | 3.0         | 3.4        | 2.3        | 5.2         | 3.1        | 3.6        |
| <b>Regions</b>          |            |            |             |            |             |            |            |             |            |            |
| North                   | 7.2        | 4.5        | 11.1        | 7.9        | 7.0         | 8.7        | 6.2        | 12.1        | 8.1        | 8.8        |
| Northeast               | 9.4        | 7.1        | 12.4        | 8.4        | 9.8         | 9.2        | 6.8        | 12.4        | 8.4        | 9.6        |
| Southeast               | 10.4       | 8.2        | 13.2        | 9.4        | 12.1        | 8.8        | 6.5        | 11.6        | 8.0        | 9.9        |
| South                   | 5.8        | 4.4        | 7.4         | 5.4        | 7.7         | 6.0        | 4.6        | 7.6         | 5.5        | 7.7        |
| Center-West             | 8.0        | 5.7        | 11.0        | 6.9        | 8.8         | 7.7        | 5.5        | 10.5        | 6.6        | 8.5        |
| <b>Federation Units</b> |            |            |             |            |             |            |            |             |            |            |
| Rondônia                | 4.3        | 2.7        | 6.7         | 3.1        | 5.0         | 6.9        | 4.6        | 9.9         | 5.9        | 7.4        |
| Acre                    | 7.0        | 5.3        | 9.4         | 5.7        | 7.3         | 6.1        | 4.7        | 8.0         | 6.6        | 5.9        |
| Amazonas                | 10.5       | 6.1        | 16.7        | 12.7       | 9.6         | 10.5       | 7.6        | 14.4        | 10.6       | 10.5       |
| Roraima                 | 8.5        | 5.4        | 13.6        | 6.9        | 9.1         | 9.5        | 4.7        | 15.4        | 8.7        | 9.8        |
| Pará                    | 6.5        | 4.1        | 10.1        | 7.7        | 6.2         | 8.6        | 6.4        | 11.7        | 7.8        | 8.6        |
| Amapá                   | 13.4       | 10.3       | 17.7        | 12.5       | 13.8        | 13.5       | 9.5        | 18.8        | 16.1       | 12.6       |
| Tocantins               | 4.3        | 2.4        | 7.1         | 4.8        | 4.2         | 6.2        | 3.9        | 9.1         | 4.7        | 6.6        |
| Maranhão                | 7.0        | 5.0        | 9.5         | 6.1        | 7.3         | 7.6        | 5.8        | 10.4        | 5.8        | 8.2        |
| Piauí                   | 4.2        | 2.8        | 6.1         | 3.4        | 4.5         | 4.6        | 3.2        | 6.2         | 4.6        | 4.6        |
| Ceará                   | 8.1        | 6.5        | 10.2        | 7.2        | 8.6         | 7.2        | 5.6        | 9.1         | 7.6        | 7.0        |
| Rio Grande do Norte     | 8.8        | 7.8        | 10.2        | 8.0        | 9.3         | 10.3       | 8.2        | 13.3        | 11.2       | 9.8        |
| Paraíba                 | 9.1        | 7.2        | 11.8        | 8.7        | 9.4         | 8.4        | 6.4        | 11.5        | 8.3        | 8.4        |
| Pernambuco              | 11.6       | 9.2        | 14.8        | 10.3       | 12.3        | 12.5       | 8.7        | 17.7        | 11.4       | 13.1       |
| Alagoas                 | 9.7        | 7.4        | 13.2        | 10.0       | 9.5         | 10.5       | 8.3        | 13.8        | 9.1        | 11.0       |
| Sergipe                 | 10.5       | 7.2        | 14.4        | 10.5       | 10.4        | 11.7       | 8.9        | 15.2        | 8.3        | 13.1       |
| Bahia                   | 11.0       | 7.9        | 15.2        | 9.1        | 11.5        | 9.6        | 6.8        | 13.2        | 7.2        | 10.3       |
| Minas Gerais            | 8.7        | 6.7        | 11.2        | 7.8        | 9.6         | 7.3        | 5.4        | 9.6         | 6.0        | 8.3        |
| Espírito Santo          | 7.3        | 5.7        | 9.4         | 5.7        | 8.6         | 7.8        | 5.6        | 10.4        | 6.2        | 8.9        |
| Rio de Janeiro          | 11.4       | 8.9        | 14.4        | 10.4       | 12.7        | 9.3        | 6.4        | 12.7        | 7.9        | 10.9       |
| São Paulo               | 11.1       | 8.8        | 14.1        | 9.8        | 14.5        | 9.5        | 7.1        | 12.4        | 8.7        | 10.7       |
| Paraná                  | 6.1        | 5.0        | 7.5         | 5.6        | 7.4         | 6.1        | 4.9        | 7.7         | 5.9        | 6.8        |
| Santa Catarina          | 4.5        | 3.4        | 5.9         | 4.3        | 6.9         | 5.2        | 3.8        | 6.9         | 4.5        | 9.4        |
| Rio Grande do Sul       | 6.1        | 4.4        | 8.2         | 5.8        | 8.8         | 6.3        | 4.7        | 8.0         | 5.8        | 8.2        |
| Mato Grosso do Sul      | 6.9        | 5.2        | 9.1         | 6.0        | 7.6         | 6.8        | 5.1        | 8.9         | 5.7        | 7.8        |
| Mato Grosso             | 5.5        | 3.3        | 8.4         | 4.7        | 5.9         | 5.9        | 4.2        | 8.2         | 4.1        | 7.1        |
| Goiás                   | 7.2        | 5.3        | 9.8         | 6.6        | 7.7         | 7.6        | 5.3        | 10.4        | 7.0        | 7.8        |
| Federal District        | 14.1       | 10.4       | 18.0        | 11.0       | 16.6        | 11.1       | 8.2        | 14.4        | 9.3        | 12.2       |

Source: IBGE - PNAD

## YOUTH AND DECENT LABOR

### Youth Unemployment

Decent Work is a right of the young generations, one that is fundamental in ensuring quality job opportunities for youths in the present, and also in building better working careers in the future. Work has an important role in the lives of young Brazilians. Indeed, even considering the reduction of participation in the labor market in the last years, roughly 21 million adolescents and youths aged 15 to 24 either worked or were seeking work in Brazil in the year 2009, according to PNAD data.

One of the main structural traits of the job market for young people in Brazil (as well as in other countries) is the prevalence of significantly higher unemployment rates compared to the adult population. Indeed, in 2009, when the total unemployment rate (which refers to workers aged 16 to 64) was 8.4% among youths (aged 15 to 24) it reached 17.8%, that is, twice as great.

The magnitude of the youth unemployment rate contributes – along with the structural representativeness of youths in the PEA – towards the significant number of youths among the total contingent of unemployed workers. In fact, in 2009, 46.3% (3.7 million) of the total of 8 million workers unemployed in Brazil were youths (aged 15 to 24).

The unemployment rate among youths declined from 18.1% to 15.5% between 2004 and 2008 (corresponding to 2.6 p.p.), following the same trend for the corresponding rate for the population aged 16 to 64 years old (which decreased from 9.0% to 7.2% during the same period). The unemployment rate dropped both among youths as among adults as a result of economic growth and the consequent favorable performance of the formal job market, as mentioned above.

Due to the immediate effects of the international financial crisis on production and on the job market, the youth unemployment rate, which was 15.5% in 2008, climbed to 17.8% in 2009, which represents a significant increase of 2.3 p.p. in just one year. The same behavior was observed among workers as a whole, as the total rate of unemployment soared from 7.2% to 8.4% (a 1.2 p.p. increase) in the period, as mentioned above.

The upward trend of youth unemployment in the context of the financial crisis was also observed internationally. The ILO Global Employment Trends for Youths 2010 Report showed that the unemployment rate for youths aged 15 to 24 increased from 11.9% in 2007 to 13.0% in 2009, raising to 81 million the contingent of unemployed youths – the highest on record.

The magnitude of unemployment among youths is directly related to demographic and structural features associated to the job market. From the perspective of supply, the demographic pressure created by the long-lasting effects of the “*youth wave*”<sup>21</sup> is still present.

This process will remain in place, albeit in lower intensity until the end of the next decade. In other words, from the perspective of supply, the challenge will be coping with the pressure for new jobs generated by demographic shifts entailed by the *youth wave*, at least until 2020, although it already started waning in the second half of the first decade

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<sup>21</sup> This occurred because the growth of the PIA and PEA was conditioned by previous years of high birth rates.

of the 2000s. In fact, the PNAD information shows that in 2006, for the first time in the last decades, the absolute number and the percentage of youths in the population structure simultaneously dropped, already a sign of the wave's weakening. Despite this inflection, and even considering rapid population ageing, approximately 17.5% of the Brazilian population was still made up of adolescents and youths between 15 and 24 years old in 2009.

The analysis of youth unemployment from the standpoint of gender, race/color and housing unit location (urban and rural) leads to the conclusion that its rates are significantly heterogeneous. In 2009, the rate of unemployment of young women (23.1%) was by far higher (9.2 p.p) than that of young men (13.9%), a gap that is almost equivalent to the one registered in 2004 (9.1 p.p), as illustrated by the information in Table 18.

The levels of occupation of black youths (18.8%) were also higher than that of white youths (16.6%) in 2009, being that this gap increased slightly between 2004 and 2009 (from 1.7 to 2.2 p.p). Inequality is even more significant among black female youths for whom the unemployment rate was as high as 25.3%, 12.2 p.p, higher than white male youths (13.1%).

Considering housing unit location, it is possible to observe that in 2009, in areas classified as urban, 19.7% of young workers were unemployed, while in rural areas this rate was significantly lower (7.9%). It is worthwhile noting that despite the lower rate of unemployment among youths in rural areas, the rate increased in the analyzed period, rising from 5.8% in 2004 to 7.9% in 2009, whereas for urban youths this rate dropped from 20.9% to 19.7%, in the same period.

Among regions, youth unemployment expanded in four of them, between 2004 and 2009, being that the most significant expansions occurred in the North Region, from 14.2% to 17.3% (3.1 p.p). The Southeast was the only region to undergo a decline in the unemployment rate (from 21.7% to 19.6%)

TABLE 18

UNEMPLOYMENT RATE AMONG YOUTHS AGED 15 TO 24, BY SEX AND COLOR OR RACE, BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>18.1</b> | <b>14.2</b> | <b>23.3</b> | <b>17.2</b> | <b>18.9</b> | <b>17.8</b> | <b>13.9</b> | <b>23.1</b> | <b>16.6</b> | <b>18.8</b> |
| Urban Area              | 20.9        | 17.1        | 25.7        | 18.9        | 22.9        | 19.7        | 15.9        | 24.5        | 17.9        | 21.3        |
| Rural Area              | 5.8         | 3.5         | 10.2        | 6.4         | 5.5         | 7.9         | 5.0         | 13.5        | 7.8         | 7.8         |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 14.2        | 9.0         | 22.8        | 17.8        | 13.2        | 17.3        | 13.4        | 23.1        | 17.6        | 16.9        |
| Northeast               | 17.2        | 13.2        | 23.2        | 16.7        | 17.4        | 17.9        | 13.8        | 24.0        | 17.7        | 18.0        |
| Southeast               | 21.7        | 18.2        | 25.9        | 20.0        | 24.0        | 19.6        | 15.3        | 25.0        | 18.2        | 21.1        |
| South                   | 12.6        | 9.9         | 16.3        | 12.2        | 14.6        | 13.5        | 10.7        | 17.0        | 13.0        | 15.3        |
| Center-West             | 16.5        | 11.7        | 22.7        | 15.4        | 17.2        | 17.2        | 13.2        | 22.5        | 15.6        | 18.1        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 9.1         | 6.2         | 12.7        | 8.8         | 9.2         | 13.9        | 9.8         | 19.8        | 13.4        | 14.2        |
| Acre                    | 14.0        | 11.3        | 18.4        | 11.7        | 14.7        | 14.3        | 9.4         | 22.0        | 17.7        | 13.2        |
| Amazonas                | 23.6        | 13.4        | 38.4        | 31.4        | 20.6        | 20.4        | 16.9        | 25.3        | 21.6        | 20.1        |
| Roraima                 | 12.9        | 7.1         | 22.7        | 12.5        | 13.0        | 17.2        | 10.5        | 27.2        | 20.5        | 16.0        |
| Pará                    | 11.8        | 7.7         | 19.1        | 14.7        | 11.1        | 17.1        | 13.8        | 22.3        | 17.9        | 16.3        |
| Amapá                   | 27.0        | 21.0        | 36.5        | 28.7        | 26.6        | 27.0        | 19.7        | 34.9        | 28.9        | 26.4        |
| Tocantins               | 8.6         | 5.0         | 14.7        | 9.0         | 8.5         | 13.5        | 9.6         | 19.3        | 9.3         | 14.7        |
| Maranhão                | 13.6        | 9.5         | 19.3        | 15.3        | 13.1        | 16.0        | 11.8        | 22.4        | 13.4        | 16.7        |
| Piauí                   | 8.2         | 5.5         | 12.5        | ...         | 9.0         | 9.8         | 6.6         | 14.1        | 13.7        | 8.6         |
| Ceará                   | 15.4        | 12.2        | 20.0        | 14.6        | 15.8        | 14.2        | 10.7        | 18.8        | 15.5        | 13.6        |
| Rio Grande do Norte     | 18.6        | 17.3        | 20.6        | 18.1        | 18.9        | 21.7        | 18.2        | 27.1        | 26.8        | 18.8        |
| Paraíba                 | 17.1        | 12.2        | 25.2        | 15.7        | 17.9        | 15.5        | 12.5        | 20.7        | 17.0        | 14.8        |
| Pernambuco              | 20.4        | 16.3        | 26.7        | 19.6        | 20.8        | 22.4        | 16.3        | 31.7        | 21.3        | 23.0        |
| Alagoas                 | 15.3        | 10.1        | 25.2        | 18.2        | 14.0        | 19.5        | 17.7        | 22.5        | 20.7        | 19.0        |
| Sergipe                 | 21.9        | 16.5        | 28.7        | 23.6        | 21.2        | 24.1        | 19.6        | 29.8        | 14.2        | 28.0        |
| Bahia                   | 19.4        | 15.1        | 26.3        | 17.6        | 19.9        | 18.9        | 14.4        | 25.3        | 16.4        | 19.5        |
| Minas Gerais            | 18.3        | 14.8        | 22.9        | 17.9        | 18.6        | 15.9        | 11.5        | 21.4        | 14.2        | 17.1        |
| Espírito Santo          | 15.6        | 14.0        | 17.8        | 13.1        | 17.5        | 16.9        | 13.7        | 21.2        | 12.8        | 19.5        |
| Rio de Janeiro          | 24.5        | 21.2        | 28.8        | 22.1        | 27.4        | 21.9        | 16.7        | 28.7        | 19.0        | 25.1        |
| São Paulo               | 23.1        | 19.5        | 27.2        | 20.6        | 28.4        | 20.9        | 16.8        | 26.1        | 19.6        | 22.9        |
| Paraná                  | 13.6        | 10.9        | 17.3        | 13.1        | 15.1        | 14.5        | 12.1        | 17.4        | 14.5        | 14.6        |
| Santa Catarina          | 9.0         | 7.2         | 11.3        | 8.7         | 11.4        | 11.5        | 9.4         | 14.3        | 10.6        | 16.9        |
| Rio Grande do Sul       | 13.9        | 10.4        | 18.3        | 13.6        | 15.2        | 13.9        | 10.3        | 18.4        | 13.5        | 15.7        |
| Mato Grosso do Sul      | 15.0        | 9.8         | 22.2        | 13.1        | 16.6        | 15.9        | 13.3        | 19.4        | 15.4        | 16.2        |
| Mato Grosso             | 10.9        | 8.3         | 14.6        | 11.6        | 10.6        | 12.6        | 10.1        | 16.3        | 9.0         | 14.8        |
| Goiás                   | 14.6        | 9.7         | 21.3        | 14.3        | 14.7        | 16.5        | 11.4        | 23.5        | 16.0        | 16.7        |
| Federal District        | 30.1        | 25.4        | 34.5        | 25.1        | 33.3        | 25.5        | 22.1        | 29.2        | 22.7        | 26.8        |

Source: IBGE - PNAD

The unemployment rate among youths increased between 2004 and 2009 in 17 out of 27 Federation Units, decreased in eight and remained constant in two (Amapá, with 27.0% and Rio Grande do Sul, with 13.9%).

The most significant variations in percentage points were found in Pará (+5.3), Tocantins (+4.9), Roraima (+4.3) – all located in the North Region. In Alagoas, expansion was also significant, given that the rate increased by 4.2 p.p, climbing from 15.3% to 19.5% between 2004 and 2009.

On the other hand, the most significant drops in youth unemployment rates during the second half of the 2000s were recorded in the Federal District (-4.6 p.p.), Amazonas (-3.2 p.p.) and Rio de Janeiro (-2.6 p.p.).

As a result of this array of trends, it is possible to observe, by the end of 2009, a significant variability in the magnitude of unemployment among youths in all national territory. Indeed, rates ranged from 9.8% in Piauí to 27.0% in Amapá, almost three times as much.

Among young women, rates were as high as 34.9% in Amapá and 29.8% in Sergipe. Furthermore, on this same year, among a group of ten UFs, the unemployment rate for young females was twice as much as that for men, as in Goiás (23.5% versus 11.4%). Acre (9.4% and 22.0%, respectively) and Piauí (6.6% and 14.1%, respectively), as shown in Table 18.

This set of indicators reveals that youth are more vulnerable to unemployment, which, even in situations of economic growth, remains higher compared to adult unemployment. This means that, although a necessary condition, economic growth alone does not necessarily solve the problem of unemployment among youth, particularly those in the lower income bracket, and women and blacks of both genders, in addition to youths in metropolitan areas and large urban centers.

### **Youths Who Neither Go to School Nor Work<sup>22</sup>**

In 2009, a significant contingent of 6.2 million youths (18.4% of the total) neither studied nor worked. This implies that almost 1 out of 5 Brazilian youths between 15 and 24 years old were in this situation. Although this percentage slightly decreased compared to 2004 (when this figure was 18.7%), it is still very high. What is more, this ratio has been resistant to decreases, even in a context of greater economic growth, formal employment and schooling increases, as it remained practically unchanged between 2004 and 2009.

The analysis of this indicator from the standpoint of gender and color/race reveals an even more concerning dimension for youths. In 2009, the share of adolescent women and youths who were not going to school nor working (24.8%) was twice as much as the share of men in the same situation (12.1%), as shown in Table 19. It is important to stress that in 2004 this gap was slightly bigger: 25.9% for women and 11.4% for men. However, it is possible to observe that between 2004 and 2009 this share decreased among women and increased among men.

The percentage gap was also higher (roughly 4.3 p.p) among black youths compared to white youths (20.4% versus 16.1%, in 2009) and further increased in the course of the period under analysis, since in 2004 the gaps fluctuated around 3.8 p.p., Another aspect worth mentioning is that by juxtaposing gender and race, inequalities become even more glaring: in the year 2009, among black women the share of those who did not go to school or work was 28.2%, approximately 7.0 p.p higher than white women (21.1%) and 2.5 times greater than young men (10.8%).

The significant disparity between the share of white men and women who neither went to school nor worked is highly conditioned by gender relations and its attendant stereotypes, which attribute women with the main responsibility for household tasks, further worsened

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<sup>22</sup> It refers to the set of youths aged 15 to 24 who were not going to school nor participating in the job market.

by the lack of reconciliation and co-responsibility policies in the realm of work and family. As a result, despite higher levels of schooling, female youths have higher unemployment and inactivity rates and the lowest rates of participation.

Much higher percentages of exclusion from school and the job market compared to men is strongly conditioned by the amount of work women devote to household tasks and those related to maternity, especially when pregnancy occurs during adolescence. In fact, in 2009, among young women classified as economically inactive and who did not go to school, more than half (53.5%) were already mothers and devoted, on average, 32.5 hours per week to domestic chores. On the other hand, among those economically inactive who went to school, only 5.0% were mothers.

These numbers are clear evidence of the hardships faced by young women, especially black ones, in reconciling work, studies and family life.

From a geographical standpoint, the share of youths who neither studied nor worked declined in urban areas between 2004 and 2009, decreasing from 19.2% to 18.6%, while it increased in rural areas, going from 15.9% to 17.4% (Table 19).

Considering the country's regions, it is possible to observe a drop in the abovementioned share in the Center-West (-2.1 p.p.) and the Southeast (-1.5 p.p) Regions and an increase in all others. As a consequence of this trend, the Northeast and North Regions by 2009 still held the highest percentages of youths out of school and work – 21.4% and 21.2%, respectively.

In turn, in 14 out of 27 Federation Units, the percentage of youths out of school and work declined in the period being analyzed here, especially in Roraima (-4.8 p.p.), in Federal District (-4.5 p.p.) and in Mato Grosso do Sul (-2.5 p.p.). In the opposite direction, among the 13 Federation Units with increases during this period, the most significant differences occurred in Sergipe (+5.9 p.p.), Pernambuco (+2.9 p.p.) and Maranhão (2.7 p.p.).

TABLE 19

SHARE OF YOUTHS AGED 15 TO 24 THAT NEITHER GO TO SCHOOL NOR WORK IN RELATION TO TOTAL YOUTHS AGED 15 TO 24, BY SEX AND COLOR OR RACE, BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>18.7</b> | <b>11.4</b> | <b>25.9</b> | <b>16.7</b> | <b>20.5</b> | <b>18.4</b> | <b>12.1</b> | <b>24.8</b> | <b>16.1</b> | <b>20.4</b> |
| Urban Area              | 19.2        | 12.6        | 25.7        | 16.9        | 21.6        | 18.6        | 13.0        | 24.2        | 16.0        | 21.0        |
| Rural Area              | 15.9        | 6.0         | 27.3        | 15.5        | 16.1        | 17.4        | 7.6         | 28.4        | 16.5        | 17.8        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 20.1        | 9.8         | 30.7        | 20.3        | 20.1        | 21.1        | 12.5        | 29.5        | 20.1        | 21.2        |
| Northeast               | 20.0        | 12.0        | 28.1        | 19.3        | 20.3        | 21.4        | 13.7        | 29.0        | 20.5        | 21.7        |
| Southeast               | 18.8        | 12.4        | 25.1        | 17.0        | 21.4        | 17.3        | 12.1        | 22.7        | 15.4        | 19.6        |
| South                   | 14.1        | 8.9         | 19.6        | 13.2        | 18.2        | 14.3        | 9.3         | 19.5        | 13.2        | 18.4        |
| Center-West             | 18.6        | 10.0        | 27.1        | 17.1        | 19.7        | 16.7        | 10.0        | 23.3        | 15.8        | 17.2        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 17.7        | 9.0         | 26.1        | 17.8        | 17.7        | 17.5        | 10.0        | 25.0        | 17.1        | 17.7        |
| Acre                    | 18.4        | 7.9         | 29.0        | 15.8        | 19.2        | 20.8        | 11.2        | 30.2        | 24.2        | 19.6        |
| Amazonas                | 22.2        | 12.6        | 31.8        | 21.4        | 22.5        | 21.4        | 15.3        | 27.4        | 22.1        | 21.2        |
| Roraima                 | 24.7        | 16.4        | 33.6        | 20.0        | 26.0        | 19.9        | 8.8         | 31.6        | 21.0        | 19.5        |
| Pará                    | 20.2        | 8.7         | 32.2        | 21.0        | 20.0        | 22.7        | 12.2        | 33.0        | 20.7        | 22.9        |
| Amapá                   | 23.8        | 16.7        | 30.9        | 23.8        | 23.9        | 24.6        | 20.7        | 28.5        | 27.7        | 23.6        |
| Tocantins               | 15.0        | 5.9         | 25.0        | 18.6        | 13.9        | 12.8        | 7.8         | 18.3        | 9.6         | 13.6        |
| Maranhão                | 19.7        | 10.3        | 28.1        | 20.3        | 19.5        | 22.4        | 14.0        | 30.3        | 19.1        | 23.5        |
| Piauí                   | 12.4        | 5.5         | 19.7        | 10.5        | 13.0        | 14.0        | 6.6         | 20.8        | 12.4        | 14.5        |
| Ceará                   | 19.6        | 12.1        | 27.0        | 18.0        | 20.4        | 19.5        | 12.3        | 26.7        | 19.5        | 19.6        |
| Rio Grande do Norte     | 24.6        | 17.8        | 31.5        | 22.2        | 26.1        | 23.9        | 16.8        | 31.1        | 22.4        | 24.7        |
| Paralíba                | 21.2        | 12.5        | 30.3        | 21.0        | 21.3        | 23.3        | 17.0        | 29.7        | 23.6        | 23.2        |
| Pernambuco              | 22.8        | 14.8        | 30.6        | 22.1        | 23.2        | 25.7        | 15.9        | 35.2        | 25.3        | 25.9        |
| Alagoas                 | 23.5        | 12.5        | 34.4        | 24.4        | 23.0        | 25.0        | 16.4        | 32.8        | 22.9        | 25.7        |
| Sergipe                 | 16.0        | 9.8         | 21.7        | 14.3        | 16.8        | 21.9        | 16.3        | 27.5        | 15.1        | 24.6        |
| Bahia                   | 19.0        | 11.2        | 27.3        | 16.9        | 19.5        | 19.0        | 12.0        | 26.3        | 17.8        | 19.3        |
| Minas Gerais            | 17.1        | 11.1        | 23.3        | 15.9        | 18.2        | 15.9        | 10.4        | 21.3        | 13.9        | 17.2        |
| Espírito Santo          | 19.7        | 11.4        | 27.8        | 15.5        | 22.6        | 19.2        | 13.5        | 24.9        | 17.1        | 20.5        |
| Rio de Janeiro          | 18.7        | 12.6        | 24.7        | 16.2        | 21.9        | 19.0        | 13.3        | 24.8        | 16.2        | 22.3        |
| São Paulo               | 19.6        | 13.1        | 25.9        | 17.7        | 23.9        | 17.3        | 12.4        | 22.4        | 15.5        | 20.2        |
| Paraná                  | 14.1        | 9.0         | 19.4        | 12.9        | 17.4        | 16.6        | 10.9        | 22.1        | 15.8        | 18.7        |
| Santa Catarina          | 11.7        | 6.2         | 17.4        | 10.8        | 19.4        | 11.0        | 6.5         | 16.0        | 10.0        | 16.6        |
| Rio Grande do Sul       | 15.6        | 10.3        | 21.0        | 15.0        | 19.2        | 14.1        | 9.6         | 18.8        | 12.9        | 18.9        |
| Mato Grosso do Sul      | 19.2        | 8.9         | 29.3        | 17.5        | 20.7        | 16.7        | 9.7         | 23.4        | 16.4        | 17.0        |
| Mato Grosso             | 15.8        | 6.4         | 25.1        | 15.5        | 16.0        | 15.7        | 9.3         | 22.2        | 13.6        | 17.0        |
| Goiás                   | 18.2        | 9.3         | 27.3        | 16.6        | 19.3        | 16.6        | 8.9         | 24.5        | 16.7        | 16.5        |
| Federal District        | 22.4        | 17.1        | 26.9        | 19.4        | 24.5        | 17.8        | 13.6        | 21.7        | 15.8        | 19.0        |

Source: IBGE - PNAD

In 2009, in three states, the share of youths who did not go to school nor study hovered around 25.0%, meaning that one out of four youths were in this situation: Pernambuco (25.7%), Alagoas (25.0%) and Amapá (24.6%). The lowest shares occurred in Santa Catarina (11.0%) and Piauí (14.0%).

Among all the 27 Federation Units, the share of female youths out of school and work was higher than that for male youths. In 23 UFs, this gap surpassed 10.0 percentage points, being that in two of them (Roraima and Pará) it was over 20.0 percentage points.



In a group of seven states belonging to the North and Northeast Regions, the share of young women who were neither studying nor employed in the job market exceeded the critical 30.0% mark in 2009: Pernambuco (35.2%), Pará (33.0%), Alagoas (32.8%), Roraima (31.6%), Rio Grande do Norte (31.1%), Maranhão (30.3%) and Acre (30.2%), according to Table 19.

Considering young black women, the situation was even more unsettling, since the percentage of those who neither worked nor went to school was 28.2%. In the states of Pernambuco (36.7%), Rio Grande do Norte (36.0%), Alagoas (34.9%), Pará (33.7%) and Roraima (33.2%), this percentage affected at least one third of young black women.

## Apprenticeship

Although the 1988 Constitution of the Republic provides basic legislation forbidding child labor and sets the minimum age for admission to work at 16 years, it also made it possible for them to enter the job market as apprentices, starting at the age of 14. The Statute of the Child and Adolescent (ECA) (Law n. 8,069, of July 13, 1990), articles 60 to 69, provide for the right to apprenticeship, in line with the principle of full protection for children and Adolescents.

In Brazil, from a historical perspective, apprenticeships are regulated by the Consolidation of Labor Laws (CLT). This legislation was brought up to date by Law n. 10,097, of December 19, 2000, Law n. 11,180 of September 23, 2005, and Law n. 11,788 of September 25, 2008.

Article 62 of the ECA defines an apprenticeship as the technical-professional training provided to the adolescent or child according to the guidelines and principles of the education legislation in force, implemented by means of an apprenticeship contract, which is a special written work contract with a pre-determined duration, lasting no longer than two years.

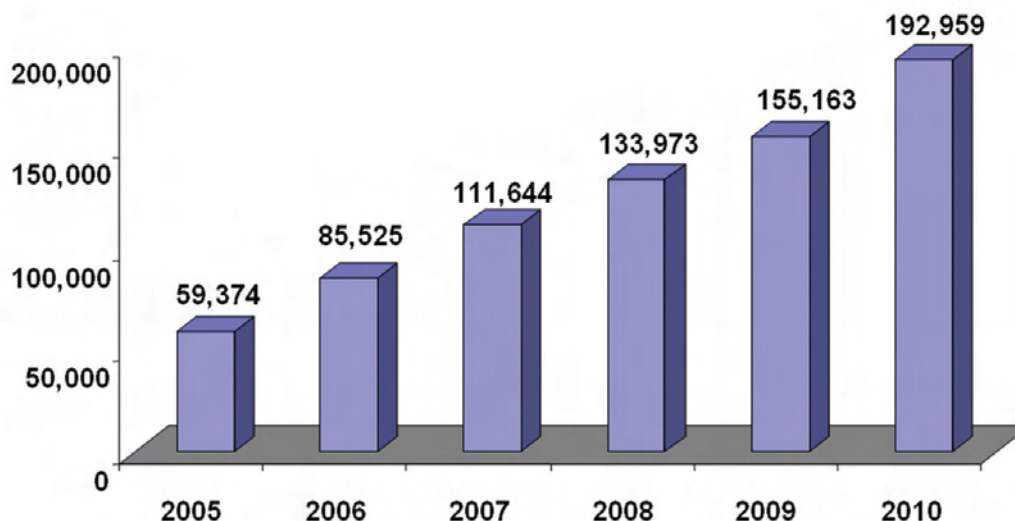
The Ministry of Labor and Employment (2010a) stresses that the apprenticeship is an institution capable of creating opportunities for the apprentice as well as enterprises, insofar as it prepares young people to perform professional activities and prepares them to face situations of the labor world, and at the same time allows enterprises to train qualified labor, much needed in an economic scenario of permanent technological evolution.

According to the information provided by the Annual Social Information Report (RAIS<sup>23</sup>), since 2005 – when Apprenticeship contracts started being recorded – the number of apprentices contracted more than doubled, increasing from 59.3 thousand to roughly 193.0 thousand in 2010. In the course of this period, the total number of contracts was 738.9 thousand.

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<sup>23</sup> The RAIS is compiled annually, its aim being to provide the necessary information and statistics for government agencies responsible for social policy. It is also a crucial tool for the execution of legal norms, and also fundamentally important in monitoring and profiling the formal labor market.

GRAPH 14

NUMBER OF APPRENTICESHIP CONTRACTS  
BRAZIL, 2005-2010

Source: MTE - RAIS

Despite this positive evolution, the number of Apprenticeship contracts remains well below the number established by law.<sup>24</sup> According to calculations elaborated by the National Labor of the MTE, the potential of Apprentice posts, or the minimum quantity of posts that should be occupied by apprentices in enterprises in the year 2009 was 1.22 million. However, in this same year, the number of apprentices contracted was 155 thousand, that is, the equivalent to only 12.7% of the potential demand that would be created according to the legislation.

In Federation Units, it is possible to observe the same national trend of more apprenticeship contracts in the second half of the first decade of the 2000s, albeit at different speeds. In most of those where a small number of contracts was verified in 2005, the relative expansion by 2010 was more rapid, as for example in the states of Tocantins, Sergipe and Santa Catarina, as shown in Table 20. In turn, in São Paulo, which already had registered 24 thousand contracts in 2005, relative growth (134.7%) was below the national average (225.0%) for the period from 2005 to 2010. Despite this slower expansion, São Paulo had recorded 56.3 thousand apprenticeship contracts in 2010, the equivalent to 29.2% of the total national contingent.

In Rondônia and in Maranhão, a percentage growth below the national average was observed in this same period and the prevalence of a small number of contracts at the end of the decade – 1.20 thousand and 1.23 thousand, respectively.

The smallest relative expansion occurred in Goiás, as the contingent of apprentices evolved only 36.3%, increasing from 6.19 thousand in 2005 to 8.43 thousand in 2010.

<sup>24</sup> According to the legislation in force, the quota of apprentices was established at a minimum of 5% and a maximum of 15%, per establishment, calculated based on the total number of employees whose activities require professional training, being it the employer's decision, within the pre-determined limits, to contract the satisfactory number of apprentices. The decimal remainders in these calculations afford the right to contract an additional apprentice (Art. 429, caput and § 1º of the CLT). Managerial functions, and upper-level and technical positions are not included in this calculation.

As a result of this small contingent as well as to low economic growth during the second half of the 2000s, several Federation Units have presented narrow percentages of apprentices compared to the potential demand created by the abovementioned legislation. In a set of nine UFs, the number of apprenticeship positions in 2009 was not even equivalent to 10.0% of the number potentially created by the legislation: Paraíba (3.4%), Maranhão (5.0%), Tocantins (5.2%), Pernambuco (5.4%), Santa Catarina (6.1%), Alagoas (7.3%), Pará (8.5%), Rondônia (9.3%) and Bahia (9.4%). Except for Santa Catarina, all other UFs in this group belonged to the North and Northeast Regions of the country.

Although São Paulo, Minas Gerais and Rio de Janeiro had the highest numbers of apprenticeship contracts in 2009, these UFs in effect only partially fulfilled the potential demand created by law: 13.1%, 13.2% and 11.9% respectively.

Even far from the goals established by legislation, the largest percentages of quotas were found in (28.3%), Goiás (23.9%), Ceará (21.3%), Amazonas (21.1%) and the Federal District (19.8%).

| TABLE 20   |                                    |                |                |                       |                            |                                      |
|--|------------------------------------|----------------|----------------|-----------------------|----------------------------|--------------------------------------|
| NUMBER OF APPRENTICESHIP CONTRACTS<br>BRAZIL AND FEDERATION UNITS, 2005/2010 |                                    |                |                |                       |                            |                                      |
| Federation Units   | Number of Apprenticeship Contracts |                |                |                       | Potential Positions (2009) | Effective Participation % (dec/2009) |
|  | 2005                               | 2009           | 2010           | Variation % 2005/2010 |                            |                                      |
| <b>Brazil</b>  | <b>59,374</b>                      | <b>155,163</b> | <b>192,959</b> | <b>225.0</b>          | <b>1,220,628</b>           | <b>16.1</b>                          |
| Rondônia   | 421                                | 861            | 1,202          | 185.5                 | 9,302                      | 9.3                                  |
| Acre   | 138                                | 469            | 464            | 236.2                 | 2,950                      | 15.9                                 |
| Amazonas   | 1,244                              | 3,570          | 4,210          | 238.4                 | 16,952                     | 21.1                                 |
| Roraima  | 60                                 | 159            | 209            | 248.3                 | 1,567                      | 10.1                                 |
| Pará   | 1,050                              | 2,259          | 3,217          | 206.4                 | 26,610                     | 8.5                                  |
| Amapá  | 125                                | 319            | 563            | 350.4                 | 2,714                      | 11.8                                 |
| Tocantins  | 58                                 | 388            | 476            | 720.7                 | 7,430                      | 5.2                                  |
| Maranhão   | 419                                | 835            | 1,230          | 193.6                 | 16,856                     | 5.0                                  |
| Piauí  | 286                                | 1,094          | 1,265          | 342.3                 | 10,667                     | 10.3                                 |
| Ceará  | 1,125                              | 7,425          | 8,939          | 694.6                 | 34,909                     | 21.3                                 |
| Rio Grande do Norte  | 598                                | 2,273          | 2,637          | 341.0                 | 16,282                     | 14.0                                 |
| Paraíba  | 151                                | 503            | 765            | 406.6                 | 14,950                     | 3.4                                  |
| Pernambuco   | 783                                | 2,243          | 2,786          | 255.8                 | 41,328                     | 5.4                                  |
| Alagoas  | 372                                | 1,053          | 1,524          | 309.7                 | 14,505                     | 7.3                                  |
| Sergipe  | 200                                | 1,002          | 1,729          | 764.5                 | 9,864                      | 10.2                                 |
| Bahia  | 1,401                              | 5,781          | 8,032          | 473.3                 | 61,284                     | 9.4                                  |
| Minas Gerais   | 5,080                              | 15,363         | 19,280         | 279.5                 | 116,561                    | 13.2                                 |
| Espírito Santo   | 3,014                              | 6,790          | 7,250          | 140.5                 | 24,032                     | 28.3                                 |
| Rio de Janeiro   | 3,689                              | 13,397         | 17,608         | 377.3                 | 112,396                    | 11.9                                 |
| São Paulo  | 24,002                             | 48,418         | 56,336         | 134.7                 | 370,275                    | 13.1                                 |
| Paraná   | 2,678                              | 8,722          | 11,449         | 327.5                 | 74,865                     | 11.7                                 |
| Santa Catarina   | 496                                | 3,334          | 5,185          | 945.4                 | 55,053                     | 6.1                                  |
| Rio Grande do Sul  | 3,025                              | 11,128         | 15,649         | 417.3                 | 80,123                     | 13.9                                 |
| Mato Grosso do Sul   | 618                                | 1,644          | 1,812          | 193.2                 | 15,501                     | 10.6                                 |
| Mato Grosso  | 782                                | 1,920          | 3,026          | 287.0                 | 19,263                     | 10.0                                 |
| Goiás  | 6,190                              | 8,574          | 8,437          | 36.3                  | 35,841                     | 23.9                                 |
| Federal District   | 1,369                              | 5,639          | 7,679          | 460.9                 | 28,548                     | 19.8                                 |

Source: MTE - RAIS

Elaboration: CGET/DES/SPPE/MTE

Considering all the 348 thousand apprentices contracted during 2009 and 2010, it is possible to observe a prevalence of men (54.6% of the total) relative to women (45.4%). Considering age, the RAIS information pointed that the most positions were filled by apprentices younger than 17 years old (65.5%), followed by youths aged 18 to 24 (34.3%). The remaining 0.2% refers to apprenticeship positions filled by handicapped people.

The *services* sector responded for half (roughly 52.0%) of all apprenticeship contracts signed during 2009 and 2010. It was followed by *commerce* (21.0%), the *transformation industry* (20.5%) and *civil construction* (3.7%). The *public administration* responded for only 0.4% of all filled positions.

Given this scenario of unfulfilled apprenticeship positions, the MTE has been developing – in conjunction with an array of social actors – several initiatives with the intent of increasing the number of contracts and improving the professional apprenticeship system. The MTE issued Order n. 615/2007, which created a National Apprenticeship Register, so that entities qualified to provide technical and professional formation could enroll, seeking to promote the technical and professional quality of apprenticeship programs and courses, specifically regarding their pedagogical quality and social effectiveness. In December 2008, Order n. 1,003 modified important articles of Order n. 615/2007 and added guidelines with the purpose of meeting the new demands for professional qualification.

In November 2008, the First National Professional Apprenticeship Congress was held. During the Congress, the MTE issued Order n. 983, which established the National Forum of Professional Apprenticeship. The main goals of the forum were:

- To promote a continuous debate among training institutions, oversight agencies and employee and employer representation entities;
- To develop, support and propose mobilization actions aiming to enforce the quota for apprentices, as established by the CLT;
- To monitor and evaluate contracting targets and the effectiveness of professional apprenticeship programs.

The product of debates and agreements signed during the Conference, MTE Order n. 990 of November 27, 2008, created the Social Responsibility Seal entitled “Apprenticeship Partners,” which can be granted to social entities, enterprises, government entities and other institutions willing to cooperate with the MTE in the development of actions involving training, qualification, preparation and integration of adolescents, youths and the handicapped into the world of labor

## **The National Agenda of Decent Work for Youth<sup>25</sup>**

The Presidential Decree of June 4, 2009, which instituted the Interministerial Executive Committee responsible for the implementation of the National Agenda of Decent Work for Youth and for the elaboration of the National Plan of Decent Work, also created a Subcommittee aiming the promotion of a national agenda of Decent Labor for Youths (ANTDJ), a specific body with the participation of entrepreneurial confederations – the National Industries Confederation, the Brazilian Confederation of Agriculture and Livestock, the National Confederation of Transportation, and the National Confederation

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<sup>25</sup> Tópico baseado em Agenda Nacional de Trabalho Decente para a Juventude, (MTE, 2011).

of Commerce, Goods, Services, and Tourism – and by Central Unions – the Central Única dos Trabalhadores. União Geral dos Trabalhadores. Nova Central Sindical de Trabalhadores and the Força Sindical.

The Subcommittee and the Consultation Working Group formed a tripartite front to elaborate a document premised on consensus: the National Agenda of Decent Work for Youth (ANTDJ), completed in October 2010.

The focus of the agenda are youths aged 15 to 29, in line with the age group currently considered youths by Constitutional Amendment n. 65 of July 13, 2010 and considering the guidelines already established by the National Plan for the Eradication of Child Labor and Protection to the Adolescent Workers. The agenda builds upon the premise – established by national legislation, in accordance to the Convention on Minimum Age for Admission and Employment, 1973 (n. 138) of the International Labor Organization (ILO), ratified by Brazil on June 28, 2001 - that age 16 constitutes the minimum age for work in Brazil. This means that any type of inclusion in the labor market before this age must be eradicated, save for those situations of apprenticeship defined by the abovementioned Apprenticeship Law (n. 10,097/2000). The case for decent work opportunities for adolescents (starting at the age of 15) dealt with in this proposal is made within the boundaries of this normative framework and is limited to the situations of apprenticeship defined by this law.<sup>26</sup>

The elaboration and approval, founded on tripartite consensus, of the ANTDJ represented a step forward in the definition of a common benchmark for the Federal Government and the employer and worker organizations in dealing with these subjects and advancing in the broadening of opportunities and paving the way for decent work for the Brazilian youth. Until 2015, the challenge is to disseminate this Agenda and broaden the number of initiatives and the social dialogue in the national territory, and also elaborate a National Plan for Employment and Decent Labor for the Youth and its implementation according to the following priorities defined in the ANTDJ:

1) *More and Better Education*: increased access and better quality at all levels of schooling for youths, with equality of treatment and opportunities in terms of gender and race, improved level of schooling, better professional and technical training, greater access to higher education, more and better access to Brazilian cultural patrimony; implementation of public policies aimed at guaranteeing enforcement of the minimum age of entry in the labor market according to the Brazilian legislation in force, and the implementation of educational public policies for and in rural areas.

2) *Combining Studies, Work and Family Life*: broadening the opportunities and possibilities of reconciling the realms of work, studies and family and social life for young workers, so as to not allow work to prevail over or undermine educational trajectories and social integration.

3) *Active and Dignified Inclusion in the Realm of Labor*: more and better work opportunities for youths with equal treatment and opportunity: a) broadening of opportunities of quality

<sup>26</sup> It is important to mention that labor for youths under 18 is also forbidden in the Worst Forms of Child Labor, in accordance to the Convention concerning Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor – ILO Convention n. 182 - ratified by Brazil on February 2, 2000. This Convention considers as the worst forms of child labor all forms of slavery, such as the selling and trafficking of children, indenture and serfdom, forced or obligatory of labor, including forced recruitment of children to be employed in armed conflict, illicit activities (such as drug trafficking), and commercial sexual exploitation of children and adolescents and labor in dangerous situations. Decree n. 6,481 of June 12, 2008, regulates articles 3 and 4 of Convention n. 182 in Brazil, detailing activities and types of work including among worst forms.

salary-paying jobs; equality of opportunity and treatment; promotion of workers' health; combatting the causes of high turnover; access to land, work and income in rural areas; b) improvement of job quality, with expansion of "green" jobs; c) generation of work and income by means of solidary and popular economies, rural cooperativism and entrepreneurship.

4) *Social Dialogue*: broadening and strengthening the debate concerning the alternatives and determinants of youth inclusion in the labor market; stimulating conditions for urban and rural youth participation in mechanisms for the protection of labor rights, union organization and collective bargaining.

The ANTDJ represents a fundamental benchmark for the debate and advancement of public policies for education, labor and income for Brazilian youths.

## EVOLUTION OF FORMAL EMPLOYMENT AND BEHAVIOR OF FORMALITY RATE

A fundamental dimension regarding the quality of jobs is the dissemination of regular contracts, in other words, contracts drafted according to the legislation in force and which guarantee access to social protection. The reduction of informality is, therefore, a central element in the promotion decent work.

As analyzed in a previous document (ILO, 2009), informality increased in Brazil during the 1990s,<sup>27</sup> due to transformations affecting the production sector and its consequences in the labor market.

This trend was reversed during the 2000s. The levels of formality began growing systematically in 2002. As a result, the Rate of Formality,<sup>28</sup> increased from 48.4% to 50.6% from 2004 to 2006, when for the first time more than half of all workers were formally employed. This trend continued in following years and reached 54.3% in 2009, unscathed by the international financial crisis.

This performance was directly linked to the rate of expansion of formal employment. According to RAIS data, between 2003 and 2010, 15.38 million formal jobs were created in Brazil. As a result of this performance, by the end of 2010, the total contingent of formal jobs amounted to 44.07 million, an accumulated increase of 53.6% in eight years.

This rate of growth was equivalent to an average growth rate of 5.51%, a record mark for formal jobs for an eight-year period, demonstrating the continuity of the process of formalization of the Brazilian work force in the last few years. In the same period, average GDP growth was 4.32%, which reflects a highly favorable formal job-to-product ration (MTE, 2010b).

It is worthwhile mentioning that the expansion of formal jobs was widespread in all regions of the country and in all of the 27 Federation Units, according to RAIS data. It is interesting to bring attention to the fact that formal labor contracts underwent greater relative expansion in the poorer regions and in those where the labor market is less structured, as in the North (+85.7%) and Northeast (+64.9%).

<sup>27</sup> See Decent Work in Brazil Report (ILO, 2009).

<sup>28</sup> Corresponds to the sum of workers with signed contracts, including domestic workers, military and public servants, employers and autonomous workers who participate in social security, relative to the total occupational structure.

Among Federation Units, in none of them the accumulated growth between 2003 and 2010 was lower than 35.0%, as shown in Table 21. In Roraima, the number of formal jobs expanded by 179.4%, being that in other states relative growth surpassed the 90.0% mark - Amazonas (97.6%), Amapá (93.3%), Maranhão (93.0%) and Rondônia (92.9%).

TABLE 21

NUMBER OF FORMAL JOBS IN DECEMBER 31 AND ACCUMULATED VARIATION - ABSOLUTE AND RELATIVE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2003 AND 2010

| Geographical Area         | Number of Jobs    |                   | Accumulated Variation between 2003 and 2010 |             |
|---------------------------|-------------------|-------------------|---|-------------|
|                           | 2002              | 2010              | Absolute                                    | %           |
| <b>Brazil</b>             | <b>28,683,913</b> | <b>44,068,355</b> | <b>15,384,442</b>                           | <b>53.6</b> |
| <b>North Region</b>       | <b>1,296,597</b>  | <b>2,408,182</b>  | <b>1,111,585</b>                            | <b>85.7</b> |
| Rondônia                  | 173,276           | 334,290           | 161,014                                     | 92.9        |
| Acre                      | 68,439            | 121,187           | 52,748                                      | 77.1        |
| Amazonas                  | 291,315           | 575,739           | 284,424                                     | 97.6        |
| Roraima                   | 28,129            | 78,585            | 50,456                                      | 179.4       |
| Pará                      | 546,251           | 951,235           | 404,984                                     | 74.1        |
| Amapá                     | 55,960            | 108,191           | 52,231                                      | 93.3        |
| Tocantins                 | 133,227           | 238,955           | 105,728                                     | 79.4        |
| <b>Northeast Region</b>   | <b>4,859,397</b>  | <b>8,010,839</b>  | <b>3,151,442</b>                            | <b>64.9</b> |
| Maranhão                  | 329,935           | 636,625           | 306,690                                     | 93.0        |
| Piauí                     | 236,945           | 377,463           | 140,518                                     | 59.3        |
| Ceará                     | 793,312           | 1,325,792         | 532,480                                     | 67.1        |
| Rio Grande do Norte       | 318,971           | 575,026           | 256,055                                     | 80.3        |
| Paraíba                   | 375,537           | 579,504           | 203,967                                     | 54.3        |
| Pernambuco                | 943,895           | 1,536,626         | 592,731                                     | 62.8        |
| Alagoas                   | 311,780           | 470,992           | 159,212                                     | 51.1        |
| Sergipe                   | 239,305           | 369,579           | 130,274                                     | 54.4        |
| Bahia                     | 1,309,717         | 2,139,232         | 829,515                                     | 63.3        |
| <b>Southeast Region</b>   | <b>15,128,474</b> | <b>22,460,999</b> | <b>7,332,525</b>                            | <b>48.5</b> |
| Minas Gerais              | 3,046,362         | 4,646,891         | 1,600,529                                   | 52.5        |
| Espírito Santo            | 551,601           | 860,421           | 308,820                                     | 56.0        |
| Rio de Janeiro            | 2,922,463         | 4,080,082         | 1,157,619                                   | 39.6        |
| São Paulo                 | 8,608,048         | 12,873,605        | 4,265,557                                   | 49.6        |
| <b>South Region</b>       | <b>5,075,659</b>  | <b>7,557,531</b>  | <b>2,481,872</b>                            | <b>48.9</b> |
| Paraná                    | 1,812,631         | 2,783,715         | 971,084                                     | 53.6        |
| Santa Catarina            | 1,235,612         | 1,969,654         | 734,042                                     | 59.4        |
| Rio Grande do Sul         | 2,027,416         | 2,804,162         | 776,746                                     | 38.3        |
| <b>Center-West Region</b> | <b>2,323,786</b>  | <b>3,630,804</b>  | <b>1,307,018</b>                            | <b>56.2</b> |
| Mato Grosso do Sul        | 349,600           | 560,789           | 211,189                                     | 60.4        |
| Mato Grosso               | 379,152           | 656,542           | 277,390                                     | 73.2        |
| Goiás                     | 781,443           | 1,313,641         | 532,198                                     | 68.1        |
| Federal District          | 813,591           | 1,099,832         | 286,241                                     | 35.2        |

Source: MTE - RAIS

Despite this extremely positive evolution in terms of formal jobs, it is necessary to stress that informality was still a reality in 2009 for more than half of Brazilian workers, being even more pronounced among women, blacks and some categories of work in the occupational structure. Indeed, even considering the 5.5 percentage point increase between 2004 and 2009, the rate of female formality (50.7%) still was 6.3 p.p, lower than that for men (57.0%). In spite of an increase from 36.9% to 46.8% between 2004 and 2009 of the Rate of Formality among black workers – which contributed to reducing inequality by race or color – this rate was still 15.0 p.p, lower than that for white workers (60.0%), based on the information presented in Table 22.

By taking gender and color/race simultaneously into account, inequality among workers in terms of formality is even more pronounced. In spite of an increase from 35.7% to 42.5% between 2004 and 2009, the Rate of Formality of black female workers by the end of the first decade of the 2000s was 22.3 p.p, lower than that for white working men (64.8%). Furthermore, in 2009, this rate among white female workers (58.4%) was 8.6 percentage points higher than that for black male workers (49.8%).

There were still significant gaps in terms of social protection linked to work contracts or participation in social security considering place of residence of workers. In urban areas, the Rate of Formality increased from 54.8% in 2004 to 59.9% in 2009, equivalent to a 5.1 percentage point increase in the course of five years. In rural areas, the rate increased more rapidly, rising from 19.4% to 25.2% during this period, the equivalent to a 5.8. p.p increase.

Even considering rapid progress, the level of job formality in rural zones (25.2%) was still 2.4 times lower than urban zones (59.9%) in 2009. It is important to point out that the low level of formality of labor relations in rural zones does not necessarily imply, by extension, lower access to social protection. Indeed, in 2009, roughly 7.2 million people were insured according to the special security worker scheme for rural areas.<sup>29</sup>

It is important to point out that the values for the Rate of Formality in the North and Northeast Regions were even lower compared to the national average– 40.0% and 36.7%, respectively. Among black female workers in the Northeast region, the figure was a mere 11.1%

The analysis of formality by position in the occupational structure<sup>30</sup> brings to light the fact that the rate among workers increased from 29.0% to 32.3% between 2004 and 2009. Despite this 3.3 p.p increase, it is possible to observe that only roughly a third of this category could count on social protection. Due to the prevalence of women in domestic work (93.5% of the total), the Rate of Formality among female domestic workers (31.0% in 2009) was almost the same as the aggregate formality rate (32.3%).

Despite the fact that this category of work is a predominantly female realm, the Rate of Formality for men (51.3%) was still far superior to the rate for women (31.0%) in 2009.

<sup>29</sup> Special Security Worker is defined as the rural worker who, together with family, farms as an activity of subsistence, or in conditions of mutual dependency and cooperation. This category encompasses the farmer, and also other kinds of rural workers, prospectors and artisanal fishermen, as well as their partners who engage in these activities in the context of a family-dependent economy, without permanent employees. This insured worker must collect a 2.1% tax on net income earned from the sale of production. It is important to point out that Social Security does not use the geographical concept of residence in order to identify those eligible for rural insurance; It defines the rural worker as a person who performs a rural activity, regardless of place. As a result, workers in urban areas can still qualify and therefore be eligible for Special Security Insurance. Likewise, the opposite can also be true.

<sup>30</sup> Corresponds to the proportion workers in each category in the occupational structure with signed labor cards or who contribute towards social security.



The low degree of formality in domestic work relations, associated to the fact that this position in the occupational structure comprises 20.0% of the entire female workforce in the country, is a major factor determining a lower Rate of Formality for women, as discussed above.

Considering black female workers, the level of informality in labor relations was even more unsettling. Despite progress in terms of Rate of Formality (from 25.0% to 28.6% between 2004 and 2009) this figure was still 6.2 p.p, the rate for white female domestic workers (34.8%) and 20.0 p.p, below black male domestic workers (48.5%) and 27.0 (p.p) below white domestic workers (55.7%).

This inequality is even more concerning due to the fact that black women represented 57.6% of all domestic workers in 2009.

Among the population with autonomous jobs, only 17.2% were included in social security in 2009, although this figure was 2.9 p.p, above the rate for 2004 (14.3%). This proportion was lower among women (15.1%) compared to men (18.1%) and especially lower among blacks (9.3%) compared to whites (25.4%). The percentage of white male social security contributors among autonomous workers (27.4%) was more than three times greater compared to female black workers classified in the same job category (8.5%).

Considering Federation Units, the indicators shown in Table 22 show that the Rate of Formality increased in all 27 UFs between 2004 and 2009. Some states in the North Region present rather significant levels of expansion, with some states standing out: Acre with a 12.6 p.p, increase in just five years (from 31.5% to 44.1%), followed by Amapá with a 11.9 p.p increase (from 32.9% to 44.8%), and then Rondônia (+10.6 p.p.) and Roraima (+9.7 p.p.).

The lowest growth variations were observed in the Federal District (+2.9 p.p), Sergipe (+3.8 p.p.) and Rio de Janeiro (+4.1 p.p.).

Despite the extremely positive result in terms of the number of formal jobs in the second half of the first decade of the 2000s, there are still striking territorial inequalities in the country. Indeed, in 2009, while the rate of formality approached the 70.0% among the working population of São Paulo (67.8%), the Federal District (67.6%) and Santa Catarina (67.4%). On the other hand, it was only 23.7% in Piauí and 27.6% in Maranhão (see Table 22).

Even among the larger and more economically dynamic states of the Northeast Region, formality was still well below the national average in 2009, hovering around a little more than a third of all workers in Ceará (33.2%) and Bahia (34.4%), and slightly higher among the working population of Pernambuco (39.9%).

TABLE 22

RATE OF FORMALITY OF POPULATION AGED 16 TO 64 BY SEX, COLOR OR RACE, BY URBAN OR RURAL HOUSING UNIT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>46.7</b> | <b>48.5</b> | <b>44.2</b> | <b>54.2</b> | <b>38.2</b> | <b>52.6</b> | <b>54.7</b> | <b>49.8</b> | <b>60.0</b> | <b>45.2</b> |
| Urban Area              | 53.1        | 55.2        | 50.3        | 59.4        | 45.1        | 58.1        | 60.6        | 54.9        | 64.4        | 51.4        |
| Rural Area              | 17.9        | 20.6        | 13.5        | 22.7        | 14.4        | 23.8        | 26.8        | 19.0        | 30.3        | 19.5        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 30.7        | 31.8        | 29.2        | 37.6        | 28.5        | 37.4        | 38.8        | 35.4        | 45.2        | 35.0        |
| Northeast               | 28.4        | 28.6        | 28.1        | 32.7        | 26.6        | 34.7        | 35.6        | 33.4        | 40.1        | 32.5        |
| Southeast               | 57.8        | 60.9        | 53.6        | 61.4        | 51.9        | 62.8        | 65.9        | 58.9        | 66.4        | 58.0        |
| South                   | 54.2        | 56.8        | 50.8        | 55.4        | 48.2        | 60.4        | 63.6        | 56.4        | 61.4        | 56.3        |
| Center-West             | 46.8        | 48.9        | 43.9        | 50.7        | 43.8        | 53.2        | 56.0        | 49.6        | 56.9        | 50.6        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 37.2        | 37.3        | 37.1        | 43.1        | 34.0        | 47.9        | 49.8        | 45.1        | 48.9        | 47.3        |
| Acre                    | 31.5        | 30.3        | 33.2        | 37.9        | 29.7        | 44.1        | 44.2        | 44.0        | 52.8        | 41.0        |
| Amazonas                | 36.1        | 36.8        | 35.1        | 47.2        | 31.8        | 42.0        | 43.7        | 39.7        | 52.8        | 39.2        |
| Roraima                 | 33.4        | 29.6        | 40.3        | 38.2        | 31.6        | 43.1        | 41.8        | 44.8        | 51.5        | 39.8        |
| Pará                    | 27.1        | 29.4        | 23.6        | 31.2        | 26.0        | 31.8        | 33.7        | 28.9        | 38.3        | 30.0        |
| Amapá                   | 32.9        | 32.6        | 33.5        | 36.6        | 31.6        | 44.8        | 41.6        | 49.7        | 54.5        | 41.8        |
| Tocantins               | 28.0        | 27.5        | 28.8        | 32.8        | 26.4        | 34.3        | 35.2        | 33.1        | 44.8        | 31.0        |
| Maranhão                | 19.6        | 20.6        | 18.4        | 23.1        | 18.4        | 27.6        | 28.3        | 26.6        | 33.2        | 25.9        |
| Piauí                   | 18.6        | 17.3        | 20.4        | 19.8        | 18.2        | 23.7        | 24.6        | 22.6        | 32.7        | 20.9        |
| Ceará                   | 27.8        | 27.7        | 27.9        | 32.2        | 25.5        | 33.2        | 34.3        | 31.9        | 38.6        | 30.9        |
| Rio Grande do Norte     | 34.6        | 33.4        | 36.5        | 36.2        | 33.7        | 41.0        | 40.6        | 41.6        | 46.3        | 38.1        |
| Paraíba                 | 29.5        | 29.4        | 29.8        | 34.0        | 26.9        | 37.1        | 37.4        | 36.5        | 43.7        | 33.6        |
| Pernambuco              | 33.4        | 35.1        | 30.9        | 37.1        | 31.2        | 39.9        | 40.7        | 38.6        | 45.7        | 36.7        |
| Alagoas                 | 32.9        | 33.6        | 31.8        | 39.3        | 29.3        | 39.4        | 39.3        | 39.5        | 46.0        | 36.9        |
| Sergipe                 | 37.6        | 38.3        | 36.8        | 46.9        | 33.7        | 41.5        | 43.0        | 39.4        | 45.4        | 39.8        |
| Bahia                   | 28.4        | 27.9        | 29.0        | 30.6        | 27.7        | 34.4        | 35.6        | 32.7        | 35.8        | 33.9        |
| Minas Gerais            | 49.8        | 53.4        | 45.0        | 54.5        | 45.3        | 54.4        | 57.5        | 50.4        | 58.9        | 50.8        |
| Espírito Santo          | 46.4        | 49.0        | 43.0        | 48.7        | 44.5        | 53.2        | 57.2        | 48.2        | 53.4        | 53.1        |
| Rio de Janeiro          | 58.8        | 61.9        | 54.8        | 62.0        | 54.3        | 62.9        | 66.7        | 58.0        | 66.5        | 58.2        |
| São Paulo               | 62.4        | 65.3        | 58.4        | 64.2        | 57.7        | 67.8        | 70.5        | 64.4        | 69.6        | 64.3        |
| Paraná                  | 51.9        | 54.5        | 48.5        | 54.4        | 44.5        | 58.1        | 60.9        | 54.6        | 59.3        | 54.9        |
| Santa Catarina          | 60.3        | 62.9        | 56.8        | 60.9        | 54.7        | 67.4        | 70.8        | 63.1        | 67.8        | 64.8        |
| Rio Grande do Sul       | 53.0        | 55.6        | 49.6        | 53.0        | 52.6        | 58.4        | 61.8        | 54.3        | 59.2        | 54.5        |
| Mato Grosso do Sul      | 46.7        | 49.6        | 42.9        | 49.3        | 44.3        | 52.3        | 56.9        | 46.4        | 54.4        | 50.1        |
| Mato Grosso             | 40.1        | 42.3        | 37.0        | 43.6        | 37.9        | 48.9        | 52.4        | 44.0        | 55.1        | 44.7        |
| Goiás                   | 43.4        | 46.4        | 38.9        | 46.7        | 40.7        | 49.8        | 52.4        | 46.3        | 52.5        | 48.0        |
| Federal District        | 64.7        | 65.0        | 64.4        | 69.6        | 60.4        | 67.6        | 68.6        | 66.3        | 71.7        | 64.6        |

Source: IBGE - PNAD

As a whole, the indicators reveal that the highest levels of informality experienced by women and black workers are directly related to their over-representation in jobs that are more precarious and typically not covered by social protection.

In addition to the generation of formal jobs, formality has also been expanding as a result of several incentives for inclusion into the pension system directed at several worker segments situated in informality. Among them, the following stand out<sup>31</sup>:

<sup>31</sup> *Destaques: ações e programas do Governo Federal (Brasil, 2010).*

The Individual Micro-entrepreneur (MEI) – created in 2009, its goal is to simplify formalization of small entrepreneurs currently working in the informal market (as for example, street vendors, self-employed salespeople and small-sized entrepreneurs), as well as their employees.

The Individual Entrepreneur is the self-employed person who formalized his or her small business. In order to meet the conditions for formal and legal recognition, the small business's revenue must not exceed R\$ 60 thousand per year, and it must not be associated to other businesses and have one contracted employee earning minimum wage or the baseline salary for the specific work category.

Complementary Law n, 128 of December 19, 2008, created special conditions for the worker identified as informal to become recognized as formal. Among the advantages offered by this law is registration in the National Listing of Juridical Persons (CNPJ), which facilitates the opening of bank accounts, loan requests and the issuing of fiscal receipts. Furthermore, the Individual Entrepreneur is classified as a "Simple" tax payer and is thus exempt from federal taxes (IRPF, PIS, Cofins, IPI and CSLL).

The current (as of 2012) level of contribution is a minimum fixed value of R\$ 31.10 the equivalent to 5.0% of the national minimum wage and R\$ 1.00 of the ICMS tax, in case the business belongs to the industrial or commercial sector, and R\$ 5.00 if it belongs to the services sector. These quantities are updated annually, according to minimum wage variations. As a result of these contributions, the Individual Entrepreneur can claim benefits such as maternity and disability protections, pension, among others, thereby ensuring social protection.

The Individual Entrepreneur can also register up to one employee at a low cost – 3.0% Pension System and 8.0% Time of Service Guarantee Fund (FGTS) of the minimum wage per month, a total of R\$ 68.50. The employee contributes with 8.0% of his or her salary towards the pension system.

According to data released by the *Portal do Empreendedor*, in the end of 2011, Brazil counted 1.87 million registered individual entrepreneurs. Roughly 45.0% of this contingent consists of women and approximately one third of youths aged 16 to 29. On the other hand, 12.4% are older than 50.

The economic sectors with the highest demand of registration and formalization for individual entrepreneurs were: clothes and accessory retail; hairdressing services; small eateries, coffee and juice shops and other similar establishments; minimarkets; small grocery shops and warehouses; tailoring (except for underwear garments); bars; masonry; computer repair and maintenance; food preparation for domestic consumption; street food services.

By the end of 2011, the Federation Units with the highest number of formalized individual entrepreneurs were São Paulo (438 thousand), Rio de Janeiro (239.5 thousand), Minas Gerais (184 thousand), Bahia (151 thousand) and Rio Grande do Sul (101.6 thousand).

In addition to the creation of the Individual Entrepreneur category, Brazil has been adopting several other initiatives for the formalization workers and/or pensioners among which the following stand out:

- Individual contributors – since 2003, workers who provided services to enterprises, such as autonomous workers with no contracts, contribute with 11.0% of their pay, collected by the paying enterprise, who is responsible for the collection of this tax as well as the patronal quota.

- Domestic worker – since 2006, the domestic employer can deduct from his or her Physical Person Income Tax (IRPF), the patronal quota of pension contribution (12.0%) applied to an employee’s salary and minimum wage.
- Simplified Plan of Social Security – since December 2006, this plan has been available for informal economy workers, services providers with no contracts, small entrepreneurs and people with no incomes, as homemakers and students. The value paid corresponds to 11.0% of the minimum wage. Subscription to this plan provides insurance for retirement by age or invalidity, survivor benefits, incarceration insurances, maternity salary and sickness benefits.
- Optionally Insured Person with no Income – since October 2012, based on Law n. 12,470/2011, people who were exclusively dedicated to domestic tasks in low income families<sup>32</sup> could start contributing towards Social Security, paying an aliquot of 5.0% of the minimum salary (R\$ 31.10). In order to have the right to this lower aliquot, the person must be exclusively dedicated to household tasks in his or her own residence, the family’s income must not be greater than two minimum salaries and must be enrolled in the Cadastro Único para Programas Sociais (CadÚnico). Insured persons have the right to the following Social Security benefits: retirement due to age, retirement due to invalidity, sickness benefits, maternity salary, survivor benefit and incarceration aid. This initiative directly benefits homemakers, “donas de casa”, since exclusive dedication to household tasks is predominantly an activity take on by women, as Chapter on *Combining Work, Personal and Family Life* shall discuss.

According to data produced by the Secretariat of Social Security Policy (SPSS), out of the contingent of almost 6 million low income homemakers in Brazil,<sup>33</sup> only 5.5 were enrolled in Social Security as of October 2011. In December, only two months after the reduction of the aliquot, the number of people enrolled increased significantly, reaching 52.0 thousand.

## **THE IMPORTANCE OF DECENT LABOR IN THE STRUGGLE AGAINST POVERTY**

In June 2011, Dilma Rousseff, the president of Brazil, launched the *Brasil sem Miséria* plan, aimed at the eradication of extreme poverty. The plan consists of a set of policies and measures intended to improve upon the recent Brazilian strategy and experience of combatting poverty and social inequality with significant positive results in the last years. Indeed, between 2003 and 2009, poverty dropped by 36.5% - which corresponds to lifting 27.9 million people from below the poverty line since 2003 (the poverty line considered here being half a minimum wage per capita). Hunger, based on data of the PNAD supplement of the IBGE on Food Security was reduced by one fourth between 2005 and 2009. During this period, the number

<sup>32</sup> If the person is not part of a low income family, he or she can also contribute to Social Security as an optional insured person. In this case, the value of the contribution is of at least 11% of the minimum salary, as mentioned with regard to the Simplified Plan of Social Security.

<sup>33</sup> The estimate considered women ages 18 to 59 of low income families and exclusively dedicated to household tasks, according to the 2009 PNAD.

of people vulnerable to *severe food insecurity*<sup>34</sup> declined from 14.9 million to 11.2 million people.

Even with significant reduction of poverty and inequality in Brazil in recent times, extreme poverty in Brazil still afflicts 16.27 million people, the equivalent to 8.5% of the total population according to estimates made by the IBGE based on the preliminary results of the 2010 Census. Furthermore, there are still striking regional differences, in terms of gender and race.

In the Brazilian case, as shown above, the increase of employment and income was significant in the last years and provided an important contribution towards the reduction of extreme poverty and hunger. Furthermore, the nefarious effects of the international financial crisis – triggered in September 2008 – demonstrate the importance of macroeconomic policy for employment and income in the promotion of social justice, in the reduction of inequality and in the promotion of sustainable development.

As mentioned before in the introduction to this chapter on *employment opportunities*, the earnings generated by labor represent the greatest share of family incomes and this have a strategic role in the overcoming of poverty. As Abramo and Guimarães (2011) point out, in addition to adequate remuneration. Decent Work also ensures access to labor-related rights and social protection and, when combined with increase in productivity and opportunity equality, and also of treatment in work, has the potential of exponentially reducing extreme poverty and hunger by means of increase and better distribution of income.

Access to Decent Work allows people to acquire a certain amount of goods and services through their income. At the same time, it offers the opportunity to provide society with productive services and to expand abilities and talents. It also provides security to make decisions that do not have a negative effect on human development, thereby curbing, for example, the effects of unemployment on the ability to provide food and education to children or the need to submit them to labor. Economic growth has the potential of expanding human capacities, but in order for this to happen, it must be equal and increase the opportunities that allow people to make their own decision as to how to live a valuable life. All the opportunities that constitute human development are important – freedom of movement and of speech, access to basic services such as health and education, access to decent housing with potable water and sanitation, among others. However, only access to decent work can convert economic growth into human development.<sup>35</sup>

The information of the Family Development Index (IDF) ratifies the importance of the promotion of Decent Work as a strategy against poverty. The IDF measures the degree of development and vulnerability of families in the CADÚnico, of the federal government – a listing that must be mandatorily used in the selection of beneficiaries and the integration of social programs of the federal government, such as the *Bolsa Família*. The IDF ranges from 0 to 1; the better the quality of families' lives the closer to 1. The composition of the IDF in six distinct dimensions (vulnerability, access to knowledge, access to work, availability of resources, child development and housing conditions) captures the multi-dimensionality of poverty and provides insight into the areas most

<sup>34</sup> Corresponds to the quantitative reduction of food among children and/or food breakdowns because of insufficient food for children; hunger (when a person spends a whole day with not food because of insufficient money to purchase any).

<sup>35</sup> CEPAL/PNUD/OIT (2008). *Emprego, desenvolvimento humano e trabalho decente: a experiência brasileira recente*, Brasília, 2008.

susceptible to social intervention aiming at the improvement of life conditions for families in socially vulnerable positions.

Considering the dimension *access to work* – which in addition to inclusion into the labor market, takes into account the quality of the job and earnings – the information for 2010 indicated very low IDF values, which ranged from 0.17 (in the state of Acre) to just 0.26 (in São Paulo) among the 27 Federation Units, as shown in Table 23. It is important to emphasize that this dimension is the one that indicates, by far, the lowest IDF values among the six factors that make up this index. This information further demonstrates the importance of inclusion into productive life through Decent Work as one of the main mechanisms to reduce and overcome poverty.

**TABLE 23**

FAMILY DEVELOPMENT INDEX - IDF  
FEDERATION UNITS, 2010

| Federation Units    | IDF TOTAL | IDF Vulnerability | IDF Access to Knowledge | IDF Access to Work | IDF Resources Availability | IDF Child Development | IDF Housing Conditions |
|---------------------|-----------|-------------------|-------------------------|--------------------|----------------------------|-----------------------|------------------------|
| Acre                | 0.51      | 0.64              | 0.33                    | 0.17               | 0.39                       | 0.92                  | 0.58                   |
| Paraíba             | 0.55      | 0.71              | 0.32                    | 0.17               | 0.39                       | 0.95                  | 0.74                   |
| Amazonas            | 0.52      | 0.62              | 0.39                    | 0.18               | 0.40                       | 0.93                  | 0.61                   |
| Bahia               | 0.55      | 0.69              | 0.35                    | 0.18               | 0.40                       | 0.95                  | 0.73                   |
| Rio Grande do Norte | 0.57      | 0.71              | 0.36                    | 0.18               | 0.44                       | 0.95                  | 0.77                   |
| Rondônia            | 0.54      | 0.67              | 0.38                    | 0.18               | 0.44                       | 0.93                  | 0.62                   |
| Tocantins           | 0.56      | 0.68              | 0.38                    | 0.18               | 0.47                       | 0.94                  | 0.73                   |
| Alagoas             | 0.54      | 0.68              | 0.30                    | 0.19               | 0.40                       | 0.93                  | 0.71                   |
| Amapá               | 0.53      | 0.60              | 0.40                    | 0.19               | 0.39                       | 0.92                  | 0.65                   |
| Pernambuco          | 0.56      | 0.70              | 0.36                    | 0.19               | 0.40                       | 0.95                  | 0.74                   |
| Sergipe             | 0.56      | 0.69              | 0.34                    | 0.19               | 0.41                       | 0.94                  | 0.76                   |
| Piauí               | 0.54      | 0.71              | 0.33                    | 0.20               | 0.39                       | 0.95                  | 0.68                   |
| Ceará               | 0.56      | 0.70              | 0.37                    | 0.21               | 0.42                       | 0.95                  | 0.73                   |
| Maranhão            | 0.52      | 0.66              | 0.34                    | 0.21               | 0.37                       | 0.94                  | 0.62                   |
| Pará                | 0.52      | 0.64              | 0.38                    | 0.21               | 0.39                       | 0.93                  | 0.59                   |
| Minas Gerais        | 0.60      | 0.70              | 0.40                    | 0.22               | 0.50                       | 0.94                  | 0.81                   |
| Goiás               | 0.59      | 0.67              | 0.42                    | 0.23               | 0.51                       | 0.94                  | 0.77                   |
| Mato Grosso do Sul  | 0.59      | 0.66              | 0.40                    | 0.23               | 0.53                       | 0.94                  | 0.77                   |
| Mato Grosso         | 0.58      | 0.67              | 0.40                    | 0.23               | 0.52                       | 0.94                  | 0.73                   |
| Roraima             | 0.56      | 0.64              | 0.44                    | 0.23               | 0.40                       | 0.94                  | 0.71                   |
| Espírito Santo      | 0.60      | 0.68              | 0.42                    | 0.24               | 0.52                       | 0.95                  | 0.78                   |
| Federal District    | 0.58      | 0.68              | 0.36                    | 0.25               | 0.51                       | 0.88                  | 0.81                   |
| Rio de Janeiro      | 0.59      | 0.64              | 0.45                    | 0.25               | 0.46                       | 0.93                  | 0.79                   |
| Rio Grande do Sul   | 0.60      | 0.69              | 0.45                    | 0.25               | 0.50                       | 0.93                  | 0.80                   |
| Paraná              | 0.61      | 0.69              | 0.41                    | 0.26               | 0.56                       | 0.94                  | 0.79                   |
| Santa Catarina      | 0.61      | 0.69              | 0.43                    | 0.26               | 0.57                       | 0.94                  | 0.77                   |
| São Paulo           | 0.61      | 0.66              | 0.45                    | 0.26               | 0.55                       | 0.94                  | 0.80                   |

Source: MDS - Secretariat of Evaluation and Information Management

It is up to Brazil to make the best of the opportunities created by the demographic momentum to eradicate poverty through dignified labor inclusion. During the last decades the country has been undergoing significant social-demographic transformations, among which a slowdown of demographic growth, the result of a significant decline in the birth rate and the continuation of urbanization and the rapid ageing of the population.

The behavior of the Dependency Ratio (RD),<sup>36</sup> which reflects, in general terms, the weight of children and elders in a segment that, in theory, could be actively producing, provides an insight into emerging opportunities. The decline of the birth rate implies a rapid decline of the population of children aged 0 to 14, a small increment in the population over 65 years old and a strong expansion of the economically active population (aged 15 to 64), tipping the dependency ratio downward. In a later phase, the proportion of children tends to stabilize as the percentage of the elderly tends to grow significantly, with the consequence being an increase of the dependency ratio. The period within a demographic process of transition in which there is relatively smaller proportion of children, without a significant large proportion of elders, is considered an intermediary phase in which the percentages of the economically active population are higher and is often called a *Window of Opportunity* or a *Demographic Bonus*. During this period the ratio of dependency is lower (less children and elderly people, more economically active people) and thus favors investments in the improvement of life conditions for the young and prepare for the challenges to be brought in the future by an ageing population.

The Ratio of Total Dependency in Brazil, which already declined from 73.2% in 1980 to 54.4% in 2000 and then to 45.9% in 2010, is estimated at 42.0% in 2030; in other words, for every 100 Brazilian in working age there are approximately 42 children and elderly people. During the *demographic bonus* period the workforce will grow more rapidly than the dependent population and this will open a *window of opportunity* to direct more resources towards the investment in the well-being of the family and the economy. This conjuncture is extremely favorable for the increase of economic productivity, since the levels of schooling of the population and the participation of women in the labor market are also increasing.

However, demographic conditions alone do not guarantee the demographic bonus will be fully taken advantage of. It is necessary to ensure the existence of adequate policies in order to render this opportunity viable. In view of almost universal coverage of basic education and reduction of school drop-off rates, educational policies must take advantage of the lower number of children (because of declining birth rates) in order to improve the quality of schooling and thereby elevate the level of education of labor. It is necessary to broaden, diversify and improve the quality of professional qualification policies. In addition, this type of policy must be coordinated with educational policies, with the goal of fostering youth employment and avoiding that population cohorts at the peak of productivity become unemployed or untrained for the realm of labor.

The policies aimed at elevating schooling and professional education effectively perform a strategic role in combatting poverty and social inequality. The MTE's RAIS data demonstrate that in the course of the last years, while the number of formal work contracts for illiterate workers or workers with less than seven years of schooling (incomplete basic education), almost 90.0% of new jobs created since then required at least completion of

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<sup>36</sup> Ratio between the population not considered active (aged 0 to 14 and over 65) and the potentially active population (aged 15 to 64).

secondary education. On the other hand, data from the 2009 PNAD shows roughly 40.0% of workers in the national PEA had not even complete the basic education cycle, and that 16.0% could be classified as *functionally illiterate* (less than four years of schooling). Furthermore, the *access to knowledge* dimension – which encompasses illiteracy and the level of schooling of family members registered in the CADÚNICO – the IDF indicated that in 2010 the value of the index ranged between 0.33 and 0.45 considering all Federation Units. These indicators demonstrate that countering illiteracy, elevating levels of schooling and professional qualification and access to Decent Work are strategic features in the struggle against poverty in Brazil.

National mobilization and the policies that will be carried out in the context of the *Brasil sem Miséria* plan – which mainly addressed the issue from the perspective of productive inclusion – as well as the strategies and guidelines that will be defined in the First National Employment and Decent Work Conference in defining a national policy of employment and decent work, represent excellent opportunities to consolidate in Brazil an effective strategy in combating poverty and social inequalities premised upon the promotion of Decent Work.

## **GREEN JOBS: A STRATEGY IN THE PROMOTION OF EMPLOYMENT OPPORTUNITIES, DECENT WORK AND ENVIRONMENTAL SUSTAINABILITY**

Recent climate changes and the international financial crisis started in 2008 are unequivocal evidence of the economic and environmental unsustainability of the predominant production models adopted in most parts of the world. In view of this context, green jobs have gained prominence as they represent the possibility of benefits for the environment as well as the labor market.

The conservation of the environment and economic development are not necessarily mutually exclusive. Furthermore, they can and must go hand-in-hand. Fostering economic activities that reduce harm to the environment and at the same time provide sustainable benefits for society is possibly one way of combining sustainability and economic development. The concept of green jobs refers to the double challenge of protecting the environment for future generation – by preventing environmental degradation and climate change – and promoting Decent Work for the generations of today by incorporating people excluded from social and economic development (CAGALA and SCAGLIONI, 2011)

As a specialized body within the United Nations System concerned with issues related to the realm of labor, the ILO could not shy away from this challenge. In the words of the organization's Director-General, "*adapting to climate change and mitigating requires an adjustment to new models of use and conservation of natural resources. Employer and worker organizations and the dignitary governments of the ILO accept this challenge and are determined to participate, by strengthening our capacity to anticipate changes, to prepare and then put into practice an efficient and fair process of adaptation. To this end, we have created the Green Jobs Initiative. The ILO Green Jobs Initiative's goal is to add the vital dimension of decent work to the actions of the United Nations in its strategy to apply an all-encompassing strategy to climate strategy.*" (Juan Somavia, in his speech to the UN Summit in Climate Change, September 2007).



The *ILO Green Jobs Program*, launched during the 98<sup>th</sup> Meeting of the International Labor Conference in June 2009, stresses that “*for the ILO, the concept of green jobs summarizes the transformations of the economies, enterprises, workplaces and labor markets towards a sustainable economy capable of providing decent labor with a low carbon footprint.*”

According to Muçouçah (2009), this definition adopted by the ILO fosters a close connection between the concepts of green jobs and Decent Work, to the extent that the latter becomes a condition for the existence of the former. What is more, both stand equally as attributes of what would be considered a sustainable economy with low carbon emissions.

In addition to the fact it should not be dissociated to decent work, the generation of green jobs must be seen as a fundamental pillar of the process of creation and consolidation of sustainable enterprises. In the same way some countries have adopted green job policies as part of the solution to the international crisis started in 2008, this proposal must be placed more to the center of recovery strategies and policies, as proposed by the World Employment Pact, approved by the tripartite constituents of the ILO during the 98<sup>th</sup> Meeting of the International Labor Conference, held in Geneva in June 2009. In this sense, it is possible to predict that this perspective will be progressively incorporated into national, state and local agendas and plans for decent work that have been established and are being consolidated in Brazil and in several other countries and regions of the world, as a result of the initiative of governments, employers and workers with the technical and institutional support of the ILO (Muçouçah, 2009).

With the goal of demonstrating the importance and the potential of green jobs in Brazil, the ILO Brazil Office in 2009 started developing – with the aid of the British Embassy in Brazil – a methodology for the measurement and identification of green jobs in Brazil. The first methodological effort culminated in the publication of the report titled *Green Jobs in Brazil: How many are they, where are they and how will they evolve in the coming years*, released in December 2009.

A peculiar feature of the definition of the concept of green jobs adopted by this methodology is that it refers to jobs within certain economic activities rather than specific occupations. What confers “greenness” to working posts designated by this concept are above all the concrete environmental impacts of the economic activities that generated these jobs, regardless of the functions being carried out or the professional profile of workers.

One of the methodological premises of the study is that the working posts that are protected formally by a duly registered contract are more likely to fulfill all the requirements of Decent Labor compared to those that are not covered by the many mechanisms that protect salaried work in the Brazilian labor legislation. Muçouçah (2009) brings attention to the fact that, by prioritizing sources of information about duly registered salaried work contracts, this report excludes other job situations which, although exercised without signed labor cards, could eventually be defined either as decent work or as a green job. This is the case, for example, of some autonomous jobs that contribute to the improvement of environmental quality at the same time they provide a dignified life for workers. On the other hand, this same methodological option also entailed the exclusion, among others, of a large contingent of recyclable garbage collectors who work in complete informal conditions, with no social protection, most times in extremely unclean conditions and in exchange for very low remuneration.

Lastly, the choice of the economic activities that generate green jobs took into account *significant contributions* for the reduction of carbon emission or for the improvement/conservation of environmental quality, by means of an analysis that is largely qualitative in nature. To this end, the analysis considered six main areas, taking into account the peculiarities of the Brazilian economy:

- a) maximization of energy efficiency and the substitution of fossil fuel for renewable sources of energy;
- b) rationalization of use and conservation of natural resources and environmental assets;
- c) increase of the durability and reparability of products and production instruments;
- d) reduction, recovery and recycling of all kind of materials and residues;
- e) prevention and control of environmental risks and visual, sound, air, water and soil pollution; and
- f) reduction of transportation of passengers and cargo.

Economic activities whose end products incorporate of at least one of these features into the current model of production and consumption are doubtlessly providing a relevant contribution to the environment. If, at the same time, the jobs they generate fulfill the requirements of decent work they can then be classified as green jobs.

Based on these criteria for the identification of jobs, the abovementioned ILO study considered the RAIS the most fitting source of information.<sup>37</sup> Adopting the new characteristics of production and consumption as a reference associated to a transition to a low-carbon economy, the 675 categories of activity listed by the National Classification Economic Activities (CNAE), version 2.0, which is the most advanced level of disaggregation used by the RAIS, were analyzed. The goal of this analysis was to identify the activities whose end products objectively contribute, whether directly or indirectly, to changes in the dominant pattern of production and consumption towards at least one of the six areas featured above. The result culminated in the selection of 76 economic activities, subsequently grouped into six categories.

- Forestry – management and production
- Generation and distribution of renewable energies
- Sanitation, solid waste and environmental hazard management
- Maintenance, repair and recovery of products and material
- Collective transportation and alternatives to automobile and air transportation
- Telecommunications and tele-assistance

Based on the application of this methodology, it was estimated that there were 2.29 million formal green jobs in existence as of December 31, 2006.

Updating this estimate based on the data from the 2010 RAIS, the number of green jobs expanded to 2.90 million and corresponded to 6.6% of the total of labor contracts in existence in Brazil.

Between 2006 and 2010, 613 thousand new green jobs were generated, the equivalent to a 26.7% in just four years. During this same period, the total stock of formalized work

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<sup>37</sup> Once the results concerning Work and Earnings from the 2010 Census Sample are released it will be possible to improve the measurement methodology for green jobs in Brazil.

contracts expanded 25.4%. In view of this context, it is possible to observe that the speed of job growth is slightly superior compared to growth of formal jobs in general.

Among the six large categories into which green activities are grouped, that of *telecommunications and tele-assistance* presented the highest growth in absolute terms (approximately 180 thousand new jobs) and relative as well (58.9%) between 2006 and 2010, according to Table 24.

Coming next were the categories *maintenance, repair and recovery of products and materials* (with 137 new openings, a 37.9% increase between 2006 and 2010) and then *sanitation, waste and environmental hazard management* (59 thousand new positions, a 21.4% increase). The category *generation and distribution of renewable energies* also presented significant growth by generating roughly 100 thousand new green jobs (a 20.7% increase) during this same period.

| Categories of Clusters of Economic Activities                    | N . of Green Jobs |                  | Variation 2006/2010 |             |
|--|-------------------|------------------|---------------------|-------------|
|  | 2006              | 2010             | Absolute            | %           |
| Forestry - management and production                             | 133,313           | 149,010          | 15,697              | 11.8        |
| Generation and distribution of renewable energies                | 480,497           | 580,155          | 99,658              | 20.7        |
| Sanitation. solid waste and environmental hazard management      | 276,736           | 335,825          | 59,089              | 21.4        |
| Maintenance. repair and recovery of products and material        | 361,819           | 498,810          | 136,991             | 37.9        |
| Collective transportation and alternatives to automobile and air | 735,641           | 857,316          | 121,675             | 16.5        |
| Telecommunications and telephone assistance                      | 305,499           | 485,463          | 179,964             | 58.9        |
| <b>Total</b>   | <b>2,293,505</b>  | <b>2,906,579</b> | <b>613,074</b>      | <b>26.7</b> |

Source: MTE-RAIS  
Elaboration: ILO Brazil Office

Regarding the participation of each category in the total contingent of green jobs, the category *collective transportation and alternatives to automobile and air transport* comprised 858 thousand formal contracts and accounted for 29.5% of the total of green jobs in the country by the end of 2010. Next, with approximately 580 thousand jobs (20.0%) of the total came the category *generation and distribution of renewable energy*.

As shown in Table 25, the Southeast Region every year accounted for more than half (56.8%) of green jobs generated in Brazil, followed by the Northeast (16.4%) and South (14.4%) Regions. With approximately 879 thousand formal contracts, São Paulo comprised 30.2% of the national total, Rio de Janeiro (with 368 thousand, that is, 12.7% of the total), Minas Gerais (332 thousand, or 4.4%) and Paraná (177 thousand, or 6.1%) also stood out in the national scenario.

In the Northeast Region, Pernambuco (127.5 thousand) and Bahia (125 thousand), in 2010, accounted for the largest contingents of green jobs in the regional context. In the North and Center-West Regions, the states that stood out were: Pará (50 thousand) and Mato Grosso do Sul (48 thousand).

Following the nationwide trend, green jobs underwent expansion in all regions between 2006 and 2010, being that in the Center-West (43.7%) and in the North Regions (40.1%), the percentages of expansions surpassed the national average (26.7%).

In 25 out of 27 Federation Units, green jobs increased during the second half of the first decade of the 2000s. Only Rio Grande do Norte (-4.6%) and Acre (-0.6%) underwent declines. In 11 UFs, the percentage of expansion was well above the national average, with the following states standing out: Rondônia (225.0%), Mato Grosso do Sul (69.1%), Sergipe (57.6%) and Goiás (40.8%).

TABLE 25

NUMBER OF GREEN JOBS IN FORMAL LABOR MARKET  
BRAZIL, REGIONS AND FEDERATION UNITS, 2006 AND 2010

| Geographical Area         | Number of Green Jobs |                  | Variation between 2006 and 2010 |             | Participation % of National Total |              |
|---------------------------|----------------------|------------------|---------------------------------|-------------|-----------------------------------|--------------|
|                           | 2006                 | 2010             | Absolute                        | %           | 2006                              | 2010         |
| <b>Brazil</b>             | <b>2,293,505</b>     | <b>2,906,579</b> | <b>613,074</b>                  | <b>53.6</b> | <b>100.0</b>                      | <b>100.0</b> |
| <b>North Region</b>       | <b>95,240</b>        | <b>133,420</b>   | <b>38,180</b>                   | <b>85.7</b> | <b>4.2</b>                        | <b>4.6</b>   |
| Rondônia                  | 8,735                | 28,390           | 19,655                          | 92.9        | 0.4                               | 1.0          |
| Acre                      | 3,853                | 3,830            | -23                             | 77.1        | 0.2                               | 0.1          |
| Amazonas                  | 25,746               | 31,530           | 5,784                           | 97.6        | 1.1                               | 1.1          |
| Roraima                   | 2,702                | 3,368            | 666                             | 179.4       | 0.1                               | 0.1          |
| Pará                      | 41,244               | 49,945           | 8,701                           | 74.1        | 1.8                               | 1.7          |
| Amapá                     | 3,747                | 4,858            | 1,111                           | 93.3        | 0.2                               | 0.2          |
| Tocantins                 | 9,213                | 11,499           | 2,286                           | 79.4        | 0.4                               | 0.4          |
| <b>Northeast Region</b>   | <b>380,892</b>       | <b>475,401</b>   | <b>94,509</b>                   | <b>64.9</b> | <b>16.6</b>                       | <b>16.4</b>  |
| Maranhão                  | 31,098               | 42,030           | 10,932                          | 93.0        | 1.4                               | 1.4          |
| Piauí                     | 14,266               | 17,848           | 3,582                           | 59.3        | 0.6                               | 0.6          |
| Ceará                     | 43,626               | 52,968           | 9,342                           | 67.1        | 1.9                               | 1.8          |
| Rio Grande do Norte       | 26,466               | 25,354           | -1,112                          | 80.3        | 1.2                               | 0.9          |
| Paraíba                   | 32,142               | 34,851           | 2,709                           | 54.3        | 1.4                               | 1.2          |
| Pernambuco                | 91,139               | 127,575          | 36,436                          | 62.8        | 4.0                               | 4.4          |
| Alagoas                   | 22,794               | 24,109           | 1,315                           | 51.1        | 1.0                               | 0.8          |
| Sergipe                   | 16,124               | 25,416           | 9,292                           | 54.4        | 0.7                               | 0.9          |
| Bahia                     | 103,237              | 125,250          | 22,013                          | 63.3        | 4.5                               | 4.3          |
| <b>Southeast Region</b>   | <b>1,302,782</b>     | <b>1,650,734</b> | <b>347,952</b>                  | <b>48.5</b> | <b>56.8</b>                       | <b>56.8</b>  |
| Minas Gerais              | 248,285              | 332,337          | 84,052                          | 52.5        | 10.8                              | 11.4         |
| Espírito Santo            | 57,556               | 71,063           | 13,507                          | 56.0        | 2.5                               | 2.4          |
| Rio de Janeiro            | 306,087              | 368,497          | 62,410                          | 39.6        | 13.3                              | 12.7         |
| São Paulo                 | 690,854              | 878,837          | 187,983                         | 49.6        | 30.1                              | 30.2         |
| <b>South Region</b>       | <b>355,910</b>       | <b>419,003</b>   | <b>63,093</b>                   | <b>48.9</b> | <b>15.5</b>                       | <b>14.4</b>  |
| Paraná                    | 158,132              | 177,421          | 19,289                          | 53.6        | 6.9                               | 6.1          |
| Santa Catarina            | 79,906               | 93,527           | 13,621                          | 59.4        | 3.5                               | 3.2          |
| Rio Grande do Sul         | 117,872              | 148,055          | 30,183                          | 38.3        | 5.1                               | 5.1          |
| <b>Center-West Region</b> | <b>158,681</b>       | <b>228,022</b>   | <b>69,341</b>                   | <b>56.2</b> | <b>6.9</b>                        | <b>7.8</b>   |
| Mato Grosso do Sul        | 28,449               | 48,099           | 19,650                          | 60.4        | 1.2                               | 1.7          |
| Mato Grosso               | 30,007               | 40,933           | 10,926                          | 73.2        | 1.3                               | 1.4          |
| Goiás                     | 62,940               | 88,644           | 25,704                          | 68.1        | 2.7                               | 3.0          |
| Federal District          | 37,285               | 50,346           | 13,061                          | 35.2        | 1.6                               | 1.7          |

Source: MTE-RAIS  
Elaboration: ILO Brazil Office

Even considering that is a first methodological trial, the set of information indicates the importance and potential of green jobs as a tool in the promotion of Decent Work and environmental sustainability. The ILO will continue working together with the institutions that are a part of the National Statistical System in order to improve methods used to identify green jobs, consequently cooperating in their promotion.

# 3 ADEQUATE EARNINGS AND PRODUCTIVE WORK

In contemporary societies, for the great majority of the population the fulfillment of needs is dependent on the income earned from work. It is through work that the worker has access to market goods and services, thus improving well-being. This dependence is exacerbated if a society does not have or has only insufficient social protection and income guarantee policies.

## The Importance of Work Earnings as a Part of Family Income

The analysis of Brazilian families' earnings composition show how important wages are for the family budget and, consequently, for the well-being of the population. According to data from IBGE's 2008-2009 Household Budget Survey (POF), work earnings accounted for 61.1% of the total income and asset variation of families.<sup>38</sup> Therefore, a significant share of Brazilian families depend primarily on work earnings.

This share was higher in urban areas (61.8%) than in rural areas (53.6%), mainly due to the higher representativeness of non-monetary earnings in rural areas, as shown in Table 26.

Considering the work earnings structure, 70.7% were earnings from employees while 20.2% were earnings from self-employed workers.

The employer earnings comprised 9.1% of family total earnings and asset variation.

The comparative analysis of the POF 2002-2003 and POF 2008-2009 data shows some changes in the work earnings composition. While there was an increase in the share of employee work earnings (from 68.5% to 70.7%) and also self-employed earnings (from 19.9% to 20.2%), the employer earnings decreased 2.6 p.p. (from 11.7% to 9.1%).

The structure of the composition of family earnings varied throughout the country. Regionally, in 2008-2009, work earnings had a bigger share in the Center-West (66.4%) and in the North (65.9%). In the Northeast Region, work earnings had the smallest share (57.8%) due to the higher proportion of transfers<sup>39</sup> (22.5%) in the family income.

Considering Federation Units, the biggest share of work earnings was observed in Amapá (72.8%), Amazonas (70.3%) and Mato Grosso (70.1%), according to Table 26.

<sup>38</sup> The asset variation includes real estate sales, inheritance, and positive balance of financial transactions (financial deposits and withdrawals such as savings and investment funds).

<sup>39</sup> Includes retirement and private and public pensions, social income transfer programs, and scholarships.

The Federation Units with the smallest shares were in the Northeast Region: Paraíba (54.9%), Piauí (55.1%), Ceará (55.7%), Rio Grande Norte (55.8%), and Pernambuco (56.5%). Following the region's trend, the small share of work earnings in the families' incomes residing in these five states was heavily influenced by the proportion of transfers, which varied from a minimum of 24.1% in Pernambuco to a significant 28.7% in Paraíba, which was the state with, simultaneously, the highest share of transfers and the lowest of work earnings, as mentioned above.

**TABLE 26**

PERCENTAGE OF EARNINGS DISTRIBUTION AND FAMILY AVERAGE ASSET MONTHLY VARIATION,  
BY TYPE OF ORIGIN OF EARNINGS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2008-2009

| Geographical Area       | Earnings Distribution and Average Family Asset Monthly Variation (%) |                    |               |             |                          |                       |                 |
|-------------------------|--|--------------------|---------------|-------------|--------------------------|-----------------------|-----------------|
|                         | Total  | Origin of Earnings |               |             |                          |                       | Asset Variation |
|                         |  | Total Earnings     | Work Earnings | Transfers   | Rent Earnings and Others | Non-monetary Earnings |                 |
| <b>Brazil</b>           | <b>100.0</b>   | <b>95.6</b>        | <b>61.1</b>   | <b>18.5</b> | <b>3.3</b>               | <b>12.8</b>           | <b>4.4</b>      |
| Urban Area              | 100.0  | 95.5               | 61.8          | 18.3        | 3.2                      | 12.2                  | 4.5             |
| Rural Area              | 100.0  | 96.1               | 53.6          | 20.5        | 3.3                      | 18.7                  | 3.9             |
| <b>Regions</b>          |  |                    |               |             |                          |                       |                 |
| North                   | 100.0  | 96.1               | 65.6          | 13.3        | 2.8                      | 14.5                  | 3.9             |
| Northeast               | 100.0  | 97.1               | 57.8          | 22.5        | 3.2                      | 13.6                  | 2.9             |
| Southeast               | 100.0  | 95.4               | 61.2          | 18.5        | 3.1                      | 12.5                  | 4.6             |
| South                   | 100.0  | 94.2               | 60.3          | 17.1        | 4.0                      | 12.9                  | 5.8             |
| Center-West             | 100.0  | 96.7               | 66.4          | 16.1        | 2.9                      | 11.2                  | 3.3             |
| <b>Federation Units</b> |  |                    |               |             |                          |                       |                 |
| Rondônia                | 100.0  | 92.5               | 65.5          | 10.8        | 4.1                      | 12.2                  | 7.5             |
| Acre                    | 100.0  | 94.5               | 59.6          | 9.5         | 3.6                      | 21.9                  | 5.5             |
| Amazonas                | 100.0  | 98.8               | 70.3          | 12.8        | 0.7                      | 15.0                  | 1.2             |
| Roraima                 | 100.0  | 97.8               | 64.3          | 14.0        | 0.7                      | 18.8                  | 2.2             |
| Pará                    | 100.0  | 96.4               | 64.0          | 14.5        | 3.4                      | 14.4                  | 3.6             |
| Amapá                   | 100.0  | 99.0               | 72.8          | 12.8        | 1.3                      | 12.2                  | 1.0             |
| Tocantins               | 100.0  | 93.5               | 62.4          | 14.2        | 3.3                      | 13.5                  | 6.5             |
| Maranhão                | 100.0  | 97.8               | 60.4          | 20.5        | 3.3                      | 13.7                  | 2.2             |
| Piauí                   | 100.0  | 96.3               | 55.1          | 25.4        | 2.3                      | 13.5                  | 3.7             |
| Ceará                   | 100.0  | 97.3               | 55.7          | 25.8        | 2.9                      | 12.9                  | 2.7             |
| Rio Grande do Norte     | 100.0  | 96.7               | 55.8          | 24.9        | 3.5                      | 12.5                  | 3.3             |
| Paraíba                 | 100.0  | 97.6               | 54.9          | 28.7        | 1.5                      | 12.5                  | 2.4             |
| Pernambuco              | 100.0  | 96.9               | 56.5          | 24.1        | 3.1                      | 13.2                  | 3.1             |
| Alagoas                 | 100.0  | 97.7               | 59.2          | 25.2        | 1.6                      | 11.8                  | 2.3             |
| Sergipe                 | 100.0  | 95.2               | 59.4          | 20.5        | 2.2                      | 13.1                  | 4.8             |
| Bahia                   | 100.0  | 97.1               | 59.8          | 18.2        | 4.3                      | 14.8                  | 2.9             |
| Minas Gerais            | 100.0  | 97.0               | 59.7          | 21.9        | 3.0                      | 12.3                  | 3.0             |
| Espírito Santo          | 100.0  | 94.8               | 59.9          | 19.9        | 2.9                      | 12.1                  | 5.2             |
| Rio de Janeiro          | 100.0  | 94.8               | 59.5          | 22.5        | 1.5                      | 11.3                  | 5.2             |
| São Paulo               | 100.0  | 95.0               | 62.4          | 15.7        | 3.7                      | 13.1                  | 5.0             |
| Paraná                  | 100.0  | 95.3               | 60.8          | 17.1        | 4.0                      | 13.3                  | 4.7             |
| Santa Catarina          | 100.0  | 93.3               | 61.5          | 14.1        | 4.9                      | 12.8                  | 6.7             |
| Rio Grande do Sul       | 100.0  | 93.8               | 59.0          | 18.8        | 3.3                      | 12.6                  | 6.2             |
| Mato Grosso do Sul      | 100.0  | 95.8               | 64.6          | 14.7        | 3.8                      | 12.6                  | 4.2             |
| Mato Grosso             | 100.0  | 97.4               | 70.1          | 11.2        | 2.4                      | 13.7                  | 2.6             |
| Goiás                   | 100.0  | 95.8               | 66.2          | 15.7        | 3.4                      | 10.4                  | 4.2             |
| Federal District        | 100.0  | 98.1               | 65.6          | 20.2        | 2.2                      | 10.1                  | 1.9             |

Source: IBGE - Family Budget Survey 2008-2009.

## The Evolution of Work Earnings

In Brazil, the last few years have been marked by accelerated economic growth, which has been spurred, to a large degree, by the strengthening of the internal market. On one hand, the policy of minimum wage increase (see Legal Framework Indicator 3 'Statutory minimum wage', Annex p. 364) was important for the growth of workers' salaries as well as bridging the salary gap - between April 2003 and January 2010, the minimum wage increased 53.7% in real terms. On the other hand, there was progress in the country's social protection matrix with the unification and the increase in the number of beneficiaries and value of the federal government's transfer programs benefits.

For the more organized sectors of workers, the favorable economic environment made possible the expressive growth in the proportion of agreements and collective negotiations including a salary readjustment in real terms (see chapter on *Social Dialogue and Workers' and Employers' Representation*). Also, during this period there was an intensification in the process of formalization of work relations, providing an opportunity for some workers to transition into more protected occupations and higher wages.

Because of this process, and in line with other measures to stimulate demand for social protection<sup>40</sup>, the 2008 financial-economic crisis did not affect Brazil in the same way it affected developed countries, both in terms of intensity and of the duration of its effects.<sup>41</sup>

According to the National Survey by Household Sample (PNAD), between 2004 and 2009, the average real earnings of workers aged 16 or older increased continuously, from R\$ 896 to R\$ 1,701, a 19.5% increase, despite the strong economic deceleration in 2009, as result of the international crisis.

However, the increase in average real earnings affected differently every segment of the working population. It is important to point out that independently of the aspect analyzed, there was, in the time period studied, a reduction in earnings inequality, though a small one.

From the standpoint of gender, between 2004 and 2009, we observe a slightly faster growth in women's average earnings compared to men's earnings: 21.6% and 19.4%, respectively. Still, women earned significantly less than men. In 2009, women's average monthly earnings was R\$ 861 while men's was R\$ 1,218 - women earned, on average, 70.6% of what men earned. Many factors explain this inequality. Among them, the unequal distribution of domestic tasks, which disproportionately penalizes the productive insertion of women, the persistence of occupational segmentation by sex and discriminatory practices in the labor market.<sup>42</sup>

During the same period, the average real earnings of blacks went from R\$ 607 to R\$ 788 (growth of 29.8%), while earnings of white workers went from R\$ 1,143 to R\$ 1,352 (18.3% increase), according to Table 27. This means there was a decrease in the earnings differential between white and black workers, partly due to increased schooling of the latter. In 2004, blacks received 53.0% of whites' earnings, and in 2009 it went up to 58.0%.

<sup>40</sup> Especially the increased investments of the Growth Acceleration Program - PAC, the launching of the low-income housing program Minha Casa, Minha Vida, the reduction of Taxes on Industrialized Products - IPI for selected products, and expansion of unemployment insurance for workers in the sectors most affected by the crisis.

<sup>41</sup> Organização Internacional do Trabalho (OIT), Brasil: Uma Estratégia Inovadora Alavancada pela Renda, Genebra: OIT, 2011.

<sup>42</sup> This issue will be discussed further in the Chapter on *Equal Opportunity and Equal Treatment at Work*.

It is important to point out that the differential reduction in earnings, between genders as well as color or race, was largely influenced by the process of real value increase of the minimum wage, which increases significantly the earnings at the base of the pyramid, among the minimum-wage earning population, which is composed mainly by women and blacks.

Considering simultaneously the personal attributes of gender and race/color, it is possible to identify the extremes on the work earnings scale - white men and black women. In 2009, white men's earnings were 2.5 times higher than black women's (R\$ 1,567 and R\$ 632), or, in other words, black women workers made 40.3% of what white male workers earned. This differential was slightly larger in 2004, when the former earned R\$ 1,328 and the latter R\$ 486 - only 35.6% compared to white male workers.

Income inequalities are also significant when analyzed by place of residence, despite having decreased during the analyzed period. Between 2004 and 2009, the average monthly income of urban workers went from R\$ 962 to R\$ 1,141 (18.6% increase) and rural workers from R\$ 489 to R\$ 603 (23.3% increase).

By observing the behavior of real average income, it can be noticed that between 2004 and 2009 income growth was more intense in the Northeast (34.4%) and North Regions (27.4%) than in the Southeast (16.8%), Center-West (22.8%), and South (23.4%), regions with a higher *per capita* income. The income differential between the region with lowest income (the Northeast) and the highest (the Southeast) decreased from 2.2 to 1.9 times.

Among the Federation Units, the highest average real income growth was seen in Alagoas (50.7%), Acre (49.5%), and Paraíba (43.3%). On the other hand, income growth was more modest in São Paulo (12.4%), Mato Grosso (13.6%), Pernambuco (15.0%), and Paraná (15.1%). Between 2004 and 2009, the income differential between the Federal District, the Federation Unit with the highest income, and Piauí, the one with the lowest, decreased from 4.3 times to 3.8 times.

Furthermore, in 13 of the 27 Federation Units, the increase in women's average real income was superior than men's. In Paraná, the growth in women's income was almost double than that of men's (24.2% versus 12.8%). However, in 2009, the women's average real income was inferior to men's in every Federation Unit, with the highest differential found in Mato Grosso do Sul, where it was equivalent to 60.3% of men's.

Seventeen Federation Units saw a decrease in inequality between whites and blacks, most significantly in the state of Maranhão, where the income of the latter grew three times more than that of whites'. Despite this, the average income of black workers was still significantly inferior in all Federation Units, varying from 67.3% in Amapá to 22.9% in Piauí.



TABLE 27

MAIN JOB AVERAGE REAL INCOME OF PEOPLE 16 AGED OR OLDER, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

In R\$

| Geographical Area       | 2004       |              |            |              |            | 2009         |              |            |              |            |
|-------------------------|------------|--------------|------------|--------------|------------|--------------|--------------|------------|--------------|------------|
|                         | Total      | Men          | Women      | White        | Black      | Total        | Men          | Women      | White        | Black      |
| <b>Brazil</b>           | <b>896</b> | <b>1,020</b> | <b>708</b> | <b>1,143</b> | <b>607</b> | <b>1,071</b> | <b>1,218</b> | <b>861</b> | <b>1,352</b> | <b>788</b> |
| Urban Area              | 962        | 1,122        | 742        | 1,203        | 656        | 1,141        | 1,328        | 896        | 1,415        | 846        |
| Rural Area              | 489        | 536          | 343        | 647          | 372        | 603          | 647          | 482        | 801          | 469        |
| <b>Regions</b>          |            |              |            |              |            |              |              |            |              |            |
| North                   | 630        | 732          | 469        | 897          | 542        | 802          | 917          | 633        | 1,088        | 713        |
| Northeast               | 451        | 523          | 347        | 625          | 378        | 606          | 691          | 485        | 839          | 515        |
| Southeast               | 1,000      | 1,187        | 750        | 1,207        | 659        | 1,167        | 1,377        | 897        | 1,400        | 853        |
| South                   | 893        | 1,111        | 612        | 955          | 574        | 1,102        | 1,347        | 796        | 1,187        | 770        |
| Center-West             | 978        | 1,149        | 739        | 1,286        | 737        | 1,201        | 1,413        | 920        | 1,539        | 967        |
| <b>Federation Units</b> |            |              |            |              |            |              |              |            |              |            |
| Rondônia                | 854        | 932          | 702        | 1,127        | 701        | 1,066        | 1,211        | 812        | 1,375        | 904        |
| Acre                    | 789        | 830          | 721        | 989          | 733        | 1,180        | 1,255        | 1,066      | 1,604        | 1,022      |
| Amazonas                | 791        | 848          | 689        | 1,112        | 657        | 930          | 1,008        | 811        | 1,289        | 834        |
| Roraima                 | 755        | 772          | 725        | 799          | 739        | 990          | 1,056        | 895        | 1,317        | 857        |
| Pará                    | 666        | 750          | 509        | 922          | 598        | 782          | 863          | 645        | 1,002        | 718        |
| Amapá                   | 829        | 887          | 737        | 1,089        | 745        | 1,036        | 1,131        | 890        | 1,273        | 959        |
| Tocantins               | 699        | 763          | 592        | 958          | 607        | 886          | 969          | 758        | 1,210        | 776        |
| Maranhão                | 527        | 598          | 417        | 789          | 437        | 699          | 785          | 550        | 916          | 631        |
| Piauí                   | 412        | 418          | 399        | 550          | 367        | 567          | 615          | 493        | 845          | 477        |
| Ceará                   | 507        | 546          | 446        | 687          | 413        | 655          | 713          | 570        | 858          | 568        |
| Rio Grande do Norte     | 583        | 630          | 507        | 720          | 502        | 769          | 852          | 634        | 1,001        | 639        |
| Paraíba                 | 537        | 571          | 475        | 698          | 435        | 769          | 832          | 657        | 974          | 653        |
| Pernambuco              | 625        | 688          | 519        | 829          | 502        | 718          | 772          | 629        | 969          | 579        |
| Alagoas                 | 485        | 511          | 433        | 647          | 385        | 731          | 763          | 675        | 1,032        | 607        |
| Sergipe                 | 632        | 711          | 509        | 796          | 560        | 776          | 858          | 659        | 982          | 691        |
| Bahia                   | 547        | 592          | 465        | 777          | 483        | 713          | 774          | 617        | 1,047        | 617        |
| Minas Gerais            | 783        | 913          | 590        | 1,013        | 560        | 964          | 1,110        | 762        | 1,210        | 760        |
| Espírito Santo          | 839        | 955          | 660        | 1,072        | 646        | 997          | 1,143        | 785        | 1,248        | 810        |
| Rio de Janeiro          | 1,070      | 1,242        | 850        | 1,293        | 760        | 1,305        | 1,518        | 1,027      | 1,602        | 927        |
| São Paulo               | 1,179      | 1,385        | 898        | 1,337        | 784        | 1,326        | 1,546        | 1,038      | 1,498        | 1,000      |
| Paraná                  | 1,031      | 1,231        | 733        | 1,167        | 621        | 1,187        | 1,389        | 911        | 1,326        | 822        |
| Santa Catarina          | 1,007      | 1,182        | 750        | 1,043        | 688        | 1,334        | 1,571        | 1,001      | 1,397        | 950        |
| Rio Grande do Sul       | 1,001      | 1,145        | 779        | 1,046        | 665        | 1,168        | 1,368        | 895        | 1,251        | 796        |
| Mato Grosso do Sul      | 855        | 984          | 663        | 1,076        | 645        | 1,114        | 1,335        | 805        | 1,383        | 842        |
| Mato Grosso             | 972        | 1,120        | 709        | 1,326        | 733        | 1,104        | 1,261        | 855        | 1,455        | 861        |
| Goiás                   | 875        | 1,034        | 619        | 1,070        | 723        | 1,053        | 1,233        | 795        | 1,289        | 898        |
| Federal District        | 1,756      | 1,942        | 1,537      | 2,410        | 1,198      | 2,177        | 2,447        | 1,849      | 2,921        | 1,653      |

Source: IBGE - PNAD

Dealing exclusively with the recent evolution of income in the formal labor market, the RAIS data show that between 2009 and 2010, the average national income had a real growth of 2.6%<sup>43</sup> (going from R\$ 1,698 to R\$ 1,742), maintaining the trend of real increase in salaries during the post-financial crisis period.

<sup>43</sup> INPC 2010 December prices.

During this period, the average salaries increased in real value more significantly and above the national average in the North (4.6%), Northeast and South Regions (3.4%), and more modestly in the Center-West (1.7%) and Southeast Regions (2.2%), as shown in Table 28.

Among Federation Units, the data on Table 28 shows that, in nine of them, average real earnings increase was below the national average (2.6%), with the lowest variations found in Amazonas (0.7%), Piauí (1.0%), Federal District (1.3%), and São Paulo (1.5%).

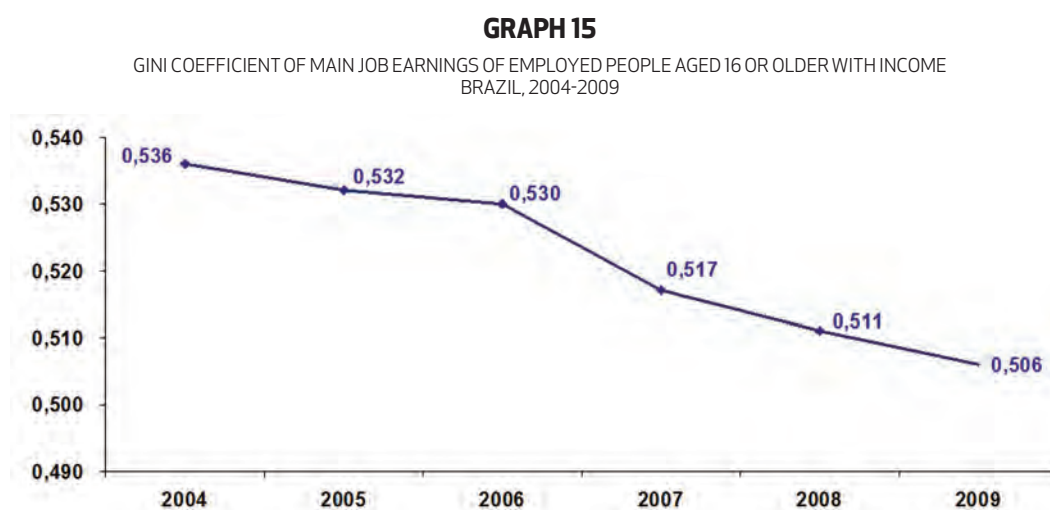
The highest rates of growth in earnings were observed in Paraíba (8.4%), Pará (7.5%), Rio Grande do Norte (6.2%), Mato Grosso (6.1%) and Acre (6.0%).

| <b>TABLE 28</b>   |                |              |                          |
|---|----------------|--------------|--------------------------|
| FORMAL WORK AVERAGE EARNING<br>BRAZIL, REGION AND FEDERATION UNITS, 2009 AND 2010 |                |              |                          |
| Geographical Area   | Values in R\$* |              | Variation %<br>2009/2010 |
|   | 2009           | 2010         |                          |
| <b>Brazil</b>   | <b>1,698</b>   | <b>1,742</b> | <b>2.6</b>               |
| <b>Regions</b>  |                |              |                          |
| North   | 1,552          | 1,624        | 4.6                      |
| Northeast   | 1,316          | 1,361        | 3.4                      |
| Southeast   | 1,824          | 1,865        | 2.2                      |
| South   | 1,559          | 1,612        | 3.4                      |
| Center-West   | 2,137          | 2,173        | 1.7                      |
| <b>Federation Units</b>   |                |              |                          |
| Rondônia  | 1,542          | 1,624        | 5.3                      |
| Acre  | 1,641          | 1,738        | 6.0                      |
| Amazonas  | 1,700          | 1,712        | 0.7                      |
| Roraima   | 1,901          | 1,949        | 2.5                      |
| Pará  | 1,390          | 1,495        | 7.5                      |
| Amapá   | 2,047          | 2,138        | 4.4                      |
| Tocantins   | 1,466          | 1,528        | 4.2                      |
| Maranhão  | 1,303          | 1,341        | 2.9                      |
| Piauí   | 1,298          | 1,312        | 1.0                      |
| Ceará   | 1,207          | 1,229        | 1.9                      |
| Rio Grande do Norte   | 1,350          | 1,434        | 6.2                      |
| Paraíba   | 1,203          | 1,305        | 8.4                      |
| Pernambuco  | 1,324          | 1,370        | 3.4                      |
| Alagoas   | 1,251          | 1,285        | 2.7                      |
| Sergipe   | 1,511          | 1,579        | 4.5                      |
| Bahia   | 1,387          | 1,426        | 2.8                      |
| Minas Gerais  | 1,402          | 1,466        | 4.6                      |
| Espírito Santo  | 1,526          | 1,597        | 4.7                      |
| Rio de Janeiro  | 1,971          | 2,016        | 2.3                      |
| São Paulo   | 1,951          | 1,979        | 1.5                      |
| Paraná  | 1,527          | 1,586        | 3.8                      |
| Santa Catarina  | 1,507          | 1,570        | 4.2                      |
| Rio Grande do Sul   | 1,628          | 1,666        | 2.4                      |
| Mato Grosso do Sul  | 1,554          | 1,609        | 3.6                      |
| Mato Grosso   | 1,445          | 1,533        | 6.1                      |
| Goiás   | 1,393          | 1,427        | 2.4                      |
| Federal District  | 3,668          | 3,714        | 1.3                      |

Source: MTE - RAIS  
Created by: CGET/DES/SPPE/MTE  
\* INPC dec/10 prices

## The Behavior of Income Concentration

Throughout the period analyzed, there was a significant decrease in income inequality as measured by the Gini Coefficient<sup>44</sup>, which went from 0,536 to 0,506 between 2004 and 2009, as shown in the graph below.



Source: IBGE - PNAD

The favorable economic and labor market situation contributed to this improvement in the distributive process during the second half of the first decade of the 2000s, especially in the sphere of formal job creation and minimum wage real increase.

Following the national trend, the Gini Coefficient for work incomes decreased in all regions between 2004 and 2009, and in the South and Southeast Regions this process happened more intensely. Despite improvements in the distributive process, the Center-West and Northeast Regions still scored above 0,500 in 2009 - 0,528 and 0,526, respectively, as shown in Table 29.

In 20 of 27 Federation Units, the work income inequality decreased during the second half of the 2000s. The concentration did not decrease in Acre, Roraima, and Sergipe - UFs where the Gini coefficient was practically stagnant - and in Alagoas, Santa Catarina, Mato Grosso do Sul, and Bahia, states where there was a slight increase in concentration levels between 2004 and 2009.

The greatest rates of inequality reduction during the period analyzed – which translated into a rapid decline of the Gini coefficient - was seen in Maranhão (from 0,609 to 0,511), Paraná (from 0,536 to 0,475), Pernambuco (from 0,568 to 0,509), and Espírito Santo (0,470).

Despite these changes in the distributive process, in 2009 the work income concentration levels countrywide were still quite heterogeneous, varying from 0,447 (Amapá) to a maximum of 0,587 (Piauí).

<sup>44</sup> This index measures distribution inequality, varying from 0 (perfect equality) to 1 (absolute concentration or maximum inequality).

| <b>TABLE 29</b>  |                  |              |
|--|------------------|--------------|
| GINI COEFFICIENT FOR PRINCIPAL JOB INCOME OF EMPLOYED<br>POPULATION AGED 16 OR OLDER*<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009 |                  |              |
| Geographical Area  | Gini Coefficient |              |
|  | 2004             | 2009         |
| <b>Brazil</b>  | <b>0.536</b>     | <b>0.506</b> |
| <b>Regions</b>   |                  |              |
| North  | 0.493            | 0.472        |
| Northeast  | 0.553            | 0.526        |
| Southeast  | 0.512            | 0.484        |
| South  | 0.503            | 0.471        |
| Center-West  | 0.546            | 0.528        |
| <b>Federation Units</b>  |                  |              |
| Rondônia   | 0.487            | 0.466        |
| Acre   | 0.555            | 0.555        |
| Amazonas   | 0.459            | 0.451        |
| Roraima  | 0.473            | 0.474        |
| Pará   | 0.493            | 0.462        |
| Amapá  | 0.475            | 0.447        |
| Tocantins  | 0.534            | 0.493        |
| Maranhão   | 0.609            | 0.511        |
| Piauí  | 0.604            | 0.587        |
| Ceará  | 0.552            | 0.535        |
| Rio Grande do Norte  | 0.538            | 0.514        |
| Paraíba  | 0.559            | 0.530        |
| Pernambuco   | 0.568            | 0.509        |
| Alagoas  | 0.494            | 0.507        |
| Sergipe  | 0.521            | 0.522        |
| Bahia  | 0.519            | 0.525        |
| Minas Gerais   | 0.520            | 0.482        |
| Espírito Santo   | 0.522            | 0.470        |
| Rio de Janeiro   | 0.508            | 0.503        |
| São Paulo  | 0.496            | 0.468        |
| Paraná   | 0.536            | 0.475        |
| Santa Catarina   | 0.445            | 0.454        |
| Rio Grande do Sul  | 0.501            | 0.476        |
| Mato Grosso do Sul   | 0.499            | 0.506        |
| Mato Grosso  | 0.495            | 0.468        |
| Goiás  | 0.522            | 0.484        |
| Federal District   | 0.584            | 0.575        |

Source: IBGE - PNAD

\*With income

It is important to point out that Acre - one of the Federation Units that did not experience a decrease in income inequality - had the third highest concentration level (0.555) in the country in 2009.

The last part of this chapter presents an approximation of the proportion of workers who find themselves in a worse situation, in terms of their income. We considered *poor workers* those who were employed and lived in households with a monthly per capita family income of up to 1/4 of the minimum wage.

## Poor Workers

Between 2004 and 2009, the proportion of poor workers, employed people with a monthly household income of less than 1/4 of the minimum wage, fell from 7.6% to 6.6%. The reduction of 0.9 p.p. was seen among men (from 7.9% to 7.0%) and women (from 7.1% to 6.2%).

Regarding race and color, the decline in the proportion of poor workers was higher in the black employed population (2 p.p. between 2004 and 2009) than in the white population (0.4 p.p.). However, in 2009, the percentage of poor black workers was almost three times higher than the number of poor white workers (3.4%).

The poverty reduction among men and women workers was directly associated to the real increase in work income, especially the minimum wage, the increased coverage of income transfer, social security, and social assistance programs - which contributed to the increase in household income - and also the improvement in occupation, mainly the formal job market.

As mentioned before, the policy of increasing minimum wage value, begun in 2007<sup>45</sup>, served as an important inductor of work income growth, income inequality decrease, and the dynamization of aggregate demand, since the primary beneficiaries of this policy have a high marginal propensity to consume, that is, additional income gains are primarily channeled towards consumption. However, it is important to mention that the real minimum wage has been growing since 1996, though in the last few years its real value has gone up significantly.

Despite the decrease during the second half of the 2000s, the proportion of poor workers was still higher in rural areas (20.0% in 2009) compared to urban ones (3.9%).

With the exception of the Center-West Region, the percentage of poor workers declined between 2004 and 2009. There was a 2.6 p.p. reduction in the Northeast Region (from 19.1% to 16.5%), the highest in the country. Though this reduction, which happened in only five years, is certainly relevant, the regional inequalities were still sharp in 2009, as the proportion of poor workers was less than 3.0% in the Southeast (2.3%), South (2.4%), and Center-West Regions (2.8%) and much higher in the Northeast (16.5%) and North Regions (9.6%) as seen in Table 30.

In 20 out of 27 Federation Units, the proportion of poor workers declined between 2004 and 2009, with the sharpest declines seen in the North and Northeast Regions, the regions with the highest number of people living in extreme poverty, as will be shown in the chapter on *Social Security*.

The proportion of poor workers to employed workers varied significantly throughout the country. In 2009, the proportion was less than 2% in four federation units: Santa Catarina (1.1%), São Paulo (1.3%), Federal District (1.4%), and Rio de Janeiro (1.7%). On the other hand, and even considering the decline during the second half of the decade mentioned above, northeastern states still had significant numbers of poor workers 2009, especially Alagoas (21.5%), Piauí (19.8%), and Maranhão (19.7%). It should be stressed that among black workers this proportion reached 24.1% in Alagoas.

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<sup>45</sup> Actually, the increased value of the minimum wage became the object of the campaign of the main Brazilian labor unions in 2004. However, after only three years, a permanent rule of minimum wage purchasing power recovery was instituted and put into practice. This policy is based on inflationary restitution of the previous years, based on the National Consumer Price index - INPC, plus the GDP variation of two years back.

TABLE 30

PERCENTAGE OF EMPLOYED POPULATION AGED 16 OR OLDER LIVING IN PERMANENT PRIVATE HOUSING UNIT WITH PER CAPITA HOUSEHOLD INCOME UP TO 1/4 OF MINIMUM WAGE, IN EMPLOYED POPULATION AGED 16 OR OLDER, BY SEX AND COLOR, BY URBAN OR RURAL HOUSING UNIT BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004       |            |            |            |             | 2009       |            |            |            |            |
|-------------------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|
|                         | Total      | Men        | Women      | White      | Black       | Total      | Men        | Women      | White      | Black      |
| <b>Brazil</b>           | <b>7.6</b> | <b>7.9</b> | <b>7.1</b> | <b>3.8</b> | <b>11.8</b> | <b>6.6</b> | <b>7.0</b> | <b>6.2</b> | <b>3.4</b> | <b>9.8</b> |
| <b>Urban Area</b>       | 4.4        | 4.6        | 4.1        | 2.1        | 7.3         | 3.9        | 4.0        | 3.7        | 1.9        | 6.0        |
| Rural Area              | 21.0       | 20.7       | 21.5       | 13.5       | 26.4        | 20.0       | 20.0       | 19.9       | 12.8       | 24.7       |
| Regions                 |            |            |            |            |             |            |            |            |            |            |
| North                   | 10.0       | 10.6       | 9.0        | 6.1        | 11.3        | 9.6        | 10.2       | 8.7        | 5.3        | 10.9       |
| Northeast               | 19.1       | 19.7       | 18.2       | 14.4       | 21.1        | 16.5       | 17.1       | 15.5       | 13.0       | 17.8       |
| Southeast               | 2.5        | 2.5        | 2.6        | 1.5        | 4.2         | 2.3        | 2.3        | 2.3        | 1.4        | 3.5        |
| South                   | 3.0        | 3.0        | 3.0        | 2.5        | 5.8         | 2.4        | 2.4        | 2.5        | 1.9        | 4.5        |
| Center-West             | 2.8        | 3.0        | 2.5        | 1.5        | 3.7         | 2.8        | 2.8        | 2.8        | 2.0        | 3.4        |
| <b>Federation Units</b> |            |            |            |            |             |            |            |            |            |            |
| Rondônia                | 4.2        | 4.4        | 3.8        | 3.1        | 4.8         | 6.9        | 7.0        | 6.8        | 5.2        | 7.8        |
| Acre                    | 14.6       | 15.2       | 13.5       | 10.6       | 15.6        | 12.5       | 13.3       | 11.5       | 7.7        | 14.3       |
| Amazonas                | 10.1       | 10.7       | 9.0        | 6.1        | 11.7        | 8.2        | 9.3        | 6.7        | 4.3        | 9.3        |
| Roraima                 | 15.7       | 18.4       | 10.6       | 13.4       | 16.5        | 6.3        | 6.4        | 6.0        | 2.7        | 7.6        |
| Pará                    | 10.3       | 10.9       | 9.4        | 6.4        | 11.4        | 11.4       | 11.8       | 10.7       | 6.0        | 12.9       |
| Amapá                   | 9.1        | 9.9        | 7.8        | 6.2        | 10.0        | 6.6        | 7.4        | 5.3        | 5.7        | 6.9        |
| Tocantins               | 12.1       | 12.4       | 11.7       | 6.7        | 14.0        | 7.9        | 8.3        | 7.4        | 3.8        | 9.2        |
| Maranhão                | 28.4       | 28.9       | 27.8       | 23.0       | 30.2        | 19.7       | 20.8       | 17.9       | 17.7       | 20.3       |
| Piauí                   | 23.7       | 25.0       | 22.0       | 17.9       | 25.6        | 19.8       | 20.1       | 19.5       | 15.9       | 21.0       |
| Ceará                   | 19.6       | 20.4       | 18.6       | 15.0       | 22.0        | 16.8       | 17.2       | 16.3       | 13.9       | 18.1       |
| Rio Grande do Norte     | 14.4       | 15.4       | 13.0       | 12.9       | 15.3        | 11.2       | 12.2       | 9.7        | 8.3        | 12.8       |
| Paráíba                 | 17.0       | 18.5       | 14.7       | 12.0       | 19.9        | 15.2       | 16.5       | 13.2       | 10.7       | 17.6       |
| Pernambuco              | 17.6       | 17.9       | 17.2       | 14.8       | 19.2        | 15.3       | 16.0       | 14.2       | 10.3       | 18.0       |
| Alagoas                 | 25.1       | 26.3       | 23.2       | 15.1       | 30.8        | 21.5       | 22.9       | 19.1       | 14.5       | 24.1       |
| Sergipe                 | 10.8       | 11.3       | 10.1       | 6.2        | 12.7        | 14.6       | 15.2       | 13.9       | 11.1       | 16.1       |
| Bahia                   | 16.0       | 16.3       | 15.7       | 11.2       | 17.4        | 15.6       | 15.9       | 15.1       | 14.0       | 16.1       |
| Minas Gerais            | 4.9        | 4.8        | 5.1        | 3.0        | 6.7         | 4.3        | 4.3        | 4.4        | 2.8        | 5.6        |
| Espírito Santo          | 4.6        | 4.9        | 4.1        | 3.7        | 5.3         | 4.2        | 3.9        | 4.5        | 3.4        | 4.8        |
| Rio de Janeiro          | 1.7        | 1.7        | 1.7        | 1.1        | 2.6         | 1.7        | 1.8        | 1.6        | 1.0        | 2.7        |
| São Paulo               | 1.4        | 1.3        | 1.5        | 0.9        | 2.6         | 1.3        | 1.3        | 1.3        | 0.9        | 2.0        |
| Paraná                  | 3.4        | 3.6        | 3.1        | 2.4        | 6.2         | 2.8        | 2.7        | 3.0        | 2.4        | 3.7        |
| Santa Catarina          | 1.4        | 1.3        | 1.6        | 1.2        | 3.6         | 1.1        | 1.1        | 1.1        | 0.8        | 3.1        |
| Rio Grande do Sul       | 3.6        | 3.5        | 3.6        | 3.3        | 5.8         | 2.8        | 2.8        | 2.8        | 2.1        | 6.2        |
| Mato Grosso do Sul      | 3.2        | 3.4        | 3.0        | 1.8        | 4.6         | 2.8        | 2.8        | 2.7        | 2.4        | 3.1        |
| Mato Grosso             | 3.6        | 4.0        | 3.0        | 1.4        | 5.0         | 3.9        | 3.8        | 4.0        | 2.4        | 4.9        |
| Goiás                   | 2.4        | 2.5        | 2.2        | 1.5        | 3.1         | 2.8        | 2.7        | 2.9        | 2.0        | 3.3        |
| Federal District        | 2.0        | 2.1        | 1.9        | 1.3        | 2.6         | 1.4        | 1.6        | 1.2        | 0.9        | 1.8        |

Source: IBGE - PNAD

# 4 DECENT WORK HOURS

The regulation of work hours requires the reconciliation of the normally divergent interests of social actors who participate in productive activity, namely, employers and workers. In this process, the State has an important role as conflict mediator and as the designer of a legal framework aimed at regulating work relations and conditions. Additionally, in democratic countries collective agreements and conventions, the result of negotiations between employers and employees, can approach the established working hours of specific professional categories.

The first ILO Convention of 1919 dealt specifically with work hours, limiting it to 8 hours a day and 48 hours a week for industry workers. Eleven years later, Convention n. 30 recommended the same schedule for commerce workers. The 40-hour work shift was the subject, initially, of the Forty-Hour Week Convention, 1935 (n. 47), and later of the Final Articles Convention, 1961 (n. 116). Nevertheless, only recently have work hours legislations around the world converged in adopting a 40-hour week.<sup>46</sup>

In Brazil, the legal limit for work hours dates back to 1932, when the Decree n. 21,365 instituted the eight-hour work day or 48-hour week for industry workers. This Decree, however, allowed for 10-hour work days or 60-hour weeks. In exceptional circumstances, a 12-hour work day was also permitted.

In 1934, the Constitution established an eight-hour work day or 48-hour week, while permitting the employer to extend the work shift, provided workers get paid overtime. With the introduction of the Consolidated Labor Laws extra hours were limited to two hours and compensation had to be 20.0% higher than the regular hourly wage.

With the 1988 Constitution, 44 hours became the maximum amount of weekly work hours and overtime pay was raised to 50.0% (see Legal Framework Indicator 4 'Maximum hours of work', Annex p. 365). More recently, in 1998, the deadline for the payment of overtime went from one week to one year, creating the so-called the hour bank.

Although the legal framework for working hours is essential, it is also important to point out that in the last decades the division between time spent working and personal time has become blurry in a world transformed by an intense technological revolution and the exacerbation of competitive pressures caused by economic and financial globalization, incredibly complicating the task of measuring work hours accurately.

<sup>46</sup> LEE, Sangheon; MCCANN, Deirdre; MESSENGER, Jon. *Duração do trabalho em todo o mundo: tendências de jornadas de trabalho, legislação e políticas numa perspectiva global comparada*. Brasília: ILO, 2009.

## Average Weekly Hours Worked

According to the PNAD, between 2004 and 2009, the average hours worked in Brazil remained stable - 40 hours per week. However, this period also saw increasing and significant differences between the paid work hours for men and women (43 hours versus 36 hours, in 2009) and between urban and rural workers (41 hours and 36 hours, respectively, in 2009), according to Table 31. With respect to race/color, there are no observable substantial differences between the work hours of whites (40 hours) and blacks (39 hours) in 2009.

| Geographical Area       | 2004      |           |           |           |           | 2009      |           |           |           |           |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                         | Total     | Men       | Women     | White     | Black     | Total     | Men       | Women     | White     | Black     |
| <b>Brazil</b>           | <b>40</b> | <b>44</b> | <b>36</b> | <b>41</b> | <b>40</b> | <b>40</b> | <b>43</b> | <b>36</b> | <b>40</b> | <b>39</b> |
| Urban Area              | 41        | 44        | 37        | 41        | 41        | 41        | 43        | 37        | 41        | 40        |
| Rural Area              | 37        | 43        | 27        | 38        | 35        | 36        | 41        | 27        | 37        | 35        |
| <b>Regions</b>          |           |           |           |           |           |           |           |           |           |           |
| North                   | 40        | 43        | 34        | 40        | 40        | 39        | 42        | 34        | 39        | 39        |
| Northeast               | 38        | 42        | 32        | 38        | 38        | 38        | 41        | 33        | 38        | 38        |
| Southeast               | 42        | 45        | 37        | 42        | 41        | 41        | 44        | 37        | 41        | 41        |
| South                   | 41        | 45        | 36        | 41        | 41        | 40        | 44        | 36        | 40        | 40        |
| Center-West             | 42        | 46        | 36        | 42        | 42        | 40        | 44        | 36        | 40        | 41        |
| <b>Federation Units</b> |           |           |           |           |           |           |           |           |           |           |
| Rondônia                | 40        | 44        | 33        | 40        | 40        | 40        | 43        | 34        | 40        | 40        |
| Acre                    | 38        | 42        | 32        | 39        | 37        | 39        | 43        | 34        | 39        | 39        |
| Amazonas                | 41        | 43        | 38        | 40        | 41        | 39        | 41        | 36        | 39        | 39        |
| Roraima                 | 39        | 41        | 35        | 39        | 39        | 38        | 41        | 35        | 39        | 38        |
| Pará                    | 40        | 44        | 34        | 41        | 40        | 39        | 42        | 34        | 40        | 38        |
| Amapá                   | 41        | 43        | 38        | 41        | 41        | 39        | 41        | 36        | 39        | 39        |
| Tocantins               | 39        | 44        | 31        | 38        | 39        | 37        | 42        | 31        | 38        | 37        |
| Maranhão                | 39        | 44        | 32        | 40        | 38        | 39        | 42        | 34        | 39        | 39        |
| Piauí                   | 32        | 37        | 25        | 32        | 32        | 32        | 37        | 26        | 34        | 31        |
| Ceará                   | 38        | 42        | 33        | 38        | 38        | 38        | 42        | 34        | 38        | 38        |
| Rio Grande do Norte     | 38        | 42        | 33        | 39        | 38        | 38        | 42        | 33        | 39        | 38        |
| Paraíba                 | 36        | 40        | 31        | 37        | 36        | 38        | 41        | 34        | 39        | 38        |
| Pernambuco              | 39        | 42        | 33        | 39        | 39        | 39        | 42        | 35        | 39        | 39        |
| Alagoas                 | 39        | 42        | 35        | 40        | 39        | 38        | 41        | 34        | 38        | 39        |
| Sergipe                 | 39        | 42        | 34        | 38        | 39        | 37        | 40        | 33        | 38        | 37        |
| Bahia                   | 38        | 41        | 32        | 37        | 38        | 37        | 41        | 33        | 37        | 38        |
| Minas Gerais            | 40        | 45        | 34        | 41        | 40        | 39        | 43        | 34        | 39        | 39        |
| Espírito Santo          | 40        | 45        | 35        | 40        | 41        | 39        | 43        | 35        | 39        | 39        |
| Rio de Janeiro          | 42        | 45        | 38        | 42        | 42        | 41        | 44        | 37        | 41        | 41        |
| São Paulo               | 42        | 45        | 39        | 42        | 43        | 42        | 44        | 39        | 42        | 42        |
| Paraná                  | 41        | 45        | 36        | 41        | 41        | 40        | 43        | 36        | 40        | 40        |
| Santa Catarina          | 42        | 45        | 38        | 42        | 43        | 42        | 44        | 38        | 42        | 42        |
| Rio Grande do Sul       | 41        | 45        | 36        | 41        | 41        | 40        | 43        | 36        | 40        | 39        |
| Mato Grosso do Sul      | 42        | 47        | 35        | 42        | 42        | 39        | 43        | 34        | 39        | 40        |
| Mato Grosso             | 42        | 47        | 35        | 43        | 41        | 40        | 44        | 35        | 40        | 40        |
| Goiás                   | 43        | 47        | 37        | 43        | 43        | 41        | 45        | 36        | 41        | 41        |
| Federal District        | 41        | 43        | 39        | 41        | 41        | 40        | 42        | 38        | 40        | 40        |

Source: IBGE



Regarding women's work, it is important to stress that women are still mainly responsible for domestic and family chores. These activities are not only not socially acknowledged as being economically productive, but they also often force women to work part-time, therefore having shorter paid work hours (for more on this subject, see the chapter on *Combining Work, Family, and Personal Life*).

Between 2004 and 2009, the average weekly shift decreased in most Brazilian regions: in the North it dropped from 40 to 39 hours; in the Southeast, from 42 to 41; in the South, from 41 to 40, and in the Center-West from 42 to 40 hours. The only exception is the Northeast Region, where average weekly work hours remained stable (38 hours).

Among Federation Units, the most significant reductions in weekly work hours were recorded in Mato Grosso do Sul (3 hours less), and, to a lesser degree, in Amazonas, Amapá, Tocantins, Sergipe, Mato Grosso, and Goiás, where in each of these states there was a 2 hour reduction. On the other hand, weekly working hours shift increased in Paraíba (2 hours) and Acre (1 hour). In 2009, São Paulo and Santa Catarina had the longest weekly working hours among all Brazilian Federation Units, both with 42 hours. Piauí, on the other hand, had the shortest: 32 hours.

In terms of gender, we observe that weekly working hours for men became shorter, between 2004 and 2009, in 19 out of 27 Federation Units, while for women this was true only in eight. Still, weekly working hours for men are slightly superior to that of women in all Federation Units, being that the difference is most significant in Tocantins and Piauí (where men work 11 hours per week more than women) and the least in the Federal District (weekly working hours for men are 4 hours longer than that for women).

The differences in work hours between whites and blacks are not as significant. It is important to stress that in 16 Federation Units they are identical, while in 8 of them, working hours for whites are longer and in three UFs the opposite is true. In the analyzed period, the working hours of white workers decreased in 14 Federation Units and that of blacks decreased in 18.

Working hours also vary widely across sectors of economic activity. On one hand, sectors such as *transport, storage, and communication* and *housing and food service* had average weekly hours of 46 and 45 hours in 2009, respectively; on the other hand, the following sectors had a shorter work week: *unclearly defined activities* (34 hours), agricultural (35 hours), and *education, health, and social services* (35 hours) (Table 32).

Although it registered the second longest work hours in 2009, it is important to stress that the sector of *housing and food service* was among the sectors with the largest decrease, in absolute numbers, in weekly works relative to 2004 - from 46 to 44 hours. The other sectors that had a two hour reduction in the weekly shift were: *domestic services* (from 38 to 36) and *unclear activities* (which had a three hour reduction: from 37 to 34 hours).

**TABLE 32**AVERAGE WEEKLY HOURS WORKED BY WORKERS AGED 16 OR OLDER, BY ECONOMIC ACTIVITY SECTOR  
BRAZIL, 2004 AND 2009

| Economic Activity Sectors                       | Average Weekly Hours |           |
|---|----------------------|-----------|
|   | 2004                 | 2009      |
| <b>Total</b>                                    | <b>40</b>            | <b>40</b> |
| Agricultural                                    | 36                   | 35        |
| Other industrial activities                     | 44                   | 43        |
| Heavy industries                                | 42                   | 42        |
| Construction                                    | 44                   | 43        |
| Commerce and repairing                          | 44                   | 43        |
| Housing and food service                        | 47                   | 45        |
| Transportation, storage and communication       | 47                   | 46        |
| Public administration                           | 39                   | 39        |
| Education, health, and social services          | 35                   | 35        |
| Domestic services                               | 38                   | 36        |
| Other collective, social, and personal services | 37                   | 36        |
| Other activities                                | 41                   | 41        |
| Unclear activities                              | 37                   | 34        |

Source: IBGE - PNAD

However, the interpretation of arithmetic averages must be approached with caution, since this measurement alone does not illustrate the dispersion variation of the data. It is important to point out that, even though we observe a declining trend, the percentage of workers working more than 44 hours per week is still significant, and the number of workers working more than 48 hours a week is not negligible, as shown in the following topic.

### Workers with Weekly Hours Longer than 44 and 48 hours

Between 2004 and 2009, there was a significant reduction in the share of workers with weekly loads of 44 hours, which is the maximum limit allowed by Brazilian legislation - from 36.4% to 29.8%.

When broken down by sex, the table tells us that men tend to have longer work hours: in 2009, 36.6% and 19.7% of male workers worked on average 44 and 48 hours a week, respectively. The differences, though they exist, are less representative of race/color and place of residence.

In this period, there was a decrease in the proportion of workers aged 16 or older working more than 44 hours per week in all Brazilian regions: 11.3 percentage points (p.p.) in the Center-West; 9.0 p.p. in the North; 7.9 p.p. in the Northeast; 7.6 p.p. in the Southeast, and 3.5 p.p. in the South. The Federation Units that experienced the most acute decreases were Mato Grosso (18.6 p.p.), Mato Grosso do Sul (13.9 p.p.), Amapá (13.5 p.p.), Goiás (10.8 p.p.), and Minas Gerais (10.7 p.p.). The only Federation Units that did not experience a reduction in the share of people working more than 44 weekly hours were Roraima (growth of 0.9 p.p.) and Acre (growth of 0.2 p.p.). In 2009, the percentage of people working more than 44 weekly hours varied from 16.9% in Piauí to 34.6% in Goiás.

From the standpoint of gender, the reduction in the percentage of occupied workers laboring more than 44 hours per week was more significant among men than women. For example, in Mato Grosso, this percentage decreased from 61.2% to 37.2% between 2004 and 2009. Significant drops were also seen in Mato Grosso do Sul (16.8 p.p.) and Amapá (14.2 p.p.). Among women, there were decreases in the same Federation Units: decrease of 12.4 p.p. in Amapá, 10.3 p.p. in Mato Grosso, and 9.4 p.p. in Mato Grosso do Sul.

TABLE 33

PROPORTION OF EMPLOYED POPULATION AGED 16 OR OLDER WORKING MORE THAN 44 HOURS PER WEEK, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>36.4</b> | <b>44.8</b> | <b>24.9</b> | <b>35.8</b> | <b>37.1</b> | <b>29.8</b> | <b>36.6</b> | <b>20.7</b> | <b>29.4</b> | <b>30.2</b> |
| Urban Area              | 37.2        | 44.9        | 27.1        | 35.5        | 39.4        | 30.3        | 36.6        | 22.1        | 29.1        | 31.5        |
| Rural Area              | 32.8        | 44.4        | 14.2        | 37.2        | 29.6        | 27.4        | 36.5        | 12.6        | 31.4        | 24.8        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 38.5        | 46.3        | 26.8        | 35.4        | 39.6        | 29.5        | 36.1        | 20.0        | 29.7        | 29.5        |
| Northeast               | 36.5        | 43.1        | 27.5        | 35.0        | 37.2        | 28.6        | 34.6        | 20.1        | 27.7        | 29.0        |
| Southeast               | 38.3        | 46.1        | 28.1        | 36.9        | 40.8        | 30.7        | 37.6        | 21.7        | 30.2        | 31.3        |
| South                   | 32.4        | 40.1        | 22.6        | 31.7        | 35.7        | 28.9        | 36.3        | 19.7        | 28.8        | 29.5        |
| Center-West             | 41.9        | 51.5        | 29.1        | 39.7        | 43.8        | 30.6        | 38.6        | 20.0        | 28.9        | 31.9        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 33.7        | 44.1        | 18.5        | 32.0        | 34.7        | 28.9        | 36.4        | 17.9        | 29.3        | 28.6        |
| Acre                    | 32.3        | 41.4        | 18.8        | 33.5        | 32.0        | 32.5        | 41.3        | 20.4        | 33.6        | 32.1        |
| Amazonas                | 37.1        | 43.3        | 27.0        | 30.7        | 39.6        | 30.1        | 35.2        | 22.7        | 30.9        | 29.8        |
| Roraima                 | 27.3        | 33.0        | 16.6        | 24.0        | 28.5        | 28.2        | 34.2        | 20.0        | 26.4        | 28.9        |
| Pará                    | 39.6        | 48.8        | 25.0        | 40.4        | 39.4        | 30.5        | 36.9        | 21.0        | 31.4        | 30.2        |
| Amapá                   | 35.9        | 40.9        | 28.4        | 30.6        | 37.6        | 22.4        | 26.7        | 16.0        | 18.7        | 23.6        |
| Tocantins               | 35.9        | 47.9        | 17.5        | 34.5        | 36.4        | 26.2        | 35.7        | 13.2        | 23.8        | 27.0        |
| Maranhão                | 37.4        | 46.5        | 25.6        | 38.3        | 37.1        | 32.9        | 40.4        | 21.1        | 33.2        | 32.7        |
| Piauí                   | 20.5        | 26.3        | 12.8        | 19.1        | 21.0        | 16.9        | 21.5        | 11.3        | 19.7        | 16.0        |
| Ceará                   | 33.4        | 40.1        | 24.2        | 33.1        | 33.5        | 31.8        | 37.6        | 24.1        | 30.3        | 32.4        |
| Rio Grande do Norte     | 34.0        | 41.4        | 23.0        | 36.2        | 32.6        | 29.8        | 36.5        | 19.6        | 29.3        | 30.1        |
| Paraíba                 | 28.4        | 34.0        | 20.1        | 30.7        | 27.1        | 26.0        | 30.0        | 19.5        | 25.8        | 26.1        |
| Pernambuco              | 34.7        | 42.0        | 24.0        | 33.3        | 35.5        | 30.6        | 35.6        | 23.2        | 28.3        | 31.9        |
| Alagoas                 | 37.4        | 44.0        | 26.7        | 38.2        | 37.0        | 31.7        | 38.0        | 21.9        | 30.0        | 32.4        |
| Sergipe                 | 30.0        | 37.6        | 19.7        | 25.4        | 31.9        | 27.9        | 35.0        | 18.5        | 27.0        | 28.3        |
| Bahia                   | 30.1        | 37.1        | 19.6        | 28.7        | 30.5        | 26.7        | 32.7        | 18.3        | 24.7        | 27.3        |
| Minas Gerais            | 39.0        | 49.3        | 25.3        | 38.8        | 39.1        | 28.3        | 36.3        | 18.3        | 29.1        | 27.7        |
| Espírito Santo          | 40.2        | 51.4        | 25.2        | 36.9        | 43.0        | 31.4        | 39.6        | 20.6        | 30.9        | 31.7        |
| Rio de Janeiro          | 41.0        | 48.6        | 31.0        | 39.8        | 42.6        | 31.1        | 37.7        | 22.5        | 31.2        | 30.9        |
| São Paulo               | 37.4        | 44.9        | 27.3        | 36.0        | 41.1        | 31.7        | 38.1        | 23.3        | 30.2        | 34.4        |
| Paraná                  | 35.2        | 44.7        | 22.7        | 34.5        | 37.3        | 27.5        | 34.8        | 18.3        | 27.2        | 28.4        |
| Santa Catarina          | 34.6        | 43.4        | 23.1        | 33.9        | 41.2        | 30.6        | 37.4        | 21.8        | 30.2        | 33.1        |
| Rio Grande do Sul       | 33.8        | 42.8        | 22.3        | 33.7        | 34.6        | 29.3        | 37.1        | 19.8        | 29.3        | 29.6        |
| Mato Grosso do Sul      | 42.7        | 53.8        | 27.4        | 41.3        | 43.9        | 28.8        | 37.0        | 18.0        | 27.6        | 29.9        |
| Mato Grosso             | 48.0        | 61.2        | 28.2        | 48.2        | 47.8        | 29.4        | 37.2        | 17.9        | 28.5        | 29.9        |
| Goiás                   | 45.4        | 56.9        | 28.5        | 43.5        | 46.9        | 34.6        | 43.2        | 23.0        | 32.6        | 35.9        |
| Federal District        | 29.7        | 35.7        | 22.7        | 25.6        | 33.3        | 24.3        | 30.1        | 17.2        | 22.2        | 25.8        |

Source: IBGE - PNAD

In 22 Federation Units, there was a reduction in the share of white workers working more than 44 hours per week, the most significant reduction occurring in Mato Grosso (19.7 p.p.) and Mato Grosso do Sul (13.7 p.p.). Among blacks, there were decreases in 25 Federation Units, especially in Mato Grosso (17.9 p.p.), Amapá, and Mato Grosso do Sul (both 14.0 p.p.).

Among economic sectors, there was a significant reduction in the percentage of people working more than 44 hours per week, between 2004 and 2009, according to Table 34. In the *construction* sector there was a reduction in the order of ten percentage points, from 46.1% to 36.0% during the time period.

Despite the significant reduction seen between 2004 and 2009 (from 57.5% to 49.2%), the *housing and food service* sector had the highest percentage of people working more than 44 hours per week - practically half of the workers in this sector. The lowest proportions were observed in the *education, health, and social services* (11.4%) and *public administration* sector (13.7%).

| Economic Activity Sectors                       | % Above 44 Hours per Week |             |
|---|---------------------------|-------------|
|   | 2004                      | 2009        |
| <b>Total</b>                                    | <b>36.4</b>               | <b>29.8</b> |
| Rural   | 33.1                      | 27.9        |
| Other industrial activities                     | 35.6                      | 26.0        |
| Heavy industries                                | 36.8                      | 28.7        |
| Construction                                    | 46.1                      | 36.0        |
| Commerce and repairing                          | 48.7                      | 40.3        |
| Housing and food service                        | 57.5                      | 49.2        |
| Transport, storage, and communication           | 52.8                      | 44.5        |
| Administration public                           | 18.0                      | 13.7        |
| Education, health and social service            | 13.8                      | 11.4        |
| Domestic services                               | 35.8                      | 28.5        |
| Other collective, social, and personal services | 32.2                      | 27.1        |
| Other activities                                | 30.4                      | 23.8        |
| Unclear activities                              | 29.5                      | 16.5        |

Source: IBGE - PNAD

In order to carry out an international comparison of Decent Work Indicators, a brief analysis of the representativeness, in the occupational structure, of workers who have a shift longer than 48 hours will be conducted.

Based on the information in Table 35, 19.1% of Brazilian workers were working 48 hours per week in 2004. In 2009, this number decreased to 15.6%, a 3.5 percentage point reduction in five years. The reduction was not correlated to gender nor color and race.

The indicators show that the country's regions followed the national trend of shorter work hours. Still, the downward trend in the Center-West Region was especially pronounced, decreasing 7.7 p.p. (from 24.4% to 16.7% between 2004 and 2009).

This same reduction trend was observed in most of the UFs, with three exceptions: Acre (the population who worked more than 48 hours per week increased from 13.6% to 19.6%)

and in Bahia and Roraima, where the percentage remained at 14.0% during the time period analyzed.

The UFs with the steepest reduction - around 9 p.p. - were Amapá, Mato Grosso do Sul, and Mato Grosso.

Among these declining tendencies, at the end of the 2000s, the states with the highest shares of people working more than 48 hours a week were: Santa Catarina (19.9%), Alagoas (19.5%), and Acre and Goiás (19.0%). The lowest percentages were observed in Piauí (7.7%) and Amapá (8.1%).

| <b>TABLE 35</b>   |             |             |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PROPORTION OF EMPLOYED POPULATION AGED 16 OR OLDER WORKING MORE THAN 48 HOURS PER WEEK, BY SEX AND COLOR OR RACE<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009 |             |             |             |             |             |             |             |             |             |             |
| Geographical Area   | 2004        |             |             |             |             | 2009        |             |             |             |             |
|   | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>   | <b>19.1</b> | <b>24.1</b> | <b>12.2</b> | <b>19.7</b> | <b>18.5</b> | <b>15.6</b> | <b>19.7</b> | <b>10.2</b> | <b>16.2</b> | <b>15.1</b> |
| Urban Area  | 19.1        | 23.7        | 13.1        | 18.8        | 19.5        | 15.8        | 19.6        | 10.9        | 15.8        | 15.8        |
| Rural Area  | 19.1        | 25.8        | 8.2         | 24.4        | 15.2        | 14.9        | 20.1        | 6.3         | 18.6        | 12.4        |
| <b>Regions</b>  |             |             |             |             |             |             |             |             |             |             |
| North   | 18.1        | 22.1        | 11.8        | 17.8        | 18.2        | 14.3        | 17.7        | 9.2         | 15.1        | 14.0        |
| Northeast   | 16.8        | 20.4        | 11.8        | 17.7        | 16.5        | 14.8        | 17.9        | 10.5        | 14.5        | 14.9        |
| Southeast   | 18.9        | 23.9        | 12.3        | 19.1        | 18.7        | 15.4        | 19.5        | 10.1        | 15.8        | 14.9        |
| South   | 21.3        | 28.3        | 12.2        | 21.1        | 22.6        | 17.9        | 23.4        | 10.9        | 18.2        | 16.3        |
| Center-West   | 24.4        | 31.9        | 13.9        | 24.4        | 24.4        | 16.7        | 21.6        | 10.1        | 16.2        | 17.0        |
| <b>Federation Units</b>   |             |             |             |             |             |             |             |             |             |             |
| Rondônia  | 18.4        | 25.2        | 8.5         | 15.9        | 19.7        | 16.0        | 21.5        | 8.0         | 16.3        | 15.8        |
| Acre  | 13.6        | 16.7        | 8.9         | 16.4        | 12.8        | 19.0        | 25.0        | 10.6        | 19.1        | 18.9        |
| Amazonas  | 14.7        | 17.6        | 10.0        | 11.8        | 15.8        | 11.9        | 14.2        | 8.7         | 13.5        | 11.5        |
| Roraima   | 14.1        | 17.0        | 8.5         | 12.9        | 14.5        | 14.2        | 17.0        | 10.3        | 15.4        | 13.7        |
| Pará  | 20.1        | 23.7        | 14.3        | 22.1        | 19.6        | 14.6        | 17.5        | 10.2        | 15.9        | 14.2        |
| Amapá   | 17.8        | 22.1        | 11.5        | 18.6        | 17.7        | 8.1         | 10.3        | 4.7         | 5.5         | 8.9         |
| Tocantins   | 18.0        | 23.5        | 9.6         | 18.1        | 18.0        | 15.8        | 21.6        | 7.9         | 13.8        | 16.4        |
| Maranhão  | 23.0        | 28.3        | 16.1        | 24.5        | 22.5        | 17.1        | 20.6        | 11.7        | 16.8        | 17.2        |
| Piauí   | 10.0        | 12.1        | 7.2         | 9.0         | 10.3        | 7.7         | 10.2        | 4.7         | 8.4         | 7.5         |
| Ceará   | 16.3        | 19.1        | 12.5        | 16.5        | 16.2        | 15.6        | 17.8        | 12.8        | 16.0        | 15.5        |
| Rio Grande do Norte   | 17.6        | 21.7        | 11.4        | 17.3        | 17.7        | 16.4        | 20.9        | 9.7         | 16.1        | 16.6        |
| Paraíba   | 17.0        | 20.0        | 12.4        | 19.4        | 15.5        | 14.7        | 16.4        | 11.9        | 15.0        | 14.5        |
| Pernambuco  | 18.8        | 22.5        | 13.4        | 19.8        | 18.2        | 15.6        | 18.2        | 11.8        | 14.3        | 16.4        |
| Alagoas   | 24.2        | 28.1        | 17.8        | 26.7        | 22.7        | 19.5        | 23.2        | 13.8        | 16.7        | 20.6        |
| Sergipe   | 15.2        | 19.9        | 9.0         | 12.2        | 16.5        | 12.4        | 15.8        | 7.9         | 13.2        | 12.1        |
| Bahia   | 13.9        | 17.1        | 9.0         | 13.7        | 13.9        | 13.8        | 17.3        | 9.1         | 13.0        | 14.1        |
| Minas Gerais  | 19.1        | 25.1        | 11.3        | 20.6        | 17.7        | 14.3        | 19.1        | 8.3         | 15.4        | 13.4        |
| Espírito Santo  | 19.5        | 25.7        | 11.2        | 20.4        | 18.8        | 14.2        | 18.1        | 9.1         | 15.2        | 13.4        |
| Rio de Janeiro  | 18.9        | 22.9        | 13.7        | 19.2        | 18.5        | 14.9        | 18.6        | 10.2        | 15.7        | 14.0        |
| São Paulo   | 18.8        | 23.5        | 12.4        | 18.4        | 19.6        | 16.2        | 20.1        | 11.1        | 15.9        | 16.7        |
| Paraná  | 20.7        | 27.8        | 11.2        | 20.2        | 22.3        | 16.5        | 21.6        | 10.0        | 16.8        | 15.7        |
| Santa Catarina  | 21.3        | 28.3        | 12.1        | 20.6        | 27.2        | 19.9        | 25.6        | 12.7        | 19.8        | 20.7        |
| Rio Grande do Sul   | 21.9        | 28.8        | 13.2        | 22.0        | 21.1        | 17.9        | 24.0        | 10.6        | 18.5        | 15.3        |
| Mato Grosso do Sul  | 24.3        | 32.0        | 13.7        | 25.1        | 23.6        | 15.1        | 20.2        | 8.4         | 14.9        | 15.3        |
| Mato Grosso   | 27.2        | 36.1        | 13.8        | 27.9        | 26.7        | 18.2        | 23.3        | 10.7        | 17.9        | 18.3        |
| Goiás   | 27.0        | 34.8        | 15.6        | 26.7        | 27.2        | 19.0        | 24.2        | 12.0        | 18.4        | 19.4        |
| Federal District  | 14.0        | 17.0        | 10.3        | 14.0        | 14.0        | 10.8        | 14.2        | 6.7         | 10.8        | 10.8        |

Source: IBGE - PNAD

# 5 COMBINING WORK, FAMILY AND PERSONAL LIFE

Being able to achieve balance between work, personal, and family life is intrinsic related to the concept of decent work, especially when it concerns freedom, absence of discrimination, and ensuring dignified lives to all those whose livelihood are dependent upon their work. This is a central dimension of the strategy for promoting gender equality in the realm of work and it requires the integrated actions in a broad array of spheres (political, social, governmental, entrepreneurial and individual) to engender new forms of organization of work and family life. Given this aspiration, it is necessary to break with traditional patterns and breach the division between productive and reproductive work that perpetuates gender inequality and discrimination, causing the main weight of family responsibilities to fall upon women, with negative repercussion on opportunities of access to a decent job, and also on family life.

Though it constitutes a dimension of utmost importance for decent work, the definition indicators for monitoring this aspect is still underway. This chapter makes a new attempt to address this theme through the examination of the indicators used in the Decent Work Country Profile - Brazil, published in 2009, as well as other indicators based on suggestions presented at the Tripartite Consultation Workshop on Decent Work Indicators which took place in Brasília, DF, in August 2009.

## **Family Responsibilities and the Weight of the Double Work Shift for Women**

Balancing work and family responsibilities is a great challenge. Work and family are realms of private social life that are ruled by different rationales - one public, the other private – that nonetheless they affect each other. People need to work and earn an income to satisfy their economic needs (both personal and familial) and, at the same time, take care of their family and perform nonpaid domestic tasks in their homes. The use of time, a scarce good, makes the relationship between these two spheres fraught with tension. Work insecurity and instability have been on the rise and working hours have become less predictable and more intense (ILO 2011b). This tension affects women in particular, since they generally bear a greater responsibility for domestic tasks and childcare, as will be shown below.

This reality is at the core of the unfavorable situation women face when trying to enter, remain, and ascend in the labor market, and has important effects on the persistence of poverty and gender inequality.

In 2001, the PNAD began investigating how much time was spent on domestic tasks. Though this is a type of work that is not economically valued and consequently is not

even considered work or economic activity in the vast majority of surveys responsible for generating labor statistics, the “product” of domestic tasks is fundamentally important to the organization and functioning of families and, as a result, makes it possible for individuals to enter the labor market. Due to its importance, the work of social reproduction is defined as being necessary to societal reproduction but not geared towards the market and its economic value is not acknowledged.<sup>47</sup>

Regardless of the level of development in a country, in practically all of them social reproduction work is done predominately by women. In 2009, in Brazil, considering the population aged 16 or older, women spent on average two and half times more time on domestic tasks than men: 26.6 versus 10.5 hours per week.

As IPEA (2010) points out, men’s participation in domestic tasks involves more *interactive activities*, such as supermarket shopping, taking kids to school, and sporadic house maintenance activities, such as repairs and construction. A statistic from the 2008 PNAD information supplement illustrates this situation quite well. About half (49.7%) of the population 14 years or older cleaned their own homes alone or with the help of someone else. While this was true for 72.1% of the women, among men the figure was only 25.4%.

The identification of the types of domestic tasks and the time spent by men and women to perform each one requires doing research on the use of time.<sup>48</sup>

When the specific characteristics of the double shift - the conciliation between social reproduction work and “proper” economic production - are analyzed, the gender inequalities become even more evident.

The PNAD 2009 data alerts us to the true dimension of this problem. Among working Brazilian women, 90.7% also performed domestic tasks, while among men the number was significantly lower (49.7%), meaning that only half of male workers performed domestic tasks.

It is also important to stress that these female workers - besides the hours spent with normal work in the labor market - also spent 22.0 hours per week performing domestic tasks, while men spent 9.5 hours per week, 12.5 hours less (see Table 36).

With this data, it is possible to delve deeper into the discussion on gender inequalities in work life and family life and the crucial necessity to find measures to improve balance between them. When assembling data on hours spent on domestic tasks and childcare (social reproduction) with the data on regular work shifts, it is possible to notice that though women’s working hours are shorter than that of men’s (36.0 vs. 43.4 hours), when adding up the time spent on domestic tasks, the total of weekly hours reached 58.0 hours and was 5.0 hours longer than that of men’s (52.9 hours).

<sup>47</sup> C.S. DEDECCA. “Regimes de trabalho, uso do tempo e desigualdade entre homens e mulheres”, em Albertina de Oliveira Costa; Bila Sorj; Cristina Bruschini; Helena Hirata, (Org.), *Mercado de Trabalho e Gênero: Comparações Internacionais* (Rio de Janeiro: FGV, 2008), v. 1, p. 279-298.

<sup>48</sup> The IBGE, in partnership with many institutions, has been developing a national survey on the usage of time which will be applied by the Integrated System of Household Research (SIPD). In 2009, during the continuous PNAD survey conducted by the IBGE, one module on time usage was applied in the states of Pará, Pernambuco, Federal District, São Paulo, Rio de Janeiro, and Rio Grande do Sul, covering a sample of 11 thousand households. The initiative to carry out a Survey on Time Usage and the designing of its methodology was led by the Committee on Gender Studies and Time Usage, of the Secretariat for Womens’ Policies (SPM) and composed by the IBGE, IPEA, ILO, and UN-Women. Partial results of this survey, as well as its methodological challenges, were presented in the last two congresses of the International Association for Time-Use Research (IATUR, 2010 and 2011) and in the II International Congress on Time-Use Research: methodological aspects and international experiences, which took place in 2010 in Rio de Janeiro.

**TABLE 36**

AVERAGE WEEKLY HOURS SPENT IN LABOR MARKET AND DOMESTIC TASKS  
OF EMPLOYED POPULATION AGED 16 OR OLDER IN ALL FIELDS  
BRAZIL, 2009

| Sex/Race    | Average Weekly Hours in<br>the Labor Market<br>(A) | Average Weekly Hours<br>Spent w/ Domestic Tasks<br>(B) | Weekly Shift<br>Total<br>(A + B) |
|-------------|--|--|----------------------------------|
| Men         | 43.4   | 9.5  | 52.9                             |
| Women       | 36.0   | 22.0   | 58.0                             |
| White Men   | 43.8   | 9.2  | 53.0                             |
| White Women | 37.0   | 20.9   | 57.9                             |
| Black Men   | 43.0   | 9.9  | 52.9                             |
| Black Women | 34.9   | 23.0   | 57.9                             |

Source: IBGE – PNAD Microdata  
Created by: ILO Brazil Office

The indicators on Table 36 also reveal that, regardless of race, the differences between men and women's working hours in the labor market and the domestic sphere remain unchanged. On the other hand, when comparing people of the same gender and race, some patterns that deserve consideration become apparent. Despite the weekly work shift in 2009 of black women workers being exactly the same as white women workers (57.9 hours), black women spent on average 2.1 extra hours on domestic activities - 23.0 and 20.9 hours, respectively. Consequently, the weekly work shift of white women workers (37.0 hours) was equally longer in comparison to black women workers (34.9 hours).

When analyzing the regions and Federation Units, the inequalities become even more pronounced in some subnational areas. In the Northeast Region, the difference between working hours for men and women's was 14.5 hours (10.3 hours for the men and 24.9 hours - 2.5 times more - for women, respectively), the highest in the nation. In three northeastern states the differential was higher than 15.0 hours - Piauí and Ceará (15.8 hours) and Maranhão (15.3 hours).

Mostly due to this overburdening of domestic tasks, in all 27 Federation Units the total work week (which, besides domestic tasks also takes into account the average amount of hours spent working) was always higher among women. In Paraíba and Pernambuco, the total women's work week (60 and 61.1 hours, respectively) was 8 hours longer than the men's week - 51.2 and 52.8 hours, respectively according to Table 37. The total women's work week was also longer than 60 hours in Maranhão (62.2 hours), Ceará (60.6 hours) and Santa Catarina (60.2 hours).

It is important to point out that Piauí has the shortest women's average work week (27.2 hours), one of the states where women spent the most time performing domestic tasks (25.9 hours). Piauí was also one of the states with the biggest differential (15.8) in hours dedicated to domestic tasks by men and women.



TABLE 37

AVERAGE WEEKLY HOURS SPENT IN LABOR MARKET AND DOMESTIC TASKS  
BY EMPLOYED POPULATION AGED 16 OR OLDER IN ALL FIELDS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2009

| Geographical Area       | Average Weekly Hours Spent in the Labor Market (A) |             | Average Weekly Hours Spent on Domestic Tasks (B) |             | Weekly Total (A + B) |             |
|-------------------------|--|-------------|--|-------------|----------------------|-------------|
|                         | Men  | Women       | Men  | Women       | Men                  | Women       |
| <b>Brazil</b>           | <b>43.4</b>  | <b>36.0</b> | <b>9.5</b>                                       | <b>22.0</b> | <b>52.9</b>          | <b>58.0</b> |
| <b>Regions</b>          |  |             |  |             |                      |             |
| North                   | 42.5   | 34.1        | 9.5  | 20.5        | 52.0                 | 54.6        |
| Northeast               | 41.6   | 33.4        | 10.3   | 24.8        | 51.9                 | 58.2        |
| Southeast               | 44.1   | 37.4        | 9.4  | 21.3        | 53.5                 | 58.7        |
| South                   | 44.0   | 36.9        | 8.9  | 20.5        | 52.9                 | 57.4        |
| Center-West             | 44.1   | 36.0        | 9.5  | 20.8        | 53.6                 | 56.8        |
| <b>Federation Units</b> |  |             |  |             |                      |             |
| Rondônia                | 43.9   | 34.3        | 10.3   | 23.5        | 54.2                 | 57.8        |
| Acre                    | 44.1   | 34.2        | 9.5  | 21.0        | 53.6                 | 55.2        |
| Amazonas                | 42.3   | 36.2        | 9.5  | 17.5        | 51.8                 | 53.7        |
| Roraima                 | 41.2   | 36.6        | 13.1   | 21.0        | 54.3                 | 57.6        |
| Pará                    | 42.0   | 33.6        | 8.8  | 20.2        | 50.8                 | 53.8        |
| Amapá                   | 41.3   | 35.8        | 15.1   | 23.0        | 56.4                 | 58.8        |
| Tocantins               | 43.1   | 31.1        | 9.4  | 23.4        | 52.5                 | 54.5        |
| Maranhão                | 43.9   | 34.5        | 12.2   | 27.5        | 56.1                 | 62.0        |
| Piauí                   | 40.7   | 27.2        | 10.1   | 25.9        | 50.8                 | 53.1        |
| Ceará                   | 41.9   | 33.8        | 11.0   | 26.8        | 52.9                 | 60.6        |
| Rio Grande do Norte     | 41.9   | 33.8        | 10.7   | 23.6        | 52.6                 | 57.4        |
| Paraíba                 | 40.3   | 33.9        | 10.9   | 26.1        | 51.2                 | 60.0        |
| Pernambuco              | 41.8   | 35.6        | 11.0   | 25.5        | 52.8                 | 61.1        |
| Alagoas                 | 40.9   | 34.0        | 10.7   | 23.9        | 51.6                 | 57.9        |
| Sergipe                 | 41.0   | 33.8        | 9.4  | 23.4        | 50.4                 | 57.2        |
| Bahia                   | 41.3   | 33.2        | 9.3  | 22.6        | 50.6                 | 55.8        |
| Minas Gerais            | 43.5   | 34.4        | 9.0  | 22.6        | 52.5                 | 57.0        |
| Espírito Santo          | 44.6   | 35.5        | 8.7  | 21.3        | 53.3                 | 56.8        |
| Rio de Janeiro          | 43.9   | 37.8        | 11.0   | 22.0        | 54.9                 | 59.8        |
| São Paulo               | 44.3   | 39.0        | 9.1  | 20.3        | 53.4                 | 59.3        |
| Paraná                  | 43.6   | 36.3        | 8.7  | 20.2        | 52.3                 | 56.5        |
| Santa Catarina          | 45.0   | 38.8        | 9.3  | 21.4        | 54.3                 | 60.2        |
| Rio Grande do Sul       | 43.9   | 36.5        | 9.0  | 20.2        | 52.9                 | 56.7        |
| Mato Grosso do Sul      | 43.9   | 34.6        | 7.9  | 18.8        | 51.8                 | 53.4        |
| Mato Grosso             | 43.4   | 34.8        | 10.3   | 20.9        | 53.7                 | 55.7        |
| Goiás                   | 45.0   | 36.1        | 9.7  | 21.9        | 54.7                 | 58.0        |
| Federal District        | 43.0   | 38.5        | 10.0   | 19.9        | 53.0                 | 58.4        |

Source: IBGE - PNAD Microdata  
Created by: ILO Brazil Office

The previous analyses show that the massive incorporation of women into the labor market has not been followed by a satisfactory process of redefinition of gender relations with regard to the sexual division of labor in the private sphere as well as in the process of public policy formulation by companies and unions, especially concerning domestic and family responsibilities. In other words, the incorporation of women into the labor market is happening quickly without a new pact concerning the responsibility for the work of social reproduction, which continues to be done exclusively or predominately by women.

When faced with these conditions, women tend to “adjust” their insertion into the market and focus on informal and precarious jobs because these do not require a fixed schedule or place of work, making it easier to develop strategies to perform their domestic duties which, however, involved significant costs for working women and their families (ILO, 2011b). Therefore, women are particularly overrepresented in less productive and precarious jobs, have limited access to adequate and fair pay, social protection, and fundamental labor rights - they are less likely to find Decent Work, as it is made evident in all chapters of this report.

## **The Importance of Maternity and Paternity Protection**

Maternity protection has been a central issue for the ILO since its inception in 1919. It aims at ensuring the mother’s and her children’s health, as well as to protect female workers against any prejudice based on maternity (OIT, 2011c). Maternity protection contributes to the achievement of three Millenium Development Goals (MDG), adopted by the member-states of United Nations: MDG 3, promoting gender equality and empowering women; MDG 4, reducing child mortality; and MDG 5, improving maternal health.

The ILO adopted three conventions on maternity protection: Convention Concerning Employment of Women before and after Childbirth (Maternity Protection), 1919 (n. 3); Convention Concerning Maternity Protection (Revised) 1952 (n. 103) and the Convention concerning Maternity Protection, 2000 (n. 183). Also, the Convention Concerning Minimum Standards of Social Security, 1952 (n. 102) recognizes the provisions of maternity as one of the nine areas of social protection. Its Part VIII, which concerns maternity provisions, outlines medical assistance and periodic payments to compensate the suspension of earnings of working mothers. Ever since the first Convention on this theme was adopted, its scope was broadened to include all working mothers. Convention n. 183 and its Recommendation (n. 191) extend maternity protection coverage to all employed women, independently of their occupation or area, including those who perform atypical work and frequently have no protection at all (ILO, 2011c).

Until September 2009, 71 countries had ratified at least one maternity protection convention or Part VIII of Convention n. 102, including 17 countries in Latin America and the Caribbean. Brazil ratified Conventions n. 102 and n. 103. But the importance attributed internationally to maternity protection is also reflected in the existence of provisions on the subject in the legal framework of practically every country.

The existence of mechanisms and legal instruments that assure maternity and paternity protection to workers perform a fundamental role in the balance between work and personal and family life.

In Brazil, the Federal Constitution grants a pregnant woman a 120-day license without prejudice and also prohibits the dismissal of a pregnant employee arbitrarily or without cause for up to 5 months after giving birth (see Legal Framework Indicator 6 ‘Maternity leave’, Annex p. 368). Also, a new 2008 law (Law n. 11,770), which created the Citizen Business Program, started to have an effect in 2010, granting 60 extra days of maternity leave to companies that joined the program. The law states that the extra two months of license will be paid by the employer, who can deduct it from the business income tax. This extension is already in effect in the federal government.

The extension of maternity leave to include all workers, public and private, is currently on the Congressional agenda. The Constitutional Amendment Proposal (PEC 64/07), which

extends maternity leave to 180 days, was already approved by the Senate in August of 2010. The PEC changes the text of section XVIII of Article 7 of the Brazilian Federal Constitution, extending to everyone the benefit given to workers whose employers participate in the Business Citizen Program. Currently, the PEC is awaiting the approval by the House of Representatives. Some states, municipalities, and public sector companies also extended the leave for its pregnant employees to 6 months, which will become obligatory if the House approves the Senate's measure.

The Constitution also concedes a five-day paternity leave (PL n. 3,935/2008). There is presently a bill in Congress that seeks to extend paternity leave from 5 to 15 days (see Legal Framework Indicator 7 'Paternity leave', Annex p. 370).

### **The importance of the broadening of paternity leave for the promotion of gender equality in the labor world**

The social reality of Brazil is still strongly characterized by the sexual division of labor, which defines women as the exclusively responsible for domestic tasks and care, namely, reproductive work. This logic has a significant impact in the insertion, permanence, and progression of women in the labor market. The understanding that men and women are equally responsible for the reproductive work and the strengthening the mechanisms that protect workers with family responsibilities from all forms of discrimination in the labor market is a fundamental step for the promotion of the balance between work and family and gender equality in the labor world. The paternity leave is part of this effort. Its broadening, as well as the development of initiatives that encourage men to use it, are elements that make a vital contribution to this process, because the strengthen the notion that male workers are equally responsible for the care of their children and should have the rights and benefits associated with this responsibility.

The six-month maternity leave is an element of fundamental importance for maternity protection. In this context, as it will be shown below, breastfeeding takes on a vital role.

The World Health Organization (WHO) recommends exclusive breastfeeding<sup>49</sup> until 6 months of age, and complemented breastfeeding until 24 months (2 years) or more. The WHO also establishes parameters to classify the feeding situation based on the percentage of children at breastfeeding age who feed on their mother's milk exclusively. For those 6 months of age and younger, the parameters are the following:

- Very bad – from 0.0% to 11.0%
- Bad – from 12.0% to 49.0%
- Good – from 50.0% to 89.0%
- Very good – from 90.0% to 100.0%

<sup>49</sup> When the child is fed exclusively with human milk, directly or collected.

According to the 2006 National Report on Child and Women's Demography and Health (PNDS-2006) compiled by the Ministry of Health in partnership with the Brazilian Center for Analysis and Planning (CEBRAP), only half (around 49.0%) of children four months old and younger fed on breast milk exclusively (See Table 38).

After the child's 4th month - period which, at the time the research was completed, coincided with the end of the maternity leave - the percentage of kids breastfeeding exclusively went down dramatically. Between the 4th and 6th month the proportion of children breastfeeding exclusively decreased significantly to 15.3%, about 34.0 p.p. less than the 49.0% observed until the 4th month.

Considering the percentage of exclusive breastfeeding until 6 months of age (39.8%) in 2006, Brazil was classified as *poor* according to the parameters established by the WHO.

| TABLE 38  |                           |                           |                            |                             |             |
|---|---------------------------|---------------------------|----------------------------|-----------------------------|-------------|
| PERCENTAGE OF CHILDREN (LAST LIVING CHILD) YOUNGER THAN 12 MONTHS OF AGE, BY BREASTFEEDING CONDITION, BY AGE IN MONTHS BRAZIL, 2006 |                           |                           |                            |                             |             |
| Age (months)  | Were not Being Breastfed* | Type of Breastfeeding (%) |                            |                             |             |
|   |                           | Exclusive                 | Predominant <sup>(1)</sup> | Complemented <sup>(2)</sup> | Total       |
| 0 -2  | 1.5                       | 49.2                      | 15.1                       | 49.3                        | 98.5        |
| 2 -4  | 4.3                       | 48.8                      | 16.2                       | 46.9                        | 95.7        |
| 4 -6  | 22.3                      | 15.3                      | 8.2                        | 62.4                        | 77.7        |
| <b>0 -6</b>   | <b>8.2</b>                | <b>39.8</b>               | <b>13.6</b>                | <b>52.0</b>                 | <b>91.8</b> |
| 6 -8  | 27.9                      | 2.2                       | 2.2                        | 69.9                        | 72.1        |
| 8 -10   | 43.7                      | 0.5                       | 0.8                        | 55.8                        | 56.3        |
| 10 -12  | 33.4                      | 0.5                       | 0.6                        | 66.1                        | 66.6        |

Source: Ministry of Health / CEBRAP - PNDS 2006

\* Includes children who were never breastfed

<sup>(1)</sup> Breastfeeding plus water, tea, juice and/or other liquids

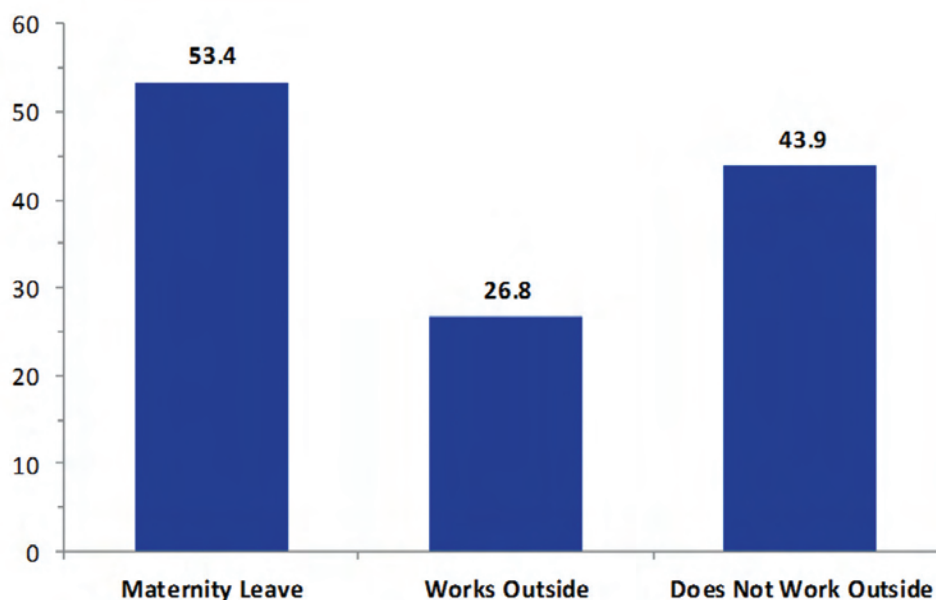
<sup>(2)</sup> Maternal breastfeeding minus exclusive breastfeeding

The data from the II Report on the Prevalence of Maternal Breastfeeding in Brazilian Capitals and the Federal District, carried out by the Ministry of Health in 2008, laid out even more clearly the importance of maternity leave for achieving a prevalence of exclusive maternal breastfeeding.

Among women who were on maternity leave when the research was being carried out, the prevalence of exclusive maternal breastfeeding included more than half (53.4%) of the total number of children under 6 months of age, according to Graph 16. Women whose situation of maternal work was *works outside* the prevalence of exclusive maternal breastfeeding was only 26.8%, or half of what we observe among working mothers who were on maternity leave.

GRAPH 16

PERCENTAGE OF PREVALENCE OF EXCLUSIVE MATERNAL BREASTFEEDING  
AMONG CHILDREN YOUNGER THAN SIX MONTHS OF AGE  
ACCORDING TO MOTHER'S WORK STATUS  
BRAZILIAN CAPITALS AND FEDERAL DISTRICT, 2008



Source: Ministry of Health – II Report on the Prevalence of Maternal Breastfeeding in Brazilian Capitals and the Federal District

Besides this important piece of evidence, the general situation of exclusive maternal breastfeeding in Brazilian capitals and the Federal District emphasizes how important maternity leave is. The average prevalence of exclusive maternal breastfeeding for children younger than 6 months of age in this geographical grouping was 41.0%, ranging from 27.1% in Cuiabá, Mato Gross, to 56.1% in Belém, Pará. Based on the already mentioned WHO classification, 23 capitals were still classified as *poor*, with a prevalence of exclusive maternal breastfeeding between 12.0% and 49.0% and only three capitals were classified as *good* (50-89%) - Belém, Pará, (56.1%), Florianópolis, Santa Catarina, (52.4%), Campo Grande, Mato Grosso do Sul, (50.1%), and the Federal District (50.0%).

The benefits of breastfeeding are not limited to the health of the mother and child, as it also reduces the demand for healthcare and increases productivity by maintaining the workforce in good health.

With maternal breastfeeding, the baby has less chance to have diarrhea, pneumonia - diseases responsible for a high number of infant deaths, especially in poorer regions - diabetes, cancer, or allergies. According to the technical sector of Child Health and Maternal Breastfeeding of the Ministry of Health,<sup>50</sup> breastfeeding decreases by 13.0% the infant mortality rate for children 5 and under globally. The chance of a non-breastfed child to be hospitalized with pneumonia in their first three months of life is 61 times higher than a child who was exclusively breastfed. The risk of contracting bronchitis is 7 times higher for babies who were breastfed for less than a month. Also, around seven thousand deaths of children aged one and younger could be avoided if children are breastfed within one hour of being born.

<sup>50</sup> Available at: [http://portal.saude.gov.br/portal/arquivos/pdf/22\\_08\\_licenca\\_maternidade.pdf](http://portal.saude.gov.br/portal/arquivos/pdf/22_08_licenca_maternidade.pdf). Accessed in 02/16/2012.

Prolonging the period of exclusive maternal breastfeeding also leads to significant savings for the public healthcare system (SUS) due to less hospitalizations of kids up to two years of age due to diarrhea and pneumonia. According to the Ministry of Health, in 2007 alone there were 180 thousand hospitalizations caused by diarrhea and 321 thousand due to pneumonia, at a cost of R\$ 246.8 million.

Maternal breastfeeding, by reducing mortality rates and contributing to the development of physically and emotionally healthy individuals, is an important factor in the economics of healthcare because it decreases the cost of ambulatory and hospital care.

Finally, it is important to point out that the importance of the maternal - and paternal - presence during the child's first months is not limited to feeding. There are also other types of care related to health, to the stimulation and child's socialization, to the psychological aspects and other dimensions that imply time and exclusive dedication from the parent to fully develop the child.

The right to breastfeed one's children after returning to work is another important element of maternity protection. When the maternity leave lasts less than 6 months, it is extremely important to implement measures that allow women to continue breastfeeding their children or store milk after coming back to work (ILO, 2011c).

According to ILO Convention n. 183, the woman has the right to take multiple breaks throughout the day or reduce her work hours in order to breastfeed her child. These pauses are considered part of the work day and should be compensated. The number and duration of the breaks are determined by legislation and national practices (Art. 10).

In Brazil, Article 396 of the Consolidated Labor Laws determines that, after childbirth, the woman will have two rest periods for breastfeeding during the workday, each lasting 30 minutes until the child reaches 6 months of age. The law also states that the six-month period may be extended if the child or mother's health requires it. Also, according to CLT Article 389, paragraph 1, which deals with the duties of companies, "*establishments employing more than 30 women aged 16 or older will have an appropriate space where employees' children of breastfeeding age can be monitored and provided assistance if needed.*" (OIT, 2011c).

Despite the importance of maternity leave, a significant number of working mothers is not able to claim this right. In the 2008 survey, the PNAD investigated the number of successful births<sup>51</sup> during the year of the survey<sup>52</sup>. The data shows that from a total of 38.5 million workers, around 1.05 million had a child in 2008 - 2.7% of the total number of working women.

Among working women who had children, only half (50.5%) paid into social security. This means that half of the working mothers did not contribute, and therefore could not claim maternity leave.

Focusing on the Federation Units, the conclusion is that the situation was even more worrisome. As Table 39 shows, coupled with regional disparities and the precariousness of local job markets, in several UFs, the proportion of working mothers who had a child

<sup>51</sup> A successful birth is a measure which considers the child who, after expulsion or complete extraction from the mother's womb, regardless of the pregnancy's duration, manifests any sign of life, such as: breathing, crying, voluntary muscle contraction, heartbeat, umbilical cord pulse, even though he/she might have perished soon after.

<sup>52</sup> Period starting in September 28, 2007 and ending September 27, 2008.

and did not pay into Social Security was striking: Piauí (81.5%), Espírito Santo (76.9%), Acre (76.3%), Bahia (70.6%), and Alagoas (70.4%).

TABLE 39

NUMBER AND PERCENTAGE OF EMPLOYED WOMEN AGED 16 OR OLDER WHO HAD CHILDREN DURING THE REPORT'S REFERENCE YEAR AND THE PERCENTAGE DISTRIBUTION OF THOSE WHO HAD CHILDREN ACCORDING TO SOCIAL SECURITY CONTRIBUTION BRAZIL AND FEDERATION UNITS, 2008

| Geographical Area       | Number of Employed Women |                  | % Who had Children         |                                |  |
|-------------------------|--------------------------|------------------|----------------------------|--------------------------------|--|
|                         | Total                    | Had Children     | Relative to Total Employed | Contributes to Social Security | Does not Contribute to Social Security |
| <b>Brazil</b>           | <b>38,545,683</b>        | <b>1,044,391</b> | <b>2.7</b>                 | <b>50.5</b>                    | <b>49.5</b>                            |
| <b>Federation Units</b> |                          |                  |                            |                                |  |
| Rondônia                | 274,044                  | 6,808            | 2.5                        | 46.8                           | 53.2                                   |
| Acre                    | 122,815                  | 4,728            | 3.8                        | 23.7                           | 76.3                                   |
| Amazonas                | 516,518                  | 16,767           | 3.2                        | 39.1                           | 60.9                                   |
| Roraima                 | 71,030                   | 3,855            | 5.4                        | 40.4                           | 59.6                                   |
| Pará                    | 1,237,034                | 41,568           | 3.4                        | 30.3                           | 69.7                                   |
| Amapá*                  | 100,094                  | 4,890            | 4.9                        | -                              | -                                      |
| Tocantins               | 272,542                  | 9,757            | 3.6                        | 51.2                           | 48.8                                   |
| Maranhão                | 1,082,029                | 48,305           | 4.5                        | 40.0                           | 60.0                                   |
| Piauí                   | 719,505                  | 29,639           | 4.1                        | 19.5                           | 81.5                                   |
| Ceará                   | 1,711,591                | 42,166           | 2.5                        | 32.2                           | 67.8                                   |
| Rio Grande do Norte     | 582,727                  | 15,089           | 2.6                        | 46.9                           | 53.1                                   |
| Paráiba                 | 619,199                  | 11,464           | 1.9                        | 39.1                           | 60.9                                   |
| Pernambuco              | 1,499,743                | 51,639           | 3.4                        | 34.0                           | 66.0                                   |
| Alagoas                 | 475,453                  | 15,137           | 3.2                        | 29.6                           | 70.4                                   |
| Sergipe                 | 385,393                  | 13,492           | 3.5                        | 46.3                           | 53.7                                   |
| Bahia                   | 2,797,512                | 80,452           | 2.9                        | 29.4                           | 70.6                                   |
| Minas Gerais            | 4,325,021                | 139,399          | 3.2                        | 57.2                           | 42.8                                   |
| Espírito Santo          | 737,085                  | 18,596           | 2.5                        | 23.1                           | 76.9                                   |
| Rio de Janeiro          | 3,059,376                | 48,959           | 1.6                        | 74.1                           | 25.9                                   |
| São Paulo               | 8,721,907                | 214,747          | 2.5                        | 65.8                           | 34.2                                   |
| Paraná                  | 2,415,356                | 58,514           | 2.4                        | 59.9                           | 40.1                                   |
| Santa Catarina          | 1,402,513                | 30,775           | 2.2                        | 63.8                           | 36.2                                   |
| Rio Grande do Sul       | 2,547,203                | 56,827           | 2.2                        | 58.4                           | 41.6                                   |
| Mato Grosso do Sul      | 505,332                  | 16,500           | 3.3                        | 47.2                           | 52.8                                   |
| Mato Grosso             | 561,111                  | 20,081           | 3.6                        | 46.2                           | 53.8                                   |
| Goiás                   | 1,246,275                | 33,893           | 2.7                        | 57.3                           | 42.7                                   |
| Federal District        | 557,275                  | 10,344           | 1.9                        | 71.7                           | 28.3                                   |

Source: IBGE - PNAD 2008 Microdata

Created by: ILO Brazil Office

\* In Amapá, the sample data did allow for disaggregation by Social Security Contribution.

In other UF's, besides the high percentage of employed women who did not contribute to Social Security, the proportion of those who had children during the reference year was much higher than the national average (of 2.7%), as in Roraima, where 5.4% of workers had children and 59.6% of them were not Social Security contributors and therefore did not have access to maternity leave.

The smallest percentages of working mothers who did not contribute were found in Rio de Janeiro (25.9%) and the Federal District (28.3%). It is worth pointing out that these Federation Units are also among those with the lowest proportions of employed women who had children during the report's reference year - 1.6% for Rio de Janeiro and 1.9% for the Federal District.

## Collective Maternity Protection Clauses, from Paternity to Breastfeeding

In the *Negotiation of Gender and Race Equality Clauses 2007-2009* Study done by the ILO in partnership with DIEESE, released in 2011, the gender and race-related guarantees found in collective labor contracts were analyzed. Based on the analysis of these clauses it is possible to identify important victories in the sphere of work/family life balance.<sup>53</sup>

The study was based on DIEESE's System for Monitoring Collective Contracts (SACC-DIEESE). For the purpose of the study, the SACC-DIEESE's panel of negotiation units was split in two: the Original SACC, restricted to 90 negotiation units, and the Expanded SACC, with 130 negotiation units.

By analyzing the clauses on women's employment or gender and race equality, the study found that the panel composed of 90 collective contracts monitored since 1993, 87 had some guarantee relating to the subject. It is also interesting to point out that the number of clauses negotiated on this theme increased during the period covered by the study (1993-2009). The theme *Maternity/Paternity* is the subject of more clauses than any other, and this is verified in all studies of the series. In the period 2007-2009, this subject was in half of all negotiated clauses, spread throughout 80 negotiation units. We should also mention the increase of *Familial Responsibility* clauses, also largely disseminated among the negotiation units analyzed. The main conclusions are the following:

There was important progress on the issue of maternity and paternity leave, as well as other types of licenses and benefits, improving the balance between work and family life.

Collective negotiation has been an important arena for the reaffirmation and strengthening of rights already signed into law and for promoting progress in some areas:

- ◇ Maternity Leave  
There are clauses that extend maternity leave to 130 days and others which apply Law n. 11,770 and extend it to 180 days.
- ◇ Paternity Leave.  
There are instances of clauses that go beyond the existing legislation and extend paternity leave to 5-8 business days.
- ◇ Paternal Stability  
There is no legislation that guarantees this right. There are instances of negotiated clauses which aim to provide paternal stability, with some timeframe variation: 30, 60, or 90 days after the birth of the child.
- ◇ Child Monitoring  
Há registros de cláusulas que garantem o abono de falta para o There are instances of clauses that guarantee paid leave for accompanying children to medical consultations, treatments, and hospitalizations. In some cases there are no defined limits for the leave while in others this limit is determined by several criteria (days, hours, shift, etc.) A vast majority of these guarantees are not based on the sex of the parent.

<sup>53</sup> This is the fourth consecutive study on the promotion of gender equality in collective negotiations and marks 16 years of monitoring collective negotiation on gender in Brazil. The last three studies were done in partnership with the ILO. Research on racial equality clauses was included starting with the third study, which covered the period 2001-2006.



Much rarer are the clauses which guarantee paid leave for accompanying children to school activities. However, these are being observed in some cases.

◇ Guarantees for workers with disabled dependents

There are clauses that guarantee this right: the extension of daycare benefits, assistance with specialized education, assistance with medication, and flexibilization of the work shift.

◇ Guarantees for adoptive parents

In the case of adoption, the only guarantee recognized by law is maternity leave and its duration varies according to the child's age (it can be 120, 60, or 30 days). In the processes of collective negotiation we find the existence of clauses that reaffirm this right and even go beyond what is established by law, including guaranteeing, in some negotiation units, the extension of maternity leave to 180 days. We also observe the guarantee of the right of paternity leave for adoptive parents, which lasts 5 days, including cases when the leave is requested by workers in a same-sex civil union. There are also instances of clauses which guarantee stability for adoptive parents, sometimes just for the mother and sometimes for both. It lasts from 30 days after the adoption to 180 days after the adoption leave. Finally, there are clauses which guarantee adopted children the same right to daycare enjoyed by biological children.

Also worth mentioning are the pregnancy guarantees, namely, measures negotiated to ensure that work conditions are compatible with the pregnancy period, as well as those necessary for its satisfactory monitoring and development.

◇ Pregnancy Stability

This is still the most common theme within the pregnancy guarantees. From 2007-2009, clauses on pregnancy stability were negotiated in 68 out of 90 of the negotiation units which compose this panel. One third of these negotiated clauses ensures pregnancy stability for the period established by law - 5 months after childbirth. A little more than 65.0% of the clauses extend the stability period. This extension varies from 60 to 122 days.

In 2007-2009 clauses on pregnant workers' function change guarantees were also negotiated if their position had potential risks; guarantee of a customized schedule or work shift; and absences for medical consultations and pre-natal exams.

## **Restricted Access to Essential Services: Daycare and Pre-School**

A key factor that would facilitate the incorporation of women into the labor market and also alleviate the tension experienced by them and also by men with familial responsibilities and double shifts is the availability of accessible child assistance services, especially for children at pre-school age.

The 2011 School Census data, collected by the Anísio Teixeira National Institute for Educational Studies and Research (INEP) shows that the daycare enrollment is still growing, and is the type of schooling with the highest rate of expansion within the basic education sector. Between 2010 and 2011 there were 234 thousand new enrollments, a growth of 11.3%. Between 2002 and 2011 enrollment doubled and went from 1.15 million to 2.3 million.

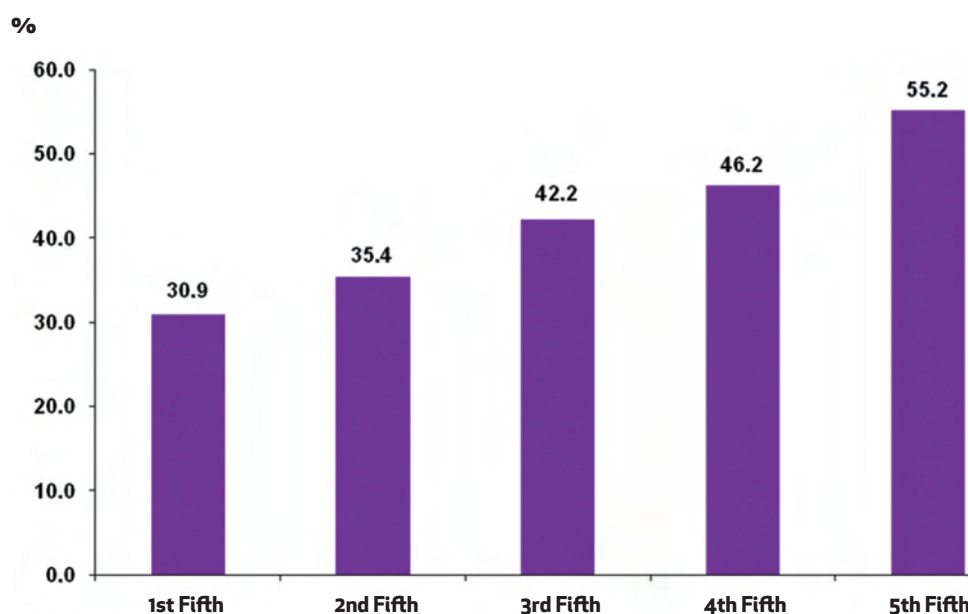
In pre-school, the recent trend of mild enrollment decline was maintained, with a contraction of -0.2%, going from 4.69 million to 4.68 million in 2011. This decrease

is directly related to the process of implementing a 9-year primary education, making enrollment of 6 year-old children part of primary education, not pre-school.

Despite the significant increase in daycare enrollment, children's access to daycare and pre-school is still restricted and heavily dependent on the family's income. In 2009, among children 0-5 years of age from families in the poorest fifth of the population, less than one-third (30.9%) attended a daycare or pre-school. The attendance percentage increases in tandem with the family per capita income, until reaching 55.2% among families in the richest fifth of the population, according to Graph 17.

**GRAPH 17**

SCHOOL ATTENDANCE OF CHILDREN AGED 5 OR YOUNGER BY FIFTHS OF FAMILY MONTHLY PER CAPITA INCOME  
BRAZIL, 2009



Source: IBGE - PNAD (Social Indicators Synthesis 2010)

Aware of the need for higher daycare enrollment, within the *Citizen Community* axis of the Program of Growth Acceleration 2 (PAC 2), the federal governments plans to invest R\$ 7.6 billion to build, by 2014, six thousand new daycares and pre-schools all over the country, with the hope of increasing the supply of education for children up to five years old and reducing the attendance deficit in this age sector.

Based on the *Second PAC 2 Evaluation*, presented in December 2011, 1,484 physical units were selected for construction which will benefit 1,040 municipalities in 26 Federation Units with investments of approximately R\$ 1.5 billion (19.7% of the total up to 2014). By the end October 2011, 1,343 units had building contracts, adding up to a R\$ 1.3 billion investment.

Besides the low daycare and pre-school attendance, this increase in the number of establishments and vacancies for children's education is also necessary due to the fact that the private sector<sup>54</sup> accounted for more than one-third (36.0%) of daycare enrollments in 2011 - the equivalent of 828 thousand children. The municipal school system accounted for 63.5% of enrollments. The state and federal systems combined accounted for only 0.5% of enrollments.

<sup>54</sup> According to data from MEC/INEP (2011), around half of private school enrollments are partially financed with public funds through partnerships between the municipalities and private schools.

The indicators that measure women's work and access to daycare are symptomatic of the imperious necessity of measures that promote balance between work and family. According to data collected by PNAD, 11.5% of employed women aged 16 or older had children 0-3 years old in 2009, and a significant portion of these children (73.3%) did not attend daycare (Table 40).

Among black women, the number of workers with children was even higher (12.7%) as was the portion of children who did not have access to daycare (76.2%). In the Northern Region of the country, this number was even higher - 16.0% and 87.7%, respectively.

The lowest percentage of workers (9.5%) who had children aged 3 or younger occurred among white women in the Southeast Region, while the highest proportion of children attending daycare (35.5%) was seen among white working mothers in the South Region.

TABLE 40

PROPORTION OF EMPLOYED WOMEN AGED 16 OR OLDER WITH CHILDREN AGED 3 OR YOUNGER, IN RELATION TO TOTAL NUMBER OF EMPLOYED WOMEN, BY COLOR OR RACE AND DAYCARE ATTENDANCE SITUATION  
BRAZIL AND REGIONS, 2009

| Geographical Area and Color or Race | % Employed Women with Children 0-3 Years | Distribution % by Daycare Attendance Situation |   |                 |
|-------------------------------------|--|--|---|-----------------|
|                                     |  | No Child Attends Daycare (1)                   | All or Some Children Attend Daycare (2) | Total (1) + (2) |
| <b>Brazil</b>                       |  |  |   |                 |
| Total                               | 11.5                                     | 73.3   | 26.7                                    | 100.0           |
| White                               | 10.5                                     | 70.0   | 30.0                                    | 100.0           |
| Black                               | 12.7                                     | 76.2   | 23.8                                    | 100.0           |
| <b>North</b>                        |  |  |   |                 |
| Total                               | 15.6                                     | 86.6   | 13.4                                    | 100.0           |
| White                               | 14.2                                     | 83.0   | 17.0                                    | 100.0           |
| Black                               | 16.0                                     | 87.7   | 12.3                                    | 100.0           |
| <b>Northeast</b>                    |  |  |   |                 |
| Total                               | 13.0                                     | 78.4   | 21.6                                    | 100.0           |
| White                               | 12.6                                     | 78.2   | 21.8                                    | 100.0           |
| Black                               | 13.2                                     | 78.5   | 21.5                                    | 100.0           |
| <b>Southeast</b>                    |  |  |   |                 |
| Total                               | 10.2                                     | 68.3   | 31.7                                    | 100.0           |
| White                               | 9.5                                      | 67.5   | 32.5                                    | 100.0           |
| Black                               | 11.3                                     | 69.2   | 30.8                                    | 100.0           |
| <b>South</b>                        |  |  |   |                 |
| Total                               | 10.7                                     | 65.7   | 34.3                                    | 100.0           |
| White                               | 10.3                                     | 64.5   | 35.5                                    | 100.0           |
| Black                               | 12.6                                     | 70.0   | 30.0                                    | 100.0           |
| <b>Center-West</b>                  |  |  |   |                 |
| Total                               | 12.5                                     | 78.5   | 21.5                                    | 100.0           |
| White                               | 12.0                                     | 77.2   | 22.8                                    | 100.0           |
| Black                               | 12.9                                     | 79.4   | 20.6                                    | 100.0           |

Source: IBGE - PNAD

Among Federation Units, the percentage of employed women who had children up to 3 years old in 2009 varied from 8.6% in Rio de Janeiro to 20.0% in Acre, according to Table 41.

It is important to note that the difficulty in balancing work and family from the point of view of care and education of working mother's children was greater in states with a higher proportion of working mothers. In Acre and Amapá, which had the highest proportion of working mothers

with young children - 20.0% and 16.4%, respectively - the percentage of young children who did not attend daycare was higher (90.3% for Acre and 90.0% for Amapá).

The federation units with higher levels of daycare attendance for children of working mothers were Santa Catarina (43.9%) and São Paulo (38.5%). Despite these higher levels of attendance, they were not even half of the total of employed women with children up to 3 years of age.

**TABLE 41**

PROPORTION OF EMPLOYED WOMEN AGED 16 OR OLDER WITH CHILDREN AGED 3 OR YOUNGER, IN RELATION TO TOTAL NUMBER OF EMPLOYED WOMEN AND DAYCARE ATTENDANCE SITUATION BRAZIL AND REGIONS, 2009

| Geographical Area       | % of Working Women with Children 0 to 3 Years of Age | Distribution % by Daycare Attendance |   |                 |
|-------------------------|--|--------------------------------------|---|-----------------|
|                         |  | No Child Attends Daycare (1)         | All or some Children Attend Daycare (2) | Total (1) + (2) |
| <b>Brazil</b>           | <b>11.5</b>  | <b>73.3</b>                          | <b>26.7</b>                             | <b>100.0</b>    |
| <b>Federation Units</b> |  |                                      |   |                 |
| Rondônia                | 14.1   | 87.9                                 | 12.1                                    | 100.0           |
| Acre                    | 20.0   | 90.3                                 | 9.7                                     | 100.0           |
| Amazonas                | 16.3   | 87.3                                 | 12.7                                    | 100.0           |
| Roraima                 | 14.4   | 70.5                                 | 29.5                                    | 100.0           |
| Pará                    | 15.1   | 87.0                                 | 13.0                                    | 100.0           |
| Amapá                   | 16.4   | 90.0                                 | 10.0                                    | 100.0           |
| Tocantins               | 15.7   | 82.8                                 | 17.2                                    | 100.0           |
| Maranhão                | 14.5   | 86.9                                 | 13.1                                    | 100.0           |
| Piauí                   | 13.6   | 78.5                                 | 21.5                                    | 100.0           |
| Ceará                   | 13.9   | 74.7                                 | 25.3                                    | 100.0           |
| Rio Grande do Norte     | 13.3   | 67.5                                 | 32.5                                    | 100.0           |
| Paraíba                 | 13.1   | 76.0                                 | 24.0                                    | 100.0           |
| Pernambuco              | 11.1   | 77.7                                 | 22.3                                    | 100.0           |
| Alagoas                 | 12.6   | 84.7                                 | 15.3                                    | 100.0           |
| Sergipe                 | 15.8   | 80.5                                 | 19.5                                    | 100.0           |
| Bahia                   | 12.2   | 79.2                                 | 20.8                                    | 100.0           |
| Minas Gerais            | 10.6   | 77.7                                 | 22.3                                    | 100.0           |
| Espírito Santo          | 11.4   | 71.8                                 | 28.2                                    | 100.0           |
| Rio de Janeiro          | 8.6  | 73.3                                 | 26.7                                    | 100.0           |
| São Paulo               | 10.5   | 61.5                                 | 38.5                                    | 100.0           |
| Paraná                  | 10.7   | 68.4                                 | 31.6                                    | 100.0           |
| Santa Catarina          | 11.4   | 56.1                                 | 43.9                                    | 100.0           |
| Rio Grande do Sul       | 10.3   | 69.1                                 | 30.9                                    | 100.0           |
| Mato Grosso do Sul      | 13.2   | 67.1                                 | 32.9                                    | 100.0           |
| Mato Grosso             | 14.1   | 76.9                                 | 23.1                                    | 100.0           |
| Goiás                   | 11.9   | 86.0                                 | 14.0                                    | 100.0           |
| Federal District        | 11.4   | 74.9                                 | 25.1                                    | 100.0           |

Source: IBGE - PNAD

In 2009, the proportion of working mothers with children 4-6 years old was 10.8%, with the rate being higher among black women (12.3%) than white women (9.5%).

In regional terms, the proportion went from 9.7% in the Southeast to 14.0% in the North, according to Table 42.

The share of children 4-6 years, sons and daughters of working mothers who did not attend a daycare or school in 2009 (14.2%) was significantly lower than the proportion of children 0-3 years of age (73.3%).

It is worth pointing out that among black working mothers in the South Region, the percentage of sons and daughters who did not attend a daycare or a school was twice as high (29.4%) than the average for the entire country.

TABLE 42

PROPORTION OF EMPLOYED WOMEN AGED 16 OR OLDER WITH CHILDREN AGED 4-6,  
IN RELATION TO TOTAL NUMBER OF EMPLOYED WOMEN AND DAYCARE ATTENDANCE SITUATION  
BRAZIL AND REGIONS, 2009

| Geographical Area<br>and Color or Race | % Working Mothers<br>with Children 04 to<br>06 Years Old | Distribution % by School and Daycare Attendance |   |                    |
|--|--|---|---|--------------------|
|  |  | No Child Attends<br>Daycare or School (1)       | All or Some Children<br>Attend Daycare or<br>School (2) | Total<br>(1) + (2) |
| <b>Brazil</b>                          |  |   |   |                    |
| Total                                  | <b>10.8</b>  | <b>14.2</b>                                     | <b>85.8</b>   | <b>100.0</b>       |
| White Women                            | 9.5  | 12.9  | 87.1  | 100.0              |
| Black Women                            | 12.3   | 15.4  | 84.6  | 100.0              |
| <b>North Region</b>                    |  |   |   |                    |
| Total                                  | 14.0   | 21.0  | 79.0  | 100.0              |
| White Women                            | 12.5   | 19.4  | 80.6  | 100.0              |
| Black Women                            | 14.6   | 21.5  | 78.5  | 100.0              |
| <b>Northeast Region</b>                |  |   |   |                    |
| Total                                  | 12.0   | 9.0   | 91.0  | 100.0              |
| White Women                            | 10.6   | 8.2   | 91.8  | 100.0              |
| Black Women                            | 12.6   | 9.3   | 90.7  | 100.0              |
| <b>Southeast Region</b>                |  |   |   |                    |
| Total                                  | 9.7  | 11.5  | 88.5  | 100.0              |
| White Women                            | 8.7  | 8.2   | 91.8  | 100.0              |
| Black Women                            | 11.1   | 15.0  | 85.0  | 100.0              |
| <b>South Region</b>                    |  |   |   |                    |
| Total                                  | 10.4   | 23.2  | 76.8  | 100.0              |
| White Women                            | 9.7  | 21.3  | 78.7  | 100.0              |
| Black Women                            | 13.0   | 29.4  | 70.6  | 100.0              |
| <b>Center-West Region</b>              |  |   |   |                    |
| Total                                  | 11.6   | 21.0  | 79.0  | 100.0              |
| White Women                            | 10.3   | 17.5  | 82.5  | 100.0              |
| Black Women                            | 12.5   | 23.2  | 76.8  | 100.0              |

Source: IBGE - Diretoria de Pesquisas. Coordenação de Trabalho e Rendimento. PNAD

These analyses reveal the already known association between socioeconomic development and access to public and/or private services. Measures to improve childcare have a significant and positive effect on the most socially vulnerable workers.

## Occupation of Reference Person and Child Presence

Another relevant piece of data is the condition of the occupation of the child's caretakers, defined here as the reference person in the family and their respective husband/wife/partner. In 65.0% of families with children up to 14 years of age, both were employed and in 15.9% only the reference person was employed, according to Table 43.

Analyzing the condition of the occupation of those directly responsible for the children - reference person of the family and respective husband/wife/partner - also provides important elements for the planning of policies for reconciling work and family. Based on

PNAD's 2009 data, in 65.5% of families with children up to 14 years of age, the family's reference person and his/her husband/wife/partner were employed. In the South Region, this percentage was 70.6% and in Santa Catarina it reached 75.2%.

**TABLE 43**

DISTRIBUTION OF FAMILIES WITH CHILDREN AGED 14 OR YOUNGER  
BY EMPLOYMENT SITUATION OF REFERENCE PERSON AND PARTNER  
BRAZIL, REGIONS AND FEDERATION UNITS, 2009

| Geographical Area   | Distribution of families with children aged 0-14 residing in private homes, by employment situation of reference person and partner (%) |                  |                                |  |
|---------------------|---|------------------|--------------------------------|--|
|                     | Reference person employed   | Partner employed | Reference and partner employed | Neither reference nor partner employed |
| <b>Brazil</b>       | <b>15.9</b>   | <b>6.0</b>       | <b>65.0</b>                    | <b>13.1</b>                            |
| <b>North</b>        | <b>16.9</b>   | <b>6.6</b>       | <b>62.4</b>                    | <b>14.1</b>                            |
| Rondônia            | 14.5  | 6.2              | 67.4                           | 11.9                                   |
| Acre                | 15.6  | 6.8              | 64.8                           | 12.8                                   |
| Amazonas            | 17.6  | 7.8              | 59.8                           | 14.9                                   |
| Roraima             | 18.9  | 7.9              | 58.9                           | 14.3                                   |
| Pará                | 16.8  | 6.1              | 62.9                           | 14.1                                   |
| Amapá               | 16.8  | 6.6              | 56.9                           | 19.7                                   |
| Tocantins           | 18.9  | 5.7              | 63.5                           | 11.9                                   |
| <b>Northeast</b>    | <b>15.5</b>   | <b>5.0</b>       | <b>62.9</b>                    | <b>16.6</b>                            |
| Maranhão            | 15.4  | 3.6              | 63.4                           | 17.6                                   |
| Piauí               | 19.6  | 3.6              | 66.5                           | 10.4                                   |
| Ceará               | 17.3  | 5.3              | 63.2                           | 14.2                                   |
| Rio Grande do Norte | 13.3  | 4.6              | 63.6                           | 18.4                                   |
| Paraíba             | 12.2  | 4.7              | 63.0                           | 20.0                                   |
| Pernambuco          | 13.5  | 5.2              | 61.2                           | 20.1                                   |
| Alagoas             | 11.1  | 4.9              | 62.5                           | 21.6                                   |
| Sergipe             | 18.5  | 6.0              | 61.4                           | 14.0                                   |
| Bahia               | 16.6  | 5.7              | 62.7                           | 14.9                                   |
| <b>Southeast</b>    | <b>16.3</b>   | <b>6.6</b>       | <b>65.1</b>                    | <b>12.0</b>                            |
| Minas Gerais        | 16.9  | 4.9              | 65.3                           | 12.8                                   |
| Espírito Santo      | 18.1  | 5.2              | 64.2                           | 12.4                                   |
| Rio de Janeiro      | 17.0  | 5.7              | 64.3                           | 13.0                                   |
| São Paulo           | 15.5  | 7.9              | 65.5                           | 11.1                                   |
| <b>South</b>        | <b>14.1</b>   | <b>5.9</b>       | <b>70.6</b>                    | <b>9.4</b>                             |
| Paraná              | 14.2  | 5.0              | 71.0                           | 9.8                                    |
| Santa Catarina      | 11.6  | 6.0              | 75.2                           | 7.1                                    |
| Rio Grande do Sul   | 15.4  | 6.7              | 67.5                           | 10.4                                   |
| <b>Center-West</b>  | <b>17.7</b>   | <b>6.1</b>       | <b>65.3</b>                    | <b>10.9</b>                            |
| Mato Grosso do Sul  | 18.0  | 3.2              | 69.3                           | 9.5                                    |
| Mato Grosso         | 18.5  | 7.8              | 62.6                           | 11.1                                   |
| Goiás               | 16.3  | 5.5              | 67.4                           | 10.8                                   |
| Federal District    | 19.9  | 8.1              | 59.8                           | 12.2                                   |

Source: IBGE - PNAD (2010 Social Indicators Synthesis)

This significant proportion of families with children in which both the reference person and the partner work shows the magnitude of the demand for policies for balancing work and family. Also, there is another indicator which demands our attention and is reason for concern: in 13.1% of families with children 0-14 years old, the reference person and the partner were unemployed. In three northeastern states, this proportion reached 20.0%: Alagoas (21.6%), Pernambuco (20.1%) and Paraíba (20.0%).

In 2010, the ILO released a specific publication about child care in the workplace. Among the workplace measures which may help workers better balance their family responsibilities of childcare and their insertion into the labor force, we would like to point out the following:

- Maternity/paternity leave, leave for both parents (included in labor legislation, though the employer may extend it beyond what is established by law);
- Emergency or sick leave to take care of sick children (or other relatives);
- Reduction of extended work hours and overtime for all workers;
- Options for flexible shifts which give the worker some choice over the start and end of work schedule;
- Possibility of temporarily substituting the full work shift for a partial or reduced shift;
- Reduced weekly working hours;
- Possibility of switching work shifts;
- Telecommuting

## Partial Workload Relief Through the Ownership of Durable Goods and Electrical Appliances

Domestic tasks can be especially arduous in developing countries since access to equipments which reduce the amount of time required to cook, clean, and wash is relatively low, especially in homes afflicted by poverty. Measures that decrease the time spent on these domestic tasks could make remunerated work for those responsible for these tasks, most of the time women, easier.

The 2008-2009 Household Budget Survey researched the existence of a greater range of durable goods compared to what is normally found in PNADs and demographic censuses. The report shows that, among urban families headed by women, access to these durable goods is still very restricted.

According to Graph 18, despite the increasing ownership of some more traditional goods in the past decades, 5.4% of urban families headed by a woman still did not possess a refrigerator and 1.3% did not have a stove in the beginning of 2009. More than half of this type of family (53.2%) did not own a washing machine.

**GRAPH 18**

PERCENTAGE OF FAMILIES WITH A FEMALE HEAD OF THE HOUSEHOLD WHICH DO NOT POSSESS DURABLE GOODS, BY TYPE OF GOOD  
BRAZIL, 2008-2009



Source: IBGE – Family Budget Survey Microdata 2008-2009  
Created by: ILO Brazil Office

The POF data shows that several appliances and other durable goods needed to reduce the time spent on non-remunerated domestic tasks were **not** present in the vast majority of urban homes with female heads of household; microwave oven (inexistent in 71.3% of families, food processor (93.9%), grill (88.0%), and freezer (89.7%).

It is important to emphasize that, according to PNAD data, more than half (59.0%) of women heads of households were economically active in 2009, and 53.0% were employed.

## **The Care Crisis and the Imperious Necessity to Promote Work-Family Balance**

As pointed out by the ILO in its report *Work and Family: the path towards new forms of conciliation with social co-responsibility* (2009). Latin America is currently facing the so-called *care crisis*, which reveals the need to reorganize simultaneously salaried work and non-remunerated domestic work, overcoming the rigid sexual work division and the sexual occupation segregation in the labor market. This crisis is in the midst of a scenario of profound transformations due to the growing number of women entering the labor market and the tensions caused by the persistence of the traditional notion that women are exclusively responsible for childcare. This notion is reflected in the organization of families, still based on an enduring model which does not transfer more childcare responsibilities to men. It is also reflected in the organization of the labor market and the processes of public policy formulation and leads to state and market mechanisms responsible for supporting childcare - through services, public infrastructure, and new models of work-time management - falling short.

The *care crisis* is worsening due to an increasing population who will need care. In this context, we should point out the new family arrangements, the ageing of the population, increasing numbers of people with chronic diseases, deficiencies, the growing female participation in the labor market, and the existence of a high number of children, despite the lower birth rate.

### **The International Normative Benchmark for Care**

The Convention on the Rights of the Child (1980) establishes, in Article 18, subsection 1, 2, and 3, that the State must guarantee recognition of the principle that both parents have common responsibilities for the upbringing and development of the child." It affirms that the States will provide assistance to parents and legal guardians in the performance of their child-rearing responsibilities and will be responsible for the development of institutions, facilities and services for the care of children. Also, they "shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible."

The Convention on the Elimination of All Forms of Discrimination Against Women (1979) affirms that the rights of women workers must be protected from any discrimination triggered by maternity: the States must prohibit and discourage all types of discriminatory practices, as well as implement paid leave and other measures that permit the conciliation of family responsibilities with the parents' work. The Convention states that men and women should share domestic responsibilities and the work of raising their children, Article 11, subsection 2.

The International Covenant on Economic, Social, and Cultural Rights (ICESCR), establishes, on article 10, that States must offer protection and assistance to families for the care and education of children.

Source: Pautassi and Rico, 2011.



In the last three decades, Brazil has gone through substantial sociodemographic changes. Among the most significant, we can mention the deceleration of demographic growth, the continuing urbanization process, and the aging of the population.

The aging process manifests itself through the higher relative participation rate of senior citizens (more than 60 years old) in the total population and the increase in longevity. Its main determining factors are the decrease in the birth rate and the increase in life expectancy. According to data from demographic censuses, the birth rate in Brazil, which was 6.3 children/woman in 1960, went down to 2.6 children/woman in 1991, and went down further to 1.86 children/woman in 2010 - lower than the replacement rate. Life expectancy has increased by 11 years, from 62.6 years in 1980 to 73.5 in 2010.

Therefore, significant changes can be observed in the age structure of the population: a reduction in the number of children 0-14 years old, growth of the potentially economically active population (15-59 years) and an increase in the senior citizen population (60 years old and older). According to the 2010 Census, in that year the number of senior citizens in Brazil reached 20.6 million and accounted for 10.8% of the total population.

The aging process happening to the Brazilian population will become even more pronounced in the next decades. According to IBGE's projections, the proportion of people 60 years old and up will reach 18.7% in 2020 and 29.7% in 2050, when the elderly population will be 64 million people - 4 million more than the combined population of São Paulo and Minas Gerais (the two most populous states in the country) in 2010.

Considering that human physical and biological capacity decreases naturally as one ages, the elderly are more susceptible to diseases. In the morbidity composition of this group, there is a higher proportion of chronic degenerative diseases, among which are circulatory system diseases (with a high occurrence of cerebrovascular and ischemic heart diseases) as well as neoplasia and diabetes, which are difficult to prevent because they are associated with factors inherent to the individual as well as the lifestyle of the population in general. This process leads to a gradual diminishing of functional capacities and autonomy necessary to execute specific tasks, essential for personal care and autonomy, and causes the elderly to be progressively more dependent on others for their well-being.

The data in the PNAD 2008 Health Supplement illustrate the rise in incidence of chronic diseases in the population due to, mostly, the aging process. The study also shows a greater incidence of chronic diseases and functional incapacity in the elderly population.

According to the PNAD Health Supplement, the percentage of the Brazilian population who had a chronic disease went from 29.9% in 2003 to 31.5% in 2008, a 1.6 p.p. increase. We should point out that in absolute terms this increase meant 6.2 million more people with chronic diseases in only 5 years: from 52.6 to 58.8 million. Among those at the age of 60 or older, 77.4% had a chronic disease in 2008.

The functional incapacity of elderly people manifested itself in several ways: 13.6% could not or had great difficulty covering a distance of 100 meters - this percentage was higher among elderly women (15.7%) than elderly men (10.9%); 6.9% could not or had great difficulty in feeding themselves, taking a bath, or going to the bathroom.

## The ILO Conventions on maternity protection and familial responsibilities

Since its creation, the ILO has been constantly concerned with maternity protection. During its inaugural session, in 1919, the International Labor Conference adopted the Maternity Protection Convention (n. 3, 1919). This convention was revised in 1952 after the approval of Convention n. 103, which dealt with the same subject. This Convention introduced the concept of maternity as a protected judicial good and broadened its mandate to cover all women employed in industrial, non-industrial, and agricultural activities, as well as women employed in domestic labor and who worked at home.

At the end of the 90s, the Maternity Convention Protection was revised once more. This process concluded with the adoption, by the International Labor Conference, in 2000, of Convention n. 183. Convention n. 183 references a group of international conventions on equal opportunity and treatment for male and female workers and states that pregnancy protection is a duty shared by governments and societies, and should be achieved through the following 5 components: maternity leave, employment protection, monetary and medical benefits, breastfeeding and health protection (especially in jobs which may pose a health risk to women and their babies), and breastfeeding. The Convention establishes a leave of at least 14 weeks and six-week obligatory leave after childbirth. Also, it states that the compensation paid during the license must be, at least, two-thirds of previous earnings and should be financed by an obligatory social security or public funds. It forbids the dismissal of pregnant women during the leave or after their return to work, except for reasons not related to the pregnancy. It guarantees the right to return to the same position or to an equivalent position with an equal salary. Also, it forbids discrimination due to pregnancy and prohibits obligatory pregnancy tests.

The ILO Convention on Workers with Family Responsibilities (n. 156, 1981) recognizes the responsibility held by men and women for care and has as its principal objective ensuring that all workers with family responsibilities have their right to equal opportunity in labor market granted and to not be discriminated due to their family responsibilities. This Convention establishes the obligation of States to include, among its national policy objectives, the implementation of measures that ensure the free choice of work, easier access to education, and guarantee the integration and permanence of workers with family responsibilities in the labor market.

Source: ILO, 2009

The demand for care in the elderly population will be more and more intense and complex, due to another particular characteristic of the ongoing aging process: the aging that happens within the elderly population itself, especially those 80 year-olds and older. If, in 2000, one in every 10 people aged 60 or older was in the 80 year-olds and older group, in the middle of the present century this proportion will go up to one in five. Between 2000 and 2050, the number of elderly aged 80 or older will grow significantly, from 1.2 million to 13.7 million.

Undoubtedly, the incidence of chronic diseases and the loss of functional capacity are even more expressive among the *most elderly*. Among people aged 80 or older, the prevalence of chronic disease rises to 81.0% and the proportion of those who cannot or have great difficulty in walking 100 meters is 27.5%. Among the 80 year-olds and older, 20.1% could

not or had great difficulty in feeding themselves, taking a bath, or going to bathroom, while among those 60 year-olds or older the number was three times smaller (6.9%), as mentioned above.

The need for care among the elderly population in the family sphere is also demanding, due to the difficulty in accessing health care services. Even though Brazil has its SUS, the system is still not adequately prepared to fulfill specific needs of this already sizable segment of the population. Also, according to the 2008 PNAD, more than half (51.3%) of homes with elderly people were not registered in the Family Health Program and 70.3% of the elderly population (around 15 million) do not have health insurance.

If, on one hand, there is a higher demand for care among the elderly population, the ongoing sociodemographic transformations are reducing the family's capacity to act as a care provider. The lower birth rate leads to less children, and consequently, affects their availability to take care of their elderly parents. According to data on Table 44, which shows the composition of elderly domestic arrangements, we see that in 2009 13.8% of people aged 60 and older lived alone (*unipersonal* arrangement) and 23.8% lived with as a *couple without children* - meaning 37.6% of the elderly lived alone or with their partner. It is important to note that in the South and Southeast Regions this proportion was 45.5% and 41.0%, respectively, mostly due to their more advanced stage of demographic transition.

| TABLE 44   |                          |  |                             |   |   |                               |               |
|--|--------------------------|--|-----------------------------|---|---|-------------------------------|---------------|
| PEOPLE AGED 60 AND OLDER, RESIDENTS IN PRIVATE HOMES, TOTAL AND RESPECTIVE PERCENTAGE DISTRIBUTION, BY TYPE OF DOMESTIC ARRANGEMENT BRAZIL AND REGIONS, 2009 |                          |  |                             |   |   |                               |               |
| People aged 60 and older, residents in private homes   |                          |  |                             |   |   |                               |               |
| Geographical Area  | Total (1,000 people) (1) | Percentage distribution, by type of domestic arrangement (%) |                             |   |   |                               | Aggregate (7) |
|  |                          | Uni-personal (2)   | Couple without children (3) | Living without children and with others (4) | Living with children and/or with others (5) |                               |               |
|  |                          |  |                             |   | With children aged 25 and younger (6)       | All children aged 25 or older |               |
| <b>Brazil</b>  | <b>21,698</b>            | <b>13.8</b>  | <b>23.8</b>                 | <b>10.5</b>                                 | <b>12.5</b>                                 | <b>30.7</b>                   | <b>8.7</b>    |
| North  | 1,132                    | 10.0   | 17.2                        | 12.5  | 19.6  | 30.9                          | 9.9           |
| Northeast  | 5,637                    | 11.9   | 16.8                        | 13.0  | 18.2  | 32.4                          | 7.8           |
| Southeast  | 10,210                   | 15.0   | 26.0                        | 9.3   | 9.8   | 31.3                          | 8.6           |
| South  | 3,395                    | 14.9   | 30.6                        | 8.9   | 9.7   | 26.1                          | 9.8           |
| Center-West  | 1,324                    | 13.7   | 25.7                        | 11.1  | 10.8  | 29.9                          | 8.8           |

Source: IBGE - PNAD (Síntese de Indicadores Sociais 2010)

(1) Exclusively retirees, domestic workers, or parents of domestic worker. (2) Home with people 60 years old or older living without a partner, children, or aggregates. (3) Home with a person responsible and partner, having at least one person 60 or older, with no children, relatives, or aggregates. (4) Home with a person responsible with or without a partner, having at least one person 60 or older, living with other relatives and/or aggregates of any age and without children. (5) Home with a person responsible with or without a partner, having at least one person 60 or older, living with children and/or other parents and/or aggregates, of any age. (6) Home with at least one child 25 years old or younger. (7) Home with people with 60 years old or older only in the condition of other relative and/or aggregate

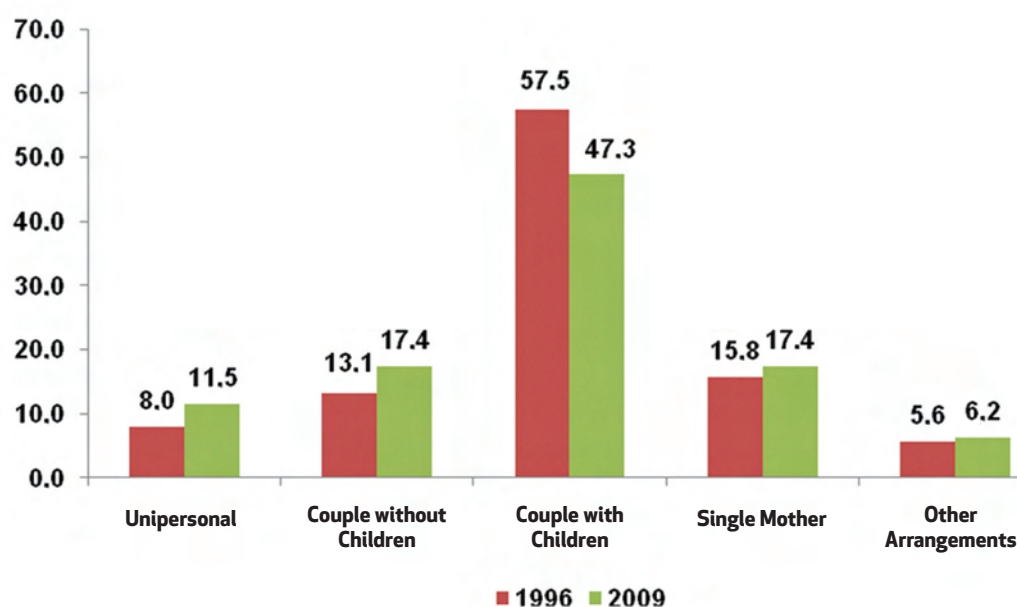
Another significant proportion of the elderly (30.7%) lived in families in which all children were 25 years old or older, which meant they were in the potentially productive age range, which also diminishes their availability for care, due to the insertion of this group in the labor market and the absence of measures to help balance work and family which could guarantee a better conciliation between care activities and professional responsibilities.

The composition of these arrangements among the elderly population is a sign of the significant transformations of the last few decades. According to Graph 19, the arrangement *couple with children*, which composed more than half (57.5%) of total family arrangements in Brazil in 1996, contracted to only 47.3% in 2009, a ten percent reduction in only 13 years. Besides the lower birth rate, the postponing of marriage and the period for having the first child - mainly due to the greater participation of women in the labor market - has contributed to the decrease in this family arrangement. During the same period (1996 to 2009) there is an increase in the proportion of *couple without children* families (from 13.1% to 17.4%), due to the reasons cited earlier and also due to personal choices.

Another structural change is the increase in the *unipersonal* arrangement (people living alone) during the same period: from 8.0% to 11.0%. This growth is the result of a group of sociodemographic factors, such as higher life expectancy, growth in conjugal separation, and the advances in the urbanization process, which provide alternatives more suitable to this type of arrangement.

GRAPH 19

PERCENTAGE DISTRIBUTION OF FAMILY ARRANGEMENTS, BY TYPE OF ARRANGEMENT  
BRAZIL, 1996 AND 2009



Source: IBGE - 2007 and 2010 Social Indicators Synthesis

It is also possible to observe an increase in the number of monoparental families, especially those in which the woman is the reference person.<sup>55</sup> The *woman without partner* arrangement went from 15.8% of the total to 17.4% between 1996 and 2009.

The data shows that during the next decades, the availability of children to take care of their elderly parents will be even more compromised since future generations of the elderly will be part of smaller families. In tandem, the continuing process of growing female participation in the labor market will also affect the possibility of family care for the elderly, since traditionally - due to gender inequality in the sphere of domestic responsibilities - the job of providing basic

<sup>55</sup> This issue will be discussed further in the Chapter on *Equality of Opportunity and Treatment at Work*.

care for the elderly and other dependents had been delegated to women.

In this context, as pointed out by the ILO (2011e), adult women still act as the exclusive or main person responsible for the care of the elderly and other dependents, which, coupled with their participation in the labor market, means an alarmingly high workload. Besides generating high levels of stress, this situation can prohibit or restrict their work participation in the labor market. Therefore, the populational aging affects directly the demand for care and the type and quantity of nonpaid domestic work done by women in their homes.

Even though the presence of older people can increase the workload of women as they have to provide care, often the opposite happens, since the elderly can help with domestic tasks, decreasing the amount of time women spend on them. In poorer homes, it is quite common for grandmothers to take care of the grandchildren, even though, sometimes the care becomes circular: formally, the grandmothers are taking care of the grandchildren, but the grandchildren frequently care and provide companionship for the grandparents (ILO, 2011e).

Among the elderly, the caring for the partner is a task that generally is done by women, since they are frequently younger and tend to live longer than their spouse, due to the significant difference in longevity - in 2010, women's life expectancy was (77.3) 7.6 years higher than the men's (69.7). Most women who take on the role of main caretaker are also elderly or close to being so. However, they must face the heavy workload of caring for someone with some type of dependency, which may end up accelerating their own aging.

The large amount of people with deficiencies is another challenge for caretakers. According to the General Results of the 2010 Census Sample, in Brazil approximately 45.6 million people (around 24.0% of the population) had at least one of the listed deficiencies.<sup>56</sup>

The population with a severe deficiency<sup>57</sup> - the one that requires the most care - numbers 12.7 million people, or 6.7% of the population: in 2010, 3.5% of the population declared having great difficulty or incapable of seeing. The second highest incidence was severe motor deficiency, affecting 2.3% of the population; 1.1% declared having a severe hearing deficiency was 1.1%, and 1.4% declared having a mental deficiency.

The data on the group who qualified for the Continuous Provision Benefit (BPC) is also illustrative of the large swathe of the population with deficiency who are also in a vulnerable social situation and therefore also need care. At the end of 2011, approximately 1.9 million people with a handicap qualified for the BPC.

In this complex and many sided context, care, gender inequality and intergenerational solidarity have an essential. As women increase their participation in the labor market, as population ages and family arrangements change, the gender and generational contracts are strained. When the wellness regimens deal with these problems, there are 4 types of responses: care and protection solutions provided by the market; care and protections solutions provided by the State; redistribution of the care and protection workload among men and women and between the different generations within the family; and non-state collective solutions (third sector and community-based). However, in this complex

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<sup>56</sup> Visual, hearing, motor, and mental.

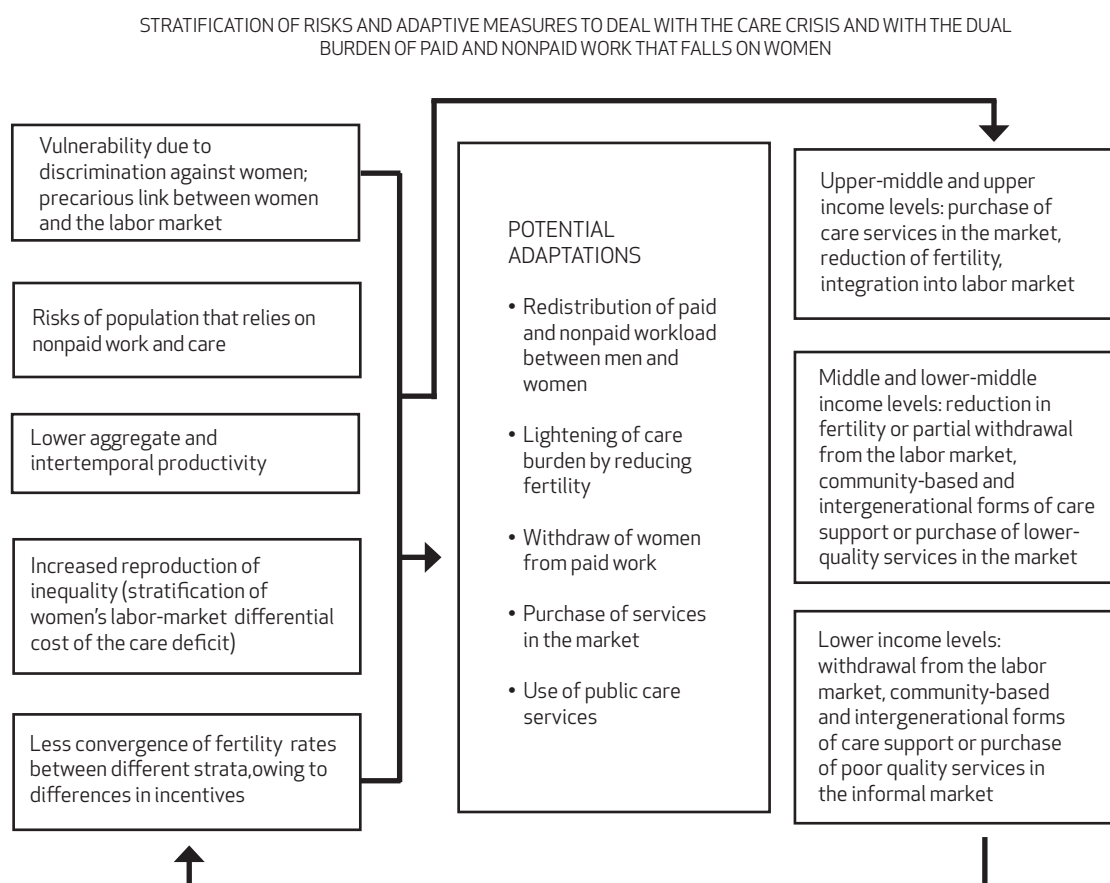
<sup>57</sup> The Census analyzed, in the sample questionnaire, the degree of severity of visual, hearing, and motor deficiencies according to the following classification: some deficiency, great deficiency, and unable at all. The people grouped under the severe deficiency category are those who declared, for one or more type of deficiency, having "great difficulty" or "unable at all," besides those who had a mental deficiency.

topography, the solutions provided by the State (state policies on family and social protection) affect those provided by the families, the market, and the community. Such policies have an impact on the redistribution of care responsibilities and protection within the family, as well on the capacity of families to provide this care and protection (ECLAC, 2010).

By presenting and discussing the stratification of risks and adaptive measures to deal with the care crisis and with the dual burden of paid and nonpaid work that falls on women (according to Scheme 1, below), ECLAC (2010) warns that the withdrawal of women from the labor market among the lower-middle and lower class, the decrease in birth rate (due to incompatibility, not choice) in the middle and upper class or the access to cheaper but lower quality services by the poorest sectors, are not modalities of desirable solutions.

### SCHEME 1

Source: ECLAC – Social Panorama of Latin America 2009



ECLAC (2010) states that to promote a balance between work and family responsibilities, the strategies adopted must include concrete formulas which lead to a balance between paid and nonpaid work not only for women, but for all workers who have family responsibilities. In other words, the care crisis cannot be resolved without an effective redefinition of paid work and a redistribution of the responsibilities of nonpaid work and care. This must happen within families but the state should also encourage it through regulatory and fiscal policies and social services distribution.

The international experience, especially that of developed countries with a strong welfare state, demonstrates that the State and public policy have a broad spectrum of actions

which can be combined in various ways, and according to ECLAC (2010), the following are worth noting:

- ✓ The State provides care through pre-school, extended school hours, and care for the elderly.
- ✓ The state provides financial benefits to families, acknowledging the cost of social reproduction, and to support the acquisition of services in the market,
- ✓ The State develops norms, material incentives, and fosters cultural pressure in favor of a new labor sexual division within the family. Efforts in this area, besides helping overcome the traditional model of man provider/woman caretaker, should include the strengthening of women's reproductive autonomy and taking a strong stance against domestic violence.
- ✓ The State implements incentives and norms to avoid discrimination against women in the labor market and allow men and women to adequately balance reproductive and productive demands.
- ✓ Regulations and incentives for employees to adopt actions that promote a balance between paid and nonpaid work in the workplace (flexible schedule, leaves, daycare provided by employers, etc.).
- ✓ Legal norms recognizing different forms and family arrangements, which seek to acknowledge and strengthen the joint responsibility of men and women for nonpaid and paid work.

Though the State plays a central role in the promotion of balancing work and family, collective negotiation and the voluntary actions of companies and institutions are also vital to the process. The measures supporting the conciliation between work, family, and personal life are part of a business strategy whose objective is to establish a scenario where gains are mutual: for the companies and workers. They promote greater well-being among the business' employees and improve organizational efficacy. They can increase costs, especially for small enterprises, but there are a series of conciliation measures which do not require large investments and can produce important benefits for the companies and its employees.

Companies supporting conciliation recognize that their employees have family responsibilities and accept the fact that these responsibilities can have an impact on their employees' work. Being a company that supports conciliation means moving forward on measures targeted at children and women. Working with a broader concept of conciliation between work, family, and personal life, many companies presently acknowledge the importance of adopting balancing measures for all its employees, men and women. This focus is in tune with a broader understanding of corporate social responsibility and is a central element in the concept of sustainable business. In a sustainable company, employees are viewed as a source of competitive advantages, since the productivity, viability, and even survival of a company depends on its capacity to sustain the motivation, capacity, and commitment of its employees.

Measures that promote balance between work and family can generate great benefits:

- Stress reduction, due to less conflicts between work, family, and personal life.
- A healthier work environment in which every person feels supported, valued, and needed, which contributes to the quality of teamwork and improves efficiency.

- Increase in employee satisfaction, which is reflected in greater commitment, loyalty, productivity, and innovation.
- Improvement in the companies' ability to attract and retain the best workers in an increasingly competitive market.
- Reduction in personnel turnover, which decreases recruiting costs as well as hiring and training costs.
- Reduction in absences and lateness.
- Improvement in personnel performance and motivation and, consequently, improvement in productivity.
- Creation of an image of a company associated with the cutting edge and innovation, which can boost competitiveness.

## **Domestic Work and the Recurring Demand for Conciliation Measures**

As discussed earlier, the care chain is currently based almost entirely on the work of women. In this context, domestic workers perform a role of the utmost importance, as this type of work is essential for allowing other working women to enter the labor market. It is worth noting that this category is predominately composed by women (93.0%), 62.0% of which are black, and accounts for 17.0% of the female population in Brazil.

However, if on one hand domestic work is one end of the care chain, on the other, it represents the weakest link in this chain, because this occupation does not have social protection or adequate working conditions. In fact, a little more than one-fourth (28.6%) of domestic workers has a signed work card. On September 2009, their average monthly wage was R\$ 408, which was only 87.7% of the minimum wage at the time (R\$ 465). Only 2.2% were members of a union.

The work shift is very long and the overwhelming majority of these women still spend many hours daily doing domestic tasks in their own homes. They practically cannot invest in the purchase of goods and services that would help ease the load of domestic tasks and care, and they generally reside in places with few helpful public services, such as daycare facilities. Also, it is an occupation which is severely marred by the non-observance of human rights and fundamental work rights. The domestic workers' labor rights are constantly violated and they are victims of various types of discrimination as well as sexual and moral harassment.

This precarious work environment is a notorious example of the tension and the psychological overload felt by women unable to balance work and family. According to the 2008 PNAD Health Supplement, the incidence of depression among domestic workers was 6.5%, well above the average among the employed population (3.9%), and also the highest among all the occupation position categories, as shown by Table 45.

It is worth pointing out that the incidence of depression was even higher in domestic workers without a signed work card (6.7%) and also among domestic workers (6.8%)



TABLE 45

PERCENTAGE OF EMPLOYED POPULATION WITH DEPRESSION ACCORDING TO POSITION IN OCCUPATION  
BRAZIL, 2008

| Position in Occupation                   | % of Workers With Depression |
|--|------------------------------|
| Employed with work card signed           | 2.9                          |
| Statutory public servant                 | 6.0                          |
| Workers without work card                | 2.8                          |
| Domestic worker                          | 6.5                          |
| Domestic worker with signed work card    | 5.7                          |
| Domestic worker without signed work card | 6.7                          |
| Self-employed                            | 4.7                          |
| Employer                                 | 4.1                          |
| Worker in production for own consumption | 6.0                          |
| Worker in construction for own use       | 5.9                          |
| Not paid                                 | 4.3                          |
| <b>Total</b>                             | <b>3.9</b>                   |

Source: IBGE - PNAD Microdata  
Created by: ILO Brazil Office

The magnitude of the problem of depression among domestic workers appears to be directly related to the precarious work conditions and, consequently, the living conditions of the people in this occupational category. Around 430 thousand domestic workers suffered from depression, the equivalent of 5.5% of the total number of people with depression, and it is also the occupation category with the largest number of people with this condition.

The inclusion of domestic workers in all dimensions of social protection, including maternity protection and also infant care are indispensable measures for the conciliation of work and family and to help ensure that these workers and their children will enjoy their essential rights as citizens.

## Home-Work Commuting Time

The time spent by workers commuting between the residence and workplace also represents an important aspect to be considered when discussing work conditions, and consequently, Decent Work. This issue, besides being directly related to the balance between work and family and quality of life in general, the time spent commuting between home and work can also lead to significant financial cost for workers and employers.

According to PNAD data<sup>58</sup>, in 2004, 68.7% of workers spent 30 minutes commuting between home and work. A little less than a quarter of workers (22.8%) spent 30 minutes to 1 hour and 7.1% spent between 1 hour and 2 hours commuting. Only 1.5% spent more than 2 hours commuting. In 2009, there was an increase in the transportation time, as the percentage of the employed population spending between 1 and 2 hours and more than 2 hours commuting climbed to 7.7% and 1.8%, respectively, according to Table 46.

<sup>58</sup> The PNAD investigated the existence of direct commuting from the residence to the workplace by a person who, within the reference week, was employed, paid or nonpaid, and did not reside in the same property at the company he/she worked. It was excluded from the direct commute anyone who: conveniently or due to type of work usually slept at the workplace or close by; before going to work, dropped children at school, daycare, or relative's house; before going to work, performed some activity such as attending classes or working in another establishment; had to take a train and then a bus to get to work; and stayed at work from Monday to Friday and only came back home on Saturday.

Broken down by Federation Units, the amount of time spent commuting varied greatly. In 2009, in 5 UFs more than 10.0% of workers spent more than 1 hour commuting: Rio de Janeiro (17.6%), São Paulo (13.6%), Goiás (12.3%), the Federal District(11.5%), and Amazonas (10.9%).

**TABLE 46**

PERCENTAGE DISTRIBUTION OF COMMUTING TIME IN POPULATION AGED 16 OR OLDER, BY TIME SPENT  
BRAZIL AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004           |                        |                    |              |              | 2009           |                        |                    |              |              |
|-------------------------|----------------|------------------------|--------------------|--------------|--------------|----------------|------------------------|--------------------|--------------|--------------|
|                         | 30 min or less | More than 30 min to 1h | More than 1h to 2h | More than 2h | Total        | 30 min or less | More than 30 min to 1h | More than 1h to 2h | More than 2h | Total        |
| <b>Brazil</b>           | <b>68.7</b>    | <b>22.8</b>            | <b>7.1</b>         | <b>1.5</b>   | <b>100.0</b> | <b>68.1</b>    | <b>22.4</b>            | <b>7.7</b>         | <b>1.8</b>   | <b>100.0</b> |
| <b>Federation Units</b> |                |                        |                    |              |              |                |                        |                    |              |              |
| Rondônia                | 82.4           | 13.2                   | 2.8                | 1.6          | 100.0        | 84.5           | 11.6                   | 2.7                | 1.2          | 100.0        |
| Acre                    | 78.9           | 16.6                   | 2.5                | 2.0          | 100.0        | 79.4           | 16.2                   | 2.3                | 2.1          | 100.0        |
| Amazonas                | 56.5           | 35.2                   | 6.9                | 1.4          | 100.0        | 53.6           | 35.5                   | 8.8                | 2.1          | 100.0        |
| Roraima                 | 75.2           | 16.5                   | 7.0                | 1.3          | 100.0        | 74.9           | 20.5                   | 2.7                | 1.9          | 100.0        |
| Pará                    | 75.4           | 18.6                   | 4.2                | 1.9          | 100.0        | 71.9           | 20.2                   | 5.4                | 2.5          | 100.0        |
| Amapá                   | 72.6           | 21.7                   | 3.2                | 2.5          | 100.0        | 78.8           | 19.7                   | 0.9                | 0.6          | 100.0        |
| Tocantins               | 83.1           | 13.5                   | 2.6                | 0.8          | 100.0        | 81.1           | 13.4                   | 3.5                | 2.0          | 100.0        |
| Maranhão                | 69.9           | 20.6                   | 6.7                | 2.8          | 100.0        | 71.5           | 18.7                   | 7.0                | 2.8          | 100.0        |
| Piauí                   | 78.9           | 15.2                   | 4.8                | 1.1          | 100.0        | 80.0           | 16.1                   | 2.8                | 1.1          | 100.0        |
| Ceará                   | 68.8           | 23.4                   | 6.2                | 1.6          | 100.0        | 73.6           | 18.9                   | 6.3                | 1.2          | 100.0        |
| Rio Grande do Norte     | 75.0           | 21.0                   | 3.1                | 1.0          | 100.0        | 74.6           | 20.0                   | 4.7                | 0.7          | 100.0        |
| Paraíba                 | 74.4           | 18.6                   | 4.8                | 2.2          | 100.0        | 77.9           | 15.9                   | 4.4                | 1.8          | 100.0        |
| Pernambuco              | 68.6           | 23.4                   | 6.9                | 1.1          | 100.0        | 65.3           | 25.7                   | 7.7                | 1.3          | 100.0        |
| Alagoas                 | 67.3           | 28.6                   | 3.6                | 0.6          | 100.0        | 67.6           | 24.5                   | 5.9                | 2.1          | 100.0        |
| Sergipe                 | 69.0           | 24.0                   | 6.3                | 0.7          | 100.0        | 70.1           | 23.4                   | 5.6                | 0.9          | 100.0        |
| Bahia                   | 72.3           | 21.7                   | 4.9                | 1.1          | 100.0        | 71.4           | 21.0                   | 6.2                | 1.4          | 100.0        |
| Minas Gerais            | 72.7           | 20.7                   | 5.8                | 0.8          | 100.0        | 73.1           | 20.4                   | 5.5                | 1.0          | 100.0        |
| Espírito Santo          | 73.4           | 17.9                   | 7.1                | 1.6          | 100.0        | 70.8           | 19.8                   | 7.1                | 2.3          | 100.0        |
| Rio de Janeiro          | 51.5           | 34.0                   | 12.4               | 2.2          | 100.0        | 50.6           | 31.9                   | 14.6               | 3.0          | 100.0        |
| São Paulo               | 62.9           | 24.7                   | 10.3               | 2.2          | 100.0        | 61.0           | 25.4                   | 11.0               | 2.6          | 100.0        |
| Paraná                  | 74.7           | 19.6                   | 4.8                | 0.9          | 100.0        | 74.3           | 19.6                   | 5.2                | 0.9          | 100.0        |
| Santa Catarina          | 83.3           | 14.1                   | 2.1                | 0.6          | 100.0        | 83.9           | 13.2                   | 2.3                | 0.6          | 100.0        |
| Rio Grande do Sul       | 79.1           | 17.2                   | 3.2                | 0.5          | 100.0        | 79.5           | 17.1                   | 2.9                | 0.5          | 100.0        |
| Mato Grosso do Sul      | 79.0           | 16.4                   | 3.4                | 1.2          | 100.0        | 78.5           | 15.6                   | 4.0                | 1.8          | 100.0        |
| Mato Grosso             | 79.3           | 15.0                   | 3.6                | 2.1          | 100.0        | 81.9           | 13.8                   | 2.5                | 1.9          | 100.0        |
| Goiás                   | 69.3           | 20.7                   | 8.4                | 1.6          | 100.0        | 68.8           | 18.8                   | 10.6               | 1.7          | 100.0        |
| Federal District        | 57.1           | 35.3                   | 7.4                | 0.2          | 100.0        | 51.4           | 37.2                   | 11.0               | 0.5          | 100.0        |

Source: IBGE - PNAD

The country and Federation Units reference indicators do not show some important particularities which should be mentioned. Looking at the group of nine metropolitan regions analyzed by PNAD, we notice that the time spent commuting has a new dimension. While in Brazil as a whole, in 2009, 9.5% of workers spent more than 1 hour commuting, in the metropolitan areas<sup>59</sup> this percentage reached 17.5%, according to Table 47. Also, this number has been growing systematically in metropolitan areas, and in 2004 this proportion had already reached 15.5% - a 2 percentage point increase in five years.

<sup>59</sup> Belém, Fortaleza, Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo, Curitiba, and Porto Alegre.

It is worth noting that in the most populous and economically important Brazilian metropolitan areas commuting demands even more time: the proportion of workers who spent more than 1 hour commuting was 23.2% in São Paulo and 22.0% in Rio de Janeiro.

TABLE 47

PERCENTAGE DISTRIBUTION OF COMMUTING TIME IN POPULATION AGED 16 OR OLDER, BY TIME SPENT  
BRAZIL, TOTAL OF METROP. AREAS AND SÃO PAULO AND RIO DE JANEIRO METROPOLITAN AREAS, 2004 AND 2009

| Geographical Area           | 2004           |                        |                    |              |              | 2009           |                        |                    |              |              |
|-----------------------------|----------------|------------------------|--------------------|--------------|--------------|----------------|------------------------|--------------------|--------------|--------------|
|                             | 30 min or less | More than 30 min to 1h | More than 1h to 2h | More than 2h | Total        | 30 min or less | More than 30 min to 1h | More than 1h to 2h | More than 2h | Total        |
| <b>Brazil</b>               | <b>68.7</b>    | <b>22.8</b>            | <b>7.1</b>         | <b>1.5</b>   | <b>100.0</b> | <b>68.1</b>    | <b>22.4</b>            | <b>7.7</b>         | <b>1.8</b>   | <b>100.0</b> |
| Total Metrop. Areas         | 52.5           | 32.1                   | 13.4               | 2.1          | 100.0        | 50.7           | 31.8                   | 14.8               | 2.7          | 100.0        |
| São Paulo Metrop. Area      | 48.0           | 31.0                   | 17.5               | 3.6          | 100.0        | 44.2           | 32.7                   | 18.8               | 4.4          | 100.0        |
| Rio de Janeiro Metrop. Area | 42.9           | 39.1                   | 15.7               | 2.2          | 100.0        | 43.8           | 34.2                   | 18.6               | 3.4          | 100.0        |

Source: IBGE - PNAD

In large urban areas the transportation challenges are of a greater magnitude and affect more sharply lower-income workers, who normally live in peripheral areas, commonly distant from the more economically dynamic regions and job offers, work, and income. These workers often need to take different lines or even modes of transportation (bus and subway or train, for example), which also has an impact on the domestic budget.

The time spent on commuting also increases due to the exponential growth in the number of cars, which has not been matched by urban infrastructure improvements nor by adequate traffic engineering solutions. According to data from the National Transit Department (DENATRAN), the car fleet in São Paulo, for example, grew from 3.48 million in 2004 to 4.48 million in 2009 (a 1 million growth in just five years). The motorcycle fleet grew from 319 thousand to 652 thousand during the same period (104.3% growth or 333 thousand units).

Commuting times did not vary significantly between men and women. However, it is important to mention that longer commuting times tend to affect more the women's quality of life due to their double work shift, as discussed earlier.

Another important piece of information for our analysis is provided by the 2008 PNAD Health Supplement, which researched the practice of physical activity among the population: approximately one-third (33.4%) of workers went to work on foot or by bicycle that year.

It would be plausible to assume that the option of commuting on foot or by bicycle was strongly correlated to the proximity between home and work. In fact, half of workers (50.8%) who commuted on foot or by bicycle spent up to 19 minutes commuting. On the other hand, among the 10.3% who spent 60 minutes or more to get to work walking or biking, budgetary constraints and/or transportation costs could have exerted a strong influence on the choice of transportation. While those who lived in homes where the *per capita* income was below 1/4 of the minimum wage, the percentage of those who commuted on foot or bicycle was 57.5%. In homes with an income above 5 minimum wages, the percentage was 10.8% - much smaller.

As shown in Table 48, in the regions of the country, the proportion of the employed population who went to work on foot or by bicycle varies considerably, being higher in the Northeast (43.9%), North (37.5%), and South Regions (35.0%) and lower in the Center-West (26.1%) and Southeast Regions (27.0%).

| <b>TABLE 48</b>   |                    |                             |                   |
|---|--------------------|-----------------------------|-------------------|
| PERCENTAGE OF WORKERS WHO COMMUTE ON FOOT OR BY BICYCLE, AMONG TOTAL EMPLOYED<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2008 |                    |                             |                   |
| Geographical Area   | Number of Employed | Commutes on foot or bicycle |                   |
|   |                    | % of Total                  | Absolute n.       |
| <b>Brazil</b>   | <b>89,666,934</b>  | <b>33.4</b>                 | <b>29,913,244</b> |
| <b>North</b>  | <b>6,571,765</b>   | <b>37.5</b>                 | <b>2,465,162</b>  |
| Rondônia  | 703,854            | 43.7                        | 307,727           |
| Acre  | 291,645            | 44.2                        | 128,961           |
| Amazonas  | 1,326,650          | 26.7                        | 354,012           |
| Roraima   | 183,958            | 24.9                        | 45,771            |
| Pará  | 3,167,433          | 39.6                        | 1,253,237         |
| Amapá   | 247,625            | 37.1                        | 91,796            |
| Tocantins   | 650,600            | 43.6                        | 283,658           |
| <b>Northeast</b>  | <b>23,434,327</b>  | <b>43.9</b>                 | <b>10,276,298</b> |
| Maranhão  | 2,669,099          | 45.8                        | 1,223,441         |
| Piauí   | 1,600,398          | 53.3                        | 853,440           |
| Ceará   | 3,873,615          | 44.6                        | 1,726,608         |
| Rio Grande do Norte   | 1,409,288          | 37.9                        | 534,656           |
| Paraíba   | 1,570,950          | 42.7                        | 671,068           |
| Pernambuco  | 3,594,364          | 42.4                        | 1,525,361         |
| Alagoas   | 1,194,775          | 43.1                        | 514,703           |
| Sergipe   | 881,393            | 33.8                        | 297,532           |
| Bahia   | 6,640,445          | 44.1                        | 2,929,489         |
| <b>Southeast</b>  | <b>38,705,640</b>  | <b>27.0</b>                 | <b>10,436,066</b> |
| Minas Gerais  | 9,917,998          | 40.1                        | 3,976,657         |
| Espírito Santo  | 1,702,061          | 38.5                        | 655,547           |
| Rio de Janeiro  | 7,068,378          | 20.8                        | 1,469,652         |
| São Paulo   | 20,017,203         | 21.7                        | 4,334,210         |
| <b>South</b>  | <b>14,238,316</b>  | <b>35.0</b>                 | <b>4,984,181</b>  |
| Paraná  | 5,405,440          | 31.9                        | 1,722,165         |
| Santa Catarina  | 3,197,192          | 38.7                        | 1,236,838         |
| Rio Grande do Sul   | 5,635,684          | 35.9                        | 2,025,178         |
| <b>Center-West</b>  | <b>6,716,886</b>   | <b>26.1</b>                 | <b>1,751,537</b>  |
| Mato Grosso do Sul  | 1,162,256          | 32.5                        | 377,650           |
| Mato Grosso   | 1,463,656          | 29.8                        | 435,615           |
| Goiás   | 2,895,028          | 28.2                        | 816,605           |
| Federal District  | 1,195,946          | 10.2                        | 121,667           |

Source: IBGE - PNAD

Among the Federation Units, in Piauí more than half (53.3%) of workers commuted on foot or by bicycle, followed by Maranhão (45.8%), Acre (44.2%), and Bahia (44.1%). It is important to note that the Maranhão and Piauí also had the highest percentages of workers who spent 60 minutes or more commuting on foot or by bicycle - 21.9% and 16.7%, respectively, Bahia also had a significant amount of workers who spent 60 minutes or more commuting - 12.3%.

Other UF's showed, simultaneously, significant proportions of workers who commuted on foot or by bicycle and who spent 60 minutes or more doing so: Pernambuco (42.4% and 13.9%, respectively) and Alagoas (43.1% and 11.7%, respectively).

Finally, the Federal District had the lowest proportion (10.2%) of working people who commuted on foot or by bicycle, well below the national average (33.4%).

## Existence of Transportation Assistance among the Working Population

Transportation assistance is a mechanism that helps commuting workers substantially, especially low-income ones, PNAD analyzed the impact of transportation assistance<sup>60</sup> as a work benefit on employees and domestic workers.

Between 2004 and 2009, the proportion of employees and domestic workers who received some kind of transportation assistance went from 37.1% to 40.5%.

In regional terms, this proportion went up in all regions, and in 2009 it had varied from a minimum of 33.0% in the North Region to a maximum of 48.4% in the Southeast one. This year, the Northeast Region had the lowest proportion in the country (29.6%).

Following the national trends, the percentage of employees and domestic workers who received some kind of transportation benefit increased in 22 of the 27 UFs between 2004 and 2009. In Sergipe (29.0% to 36.8%), Amazonas (51.1% to 58.4%), and Mato Grosso do Sul (26.6% to 33.6%), there was a seven-point increase.

In the three UFs which saw a decline between 2004 and 2009, the greatest percentage variation happened in Alagoas (from 24.9% to 19.5%), followed by Acre (from 24.7% to 22.3%), and Paraíba (from 22.1% to 19.7%). It is worth noting that these UFs already had a lower rate of employees and domestic workers who received transportation benefits, among the lowest rates in the country.

In two other UFs, the proportion was relatively stable, as oscillations were minimal during the analyzed timespan: Paraná (from 36.6% to 36.5%) and Amapá (from 30.6% to 30.4%).

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<sup>60</sup> For the individual employed as a domestic worker in more than one home, the transportation assistance provided by at least one of its employers was analyzed.

TABLE 49

ABSOLUTE NUMBER AND SHARE OF EMPLOYEES AND DOMESTIC WORKERS AGED 16  
OR OLDER WHO RECEIVE TRANSPORTATION ASSISTANCE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004              |                        | 2009              |                        |
|-------------------------|-------------------|------------------------|-------------------|------------------------|
|                         | Absolute No.      | % in Relation to Total | Absolut No.       | % in Relation to Total |
| <b>Brazil</b>           | <b>19,376,190</b> | <b>37.1</b>            | <b>24,636,087</b> | <b>40.5</b>            |
| <b>Regions</b>          |                   |                        |                   |                        |
| North                   | 968,790           | 29.0                   | 1,333,849         | 33.0                   |
| Northeast               | 3,016,852         | 26.8                   | 4,008,985         | 29.6                   |
| Southeast               | 10,946,695        | 43.7                   | 13,964,874        | 48.4                   |
| South                   | 2,992,558         | 35.7                   | 3,502,124         | 36.7                   |
| Center-West             | 1,451,295         | 35.1                   | 1,826,255         | 38.1                   |
| <b>Federation Units</b> |                   |                        |                   |                        |
| Rondônia                | 67,376            | 17.5                   | 87,076            | 19.0                   |
| Acre                    | 36,261            | 24.7                   | 44,754            | 22.3                   |
| Amazonas                | 360,219           | 51.1                   | 517,235           | 58.4                   |
| Roraima                 | 14,559            | 16.0                   | 22,165            | 17.8                   |
| Pará                    | 406,009           | 26.2                   | 542,935           | 30.3                   |
| Amapá                   | 37,167            | 30.6                   | 54,986            | 30.4                   |
| Tocantins               | 47,199            | 13.6                   | 64,698            | 15.9                   |
| Maranhão                | 238,035           | 21.6                   | 328,700           | 25.1                   |
| Piauí                   | 116,363           | 20.5                   | 164,873           | 22.0                   |
| Ceará                   | 449,051           | 24.8                   | 643,442           | 27.7                   |
| Rio Grande do Norte     | 191,838           | 27.7                   | 282,797           | 32.6                   |
| Paraíba                 | 183,429           | 22.1                   | 183,703           | 19.7                   |
| Pernambuco              | 607,497           | 31.9                   | 739,665           | 35.4                   |
| Alagoas                 | 148,348           | 24.9                   | 140,909           | 19.5                   |
| Sergipe                 | 149,566           | 29.0                   | 215,544           | 36.8                   |
| Bahia                   | 932,725           | 28.7                   | 1,309,352         | 33.1                   |
| Minas Gerais            | 1,974,780         | 33.4                   | 2,497,613         | 36.1                   |
| Espírito Santo          | 364,242           | 33.9                   | 450,320           | 37.9                   |
| Rio de Janeiro          | 2,581,113         | 54.5                   | 3,097,530         | 57.5                   |
| São Paulo               | 6,026,560         | 45.1                   | 7,919,411         | 51.5                   |
| Paraná                  | 1,189,891         | 36.6                   | 1,352,904         | 36.5                   |
| Santa Catarina          | 571,649           | 29.8                   | 648,366           | 28.9                   |
| Rio Grande do Sul       | 1,231,018         | 38.3                   | 1,500,854         | 41.7                   |
| Mato Grosso do Sul      | 185,832           | 26.6                   | 260,738           | 33.6                   |
| Mato Grosso             | 182,560           | 20.7                   | 231,549           | 22.7                   |
| Goiás                   | 586,937           | 33.7                   | 715,828           | 35.5                   |
| Federal District        | 495,966           | 61.2                   | 618,140           | 63.3                   |

Source: IBGE - PNAD

Despite the generally positive evolution, many UFs still had a small number of employees and domestic workers who received transportation assistance in 2009: Tocantins (15.9%), Roraima (17.8%), Rondônia (19.0%) and Paraíba (19.7%).

The Federal District (63.3%), Amazonas (58.4%), Rio de Janeiro (57.5%) and São Paulo (51.5%), were the only UFs in which, in 2009, more than half of employees and domestic workers received some kind of transportation assistance.

# 6 WORK THAT SHOULD BE ABOLISHED

## FORCED LABOR

The ILO definition of *forced labor* comprises two basic elements: all work or services extracted from a person under menace of any penalty and for which the said person has not offered him or herself voluntarily, as defined in the two Conventions relative to the theme: Forced Labour Convention, 1930 (n. 29) and the Abolition of Forced Labour Convention, 1957 (n. 105), both of which were ratified by Brazil, in 1957 and 1965 respectively (see Legal Framework Indicator 9 'Forced labor', Annex p. 373). Both of these conventions were defined as fundamental by the Declaration ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998.

It is important to highlight that the menace to which the ILO conventions make reference can take on a number of forms. The most extreme of them imply in violence, confinement of even death threats to the victim of his or her family members. Other forms of extreme menace are that which procure or offer a child for illicit activities, as foreseen by Article 3 of the Convention concerning the Prohibition and Immediate Action for the Elimination of Worst Forms of Child Labour, 1999 (n. 182).

There are also other more subtle forms of menace, sometimes of psychological nature. Other punishments may be financial in nature, such as economic penalties regarding debts, non-payment or loss of salary with threat of dismissal, whenever a worker refused to do work beyond the hours stipulated in contract or national legislation. In other cases, this coercion is exerted by means of retaining personal documents or by affective procurement of a person at a particular stage of development. i.e. a child or an adolescent.

In turn, article 149 of the Brazilian Penal Code defines the concept of *work conditions analogous to that of slavery* by describing the four conducts which configure the crime of submitting a person to this condition. They are:

- I. Submitting a worker to forced labor;
- II. Submitting a worker to exhaustive work hours;
- III. Subjecting the worker to degrading conditions;
- IV. Restricting by any means a worker's freedom of movement by reason of debt to employer or representative ("debt bondage").

In October 5, 2011, the Labor Inspection Secretariat (SIT) of the MTE edited Normative Instruction n. 91, which regards the inspection and eradication of work conditions analogous to slavery and suggests other actions. Article 3 of this instrument stipulates that, for the purposes laid out in the abovementioned Normative Instruction, one is to consider work conditions analogous to slavery as those resulting in the following situations, whether together or separately:

- I. Submitting a worker to forced labor;<sup>61</sup>
- II. Submitting a worker to exhaustive work hours;<sup>62</sup>
- III. Subjecting the worker to degrading work conditions;<sup>63</sup>;
- IV. Restricting the worker's freedom of movement,<sup>64</sup> whether by debt bondage, curtailment of any means of transportation by the employer, or by any other means whose purpose is keeping the worker at his or her workplace;<sup>65</sup>
- V. Ostensive vigilance at the workplace by employer or representative, with the purpose of detaining the worker there;<sup>66</sup>
- VI. Keeping worker's documents or personal objects in possession of employer or representative, with the purpose of detaining him or her at the work place.<sup>67</sup>

### **Total Number of Rescued Workers in Brazil from 1995 to 2011**

Because forced labor is a serious crime as provided in the Brazilian Penal Code, as well as constituting a grave violation not only of labor legislation but of human rights and fundamental labor rights, it is very difficult to obtain regular statistics on the number of workers submitted to conditions analogous to slavery and, consequently, construct indicators on forced labor.

Some of the information available and which allows for one to make an estimate of the problem stems from the number of rescued workers<sup>68</sup> by the Special Mobile Inspection Group (GFEM), which acts on behalf of the Labor Inspection Secretariat of the MTE (see Legal Framework Indicator 14 'Labor inspection', Annex p. 379). Between 1995 and 2011, about 41.608 people were freed from situations of work analogous to slavery, being that 85.8% of this contingent (35,715 people) was freed during the period of 2003 to 2011.

<sup>61</sup> All forms of labor or services extracted from a person under threat of punishment and for which that said person did not offer him or herself voluntarily, as well as those demanded by means of coercion, political education, by punishment for having or expressing political opinions or points of view opposing the political, social and economic system in force, as a means for mobilizing and using utilize work-force, as punishment for participating in strikes or as a means of racial, social, national or religious discrimination (Normative Instruction n. 91, October 5, 2011);

<sup>62</sup> Work hours, which by the extension or intensity of their physical or mental nature, which, produces exhaustion of bodily and productive capacities of the worker, even if transitory or temporary, resulting in risks to his or her safety and health (Idem);

<sup>63</sup> All forms of disrespect of human dignity by the non-compliance with fundamental worker rights, especially in regards to safety and health and that, as a result of work, this worker is treated by employer or representative or even by thirds, as an object and not a person (Ibidem);

<sup>64</sup> Restriction of freedom of movement encompasses all forms of limitations imposed on the worker of his or her fundamental right to come and go or to make use of his work force, including that of terminating his services, in reason of debt, my direct or indirect means, by means of physical or moral coercion, fraud or other illicit form of submission (Ibidem);

<sup>65</sup> The curtailment of any means of transportation aimed at keeping the worker at the workplace consists in limiting all transport, whether private of public, used by the worker to go from work to other places located outside of the employer's domains, including his or her residence, and vice-versa (Ibidem);

<sup>66</sup> All forms or measures of company control exerted over the worker, with the objective of keeping him at the workplace (Ibidem);

<sup>67</sup> All forms of illicit possession of worker's documents or personal objects, with the objective of keeping him or her at the workplace (Ibidem).

<sup>68</sup> It refers to workers found in a situation analogous to slavery as defined in one or more hypotheses in Article 149 of the Penal Code. They are: forced labor, debt bondage, exhaustive work hours and/or degrading work.



It is noteworthy that the GEFT is constituted of Labor Inspectors. The GEFM's *operations* count on the support from other institutions. Each team has on coordinator and a sub-coordinator, both labor inspectors and exclusively dedicated to the GEFM. The remaining members perform their regular activities in the locations they were assigned to and are summoned for specific operations. According to ILO (2010a), the following institutions participate in group operations:

- **Labor Public Prosecutor's Office:** 1 labor prosecutor (member of the National Committee for the Eradication of Slave Labor – CONAETE - or a voluntary substitute);
- **Federal Police of Federal Highway Police:** in general, 6 Federal Policemen or Federal Highway Police officers
- **Federal Public Prosecutor's Office:** in specific situations, the team also relies on a representative from the Federal Public Prosecutor's Office (MPF).

### **Total Number of Rescued Workers in Federation Units from 2008 to 2011**

Based on the data made available by the MTE's SIT, about 13.841 workers were rescued from work situations analogous to slavery from 2008 to 2011. The highest number of freed workers (3,592) was registered in the Centre-West Region, which accounted for 26.0% of the national total (see Table 50).

With exception of the South (with 1,193 workers and 8.6% of the total), the rest of the contingent of rescued workers was divided almost equally among the remaining regions (about 3,000 in each), being that each one of them accounted for approximately 22.0% of total people rescued in the country.

When analysing Federation Units, four of them concentrated almost half (6.454 or 46.6%) of total freed workers:

- Pará – 1,929 (13.9%)
- Goiás – 1,848 (13.4%)
- Minas Gerais – 1,578 (11.4%)
- Mato Grosso – 1,099 (7.9%)

TABLE 50

TOTAL ACCUMULATED NUMBER OF RESCUED WORKERS IN WORK CONDITIONS ANALOGOUS TO SLAVERY  
BRAZIL, REGIONS AND FEDERATION UNITS, 2008 TO 2011

| Geographical Area         | Total Number of Rescued Workers | Participation (%) in National Total |
|---------------------------|---------------------------------|-------------------------------------|
| <b>Brazil</b>             | <b>13,841</b>                   | <b>100.0</b>                        |
| <b>North Region</b>       | <b>3,016</b>                    | <b>21.8</b>                         |
| Rondônia                  | 219                             | 1.6                                 |
| Acre                      | 45                              | 0.3                                 |
| Amazonas                  | 168                             | 1.2                                 |
| Roraima                   | 26                              | 0.2                                 |
| Pará                      | 1,929                           | 13.9                                |
| Amapá                     | 0                               | 0.0                                 |
| Tocantins                 | 629                             | 4.5                                 |
| <b>Northeast Region</b>   | <b>2,946</b>                    | <b>21.3</b>                         |
| Maranhão                  | 486                             | 3.5                                 |
| Piauí                     | 177                             | 1.3                                 |
| Ceará                     | 212                             | 1.5                                 |
| Rio Grande do Norte       | 7                               | 0.1                                 |
| Paraíba                   | 728                             | 5.3                                 |
| Pernambuco                | 27                              | 0.2                                 |
| Alagoas                   | 707                             | 5.1                                 |
| Sergipe                   | 0                               | 0.0                                 |
| Bahia                     | 602                             | 4.3                                 |
| <b>Southeast Region</b>   | <b>3,094</b>                    | <b>22.4</b>                         |
| Minas Gerais              | 1,578                           | 11.4                                |
| Espírito Santo            | 317                             | 2.3                                 |
| Rio de Janeiro            | 736                             | 5.3                                 |
| São Paulo                 | 463                             | 3.3                                 |
| <b>South Region</b>       | <b>1,193</b>                    | <b>8.6</b>                          |
| Paraná                    | 521                             | 3.8                                 |
| Santa Catarina            | 598                             | 4.3                                 |
| Rio Grande do Sul         | 74                              | 0.5                                 |
| <b>Centre-West Region</b> | <b>3,592</b>                    | <b>26.0</b>                         |
| Mato Grosso do Sul        | 645                             | 4.7                                 |
| Mato Grosso               | 1,099                           | 7.9                                 |
| Goiás                     | 1,848                           | 13.4                                |
| Federal District          | 0                               | 0.0                                 |

Source: MTE - Secretariat of Labour Inspection / DETRAE

## The Ministry of Labor and Employment's (MTE) Employer Offender Registry

In 2004, through MTE Ordinance n. 540/2004, the MTE created an *Employer Offender Registry* – composed of employers and companies that the GEFM caught submitting workers to conditions analogous to slavery. Currently, this registry is regulated by Interministerial Ordinance n. 2, of May 12, 2011, for the Secretariat for Human Rights of the Presidency of the Republic took custody over said registry. During the period in which employers have their name in the registry, they are subject to external sanctions from resolutions and measures adopted by public and private bodies, which aim at eliminating slave labor in production chains.

The Registry is updated every six months and consists of employers whose notices of infraction are no longer subject to appeals at an administrative level and the exclusion of those who, in two years since being included in the registry, were able to resolve the irregularities found by labor inspection, as well as of those that complied with the requisites set forth in the Interministerial Ordinance mentioned above.

Exclusion from the registry are based on the analysis of information obtained by direct and indirect monitoring of such rural properties, by “in loco” verification and by means of governmental and non-governmental bodies/institutions information, besides information from the General Resource Coordination of the Labor Inspection Secretariat.

The Ministry for National Integration recommends that all official financial agents that operate resources from constitutional financing funds not concede financing to legal and natural persons that exploit work analogous to slavery, as long as they have been inspected by the MTE and have received a definitive administrative penalty. The Ministry of Agrarian Development (MDA) and National Institute of Colonization and Agrarian Reform (INCRA) use this registry to identify new rural properties that were notified for slave labor in order to collect lands in irregular standing for agrarian reform projects. The National Monetary Council Resolution n. 3,876 of June 2010 prohibits concession of rural credit to natural or legal persons listed in the Employer Offender Registry. Some companies also adopt contractual clauses regarding purchase and sale to suppliers, establishing commercial prohibitions and the breaking of contracts with those on the Registry.

Based on the last update of 2011, carried out by the MTE on December 30, 2011, the Offender Employer Registry counted with 294 offenders, distributed among natural and legal person and throughout 20 Federation Units from the country's regions.

The North Region registered 101 offenders in December 2011, which corresponds to over a third (34.4%) of the total. In the state of Pará, there were 69 offenders, the equivalent to about a fourth (23.5%) of the Registry total, according to Table 51.

In second place came the Centre-West Region, with 79 offenders (26.9% of the national total), distributed among Mato Grosso (33 or 11.2% of the total), Goiás (25 or 8.5% of the total) and Mato Grosso do Sul (21 or 7.1%).

The states of Maranhão and Tocantins had 23 offenders in each of their territories, being that, individually, they corresponded to 7.8% of the country's total.

The seven Federation Units that did not register any offenders in the Employer Registry were the Federal District, Acre, Roraima, Amapá, Paráíba, Pernambuco and Sergipe.

TABLE 51

NUMBER OF OFFENDERS IN THE EMPLOYER REGISTRY AND MUNICIPALITIES WITH OFFENDERS AND RESPECTIVE PERCENTAGE PARTICIPATION IN THE NATIONAL TOTAL  
BRAZIL, REGIONS AND FEDERATION UNITS, 2011

| Geographical Area         | N. of Offenders on the Registry | Particip. % in the National Total | N. of Municipalities with Offenders | Total N. of Municipalities | % of Municipalities w/ Offenders |
|---------------------------|---------------------------------|-----------------------------------|-------------------------------------|----------------------------|----------------------------------|
| <b>Brazil</b>             | <b>294</b>                      | <b>100.0</b>                      | <b>209</b>                          | <b>5,565</b>               | <b>3.8</b>                       |
| <b>North Region</b>       | <b>101</b>                      | <b>34.4</b>                       | <b>58</b>                           | <b>449</b>                 | <b>12.9</b>                      |
| Rondônia                  | 6                               | 2.0                               | 4                                   | 52                         | 7.7                              |
| Acre                      | 0                               | 0.0                               | 0                                   | 22                         | 0.0                              |
| Amazonas                  | 3                               | 1.0                               | 2                                   | 62                         | 3.2                              |
| Roraima                   | 0                               | 0.0                               | 0                                   | 15                         | 0.0                              |
| Pará                      | 69                              | 23.5                              | 32                                  | 143                        | 22.4                             |
| Amapá                     | 0                               | 0.0                               | 0                                   | 16                         | 0.0                              |
| Tocantins                 | 23                              | 7.8                               | 20                                  | 139                        | 14.4                             |
| <b>Northeast Region</b>   | <b>49</b>                       | <b>16.7</b>                       | <b>40</b>                           | <b>1,793</b>               | <b>2.2</b>                       |
| Maranhão                  | 23                              | 7.8                               | 17                                  | 217                        | 7.8                              |
| Piauí                     | 11                              | 3.7                               | 9                                   | 223                        | 4.0                              |
| Ceará                     | 4                               | 1.4                               | 4                                   | 184                        | 2.2                              |
| Rio Grande do Norte       | 1                               | 0.3                               | 1                                   | 167                        | 0.6                              |
| Paraíba                   | 0                               | 0.0                               | 0                                   | 223                        | 0.0                              |
| Pernambuco                | 0                               | 0.0                               | 0                                   | 185                        | 0.0                              |
| Alagoas                   | 1                               | 0.3                               | 1                                   | 102                        | 1.0                              |
| Sergipe                   | 0                               | 0.0                               | 0                                   | 75                         | 0.0                              |
| Bahia                     | 9                               | 3.1                               | 8                                   | 417                        | 1.9                              |
| <b>Southeast Region</b>   | <b>28</b>                       | <b>9.5</b>                        | <b>24</b>                           | <b>1,668</b>               | <b>1.4</b>                       |
| Minas Gerais              | 19                              | 6.5                               | 16                                  | 853                        | 1.9                              |
| Espírito Santo            | 6                               | 2.0                               | 5                                   | 78                         | 6.4                              |
| Rio de Janeiro            | 1                               | 0.3                               | 1                                   | 92                         | 1.1                              |
| São Paulo                 | 2                               | 0.7                               | 2                                   | 645                        | 0.3                              |
| <b>South Region</b>       | <b>37</b>                       | <b>12.6</b>                       | <b>27</b>                           | <b>1,188</b>               | <b>2.3</b>                       |
| Paraná                    | 16                              | 5.4                               | 10                                  | 399                        | 2.5                              |
| Santa Catarina            | 16                              | 5.4                               | 13                                  | 293                        | 4.4                              |
| Rio Grande do Sul         | 5                               | 1.7                               | 4                                   | 496                        | 0.8                              |
| <b>Centre-West Region</b> | <b>79</b>                       | <b>26.9</b>                       | <b>60</b>                           | <b>467</b>                 | <b>12.8</b>                      |
| Mato Grosso do Sul        | 21                              | 7.1                               | 16                                  | 79                         | 20.3                             |
| Mato Grosso               | 33                              | 11.2                              | 24                                  | 141                        | 17.0                             |
| Goiás                     | 25                              | 8.5                               | 20                                  | 246                        | 8.1                              |
| Federal District          | 0                               | 0.0                               | 0                                   | 1                          | 0.0                              |

Source: MTE - Employer Registry (As of December 30, 2011)  
Elaborated by: ILO Brazil Office

The total group of 294 offenders was distributed among 209 municipalities in the country, which corresponds to 3.8% of the national total of 5,565 municipalities.

The percentage of municipalities with offenders varied greatly among regions, going from 1.4% in the Southeast to about 13.0% in the North and Centre-West Regions. The state of Pará presented the largest proportion of the country of municipalities with registered employers (22.4%), followed by Mato Grosso do Sul (20.3%), Mato Grosso (17.0%) and Tocantins (14.4%).

## Social Mobilization for the Eradication of Slave Labor

In the past few years, significant social mobilization has taken place to eradicate slave labor in the country. We should point out the work of the National Commission for the Eradication of Slave Labor (CONATRAE), a collegiate organ coordinated by the Human Rights Secretariat of the Presidency, whose primary function is monitoring the execution of the National Plan for Eradication of Slave Labor.<sup>69</sup>

The business sector has also provided energetic support for the slave labor eradication effort. Since May 2005, a group of approximately 230 national and transnational companies have become part of the National Pact to Combat Slave Labor, which outlines a series of commitments, among which the elimination of slave labor in their production chains. Under one its main provisions, businesses cannot purchase products and services from suppliers listed in the Employer Registry, that is, any company that has been caught submitting their workers to work conditions analogous to slavery.

In December 2005, the Brazilian Federation of Banks (FEBRABAN) signed a statement of intent, committing itself to advise their members to apply registry restrictions on businesses that have submitted workers to conditions analogous to slave labor.

The participation of several civil society organizations has also crucial in combatting contemporary slavery. The Pastoral Commission of the Land, which has denounced the existence of slave labor in Brazil since the 1970s, still provides essential services by forwarding accusations to the MTE and providing shelter for rescued workers. Other organizations work in prevention (like *Repórter Brasil*, which trains primary school teachers - residing in zones targeted by companies seeking slave laborers - to discuss the subject with their students) and in the reinsertion of rescued workers.

## Main Policies and Recent Actions

Since December 2002, through the publication of Law n. 10,608, a worker rescued from conditions analogous to slavery earned the right to receive three installments of the Special Unemployment Insurance for Rescued Workers, each one being the equivalent of one monthly minimum wage. The labor inspectors carry out, at the moment workers are rescued, the formal procedures required for the concession of unemployment insurance. The benefit is then withdrawn by the worker at a bank.

According to information made available by the MTE, between 2003 - when the benefit was established - and October 2010, 23 thousand rescued workers received unemployment insurance.

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<sup>69</sup> In September 2008, the 2nd National Plan for the Eradication of Slave Labor - elaborated by CONATRAE - was launched. The first plan was launched in 2003 and focused on monitoring and enforcement. Comprising 66 goals, the new version of the Plan emphasizes - besides monitoring and enforcement - prevention and reinsertion.

## **Rescued Workers Eligible for Bolsa Família Program Benefits**

In order to facilitate social reinsertion of rescued workers and to facilitate the regaining of their citizenship, the MTE and the Ministry of Social Development and the Fight Against Hunger (MDS), signed a technical cooperation agreement (n. 03/2005), in December 2005, which gives registration priority in the Bolsa Família Program to workers rescued from work conditions analogous to slavery.

Through this agreement, the identification data of rescued workers is sent by the MTE to the MDS, which locates the workers in their home municipalities by utilizing the Unified Registry of Social Programs (CadÚnico). If they fulfill the program's eligibility requirements, the rescued workers receive a monthly subsistence stipend from the government.

The Order GM/MDS n. 341 of 2008 established what criteria families of rescued workers should fulfill to receive priority in the concession of PBF benefits. Receiving priority translates into granting benefits above the established quota. That is, even if the municipality has reached its beneficiary limit, the rescued workers will be registered in the Program and will receive benefits.

The names of workers who are not listed in the Unified Registry are submitted to the CadÚnico/PBF manager of their home municipality so they can be located and registered.

Since the beginning of this partnership, the MTE sent six lists of rescued workers to the MDS, a total of 19,599 individuals. All workers listed received unemployment insurance, the source of information on these workers being the benefit request form.

In December 2009, the MDS noticed that, of the total number of workers listed, 13,375 (68.2%) were not registered in the CadÚnico database. We should note that registration in the database is a necessary step in the evaluation for the potential entry into the PBF. Of 6,224 rescued workers identified in the database (31.8%), 5,126 were Bolsa Família Beneficiaries.

More recent data from the MDS showed that in January 2011, 6,155 rescued workers were beneficiaries of the PBF.

More than half (57.3%) of the beneficiaries were found in the Northeast Region, and Maranhão (with 1,541 workers) accounted for 25.0% of the national total, according to Table 52.

The North was the region with the second highest number of PBF beneficiaries, with 1,607 rescued workers, and 609 of those were in Pará - 9.9% of the national total.

TABLE 52

NUMBER OF WORKERS RESCUED FROM WORK CONDITIONS ANALAGOUS TO SLAVERY,  
BOLSA FAMÍLIA PROGRAM BENEFICIARIES  
BRAZIL, REGIONS AND FEDERATION UNITS, JANUARY 2011

| Geographical Area         | N. of Rescued Workers Beneficiaries of Bolsa Família | Percentage % of National Total |
|---------------------------|--|--------------------------------|
| <b>Brazil</b>             | <b>6,155</b>   | <b>100.0</b>                   |
| <b>North Region</b>       | <b>1,067</b>   | <b>17.3</b>                    |
| Rondônia                  | 11   | 0.2                            |
| Acre                      | 9  | 0.1                            |
| Amazonas                  | 4  | 0.1                            |
| Roraima                   | 3  | 0.0                            |
| Pará                      | 609  | 9.9                            |
| Amapá                     | 6  | 0.1                            |
| Tocantins                 | 425  | 6.9                            |
| <b>Northeast Region</b>   | <b>3,525</b>   | <b>57.3</b>                    |
| Maranhão                  | 1,541  | 25.0                           |
| Piauí                     | 464  | 7.5                            |
| Ceará                     | 121  | 2.0                            |
| Rio Grande do Norte       | 64   | 1.0                            |
| Paraíba                   | 89   | 1.4                            |
| Pernambuco                | 408  | 6.6                            |
| Alagoas                   | 346  | 5.6                            |
| Sergipe                   | 8  | 0.1                            |
| Bahia                     | 484  | 7.9                            |
| <b>Southeast Region</b>   | <b>549</b>   | <b>8.9</b>                     |
| Minas Gerais              | 442  | 7.2                            |
| Espírito Santo            | 5  | 0.1                            |
| Rio de Janeiro            | 69   | 1.1                            |
| São Paulo                 | 33   | 0.5                            |
| <b>South Region</b>       | <b>270</b>   | <b>4.4</b>                     |
| Paraná                    | 183  | 3.0                            |
| Santa Catarina            | 48   | 0.8                            |
| Rio Grande do Sul         | 39   | 0.6                            |
| <b>Centre-West Region</b> | <b>744</b>   | <b>12.1</b>                    |
| Mato Grosso do Sul        | 422  | 6.9                            |
| Mato Grosso               | 207  | 3.4                            |
| Goiás                     | 114  | 1.9                            |
| Federal District          | 1  | 0.0                            |

Source: MTE and MDS

Other Federation Units with a high number of worker beneficiaries were Bahia (484), Piauí (464), Minas Gerais (442), and Tocantins (425).

## Insertion Initiatives for Rescued Workers

Since 2011, a pioneer initiative for reestablishing the citizenship workers submitted work conditions analogous to slavery is being developed in Mato Grosso.

Twenty-five rescued workers have been hired and trained to work in the construction of the *Arena Cuiabá*, the stadium being built for the FIFA 2104 World Cup. The initiative is part of the *Integrated Actions for the Qualification and Social Insertion of Former Slave Workers*.

The Social Responsibility project is managed by the Regional Superintendency of Work and Labor (SERT) of Mato Grosso and the Public Labor Ministry and is supported by the Pantanal World Cup Works Agency (AGECOPA), and is carried out by the private consortium responsible for the construction of the stadium.

The workers are attending literacy classes and receiving professional training in at the construction sites, in areas specifically built for this purpose. In order for them to carry out their work, they will have the right to housing and three daily meals until the work is complete, sponsored by the construction company. The workers are expected to remain inserted in the labor market since they will have received training, gained experience, and received a signed work card.

### **Existence of Policies or Actions in Municipalities**

The IBGE's 2009 Survey of Basic Municipal Data (MUNIC) provides information concerning the existence of policies, programs or actions in specific areas of human rights being carried out in Brazilian municipalities.

MUNIC defines itself as a survey of institutions and administrative records of municipal governments and is part of a body of social and empirical studies on municipalities. It is basically a detailed inventory of information on the structure, dynamics, and workings of public municipal institutions, especially the mayoral office, as well as different policies and sectors that involve the municipal government and the municipality.

The need for the municipal government to act in the promotion and insurance of human rights is recognized by the 1988 Federal Constitution. MUNIC 2009 surveyed the actions undertaken by municipalities that sought to guarantee rights under their jurisdiction. We should note that in some cases, the responsibility for executing measures intended to protect some specific right does not belong exclusively to the municipality (IBGE, 2010a).

According to research data, 897 Brazilian municipalities had policies or carried out actions to combat forced labor in 2009, or 16.1% of the total (Table 53). The existence of this type of policy was significantly more prevalent in municipalities located in the Northeast (24.7% of the total) and North (21.6%) compared to other regions - Southeast (9.4%), South (10.4%) and Center-West (16.3%).

In absolute terms, around half (444 or 49.5%) of municipalities that had policies or actions to combat forced labor were in the Northeast Region. Of this total, 252 (around 57.0%) had between 10 to 50 thousand inhabitants.



TABLE 53

NUMBER AND PERCENTAGE OF MUNICIPALITIES WITH POLICIES OR ACTIONS TO COMBAT FORCED LABOR IN RELATION TO TOTAL NUMBER OF MUNICIPALITIES  
BRAZIL, REGIONS AND FEDERATION UNITS, 2009

| Geographical Area         | Total Number of Municipalities | Number of Municipalities with Policies or Actions to Combat Forced Labor | % of Municipalities with Policies or Actions to Combat Forced Labor |
|---------------------------|--------------------------------|--|---|
| <b>Brazil</b>             | <b>5,565</b>                   | <b>897</b>   | <b>16.1</b>   |
| <b>North Region</b>       | <b>449</b>                     | <b>97</b>  | <b>21.6</b>   |
| Rondônia                  | 52                             | 17   | 32.7  |
| Acre                      | 22                             | 13   | 59.1  |
| Amazonas                  | 62                             | 17   | 27.4  |
| Roraima                   | 15                             | 3  | 20.0  |
| Pará                      | 143                            | 17   | 11.9  |
| Amapá                     | 16                             | -  | -   |
| Tocantins                 | 139                            | 30   | 21.6  |
| <b>Northeast Region</b>   | <b>1,794</b>                   | <b>444</b>   | <b>24.7</b>   |
| Maranhão                  | 217                            | 52   | 24.0  |
| Piauí                     | 224                            | 62   | 27.7  |
| Ceará                     | 184                            | 44   | 23.9  |
| Rio Grande do Norte       | 167                            | 28   | 16.8  |
| Paraíba                   | 223                            | 59   | 26.5  |
| Pernambuco                | 185                            | 72   | 38.9  |
| Alagoas                   | 102                            | 21   | 20.6  |
| Sergipe                   | 75                             | 17   | 22.7  |
| Bahia                     | 417                            | 89   | 21.3  |
| <b>Southeast Region</b>   | <b>1,668</b>                   | <b>157</b>   | <b>9.4</b>  |
| Minas Gerais              | 853                            | 65   | 7.6   |
| Espírito Santo            | 78                             | 17   | 21.8  |
| Rio de Janeiro            | 92                             | 16   | 17.4  |
| São Paulo                 | 645                            | 59   | 9.1   |
| <b>South Region</b>       | <b>1,188</b>                   | <b>123</b>   | <b>10.4</b>   |
| Paraná                    | 399                            | 50   | 12.5  |
| Santa Catarina            | 293                            | 39   | 13.3  |
| Rio Grande do Sul         | 496                            | 34   | 6.9   |
| <b>Centre-West Region</b> | <b>466</b>                     | <b>76</b>  | <b>16.3</b>   |
| Mato Grosso do Sul        | 78                             | 19   | 24.4  |
| Mato Grosso               | 141                            | 26   | 18.4  |
| Goiás                     | 246                            | 31   | 12.6  |
| Federal District          | 1                              | 1  | 100.0   |

Source: IBGE - Basic Municipal Information Survey (MUNIC)

Considering UFs, the MUNIC data showed that the states with the highest proportion of municipalities with policies or actions to combat forced labor were Acre (59.1%), Pernambuco (38.9%), and Rondônia (32.7%). On the other hand, the lowest proportions were seen in Amapá (none of its 16 municipalities had this kind of policy), Rio Grande do Sul (6.9%), and Minas Gerais (7.6%).

It is important to point out that, besides Minas Gerais, in some UFs with high numbers of workers rescued from slave labor it was possible to observe a small proportion of municipalities with policies or actions in place, such as Pará (11.9%), Goiás (12.6%) and Mato Grosso (18.4%).

## CHILD LABOR

On June 17, 1999, the International Labour Conference unanimously approved the Convention on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, 1999 (n. 182). By March 2012, a significant contingent of 174 countries (that is, approximately 95.0% of the 183 member-states of the ILO at the time) had ratified the Convention, an unprecedented number in the more than 90 years of the Organization's history. Brazil ratified Convention n. 182 on February 2, 2000.

Convention n. 182 applies to people younger than 18 years old and states that the worst forms of child labor comprise slavery and similar practices, including forced labor and recruitment for armed conflicts; the utilization, recruitment, or supply of children for illicit activities, sexual exploitation or pornographic activities and forms of labor, which, due to their inherent nature or environment where they are performed, can harm the health, safety, or moral integrity of children. The prevention and elimination of child labor is one of the fundamental principles and rights of labor, and is vital for the promotion of Decent Work.

Brazil also ratified, on June 28, 2001, the 1973 Convention Concerning Minimum Age for Admission to Employment (n. 138) and legislation was passed establishing the prohibition of child labor below 16 years old, except as an apprentice starting at 14 (see Legal Framework Indicator 8 'Child labor', Annex p. 371). This convention, adopted by the ILO on June 28, 1973, was ratified by 161 of its 183 member states.

Admission to apprenticeships, starting at the age of 14, and the employment of adolescents aged between 16 and 17 is permitted, provided the work does not affect the rights pertaining to that age group, following the normative criteria established by Convention no. 182, and precludes the dangerous occupations listed in the Decree n. 6,481 of June 12, 2008. The activities listed in the abovementioned Decree are forbidden for those younger than 18 and only in extraordinary cases, with the authorization of the relevant authority, and after a technical assessment assuring that the health and safety of the adolescent will not be at risk, it is possible to grant a special and temporary work authorization, which should be monitored and frequently evaluated to ensure their security.

Hoping to cooperate with Brazil and in doing so contribute to effectively implement its conventions, the ILO's International Program on the Elimination Child Labour (IPEC) started, in 1992, a process of articulation, mobilization, and strengthening of national child labor and elimination initiatives.

The Brazilian experience in prevention and eradication of child labor has received international recognition and has been shared with other developing countries through South-South cooperation. The subject is one of the priorities of the National Agenda of Decent Work (launched in 2006), the National Employment and Decent Work Program (2010), and the Bahia Decent Work Program (2007 and 2011), and the Mato Grosso Agenda for Decent Work (2009).

### Recent Trends in Child Labor

Since the beginning of the 1990s, the Brazilian State and society have developed important initiatives for preventing and eliminating child labor. The results are

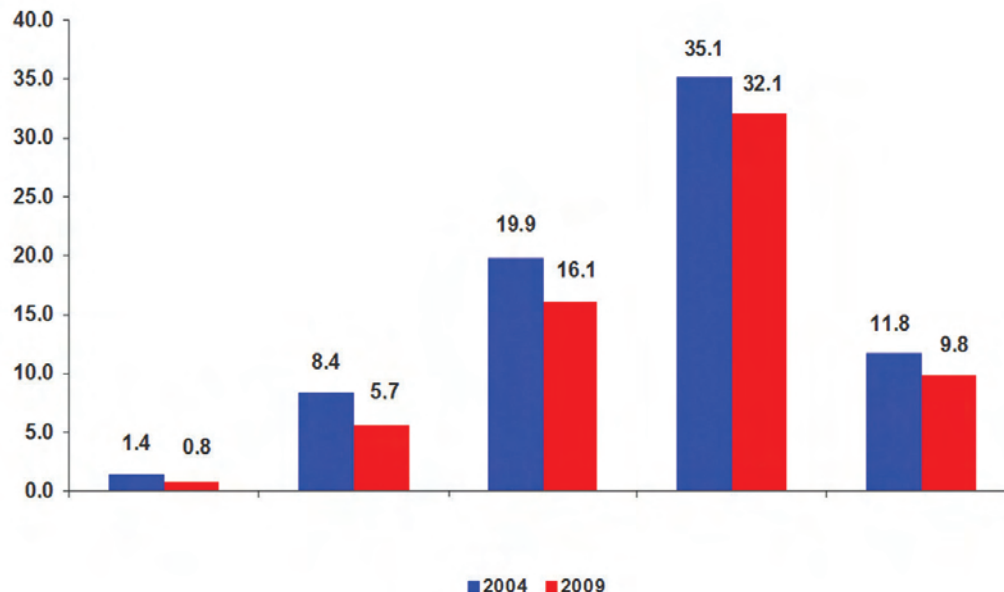
significant and the declining trend begun in the 1990s has continued through the second half of the 2000s.<sup>70</sup>

According to PNAD, the number of employed children between 5 and 17 years old went down by 1.05 million between 2004 and 2009, from 5.30 million to 4.25 million. As a result, the percentage of working (occupation level) children and adolescents in this age group was reduced from 11.8% to 9.8% during this period, and has remained under two digits since 2009.

Child labor has decreased in all age groups, as shown in Graph 20. In the 5-9 cohort, the share of working children went from 1.4% to 0.8%, bringing the country closer to eliminating work in this age range. Despite this decline and occupation levels below 1.0%, there were still 123 thousand children aged 5 to 9 working in 2009. Most of these children - 46.3% - are in the Northeast Region (around 57 thousand), followed by the Southeast (24 thousand or 19.5%) and the North Regions (20 thousand or 16.2%). Besides having the highest number of working children in this age range, the Northeast's occupation level (1.2%) was also above the national average.

**GRAPH 20**

PERCENTAGE OF EMPLOYED CHILDREN AGED 5-17, BY AGE GROUP  
BRAZIL, 2004 AND 2009



Source: IBGE - PNAD Microdata

On its turn, the proportion of working children aged 10 to 13 declined from 8.4% to 5.7% between 2004 and 2009 (2.7 p.p.). Even with this significant reduction, the challenge to remove 785 thousand children from the job market remains. The level of employment of children in this age group in the Northeast and North Regions (respectively 8.9% and

<sup>70</sup> The number of employed children and adolescents aged between 5 and 17, fell from 8.42 million (19.6% of the total) to 4.85 million (10.8%) between 1992 and 2007, which translates into 3.57 people in this cohort being removed from the labor market, according to data produced by the PNAD (which excludes the rural area of the North Region, with the exception of the state of Tocantins). See ILO (2009), *Perfil do Trabalho Decente no Brasil*.

7.4%) was, in 2009, higher than the national average. In the rural areas, the reduction was significant (almost 10.0 p.p.), going from 25.1% in 2004 to 15.6% in 2009, according to Table 54. In urban areas, where the incidence of working children in this age group is much less prevalent, there was also a decline - the employment level went from 4.2% to 3.4%, during the analyzed period.

| TABLE 54   |  |                   |                    |                    |                   |                 |                   |                    |                    |                   |
|--|--|-------------------|--------------------|--------------------|-------------------|-----------------|-------------------|--------------------|--------------------|-------------------|
| PERCENTAGE OF EMPLOYED CHILDREN AND ADOLESCENTS IN THE REFERENCE WEEK, BY AGE GROUP<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009 |  |                   |                    |                    |                   |                 |                   |                    |                    |                   |
| Geographical Area  | Percentage of Employed Children and Adolescents by Age Group (%) |                   |                    |                    |                   |                 |                   |                    |                    |                   |
|  | 2004   |                   |                    |                    |                   | 2009            |                   |                    |                    |                   |
|  | 5 to 9<br>years  | 10 to 13<br>years | 14 and 15<br>years | 16 and 17<br>years | 10 to 17<br>years | 5 to 9<br>years | 10 to 13<br>years | 14 and 15<br>years | 16 and 17<br>years | 10 to 17<br>years |
| <b>Brazil</b>  | <b>1.4</b>   | <b>8.4</b>        | <b>19.9</b>        | <b>35.1</b>        | <b>18.2</b>       | <b>0.8</b>      | <b>5.7</b>        | <b>16.1</b>        | <b>32.1</b>        | <b>14.8</b>       |
| Urban Area   | 0.6  | 4.2               | 13.9               | 30.1               | 13.4              | 0.3             | 3.4               | 12.6               | 28.7               | 12.0              |
| Rural Area   | 4.8  | 25.1              | 44.2               | 57.8               | 37.7              | 2.7             | 15.6              | 30.6               | 47.1               | 27.0              |
| <b>North</b>   | <b>1.9</b>   | <b>12.2</b>       | <b>25.1</b>        | <b>37.6</b>        | <b>21.5</b>       | <b>1.2</b>      | <b>7.4</b>        | <b>17.4</b>        | <b>28.6</b>        | <b>14.9</b>       |
| Rondônia   | 3.7  | 15.0              | 30.5               | 42.5               | 25.9              | 2.7             | 13.4              | 23.0               | 36.7               | 22.0              |
| Acre   | 1.2  | 14.9              | 23.9               | 38.8               | 22.4              | 2.5             | 10.0              | 20.2               | 33.3               | 17.6              |
| Amazonas   | 1.1  | 8.2               | 14.6               | 24.6               | 13.6              | 1.0             | 4.7               | 12.6               | 22.2               | 10.8              |
| Roraima  | ...  | 7.5               | 16.0               | 23.8               | 13.9              | -               | ...               | 9.3                | 30.7               | 9.4               |
| Pará   | 2.2  | 14.6              | 30.3               | 41.8               | 25.0              | ...             | 7.2               | 17.0               | 28.1               | 14.5              |
| Amapá  | ...  | 2.7               | 6.1                | 20.7               | 7.7               | 0.1             | 1.4               | 12.3               | 11.6               | 6.7               |
| Tocantins  | ...  | 10.5              | 30.2               | 50.4               | 25.3              | ...             | 12.8              | 28.3               | 44.2               | 24.2              |
| <b>Northeast</b>   | <b>2.6</b>   | <b>13.2</b>       | <b>24.8</b>        | <b>36.9</b>        | <b>22.4</b>       | <b>1.2</b>      | <b>8.9</b>        | <b>20.4</b>        | <b>31.8</b>        | <b>17.6</b>       |
| Maranhão   | 2.8  | 17.6              | 26.3               | 42.8               | 26.7              | ...             | 8.1               | 21.9               | 32.0               | 17.3              |
| Piauí  | 5.9  | 19.6              | 35.9               | 47.1               | 31.1              | 2.0             | 12.8              | 21.5               | 42.4               | 21.8              |
| Ceará  | 2.1  | 12.3              | 26.2               | 37.7               | 22.4              | 1.3             | 9.8               | 24.0               | 35.0               | 19.9              |
| Rio Grande do Norte  | 2.4  | 7.1               | 17.1               | 27.3               | 15.4              | 1.2             | 8.4               | 19.0               | 29.0               | 16.6              |
| Paraíba  | 1.7  | 15.1              | 25.0               | 36.1               | 23.1              | ...             | 3.9               | 14.7               | 23.3               | 11.6              |
| Pernambuco   | 2.5  | 11.9              | 20.7               | 33.5               | 19.6              | 1.0             | 7.9               | 15.7               | 25.6               | 14.4              |
| Alagoas  | 3.0  | 10.6              | 18.3               | 32.6               | 18.0              | ...             | 7.4               | 16.0               | 26.4               | 14.6              |
| Sergipe  | ...  | 5.0               | 18.9               | 34.0               | 16.3              | ...             | 5.6               | 15.2               | 26.2               | 13.7              |
| Bahia  | 2.5  | 13.5              | 27.0               | 36.8               | 23.0              | 1.5             | 10.3              | 23.4               | 36.5               | 20.1              |
| <b>Southeast</b>   | <b>0.4</b>   | <b>3.3</b>        | <b>12.9</b>        | <b>29.2</b>        | <b>12.5</b>       | <b>0.4</b>      | <b>3.0</b>        | <b>11.4</b>        | <b>29.6</b>        | <b>11.5</b>       |
| Minas Gerais   | 1.1  | 6.2               | 17.3               | 37.4               | 17.0              | 0.9             | 5.8               | 18.9               | 35.5               | 16.3              |
| Espírito Santo   | 0.8  | 8.1               | 23.9               | 38.4               | 19.6              | 0.9             | 5.4               | 11.1               | 33.9               | 13.5              |
| Rio de Janeiro   | ...  | 1.1               | 7.6                | 17.2               | 6.8               | ...             | 0.9               | 5.7                | 18.1               | 6.3               |
| São Paulo  | ...  | 2.0               | 11.6               | 28.4               | 11.6              | ...             | 2.0               | 9.3                | 30.5               | 10.7              |
| <b>South</b>   | <b>1.7</b>   | <b>10.6</b>       | <b>25.3</b>        | <b>45.8</b>        | <b>22.9</b>       | <b>0.7</b>      | <b>5.2</b>        | <b>17.0</b>        | <b>40.5</b>        | <b>17.4</b>       |
| Paraná   | 1.8  | 9.8               | 24.2               | 43.8               | 21.7              | 0.8             | 4.3               | 16.9               | 39.4               | 16.4              |
| Santa Catarina   | 0.7  | 10.5              | 26.6               | 52.9               | 24.9              | ...             | 6.2               | 21.3               | 48.3               | 21.6              |
| Rio G. do Sul  | 2.2  | 11.4              | 25.5               | 43.7               | 22.8              | 0.8             | 5.6               | 14.4               | 36.9               | 16.0              |
| <b>Center-West</b>   | <b>0.9</b>   | <b>6.0</b>        | <b>19.6</b>        | <b>36.9</b>        | <b>17.5</b>       | <b>0.6</b>      | <b>5.3</b>        | <b>17.7</b>        | <b>33.1</b>        | <b>15.7</b>       |
| Mato Grosso do Sul   | 1.2  | 6.2               | 18.4               | 41.7               | 17.9              | ...             | 3.4               | 14.2               | 35.6               | 14.2              |
| Mato Grosso  | 1.4  | 9.7               | 29.3               | 47.2               | 24.3              | ...             | 6.6               | 21.4               | 35.1               | 18.3              |
| Goiás  | 0.8  | 6.2               | 22.3               | 38.7               | 18.8              | 1.3             | 7.0               | 22.4               | 39.3               | 19.1              |
| Federal District   | ...  | 0.5               | 2.4                | 16.2               | 5.3               | ...             | 1.3               | 3.9                | 14.7               | 5.5               |

Source: IBGE - PNAD

Obs: (...) Means inexistence or insignificant number of cases in the sample.

The percentage of working children and adolescents between 14 and 15 years old decreased from 19.9% to 16.1% between 2004 and 2009. Meanwhile, around 1.15 million people in this age group were employed in 2009.

It is worth mentioning that this high percentage of employed children and adolescents aged 14 and 15 (16.1% in 2009) cannot be attributed to apprenticeship work, which is legal for this age group, as will be shown below, but rather to employment or work conditions forbidden for this age group.

Finally, the share of employed adolescents aged 16 and 17 decreased from 35.1% to 32.1% during the analyzed period. In 2009, the total number of employed adolescents in this age group was 2.19 million, more than half of the total (51.5%) contingent of working children aged 5 to 17.

This data demands a more thorough analysis. The Brazilian legislation permits hiring 16 and 17 year-old adolescents as long as proper labor and social security guarantees are provided, a signed labor card is secured, and the work does not involve extended hours or dangerous and unhealthy conditions. Decree n. 6,481 of June 12, 2008, regulated segment d) of Article 3 of ILO Convention n. 182, ratified by Brazil, updated the list of activities considered unhealthy, dangerous and potentially harmful to the physical, mental, social, moral integrity and the development of people under 18. The Decree forbids – pursuant to Article 7, XXXIII of the Federal Constitution - people younger than 18 from working in 94 activities, among them sexual exploitation, work harmful to morality, and domestic work.

The PNAD data displayed on Table 55 shows that the entry of 16 and 17 year-old people into the labor market was characterized by precariousness and even by work situations forbidden for people under 18. A little more than half (50.7%) of the 2.19 million employed in this age group in 2009 worked as an *employee without a signed labor card*, 18.8% as *nonpaid*, 5.0% as *worker producing for own consumption* and 7.5% as *self-employed*.

A significant contingent of 182 thousand adolescents aged 16 and 17 were doing *domestic work without a card*, which means that 8.3% of the total of working adolescents in that age range were in an illegal work situation, since, as mentioned before, domestic labor can only be done by those 18 and older. It is worth mentioning that the majority of those 16 and 17 year-old people working in domestic jobs were female. These adolescents are exposed to strenuous physical activity, isolation, physical, psychological, and sexual abuse; long work hours; working at night; heat and exposure to fire, uncomfortable positions and repetitive motions, which may compromise their social and psychological development. Women are the most vulnerable group, as they represent around 95.0% of 16 and 17 year-old adolescents employed as domestic workers.

Finally, only 9.5% of adolescents were *employed with signed labor cards*.

**TABLE 55**EMPLOYED PEOPLE AGED 16-17 BY POSITION IN THE OCCUPATION  
BRAZIL, 2009

| Position in Occupation                | Number of Employed | %            |
|---------------------------------------|--------------------|--------------|
| Employed with labor card              | 207,034            | 9.5          |
| Other employed without labor card     | 1,111,005          | 50.7         |
| Domestic worker without labor card    | 181,912            | 8.3          |
| Self-employed                         | 164,923            | 7.5          |
| Employer                              | X                  | X            |
| Worker producing for self-consumption | 108,778            | 5.0          |
| Worker in construction                | X                  | X            |
| Nonpaid                               | 412,324            | 18.8         |
| <b>Total</b>                          | <b>2,189,898</b>   | <b>100.0</b> |

Source: IBGE - PNAD Microdata  
 OBS. X - Data not released by IBGE due to low occurrence  
 Created by: ILO Brazil Office

Faced with this precarious scenario of labor market entry, only 15.8% of 16 and 17 year-old adolescents contributed to social security.

In absolute and relative terms, there are more boys (2.80 million) than girls (1.45 million) working. Approximately 66.0% of 5-17 working children are male. Despite being a smaller proportion of working children, females are over-represented in some categories, especially domestic child labor.

Approximately two-thirds (65.8%) of 5-17 year-olds who were working in 2009 lived in urban areas and 34.2% lived in rural areas.

Regardless of the cohort being considered, the rate of work among children and adolescents is higher in rural areas. Despite the decrease seen between 2004 and 2009, in 2009 the proportion of 5-9 year-old children working and living in rural areas (2.7%) was much higher than in urban areas (0.3%). Among 10-17 year-old children and adolescents, the percentages were 27.0% and 12.0%, respectively, in 2009.

Considering the activity of the main job, slightly more than one third of boys and girls aged 5-17 (34.6%) worked in the agricultural sector, while child labor was predominately found in non-agricultural activities. The main job's activity occupies a proportion of 65.4% of 5-17 year-old boys and girls in 2009. It is worth pointing out that the main activity varied according to the age group of the employed children and adolescents. Among 5-9 year-old children, 74.2% worked in agricultural activities. In the 10-14 year-old group, there was a relative balance (50.4% in non-agricultural activities and 49.6% in agricultural activities), while among 15-17 year-old adolescents non-agricultural activities predominated (73.6%).

In the Federation Units, in general terms, child labor was declining along with the national average. However, we should delve into some peculiarities of this trend. The percentage of 5-9 year-old working children decreased in practically in all UFs, except Acre (where employment level doubled, from 1.2% to 2.5% between 2004 and 2009) and Goiás (0.8% to 1.3%), according to Table 56. In Espírito Santo, the employment level remained somewhat stable, oscillating from 0.8% to 0.9%.

It should be stressed that in some UFs, child labor levels in this age group was so low it did not even register statistical significance: since 2009 in São Paulo, Rio de Janeiro, the Federal District, Sergipe, and Tocantins, and since 2004 in Roraima, Pará, Maranhão,

Paraíba, Alagoas, Sergipe, Santa Catarina, Mato Grosso do Sul, and Mato Grosso. If this trend holds up until 2015, important child labor-free zones would exist for this age group, especially if the provision and quality of public policies to protect children are intensified and an increase of opportunities for decent work for men and women occurs, along with adequate number of services and equipment that facilitate combining work and family responsibilities.

In the 10-17 year-old cohort, the share of children employed was reduced in 24 of the 27 Federation Units. There was a slight increase only in Rio Grande do Sul, Goiás, and the Federal District, as shown in Table 56.

Some UF's stand out for the significant reduction in child labor they experienced between 2004 and 2009. In Paraíba, the percentage of working children aged 10 to 17 was reduced from 23.1% in 2004 to 11.6% in 2009, a 11.5 p.p. decline in only five years. In Pará, it went from 25.0% to 14.5% and in Maranhão from 26.7% to 17.3% during the same period.

On the other hand, in 2009 the employment level was still very high in the states of Tocantins (24.2%), Rondônia (22.0%), Piauí (21.8%), Santa Catarina (21.6%), and Bahia (20.1%), all ranked well above the national average (14.8%). The percentage of working boys aged 10 to 18 in Piauí (31.8%) and in Rondônia (30.8%) was above 30.0%. In Piauí, the prevalence of labor gap between black children (16.5%) and white children (23.4%) was also significant.

TABLE 56

SHARE OF CHILDREN AGED 10-17 WORKING IN THE REFERENCE WEEK, BY SEX AND RACE OR COLOR  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area   | Percentage of working children aged 10-17 |             |             |             |             |             |             |             |             |             |
|---------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                     | 2004                                      |             |             |             |             | 2009        |             |             |             |             |
|                     | Total                                     | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>       | <b>18.2</b>                               | <b>23.6</b> | <b>12.7</b> | <b>16.4</b> | <b>19.9</b> | <b>14.8</b> | <b>19.1</b> | <b>10.4</b> | <b>13.6</b> | <b>15.8</b> |
| Urban Area          | 13.4                                      | 16.9        | 9.9         | 12.6        | 14.3        | 12.0        | 14.6        | 9.3         | 11.2        | 12.7        |
| Rural Area          | 37.7                                      | 49.7        | 24.4        | 37.5        | 37.9        | 27.0        | 37.3        | 15.4        | 27.4        | 26.9        |
| <b>North</b>        | <b>21.5</b>                               | <b>29.4</b> | <b>13.2</b> | <b>19.2</b> | <b>22.1</b> | <b>14.9</b> | <b>19.8</b> | <b>9.7</b>  | <b>12.8</b> | <b>15.4</b> |
| Rondônia            | 25.9                                      | 31.9        | 18.5        | 19.3        | 29.3        | 22.0        | 30.8        | 13.2        | 23.3        | 21.4        |
| Acre                | 22.4                                      | 30.7        | 14.8        | 23.4        | 22.2        | 17.6        | 23.9        | 11.0        | 14.2        | 18.7        |
| Amazonas            | 13.6                                      | 20.3        | 6.7         | 12.7        | 13.8        | 10.8        | 12.9        | 8.5         | 9.6         | 11.0        |
| Roraima             | 13.9                                      | 20.5        | 7.8         | 14.5        | 13.8        | 9.4         | 8.9         | 9.9         | 7.8         | 9.9         |
| Pará                | 25.0                                      | 33.5        | 15.9        | 23.2        | 25.4        | 14.5        | 20.0        | 8.7         | 9.7         | 15.7        |
| Amapá               | 7.7                                       | 11.4        | 4.5         | 6.0         | 7.8         | 6.7         | 7.4         | 6.1         | 6.2         | 6.9         |
| Tocantins           | 25.3                                      | 35.6        | 15.1        | 21.9        | 26.2        | 24.2        | 32.1        | 15.2        | 22.1        | 24.8        |
| <b>Northeast</b>    | <b>22.4</b>                               | <b>30.1</b> | <b>14.5</b> | <b>19.3</b> | <b>23.5</b> | <b>17.6</b> | <b>23.8</b> | <b>11.1</b> | <b>15.8</b> | <b>18.2</b> |
| Maranhão            | 26.7                                      | 34.5        | 18.3        | 20.4        | 28.6        | 17.3        | 23.9        | 9.9         | 17.2        | 17.3        |
| Piauí               | 31.1                                      | 44.6        | 17.6        | 26.5        | 32.4        | 21.8        | 31.8        | 12.1        | 16.5        | 23.4        |
| Ceará               | 22.4                                      | 29.8        | 15.3        | 20.9        | 23.1        | 19.9        | 25.3        | 14.6        | 18.9        | 20.3        |
| Rio Grande do Norte | 15.4                                      | 21.0        | 9.5         | 13.9        | 16.3        | 16.6        | 22.6        | 10.4        | 12.5        | 18.7        |
| Paraíba             | 23.1                                      | 33.0        | 11.5        | 22.4        | 23.5        | 11.6        | 16.6        | 6.7         | 9.8         | 12.7        |
| Pernambuco          | 19.6                                      | 27.3        | 12.4        | 18.1        | 20.3        | 14.4        | 20.1        | 8.4         | 12.6        | 15.4        |
| Alagoas             | 18.0                                      | 25.7        | 10.4        | 14.5        | 19.6        | 14.6        | 20.3        | 9.0         | 11.3        | 15.5        |
| Sergipe             | 16.3                                      | 21.8        | 10.8        | 10.4        | 18.4        | 13.7        | 18.9        | 8.4         | 15.4        | 13.1        |
| Bahia               | 23.0                                      | 29.7        | 15.9        | 20.4        | 23.5        | 20.1        | 26.7        | 12.8        | 20.0        | 20.1        |
| <b>Southeast</b>    | <b>12.5</b>                               | <b>15.6</b> | <b>9.4</b>  | <b>11.6</b> | <b>13.8</b> | <b>11.5</b> | <b>14.2</b> | <b>8.7</b>  | <b>10.6</b> | <b>12.5</b> |
| Minas Gerais        | 17.0                                      | 21.1        | 12.5        | 15.5        | 18.2        | 16.3        | 20.2        | 12.2        | 15.6        | 16.7        |
| Espírito Santo      | 19.6                                      | 25.6        | 13.5        | 18.9        | 20.1        | 13.5        | 17.7        | 9.1         | 12.7        | 13.8        |
| Rio de Janeiro      | 6.8                                       | 9.0         | 4.6         | 5.8         | 8.0         | 6.3         | 8.0         | 4.6         | 6.0         | 6.7         |
| São Paulo           | 11.6                                      | 14.0        | 9.1         | 11.5        | 11.8        | 10.7        | 12.9        | 8.2         | 10.1        | 11.6        |
| <b>South</b>        | <b>22.9</b>                               | <b>28.4</b> | <b>17.3</b> | <b>22.9</b> | <b>22.8</b> | <b>17.4</b> | <b>20.8</b> | <b>13.8</b> | <b>17.5</b> | <b>17.0</b> |
| Paraná              | 21.7                                      | 27.3        | 16.2        | 20.3        | 25.5        | 16.4        | 20.0        | 12.7        | 16.2        | 16.8        |
| Santa Catarina      | 24.9                                      | 30.5        | 19.0        | 25.3        | 22.4        | 21.6        | 24.0        | 18.9        | 21.4        | 22.4        |
| Rio Grande do Sul   | 22.8                                      | 28.3        | 17.4        | 23.7        | 17.5        | 16.0        | 19.9        | 11.8        | 16.4        | 14.6        |
| <b>Center-West</b>  | <b>17.5</b>                               | <b>22.5</b> | <b>12.5</b> | <b>17.1</b> | <b>17.8</b> | <b>15.7</b> | <b>19.7</b> | <b>11.4</b> | <b>13.9</b> | <b>16.7</b> |
| Mato Grosso do Sul  | 17.9                                      | 22.5        | 13.1        | 18.2        | 17.7        | 14.2        | 17.7        | 10.4        | 13.2        | 15.1        |
| Mato Grosso         | 24.3                                      | 32.1        | 16.3        | 20.2        | 26.5        | 18.3        | 22.2        | 14.0        | 15.2        | 19.8        |
| Goiás               | 18.8                                      | 23.9        | 13.6        | 20.3        | 17.8        | 19.1        | 24.6        | 13.4        | 17.7        | 19.9        |
| Federal District    | 5.3                                       | 6.3         | 4.4         | 4.3         | 6.0         | 5.5         | 6.7         | 4.3         | 4.1         | 6.4         |

Source: IBGE - PNAD

Despite the importance of the aggregate analysis of child labor in the 10 to 17 age cohort, it is necessary to consider some specific features of the indicators of disaggregated age groups, especially the 10-13 and 14-15 cohorts, due to the specificities of the national legal framework concerning the minimum work age.

Considering the ages 10 to 13 cohort, which is forbidden from working, in tandem with the national trend of decline in 21 out of 27 UFs, significant decreases were observed in some of them. In Paraíba, the employment level declined from 15.1% in 2004 to 3.9% in 2009, a reduction of 11.2 percentage points (p.p) in only five years. The decline was also significant in Maranhão (-9,5 p.p.), Pará (-7.4 p.p), Piauí (-6.8 p.p.), and Rio Grande do Sul (-5.8 p.p.).



In five UFs, the employment level for the ages 10 to 13 cohort increased slightly between 2004 and 2009: Tocantins (from 10.5% to 12.8%), Rio Grande do Norte (from 7.1% to 8.4%), Goiás (from 6.2% to 7.0%), Sergipe (from 5.0% to 5.6%), and the Federal District (from 0.5% to 1.3%). Finally, the employment level remained stable at 2.0% in São Paulo.

With respect to the 14-15 age cohort - which is allowed to pursue apprenticeships – it was possible to observe a decline in 22 UFs between 2004 and 2009, and five of them experienced a decline above 10 percentage points:

- Piauí (-14.4 p.p.) from 35.9% to 21.5%
- Pará (-13.3 p.p.) from 30.3% to 17.0%
- Espírito Santo (-12.8 p.p.) from 23.9% to 11.1%
- Rio Grande do Sul (-11.1 p.p.) from 25.5% to 14.4%
- Paraíba (-10.4 p.p.) from 25.0% to 14.7%

The employment level increased in five UFs, especially in Amapá, where the percentage of 14-15 year-old workers doubled in only five years, going from 6.1% to 12.3% between 2004 and 2009. In the other UFs - Minas Gerais, Rio Grande do Norte, Goiás, and the Federal District - the increase was not as significant.

It is worth pointing out that in Goiás and the Federal District, the employment level increased between 2004 and 2009 in the 10-13 and the 14-15 age cohorts.

## **The Number and Representativeness of Adolescent Apprentices Aged 14-15 Relative to the Employed Child Population**

In general terms, when the number and percentage of working adolescents aged 14 to 15 are made public, the usual content of the ensuing commentary is that this age group is legally allowed to work as apprentices and that therefore, this statistic does not imply that these working children are performing child labor.

In order to quantify the number of 14 to 15 year-olds who work as apprentices, the procedure here will be to combine the PNAD data with the MTE's Annual Social Information Report microdata on the number of apprentices declared by registered establishments.

According to the PNAD data, in 2009, 1.15 million 14-15 year-olds were working in the country, that is 16.1% of the total in the age group. In the same year, RAIS registered 18.6 thousand apprentice contracts involving 14-15 year-olds, according to Table 57. Only 1.6% of 14-15 year-old workers were registered as apprentices. This percentage was even lower in the Northeast (0.3%) and North (0.7%) Regions with a high share of 14-15 year-old employed adolescents - 20.4% and 17.4%, respectively - the northeastern one being the highest in the nation.

Among the UFs, 16 out of 27 had a share of 14-15 year-old apprentices in relation to total employed in the age group below the 2009 national average of 1.6%, and in nine of them the percentage did not even reach 1.0 - all of them were located in the North and Northeast.

It should be noted that the three states in the country with the highest share of 14-15 year-old workers in 2009 - Tocantins (28.3%), Ceará (24.0%), and Bahia (23.4%) - were among those with the lowest percentages of apprentices in this age group - 0.2%, 0.1%, and 0.2%, respectively.

TABLE 57

NUMBER OF ADOLESCENT WORKERS AND APPRENTICES AGED 14-15 AND PERCENTAGE OF APPRENTICES IN RELATION TO TOTAL ADOLESCENT WORKERS AGED 14-15  
BRAZIL, REGIONS AND FEDERAL UNITS, 2009

| Geographical Area       | 2009                             |                                      |  |
|-------------------------|----------------------------------|--------------------------------------|--|
|                         | Number of 14-15 Year-Old Workers | Number of 14-15 Year-Old Apprentices | % of Apprentices Among Working Adolescents |
| <b>Brazil</b>           | <b>1,152,841</b>                 | <b>18,631</b>                        | <b>1.6</b>                                 |
| <b>Regions</b>          |                                  |                                      |  |
| North                   | 115,402                          | 824                                  | 0.7  |
| Northeast               | 463,708                          | 1,326                                | 0.3  |
| Southeast               | 305,447                          | 9,864                                | 3.2  |
| South                   | 174,772                          | 4,083                                | 2.3  |
| Center-West             | 93,512                           | 2,534                                | 2.7  |
| <b>Federation Units</b> |                                  |                                      |  |
| Rondônia                | 15,522                           | 172                                  | 1.1  |
| Acre                    | 6,614                            | 72                                   | 1.1  |
| Amazonas                | 18,688                           | 272                                  | 1.5  |
| Roraima                 | 1,753                            | 31                                   | 1.8  |
| Pará                    | 53,058                           | 205                                  | 0.4  |
| Amapá                   | 3,311                            | 33                                   | 1.0  |
| Tocantins               | 16,456                           | 39                                   | 0.2  |
| Maranhão                | 59,107                           | 45                                   | 0.1  |
| Piauí                   | 30,576                           | 247                                  | 0.8  |
| Ceará                   | 93,710                           | 128                                  | 0.1  |
| Rio Grande do Norte     | 24,954                           | 127                                  | 0.5  |
| Paraíba                 | 23,090                           | 16                                   | 0.1  |
| Pernambuco              | 53,210                           | 114                                  | 0.2  |
| Alagoas                 | 23,038                           | 200                                  | 0.9  |
| Sergipe                 | 13,259                           | 145                                  | 1.1  |
| Bahia                   | 142,764                          | 304                                  | 0.2  |
| Minas Gerais            | 139,062                          | 1,364                                | 1.0  |
| Espírito Santo          | 14,072                           | 2,257                                | 16.0                                       |
| Rio de Janeiro          | 28,286                           | 1,174                                | 4.2  |
| São Paulo               | 124,027                          | 5,069                                | 4.1  |
| Paraná                  | 72,417                           | 1,507                                | 2.1  |
| Santa Catarina          | 49,554                           | 986                                  | 2.0  |
| Rio Grande do Sul       | 52,801                           | 1,590                                | 3.0  |
| Mato Grosso do Sul      | 13,176                           | 235                                  | 1.8  |
| Mato Grosso             | 24,501                           | 393                                  | 1.6  |
| Goiás                   | 52,469                           | 1,130                                | 2.2  |
| Federal District        | 3,366                            | 776                                  | 23.1                                       |

Source: IBGE - PNAD and MTE - RAIS Microdata  
Created by: ILO Brazil Office

The highest share of adolescents aged 14 to 15 in relation to the total employed in this cohort in 2009 occurred in the Federal District (23.1%), Espírito Santo (16.0%), Rio de Janeiro (4.2%), and São Paulo (4.1%).

## Policies, Programs, and Actions that contribute to the Prevention and Elimination of Child Labor

### Children and Adolescents Rescued from a Work Situation

The Labor Inspection Secretariat of the Ministry of Labor and Employment (MTE) develops labor inspection, articulation, and social mobilization initiatives to prevent and eliminate child labor in the country. Based on information from the Information System on Hubs of Child Labor (SITI), 6,650 inspections were carried out throughout the country between 2007 and 2010, which removed 22.5 thousand children and adolescents from illegal child labor situations.

Despite the reduction in the number of children and adolescents working illegally due to labor inspections - confirmed by the child labor decrease registered in household surveys - Labor Fiscal Auditors (AFTs) are carrying out a growing number of inspections. This growth is a reflection of two political decisions of the Ministry: the strengthening of the Sector of Child Labor Inspection, both nationally and regionally, and the improvement of the labor inspection protocol, where the subject of child labor is prioritized and receives special attention. While the number of children and adolescents removed from child labor decreased from 6.2 thousand in 2007 to 5.6 thousand in 2010, the number of inspections tripled, growing from 981 to 3,284 during the same period. This data and trends reveal the proactive, vigilant, and preventative dimensions of inspection in the initiatives against child labor. They also show that, to get to the more invisible, diffuse, and dispersed *hard core of child labor*, more intense inspections are necessary.

The Northeast Region accounted for 61.5% (13.8 thousand people) of the total number of children removed from child labor as a result of inspections between 2007 and 2010. Ceará (4.8 thousand children and adolescents), Bahia (4.1 thousand), Mato Grosso do Sul (1.4 thousand), and Maranhão (1.1 thousand) had the largest amount of children removed from illegal work situations. On the other hand, Roraima and Rondônia had the lowest - 21 and 105 people, respectively.

As shown by Table 58, in many UFs the share of municipalities that were inspected is very small. It is important to stress that this small proportion of inspected municipalities also occurs in UFs with a high (absolute and/or relative) incidence of child labor.

For example, in Bahia, which, according to the PNAD, in 2009 had a share of 20.1% of children and adolescents aged 10-17 working (the equivalent of 467 thousand), only 77 of 477 municipalities were inspections carried out between 2007 and 2010, according to SITI data. The same situation of few inspected municipalities was also true for Pernambuco (4.3%), Maranhão (10.6%), Minas Gerais (12.8%), Rio Grande do Sul (12.5%), and Piauí (15.6%).

In the table below we see that, despite the high incidence of child labor in the three states of the South Region, even higher than in the Northeast, especially among children and

adolescents living in rural areas and working in the agricultural sector, the number of children removed from child labor did not follow the trend seen in other regions.

| <b>TABLE 58</b>   |                     |                          |              |             |  |
|---|---------------------|--------------------------|--------------|-------------|--|
| NUMBER OF CHILDREN AND ADOLESCENTS REMOVED FROM AN IRREGULAR CHILD LABOR SITUATION AND NUMBER OF INSPECTIONS AND INSPECTED MUNICIPALITIES |                     |                          |              |             |  |
| BRAZIL, REGIONS AND FEDERATION UNITS, ACCUMULATED FROM 2007 TO 2010   |                     |                          |              |             |  |
| Geographical Area   | Number of Inspected | Number of Municipalities |              |             | Total Number of Children and Adolescents Removed from Work |
|   |                     | Inspected                | Total        | % Inspected |  |
| <b>North</b>  | <b>498</b>          | <b>139</b>               | <b>449</b>   | <b>31</b>   | <b>1,903</b>   |
| Rondônia  | 20                  | 12                       | 52           | 23          | 105  |
| Acre  | 43                  | 13                       | 22           | 59          | 179  |
| Amazonas  | 45                  | 10                       | 62           | 16          | 249  |
| Roraima   | 85                  | 14                       | 15           | 93          | 21   |
| Pará  | 168                 | 43                       | 143          | 30          | 557  |
| Amapá   | 22                  | 10                       | 16           | 63          | 195  |
| Tocantins   | 115                 | 37                       | 139          | 27          | 597  |
| <b>Northeast</b>  | <b>1,861</b>        | <b>319</b>               | <b>1,794</b> | <b>18</b>   | <b>13,871</b>  |
| Maranhão  | 49                  | 23                       | 217          | 11          | 1,102  |
| Piauí   | 89                  | 35                       | 224          | 16          | 306  |
| Ceará   | 645                 | 45                       | 184          | 24          | 4,818  |
| Rio Grande do Norte   | 34                  | 19                       | 167          | 11          | 594  |
| Paráíba   | 133                 | 46                       | 223          | 21          | 325  |
| Pernambuco  | 26                  | 8                        | 185          | 4           | 1,531  |
| Alagoas   | 152                 | 30                       | 102          | 29          | 811  |
| Sergipe   | 179                 | 36                       | 75           | 48          | 273  |
| Bahia   | 554                 | 77                       | 417          | 18          | 4,111  |
| <b>Southeast</b>  | <b>1,398</b>        | <b>273</b>               | <b>1,668</b> | <b>16</b>   | <b>2,465</b>   |
| Minas Gerais  | 342                 | 109                      | 853          | 13          | 1,288  |
| Espírito Santo  | 39                  | 14                       | 78           | 18          | 290  |
| Rio de Janeiro  | 423                 | 46                       | 92           | 50          | 472  |
| São Paulo   | 594                 | 104                      | 645          | 16          | 415  |
| <b>South</b>  | <b>996</b>          | <b>208</b>               | <b>1,188</b> | <b>18</b>   | <b>1,489</b>   |
| Paraná  | 206                 | 71                       | 399          | 18          | 496  |
| Santa Catarina  | 614                 | 75                       | 293          | 26          | 407  |
| Rio Grande do Sul   | 176                 | 62                       | 496          | 13          | 586  |
| <b>Center-West</b>  | <b>1,896</b>        | <b>159</b>               | <b>466</b>   | <b>34</b>   | <b>2,822</b>   |
| Mato Grosso do Sul  | 553                 | 53                       | 78           | 68          | 1,422  |
| Mato Grosso   | 323                 | 43                       | 141          | 30          | 503  |
| Goiás   | 522                 | 62                       | 246          | 25          | 620  |
| Federal District  | 498                 | 1                        | 1            | 100         | 277  |
| <b>Total Brazil</b>   | <b>6,649</b>        | <b>1,098</b>             | <b>5,565</b> | <b>19.7</b> | <b>22,550</b>  |

Source MTE/SIT - Information System on Child Labor Hubs  
Created by: ILO Brazil Office

In the meantime, approximately 17.3 thousand children and adolescents removed from work (77.0% of the total) between 2007 and 2010 were male, while 5.2 thousand (23.0%) were female.

With respect to age, 260 children (1.2% of the total) were up to 4 years old and 2.6 thousand (11.5%) from 5 to 9. The largest contingent of children removed was in the 10-15 age group cohort - 15 thousand or two-thirds of the total (66.6%). Finally, approximately 4.7 thousand adolescents (20.7%) were 16 to 17 years old.

### Judicial Authorizations

Going in the opposite direction of the MTE's actions, between 2005 and 2009, 27,752 judicial authorizations for work were granted for children under 16 years old, and 1,098 of them were issued for children under 14. On average, 462 work authorizations were issued per month, or 15 per day, for children and adolescents under the legal work age, and every two days an authorization was issued for a child or adolescent under 14.

The Southeast Region accounted for 55.0% of these authorizations, followed by the South (25.0%) and Center-West (8.0%) Regions. In 2009, São Paulo, Rio Grande do Sul, Minas Gerais, Paraná, and Santa Catarina were, in this order, the states that issued the highest number of judicial work authorizations for children and adolescents under the legal work age.

### Child Labor in the Agricultural Sector: family and non-family agriculture

The IBGE 2006 Agricultural Census incorporated, for the first time, a specific survey on family agriculture in Brazil, filling an important gap in the official data on the subject. In the questionnaire's section on the total number of people employed in the agricultural sector, it is possible to identify the contingent of employed children younger and older than 14 years old.

The Agricultural census makes it possible to identify, for the first time, by means of a census survey, child labor in agricultural activities from the perspective of family and *non-family* agriculture.

The concept of family agriculture adopted by the 2006 Agricultural Census is the same one established by Law n. 11,326 of July 24, 2006, which establishes the directives for the formulation of the National Policy for Family Agriculture and Rural Family Enterprises.<sup>71</sup>

From the standpoint of employment,<sup>72</sup> the agricultural census registered 12.3 million people working in family agriculture, the equivalent of 74.5% of the working population in the end of December 2006 (approximately 16.5 million workers). Meanwhile, there were 4.2 million people working in *non-family* agriculture, or 25.5% of the total employed in agricultural establishments.

<sup>71</sup> Article 3 For the purposes of this Law, the family agricultural worker and the rural family enterprise are considered to be those which practice activities in the rural environment, simultaneously meeting the following requisites: I - does not withhold, by any title, an area greater than 4 (four) fiscal modules; II - predominantly utilizes labor of their own family within the economic activities of their establishment or enterprise; III - have a family income predominantly originated by economic activities tied to the establishment or enterprise itself; IV - manages their establishment or enterprise with their family. § 1º The provision made in paragraph I at the head of this Article, does not apply in the case of a rural condominium or other collective forms of property, as long as the ideal fraction per landowner does not exceed 4 (four) fiscal modules. § 2º Beneficiaries of this Law are also: I - foresters that simultaneously meet all the following requisites set down at the head of this Article, cultivate native or exotic forests, and promote the sustainable management of those environments; II - aqua-cultural farmers that simultaneously meet all the requisites set down at the head of this Article and explore hydraulic reservoirs with a total surface of up to 2ha (two hectares) or occupy 500m<sup>3</sup> (500 cubic meters) of water, when the exploration is conducted in cages; III - extraction workers that simultaneously meet the requisites set down in paragraph II, III, and IV at the head of this Article and who are engaged in fishery by hand within a rural environment, excluding miners and diggers; IV - fishermen who simultaneously meet the requisites set down in paragraph I, II, III, and IV at the head of this Article, and are engaged in fishery by hand.

To delimit "family agriculture" in the agricultural census according to the legal principle above, IBGE utilized the complementary and successive exclusions method, in other words, an establishment to be classified as a "family agriculture" one, it needed to meet simultaneously all conditions set out (IBGE, 2009a).

<sup>72</sup> The occupied population in family agriculture was distributed in 4.3 million agricultural establishments, corresponding to 84.4% of the total existing establishments in the country in 2006. Regarding occupied area, family agriculture accounted for approximately a quarter (24.3%) of total. Therefore, 15.6% of the establishments belonged to non-family agriculture and its occupied area responded to 75.7% of total

The census data showed that 1.06 million children under the age of 14 were working in agricultural establishments surveyed throughout the country, or 6.4% of the total employed, according to Table 59. Considering gender, the number of boys working (596 thousand or 56.0% of the total) was slightly higher than that of girls (466 thousand or 44.0%). By analyzing the trends, it is possible to notice that the combination of four elements - household, occupation, gender, and age - helps reach the conclusion that girls younger than 14 years old living in rural areas are more likely to be child workers than boys and girls in urban areas.

The North (19.9% of the total) and Northeast (45.7% of the total) Regions accounted for 65.6% of all children working in agricultural activities. In the North, child workers accounted for 12.8% of all workers in the sector - a percentage well above the national average (6.4%, as mentioned above).

With approximately 910 thousand working children, family agriculture accounted for 85.6% of all children under the age of 14 working in agricultural establishments. In *non-family agriculture* there were 152 thousand child workers (14.4% of the total). Regionally, family agriculture had more child workers in the North and Northeast (around 89.0%) Regions while *non-family* agriculture participation was more significant in the Center-West and Southeast Regions, the location of 30.1% and 26.4%, respectively, of children working in the agricultural sector in December 2006.

The organization of work relations in this region supports a possible interpretation of these trends: in the Center-West and Southeast Regions, agribusiness is more developed and involves less children and adolescents, while in the North and Northeast Regions, agriculture is more dependent on a family production or small-scale model with a higher involvement of people under 18.

It is worthwhile mentioning that the highest levels of child employment in the agricultural sector were seen in the North Region. In Acre, child labor represented 18.6% of the agricultural workforce, and the level was equally high in Amazonas (16.0%), Roraima (15.8%), Rondônia (12.5%), Pará, and Tocantins (both 11.3%), well above the national average of 6.4%.

In absolute terms, the largest contingents of children working in the agricultural sector were found in Bahia (132 thousand or 12.4% of the total), Pará (around 90 thousand or 8.4 of the total) and Minas Gerais (around 82 thousand or 7.7% of the total). In these three UFs, child labor was found predominately in family agriculture - 77.9% in Minas Gerais, 89.7% in Pará and 87.2% in Bahia.

TABLE 59

CHILDREN UNDER THE AGE OF 14 WORKING IN AGRICULTURAL ESTABLISHMENTS, BY TYPE OF AGRICULTURE AND PERCENTAGE PARTICIPATION OF CHILD LABOR IN AGRICULTURAL WORKFORCE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2006

| Municipalities          | People Employed in Agricultural Establishments |                            |             |                          |                |                | Participation % of Children in the Total Employed in the Agricultural Sector | Distribution % of Working Children in the Agricultural Sector |             |
|-------------------------|--|----------------------------|-------------|--------------------------|----------------|----------------|--|---|-------------|
|                         | All People                                     |                            |             | Children Younger than 14 |                |                |  | Agriculture   |             |
|                         | Total  | Distribution % Agriculture |             | Total                    | Agriculture    |                |  | Non Family  | Family      |
|                         |  | Non Family                 | Family      |                          | Non Family     | Family         |  |   |             |
| <b>Brazil</b>           | <b>16,567,544</b>                              | <b>74.4</b>                | <b>25.6</b> | <b>1,062,301</b>         | <b>152,666</b> | <b>909,635</b> | <b>6.4</b>   | <b>14.4</b>   | <b>85.6</b> |
| <b>Regions</b>          |  |                            |             |                          |                |                |  |   |             |
| North                   | 1,655,645                                      | 83.6                       | 16.4        | 211,346                  | 23,560         | 187,786        | 12.8   | 11.1  | 88.9        |
| Northeast               | 7,698,631                                      | 82.7                       | 17.3        | 485,687                  | 52,346         | 433,341        | 6.3  | 10.8  | 89.2        |
| Southeast               | 3,282,962                                      | 54.8                       | 45.2        | 116,535                  | 30,797         | 85,738         | 3.5  | 26.4  | 73.6        |
| Southeast               | 2,920,420                                      | 76.7                       | 23.3        | 178,189                  | 24,745         | 153,444        | 6.1  | 13.9  | 86.1        |
| Center-West             | 1,009,886                                      | 52.7                       | 47.3        | 70,544                   | 21,218         | 49,326         | 7.0  | 30.1  | 69.9        |
| <b>Federation Units</b> |  |                            |             |                          |                |                |  |   |             |
| Rondônia                | 277,756  | 84.0                       | 16.0        | 34,643                   | 4,348          | 30,295         | 12.5   | 12.6  | 87.4        |
| Acre                    | 99,578   | 83.2                       | 16.8        | 18,488                   | 2,576          | 15,912         | 18.6   | 13.9  | 86.1        |
| Amazonas                | 266,667  | 91.4                       | 8.6         | 42,793                   | 2,126          | 40,667         | 16.0   | 5.0   | 95.0        |
| Roraima                 | 29,509   | 84.5                       | 15.5        | 4,653                    | 439            | 4,214          | 15.8   | 9.4   | 90.6        |
| Pará                    | 792,209  | 84.0                       | 16.0        | 89,578                   | 9,228          | 80,350         | 11.3   | 10.3  | 89.7        |
| Amapá                   | 13,095   | 79.2                       | 20.8        | 1,267                    | 132            | 1,135          | 9.7  | 10.4  | 89.6        |
| Tocantins               | 176,831  | 69.5                       | 30.5        | 19,924                   | 4,711          | 15,213         | 11.3   | 23.6  | 76.4        |
| Maranhão                | 991,593  | 86.5                       | 13.5        | 76,830                   | 6,906          | 69,924         | 7.7  | 9.0   | 91.0        |
| Piauí                   | 831,827  | 86.8                       | 13.2        | 63,612                   | 6,733          | 56,879         | 7.6  | 10.6  | 89.4        |
| Ceará                   | 1,145,985                                      | 84.6                       | 15.4        | 80,692                   | 7,929          | 72,763         | 7.0  | 9.8   | 90.2        |
| Rio Grande do Norte     | 247,507  | 77.4                       | 22.6        | 12,633                   | 2,157          | 10,476         | 5.1  | 17.1  | 82.9        |
| Paraíba                 | 490,287  | 83.8                       | 16.2        | 26,652                   | 2,922          | 23,730         | 5.4  | 11.0  | 89.0        |
| Pernambuco              | 944,907  | 82.6                       | 17.4        | 59,471                   | 5,732          | 53,739         | 6.3  | 9.6   | 90.4        |
| Alagoas                 | 451,742  | 72.2                       | 27.8        | 21,992                   | 1,811          | 20,181         | 4.9  | 8.2   | 91.8        |
| Sergipe                 | 268,799  | 84.1                       | 15.9        | 11,577                   | 1,167          | 10,410         | 4.3  | 10.1  | 89.9        |
| Bahia                   | 2,325,984                                      | 80.9                       | 19.1        | 132,228                  | 16,989         | 115,239        | 5.7  | 12.8  | 87.2        |
| Minas Gerais            | 1,896,924                                      | 62.1                       | 37.9        | 81,802                   | 18,072         | 63,730         | 4.3  | 22.1  | 77.9        |
| Espírito Santo          | 317,559  | 63.7                       | 36.3        | 15,877                   | 4,947          | 10,930         | 5.0  | 31.2  | 68.8        |
| Rio de Janeiro          | 157,674  | 58.3                       | 41.7        | 3,421                    | 949            | 2,472          | 2.2  | 27.7  | 72.3        |
| São Paulo               | 910,805  | 36.0                       | 64.0        | 15,435                   | 6,829          | 8,606          | 1.7  | 44.2  | 55.8        |
| Paraná                  | 1,117,084                                      | 69.9                       | 30.1        | 65,146                   | 11,640         | 53,506         | 5.8  | 17.9  | 82.1        |
| Santa Catarina          | 571,516  | 82.0                       | 18.0        | 38,765                   | 4,200          | 34,565         | 6.8  | 10.8  | 89.2        |
| Rio Grande do Sul       | 1,231,820                                      | 80.5                       | 19.5        | 74,278                   | 8,905          | 65,373         | 6.0  | 12.0  | 88.0        |
| Mato Grosso do Sul      | 211,191  | 46.1                       | 53.9        | 13,328                   | 5,039          | 8,289          | 6.3  | 37.8  | 62.2        |
| Mato Grosso             | 358,321  | 60.0                       | 40.0        | 29,528                   | 5,903          | 23,625         | 8.2  | 20.0  | 80.0        |
| Goiás                   | 418,050  | 50.9                       | 49.1        | 27,247                   | 10,042         | 17,205         | 6.5  | 36.9  | 63.1        |
| Federal District        | 22,324   | 29.0                       | 71.0        | 441                      | 234            | 207            | 2.0  | 53.1  | 46.9        |

Source IBGE - 2006 Agricultural Census  
Created by: ILO Brazil Office

In some Federation Units, non-family agriculture was responsible for the absorption of a significant proportion of children for the development of work in agricultural activities, as the data for the Federal District (53.1% of the total), São Paulo (44,2%), and Mato Grosso do Sul (37,8%) indicate.

### Child Labor and Health

The complementary aspects of labor supplement, used in the 2006 PNAD survey, shows the serious risks child labor poses to the health of children. It shows that 5.3% of children and adolescents who were working during the reference week suffered some work accidents or work-related ailments. This data is a cause for concern, since among adult workers with labor cards the accident rate in the same year was much lower (2.0%). In fact, children are much more exposed to work risks than adults, due to particular characteristics of their development process, their capacities are still being formed and the nature and the conditions where they work are frequently insalubrious and inadequate from an ergonomic perspective, leading not only to accidents but also to skeletal-muscular diseases, since the instruments are not designed for them. These two elements: physical, cognitive, emotional processes and the nature or condition in which the activity is done, when combined in child labor limits the citizenship of these children. Among children and adolescents who suffered accidents, the main types of sustained injuries were *cuts* (50.0% of the cases), followed by *fracture or sprain* (14.0%) and *muscle pain, tiredness, fatigue, insomnia, or restlessness* (9.7%).

Child labor is a significant obstacle to decent work and human development, not only because of its immediate effects, but also because of its future implications. A 2005 study done by ILO's IPEC, based on PNAD data, clearly shows that child labor leads to a lower income during adulthood - and the earlier a child starts working, the lower the income. The study shows that people who start working before the age of 14 have a very low chance of earning more than R\$ 1,000 per month at any point in their lives. Most children who start working before turning 9 have a low chance of earning more than R\$ 500 per month.<sup>73</sup> On average, those who start working between 15-17 years old reach 30 with an income similar to those who started working at the age of 18 or 19. However, as they grow older, those who started working at the age of 18 or 19 have a higher chance of earning a better income than those who started working between 15 and 17 years old. The chances of earning a better income throughout one's work life are higher for those who start working at the age of 20. One of the factors that can explain this correlation is the probable higher levels of schooling and qualification possessed by these workers.<sup>74</sup>

After the implementation of the National Policy of Integral Monitoring of the Health of Economically Active Children and Adolescents of the Ministry of Health, through 190 Centers of Work Health Reference (CEREST) throughout the country, integrated into the National System of Notifications, an epidemiological monitoring mechanism, there is evidence that the accident rate for children and adolescents, as mentioned before, is twice the one for adults.

The 3,517 Sentinel Units spread throughout the country (Figure 1) registered 5,353 serious accidents involving children and adolescents between 2007 and 2011, of which 4,366 involved boys. During this period, the country averaged 2.99 serious accidents per day involving children and adolescents.

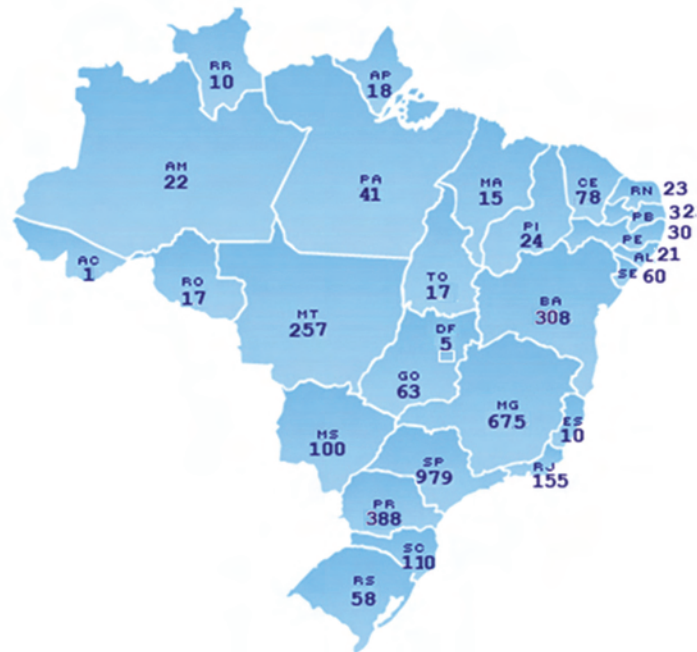
<sup>73</sup> Data in 2005 nominal values.

<sup>74</sup> CEPAL/PNUD/OIT (2008), idem.



FIGURE 1

NUMBER OF SENTINEL UNITS PER FEDERATION UNIT

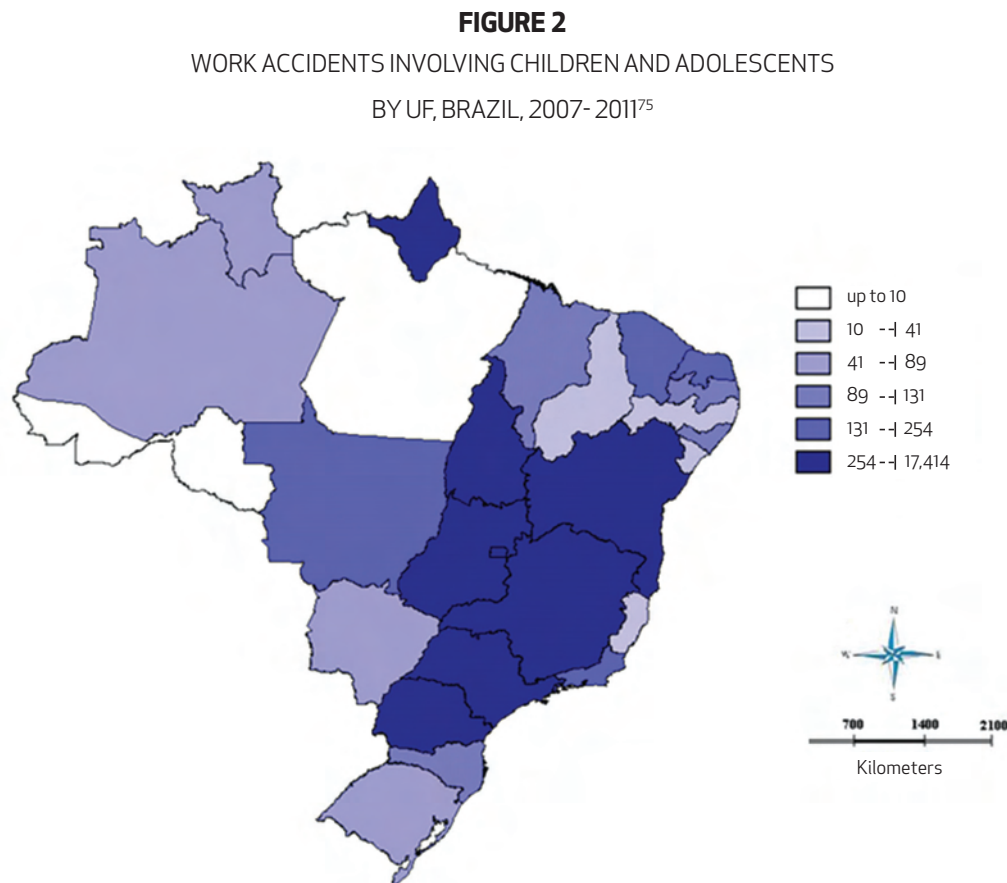


TOTAL OF INFORMED UNITS = 3,517

Source: Ministry of Health, 2011.

The Ministry of Health data also show that the states with the highest absolute number of accidents are São Paulo, Minas Gerais, Paraná, and Santa Catarina.

In 2010, there were approximately 3.03 serious accidents per day involving children and adolescents. During the first eight months of 2011 there were 2.58 serious accidents per day involving this same group.



Source: Ministry of Health, 2011.

Among the activities registered in the National Classification of Economic Activities, the ones with the highest number of serious accidents, in decreasing order, are: any type of shoe manufacturing, canteens (private food service), retail, wholesale vegetable and fruits, diners and other food establishments, retail and wholesale vehicle parts, retail and wholesale in general, especially foodstuffs, retail candy and sweets, wholesale textiles, beverage, glass manufacturing, movie film manufacturing, sugar plants, labor union activities, wholesale chemical products, road construction, domestic work, maritime transport, road transport, agriculture, among others.

Based on the classification by sector employed by the CNAE, the sectors with the highest accident rate for children and adolescents are commerce, urban services, agriculture, domestic work, and recycling.

Coupled with this worrying scenario of serious accidents, during the same period, the country had 58 fatal accidents involving children and adolescents. Adolescent boys were the most frequent victims of work-related deaths, with 51 cases especially those aged 16 to 17 and 14 to 15.

The states of São Paulo and Paraná registered the highest number of deaths followed by the Federation Unit with the lowest rate of child labor: the Federal District. Together

<sup>75</sup> Ministry of Health. Department of Surveillance in Environmental Health and Workers' Health. Análise de Situação em Saúde Ambiental e Saúde do Trabalhador. Perfil Epidemiológico dos Acidentes de Trabalho em Adolescentes e Jovens do Brasil, Epidemiology Nucleus.

these three states accounted for 80.0% of the deaths of working children and adolescents. At the time of the study's conclusion in 2012, the death of an adolescent apprentice as he worked at soccer camp was registered.

Brazilian families lost almost one child per month in the last five years because of child-labor related causes.

During the same years, along with these serious and fatal work accidents, the system registered 1,588 work-related children and adolescents health violations, 0.87 case (almost one case) a day. The most frequent registered violations are intoxication, exposure to biological material, RSI/WMSD, pneumoconiosis, mental problems, and cancer.

The states with the highest rates of intoxication violations are Paraná, Alagoas, Pernambuco, São Paulo, Minas Gerais, and Santa Catarina. These states also had biological exposure violations. Ceará also registered cancer cases.

The violations, serious accidents, and fatal accidents involving children and adolescents in the 27 Federation Units totaled 6,999 cases. The Unified Health System - SUS cared for 3.94 serious accidents and work-related children and adolescent health violations per day.

### **Child Labor Eradication Program - PETI**

In 1996, the Brazilian government created the Child Labor Eradication Program - PETI. As a result of societal demand, the program currently coordinates a series of initiatives that seek to remove children at the age of 16 and younger from child labor, with the exception of apprentices at the age of 14 and older. Since 2005, PETI is part of the Social Assistance System (SUAS) and has three basic purposes: direct income transfer to families with working children or adolescents, companionship services and activities and strengthening of connections for children and adolescents under 16 years old, and family monitoring through the Social Assistance Reference Center (CRAS) and the Social Assistance Specialized Reference Center (CREAS).

In June 2011, the PETI's coverage objective included 3,597 of 5,565 Brazilian municipalities (64.6% of the total) aiming to service approximately 853 thousand children and adolescents, according to Table 60.

The largest contingent of children and adolescents serviced by PETI (516 thousand) was located in the Northeast Region, which accounted for 63.0 of the national service objective. Bahia (124 thousand), Pernambuco (110 thousand) and Maranhão (98 thousand) were the UFs with the highest number of children serviced by PETI.

TABLE 60

SERVICE REFERENCE GOAL OF CHILDREN AND ADOLESCENTS OF THE CHILD LABOR ERRADICATION PROGRAM - PETI  
BRAZIL, REGIONS AND FEDERATION UNITS, JUNE 2011

| Regions and Federation Units | Number of Municipalities |              |                 | Total number of Children and Adolescents Served by PETI |
|------------------------------|--------------------------|--------------|-----------------|---|
|                              | w/PETI participation     | Total        | % participation |   |
| <b>North</b>                 | <b>428</b>               | <b>449</b>   | <b>95.3</b>     | <b>78,236</b>   |
| Rondônia                     | 49                       | 52           | 94.2            | 5,831   |
| Acre                         | 22                       | 22           | 100.0           | 8,871   |
| Amazonas                     | 60                       | 62           | 96.8            | 15,563  |
| Roraima                      | 15                       | 15           | 100.0           | 6,813   |
| Pará                         | 143                      | 143          | 100.0           | 29,170  |
| Amapá                        | 16                       | 16           | 100.0           | 2,620   |
| Tocantins                    | 123                      | 139          | 88.5            | 9,368   |
| <b>Northeast</b>             | <b>1,593</b>             | <b>1,794</b> | <b>88.8</b>     | <b>539,345</b>  |
| Maranhão                     | 210                      | 217          | 96.8            | 98,127  |
| Piauí                        | 223                      | 224          | 99.6            | 34,936  |
| Ceará                        | 160                      | 184          | 87.0            | 29,398  |
| Rio Grande do Norte          | 162                      | 167          | 97.0            | 39,088  |
| Paraíba                      | 213                      | 223          | 95.5            | 53,984  |
| Pernambuco                   | 183                      | 185          | 98.9            | 110,408   |
| Alagoas                      | 102                      | 102          | 100.0           | 23,936  |
| Sergipe                      | 75                       | 75           | 100.0           | 25,138  |
| Bahia                        | 265                      | 417          | 63.5            | 124,330   |
| <b>Southeast</b>             | <b>612</b>               | <b>1,668</b> | <b>36.7</b>     | <b>89,343</b>   |
| Minas Gerais                 | 329                      | 853          | 38.6            | 48,264  |
| Espírito Santo               | 75                       | 78           | 96.2            | 9,221   |
| Rio de Janeiro               | 63                       | 92           | 68.5            | 17,171  |
| São Paulo                    | 145                      | 645          | 22.5            | 14,687  |
| <b>South</b>                 | <b>559</b>               | <b>1,188</b> | <b>47.1</b>     | <b>61,438</b>   |
| Paraná                       | 221                      | 399          | 55.4            | 30,540  |
| Santa Catarina               | 202                      | 293          | 68.9            | 20,585  |
| Rio Grande do Sul            | 136                      | 496          | 27.4            | 10,313  |
| <b>Center-West</b>           | <b>405</b>               | <b>466</b>   | <b>86.9</b>     | <b>85,396</b>   |
| Mato Grosso do Sul           | 76                       | 78           | 97.4            | 15,083  |
| Mato Grosso                  | 92                       | 141          | 65.2            | 14,514  |
| Goiás                        | 236                      | 246          | 95.9            | 55,184  |
| Federal District             | 1                        | 1            | 100.0           | 615   |
| <b>Total Brazil</b>          | <b>3,597</b>             | <b>5,565</b> | <b>64.6</b>     | <b>853,758</b>  |

Source: MDS - Social Information Matrix  
Created by: ILO Brazil Office

# 7 STABILITY AND SECURITY OF WORK

The degree of flexibility in hiring and dismissal, usually expressed by the average amount of time the workforce remains in one job, is an expression the level of autonomy companies have to adjust the number of workers to economic cycles. Generally speaking, the labor legislation and collective bargaining agreements, which regulate labor relations in enterprises or specific sectors, determine, to a larger or lesser extent, the rules guiding the hiring/dismissal process.

It is worth remembering that high employee turnover is normally associated to lower investment in professional qualification, lower levels of productivity, and lower income.

In Brazil, turnover in the labor market increased considerably with the end of job stability or tenure, secured after ten years in the same company, and the establishment of the Time of Service Guaranteed Fund in 1996. The FGTS was conceived as an instrument to protect the income of a worker who had been terminated without cause, since the country did not have at the time an unemployment insurance program. Currently, besides the resources deposited in the Fund, termination without cause requires a 30-day notice and a fee equivalent to 40% of the FGTS (see Legal Framework Indicator 10 'Employment protection legislation', Annex p. 374).

## Time Working

In 2009, according to the PNAD, the average job tenure at the main job was 7.8 years. It is important to note that this indicator remained relatively stable between 2004 and 2009.

However, a significant gap in this indicator between genders can be noticed. In 2009, the average job tenure for women (7.1 years) was 1.3 years lower than that of men (8.4 years). Race has less of an impact: job tenure among blacks (7.6 years) was 6 months lower than among whites (8.0 years), according to Table 61. The combination of these two factors once more shows the disadvantaged situation faced by black female workers, whose job tenure (7.0 years) was 1.7 years lower than white men's (8.7 years).

TABLE 61

AVERAGE MAIN JOB TENURE, IN YEARS, OF EMPLOYED PEOPLE AGED 16 OR OLDER, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004       |            |            |            |            | 2009       |            |            |            |            |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                         | Total      | Men        | Women      | White      | Black      | Total      | Men        | Women      | White      | Black      |
| <b>Brazil</b>           | <b>7.6</b> | <b>8.0</b> | <b>7.0</b> | <b>7.7</b> | <b>7.4</b> | <b>7.8</b> | <b>8.4</b> | <b>7.1</b> | <b>8.0</b> | <b>7.6</b> |
| Urban Area              | 6.6        | 7.1        | 6.6        | 6.9        | 6.3        | 6.9        | 7.5        | 6.3        | 7.3        | 6.5        |
| Rural Area              | 11.6       | 11.6       | 11.7       | 12.1       | 11.3       | 12.1       | 12.3       | 11.9       | 12.5       | 11.9       |
| <b>Regions</b>          |            |            |            |            |            |            |            |            |            |            |
| North                   | 6.9        | 7.3        | 6.4        | 6.9        | 6.9        | 7.0        | 7.4        | 6.5        | 7.2        | 7.0        |
| Northeast               | 9.2        | 9.5        | 8.9        | 9.3        | 9.2        | 9.4        | 9.8        | 8.7        | 9.5        | 9.3        |
| Southeast               | 6.7        | 7.2        | 6.0        | 7.1        | 5.9        | 7.1        | 7.7        | 6.4        | 7.6        | 6.5        |
| South                   | 7.9        | 8.3        | 7.3        | 8.1        | 6.5        | 8.0        | 8.7        | 7.2        | 8.4        | 6.5        |
| Center-West             | 6.9        | 7.4        | 6.2        | 7.3        | 6.5        | 6.8        | 7.3        | 6.2        | 7.3        | 6.4        |
| <b>Federation Units</b> |            |            |            |            |            |            |            |            |            |            |
| Rondônia                | 6.6        | 7.1        | 5.9        | 7.1        | 6.4        | 7.2        | 7.5        | 6.7        | 7.6        | 6.9        |
| Acre                    | 7.7        | 7.7        | 7.7        | 7.5        | 7.7        | 7.6        | 7.6        | 7.5        | 7.6        | 7.5        |
| Amazonas                | 6.2        | 6.8        | 5.3        | 6.4        | 6.1        | 6.8        | 7.3        | 6.1        | 6.7        | 6.8        |
| Roraima                 | 4.9        | 4.9        | 5.1        | 5.3        | 4.8        | 5.6        | 6.0        | 5.0        | 5.6        | 5.6        |
| Pará                    | 7.1        | 7.4        | 6.7        | 6.8        | 7.2        | 7.1        | 7.5        | 6.4        | 7.3        | 7.0        |
| Amapá                   | 5.7        | 6.1        | 5.2        | 6.1        | 5.7        | 5.9        | 6.3        | 5.2        | 6.1        | 5.8        |
| Tocantins               | 8.3        | 8.6        | 7.8        | 8.0        | 8.3        | 7.8        | 8.0        | 7.6        | 7.3        | 8.0        |
| Maranhão                | 10.1       | 10.6       | 9.5        | 9.7        | 10.2       | 9.6        | 10.6       | 7.9        | 9.4        | 9.6        |
| Piauí                   | 10.4       | 10.6       | 10.1       | 10.7       | 10.3       | 10.3       | 10.7       | 9.8        | 10.7       | 10.2       |
| Ceará                   | 9.6        | 10.1       | 8.9        | 9.4        | 9.7        | 9.6        | 10.3       | 8.8        | 9.5        | 9.7        |
| Rio Grande do Norte     | 8.4        | 8.4        | 8.4        | 8.2        | 8.5        | 8.5        | 8.7        | 8.2        | 8.1        | 8.7        |
| Paraíba                 | 8.6        | 8.5        | 8.7        | 8.5        | 8.6        | 8.9        | 9.0        | 8.7        | 9.1        | 8.7        |
| Pernambuco              | 8.4        | 8.6        | 8.2        | 9.1        | 8.0        | 8.6        | 8.9        | 8.2        | 8.7        | 8.6        |
| Alagoas                 | 9.5        | 9.6        | 9.4        | 9.0        | 9.8        | 9.9        | 10.0       | 9.8        | 9.9        | 9.9        |
| Sergipe                 | 8.8        | 9.0        | 8.6        | 8.4        | 9.0        | 9.7        | 10.1       | 9.1        | 9.0        | 10.0       |
| Bahia                   | 9.1        | 9.3        | 8.8        | 9.8        | 9.0        | 9.5        | 9.9        | 8.8        | 10.3       | 9.2        |
| Minas Gerais            | 6.7        | 6.9        | 6.3        | 7.3        | 6.1        | 7.7        | 8.2        | 7.1        | 8.2        | 7.3        |
| Espírito Santo          | 7.4        | 7.6        | 7.1        | 8.8        | 6.2        | 7.1        | 7.5        | 6.7        | 8.8        | 5.9        |
| Rio de Janeiro          | 7.2        | 7.8        | 6.5        | 7.6        | 6.7        | 7.6        | 8.2        | 6.7        | 8.2        | 6.8        |
| São Paulo               | 6.4        | 7.0        | 5.6        | 6.8        | 5.4        | 6.7        | 7.3        | 5.9        | 7.1        | 5.8        |
| Paraná                  | 7.4        | 8.0        | 6.7        | 7.6        | 6.8        | 7.5        | 8.2        | 6.6        | 7.9        | 6.5        |
| Santa Catarina          | 7.6        | 8.1        | 7.1        | 7.8        | 5.8        | 7.8        | 8.5        | 6.9        | 8.0        | 6.4        |
| Rio Grande do Sul       | 8.4        | 8.8        | 8.0        | 8.7        | 6.4        | 8.7        | 9.3        | 7.8        | 9.1        | 6.5        |
| Mato Grosso do Sul      | 6.5        | 7.0        | 5.8        | 7.1        | 5.9        | 6.2        | 6.8        | 5.6        | 7.1        | 5.4        |
| Mato Grosso             | 6.9        | 7.4        | 6.0        | 6.8        | 6.9        | 6.2        | 6.6        | 5.5        | 6.6        | 5.9        |
| Goiás                   | 7.2        | 7.6        | 6.5        | 7.8        | 6.7        | 7.2        | 7.5        | 6.7        | 7.7        | 6.9        |
| Federal District        | 6.6        | 7.1        | 6.1        | 7.3        | 6.1        | 7.2        | 7.8        | 6.4        | 7.4        | 7.0        |

Source: IBGE - PNAD

According to the place of residence, the data shows that in 2009, the rural workers stayed at their jobs longer (12.1 years) than urban workers (6.9 years), a reflection of the type of labor relations present in the realm of family agriculture.

The flexibility in hiring/dismissing employees can also be seen in the number of jobs that last less than one year. In 2009, 18.6% of Brazilian workers were in this situation, the same percentage recorded in 2004.

The differences in the number of jobs lasting less than one year are low in terms of gender and race. In 2009, 17.7% of men and 19.9% of women and 16.7% of white workers and 20.6% of black workers stayed at their jobs for less than a year, according to Table 62. However, when these two factors are combined, the differences are more significant: 21.9% in the case of female workers and 15.6% in the case of male white workers.

TABLE 62

PROPORTION OF EMPLOYED PEOPLE AGED 16 OR OLDER WITH A JOB TENURE SHORTER THAN 1 YEAR, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>18.6</b> | <b>17.8</b> | <b>19.7</b> | <b>17.1</b> | <b>20.2</b> | <b>18.6</b> | <b>17.7</b> | <b>19.9</b> | <b>16.7</b> | <b>20.6</b> |
| Urban Area              | 20.2        | 19.2        | 21.5        | 18.3        | 22.6        | 19.8        | 18.7        | 21.2        | 17.5        | 22.3        |
| Rural Area              | 11.5        | 11.8        | 11.0        | 10.5        | 12.2        | 13.0        | 13.1        | 12.8        | 11.7        | 13.8        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 17.5        | 16.3        | 19.2        | 16.3        | 17.8        | 18.9        | 17.7        | 20.7        | 17.8        | 19.3        |
| Northeast               | 16.5        | 16.3        | 16.8        | 14.7        | 17.3        | 18.5        | 17.6        | 19.7        | 17.0        | 19.0        |
| Southeast               | 20.0        | 19.0        | 21.3        | 17.9        | 23.5        | 18.4        | 17.6        | 19.5        | 16.2        | 21.5        |
| South                   | 17.9        | 16.8        | 19.4        | 17.1        | 22.5        | 18.2        | 16.8        | 19.9        | 16.8        | 23.5        |
| Center-West             | 20.1        | 19.2        | 21.4        | 17.8        | 22.0        | 21.3        | 20.5        | 22.4        | 19.2        | 22.8        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 17.2        | 15.2        | 20.2        | 13.6        | 19.3        | 21.6        | 21.6        | 21.6        | 18.5        | 23.2        |
| Acre                    | 16.7        | 5.0         | 19.3        | 16.9        | 16.7        | 19.0        | 17.6        | 21.0        | 20.1        | 18.6        |
| Amazonas                | 12.4        | 10.8        | 15.0        | 11.2        | 12.9        | 16.9        | 14.7        | 20.0        | 16.6        | 17.0        |
| Roraima                 | 27.9        | 25.6        | 32.3        | 32.2        | 16.4        | 22.2        | 20.6        | 24.4        | 19.2        | 23.3        |
| Pará                    | 19.1        | 18.4        | 20.1        | 18.8        | 19.2        | 18.6        | 17.4        | 20.4        | 17.0        | 19.0        |
| Amapá                   | 15.7        | 13.2        | 19.5        | 15.5        | 15.9        | 17.1        | 16.3        | 18.3        | 14.9        | 17.8        |
| Tocantins               | 18.4        | 17.7        | 19.4        | 18.4        | 18.4        | 21.7        | 21.5        | 22.1        | 21.9        | 21.7        |
| Maranhão                | 17.8        | 16.7        | 19.2        | 16.5        | 18.2        | 17.6        | 15.8        | 20.4        | 15.5        | 18.2        |
| Piauí                   | 17.0        | 16.8        | 17.3        | 15.1        | 17.6        | 14.3        | 13.2        | 15.7        | 10.7        | 15.5        |
| Ceará                   | 15.1        | 14.7        | 15.8        | 13.6        | 16.0        | 20.1        | 18.6        | 22.2        | 18.9        | 20.6        |
| Rio Grande do Norte     | 17.1        | 18.5        | 15.1        | 16.3        | 17.6        | 20.2        | 19.7        | 20.9        | 19.8        | 20.4        |
| Paraíba                 | 15.6        | 15.2        | 16.2        | 14.1        | 16.5        | 17.6        | 18.0        | 17.0        | 18.4        | 17.2        |
| Pernambuco              | 18.2        | 18.4        | 17.8        | 16.5        | 19.1        | 17.6        | 17.2        | 18.3        | 16.5        | 18.2        |
| Alagoas                 | 16.7        | 17.6        | 15.3        | 13.9        | 18.3        | 18.4        | 20.3        | 15.5        | 16.4        | 19.2        |
| Sergipe                 | 12.5        | 12.3        | 12.8        | 11.6        | 12.9        | 18.5        | 18.0        | 19.1        | 18.9        | 18.3        |
| Bahia                   | 16.4        | 16.0        | 17.0        | 13.7        | 17.2        | 19.1        | 17.9        | 20.8        | 16.4        | 19.9        |
| Minas Gerais            | 24.3        | 24.7        | 23.6        | 21.5        | 16.9        | 21.0        | 20.3        | 21.9        | 17.9        | 23.6        |
| Espírito Santo          | 20.8        | 19.6        | 22.4        | 17.2        | 23.9        | 21.1        | 20.6        | 21.8        | 16.6        | 24.6        |
| Rio de Janeiro          | 14.0        | 13.0        | 15.3        | 12.5        | 16.0        | 13.6        | 12.4        | 15.2        | 12.0        | 15.7        |
| São Paulo               | 20.0        | 18.3        | 22.3        | 18.3        | 24.5        | 18.6        | 17.8        | 19.6        | 16.8        | 21.9        |
| Paraná                  | 19.3        | 17.7        | 21.4        | 18.4        | 22.1        | 20.0        | 18.6        | 21.7        | 18.5        | 23.8        |
| Santa Catarina          | 16.3        | 15.4        | 18.8        | 16.3        | 21.8        | 16.9        | 15.3        | 19.0        | 15.8        | 23.9        |
| Rio Grande do Sul       | 17.3        | 16.8        | 17.9        | 16.5        | 23.5        | 17.2        | 16.0        | 18.7        | 16.0        | 22.9        |
| Mato Grosso do Sul      | 22.3        | 22.3        | 22.2        | 19.1        | 25.3        | 22.8        | 22.7        | 22.8        | 20.7        | 24.9        |
| Mato Grosso             | 19.6        | 18.0        | 22.0        | 18.6        | 20.2        | 20.2        | 19.9        | 20.8        | 17.5        | 22.1        |
| Goiás                   | 19.7        | 18.9        | 20.9        | 17.2        | 21.6        | 22.0        | 21.0        | 23.4        | 19.8        | 23.4        |
| Federal District        | 19.7        | 18.7        | 21.0        | 16.9        | 22.2        | 19.4        | 17.7        | 21.5        | 18.3        | 20.2        |

Source: IBGE - PNAD

On the other hand, half of Brazilian workers stayed on the job for more than five years, a situation that has not changed much between 2004 and 2009. The percentage of men in this situation (49.5% in 2009) was higher than women (43.7%), the percentage of white workers (48.6%) was higher than that of black workers (45.5%), especially compared to black women (42.5%), as well as rural workers compared to urban workers (62.4% and 43.9%, respectively) (Table 63).

There were slight regional variations in average job permanence between 2004 and 2009: in the North Region, it went from 6.9 to 7.0 years; in the Northeast, from 9.2 to 9.4; in the Southeast, from 6.7 to 7.1; in the South, from 7.9 to 8, and in the Center-West, from 6.9 to 6.8.

Among the Federation Units, 17 showed an increase in average job tenure, especially Minas Gerais (6.7 to 7.7 years), Sergipe (8.8 to 9.7 years), and Roraima (4.9 to 5.6 years). On the other hand, seven underwent a decrease, in particular Mato Grosso (from 6.9 to 6.2 years). Goiás, Ceará, and Pará showed no alterations during this period. It is worth pointing out that, in 2009, the longest job tenure was registered in Piauí (10.3 years) and the lowest in Roraima (5.6 years).

During this period, men experienced an increase in job permanence in 20 Federation Units and a decrease in 6, while women had a job permanence increase in 9 units and a reduction in 14. In 2009, job tenure for male workers was superior than that of women in all Federation Units, being that the state in which the largest gap was recorded was Maranhão (10.6 and 7.9 years, respectively).

On its turn, the percentage of workers with a job tenure shorter than one year increased in all regions of the country between 2004 and 2009: in the North, it went from 17.5% to 18.9%; in the Northeast, from 16.5% to 18.5%; in the South, from 17.9% to 18.2%, and in the Center-West, from 20.1% to 21.3%. The only exception was the Southeast, which experienced a decrease during the same time period, from 20.0% to 18.4%.

Sixteen Federation Units experienced an increase, especially Sergipe (6.0 percentage points) and Ceará (5.0 p.p.). Ten Federation Units, on the other hand, experienced a decrease in the proportion of workers with a job permanence lower than 1 year, especially Roraima (5.7 percentage points) and Minas Gerais (3.3 p.p.).

In terms of gender, 16 Federation Units registered an increase in the percentage of men with a job tenure lower than 1 year. Among women, the increase was seen in 18 Federation Units. In 2009, only in Paraíba and Alagoas was the percentage of men with a job permanence shorter than 1 year superior to the women's.

Regarding race or color, 14 Federation Units showed an increase of white workers with a job tenure lower than 1 year. Among black workers, the same trend was seen in sixteen Federation Units. It is important to point out that in 2009, in 23 Federation Units more black workers had a job tenure shorter than 1 year than white workers.



TABLE 63

SHARE OF WORKERS AGED 16 OR OLDER WITH JOB TENURE LONGER THAN 5 YEARS, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White       | Black       | Total       | Men         | Women       | White       | Black       |
| <b>Brazil</b>           | <b>46.4</b> | <b>48.4</b> | <b>43.7</b> | <b>47.5</b> | <b>45.3</b> | <b>47.0</b> | <b>49.5</b> | <b>43.7</b> | <b>48.6</b> | <b>45.5</b> |
| Urban Area              | 42.8        | 45.0        | 39.8        | 44.7        | 40.3        | 43.9        | 46.6        | 40.5        | 46.3        | 41.4        |
| Rural Area              | 62.3        | 62.1        | 62.6        | 63.1        | 61.7        | 62.4        | 62.6        | 62.1        | 63.4        | 61.7        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 45.5        | 47.6        | 42.3        | 45.9        | 45.4        | 44.9        | 47.2        | 41.5        | 45.9        | 44.5        |
| Northeast               | 52.4        | 53.3        | 51.2        | 53.0        | 52.1        | 51.8        | 53.8        | 49.0        | 52.9        | 51.4        |
| Southeast               | 42.9        | 45.2        | 39.9        | 45.4        | 38.9        | 45.0        | 47.6        | 41.6        | 47.4        | 41.7        |
| South                   | 47.7        | 50.2        | 44.4        | 48.7        | 42.3        | 47.7        | 50.7        | 43.9        | 49.5        | 40.4        |
| Center-West             | 43.3        | 46.0        | 39.5        | 46.0        | 41.1        | 42.8        | 45.0        | 39.8        | 45.4        | 40.9        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 45.1        | 48.5        | 40.1        | 49.0        | 42.9        | 45.5        | 47.1        | 43.2        | 47.2        | 44.6        |
| Acre                    | 50.8        | 51.3        | 49.9        | 49.2        | 51.2        | 50.8        | 52.1        | 48.9        | 49.7        | 51.1        |
| Amazonas                | 45.1        | 49.3        | 38.2        | 47.7        | 44.0        | 45.4        | 48.9        | 40.2        | 46.1        | 45.1        |
| Roraima                 | 37.3        | 37.3        | 37.4        | 38.2        | 37.0        | 40.8        | 44.5        | 35.7        | 41.6        | 40.5        |
| Pará                    | 45.7        | 47.1        | 43.6        | 43.9        | 46.2        | 44.0        | 46.2        | 40.5        | 46.2        | 43.3        |
| Amapá                   | 39.8        | 42.1        | 36.4        | 42.9        | 39.0        | 43.0        | 44.8        | 40.3        | 42.5        | 43.1        |
| Tocantins               | 47.5        | 48.3        | 46.3        | 46.1        | 48.0        | 46.4        | 47.3        | 45.2        | 42.8        | 47.6        |
| Maranhão                | 54.0        | 56.2        | 51.0        | 54.0        | 54.0        | 52.9        | 57.5        | 45.7        | 51.3        | 53.3        |
| Piauí                   | 57.0        | 57.8        | 56.0        | 57.9        | 56.8        | 56.8        | 58.2        | 54.9        | 57.8        | 56.4        |
| Ceará                   | 53.0        | 54.9        | 50.5        | 53.0        | 53.0        | 50.3        | 52.6        | 47.3        | 51.0        | 50.0        |
| Rio Grande do Norte     | 49.0        | 48.5        | 49.6        | 49.5        | 48.6        | 49.6        | 50.6        | 48.0        | 49.9        | 49.4        |
| Paraíba                 | 54.2        | 54.1        | 54.2        | 54.3        | 54.1        | 52.2        | 53.2        | 50.5        | 52.8        | 51.8        |
| Pernambuco              | 49.8        | 50.0        | 49.6        | 51.4        | 48.9        | 50.9        | 52.2        | 48.8        | 51.5        | 50.5        |
| Alagoas                 | 51.4        | 50.8        | 52.2        | 51.3        | 51.4        | 55.3        | 54.6        | 56.5        | 56.9        | 54.7        |
| Sergipe                 | 53.4        | 54.8        | 51.4        | 51.5        | 54.2        | 51.3        | 53.2        | 48.7        | 51.7        | 51.1        |
| Bahia                   | 52.0        | 52.9        | 50.6        | 54.4        | 51.3        | 51.5        | 53.6        | 48.7        | 55.2        | 50.4        |
| Minas Gerais            | 41.3        | 42.2        | 40.2        | 44.3        | 38.4        | 45.3        | 47.2        | 43.0        | 47.7        | 43.4        |
| Espírito Santo          | 44.1        | 45.6        | 42.1        | 50.7        | 38.4        | 43.2        | 45.3        | 40.4        | 49.9        | 37.9        |
| Rio de Janeiro          | 46.5        | 49.2        | 43.0        | 48.2        | 44.2        | 49.4        | 53.1        | 44.5        | 52.0        | 45.9        |
| São Paulo               | 42.4        | 45.3        | 38.4        | 44.7        | 36.4        | 43.4        | 46.0        | 40.0        | 45.8        | 38.8        |
| Paraná                  | 46.6        | 49.2        | 43.2        | 47.9        | 42.8        | 46.1        | 49.4        | 41.8        | 48.1        | 40.6        |
| Santa Catarina          | 46.7        | 50.2        | 42.1        | 47.4        | 40.2        | 47.3        | 50.6        | 43.0        | 48.7        | 38.7        |
| Rio Grande do Sul       | 49.3        | 51.2        | 46.9        | 50.2        | 42.3        | 49.4        | 52.0        | 46.2        | 51.2        | 40.7        |
| Mato Grosso do Sul      | 41.1        | 43.7        | 37.6        | 44.7        | 37.7        | 40.4        | 42.9        | 37.3        | 45.2        | 35.7        |
| Mato Grosso             | 43.7        | 47.2        | 38.4        | 44.5        | 43.1        | 42.4        | 44.5        | 39.2        | 44.5        | 40.9        |
| Goiás                   | 43.5        | 45.8        | 40.2        | 46.6        | 41.1        | 43.0        | 44.9        | 40.5        | 45.5        | 41.4        |
| Federal District        | 44.3        | 47.2        | 40.9        | 47.8        | 41.2        | 45.0        | 48.1        | 41.3        | 46.4        | 44.1        |

Source: IBGE - PNAD

## Turnover in Formal Work

When restricting the scope of the analysis to the formal labor market, RAIS data shows that the percentage of work relations disrupted in 6 months or less increased from 42.7% to 44.0% between 2004 and 2009. At the opposite end, during this same period, less than 10.0% of jobs lasted more than five years.

This intense movement of workers in the formal labor market resulted, in 2009, in an average job permanence of five years, a lower figure than what was registered in 2000 - 5.5 years.

It is interesting to note that in 2007-2009, the main causes for terminating working relations were dismissals without cause initiated by the employer (approximately 50.0%), the end of a temporary contract (about 20.0%) and dismissal without cause initiated by the employee or dismissal by request (also around 20.0%).

The ratio between the average salary of admitted and dismissed workers experienced a slight reduction in 2009 and reached 0.89 after six consecutive years of continuous growth (between 2002 and 2008 it went from 0.84 to 0.92). This reduction probably occurred due to the impact of the international crisis on the Brazilian economy.

The high contractual movement of the Brazilian formal labor market can also be seen from the perspective of turnover rate. Between 2007 and 2008, the turnover rate in Brazil varied from 34.3% to 37.5%, decreasing, in 2009, to 36.0%. Two sectors had much higher turnover rates than the national average: construction (86.2%) and agriculture (74.4%). Three other sectors had lower average rates: public administration (10.6%), industrial services for public utilities (17.2%), and mining (20.0%). Heavy industries (36.8%), services (37.7%), and commerce (41.6%) had rates closer, though still slightly higher, to the national average.

In heavy industries, the subsectors that had the highest turnover rates were footwear (46.4%) and foodstuffs, beverages, and ethyl alcohol (44.1%). In the other extreme, with the lowest turnover rates, were the following sectors: transportation material (23.5%), paper, cardboard, editorial, and printing (27.9%), and chemical components for pharmaceutical, veterinary, perfume, etc, products (28.5%).

In the commerce sector, the turnover rates of the retail subsector (42.0% in 2009) and wholesale are similar (39.1%). In the services sector, there was a significantly higher turnover rate in the real estate administration and sales sectors (58.9%), as opposed to the credit, insurance, and capitalization institutions (10.7%), medical and dentistry services (17.2%), and education (19.0%).

## Unemployment Insurance

Considering the context above, Unemployment Insurance is a fundamentally important benefit, whether it be to provide a part of an unemployed worker's income, or, from a macroeconomic point of view, to provide stability to the aggregate demand of the economy.

In Brazil, those eligible to formally request Unemployment Insurance are workers dismissed without cause who received a salary and had a signed labor card (*carteira*

*assinada*) for any amount of time. Also, the worker must have worked in the last 6 months without interruption, starting with the termination date. The benefit is valid for 3 to 5 months, depending on the amount of time worked in the last 36 months (see Legal Framework Indicator 2 'Unemployment insurance', Annex p. 363).

Besides the negative consequences mentioned above, a high turnover in the labor market, a current characteristic of the Brazilian case, makes it difficult for workers to utilize Unemployment Insurance, especially the ones in the most precarious and vulnerable situations.

Throughout the years, however, Unemployment Insurance served some segments of workers who were not part of the most protected core of the Brazilian labor market, namely artisanal fishermen during spawning season and people rescued from conditions analogous to slavery. Brazilian legislation also provides unemployment insurance for domestic workers. However, only domestic workers with a signed work card and who have paid into the FGTS, which is dependent on the employer, can enjoy the benefit, which considerably restricts the range of this modality of Unemployment Insurance. Workers with a suspended work contract participating in professional training courses - paid by their employers - are also eligible for the benefit.

In 2010, around 7.6 million workers requested formal Unemployment Insurance,<sup>76</sup> 65.4% men and 34.6% women, a reflection of the higher male participation in the labor market, their greater presence in formal jobs, and longer job tenure, as seen above.

In the abovementioned year, the number of insured workers was about 7.5 million, most of whom were male (65.3%) and between 25 and 39 years old (51.2%) and with a complete or incomplete secondary education (48.0%).

The other modalities of Unemployment Insurance covered, in 2010, almost 647 thousand people: five thousand workers in the Qualification Benefit category, 624 thousand artisanal fishermen, 15 thousand domestic workers, and two thousand workers rescued from conditions analogous to slavery.

The Unemployment Insurance Program is positively evaluated by the majority of its beneficiaries. According to an external evaluation by the University of Brasilia requested by the Ministry of Labor and Employment - MTE,<sup>77</sup> in 2009 69% of the program's beneficiaries said they were satisfied (which includes the very satisfied) while 31% said they were unsatisfied (including those considered not very satisfied).

The degree of satisfaction of workers served by the Unemployment Insurance program is related, among other aspects, with the quality of service. In 2009, 92% of workers considered the service to be good or very good. Among the minority who was not satisfied (8%), 69% said a long waiting period and 26% said the lack of preparation of personnel were the main reasons for their dissatisfaction.

However, the value of the Unemployment Insurance seems to be the program's main problem for most of its beneficiaries. Fifty-five percent considered the value to be

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<sup>76</sup> The data on Unemployment Insurance can be found in: DIEESE. Anuário do Sistema Público de Emprego, Trabalho e Renda: Seguro-Desemprego. São Paulo: DIEESE, 2011.

<sup>77</sup> The Unemployment Insurance evaluation targeted the beneficiaries who fulfilled all requirements to qualify for the program. The survey utilized had as its main data collection point Caixa Econômica Federal agencies. The statewide evaluation defined an independent sample for every Federation Unit with a goal of 800 beneficiaries, which meant 21,600 throughout the country.

insufficient and 10% said it was enough to cover the living costs, but not enough to look for a job. The other 35% said the value was enough to cover daily costs and also to look for work.

Consequently, almost 2/3 of the Unemployment Insurance beneficiaries - 64.7% to be precise - pointed out what aspects related to the value of the benefit could be improved. However, 11.2% believed the Unemployment Insurance program did not need to be improved.

In conclusion, it is important to point out that, in Brazil, the Unemployment Insurance coverage is insufficient for the number of workers and unemployed of the country. This happens because the eligibility criterion is too restrictive for a labor market with a precarious structure and high turnover rates, as is the case of Brazil. For instance, in 2008, 35.7% of dismissals without cause registered in Brazil involved jobs that lasted less than six months.

Furthermore, in a country where long-term unemployment is a reality, extending the Unemployment Insurance benefit, limited to 5 months except in exceptional circumstances as seen in 2009,<sup>78</sup> is an insufficient measure.

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<sup>78</sup> The extension of unemployment insurance was restricted to some economic sectors, such as mining and metallurgy, and are part of the government's measures to combat the effects of the 2008 international crisis.

# 8 EQUALITY OF OPPORTUNITY AND TREATMENT IN EMPLOYMENT

One of the four basic pillars of the promotion of Decent Labor is the respect for standards and rights at work, especially those expressed in the ILO Declaration of Rights and Fundamental Principles of Rights at Work, adopted in 1998, among which is the elimination of all forms of discrimination concerning employment and occupation (see Legal Framework Indicator 11 'Equality of opportunity and treatment', Annex p. 375).

This chapter will approach the issues of occupational segregation, disparate earnings by sex and color/race, and the influence of color or race in labor, municipal administration and the structure of gender policies in the field of labor, professional education and the intermediation of labor, workers and domestic workers, migrating workers, the disabled, people who live with HIV/AIDS and the promotion of equality in the world of labor, in addition to the subject of traditional communities and peoples.

## OCCUPATIONAL SEGREGATION

Occupational segregation based on sex is a phenomenon that occurs in countries at all latitudes, regardless of the level of economic development, political systems and religious, social and cultural norms. It is one of the most important and persistent traits of the labor market in every country. There are two basic forms of gender-based occupational segregation: one horizontal and the other vertical. Horizontal segregation entails barriers of different types keeping men and women from becoming more equally balanced in the occupational structure. Vertical segregation takes place within the same occupation, when one gender tends to rise to higher levels within a hierarchy than the other.<sup>79</sup>

The existence and persistence of gender-based occupational segregation in the labor market is strongly related to existing gender stereotypes in society – a set of traits that are commonly attributed to men and women and their presumed attitudes, behaviors, and skills. Women are usually associated to traits related to domestic activities, as well as affection and docility. This set of traits leads to the understanding that women possess greater dexterity and experience in caregiving and greater manual skills. On the other hand, they are less apt to supervise someone else's labor or to participate in activities requiring logical reasoning and the sciences – traits associated to men. Men are supposedly more willing to face risks and are more apt to take on command, while women are more inclined

<sup>79</sup> ANKER, R. "La segregación profesional entre hombres y mujeres: Repaso de las teorías," *Revista Internacional del Trabajo*. Ginebra: OIT, v. 116, n.3, 1997.

to take orders and accomplish tasks without complaint. In collective imagination, working men are the providers and thus need more income, This is not the case with women, who are usually perceived as being chiefly responsible for taking care of family, being that their inclusion in the labor market is unstable and secondary, vulnerable to sudden interruption, meaning they all have a lower need for income. The elements interfere rather concretely in the structuring of labor market, contributing towards greater concentration of women in a less diversified array of occupations: those associated to caregiving (ANKER, 1997 e ABRAMO, 2007).

PNAD information clearly shows just how prevalent occupational segregation between sexes remains in the Brazilian labor market. In 2004, the occupational group<sup>80</sup> “workers engaged in the production of goods and repair and maintenance” accounted for 33.1% of the occupational structure of men, but represented only 9.2% of women’s jobs (see Table 64). In 2009, those percentages remained practically stable and represented 35.2% and 9.0%, respectively.

On the other hand, the group of *services workers* – a category comprising domestic services, health and education – corresponded to only 31.4% of the jobs occupied by women and only 11.6% in the case of men, percentages that have remained unchanged when the years 2004 and 2009 are compared.

In 2009, the largest percentages in the occupational group *workers engaged in the production of goods and services and maintenance* in the female occupational structure were found in the states of Ceará (15.4%), Santa Catarina (14.6%) and Rio Grande do Sul (12.4%). Meanwhile, this percentage did not reach 5.0% in the Federal District (2.8%), Alagoas (3.3%), Acre (3.4%) and Roraima (3.8%).

In six Federation Units, the group *service workers* accounted for more than a third of female occupation in 2009, with the state of Amapá (44.0%) standing out as a result of the large share of public administration in the state’s occupational structure.

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<sup>80</sup> The occupation groups *workers in the production of goods and services and repair and maintenance and service workers* were selected due to the fact that historically they have been predominantly occupied by men and women, respectively.

TABLE 64

SHARE OF WORKERS ENGAGED IN OCCUPATIONAL CATEGORY OF PRODUCTION OF GOODS, REPAIR AND MAINTENANCE AND WORKERS IN THE OCCUPATIONAL CATEGORY SERVICES BY SEX  
BRAZIL AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | Share of Workers Engaged in Occupational Category 'Production of Goods and Repair and Maintenance' in % |            |             |            | Share of Workers Engaged in Occupational Category 'Services' in % |             |             |             |
|-------------------------|---|------------|-------------|------------|---|-------------|-------------|-------------|
|                         | 2004  |            | 2009        |            | 2004  |             | 2009        |             |
|                         | Men   | Women      | Men         | Women      | Men   | Women       | Men         | Women       |
| <b>Brazil</b>           | <b>33.1</b>   | <b>9.2</b> | <b>35.2</b> | <b>9.0</b> | <b>11.6</b>   | <b>31.4</b> | <b>11.6</b> | <b>31.4</b> |
| <b>Federation Units</b> |   |            |             |            |   |             |             |             |
| Rondônia                | 30.6  | 4.5        | 31.4        | 4.9        | 9.4   | 28.5        | 8.9         | 28.0        |
| Acre                    | 25.5  | 3.2        | 28.6        | 3.4        | 12.9  | 39.0        | 12.4        | 32.3        |
| Amazonas                | 32.5  | 8.5        | 35.0        | 8.5        | 12.3  | 33.1        | 11.9        | 33.3        |
| Roraima                 | 25.0  | 0.0        | 31.3        | 3.8        | 16.2  | 34.8        | 14.3        | 31.8        |
| Pará                    | 30.2  | 6.5        | 35.8        | 8.5        | 11.1  | 28.6        | 12.9        | 32.5        |
| Amapá                   | 35.5  | 7.7        | 35.0        | 5.0        | 16.7  | 38.8        | 13.9        | 44.0        |
| Tocantins               | 26.7  | 5.2        | 27.9        | 5.4        | 10.1  | 33.8        | 10.2        | 30.0        |
| Maranhão                | 24.3  | 5.5        | 28.0        | 3.8        | 8.9   | 26.4        | 8.7         | 29.0        |
| Piauí                   | 18.1  | 8.6        | 21.6        | 6.8        | 7.7   | 21.2        | 6.9         | 24.1        |
| Ceará                   | 26.8  | 17.2       | 30.2        | 15.4       | 12.2  | 25.9        | 12.0        | 27.3        |
| Rio Grande do Norte     | 31.3  | 8.8        | 33.4        | 8.6        | 12.7  | 29.9        | 13.2        | 32.8        |
| Paraíba                 | 26.9  | 8.1        | 31.6        | 7.3        | 12.2  | 30.6        | 11.2        | 34.6        |
| Pernambuco              | 25.1  | 5.9        | 26.7        | 6.7        | 14.1  | 28.6        | 13.8        | 28.3        |
| Alagoas                 | 21.1  | 2.7        | 25.5        | 3.3        | 11.3  | 28.9        | 10.8        | 30.5        |
| Sergipe                 | 32.7  | 9.6        | 34.6        | 8.3        | 11.8  | 26.1        | 12.0        | 28.3        |
| Bahia                   | 24.7  | 5.4        | 28.3        | 5.2        | 10.2  | 27.0        | 10.3        | 28.9        |
| Minas Gerais            | 35.4  | 9.4        | 37.6        | 10.0       | 9.9   | 35.5        | 10.1        | 32.6        |
| Espírito Santo          | 32.2  | 8.7        | 36.3        | 7.4        | 11.2  | 33.8        | 10.4        | 32.8        |
| Rio de Janeiro          | 34.5  | 6.5        | 36.6        | 6.8        | 18.3  | 38.0        | 16.7        | 37.0        |
| São Paulo               | 40.1  | 10.4       | 39.9        | 9.9        | 12.5  | 34.0        | 12.9        | 33.0        |
| Paraná                  | 35.6  | 9.8        | 35.8        | 9.5        | 9.5   | 31.0        | 9.6         | 30.2        |
| Santa Catarina          | 40.0  | 16.1       | 38.7        | 14.6       | 8.1   | 28.5        | 7.5         | 23.6        |
| Rio Grande do Sul       | 35.0  | 12.6       | 37.5        | 12.4       | 9.0   | 24.1        | 8.9         | 26.4        |
| Mato Grosso do Sul      | 35.5  | 7.2        | 38.4        | 9.4        | 9.5   | 39.2        | 10.0        | 36.9        |
| Mato Grosso             | 30.7  | 5.1        | 30.5        | 4.9        | 8.1   | 33.1        | 9.7         | 37.3        |
| Goiás                   | 34.9  | 10.2       | 38.2        | 10.8       | 13.6  | 26.1        | 12.0        | 36.4        |
| Federal District        | 26.2  | 3.9        | 25.4        | 2.8        | 19.4  | 36.1        | 18.7        | 30.5        |

Source: IBGE - PNAD

The Duncan Index of Dissimilarity enables measurement and analysis of occupational segregation trends between men and women in different occupational groups. This indicator of occupational segregation by gender is interpreted as the proportion of men or women in each sector or that would have to change occupational group if the sex ratio in each sector or occupational were to be the same as the sex ratio of the employed population as a whole, i.e., to eliminate segregation. The Duncan Index values range from 0 (zero), when there is no difference in the occupational distribution between men and women, i.e., when there is complete integration, to 100, when there is complete segregation. The Duncan Index uses an implicit definition of integration as being a situation in which the proportional representation of each sex (or other attribute) in each sector or occupation is the same as for the total employed population.<sup>81</sup>

By comparing the distribution of men and women in different occupation groups, the Duncan Index reveals that, in Brazil in 2004, a contingent of 34.4% of women or men would have to change occupational group, if the gender ratio in all occupational groups were to reflect the same sex ration as the labor force as a whole, with no gender-based occupational segregation. The Duncan Index reflected a slight increase in segregation in 2009, reaching a value of 36.4%.

The Duncan Index value increased in all regions between 2004 and 2009, with the exception of the Center-West. In 2009, the North and Center-West Regions featured higher values than the national one – 40.6% and 38.6%, respectively, a sign of greater occupational segregation, whereas the lowest values were found in the Northeast (35.1%) and South (35.3%) Regions, as shown in Table 65.

In turn, the Duncan Index increased during the same period in 20 out of 27 Federation Units, thus signaling further segregation in the majority of UFs. However, it is important to point out that in five UFs, this growth was minute, below a percentage point: Minas Gerais, Rio de Janeiro, São Paulo, Mato Grosso do Sul and Goiás.

The greatest variation was observed in Maranhão, where the index increased from 31.3% to 45.2% between 2004 and 2009, meaning that the state had the highest value in the country by the end of the first decade of the 2000s. An important factor in this increase of approximately 100 thousand male workers in the occupational category *workers engaged in the production of goods and services and repair and maintenance* compared to the reduction of almost 20 thousand female workers in the same category, further increasing the share of men (from 85.1% to 91.9%) in its composition.

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<sup>81</sup> For example, if women account for 40% of the employed population, this index value would be 0 if each sector of economic activity or occupational category were comprised of 40% women. In this sense, the absolute number of men and women in the labor force is irrelevant, while the percentage distribution of men and women within sectors and occupations is crucial.



TABLE 65

DUNCAN INDEX OF DISSIMILARITY APPLIED TO DISTRIBUTION OF MEN AND  
WOMEN AMONG OCCUPATIONAL GROUPS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        | 2009        |
|-------------------------|-------------|-------------|
| <b>Brazil</b>           | <b>34.4</b> | <b>36.4</b> |
| <b>Regions</b>          |             |             |
| North                   | 36.7        | 38.6        |
| Northeast               | 30.5        | 35.1        |
| Southeast               | 36.7        | 37.4        |
| South                   | 31.2        | 35.3        |
| Center-West             | 41.2        | 40.6        |
| <b>Federation Units</b> |             |             |
| Rondônia                | 32.7        | 36.3        |
| Acre                    | 37.4        | 37.1        |
| Amazonas                | 37.9        | 37.6        |
| Roraima                 | 48.8        | 41.1        |
| Pará                    | 36.6        | 39.2        |
| Amapá                   | 34.6        | 44.7        |
| Tocantins               | 38.5        | 36.4        |
| Maranhão                | 31.3        | 45.2        |
| Piauí                   | 26.5        | 34.5        |
| Ceará                   | 25.2        | 28.4        |
| Rio Grande do Norte     | 37.6        | 37.1        |
| Paráíba                 | 35.9        | 40.4        |
| Pernambuco              | 30.5        | 34.2        |
| Alagoas                 | 33.6        | 41.0        |
| Sergipe                 | 31.0        | 35.0        |
| Bahia                   | 31.3        | 35.7        |
| Minas Gerais            | 37.7        | 38.6        |
| Espírito Santo          | 35.6        | 38.4        |
| Rio de Janeiro          | 35.3        | 35.8        |
| São Paulo               | 37.0        | 37.4        |
| Paraná                  | 35.1        | 38.5        |
| Santa Catarina          | 29.2        | 31.7        |
| Rio Grande do Sul       | 28.6        | 34.5        |
| Mato Grosso do Sul      | 42.4        | 43.1        |
| Mato Grosso             | 45.2        | 44.9        |
| Goiás                   | 41.4        | 41.9        |
| Federal District        | 31.7        | 31.1        |

Source: IBGE – PNAD  
Elaborated by: ILO Brazil Office

Among the seven Federation Units where the index decreased, the highlights are Roraima (from 48.8% to 41.1%) and Tocantins (from 38.5% to 36.4%). In five other UFs, the decline was lower than one percentage point: Acre, Amazonas, Rio Grande do Norte, Mato Grosso and the Federal District.

## DISPARITY OF EARNINGS

The ILO (2008) highlights that a large number of studies, by examining the underlying causes of salary gaps between men and women, identified two groups of factors. The first one refers to the characteristics of individuals and of the organizations where they work:

- Level of schooling and field of studies;
- Experience in the labor market and time of work in the organization or position;
- Number of hours worked;
- Size of organization and sector of activity.

Thus part of the existent remuneration gap could be resolved by policies aimed at these factors which, in their turn, in order to be effective, must take gender into account. Some examples are: the strengthening of public policies that help to prevent women from entering against their will into part time occupations and to ensure longer and more constant permanence in the labor market during the reproductive period of life; valorizing occupations that are conferred inferior status due to association to caretaking tasks traditionally considered the responsibility of women; the adoption of measures that minimize occupational segregation.

However, even when these factors are taken into account, econometric studies have repeatedly demonstrated that there is a non-accounted residual difference between the average salaries of women and men. According to Gunderson (2006) *apud* ILO (2008), the residual difference usually ranges between 5.0% and 15.0%. It thus becomes clear that a proportion of the inequality between men and women, the subject of the Convention of Equal Remuneration for Men and Women Workers for Work of Equal Value (Convention n. 100 of 1951), can be attributed to discrimination (see Legal Framework Indicator 12 'Equal remuneration of men and women for work of equal value', Annex p. 376).

The residual difference reflects salary discrimination based on sex and is the result of a second group of factors:

- Stereotypes and preconception regarding the work of women;
- Traditional methods of evaluation of jobs based on the requirements of occupations filled by men;
- Diminished bargaining power of women workers, who are less unionized and are over-represented in precarious and informal work.

At the same time, part of this residual gap can be attributed to direct discrimination between a man and a woman performing the same task. For example, the remuneration gap between a male and a female computer expert or between a male and a female nurse.

## Sex Disparity

Based on PNAD information, it can be observed that the remuneration gap between the main job of men and women, although still high, decreased during the period being analyzed in this report: in 2004, women received, on average, approximately 69.5% of the earnings of men, a proportion that increased to 70.7% in 2009<sup>82</sup> (see Table 66).

**TABLE 66**

VALUE OF AVERAGE MONTHLY EARNINGS FROM MAIN WORK OF OCCUPIED PERSONS AGED 16 OR OLDER AND PERCENTAGE OF AVERAGE EARNINGS OF WOMEN COMPARED TO MEN  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | Value of Average Monthly Earnings (in R\$) and<br>% of Average Monthly Earnings of Women Compared to Men |            |                   |              |              |                   |
|---------------------------|--|------------|-------------------|--------------|--------------|-------------------|
|                           | 2004   |            |                   | 2009         |              |                   |
|                           | Men  | Women      | (%) Women/<br>Men | Men          | Women        | (%) Women/<br>Men |
| <b>Brazil</b>             | <b>805</b>   | <b>559</b> | <b>69.5</b>       | <b>1,218</b> | <b>862</b>   | <b>70.7</b>       |
| <b>North Region</b>       | <b>632</b>   | <b>474</b> | <b>75.0</b>       | <b>975</b>   | <b>749</b>   | <b>76.8</b>       |
| Rondônia                  | 736  | 554        | 75.2              | 1,211        | 812          | 67.0              |
| Acre                      | 655  | 569        | 86.8              | 1,255        | 1,066        | 84.9              |
| Amazonas                  | 669  | 544        | 81.4              | 1,008        | 811          | 80.4              |
| Roraima                   | 609  | 572        | 93.9              | 1,056        | 895          | 84.8              |
| Pará                      | 592  | 402        | 67.9              | 863          | 645          | 74.8              |
| Amapá                     | 701  | 582        | 83.1              | 1,131        | 890          | 78.7              |
| Tocantins                 | 602  | 467        | 77.6              | 969          | 758          | 78.2              |
| <b>Northeast Region</b>   | <b>466</b>   | <b>367</b> | <b>78.6</b>       | <b>766</b>   | <b>604</b>   | <b>78.8</b>       |
| Maranhão                  | 472  | 329        | 69.6              | 786          | 550          | 70.1              |
| Piauí                     | 330  | 315        | 95.5              | 615          | 493          | 80.2              |
| Ceará                     | 431  | 352        | 81.8              | 713          | 570          | 79.9              |
| Rio Grande do Norte       | 497  | 400        | 80.4              | 852          | 634          | 74.4              |
| Paraíba                   | 451  | 375        | 83.2              | 832          | 657          | 78.9              |
| Pernambuco                | 543  | 410        | 75.5              | 772          | 629          | 81.5              |
| Alagoas                   | 403  | 342        | 84.8              | 763          | 675          | 88.4              |
| Sergipe                   | 561  | 402        | 71.7              | 858          | 659          | 76.8              |
| Bahia                     | 467  | 367        | 78.6              | 774          | 617          | 79.7              |
| <b>Southeast Region</b>   | <b>963</b>   | <b>636</b> | <b>66.1</b>       | <b>1,411</b> | <b>957</b>   | <b>67.8</b>       |
| Minas Gerais              | 721  | 466        | 64.7              | 1,110        | 762          | 68.6              |
| Espírito Santo            | 754  | 521        | 69.1              | 1,143        | 785          | 68.6              |
| Rio de Janeiro            | 980  | 671        | 68.5              | 1,519        | 1,027        | 67.6              |
| São Paulo                 | 1,093  | 709        | 64.8              | 1,546        | 1,038        | 67.2              |
| <b>South Region</b>       | <b>936</b>   | <b>596</b> | <b>63.7</b>       | <b>1,423</b> | <b>925</b>   | <b>65.0</b>       |
| Paraná                    | 972  | 579        | 59.6              | 1,389        | 911          | 65.6              |
| Santa Catarina            | 933  | 592        | 63.5              | 1,571        | 1,001        | 63.7              |
| Rio Grande do Sul         | 904  | 615        | 68.1              | 1,368        | 895          | 65.4              |
| <b>Center-West Region</b> | <b>936</b>   | <b>656</b> | <b>70.0</b>       | <b>1,462</b> | <b>1,016</b> | <b>69.5</b>       |
| Mato Grosso do Sul        | 777  | 523        | 67.4              | 1,335        | 805          | 60.3              |
| Mato Grosso               | 884  | 560        | 63.4              | 1,261        | 855          | 67.8              |
| Goiás                     | 817  | 489        | 59.9              | 1,233        | 795          | 64.5              |
| Federal District          | 1,533  | 1,213      | 79.1              | 2,447        | 1,849        | 75.6              |

Source: IBGE - PNAD

<sup>82</sup> It is important to stress that, considering the evolution of this indicator in the last two decades, the reduction of disparities is significant given that in the year 1992 women earned, on average, 61.5% as much as men, a figure which climbed to 70.9% in 2009.

Following the national trend, the earning gap between sexes declined between 2004 and 2009 in all regions. In 2009, the lowest gap occurred in the Northeast Region, where the average value of earnings for women was equivalent to 78.8% of that of men, being that the largest gap could be found in the South Region – women earned, on average, 65.0% as much as men.

The fact that the lower remuneration gaps between men and women occurs in the Northeast (the region with the highest prevalence of poverty), while the largest gap is in the South (one of the most developed regions in Brazil), can be associated to several factors. A first aspect concerns the range of remuneration values. Given that average levels in the Northeast are much lower than in the South and Southeast Regions, regardless of sex, the gap between workers tends to be minimized. Second, real increases of the minimum salary tend to have a greater impact in the reduction of gender-based inequality in regions where the proportion of the occupied population whose remuneration is defined based on the minimum wage, as in the Northeast Region, since increments in minimum wage tend to positively affect women more than men, since the former occupy a greater share at the base of the occupational pyramid. Lastly, it is important to stress that, as already shown in several studies, the higher the level of schooling, the higher the remuneration and also the remuneration gap between men and women, as a result of, among other factors, the obstacles to the ascension of women in professional careers – the probability of men being promoted and assuming managerial positions, and thus increasing wages, is much higher than for women (this being more common in the South and Southeastern Regions of the country).

As already mentioned, the number of hours worked directly influences average earnings and therefore the earning differentials between female and male workers. In fact, the average working day of women in the labor market is shorter due to several factors: their higher participation in precarious work and part time work and the fact women face more difficulties to work extra hours, or working night-time shifts or in shifts, especially due to the weight of family responsibilities that are not fairly distributed within families and also due to the low degree of protection in terms of public policies and special care provided by companies.

Based on Table 67, which presents the percentage of average female earnings compared to that of men without the adjustment for hours worked, it is possible to observe that in 2009, women earned, on average, 70.7% of average male monthly earnings. However, when considering the adjustment for hours worked, this gap is narrowed, since average female earnings per hour worked would then account to 82.7% of male.

Despite this reduction due to adjustment to differentiated number of hours worked, a remuneration gap still persists in favor of men (17.3%). It is important to stress that this percentage is very close to the upper limit of the residual difference range of 5.0% to 15.0% mentioned above, which reflects gender-based discrimination in terms of remuneration.

Confirming the findings of previous studies, among more educated working women, discrepancies were even sharper. Indeed, in 2009, employed women with 12 or more years of schooling received salaries equivalent to 57.7% of that earned by men with the same level of schooling. With adjustments made to the number of hours worked, the discrepancy narrowed but remained significant – women with the same level of schooling received salaries equivalent to 65.5% of that of employed men.

TABLE 67

PERCENTAGE OF AVERAGE EARNING AT MAIN JOB FOR WOMEN AGED 16 OR OLDER COMPARED TO MEN WITH AND WITHOUT ADJUSTMENT TO THE NUMBER OF HOURS WORKED, TOTALS AND BROKEN DOWN BY YEARS OF SCHOOLING  
BRAZIL, 1999 AND 2009

| Indicators                        | Percentage average earnings of women compared to men, without adjustment for hours worked |             | Percentage average earnings of women compared to men, with adjustment for hours worked |             |
|-----------------------------------|---|-------------|--|-------------|
|                                   | 1999 (1)  | 2009        | 1999 (1)   | 2009        |
| <b>Total</b>                      | <b>68.6</b>   | <b>70.7</b> | <b>81.8</b>  | <b>82.7</b> |
| <b>Years of schooling cohorts</b> |   |             |  |             |
| Less than 1 year                  | 68.4  | 69.7        | 85.0   | 87.5        |
| 1 to 3 years                      | 58.4  | 61.9        | 71.2   | 77.9        |
| 4 to 7 years                      | 53.1  | 58.1        | 63.8   | 71.5        |
| 8 years                           | 55.9  | 57.8        | 64.2   | 68.1        |
| 9 and 10 years                    | 55.7  | 61.4        | 63.2   | 72.0        |
| 11 years                          | 54.6  | 60.2        | 64.2   | 67.3        |
| 12 years and more                 | 54.1  | 57.7        | 63.2   | 65.5        |

Source: IBGE-PNAD.

Elaborated by: IBGE, Diretoria de Pesquisas - Textos para Discussão n.37.

Indicadores sobre trabalho decente - uma contribuição para o debate da desigualdade de gênero.

Notes: excludes no earnings and undeclared earnings

(1) Excludes the rural populations of Rondônia, Acre, Amazonas, Roraima, Pará and Amapá.

## Color or Racial Discrepancy

Considering color or race of male and female workers, it is possible to observe that the level of discrepancy in term of earnings between whites and blacks was significantly superior to the level observed among men and women, a very elevated level in fact: in the considered year, blacks received, on average, only 58.3% of what whites earned. On the other hand, this gap decreased at a higher rate than the gap separating men from women: the proportion of earnings made by blacks compared to whites increased from 53.1% to 58.3% between 2004 and 2009 (5.2 percentage points) as shown in Table 68. This reduction occurred in 18 out of the 27 UFs.

In 2009, the greatest discrepancies were observed in Piauí, the Federal District and Rio de Janeiro. In these states, the black population earned approximately 57.0% as much as the employed white population. The lowest discrepancies were found in the state of Amapá and Pará, where the average remuneration of the black employed population was 75.3% and 71.6% compared to whites, respectively.

**TABLE 68**  
VALUE OF AVERAGE MONTHLY EARNINGS FROM MAIN JOB OF BLACK EMPLOYED PERSONS AGED 16  
OR OLDER IN RELATION TO WHITES  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | Value of Average Monthly Earnings (in R\$) and<br>% of Average Earnings of Whites Relative to Blacks |            |                        |              |              |                        |
|---------------------------|--|------------|------------------------|--------------|--------------|------------------------|
|                           | 2004   |            |                        | 2009         |              |                        |
|                           | Whites   | Blacks     | (%) Blacks /<br>Whites | Whites       | Blacks       | (%) Blacks /<br>Whites |
| <b>Brazil</b>             | <b>902</b>   | <b>479</b> | <b>53.1</b>            | <b>1,352</b> | <b>788</b>   | <b>58.3</b>            |
| <b>North Region</b>       | <b>797</b>   | <b>501</b> | <b>62.9</b>            | <b>1,187</b> | <b>794</b>   | <b>66.9</b>            |
| Rondônia                  | 890  | 553        | 62.1                   | 1,376        | 904          | 65.7                   |
| Acre                      | 781  | 579        | 74.1                   | 1,604        | 1,022        | 63.7                   |
| Amazonas                  | 878  | 519        | 59.1                   | 1,289        | 834          | 64.7                   |
| Roraima                   | 631  | 583        | 92.3                   | 1,318        | 857          | 65.0                   |
| Pará                      | 728  | 472        | 64.8                   | 1,002        | 718          | 71.6                   |
| Amapá                     | 860  | 588        | 68.4                   | 1,273        | 959          | 75.3                   |
| Tocantins                 | 756  | 479        | 63.4                   | 1,210        | 776          | 64.1                   |
| <b>Northeast Region</b>   | <b>585</b>   | <b>362</b> | <b>61.9</b>            | <b>961</b>   | <b>601</b>   | <b>62.6</b>            |
| Maranhão                  | 623  | 345        | 55.3                   | 916          | 631          | 68.9                   |
| Piauí                     | 434  | 290        | 66.7                   | 845          | 477          | 56.4                   |
| Ceará                     | 542  | 326        | 60.2                   | 858          | 568          | 66.2                   |
| Rio Grande do Norte       | 568  | 396        | 69.8                   | 1,001        | 639          | 63.8                   |
| Paraíba                   | 551  | 343        | 62.2                   | 974          | 653          | 67.1                   |
| Pernambuco                | 654  | 396        | 60.6                   | 969          | 579          | 59.7                   |
| Alagoas                   | 511  | 304        | 59.6                   | 1,032        | 608          | 58.8                   |
| Sergipe                   | 628  | 442        | 70.4                   | 982          | 691          | 70.4                   |
| Bahia                     | 613  | 381        | 62.2                   | 1,047        | 617          | 58.9                   |
| <b>Southeast Region</b>   | <b>993</b>   | <b>549</b> | <b>55.3</b>            | <b>1,452</b> | <b>896</b>   | <b>61.7</b>            |
| Minas Gerais              | 800  | 442        | 55.2                   | 1,210        | 760          | 62.8                   |
| Espírito Santo            | 846  | 510        | 60.3                   | 1,248        | 810          | 64.9                   |
| Rio de Janeiro            | 1,023  | 600        | 58.6                   | 1,602        | 927          | 57.8                   |
| São Paulo                 | 1,055  | 619        | 58.6                   | 1,498        | 1,000        | 66.8                   |
| <b>South Region</b>       | <b>858</b>   | <b>507</b> | <b>59.1</b>            | <b>1,314</b> | <b>830</b>   | <b>63.2</b>            |
| Paraná                    | 921  | 490        | 53.2                   | 1,326        | 822          | 62.0                   |
| Santa Catarina            | 823  | 543        | 65.9                   | 1,397        | 951          | 68.0                   |
| Rio Grande do Sul         | 826  | 525        | 63.6                   | 1,251        | 786          | 62.8                   |
| <b>Center-West Region</b> | <b>1,077</b>   | <b>626</b> | <b>58.1</b>            | <b>1,632</b> | <b>1,020</b> | <b>62.5</b>            |
| Mato Grosso do Sul        | 849  | 509        | 59.9                   | 1,383        | 842          | 60.9                   |
| Mato Grosso               | 1,047  | 579        | 55.2                   | 1,455        | 861          | 59.2                   |
| Goiás                     | 845  | 571        | 67.6                   | 1,289        | 898          | 69.7                   |
| Federal District          | 1,902  | 946        | 49.7                   | 2,921        | 1,653        | 56.6                   |

Source: IBGE - PNAD

## Discrepancy between Selected Categories of Sex and Color or Race (White Men and Black Women)

Crossing the variables of gender and color or race leaves no question as to the magnitude of the discrepancies that affect black women in terms of work. In 2004, they earned, on average, slightly more than a third (36.7%) of what White men earned, as shown in Table 69. This proportion remained rather low in 2009 (40.3%), despite a 3.6 percentage point reduction in five years.

The reduction of this discrepancy was predominantly a result of significant increase of average real earnings of black women (+64.4%, increasing from R\$ 384 in 2004 to

R\$ 632 in 2009) compared to the increase for men during the same period (+49.5%, from R\$ 1,048 to 1,567). The most significant growth in terms of the earnings of black female workers was directly linked to the real increases of the minimum wage, as a significant proportion of women in this category received minimum wages or received earnings calculated with reference to the minimum wage.

The discrepancy in terms of earnings between black women and white men underwent declines between 2004 and 2009 in 19 of the 27 Federation Units. Among the eight of them in which the discrepancy increased, six belong to the North and Northeast Regions: Rondônia, Acre, Roraima, Piauí, Rio Grande do Norte and Bahia.

TABLE 69

VALUE OF AVERAGE MONTHLY EARNINGS FROM MAIN JOB OF EMPLOYED WORKERS AGED 16 OR OLDER AND PERCENTAGE OF AVERAGE EARNINGS FOR BLACK WOMEN RELATIVE TO AVERAGE EARNINGS OF WHITE MEN BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area         | Value of Average Monthly Earnings (in R\$) and % of Average Monthly Earnings for Black Women Relative to White Men |             |                             |              |             |                             |
|---------------------------|--|-------------|-----------------------------|--------------|-------------|-----------------------------|
|                           | 2004   |             |                             | 2009         |             |                             |
|                           | White Men  | Black Women | (%) Black Women / White Men | White Men    | Black Women | (%) Black Women / White Men |
| <b>Brazil</b>             | <b>1,048</b>   | <b>384</b>  | <b>36.7</b>                 | <b>1,567</b> | <b>632</b>  | <b>40.3</b>                 |
| <b>North Region</b>       | <b>897</b>   | <b>407</b>  | <b>45.4</b>                 | <b>1,310</b> | <b>650</b>  | <b>49.6</b>                 |
| Rondônia                  | 995  | 457         | 45.9                        | 1,604        | 718         | 44.8                        |
| Acre                      | 764  | 487         | 63.8                        | 1,711        | 867         | 50.7                        |
| Amazonas                  | 967  | 444         | 45.9                        | 1,449        | 705         | 48.6                        |
| Roraima                   | 664  | 563         | 84.8                        | 1,406        | 748         | 53.2                        |
| Pará                      | 850  | 359         | 42.3                        | 1,087        | 569         | 52.3                        |
| Amapá                     | 1,019  | 561         | 55.0                        | 1,410        | 835         | 59.2                        |
| Tocantins                 | 823  | 394         | 47.8                        | 1,304        | 636         | 48.7                        |
| <b>Northeast Region</b>   | <b>645</b>   | <b>306</b>  | <b>47.5</b>                 | <b>1,066</b> | <b>510</b>  | <b>47.9</b>                 |
| Maranhão                  | 744  | 286         | 38.5                        | 1,064        | 506         | 47.6                        |
| Piauí                     | 453  | 285         | 63.0                        | 954          | 421         | 44.1                        |
| Ceará                     | 590  | 280         | 47.5                        | 942          | 487         | 51.7                        |
| Rio Grande do Norte       | 617  | 336         | 54.4                        | 1,144        | 519         | 45.4                        |
| Paraíba                   | 586  | 284         | 48.5                        | 1,101        | 577         | 52.4                        |
| Pernambuco                | 732  | 327         | 44.6                        | 1,081        | 502         | 46.4                        |
| Alagoas                   | 563  | 269         | 47.7                        | 1,119        | 551         | 49.3                        |
| Sergipe                   | 702  | 344         | 49.1                        | 1,115        | 568         | 50.9                        |
| Bahia                     | 658  | 321         | 48.7                        | 1,117        | 521         | 46.7                        |
| <b>Southeast Region</b>   | <b>1,166</b>   | <b>422</b>  | <b>36.2</b>                 | <b>1,692</b> | <b>689</b>  | <b>40.7</b>                 |
| Minas Gerais              | 937  | 325         | 34.7                        | 1,413        | 597         | 42.2                        |
| Espírito Santo            | 967  | 386         | 39.9                        | 1,457        | 639         | 43.8                        |
| Rio de Janeiro            | 1,195  | 477         | 39.9                        | 1,884        | 756         | 40.1                        |
| São Paulo                 | 1,245  | 476         | 38.2                        | 1,741        | 733         | 42.1                        |
| <b>South Region</b>       | <b>1,012</b>   | <b>390</b>  | <b>38.5</b>                 | <b>1,552</b> | <b>632</b>  | <b>40.7</b>                 |
| Paraná                    | 1,116  | 360         | 32.3                        | 1,569        | 624         | 39.7                        |
| Santa Catarina            | 969  | 377         | 38.9                        | 1,660        | 721         | 43.4                        |
| Rio Grande do Sul         | 953  | 456         | 47.8                        | 1,469        | 607         | 41.3                        |
| <b>Center-West Region</b> | <b>1,239</b>   | <b>494</b>  | <b>39.8</b>                 | <b>1,884</b> | <b>806</b>  | <b>42.8</b>                 |
| Mato Grosso do Sul        | 998  | 376         | 37.7                        | 1,664        | 595         | 35.7                        |
| Mato Grosso               | 1,256  | 460         | 36.6                        | 1,667        | 666         | 39.9                        |
| Goiás                     | 1,012  | 411         | 40.6                        | 1,503        | 654         | 43.5                        |
| Federal District          | 2,126  | 806         | 37.9                        | 3,409        | 1,455       | 42.7                        |

Source: IBGE – PNAD

Given the positive relationship between schooling and earnings, the discrepancy of remuneration verified among male black and white workers within this set could be partially explained by lower schooling levels among black workers. However, when controlling differences in schooling, the discrepancies remain the same, regardless of the level of schooling. Based on the IBGE Synthesis of Social Indicators (2011), among workers with up to four years of schooling the earning/hour rate of blacks and pardos<sup>83</sup> corresponded to, respectively 78.7% and 72.1% of the earnings/hour received by male white workers. Among the population with 12 or more years of schooling (i.e. the most well-educated cohort) the discrepancies are even higher than those found in lower levels of schooling, since the earnings/hour value for blacks was equivalent to only 69.8% of that for whites, being that the figure for *pardos* with more schooling was very similar (73.8%) in relation to whites.

## ETHNIC TRAITS OF THE POPULATION AND THE INFLUENCE OF COLOR OR RACE AT WORK

In 2008, the IBGE carried out the Survey of Population Ethnic Traits (PCERP 2008), with multiple goals<sup>84</sup>, among which improving knowledge of the current system adopted in the classification of color or race in IBGE household surveys in order to perfect the methodology.

The 2008 PCERP was carried out by means of a sample, being that the target-population was constituted by subjects aged 15 or older residing in private households in the geographical scope defined by the survey which included the following units of the federation: Amazonas, Paraíba, São Paulo, Rio Grande do Sul, Mato Grosso and the Federal District.

The results from one of the items of the 2008 PCERP survey provide important information to broaden knowledge as to the issue of color or race and its influence in the realm of equality of opportunity and treatment in employment. The survey compiled the opinion of interviewees with regard to the effects of racial categorization in daily life and in some areas of social interaction marriage, work, school, health assistance and public services, and relations with the police and the justice system.

According to PCERP data, a significant percentage of 63.7% of interviewees stated that color or race influence the lives of people. Among the UFs in which the survey was conducted, the highest percentage was found in the Federal District (77.0%) and lowest in Amazonas (54.8%).

Regarding situations in which color or race influence the lives of people in Brazil, “work” stood out in first place, being mentioned by 71.0% of interviewees, followed by “police/justice system” (68.3%), “social conviviality” (65.0%), “school” (59.3%) and “public agencies” (51.3%), as shown in Table 70.

<sup>83</sup> Henceforth in this report, it is utilized the category blacks, encompassing the sum of subjects who self-declared being *black* or *pardo*. In this specific case, data are presented disaggregated in blacks and pardos.

<sup>84</sup> The survey sets out to: broaden the range of comprehension of the categories in official statistics; provide new interpretative tools for possible alternatives to improve the current system of ethno-racial classification; construct an empirical basis capable of aiding studies and analyses on the subjects; compile current designations of color, race, ethnicity and origin as completely as possible from the point of view of ethnic composition of the population and regional diversity; identify the dimensions that define the construction and use of this terminology; correlate the levels of schooling and the positional in the occupational hierarchy of the surveyed population compared to that of their parents, according to segments of race or color. (IBGE, 2011a).



TABLE 70

PERCENTAGE OF PEOPLE AGED 15 OR OLDER BROKEN DOWN BY AREAS OF SOCIAL INTER-RELATION IN WHICH COLOR OR RACE INFLUENCE LIVES IN BRAZIL  
FEDERATION UNITS SELECTED FOR SURVEY, 2008

| Selected Federation Units | Areas of Social Inter-relation in Which Race or Color Influences the Lives of People in Brazil |             |             |                   |                 |                     |                              |            |
|---------------------------|--|-------------|-------------|-------------------|-----------------|---------------------|------------------------------|------------|
|                           | Marriage   | Work        | School      | Health Assistance | Public Agencies | Social Conviviality | Relation with Police/Justice | Others     |
| <b>Total*</b>             | <b>38.4</b>  | <b>71.0</b> | <b>59.3</b> | <b>44.1</b>       | <b>51.3</b>     | <b>65.0</b>         | <b>68.3</b>                  | <b>2.1</b> |
| Men                       | 36.4   | 67.9        | 56.0        | 41.4              | 47.9            | 61.6                | 68.1                         | 2.4        |
| Women                     | 40.2   | 73.9        | 62.4        | 46.6              | 54.4            | 68.2                | 68.4                         | 1.9        |
| <b>Amazonas</b>           | <b>33.8</b>  | <b>54.0</b> | <b>46.8</b> | <b>44.6</b>       | <b>46.9</b>     | <b>50.7</b>         | <b>60.2</b>                  | <b>0.1</b> |
| Men                       | 35.1   | 55.6        | 46.7        | 44.0              | 46.3            | 50.9                | 59.5                         | 0.1        |
| Women                     | 32.4   | 52.4        | 47.0        | 45.2              | 47.4            | 50.4                | 60.9                         | 0.0        |
| <b>Paraíba</b>            | <b>49.5</b>  | <b>71.7</b> | <b>60.9</b> | <b>52.6</b>       | <b>58.3</b>     | <b>65.4</b>         | <b>61.1</b>                  | <b>0.4</b> |
| Men                       | 47.9   | 69.3        | 61.7        | 51.9              | 56.9            | 63.5                | 63.8                         | 0.4        |
| Women                     | 51.0   | 74.0        | 60.2        | 53.3              | 59.6            | 67.2                | 58.6                         | 0.5        |
| <b>São Paulo</b>          | <b>37.8</b>  | <b>72.6</b> | <b>61.3</b> | <b>43.4</b>       | <b>50.5</b>     | <b>65.8</b>         | <b>71.5</b>                  | <b>2.6</b> |
| Men                       | 36.3   | 69.3        | 57.9        | 40.7              | 47.1            | 62.3                | 71.9                         | 2.9        |
| Women                     | 39.2   | 75.6        | 64.4        | 45.9              | 53.6            | 68.9                | 71.2                         | 2.3        |
| <b>Rio Grande do Sul</b>  | <b>35.6</b>  | <b>65.6</b> | <b>51.0</b> | <b>39.3</b>       | <b>47.7</b>     | <b>62.9</b>         | <b>60.7</b>                  | <b>1.4</b> |
| Men                       | 32.7   | 61.8        | 45.4        | 35.7              | 42.2            | 59.7                | 58.9                         | 1.3        |
| Women                     | 38.2   | 69.1        | 56.2        | 42.6              | 52.8            | 65.7                | 62.4                         | 1.6        |
| <b>Mato Grosso</b>        | <b>39.2</b>  | <b>71.7</b> | <b>62.4</b> | <b>51.6</b>       | <b>56.7</b>     | <b>65.4</b>         | <b>62.1</b>                  | <b>1.1</b> |
| Men                       | 34.3   | 67.0        | 58.6        | 46.7              | 53.6            | 60.3                | 58.5                         | 1.6        |
| Women                     | 44.2   | 76.4        | 66.3        | 56.7              | 59.8            | 70.6                | 65.8                         | 0.5        |
| <b>Federal District</b>   | <b>48.1</b>  | <b>86.2</b> | <b>71.4</b> | <b>54.2</b>       | <b>68.3</b>     | <b>78.1</b>         | <b>74.8</b>                  | <b>3.2</b> |
| Men                       | 41.0   | 85.8        | 70.4        | 52.1              | 68.6            | 70.6                | 74.8                         | 5.2        |
| Women                     | 54.7   | 86.5        | 72.3        | 56.2              | 68.1            | 85.2                | 74.9                         | 1.2        |

Source: IBGE - Pesquisa das Características Étnico-Raciais da População 2008

\* The total considering only the Federation Units selected by the survey

It is important to point out that in five of the six Federation Units selected, the perception of the influence of color or race in “work” was ranked first – the exception being the state of Amazonas, where “work” was the second most cited situation (54.0%), second only to “relation with justice/police.”

In the Federal District, the existence of the influence of color or race in “work” was mentioned by a very significant percentage of interviewed subjects (86.2%). Furthermore, in addition to “work”, the Federal District stood out with the highest perception of influence of color or race in almost all the other cited situations: “relation with justice/police (74.1%), “social conviviality” (78.1%), “school” (71.4%) and “public agencies” (68.3%). Only in “marriage” a higher percentage was verified (in Paraíba, with 49.5% compared to 48.1% in the Federal District).

The information compiled by the 2008 PCERP demonstrates that the percentage of woman who considered that color or race were influential factors in “work” was greater than that of men: 73.9% compared to 67.9%, respectively, a six percentage point difference. With the exception of Amazonas, in all other five Federation Units in survey this percentage was always higher among women, suggesting that attributes of color and race are intertwined with sex in terms of influence in work, as already made clear in other chapters of this report.

The data displayed in Table 71 indicates that the perception of interviewed subjects concerning the influence of color and race in “work” situations varied according to variables

of income level of families and schooling. Among those with per capita family incomes of 1/2 a minimum wage, a proportion of 67.8% stated that color or race influence in “work” situations, while among wealthier survey subjects (with more than four minimum wages per capita) the same percentage was 74.9%.

| TABLE 71  |  |      |        |                   |                 |                     |                              |        |
|---|--|------|--------|-------------------|-----------------|---------------------|------------------------------|--------|
| PERCENTAGE OF PEOPLE AGED 15 OR OLDER, BROKEN DOWN BY AREAS OF SOCIAL INTER-RELATION IN WHICH COLOR OR RACE INFLUENCE LIVES IN BRAZIL<br>TOTAL* FEDERATION UNITS SELECTED BY SURVEY, 2008 |  |      |        |                   |                 |                     |                              |        |
| Categories of per capita Family Income and Years of Schooling   | Areas of Social Inter-relation in Which Race or Color Influences the Lives of People in Brazil |      |        |                   |                 |                     |                              |        |
|   | Marriage   | Work | School | Health Assistance | Public Agencies | Social Conviviality | Relation with Police/Justice | Others |
| <b>Per Capita Family Income</b>   |  |      |        |                   |                 |                     |                              |        |
| Up to 1/2 minimum wage  | 37,9   | 67,8 | 58,2   | 45,7              | 51,6            | 60,0                | 61,5                         | 2,5    |
| From 1/2 to 1 minimum wage  | 37,9   | 70,0 | 59,0   | 42,3              | 51,1            | 62,5                | 64,2                         | 2,1    |
| 1 to 2 minimum wages  | 35,2   | 71,2 | 59,8   | 44,3              | 52,6            | 64,8                | 71,0                         | 1,8    |
| 2 to 4 minimum wages  | 41,8   | 75,1 | 62,4   | 44,9              | 51,9            | 71,9                | 75,1                         | 2,1    |
| More than 4 minim wages   | 47,4   | 74,9 | 58,6   | 44,4              | 47,1            | 71,6                | 77,0                         | 3,6    |
| <b>Schooling</b>  |  |      |        |                   |                 |                     |                              |        |
| Up to 4 years   | 36,9   | 62,4 | 54,2   | 41,5              | 47,8            | 54,7                | 53,7                         | 1,5    |
| 5 to 8 years  | 35,8   | 68,2 | 57,2   | 42,5              | 48,7            | 61,5                | 66,1                         | 1,6    |
| 9 to 11 years   | 38,1   | 76,2 | 64,2   | 45,8              | 56,1            | 71,3                | 75,2                         | 2,2    |
| 12 or more years  | 45,2   | 77,4 | 59,8   | 46,8              | 50,1            | 72,9                | 79,6                         | 3,6    |

Source: IBGE - Pesquisa das Características Étnico-Raciais da População 2008

\* It refers to the Federation Units included in the survey: Amazonas, Paraíba, São Paulo, Rio Grande do Sul, Mato Grosso and Federal District.

Considering the levels of schooling of survey subjects, it is possible to observe the same trend when taking into consideration income levels. Indeed among those with up to four complete years of schooling, the percentage of subjects who believe color or race influence in “work” situations was 62.4% being that among those with higher levels of schooling (12 years or more) the percentage was 77.4%.

In view of these results, it is clear that the perception of the impacts of color or race in work situations is higher among people with higher income levels. This evidence can be fundamentally associated to greater racial consciousness among these groups and also to the higher incidence of racism in situations in which racially discriminated groups breach subalternity and become more visible in realms of power and greater social status.

## MUNICIPAL ADMINISTRATION, STRUCTURE AND GENDER POLICIES IN WORK

As stressed by the IBGE (2010a), the cross-cutting nature of the issue of gender presumes not only the incorporation of actions aimed at the promotion of equality between men and women in the agendas of public federal agencies, but also simultaneously requires the expansion of the network of partnerships established at the state and municipal levels, which is from where social demands originate and the targets of policies aimed at women.

In view of this context, the existence of structures responsible for approaching gender issues in municipal governments becomes a valuable tool in the process of negotiating and articulating policies in the government sphere, including those aimed at the promotion of equal opportunity and treatment in employment.

According to the data from the Survey of Basic Municipal Information (MUNIC) of the IBGE, in 2009, a contingent of 1,043 municipalities (18.7%) had some sort of structured dedicated to gender issues. It is important that only a very small contingent of 68 municipalities (6.5% of the total of those that did have some sort of structure) had a municipal secretariat exclusively specialized in gender issues, being that in 70.0% of these municipalities these specific structures were institutionally subordinated to another specific secretariat.

It is important to consider that the existence of agencies in charge of implementing policies for women does not ensure the existence of adequate conditions in the development of efforts, which consequently reduces the possibility of articulation with local agencies and the direct implementation of policies and actions in this regard. Generally speaking, such mechanisms count on scarce resources, whether financial, human or material. An example of this situation is the low proportion of municipalities which provide their gender-policy agencies with a specific budget: 36.0% of the total (IBGE, 2010a).

The MUNIC also investigated how these agencies operate. Slightly over a third of these municipalities (375 or 36.0%) developed qualification actions concerning gender-related issues for other bodies of municipal government.

Articulation with other municipal agencies, with the purpose of incorporating gender issues in the formulation and implementation of policies, was a reality in 76.5% of municipalities which possessed some kind of institutional structure with an agency responsible for gender-related policy. Of this universe of 798 municipalities, a contingent of 505 – the equivalent to 63.3% - promoted articulations in the field of labor.

On the other hand, 627 municipalities (60.0%) directly executed policies for the promotion of gender equality or in favor of female autonomy, being that 423 promoted actions and policies directly aimed at labor.

In view of this set of information, it is possible to conclude that only approximately 1.0% of municipalities in Brazil had some kind of managing agency for gender-related policies linked with other agencies and/or directly executing actions and policies in the field of labor. It is important to note that the existence of managing structures of this nature and their respective qualification actions, as well as policy articulation, formulation and implementation had an important role in the process of creating cross-cutting transversal policies from the perspective of gender and the promotion of equality of opportunity and, consequently, Decent Labor.

## **PROFESSIONAL EDUCATION AND LABOR INTERMEDIATION**

The basic and professional education system is directly related to patterns of occupational segregation, which can either further reinforce such segregation or contribute to its reduction or overcoming. As stressed by the ILO (2005), the formal and informal educational systems lead boys and girls to different fields. In general terms, girls tend to be led to courses that basically represent and extension of household tasks, based on the

notion that female skills are limited to those associations to maintenance (e.g. sewing, cooking and caregiving). As a result, from an early age on, girls are led to occupations traditionally considered feminine, garnering low social status and levels of remuneration and thus less promising professional possibilities.

Despite the undeniable role of several policies, the promotion of gender equality adopted in Brazil in the course of the last years, both professional education and the public system of labor intermediation still consolidate and reproduce gender stereotypes and the pillars of occupational segregation between genders, as the next sections will show.

## Professional Education

In the year 2007, the PNAD conducted a supplementary survey concerning *complementary aspect of Education of Youths and Adults and Professional Education*. The survey defined professional education as a set of educational activities aimed at professional training or improvement, which can take place at school, companies or any other institution, with the requirement that at least one instructor or teacher is responsible for student training. Professional education is organized into three segments: professional qualification<sup>85</sup>; secondary level technical courses<sup>86</sup>; and technological qualification courses<sup>87</sup> (IBGE, 2009b).

According to the data compiled by the PNAD supplement in 2007, considering the population aged 10 and above, 3.8% were attending a professional qualification course and 18.6% were not, but had done so in the past. Thus just below one quarter of the population (22.4%) had already been through some kind of professional education course.

Whereas the proportion of people who currently attended or had previously attended professional educational courses was evenly divided between between men (22.0%) and women (22.7%), this difference was more pronounced between whites (24.8%) and blacks (19.8%) – or, five percentage points, as shown in Graph 21.

The gaps were even more significant between white men (25.2%) and black men (18.9%), and was also considerable between white (24.4%) and black women (20.7%), revealing a trend of racial inequality in terms of access to professional education.

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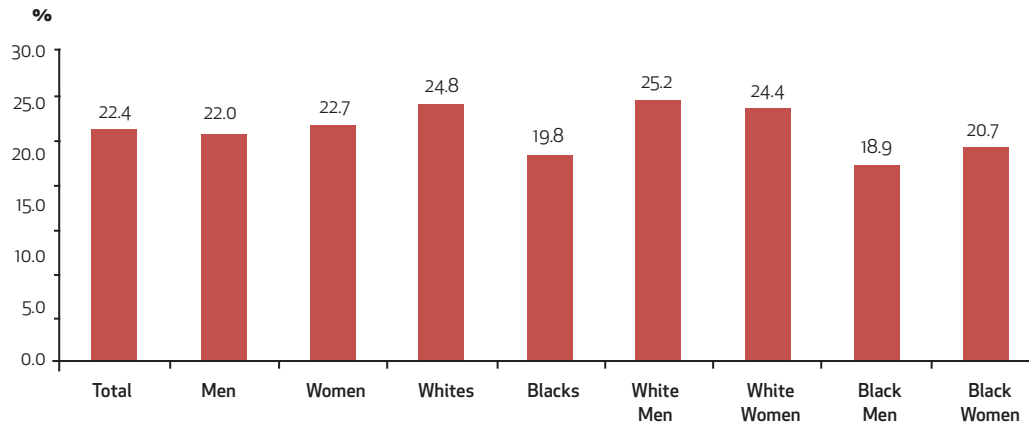
<sup>85</sup> Training courses for the exercise of a professional activity, also named initial and continued training course or basic/free course. The professional qualification courses can be offered in schools or other types of institutions such as: churches, non-governmental organizations (NGOs), unions, associations, etc. These courses have varying durations and confer participation certificates, and can be offered for all levels of schooling and, in some case, no schooling. The purpose consists of qualifying professional for work, not increasing schooling. (IBGE, 2009b)

<sup>86</sup> Secondary level courses are regulated by a specific regulation and follow a specific curriculum, and can only be offered by state accredited institutions. They confer a technical diploma, and is conducted either integrated secondary education or following graduation from secondary education (IBGE, 2009b).

<sup>87</sup> A university level course regulated by a specific legislation and specific curriculum, and can only be offered by state-accredited institutions, requiring a secondary degree and entry via a selective examination. Focusing on a determined professional area, it responds to the demands of the world of labor and technological development. It confers a technological specialist diploma (IBGE, 2009b).

GRAPH 21

PERCENTAGE OF PEOPLE WHO WERE CURRENTLY ATTENDING OR HAD PREVIOUSLY ATTENDED PROFESSIONAL EDUCATION COURSES, POPULATION AGED 10 OR OLDER, BY GENDER AND COLOR OR RACE  
BRAZIL, 2007



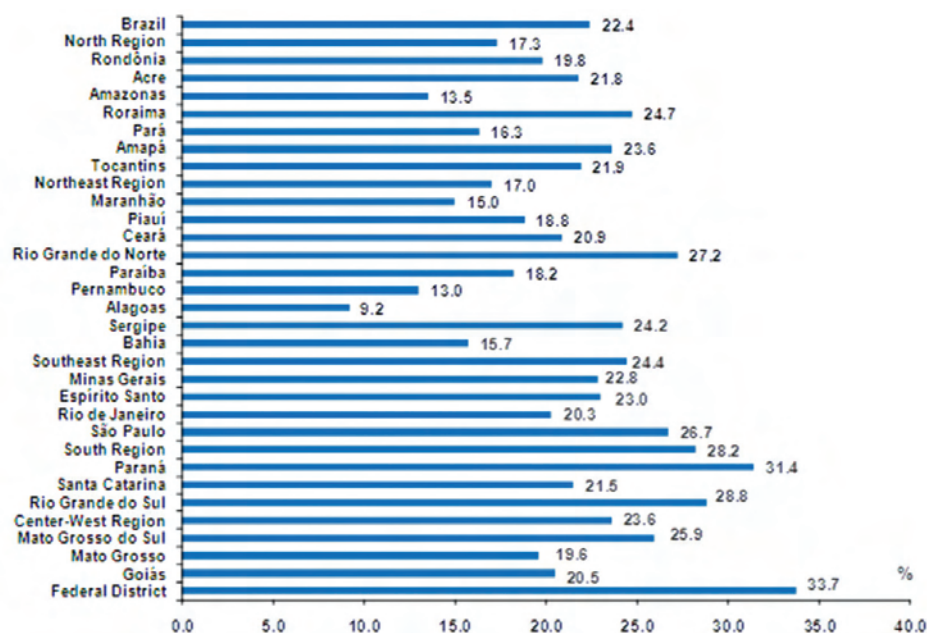
Source: IBGE - PNAD 2007, Professional Education Supplement  
Elaborated by: ILO Brazil Office

Considering geographical distribution, the South (28.2%) and Southeast (24.4%) and Center-West (23.6%) Regions displayed the highest percentages of people who were currently attending or had previously attended professional education. These percentages were also above the average national percentage (22.4%). In turn, the lowest percentages were found in the Northeast (17.0%) and North (17.3%) Regions – five percentage points below the national average.

Among Federation Units, the percentage of people who were currently attending or had previously attended a professional education course ranged from only 9.2% in Alagoas and 13.0% in Pernambuco, to 33.7% in the Federal District, according to information displayed in Graph 22.

GRAPH 22

PERCENTAGE OF PEOPLE WHO WERE CURRENTLY OR HAD PREVIOUSLY ATTENDED  
A PROFESSIONAL EDUCATION COURSE, POPULATION AGED 10 OR OLDER  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007



SOURCE: IBGE - PNAD 2007, Professional Education Supplement

Breaking down the analysis to specific professional education segments, among the 3.8% contingent of the population who at the time of the survey were attending a professional course, 80.9% were in the professional training segment, 17.6% in the secondary level technical course, and only 1.5% in the technological certification courses.

Considering that 18.6% had at some previous point attended one type of professional education, the proportions were within a similar range: 81.1% in the professional training segment, 18.4% in secondary level technical courses and 0.5% in technological certification courses.

Aware of the low percentage of the population with access to professional education and the low representativeness of technical education at the secondary level, the Brazilian government created<sup>88</sup> in October 2011, the National Program for Access to Technical Education and Employment (PRONATEC) whose goal is to expand, democratize and interiorize the availability of professional education and technological certification for the Brazilian population. The PRONATEC is comprised of a series of subprograms, projects, actions and financial and technical assistance that will jointly supply eight million places to different segments of the population in the next four years.

<sup>88</sup> By the provisions of Law n. 12,513/2011.

## Professional Education, Gender Stereotypes and Occupational Segregation

Several studies and programs implemented by the ILO in Africa, Latin America and Asia clearly identified the barriers that hinder access and participation of women in professional education. These barriers are classified into two types; external and internal (ILO, 2005).

According to the ILO, (2005), some of the main external barriers to professional education systems affecting the training of women are:

- Stereotypes that establish roles and tasks segregated by gender, inhibiting and conditioning vocational options and the attitudes of parents, sons and daughters, and teachers;
- Lower female availability for training, given the multiplicity of the roles they assume, as well as the burden of family and domestic tasks;
- Limited range of employment choices for women;
- Lack of active policies for jobs that incorporate strategies for the promotion of equal opportunities, integrating information, orientation, professional training and labor aspects;
- Employers' prejudices concerning male and female roles, the qualifications and aptitudes of women and men;
- Lack of participation of women's organizations and other entities in the formulation and implementation of professional education programs, with the purpose of incorporating a gender-based approach;
- Scarcity of successful female role models in high positions in the technical and technological fields and, as a result, few incentives for women to follow this track.

The internal barriers in accessing the professional educational system are those related to the contents and methodology of training, among which the following can be highlighted:

- Courses that are either irrelevant or outdated in relation to the labor market; although this feature affects all indistinctively, it is especially detrimental for women who require incentives to access innovative sectors or those with higher employment prospects;
- There are few women in decision-making positions in professional schools and organizations; when women occupy these positions; when women do fulfill these position they are not always conscious enough or prepared to act from a gender-based perspective;
- Very few incentives are provided for raising awareness of gender-related issues among directors, instructors, professor, and other workers in schools and educational centers, especially in relation to non-traditional occupations for women;
- There is a lack of individualized services, with a gender-based perspective, in terms of information and professional orientation, labor assistance and intermediation for labor market placement;
- The subjects and educational material used in professional education courses generally reflect the gender stereotypes that exist in basic education and society;

- Schedules and location of courses cannot always be reconciled with domestic and family obligations of women, generating additional transportation costs and greater travel times, depending on distance from residence;
- Lack of childcare services at location of training centers;
- The requirements of access are often too elevated compared to general levels of instruction;
- Training in subjects that are unrelated to new and updated technologies, infrastructure, machinery and equipment in the productive sector professionals hope to enter;
- Insufficient training personnel and instructors capable of being models for female students, especially in non-traditional fields;
- Teaching methodologies in general do not take gender into consideration;
- The modalities of training do not always comprise one school-based approach complemented by a professional practical approach, which would be helpful in consolidating training and insert women in the labor market, also contributing towards, self-affirmation and professional development;
- Lack of continued assistance to former students after initial training.

This set of barriers affect all women, but particularly those who live in poverty, limiting their chances of permanently accessing the professional education system, as well as their chances of obtaining quality employments (ILO, 2005).

As mentioned earlier, based on the PNAD Supplement of Professional Education (2007), the percentage of people who were attending at the time of survey or who had previously attended the professional education course was roughly the same: 22.7% for women and 22.0% for men.

Despite this relative balance among sexes, women still faced barriers in terms of access to professional education and minimized the positive potential of employability upon completion of courses, as shown below.

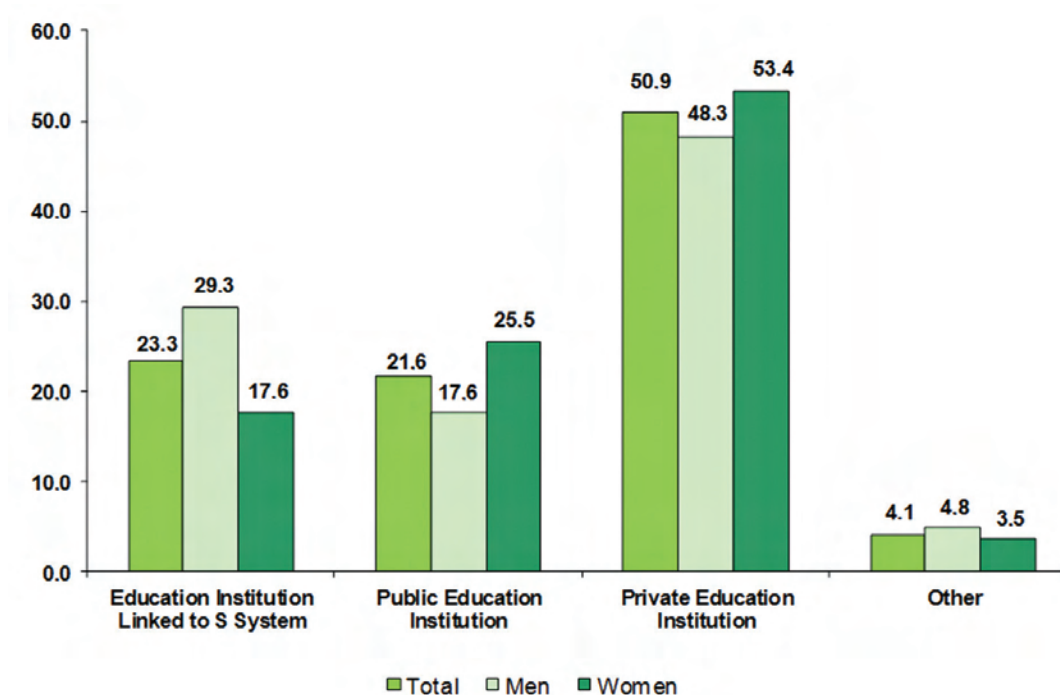
Concerning the nature of the institution in which the courses took place, the education institutions linked to the *S System* were responsible for providing training to 23.3% of the people who completed professional education, as shown in Graph 23. The public education institutions accounted for 21.6% of openings whereas private education institutions accounted for 50.9%.

From the perspective of gender, it was possible to observe significant differentials regarding the nature of the institutions providing courses. While 29.3% of men completed professional education courses in the *S System*, this percentage was just 17.6% among women – approximately 12.0 percentage points less.



GRAPH 23

PERCENTAGE DISTRIBUTION OF PEOPLE AGED 10 OR OLDER WHO COMPLETED PROFESSIONAL EDUCATION COURSES, BY NATURE OF INSTITUTION AND SEX  
BRAZIL, 2007



SOURCE: IBGE - PNAD 2007, Professional Education Supplement

Public education institutions were far more representative in the professional training of women (25.5%) compared to men (17.6%). Despite the high percentages for both sexes, women were more dependent on access to private education institutions (53.4%) to conclude a professionalizing course than men (48.3%).

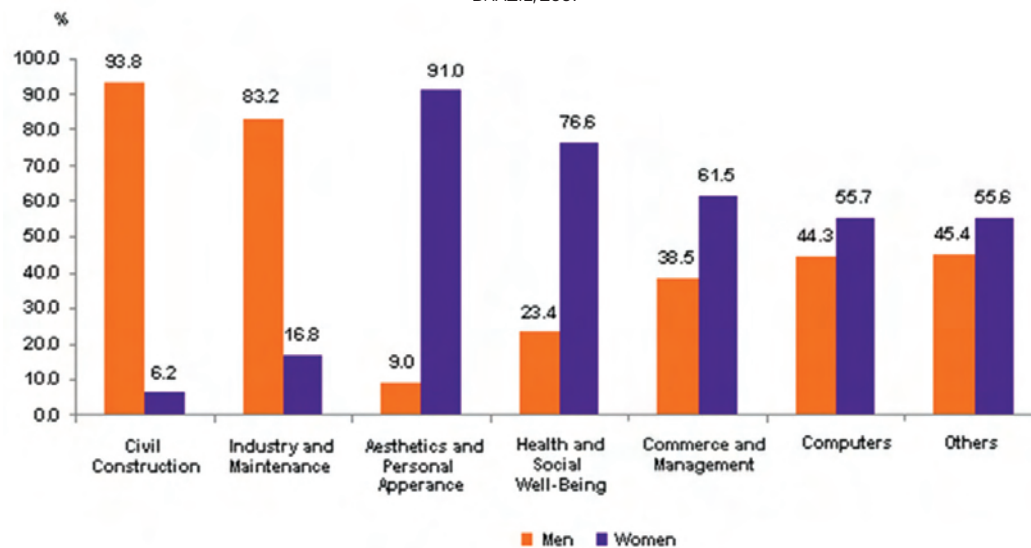
In turn, the disaggregated analysis by sex of the people who attended professional qualification courses, according to the professional field of the course further illustrates the already mentioned gender stereotypes that are still valid in professional qualification and in the labor market.

Among people who were attending or had attended courses in *civil construction*, 93.8% were men and only 6.2% women, as shown in Graph 24. In the *industry and maintenance* sector the percentage of men is overwhelming (83.2%) compared to women (16.8%)

On the other hand, the participation of women was significantly higher in courses considered *typically feminine*: 91.0% in *aesthetics and personal appearance* and 76.6% in *health and social well-being*.

GRAPH 24

PERCENTAGE DISTRIBUTION OF PEOPLE WHO WERE ATTENDING OR HAD ATTENDED PROFESSIONAL QUALIFICATION COURSES ACCORDING TO PROFESSIONAL AREA, BY SEX  
BRAZIL, 2007



Source: IBGE – PNAD 2007, Professional Education Supplement  
Elaborated by: ILO Brazil Office

In a lower proportion women also predominated in *commerce and management* (61.5%) and *computers* (55.7%) professional areas, whereas the participation of men was 38.5% and 44.3%, respectively.

Considering people who had previously attended qualification courses but did not complete it, the main reason mentioned both for men (26.0%) and women (24.6%) was *financial trouble*. The predominance of this motive is perhaps directly related to the fact that the majority (51.0%) of the people who concluded professional education courses had attended private institutions.

Ranked second was *dissatisfaction with the course*, mentioned by 21.0% of men and 18.6% of women. *Not capable of keeping up with classes*, was mentioned by 10.3% of the male population and 9.3% of the female.

The largest participation gap relative to gender in terms of justification for not completing the professional qualification course was relative to *family issues* – among women, the percentage (9.3%) was two times greater compared to men (4.6%). Although the survey did not specify the typology of these justifications, it is reasonable to suppose that the greater incidence among women is directly linked to difficulties in reconciling professional qualification (sometimes combined with work as well) and family duties, due to the lack of public policies aimed at providing care and re-dimensioning the responsibilities in this sphere of life based on conception of social co-responsibility. In the current scenario women remain as the exclusive or main person in charge of care, as explained in the chapter on *Combining Work, Personal and Family Life*.

## Still Existing Barriers in Labor Intermediation Services

Based on the information displayed in Table 72 referring to the distribution of openings offered by the National Employment System (SINE) according to gender requirements it is possible to reach the conclusion that already at this early stage there are enormous barriers faced by women in order to apply, compete for obtain a place through the labor intermediation service<sup>89</sup> within the scope of the Public Employment, Labor and Income System.

In 2007, a contingent of 2.07 million openings was offered by the SINE. Out of this total, 41.3% were exclusively offered to men, while 12.7% were exclusively offered to women. In 46.0% there was no gender requirement meaning that opening could be filled by men or women.

In 2010, 2.5 million openings were offered by the SINE. Out of this total, an even higher proportion required candidates to be men (44.7%), and the percentage of openings which required candidates to be women decreased to 11.1%; the percentage of openings for either men or women decreased to 44.3%,

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<sup>89</sup> It consists of matching openings in the labor market with workers seeking placement in the labor market.

TABLE 72

DISTRIBUTION OF OPENINGS OFFERED BY THE NATIONAL EMPLOYMENT SYSTEM (SINE)  
ACCORDING TO SEX REQUIREMENTS TO ITS FULFILLMENT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007 AND 2010

| Geographical Area       | 2007                      |                |             |             | 2010                      |                |             |             |
|-------------------------|---------------------------|----------------|-------------|-------------|---------------------------|----------------|-------------|-------------|
|                         | N. of Openings<br>(Total) | Distribution % |             |             | N. of Openings<br>(Total) | Distribution % |             |             |
|                         |                           | Men            | Women       | Indif.      |                           | Men            | Women       | Indif.      |
| <b>Brazil *</b>         | <b>2,075,723</b>          | <b>41.3</b>    | <b>12.7</b> | <b>46.0</b> | <b>2,507,097</b>          | <b>44.7</b>    | <b>11.1</b> | <b>44.3</b> |
| <b>Regions</b>          |                           |                |             |             |                           |                |             |             |
| North                   | 58,463                    | 44.8           | 15.4        | 39.8        | 112,339                   | 47.6           | 14.9        | 37.5        |
| Northeast               | 288,202                   | 26.9           | 8.6         | 64.5        | 428,890                   | 47.5           | 6.3         | 46.2        |
| Southeast               | 1,111,243                 | 43.5           | 12.0        | 44.5        | 1,206,731                 | 44.0           | 9.3         | 46.7        |
| South                   | 424,478                   | 40.7           | 15.6        | 43.7        | 483,696                   | 39.9           | 15.0        | 45.1        |
| Center-West             | 193,337                   | 50.7           | 15.2        | 34.1        | 275,441                   | 53.8           | 14.6        | 31.5        |
| <b>Federation Units</b> |                           |                |             |             |                           |                |             |             |
| Rondônia                | 4,885                     | 50.7           | 17.6        | 31.7        | 34,307                    | 30.5           | 8.7         | 60.8        |
| Acre                    | 3,815                     | 34.4           | 29.2        | 36.4        | 4,550                     | 47.2           | 31.1        | 21.6        |
| Amazonas                | 9,256                     | 51.4           | 10.0        | 38.7        | 31,550                    | 59.1           | 9.3         | 31.6        |
| Roraima                 | 2,742                     | 50.1           | 21.9        | 27.9        | 3,382                     | 51.4           | 20.0        | 28.6        |
| Pará                    | 2,269                     | 46.5           | 12.1        | 41.4        | 4,681                     | 68.8           | 9.7         | 21.5        |
| Amapá                   | 10,177                    | 43.5           | 22.1        | 34.4        | 7,512                     | 53.6           | 20.3        | 26.0        |
| Tocantins               | 25,319                    | 42.7           | 11.7        | 45.6        | 26,357                    | 50.2           | 25.7        | 24.1        |
| Maranhão                | 8,478                     | 40.6           | 17.7        | 41.6        | 20,445                    | 49.1           | 12.2        | 38.7        |
| Piauí                   | 4,880                     | 23.5           | 5.2         | 71.2        | 4,711                     | -              | -           | 100.0       |
| Ceará                   | 105,707                   | 27.2           | 10.7        | 62.1        | 138,906                   | 40.5           | 10.2        | 49.3        |
| Rio Grande do Norte     | 16,816                    | 25.9           | 13.1        | 61.0        | 17,486                    | 45.5           | 14.6        | 39.9        |
| Paraíba                 | 4,930                     | 42.2           | 13.5        | 44.3        | 9,150                     | 51.8           | 12.9        | 35.3        |
| Pernambuco              | 55,899                    | 6.0            | 2.3         | 91.7        | 80,073                    | 4.3            | 0.9         | 94.8        |
| Alagoas                 | 15,209                    | 7.3            | 3.4         | 89.3        | 14,414                    | 11.4           | 3.4         | 85.2        |
| Sergipe                 | 4,194                     | 26.4           | 8.4         | 65.2        | 3,685                     | 50.3           | 18.1        | 31.6        |
| Bahia                   | 72,089                    | 44.4           | 9.4         | 46.2        | 140,020                   | 84.2           | 3.5         | 12.3        |
| Minas Gerais            | 118,300                   | 49.7           | 11.5        | 38.8        | 250,685                   | 52.2           | 11.0        | 36.7        |
| Espírito Santo          | 6,898                     | 67.3           | 14.1        | 18.6        | 57,479                    | 67.7           | 7.0         | 25.3        |
| Rio de Janeiro          | 159,437                   | 44.9           | 9.6         | 45.5        | 189,432                   | 48.7           | 8.7         | 42.6        |
| São Paulo               | 826,608                   | 42.1           | 12.5        | 45.4        | 709,135                   | 37.9           | 9.1         | 53.0        |
| Paraná                  | 265,830                   | 41.5           | 13.1        | 45.4        | 237,856                   | 40.4           | 13.7        | 45.9        |
| Santa Catarina          | 67,298                    | 35.1           | 20.0        | 44.9        | 103,625                   | 34.7           | 19.7        | 45.6        |
| Rio Grande do Sul       | 91,350                    | 42.4           | 19.8        | 37.8        | 142,215                   | 42.3           | 15.7        | 42.1        |
| Mato Grosso do Sul      | 28,986                    | 51.1           | 10.2        | 38.7        | 49,448                    | 48.4           | 13.8        | 37.8        |
| Mato Grosso             | 49,021                    | 51.1           | 17.8        | 31.1        | 42,957                    | 49.9           | 21.0        | 29.0        |
| Goiás                   | 89,407                    | 49.0           | 15.9        | 35.1        | 151,048                   | 56.9           | 13.7        | 29.4        |
| Federal District        | 25,923                    | 55.2           | 13.6        | 31.2        | 31,998                    | 53.2           | 11.5        | 35.3        |

Source: MTE - SINE Coordination

Elaborated by: DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda

Note: For 2010: Roraima - partial data until November; Paraíba - partial data until June; Mato Grosso and Minas Gerais - partial data until September; Mato Grosso do Sul and Rio Grande do Sul - partial data until October

\* Due to migration of MTE's systems, data are partial.

By regrouping the data displayed in Table 72, it is possible to obtain another set of information which more clearly reveals the actual possibilities men and women have to apply and compete for a job based on the openings indicated by the SINE. Considering that workers of each sex can compete for openings that either require applicants to be of their own sex or do not make a distinction (in other words no sex requirement), it is possible to verify that, in 2007, while men could compete for 87.3% of openings, women could only dispute for 58.7%. In 2010, the situation was even less favorable, since this percentage was 89.0% for male workers and 55.4% for female workers, as shown in Table 73.

In all Federation Units, in 2010, the possibilities to compete for openings were always greater among men. In a group of 12 UFs, female workers were not allowed to compete for more than half of the openings offered by the SINE. The lowest percentage was observed in Bahia, as only 15.8% of the openings allowed women to participate in the selection process,<sup>90</sup> while men could be directed to 96.5% of available openings. This percentage was also rather low in Pará (31.2%), Espírito Santo (32.3%) and Amazonas (40.9%).

Although in a proportion still inferior to men, women could also compete for a larger percentage of openings in Pernambuco (95.7%), Alagoas (88.6%), Rondônia (69.5%), Santa Catarina (62.5%) and São Paulo (62.1%).

Only in five UFs, openings with no specific sex requirements accounted for more than half of the total in 2010: (100.0%), Pernambuco (94.8%), Alagoas (85.2%), Rondônia (60.8%) and São Paulo (53.0%).

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<sup>90</sup> It corresponds to the group of selected male and female workers, according to the profile of openings, who enrolled at the SINE and that were directed to the selection processes to fill openings.

TABLE 73

DISTRIBUTION OF OPENINGS OFFERED BY THE NATIONAL EMPLOYMENT SYSTEM (SINE)  
ACCORDING TO POSSIBILITY OF COMPETITION BY SEX AND SEX REQUIREMENTS TO ITS FULFILLMENT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007 AND 2010

| Geographical Area       | 2007  |             | 2010  |             |
|-------------------------|---|-------------|---|-------------|
|                         | % of Openings with Possibility of Competition |             | % of Openings with Possibility of Competition |             |
|                         | Men   | Women       | Men   | Women       |
| <b>Brazil *</b>         | <b>87.3</b>                                   | <b>58.7</b> | <b>89.0</b>                                   | <b>55.4</b> |
| <b>Regions</b>          |   |             |   |             |
| North                   | 84.6  | 55.2        | 85.1  | 52.4        |
| Northeast               | 91.4  | 73.1        | 93.7  | 52.5        |
| Southeast               | 88.0  | 56.5        | 90.7  | 56.0        |
| South                   | 84.4  | 59.3        | 85.0  | 60.1        |
| Center-West             | 84.8  | 49.3        | 85.3  | 46.1        |
| <b>Federation Units</b> |   |             |   |             |
| Rondônia                | 82.4  | 49.3        | 91.3  | 69.5        |
| Acre                    | 70.8  | 65.6        | 68.8  | 52.7        |
| Amazonas                | 90.1  | 48.7        | 90.7  | 40.9        |
| Roraima                 | 78.0  | 49.8        | 80.0  | 48.6        |
| Pará                    | 87.9  | 53.5        | 90.3  | 31.2        |
| Amapá                   | 77.9  | 56.5        | 79.6  | 46.3        |
| Tocantins               | 88.3  | 57.3        | 74.3  | 49.8        |
| Maranhão                | 82.2  | 59.3        | 87.8  | 50.9        |
| Piauí                   | 94.7  | 76.4        | -   | -           |
| Ceará                   | 89.3  | 72.8        | 89.8  | 59.5        |
| Rio Grande do Norte     | 86.9  | 74.1        | 85.4  | 54.5        |
| Paráíba                 | 86.5  | 57.8        | 87.1  | 48.2        |
| Pernambuco              | 97.7  | 94.0        | 99.1  | 95.7        |
| Alagoas                 | 96.6  | 92.7        | 96.6  | 88.6        |
| Sergipe                 | 91.6  | 73.6        | 81.9  | 49.7        |
| Bahia                   | 90.6  | 55.6        | 96.5  | 15.8        |
| Minas Gerais            | 88.5  | 50.3        | 88.9  | 47.7        |
| Espírito Santo          | 85.9  | 32.7        | 93.0  | 32.3        |
| Rio de Janeiro          | 90.4  | 55.1        | 91.3  | 51.3        |
| São Paulo               | 87.5  | 57.9        | 90.9  | 62.1        |
| Paraná                  | 86.9  | 58.5        | 86.3  | 59.6        |
| Santa Catarina          | 80.0  | 64.9        | 80.3  | 65.3        |
| Rio Grande do Sul       | 80.2  | 57.6        | 84.4  | 57.8        |
| Mato Grosso do Sul      | 89.8  | 48.9        | 86.2  | 51.6        |
| Mato Grosso             | 82.2  | 48.9        | 78.9  | 50.0        |
| Goiás                   | 84.1  | 51.0        | 86.3  | 43.1        |
| Federal District        | 86.4  | 44.8        | 88.5  | 46.8        |

Source: DIEESE based on MTE - SINE Coordination data.

\* Due to migration of MTE's systems, data are partial.

Elaborated by: ILO Brazil Office

This set of barriers imposed by sex requirements creates countless obstacles for women, who due to these barriers cannot participate in selection processes and thereby attain placement in the market with the assistance of the SINE.

The information collected from the intermediation service provided by the SINE clearly shows the discrepancy between the percentage participation of women among people

enrolled<sup>91</sup> and placed<sup>92</sup> (i.e., found jobs). In 2007 and 2010, the number of women enrolled in the SINE accounted for almost half of the total (46.7%). However, the percentage of women who were placed was much lower (36.2% in 2007 and 36.9% in 2010), as shown in Tables 74 and 75.

| <b>TABLE 74</b>   |                                       |             |             |             |
|---|---------------------------------------|-------------|-------------|-------------|
| PROPORTION OF WOMEN ENROLLED IN SINE RELATIVE TO THE TOTAL NUMBER OF PEOPLE ENROLLED<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2007-2010 |                                       |             |             |             |
| Geographical Area   | Proportion Women Enrolled in SINE (%) |             |             |             |
|   | 2007                                  | 2008        | 2009        | 2010        |
| <b>Brazil *</b>   | <b>46.7</b>                           | <b>47.2</b> | <b>45.6</b> | <b>46.5</b> |
| <b>Regions</b>  |                                       |             |             |             |
| North   | 41.9                                  | 44.2        | 42.0        | 40.9        |
| Northeast   | 44.2                                  | 43.7        | 43.4        | 41.9        |
| Southeast   | 49.1                                  | 49.1        | 47.7        | 49.8        |
| South   | 45.1                                  | 46.8        | 45.5        | 46.5        |
| Center-West   | 43.3                                  | 43.8        | 44.2        | 44.2        |
| <b>Federation Units</b>   |                                       |             |             |             |
| Rondônia  | 44.6                                  | 45.1        | 38.4        | 34.7        |
| Acre  | 41.2                                  | 39.2        | 40.6        | 35.0        |
| Amazonas  | 44.4                                  | 50.6        | 45.3        | 47.6        |
| Roraima   | 44.9                                  | 42.3        | 44.4        | 45.2        |
| Pará  | 42.8                                  | 45.3        | 47.8        | 42.3        |
| Amapá   | 47.6                                  | 45.0        | 37.8        | 41.9        |
| Tocantins   | 36.0                                  | 37.2        | 40.6        | 37.8        |
| Maranhão  | 40.4                                  | 38.6        | 41.4        | 45.1        |
| Piauí   | 33.5                                  | 45.2        | 54.3        | 46.4        |
| Ceará   | 45.4                                  | 44.5        | 44.0        | 42.0        |
| Rio Grande do Norte   | 47.1                                  | 44.0        | 43.9        | 45.5        |
| Paraíba   | 41.6                                  | 46.3        | 45.2        | 40.3        |
| Pernambuco  | 44.5                                  | 44.2        | 42.4        | 38.5        |
| Alagoas   | 36.9                                  | 30.9        | 34.6        | 37.4        |
| Sergipe   | 46.7                                  | 51.7        | 53.0        | 51.9        |
| Bahia   | 44.6                                  | 44.1        | 43.8        | 43.3        |
| Minas Gerais  | 44.0                                  | 42.8        | 42.8        | 45.1        |
| Espírito Santo  | 46.9                                  | 39.6        | 39.0        | 40.1        |
| Rio de Janeiro  | 48.8                                  | 49.5        | 48.7        | 47.7        |
| São Paulo   | 50.3                                  | 51.3        | 52.1        | 55.8        |
| Paraná  | 43.4                                  | 45.6        | 44.3        | 45.0        |
| Santa Catarina  | 46.8                                  | 47.5        | 46.3        | 48.0        |
| Rio Grande do Sul   | 50.4                                  | 49.2        | 48.6        | 51.8        |
| Mato Grosso do Sul  | 45.3                                  | 45.1        | 44.7        | 44.3        |
| Mato Grosso   | 39.8                                  | 39.6        | 41.1        | 40.8        |
| Goiás   | 42.3                                  | 42.6        | 41.6        | 42.5        |
| Federal District  | 47.2                                  | 48.9        | 51.3        | 50.3        |

Source: MTE – SINE Coordination

Elaborated by: DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda

Note: For 2010: Roraima – partial data until November; Paraíba – partial data until June; Mato Grosso and Minas Gerais partial data until September; Mato Grosso do Sul and Rio Grande do Sul – partial data until October

\* Due to migration of MTE systems, data is partial.

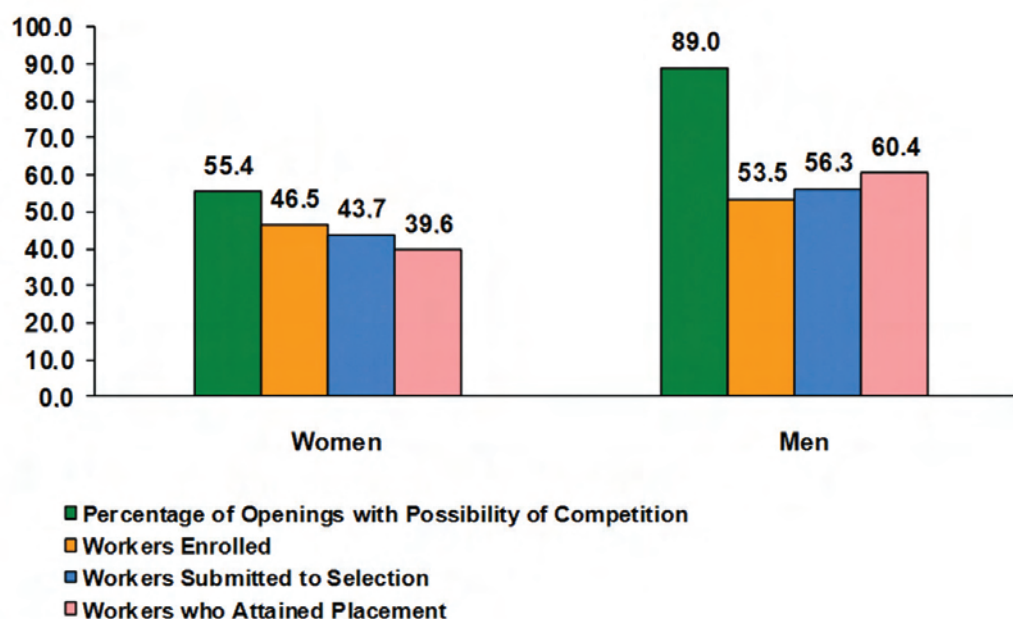
<sup>91</sup> All workers enrolled in SINE seeking for placement in the job market.

<sup>92</sup> Makes reference to the total of male and female workers who attained placement in the formal job market through the SINE, i.e. the outcome of the intermediation service.

Graph 25 demonstrates, side-to-side, gender inequality concerning the SINE's labor intermediations services. In 2010, women could compete for slightly over half (55.4%) of the openings offered by the SINE, while men could compete for 89.0%. In turn, female workers, despite accounting for 46.5% enrolled in SINE and 43.7% of the total of people submitted to selection processes, only accounted for 39.6% of those who attained placement.

**GRAPH 25**

MAIN RESULTS OF LABOR INTERMEDIATION (SINE) BROKEN BY GENDER  
BRAZIL, 2010



Source: MTE - SINE Coordination / DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda  
Elaborated by: ILO Brazil Office

Throughout the Brazilian territory, it was possible to observe that the proportion of women placed in market by the SINE increased in all regions between 2007 and 2010, being that the growth was more significant in the Southeast and South Regions. Between 2007 and 2010, this proportion increased from 39.8% to 44.2% in the Southeast and from 35.7% to 41.8% in the South Region.



TABLE 75

PROPORTION OF WOMEN PLACED IN THE MARKET BY THE SINE RELATIVE TO TOTAL NUMBER OF PLACED WORKERS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007-2010

| Geographical Area       | Proportion women placed by the SINE (%) |             |             |             |
|-------------------------|---|-------------|-------------|-------------|
|                         | 2007                                    | 2008        | 2009        | 2010        |
| <b>Brazil</b>           | <b>36.2</b>                             | <b>37.7</b> | <b>37.1</b> | <b>39.6</b> |
| <b>Regions</b>          |   |             |             |             |
| North                   | 23.7                                    | 28.3        | 27.4        | 27.2        |
| Northeast               | 35.9                                    | 33.6        | 34.7        | 37.9        |
| Southeast               | 39.8                                    | 40.9        | 40.9        | 44.2        |
| South                   | 35.7                                    | 40.2        | 39.3        | 41.8        |
| Center-West             | 26.5                                    | 29.9        | 29.3        | 29.9        |
| <b>Federation Units</b> |   |             |             |             |
| Rondônia                | 25.6                                    | 31.1        | 18.1        | 17.6        |
| Acre                    | 43.8                                    | 23.8        | 35.9        | 31.2        |
| Amazonas                | 28.5                                    | 25.1        | 26.7        | 33.4        |
| Roraima                 | 29.3                                    | 24.2        | 27.0        | 35.8        |
| Pará                    | 31.9                                    | 31.4        | 29.0        | 24.3        |
| Amapá                   | 22.3                                    | 24.2        | 30.8        | 22.4        |
| Tocantins               | 19.4                                    | 31.4        | 38.3        | 35.8        |
| Maranhão                | 32.8                                    | 33.9        | 27.0        | 33.4        |
| Piauí                   | 7.0                                     | 14.8        | 6.9         | 5.7         |
| Ceará                   | 38.6                                    | 38.3        | 40.1        | 36.0        |
| Rio Grande do Norte     | 47.8                                    | 44.9        | 41.4        | 40.5        |
| Paraíba                 | 27.6                                    | 30.9        | 35.5        | 26.7        |
| Pernambuco              | 39.6                                    | 35.0        | 31.6        | 29.9        |
| Alagoas                 | 9.1                                     | 6.7         | 7.4         | 6.9         |
| Sergipe                 | 29.7                                    | 38.4        | 42.2        | 35.9        |
| Bahia                   | 38.7                                    | 33.4        | 36.7        | 44.6        |
| Minas Gerais            | 27.7                                    | 28.9        | 30.2        | 32.8        |
| Espírito Santo          | 30.6                                    | 21.1        | 25.0        | 19.2        |
| Rio de Janeiro          | 39.4                                    | 41.3        | 42.2        | 41.1        |
| São Paulo               | 43.3                                    | 45.9        | 48.8        | 52.5        |
| Paraná                  | 32.2                                    | 37.3        | 36.7        | 39.4        |
| Santa Catarina          | 45.9                                    | 48.3        | 46.1        | 49.3        |
| Rio Grande do Sul       | 44.1                                    | 45.5        | 43.9        | 45.3        |
| Mato Grosso do Sul      | 25.9                                    | 33.6        | 29.7        | 30.4        |
| Mato Grosso             | 21.8                                    | 25.2        | 28.7        | 23.1        |
| Goiás                   | 30.9                                    | 31.7        | 29.9        | 33.2        |
| Federal District        | 28.9                                    | 32.4        | 28.5        | 32.2        |

Source: MTE – SINE Coordination

Elaborated by: DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda

Note: For 2010: Roraima – partial data until November; Paraíba – partial data until June; Mato Grosso and Minas Gerais partial data until September; Mato Grosso do Sul and Rio Grande do Sul partial data until October

Despite the evolution from 23.7% in 2007 to 27.2% in 2010, the North Region still had the lowest proportion of women placed by the SINE. The Center-West Region was ranked second lowest (29.9%) in 2010, despite expansion relative to 2007 (26.5%).

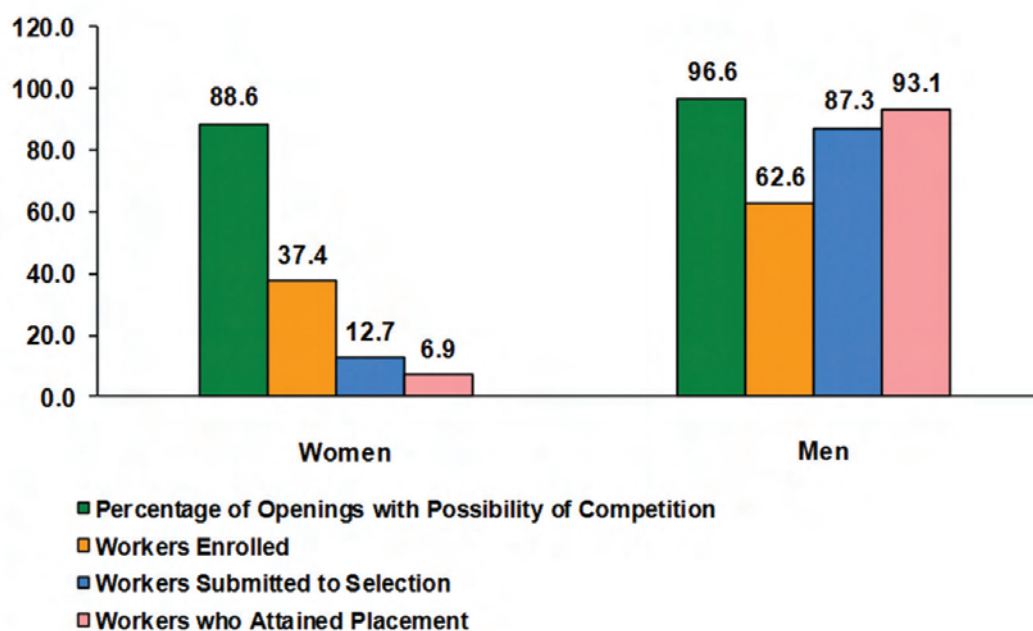
Among Federation Units, the very low percentage of women placed by the SINE in the states of Piauí and Alagoas stood out. In the case of Piauí – with the exception of 2008 (14.8%) – the proportion of women placed by the SINE always stayed below 10.0%: 7.0%

in 2007, 6.9% in 2009 and 5.7% in 2010. It is important to stress that these very low placement rates cannot be attributed to enrollment in the SINE, since the proportion of women enrolled was 45.2%, 54.3% and 46.4% in 2008, 2009 and 2010, respectively.

In the state of Alagoas, the percentage of workers placed by the SINE never reached 10.0% between 2007 and 2010. During 2009 and 2010, despite the proportion of enrolled women being 34.6% and 37.4% respectively, the percentage of placement was only 7.4% in 2009 and 6.9% in 2010. On the other hand, 93.1% of those who attained placement in 2010 were men. Graph 26 synthesizes the gender gap that also became evident in the SINE's labor intermediation service in state of Alagoas in 2010.

**GRAPH 26**

MAIN RESULTS OF LABOR INTERMEDIATION (SINE) BROKEN DOWN BY GENDER  
ALAGOAS, 2010



Source: MTE - SINE Coordination / DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda  
Elaborated by: ILO Brazil Office

The percentages of women placed by the SINE were also particularly low in Rondônia (18.1% in 2009 and 17.6% in 2010) and in Espírito Santo – 25.0% in 2009 and 19.2% in 2010).

Proportions of women placed in market by the SINE were higher in the states of São Paulo, Santa Catarina and Rio Grande do Sul, in fact they were constantly superior to 40.0% from 2007 to 2010. In São Paulo, this proportion increased systematically, increased from 43.3% in 2007 to a significant 52.5% 2010.

## DOMESTIC WORKERS

According to data from the PNAD, in 2009, there were 6.93 million domestic workers between 16 and 64 years old in Brazil. A contingent of 6.47 million of those employed in this category were women – the equivalent to 93.4% of the total. Black women participated heavily in this occupation, representing 61.9% of the total of female domestic workers.

Domestic work comprised 19.2% of the contingent of employed females in 2009, meaning that 1 out of 5 employed women aged 16 to 64 were domestic workers.

It is also important to draw attention to the fact that, as already mentioned in the Chapter on *Combining Work, Family and Personal Life*, domestic workers have a highly important role in the *care chain*, since they can mitigate the pressure generated by the need to combine labor market insertion and family responsibilities in a scenario of few public policies addressing the issue. On the other hand, female domestic workers themselves suffer more from this pressure, since their low earnings prevent them from contracting service that would assist them with their own domestic and family duties.

Despite the unequivocal importance for a significant amount of people, especially women, and for society in general, domestic labor is still marked by poor work conditions and low social protection, therefore constituting one of the main sources of Decent Labor deficit. In 2009, the average earning in this occupation category was only R\$ 408,00, which corresponded to 87.7% of the minimum wage at the time of the survey (R\$ 465.00). Furthermore, roughly 28.0% of female domestic workers earned up to half a minimum wage. The value of average earnings and the elevated proportion of people who earned less than one minimum wage were considerably conditioned by the low percentage of domestic workers who had signed labor cards, a point that will be discussed further ahead. In addition to guaranteeing payment of at least one minimum wage, a signed labor card ensures access to other labor rights, as vacation pay and the 13th month's salary.

Despite the important work of the National Federation of Domestic Workers (FENATRAD) and of several unions scattered throughout Brazil, only 2.2% of workers occupied in this category were affiliated to a union, as per data compiled in 2009.

Although forbidden for minors under the age of 18<sup>93</sup>, domestic labor is still a reality for Brazilian children and adolescents. In 2009, there were 363 thousand boys and girls between the ages of 10 and 17 engaged in child domestic labor. Of this total, 340 thousand were girls (93.6%) and 233 thousand were black girls (64.2% of the total). Five states alone accounted for half of the contingent of children and adolescents in situations of child domestic labor: Minas Gerais (53 thousand or 14.8% of the total), São Paulo (39 thousand or 10.7%), Bahia (37 thousand or 10.2%), Ceará (27 thousand or 7.5%) and Paraná (21 thousand or 5.8% of the total).

It was also possible to verify severe situations of lack of social protection in this category, also marked by significant inequality in terms of gender and race. Indeed, in 2009, only 28.6%, that is, less than a third of the total number of domestic workers had signed labor cards. Despite accounting for just 6.6% within this category, the proportion of male

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<sup>93</sup> Presidential Decree n. 6,481, of June 12, 2008, regulates articles 3, line "d", and 4 of the ILO Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999 (n. 182), which classifies domestic work among those deemed dangerous and therefore forbidden for minors under the age of 18.

domestic workers with signed labor cards (48.7% in 2009) was considerably higher in comparison to female domestic workers with signed labor cards (27.2%). This percentage was even lower for black female domestic workers (25.4%), in addition to being five percentage points lower than the same figure for white female domestic workers (30.3%) (see Table 76).

In none of the 27 Federation Units, was the percentage of domestic workers with signed labor cards as high as 40.0%, being that the highest percentages were found in São Paulo (38.9%), Santa Catarina (37.6%) and the Federal District (37.0%). In turn, in four UFs, the percentage of domestic workers with signed labor cards did not even reach the 10.0% mark in 2009: Amazonas (8.5%), Ceará (9.3%), Piauí (9.7%) and Maranhão (6.7%). It is important to stress that this percentage was even lower for black female domestic workers. In the case of the state of Maranhão, this figure was only 6.3%.

Following the overall pattern of increasing formalization of labor relations in Brazil, the percentage of domestic workers with signed labor cards increased from 26.7% to 28.6%, between 2004 and 2009.

This increase was verified in 20 of the 27 Federation Units. States that stood out were Roraima (+10.3 percentage points, increasing from 11.4% to 21.7%), Acre (+7.7 p.p., from 7.4% to 15.1%) and Mato Grosso (+7.6 p.p., from 19.6% to 27.2%).

Among the seven UFs in which reductions were observed, it is important to draw attention to the decline found in Maranhão, from 7.9% in 2004 to 6.7% in 2009, given that this state had the lowest percentage of domestic workers with signed labor cards in the country, as mentioned earlier.

TABLE 76

PROPORTION OF OCCUPIED FEMALE AND MALE DOMESTIC WORKERS AGED 16 TO 64 WITH SIGNED LABOR CARDS, IN RELATION TO TOTAL FEMALE AND MALE DOMESTIC WORKERS AGED 16 TO 64, BY SEX AND COLOR OR RACE BRAZIL AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White Women | Black Women | Total       | Men         | Women       | White Women | Black Women |
| <b>Brazil</b>           | <b>26.7</b> | <b>43.4</b> | <b>25.6</b> | <b>29.3</b> | <b>22.7</b> | <b>28.6</b> | <b>48.7</b> | <b>27.2</b> | <b>30.3</b> | <b>25.4</b> |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 16.4        | 25.3        | 15.7        | 25.8        | 12.6        | 22.2        | 50.0        | 21.1        | 18.2        | 21.8        |
| Acre                    | 9.7         | 55.2        | 7.4         | ...         | ...         | 16.5        | 45.6        | 15.1        | 17.6        | ...         |
| Amazonas                | 9.5         | 34.7        | 5.3         | ...         | ...         | 9.5         | ...         | 8.5         | ...         | ...         |
| Roraima                 | 8.3         | ...         | 11.4        | ...         | ...         | 21.1        | 18.8        | 21.7        | 33.3        | ...         |
| Pará                    | 13.7        | 25.3        | 12.8        | 21.2        | 10.9        | 12.7        | 19.8        | 12.3        | 15.9        | 11.5        |
| Amapá                   | 8.3         | ...         | 8.8         | ...         | ...         | 15.2        | ...         | 16.2        | 26.7        | 14.1        |
| Tocantins               | 9.1         | ...         | 9.1         | ...         | ...         | 15.2        | 45.4        | 13.4        | 22.6        | 11.5        |
| Maranhão                | 9.5         | 36.4        | 7.9         | ...         | 7.3         | 7.5         | ...         | 6.7         | ...         | 6.3         |
| Piauí                   | 10.6        | 22.7        | 8.5         | ...         | ...         | 11.9        | 29.2        | 9.7         | 8.8         | 9.9         |
| Ceará                   | 8.9         | 23.1        | 7.5         | 9.2         | 6.8         | 10.4        | 23.8        | 9.3         | 11.5        | 8.6         |
| Rio Grande do Norte     | 19.5        | 40.0        | 18.1        | 22.0        | ...         | 21.4        | 52.0        | 17.1        | 10.4        | ...         |
| Paraíba                 | 16.0        | 35.0        | 14.2        | 15.2        | 13.8        | 18.1        | 57.1        | 15.7        | 19.4        | 14.3        |
| Pernambuco              | 22.0        | 36.7        | 20.9        | 22.3        | 20.2        | 19.7        | 23.9        | 19.4        | 19.6        | 19.2        |
| Alagoas                 | 19.7        | 37.5        | 18.8        | 19.4        | ...         | 18.6        | ...         | 18.6        | 28.1        | ...         |
| Sergipe                 | 16.8        | ...         | 15.9        | 22.9        | 13.6        | 16.0        | 60.0        | 14.8        | 10.0        | ...         |
| Bahia                   | 16.9        | 33.4        | 15.8        | 9.7         | 16.9        | 18.2        | 45.9        | 16.9        | 11.4        | 18.0        |
| Minas Gerais            | 32.2        | 55.8        | 30.8        | 34.2        | 28.9        | 29.9        | 53.9        | 28.4        | 31.0        | 27.3        |
| Espírito Santo          | 26.8        | ...         | 27.0        | 31.9        | 25.3        | 32.9        | 70.0        | 31.4        | 28.4        | 32.4        |
| Rio de Janeiro          | 29.4        | 39.9        | 28.5        | 28.5        | 28.5        | 34.5        | 62.9        | 31.0        | 32.2        | 30.6        |
| São Paulo               | 35.9        | 57.0        | 34.7        | 35.2        | 33.7        | 40.3        | 63.4        | 38.9        | 36.9        | 41.1        |
| Paraná                  | 26.7        | 47.4        | 25.7        | 26.6        | 24.3        | 28.0        | 37.6        | 27.2        | 26.6        | 27.9        |
| Santa Catarina          | 30.4        | 42.8        | 30.1        | 28.4        | 37.8        | 36.7        | 45.5        | 36.4        | 35.1        | ...         |
| Rio Grande do Sul       | 37.9        | 59.4        | 36.9        | 36.1        | 40.2        | 37.6        | 36.8        | 37.6        | 35.7        | 41.7        |
| Mato Grosso do Sul      | 24.8        | 31.2        | 24.4        | 27.3        | 22.8        | 28.6        | 60.0        | 27.7        | 29.9        | ...         |
| Mato Grosso             | 19.2        | ...         | 19.6        | 22.8        | 18.4        | 28.2        | 47.1        | 27.2        | 32.4        | 25.0        |
| Goiás                   | 19.3        | 50.0        | 17.0        | 14.8        | 18.2        | 25.2        | 43.2        | 24.2        | 24.7        | 24.0        |
| Federal District        | 38.9        | 60.3        | 35.4        | 41.4        | 33.1        | 40.0        | 56.1        | 37.0        | 34.0        | 38.2        |

Source: IBGE - PNAD

Due to the low proportion of domestic workers with signed labor cards, the percentage of workers with social protection coverage is also low. Between 2004 and 2009, the proportion of workers employed in this category aged between 16 and 64 who also contributed toward social security increased from 29.0% to 32.3%. It is important to stress that this percentage of contributors is higher than the percentage of workers with signed labor cards due to the fact that many domestic workers make autonomous contributions.

The proportion of contributors in this category increased indistinctly between men and women between 2004 and 2009, but by the end of the decade it was considerably high for men (51.3%) in comparison to women (31.0%). The proportion of contributors was higher among white women (34.8%) compared to black women (28.6%) in 2009.

Despite the gap reduction of 4.0 percentage points between 2004 and 2009 in the proportion of contributors employed as domestic workers in rural areas (from 25.1% to 29.1%), by the end of the decade the difference compared to urban area (32.7% in 2009) remained significant.

Among female domestic workers, the proportion of those who contributed toward social security rose in all regions between 2004 and 2009. The expansion of social security coverage was less significant in the North and Northeast Regions, which were also the regions with the lowest coverage rates. In the case of the Northeast Region, the proportion expanded by only 1.1 percentage point, increased from 14.9% in 2004 to 16.0% in 2009 according to Table 77. In the North Region, there was a 3.0 percentage point expansion, i.e. from 11.0% to 14.0% in the same period.

It is important to stress that, in the South and Southeast Regions, the percentage of domestic workers who contributed to social security (approximately 39.0% in 2009) was more than twice as high compared to the North and Northeast Regions. In the Center-West, this percentage expanded significantly, increasing from 23.4% to 29.9%, between 2004 and 2009.

In the period analyzed, social security coverage of domestic workers increased in 22 out of 27 Federation Units. In Santa Catarina, the increase was of the order of 12.3 p.p (from 34.4% to 46.6%), and was similarly significant in Roraima (+9.6 p.p.) and Rondônia (9.0 p.p.).

In Pará and in four Northeastern states (Maranhão, Rio Grande do Norte, Pernambuco and Sergipe) the proportion of domestic workers who contributed toward social security declined slightly.

TABLE 77

PROPORTION OF OCCUPIED FEMALE AND MALE DOMESTIC WORKERS AGED 16 TO 64 WHO CONTRIBUTE TO SOCIAL SECURITY, IN RELATION TO TOTAL FEMALE AND MALE DOMESTIC WORKERS AGED 16 TO 64, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | White Women | Black Women | Total       | Men         | Women       | White Women | Black Women |
| <b>Brazil</b>           | <b>29.0</b> | <b>45.4</b> | <b>27.9</b> | <b>31.7</b> | <b>25.0</b> | <b>32.3</b> | <b>51.3</b> | <b>31.0</b> | <b>34.8</b> | <b>28.6</b> |
| Urban Area              | 29.4        | 42.0        | 28.8        | 32.5        | 25.9        | 32.7        | 50.5        | 31.7        | 35.2        | 29.5        |
| Rural Area              | 25.1        | 52.3        | 18.2        | 22.7        | 14.9        | 29.1        | 53.6        | 24.2        | 31.2        | 20.1        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 12.4        | 25.6        | 11.0        | 14.6        | 10.1        | 14.7        | 25.7        | 14.0        | 17.6        | 13.2        |
| Northeast               | 16.2        | 33.0        | 14.9        | 15.2        | 14.8        | 17.2        | 35.2        | 16.0        | 15.8        | 16.0        |
| Southeast               | 36.3        | 54.8        | 35.2        | 36.4        | 34.0        | 41.1        | 64.9        | 39.3        | 39.5        | 39.2        |
| South                   | 34.7        | 51.7        | 34.0        | 34.4        | 33.0        | 38.8        | 41.4        | 38.7        | 38.9        | 38.1        |
| Center-West             | 25.3        | 50.2        | 23.4        | 24.0        | 23.1        | 31.4        | 53.7        | 29.9        | 31.3        | 29.3        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 16.9        | 25.3        | 16.3        | 24.8        | 13.3        | 26.2        | 50.0        | 25.3        | 21.6        | 26.5        |
| Acre                    | 10.5        | 55.2        | 8.2         | ...         | 8.3         | 16.5        | 45.7        | 15.1        | 17.7        | 14.4        |
| Amazonas                | 9.5         | 34.7        | 5.3         | ...         | 6.7         | 9.5         | ...         | 8.5         | ...         | 8.2         |
| Roraima                 | 9.7         | ...         | 13.4        | ...         | 14.6        | 22.2        | 18.8        | 23.0        | 33.3        | 19.7        |
| Pará                    | 14.1        | 25.3        | 13.2        | 21.7        | 11.4        | 13.7        | 22.5        | 13.1        | 16.4        | 12.4        |
| Amapá                   | 8.3         | ...         | 8.8         | ...         | 10.2        | 15.2        | ...         | 16.2        | 26.7        | 14.2        |
| Tocantins               | 10.0        | ...         | 10.1        | 15.7        | 8.3         | 15.7        | 45.5        | 13.9        | 22.6        | 12.2        |
| Maranhão                | 9.5         | 36.4        | 7.9         | ...         | 7.3         | 8.0         | ...         | 7.3         | ...         | 7.0         |
| Piauí                   | 11.3        | 27.3        | 8.5         | ...         | 9.3         | 11.9        | 29.2        | 9.7         | 8.8         | 9.9         |
| Ceará                   | 9.5         | 25.1        | 8.0         | 9.1         | 7.5         | 11.4        | 23.8        | 10.3        | 12.9        | 9.5         |
| Rio Grande do Norte     | 20.1        | 40.0        | 18.8        | 22.0        | 17.5        | 22.3        | 52.0        | 18.2        | 12.5        | 20.3        |
| Paraíba                 | 16.8        | 35.0        | 15.1        | 15.2        | 15.1        | 20.2        | 57.1        | 17.9        | 22.4        | 16.1        |
| Pernambuco              | 23.2        | 36.7        | 22.2        | 23.0        | 21.8        | 21.6        | 25.1        | 21.3        | 22.6        | 20.9        |
| Alagoas                 | 21.0        | 50.0        | 19.5        | 21.0        | 18.4        | 20.5        | ...         | 20.0        | 28.1        | 17.7        |
| Sergipe                 | 18.9        | ...         | 18.1        | 25.7        | 15.5        | 18.1        | 60.0        | 16.9        | 14.6        | 17.6        |
| Bahia                   | 18.3        | 34.4        | 17.2        | 9.7         | 18.5        | 20.7        | 45.9        | 19.5        | 12.3        | 20.7        |
| Minas Gerais            | 34.8        | 59.0        | 33.4        | 37.7        | 31.0        | 35.3        | 58.6        | 33.9        | 35.4        | 33.2        |
| Espírito Santo          | 29.9        | ...         | 30.1        | 31.9        | 29.5        | 38.5        | 70.0        | 37.2        | 35.8        | 37.7        |
| Rio de Janeiro          | 35.6        | 43.2        | 35.0        | 35.4        | 34.7        | 40.2        | 66.5        | 36.9        | 37.7        | 36.5        |
| São Paulo               | 37.9        | 60.3        | 36.6        | 36.4        | 36.9        | 44.6        | 66.5        | 43.3        | 41.6        | 45.1        |
| Paraná                  | 28.4        | 47.4        | 27.5        | 28.2        | 26.4        | 32.1        | 39.0        | 31.6        | 32.2        | 30.6        |
| Santa Catarina          | 34.6        | 42.9        | 34.4        | 32.4        | 43.5        | 47.4        | 63.6        | 46.6        | 45.9        | 50.0        |
| Rio Grande do Sul       | 42.4        | 59.4        | 41.6        | 41.1        | 43.6        | 42.3        | 37.9        | 42.6        | 41.8        | 44.2        |
| Mato Grosso do Sul      | 26.0        | 31.3        | 25.7        | 27.8        | 24.2        | 30.6        | 60.0        | 29.7        | 32.1        | 28.2        |
| Mato Grosso             | 20.8        | ...         | 21.3        | 24.5        | 19.8        | 30.2        | 52.9        | 29.1        | 35.9        | 25.8        |
| Goiás                   | 20.2        | 50.0        | 18.0        | 15.6        | 19.2        | 27.2        | 46.0        | 26.2        | 26.0        | 26.3        |
| Federal District        | 41.2        | 64.4        | 37.4        | 43.1        | 35.0        | 44.1        | 58.9        | 41.5        | 38.5        | 42.7        |

Source: IBGE - PNAD

In 2009, the states with the lowest percentages of female domestic workers making contributions were: Maranhão (7.3%), Amazonas (8.5%) and Piauí (9.7%). Considering black female domestic workers in Maranhão and Amazonas, percentages were even lower: 7.0% and 8.2%, respectively, according to Table 77. The highest proportions of female domestic workers were registered in Santa Catarina (46.6%), São Paulo (43.3%), Rio Grande do Sul (42.6%) and the Federal District (41.5%).

## Convention n. 189 on Domestic Workers

Brazilian legislation concerning domestic work has made significant progress. Domestic workers today are legally entitled to a minimum wage; 13th month salary; a notification of termination; paid weekly rest; paid vacations; 30-day vacations, with a 1/3 salary advance (see Legal Framework Indicator 5 'Paid annual leave', Annex p. 367); maternity leave, paternity leave and protection against dismissal for expectant mothers; prohibition of salary deductions for food, clothes, personal care items or housing provided. However, some important challenges remain, such as the regulation of the Time of Service Guarantee Fund; protection against arbitrary dismissals or without just cause; regulation of work hours; and the establishment of effective mechanisms of legislation enforcement (ILO, 2001h).

The ILO International Conference adopted on June 16, 2011 the Convention on Domestic Workers (n. 189) and Recommendation n. 201<sup>94</sup> concerning Domestic Workers which lays out the rights and basic principles regulating this category and providing orientation for states in adopting measures aimed at rendering Decent Work a reality for domestic workers.

The minimum standards established by Convention n. 189 are:

**Basic rights of domestic workers:** respect and protection of the fundamental rights and principles of labor. This means protection regarding child labor and all forms of forced or compulsory labor and all forms of discrimination; it also consists of the ensured right to associate and engage in collective bargaining; protection against all forms of abuse, harassment and violence (Articles 3, 4, 5 and 11).

**Information concerning employment terms and conditions:** information must be available and easily understood, preferably by means of a written contract (Article 7).

**Work hours:** measures aimed at guaranteeing equal treatment among domestic workers and other workers in general. Weekly rest period of at least 24 consecutive hours (Article 10).

**Remuneration:** right to a minimum wage, paid directly to domestic workers, in regular intervals of no longer than 30 days. Payment *in natura* goods only permitted in special circumstances (Articles 11, 12 and 15)

**Health and Security:** right to safe work and healthy work environment (Article 13).

**Social security:** conditions that are no less favorable than those applying to all other workers, including maternity protection (Article 14).

**Norms relative to domestic child labor:** enforcement of a minimum age. Adolescent workers must not be deprived of compulsory education (Article 4).

**Workers who sleep at the household:** decent living conditions that respect privacy. Freedom to decide whether to live at the household in which they work (Articles 6, 9 and 10).

**Migrant domestic workers:** written contracts in the country of work, or a written proposal before leaving to country of destination (Articles 8 and 15).

**Private employment agencies:** regulation of the operation of private employment agencies (Article 15).

<sup>94</sup> The Recommendation complements the Convention, with guidelines and policy suggestions for the implementation of the rights and principles stipulated in the Convention.



**Conflict resolution and complaints:** effective access to courts and other conflict settlement mechanisms (Article 17).

## MIGRANT WORKERS

According to estimates made by the ILO for the year 2010, there are approximately 105.4 million workers that are economically active worldwide (including refugees), as part of total population of 214 million people who live in a country other than the one where they were born or acquired citizenship.

The challenges entailed by transformations in the economy, demographic trends and technological innovations have rendered foreign workers indispensable in industrialized countries. The growing number of openings that cannot be filled by national workers and factors such as the aging of the national workforce create the need to hire migrant workers (OIT, 2011g).

In spite of this growing need, migrant workers still face several barriers to access Decent Labor, particularly due to discrimination.

As emphasized by the ILO (2011g), discrimination based on nationality is just one of the multiple forms of discrimination that victimizes migrant workers. Indeed it is not an easy task in several circumstances to determine whether discriminatory treatment is exclusively caused by actual or presumed nationality, or other factors such as race, ethnicity, religion or any combination of these factors.

This topic will present the normative and institutional benchmarks for the protection of migrant workers in Brazil, followed by indicators and analyses concerning the evolution of work permits granted to foreign workers in Brazil. Next, in order to provide input for policies aimed at the promotion of Decent Work among migrant workers, this report will approach distinct aspects of migration movements based on recently disclosed information from the 2010 Demographic Census, being that some information had never been produced before, as the data concerning the migration of Brazilian workers to other countries.

## Authorizations Granted to Foreign Workers

### Normative and Institutional Benchmark

As pointed out by the CONFERENCE...(2011), the legal benchmark for the protection of migrant workers in Brazil is constituted by the following national and international mechanisms:

- ILO Convention on Migration for Employment (Revised), 1949 (n. 97), ratified in June 1965;
- ILO Convention concerning Discrimination in Respect of Discrimination and Employment, 1958 (n. 111), ratified in November 1965;
- Law n. 6,815, of August 19, 1980, which defines the legal status of foreigners in Brazil (Statute of Foreigners) and creates the National Immigration Council;

- Decree n. 86,715, of December 10, 1981 which regulates Law n. 6,815, of August 19, 1980, which defines the legal status of foreigners in Brazil and creates the National Immigration Council;
- Decree n. 840, of June 22, 1993, with provisions on the organization and functioning of the National Immigration Council among other dispositions.
- Resolutions of the National Immigration Council;
- International Convention for the Rights of All Migrant Workers and the Family Members – adopted by Resolution 45/158 of December 18, 1990 of the UN General Assembly – in the process of being ratified by Brazil.
- ILO Convention concerning Migrant Workers (Supplementary Provisions), 1975 (n. 143), in the process of being ratified by Brazil.
- Contributions for the Formulation of Public Policies for Migrant Workers – a document drafted in 2008 by institutions that deal with the subject of migrations in Brazil and coordinated by the MTE (CNIg) and the ILO.

The main attribution of the National Immigration Council (CNIg), a tripartite body, in the terms of Decree n. 840/93, is to “formulate Immigration Policy.” In fact, in the course of the last years, the CNIg has consolidated as one of the principal entities in the formulation of migration policies in Brazil. In 2008, the CNIg initiated a procedure of public hearing, held within the government and with civil society. This procedure was carried out until 2010, when, in a partnership with the ILO, a tripartite workshop for the elaboration of a final draft for the document was held. In March of that year, a “Roundtable” on migration and gender was organized with the purpose of discussing a special chapter on migrant women. Between June and July 2010, a draft was submitted to Public Consultation, and a public hearing was held in São Paulo with the participation of dozens of migrant associations. The text was ultimately approved by the CNIg and by the Ministry of Labor and Employment, and submitted to the presidency for approval by decree.

The National Policy for Immigration and Migrant Worker protection, elaborated by a tripartite committee within the CNIg, has the purpose of establishing principles, guidelines, strategies and actions relating to international migration flows, with the purpose of providing orientation for Brazilian entities and agencies that deal with migration, promoting and protecting Human Rights for migrants and linking migration to the development of the country. The main goal of the policy is to ensure that migration is regulated and migrants documented, under the protection of Human Rights and thereby combatting the human trafficking, abusive labor and sexual abuse of migrants (CONFERÊNCIA..., 2011).

### **Evolution of Authorizations Granted to Foreign Workers**

Since 2010, the number of authorizations granted for foreign workers has been gradually increasing in Brazil<sup>95</sup>. According to the data provided by the MTE’s General Immigration Coordination, between the years 2010 and 2011, the contingent of foreign workers who

<sup>95</sup> Labor authorizations for foreign professionals are granted according to the provisions of the Normative Resolutions of the National Immigration Council. These resolutions are approved by consensus among the three blocks that compose the CNIg: Government (nine ministries), Union Confederations (the five main ones) and Entrepreneurial Confederations (the five main ones). In addition, the CNIg monitors the data concerning granted authorizations.

received authorizations to work in Brazil increased from 56,006 to 70,524, a 25.9% increase in just one year. As shown in Table 78, during 2008 and 2009, the number of authorizations granted was situated at around 43,000.

The significant increase of the number of authorizations after 2009 is directly connected to economic growth and increased investments in Brazil, especially in industrial sectors, and in the oil, gas and energy sectors. The international financial crisis, particularly in Europe, has boosted the supply of qualified labor, complementing demand in Brazil for highly qualified professionals and experts in specific segments.

Male workers correspond to the majority of migrant workers who come to Brazil: 90.4% of the total in 2010 and 89.6% in 2011. This slight reduction in terms of male participation was entailed by the fact that between 2010 and 2011 there was a more significant relative increase in the number of women migrants (+37.5%, from 5,353 to 7,358) compared to men (+24.7%, from 50,653 to 63,166).

Considering the categories of authorizations granted, temporary permits increased 24.8% - from 53,441 in 2010 to 66,690 in 2011 - while permanent permits increased 50.0% - from 2,565 to 3,834 during the same period.

Among the foreign professionals authorized in 2011 to work temporarily, 17,738 were involved in *work onboard foreign vessels or platforms* - a 16.7% expansion compared to 2010; 14,512 as *foreign seafarer employed onboard foreign touristic vessels operating in Brazilian Waters*; 12,001 as *artists or athletes, with no work contract* (a 41.7% increment compared to 2010); 10,715 in *technical assistance for a period under 90 days, with no work contract*; 5,540 in *technical assistance, technical cooperation and technological transfer, with no work contract*; 4,615 specialists with work contracts; and 1,569 in *other occupations*.

With respect to the schooling level of workers who received temporary work authorizations in 2011, a contingent of 1,734 was composed of workers with masters' degrees and doctorates, the equivalent to 2.6% of the total. Compared to 2010, this contingent (totaling 584) almost tripled. Foreigners with higher education diplomas totaled 36,517 workers and represented more than half (54.8%) of the total number of workers authorized in 2011. On this same year, over a third (35.6%) had completed secondary-level education.

Considering permanent authorizations, the visas granted to *individual investors* increased from 820 in 2010 to 1,020 in 2011, the equivalent to 20.3%. The visas for *administrators, managers and executives* expanded 14.6%, increasing from 1,218 to 1,396 between 2010 and 2011.

| <b>TABLE 78</b>   |               |               |               |               |                          |
|---|---------------|---------------|---------------|---------------|--------------------------|
| NUMBER OF AUTHORIZATIONS GRANTED TO FOREIGNERS<br>BRAZIL, 2008-2011                           |               |               |               |               |                          |
| Number of Authorizations Granted to Foreigners  | Year          |               |               |               | Variation %<br>2010/2011 |
|   | 2008          | 2009          | 2010          | 2011          |                          |
| <b>Total</b>  | <b>43,993</b> | <b>42,914</b> | <b>56,006</b> | <b>70,524</b> | <b>25.9</b>              |
| <b>By Sex</b>   |               |               |               |               |                          |
| Men   | 39,551        | 39,119        | 50,653        | 63,166        | 24.7                     |
| Women   | 4,442         | 3,795         | 5,353         | 7,358         | 37.5                     |
| <b>By Category</b>  |               |               |               |               |                          |
| Permanent   | 2,722         | 2,454         | 2,565         | 3,834         | 49.5                     |
| Temporary   | 41,271        | 40,640        | 53,441        | 66,690        | 24.8                     |
| <b>By Period of Concession (Temporary Permits)</b>  |               |               |               |               |                          |
| Up to 90 days   | 13,713        | 12,423        | 16,498        | 22,716        | 37.7                     |
| Up to 01 year   | 14,245        | 12,028        | 17,427        | 20,723        | 18.9                     |
| Up to 02 years (w/ work contract in Brazil)   | 2,339         | 2,578         | 4,052         | 5,095         | 25.7                     |
| Up to 02 years (w/ no work contract in Brazil)  | 10,974        | 13,431        | 15,464        | 18,156        | 17.4                     |
| <b>Analysis of Temporary Permits</b>  |               |               |               |               |                          |
| Foreign seafarer employed onboard foreign vessels or platforms                                | 10,974        | 13,371        | 15,206        | 17,738        | 16.7                     |
| Artists or athletes, with no work contract  | 7,420         | 6,617         | 8,470         | 12,001        | 41.7                     |
| Technical assistance for a period under 90 days, with no work contract                        | 6,293         | 5,806         | 8,028         | 10,715        | 33.5                     |
| Technical assistance, technical cooperation and technological transfer, with no work contract | 4,675         | 3,238         | 4,232         | 5,540         | 30.9                     |
| Specialists with work contracts   | 2,301         | 2,460         | 3,521         | 4,615         | 31.1                     |
| Foreign seafarer employed onboard foreign touristic vessels operating in Brazilian Waters     | 8,967         | 8,354         | 12,838        | 14,512        | 13.0                     |
| Others  | 641           | 614           | 1,146         | 1,569         | 36.9                     |
| <b>Analysis of Permanent Permits</b>  |               |               |               |               |                          |
| Individual Investor   | 1,357         | 921           | 848           | 1,020         | 20.3                     |
| Administrators, Managers and Executives with Leadership and Concomitance                      | 957           | 933           | 1,218         | 1,396         | 14.6                     |
| Others  | 408           | 600           | 499           | 1,418         | 184.2                    |

Source: MTE - General Immigration Coordination

Broken down by country of origin, workers from United States of America were the ones who made the most applications for work authorizations approximately 10,200 in 2011 (15.0% of the total). The following countries in this ranking were the Philippines (approximately 7,800), the United Kingdom (approximately 4,900), India (approximately 4,300) and Germany (3,200).

It is important to point out that during 2011, the National Immigration Council granted 711 authorizations for the concession of permanent visas or permanent residence in Brazil, for humanitarian reasons. Of this contingent, almost all authorizations (709) were granted to Haitians. The states of Amazonas (434 people) and Acre (246 people) were the final destinations of most of these migrants harbored by Brazil.

Concerning territorial distribution, the Southeast Region concentrated 88.2% of the granted authorizations (62,178) in 2011, with São Paulo and Rio de Janeiro (48.2% and 35.3%, respectively) standing out, as shown in Table 79.

The Northeast Region, despite accounting for only 4.8% of the labor authorizations in Brazil in 2011, registered a significant increment (+190.4%) – from 1,171 to 3,400 between 2010 and 2011. The states that most stood out were Rio Grande do Norte (from 143 to 1,046), Maranhão (from 34 to 334) and Sergipe (from 18 to 135).

TABLE 79

NUMBER OF AUTHORIZATIONS GRANTED TO FOREIGNERS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010 AND 2011

| Geographical Area         | N. of authorizations granted |               | Var. %<br>2010/2011 | Participation (%) in<br>National Total - 2011 |
|---------------------------|------------------------------|---------------|---------------------|---|
|                           | 2010                         | 2011          |                     |   |
| <b>Brazil</b>             | <b>56,003</b>                | <b>70,524</b> | <b>25.9</b>         | <b>100.0</b>                                  |
| <b>North Region</b>       | <b>1,232</b>                 | <b>1,860</b>  | <b>51.0</b>         | <b>2.6</b>                                    |
| Rondônia                  | 3                            | 64            | 2,033.3             | 0.1   |
| Acre                      | 7                            | 262           | 3,642.9             | 0.4   |
| Amazonas                  | 1,164                        | 1,251         | 7.5                 | 1.8   |
| Roraima                   | 2                            | 8             | 300.0               | 0.0   |
| Pará                      | 40                           | 216           | 440.0               | 0.3   |
| Amapá                     | 5                            | 14            | 180.0               | 0.0   |
| Tocantins                 | 11                           | 45            | 309.1               | 0.1   |
| <b>Northeast Region</b>   | <b>1,171</b>                 | <b>3,400</b>  | <b>190.4</b>        | <b>4.8</b>                                    |
| Maranhão                  | 34                           | 334           | 882.4               | 0.5   |
| Piauí                     | 7                            | 9             | 28.6                | 0.0   |
| Ceará                     | 304                          | 664           | 118.4               | 0.9   |
| Rio Grande do Norte       | 143                          | 1,046         | 631.5               | 1.5   |
| Paraíba                   | 26                           | 54            | 107.7               | 0.1   |
| Pernambuco                | 208                          | 472           | 126.9               | 0.7   |
| Alagoas                   | 12                           | 26            | 116.7               | 0.0   |
| Sergipe                   | 18                           | 135           | 650.0               | 0.2   |
| Bahia                     | 419                          | 660           | 57.5                | 0.9   |
| <b>Southeast Region</b>   | <b>50,948</b>                | <b>62,178</b> | <b>22.0</b>         | <b>88.2</b>                                   |
| Minas Gerais              | 2,644                        | 1,802         | -31.8               | 2.6   |
| Espírito Santo            | 383                          | 1,487         | 288.3               | 2.1   |
| Rio de Janeiro            | 22,371                       | 24,897        | 11.3                | 35.3  |
| São Paulo                 | 25,550                       | 33,992        | 33.0                | 48.2  |
| <b>South Region</b>       | <b>2,317</b>                 | <b>2,513</b>  | <b>8.5</b>          | <b>3.6</b>                                    |
| Paraná                    | 1,035                        | 984           | -4.9                | 1.4   |
| Santa Catarina            | 322                          | 576           | 78.9                | 0.8   |
| Rio Grande do Sul         | 960                          | 953           | -0.7                | 1.4   |
| <b>Center-West Region</b> | <b>335</b>                   | <b>573</b>    | <b>71.0</b>         | <b>0.8</b>                                    |
| Mato Grosso do Sul        | 3                            | 45            | 1,400.0             | 0.1   |
| Mato Grosso               | 26                           | 24            | -7.7                | 0.0   |
| Goiás                     | 74                           | 211           | 185.1               | 0.3   |
| Federal District          | 232                          | 293           | 26.3                | 0.4   |

Source: MTE – General Immigration Coordination

In the North Region, the number of authorizations expanded by 51.0% between 2010 and 2011. Amazonas accounted for 1,251 of the total of 1,860 authorizations granted in 2011. In Acre, the contingent of visas also increased significantly, climbing from 7 in 2010 to 262 in 2011.

As host to 2,513 authorizations in 2011, the South Region concentrated 3.6% of the national total. The relative growth (+8.5%) of the number of visas granted between 2010

and 2011 was the lowest among the regions of the country. In turn, in the Center-West Region, there was significant expansion (71.0%), especially in the state of Goiás, where the number of authorizations increased from 74 to 211 between 2010 and 2011.

## International Emigration

One of the main innovations of the 2010 Demographic Census was the investigation concerning the number of Brazilians living abroad. The IBGE (2011b) draws attention to the fact that, in this compilation, the number of emigrants is likely to have been underestimated. In the specific case of the survey methodology, the Demographic Census 2010 questionnaire included a question asking if a person previously living in the household was not living abroad. Some immediate limitations have to do with the possibility that all members of a household emigrated, or that those who did not had deceased. Furthermore, people who had to move to another country a long time ago cannot be mentioned. These possibilities naturally imply that some international emigrants were not accounted for.

Even if the number of emigrants is underestimated, the data set from the 2010 Census is important and it sheds light upon patterns of international emigration.

The 2010 Census counted 491,645 emigrants, being that the majority were women (264,902 or 53.9% of the total, compared to 226,743 men, or, 46.1%).

The age distribution of emigrants<sup>96</sup> reveals that 94.3% were between the ages of 15 and 59, which corresponds to the population segment within the potentially active range. In addition, it is important to stress that the age group from 20 to 34 accounted for 60.0% of the total number of emigrants. Women were the majority in all age groups, being that the highest percentages were observed among emigrants between ages 30 and 34 (55.9%) and between ages 35 and 39 (55.8%).

In view of the low representativeness of children up to 14 years old (4.3% of the total) and elderly above 60 years old (1.4%) among the contingent of emigrants, it is possible to infer that moves abroad were carried out individually most of the times, without accompanying family, for work or study purposes.

The identification of the origin of emigrants formerly residing in Brazil can be made based on Federation Units of the survey respondents who used to live with emigrants. According to the data displayed in Table 80, the Southeast Region accounted for almost half (48.9%) of the international emigration flow, with two states standing out: São Paulo (which sent 21.6% of all emigrants) followed by Minas Gerais (16.8%), constituting in 2010 the states with the highest number of emigrants.

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<sup>96</sup> In order to calculate the age distribution of international emigrants the IBGE adopted an approximation, based on the year of birth of the emigrant and the year of the last departure from the country. (IBGE, 2011b).

TABLE 80

NUMBER AND PERCENTAGE OF INTERNATIONAL EMIGRANTS, BY SEX, ACCORDING TO REGION AND FEDERATION UNIT OF RESIDENCE OF PERSONS WHO THEY LIVED WITH BEFORE EMIGRATION BRAZIL, 2010

| Geographical Area         | International Emigrants |              |                |                |
|---------------------------|-------------------------|--------------|----------------|----------------|
|                           | Total                   | %            | Sex            |                |
|                           |                         |              | Men            | Women          |
| <b>Brazil</b>             | <b>491,645</b>          | <b>100.0</b> | <b>226,743</b> | <b>264,902</b> |
| <b>North Region</b>       | <b>33,966</b>           | <b>6.9</b>   | <b>13,906</b>  | <b>20,060</b>  |
| Rondônia                  | 7,785                   | 1.6          | 3,915          | 3,870          |
| Acre                      | 1,276                   | 0.3          | 605            | 671            |
| Amazonas                  | 3,582                   | 0.7          | 1,250          | 2,332          |
| Roraima                   | 1,181                   | 0.2          | 618            | 563            |
| Pará                      | 13,649                  | 2.8          | 5,159          | 8,490          |
| Amapá                     | 2,310                   | 0.5          | 956            | 1,354          |
| Tocantins                 | 4,183                   | 0.9          | 1,403          | 2,780          |
| <b>Northeast Region</b>   | <b>73,830</b>           | <b>15.0</b>  | <b>27,499</b>  | <b>46,331</b>  |
| Maranhão                  | 8,713                   | 1.8          | 4,250          | 4,463          |
| Piauí                     | 2,060                   | 0.4          | 788            | 1,272          |
| Ceará                     | 10,290                  | 2.1          | 3,077          | 7,213          |
| Rio Grande do Norte       | 4,549                   | 0.9          | 1,350          | 3,199          |
| Paraíba                   | 4,062                   | 0.8          | 1,555          | 2,507          |
| Pernambuco                | 13,898                  | 2.8          | 4,964          | 8,934          |
| Alagoas                   | 2,518                   | 0.5          | 840            | 1,678          |
| Sergipe                   | 1,693                   | 0.3          | 703            | 990            |
| Bahia                     | 26,047                  | 5.3          | 9,972          | <b>16,075</b>  |
| <b>Southeast Region</b>   | <b>240,298</b>          | <b>48.9</b>  | <b>118,576</b> | 121,722        |
| Minas Gerais              | 82,749                  | 16.8         | 44,044         | 38,705         |
| Espírito Santo            | 16,548                  | 3.4          | 7,864          | 8,684          |
| Rio de Janeiro            | 34,902                  | 7.1          | 15,139         | 19,763         |
| São Paulo                 | 106,099                 | 21.6         | 51,529         | 54,570         |
| <b>South Region</b>       | <b>84,348</b>           | <b>17.2</b>  | 40,884         | <b>43,464</b>  |
| Paraná                    | 45,863                  | 9.3          | 22,445         | 23,418         |
| Santa Catarina            | 17,502                  | 3.6          | 8,434          | 9,068          |
| Rio Grande do Sul         | 20,983                  | 4.3          | 10,005         | 10,978         |
| <b>Center-West Region</b> | <b>59,203</b>           | <b>12.0</b>  | <b>25,878</b>  | <b>33,325</b>  |
| Mato Grosso do Sul        | 7,977                   | 1.6          | 3,774          | 4,203          |
| Mato Grosso               | 8,221                   | 1.7          | 3,738          | 4,483          |
| Goiás                     | 35,572                  | 7.2          | 15,156         | 20,416         |
| Federal District          | 7,433                   | 1.5          | 3,210          | 4,223          |

Source: IBGE - Census 2010, Results of Universe

The South Region of the country was the former place of residence of 17.2% of emigrants, with Paraná being the state with the highest percentage (9.3%) of emigrants in the region and the third highest nationally. The Northeast Region contributed with 15.0% of the flow of emigrants, with the state of Bahia standing out (5.3%).

The Center-West Region accounted for 12.0% of the flow of emigrants, being that 7.2% originated from Goiás – the fourth state with the highest number of emigrants nationally. Lastly, the North Region was the former residence of only 6.9% of emigrants, being that the state with the highest participation was Rondônia (1.6% of total).

In 25 of the 27 Federation Units where people who had lived with emigrants resided, females accounted for the majority. Exceptions were Minas Gerais and Roraima. The

IBGE (2011b) points out that possible explanations can be attributed to the social networks that support these flows. In the first case, it is associated to emigrant insertion in the civil construction sector. In the second, it is associated to cross-border gold washers and prospectors in the northern frontiers of Brazil.

Concerning the destination/country of residence of emigrants, the 2010 Census identified 193 countries. As shown in Table 81, despite greater destiny diversity, only six countries absorbed almost 70.0% of Brazilian emigrants: the United States (23.8%), Portugal (13.4%), Spain (9.4%), Japan (7.4%) and England (6.2%).

Despite the prominence of the United States as the destination of emigrants, it is important to point out that Europe, as a whole, harbored more than half (51.4%) of Brazilian emigrants. In the composition of destinations countries in terms of sex, the European continent was more representative among women (57.3% of the total) compared to men (44.6%).

Despite commercial flows within the MERCOSUL, its member countries only absorbed 3.1% of Brazilian emigrants: Argentina (1.8%), Paraguay (1.0%) and Uruguay (0.3%).

In some continents and countries, it is possible to identify a gender bias in terms of migration. In Africa, 70.6% of Brazilian emigrants were men, being that in Angola this proportion was as high as 78.9%. Especially in the case of Angola, the prevalence of male emigrants is related to job opportunities in the civil construction sector (a typically masculine sector), due to the presence of Brazilian companies.

Male representativeness was also higher among Brazilian emigrants who moved to Asia (57.7% of the total), with Japan (58.5%) and China (57.9%) standing out.

Among Brazilian emigrants residing abroad, it is possible to identify female prevalence in Europe (60.1% of the total), and particularly in the following destination countries: Switzerland (73.6%), Norway (72.7%), Holland (66.3%), Germany and Sweden (65.6%), Italy (65.4%) and Spain (63.7%).



TABLE 81

NUMBER AND PERCENTAGE OF INTERNATIONAL EMIGRANTS, BY SEX, ACCORDING TO FOREIGN CONTINENTS AND COUNTRIES OF DESTINATION  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Foreign Continents and Countries of Destination | International Emigrants |              |                |              |                |              |
|---|-------------------------|--------------|----------------|--------------|----------------|--------------|
|   | Total                   | %            | Sex            |              |                |              |
|   |                         |              | Men            | %            | Women          | %            |
| <b>Total</b>                                    | <b>491,645</b>          | <b>100.0</b> | <b>226,743</b> | <b>100.0</b> | <b>264,902</b> | <b>100.0</b> |
| <b>Africa</b>                                   | <b>8,286</b>            | <b>1.7</b>   | <b>5,849</b>   | <b>2.6</b>   | <b>2,437</b>   | <b>0.9</b>   |
| South Africa                                    | 2,479                   | 0.5          | 1,617          | 0.7          | 862            | 0.3          |
| Angola  | 3,696                   | 0.8          | 2,950          | 1.3          | 746            | 0.3          |
| Others  | 2,111                   | 0.4          | 1,282          | 0.6          | 829            | 0.3          |
| <b>Central America</b>                          | <b>3,199</b>            | <b>0.7</b>   | <b>2,098</b>   | <b>0.9</b>   | <b>1,101</b>   | <b>0.4</b>   |
| <b>North America</b>                            | <b>129,940</b>          | <b>26.4</b>  | <b>64,004</b>  | <b>28.2</b>  | <b>65,936</b>  | <b>24.9</b>  |
| Canada  | 10,450                  | 2.1          | 5,061          | 2.2          | 5,389          | 2.0          |
| United States                                   | 117,104                 | 23.8         | 57,857         | 25.5         | 59,247         | 22.4         |
| Mexico  | 2,386                   | 0.5          | 1,086          | 0.5          | 1,300          | 0.5          |
| <b>South America</b>                            | <b>38,890</b>           | <b>7.9</b>   | <b>20,820</b>  | <b>9.2</b>   | <b>18,070</b>  | <b>6.8</b>   |
| Argentina                                       | 8,631                   | 1.8          | 3,875          | 1.7          | 4,756          | 1.8          |
| Bolivia   | 7,919                   | 1.6          | 4,434          | 2.0          | 3,485          | 1.3          |
| Chile   | 2,533                   | 0.5          | 1,165          | 0.5          | 1,368          | 0.5          |
| French Guiana                                   | 3,822                   | 0.8          | 2,156          | 1.0          | 1,666          | 0.6          |
| Paraguay  | 4,926                   | 1.0          | 2,863          | 1.3          | 2,063          | 0.8          |
| Suriname  | 3,416                   | 0.7          | 2,014          | 0.9          | 1,402          | 0.5          |
| Uruguay   | 1,703                   | 0.3          | 829            | 0.4          | 874            | 0.3          |
| Venezuela                                       | 2,297                   | 0.5          | 1,406          | 0.6          | 891            | 0.3          |
| Others  | 3,643                   | 0.7          | 2,078          | 0.9          | 1,565          | 0.6          |
| <b>Asia</b>                                     | <b>43,912</b>           | <b>8.9</b>   | <b>25,341</b>  | <b>11.2</b>  | <b>18,571</b>  | <b>7.0</b>   |
| China   | 2,209                   | 0.4          | 1,279          | 0.6          | 930            | 0.4          |
| Japan   | 36,202                  | 7.4          | 21,189         | 9.3          | 15,013         | 5.7          |
| Others  | 5,501                   | 1.1          | 2,873          | 1.3          | 2,628          | 1.0          |
| <b>Europe</b>                                   | <b>252,892</b>          | <b>51.4</b>  | <b>101,017</b> | <b>44.6</b>  | <b>151,875</b> | <b>57.3</b>  |
| Germany   | 16,637                  | 3.4          | 5,719          | 2.5          | 10,918         | 4.1          |
| Austria   | 1,485                   | 0.3          | 607            | 0.3          | 878            | 0.3          |
| Belgium   | 5,563                   | 1.1          | 2,413          | 1.1          | 3,150          | 1.2          |
| Spain   | 46,330                  | 9.4          | 16,833         | 7.4          | 29,497         | 11.1         |
| France  | 17,743                  | 3.6          | 7,476          | 3.3          | 10,267         | 3.9          |
| Holland   | 5,250                   | 1.1          | 1,768          | 0.8          | 3,482          | 1.3          |
| Ireland   | 6,202                   | 1.3          | 3,291          | 1.5          | 2,911          | 1.1          |
| Italy   | 34,652                  | 7.0          | 11,981         | 5.3          | 22,671         | 8.6          |
| Norway  | 1,398                   | 0.3          | 382            | 0.2          | 1,016          | 0.4          |
| Portugal  | 65,969                  | 13.4         | 28,771         | 12.7         | 37,198         | 14.0         |
| United Kingdom                                  | 32,270                  | 6.6          | 15,419         | 6.8          | 16,851         | 6.4          |
| Sweden  | 1,723                   | 0.4          | 592            | 0.3          | 1,131          | 0.4          |
| Switzerland                                     | 12,120                  | 2.5          | 3,194          | 1.4          | 8,926          | 3.4          |
| Others  | 5,550                   | 1.1          | 2,571          | 1.1          | 2,979          | 1.1          |
| <b>Oceania</b>                                  | <b>13,880</b>           | <b>2.8</b>   | <b>7,233</b>   | <b>3.2</b>   | <b>6,647</b>   | <b>2.5</b>   |
| Australia                                       | 10,836                  | 2.2          | 5,581          | 2.5          | 5,255          | 2.0          |
| New Zealand                                     | 2,980                   | 0.6          | 1,623          | 0.7          | 1,357          | 0.5          |
| Others  | 64                      | 0.0          | 29             | 0.0          | 35             | 0.0          |
| No declaration                                  | 646                     | 0.1          | 381            | 0.2          | 265            | 0.1          |

Source: IBGE - Census 2010, Results of Universe

## International Immigration

Based on the fixed-date criterion, which refers to individuals who resided in Brazil at the time of the census, but who resided in a foreign country five years earlier, the 2010 Census recorded the presence of 268,486 international immigrants in Brazil. Considering the number of immigrants recorded by the 2000 Census (143,644), there was an 86.7% increase.

The increase of the flow of international immigrants in the course of the 2000s was directly related to the positive economic performance of Brazil after 2003, which bolstered employment and income and attracted new investments. The international crisis triggered during the last quarter of 2008 also stimulated immigration, particularly among residents of the United States and the Euro zone, due to the direct impact of the crisis on production and employment.

The favorable tide and the creation of new work opportunities increased the attractiveness of the Brazilian labor market, for foreigners and for Brazilian residing abroad as well. Indeed, of the total contingent of 268,486 international immigrants, 174,597 had been born in Brazil, meaning that 65.1% of the flow comprised returning nationals. Since the number of returning nationals recorded by the 2000 Census was 87,866, there was almost a twofold increase in the span of ten years.

The Southeast Region was the main region of destination for immigrants, absorbing half (50.2%) of the total flow registered by the 2010 Census, with the state of São Paulo standing out. This state alone became the new place of residence for 81,682 international immigrants (30.4% of the total).

The South Region absorbed 23.5% of migration flows, being that Paraná was the second UF that most received immigrants from abroad (39,120 people or 14.3% of the total). Ranked next were the Center-West (11.5%), Northeast (8.5%) and North Regions (5.9%).

According to the 2010 Census, the main country of origin of immigrants was the United States, with 51,933 people (19.4% of the total). Out of this total, 84.2% were returning immigrants (born in Brazil). Japan ranked second with 41,417 people (15.4% of the total), being that 89.1% were returning immigrants. The other three main senders of immigrants were: Paraguay (24,666), Portugal (21,376) and Bolivia (15,753 people).

In the case of Bolivia, it is interesting to mention that the participation of returning international immigrants was the lowest, only 25.4%. This means that, of the contingent of 15,753 individuals who previously resided in Bolivia and moved to Brazil between 2005 and 2010, approximately 11,750 were Bolivians or of other nationalities.

## Internal Migration

According to Martine (1989) migrations and the distribution of the population in spatial terms are ultimately determined by how economic activity is structured within a society. In other words, the majority of people are not moving and relocating “at the whim of the winds, of fantasies or the taste for adventure.” In reality, it is possible to say that usually migration does not reflect spontaneous reflection of the isolate will of migrating individuals.

This author also states that the spatial distribution of the population is determined by the set of decisions made, be it by public entities or by private initiatives, regarding the location of economic activities and the organization of production and distribution. This

occurs because the location of economic activities defines where employment and income will be available, and these factors, in turn, affect the quality of life of the population. In general terms, people migrate in search of better jobs and incomes since this is what can provide people better living conditions in a capitalistic system.

The analysis of internal migration patterns will be based on the information considering the place of residence (Federation Unit) of the migrant exactly five years prior to the reference date of each demographic census (2000 and 2010)

Between the two quinquennia of 1995-2000 and 2005-2010 the amount of internal migrants remained stable, precisely 5,196,093 and 5,018,898 people, respectively. Taking into consideration the relative intensity of migration within the total population, it is possible to say that there was a reduction in terms of spatial mobility.<sup>97</sup> Between 1995 and 2000, the proportion of migrants was 30.6 for every thousand inhabitants, whereas this proportion for the period between 2005 and 2010 was 26.3 migrants for every thousand inhabitants. (IBGE, 2012).

In a disaggregate analysis, the Northeast Region followed its historical trend of population losses due to migration, even though the negative net migration balance (immigrants minus emigrants) underwent reductions from -764,047 to -737,615 between the 1995-2000 and the 2005-2010 five-year period, as shown in Table 82. Among the UFs, some peculiarities are worth mentioning:

- In Piauí, Alagoas and Ceará the negative net migration balances were intensified between the two quinquennia analyzed.
- Bahia, Pernambuco, Paraíba and Maranhão, although sustaining negative net migration balances, saw reductions in the intensity of loss during the 2005-2010 period. In the first three states, negative net balances decreased as a result due to a slowdown in emigration, while in Maranhão it was a result of higher immigration.
- In Sergipe, a trend reversal was identified – a negative net balance of -4,817 between 1995-2000 became a positive one (+5,201) between 2005-2010 due to a double movement of more incoming migrants and less people emigrating.
- Lastly, Rio Grande do Norte remained as the only state in the Northeast Region to exhibit positive net balances in both quinquennia, and in fact the balance doubled mostly due to a higher population retention rate (from 6,629 to 13,656).

In the case of the North Region, spatial mobility decreased, as the amount of immigrants as well as emigrants decreased in the two quinquennia analyzed. Although negative net balances declined, the states of Acre and Pará continued their trajectory of populational losses. With the exception of Rondônia – which remained stable – all other states of the region had positive net balances, although at lower intensity.

Due to the fact that 42.0% of the population residing in Brazil and 55.3% of the GDP in 2009 was concentrated in the Southeast, the region remained as the space with highest population mobility. Between the 1995-2000 and 2005-2010 quinquennia, the region maintained the trend of migration slowdown (from 458,587 to 370,288), mostly as a result of a reduction in the number of immigrants (from 2,120,511 to 1,928,874). From the perspective of UFs, the following trends stood out:

<sup>97</sup> Populational spatial mobility was defined as the contingent of immigrants and emigrants who reallocated in the two analyzed quinquennia. (IBGE, 2012).

- Despite the slowdown of immigration flows (from 1,223,811 to 1,093,853), São Paulo remained the state that received the highest number of immigrants and also the state with the highest net migration balance – in spite of a reduction from 339,926 to 305,442 during the analyzed quinquennia.
- In the state of Minas Gerais the net migration balance was reversed, from a +39,124 in 1995-2000 to -19,215 in 2005-2010, thus characterizing this state as an area of rotational migrations.
- The net migration balance increased significantly in the state of Espírito Santo, most of all as result of higher population retention.

TABLE 82

NUMBER OF IMMIGRANTS, EMIGRANTS AND NET MIGRATION BALANCES  
BRAZIL, REGIONS AND FEDERATION UNITS, 1995-2000 AND 2005-2010

| Geographical Area         | 1995 / 2000      |                  |                 | 2005 / 2010      |                  |                 |
|---------------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|
|                           | Immigrants       | Emigrants        | Net Balance     | Immigrants       | Emigrants        | Net Balance     |
| <b>Brazil</b>             | <b>5,196,093</b> | <b>5,196,093</b> | <b>0</b>        | <b>5,018,898</b> | <b>5,018,898</b> | <b>0</b>        |
| <b>North Region</b>       | <b>556,393</b>   | <b>493,708</b>   | <b>62,685</b>   | <b>497,985</b>   | <b>463,238</b>   | <b>34,747</b>   |
| Rondônia                  | 83,325           | 72,735           | 10,590          | 70,287           | 59,611           | 10,676          |
| Acre                      | 13,634           | 16,070           | -2,436          | 15,392           | 16,238           | -846            |
| Amazonas                  | 89,627           | 58,657           | 30,970          | 77,680           | 55,360           | 22,320          |
| Roraima                   | 47,752           | 14,379           | 33,373          | 26,919           | 13,013           | 13,906          |
| Pará                      | 182,043          | 234,239          | -52,196         | 177,569          | 217,776          | -40,207         |
| Amapá                     | 44,582           | 15,113           | 29,469          | 39,235           | 17,574           | 21,661          |
| Tocantins                 | 95,430           | 82,515           | 12,915          | 90,903           | 83,666           | 7,237           |
| <b>Northeast Region</b>   | <b>1,055,921</b> | <b>1,819,968</b> | <b>-764,047</b> | <b>1,023,746</b> | <b>1,761,361</b> | <b>-737,615</b> |
| Maranhão                  | 100,816          | 274,469          | -173,653        | 118,423          | 287,672          | -169,249        |
| Piauí                     | 88,740           | 140,815          | -52,075         | 78,763           | 153,385          | -74,622         |
| Ceará                     | 162,925          | 186,710          | -23,785         | 122,730          | 195,035          | -72,305         |
| Rio Grande do Norte       | 77,916           | 71,287           | 6,629           | 73,092           | 59,436           | 13,656          |
| Paraíba                   | 102,005          | 163,485          | -61,480         | 101,835          | 136,945          | -35,110         |
| Pernambuco                | 164,871          | 280,290          | -115,419        | 162,449          | 241,825          | -79,376         |
| Alagoas                   | 55,966           | 127,948          | -71,982         | 59,108           | 140,379          | -81,271         |
| Sergipe                   | 52,111           | 56,928           | -4,817          | 56,498           | 51,297           | 5,201           |
| Bahia                     | 250,571          | 518,036          | -267,465        | 250,848          | 495,387          | -244,539        |
| <b>Southeast Region</b>   | <b>2,120,511</b> | <b>1,661,924</b> | <b>458,587</b>  | <b>1,928,874</b> | <b>1,558,586</b> | <b>370,288</b>  |
| Minas Gerais              | 447,782          | 408,658          | 39,124          | 405,755          | 424,970          | -19,215         |
| Espírito Santo            | 129,169          | 95,168           | 34,001          | 138,478          | 77,594           | 60,884          |
| Rio de Janeiro            | 319,749          | 274,213          | 45,536          | 290,788          | 267,611          | 23,177          |
| São Paulo                 | 1,223,811        | 883,885          | 339,926         | 1,093,853        | 788,411          | 305,442         |
| <b>South Region</b>       | <b>610,359</b>   | <b>629,555</b>   | <b>-19,196</b>  | <b>726,331</b>   | <b>651,703</b>   | <b>74,628</b>   |
| Paraná                    | 297,311          | 336,998          | -39,687         | 293,471          | 319,759          | -26,288         |
| Santa Catarina            | 199,653          | 139,667          | 59,986          | 317,730          | 143,618          | 174,112         |
| Rio Grande do Sul         | 113,395          | 152,890          | -39,495         | 115,130          | 188,326          | -73,196         |
| <b>Center-West Region</b> | <b>852,910</b>   | <b>590,939</b>   | <b>261,971</b>  | <b>841,960</b>   | <b>584,010</b>   | <b>257,950</b>  |
| Mato Grosso do Sul        | 97,709           | 108,738          | -11,029         | 105,540          | 88,722           | 16,818          |
| Mato Grosso               | 166,299          | 123,724          | 42,575          | 154,758          | 135,931          | 18,827          |
| Goíás                     | 372,702          | 169,900          | 202,802         | 384,346          | 170,431          | 213,915         |
| Federal District          | 216,200          | 188,577          | 27,623          | 197,316          | 188,926          | 8,390           |

Source: IBGE – General Results of Census Sample, 2010

The South Region stood out as it was the only one in the country exhibiting an increase in terms of spatial mobility during the period under analysis. The significant increase of 59.1% observed in the state of Santa Catarina (which rose from 199,653 to 317,730) was determinant in regional mobility and also contributed towards a state net balance almost three times higher than the previous quinquennium - from 59,986 to 174,112.

Paraná maintained a pattern of population losses, despite a reduction in the negative net migration balance. In the case of Rio Grande do Sul, the net balance increased.

In the Center-West Region, the amount of migrants remained relatively stable between the quinquennia analyzed. Mato Grosso do Sul, who had seen population losses in 1995-2000 (a net balance of -11,029) underwent a trend reversal in the second half of the 2000s and its net became positive (+16,818). In the Federal District and in Mato Grosso, the net migration balances remained positive, albeit with lower intensity.

The state of Goiás retained its position as the state in the Center-West Region which most absorbed immigrants, being that its net migration balance increased – from 202,802 in 1995-2000 to 213,915 in 2005-2010.

Due to the economic dynamism experienced by Brazil and the improvement of life conditions of the population, it is important to analyze the flow of returning immigrants.

According to the IBGE (2012), returning immigrants totaled 1,144,211 people between 1995 and 2000 and 1,230,525 in 2005-2010, representing 22.0% and 24.5% of the total number of immigrants, respectively.

The Northeast Region stood out in both five-year periods as the destination of 44.1% (in 1995-2000) and 41.0% of returning immigrants (Table 83). With the exception of Sergipe, despite slowdowns in other states compared to the previous quinquennium (1995-2000) the proportions of returning immigrants remained elevated during the 2005-2010 period in the majority of states of the Northeast: Ceará (46.6%), Maranhão (43.5%), Paraíba (43.0%), Piauí (41.7%), Bahia (41.4%), Alagoas (41.2%) and Pernambuco (40.3%).

The intensity of returning migrational flows to the Northeast Region is due to the combination of two trends. The first one is related to the relative loss of attractiveness of São Paulo – the main pole of absorption of Northeastern immigrants – as its capacity to absorb labor diminished, similarly to what occurred in the 1970s and 1980s. The second and most important trend is connected to the attractiveness of the Northeast itself. The region received new productive investments, often large-scale investments, and some dynamics economic clusters began attracting labor. Furthermore, the expansion of the National Program for the Promotion of Family Agriculture (PRONAF), the creation and expansion of the Bolsa Família Program, as well as other social programs, the expansion of the consumers' market and the emergence of new work opportunities, and the reduction of poverty all contributed to staunch population loss.

In the North Region, with the exception of Acre (which remained stable) all states exhibited increasing proportions of returning immigrants, particularly Rondônia (from 7.4% to 13.1% between the two analyzed quinquennia) and Pará (from 15.5% to 19.4%).

In the Southeast Region, the proportion of returning immigrants almost doubled in São Paulo, increasing from 9.7% between 1995-2000 to 18.9% in 2005-2010. It was possible to observe increases as well in Rio de Janeiro (from 15.7% to 20.3%). In the states of Minas Gerais and Espírito Santo the proportions of returning immigrants underwent

reductions. However, it is important to stress that despite the reduction, Minas Gerais still had the highest proportion of returning immigrants (32.9%) in the Southeast Region for 2005-2010.

| <b>TABLE 83</b>  |                      |                  |  |             |
|--|----------------------|------------------|--|-------------|
| NUMBER OF RETURNING IMMIGRANTS AND RELATIVE PARTICIPATION ON IMMIGRANTS TOTAL<br>BRAZIL, REGIONS AND FEDERATION UNITS, 1995-2000 AND 2005-2010 |                      |                  |  |             |
| Geographical Area  | Returning Immigrants |                  |  |             |
|  |                      |                  | Relative Participation on Immigrants Total (%) |             |
|  | 1995 / 2000          | 2005 / 2010      | 1995 / 2000                                    | 2005 / 2010 |
| <b>Brazil</b>  | <b>1,144,211</b>     | <b>1,230,525</b> | <b>22.0</b>                                    | <b>24.5</b> |
| <b>North Region</b>  | <b>63,943</b>        | <b>79,029</b>    | <b>11.5</b>                                    | <b>15.9</b> |
| Rondônia   | 6,194                | 9,236            | 7.4  | 13.1        |
| Acre   | 2,864                | 3,121            | 21.0   | 20.3        |
| Amazonas   | 8,931                | 10,629           | 10.0   | 13.7        |
| Roraima  | 1,020                | 2,157            | 2.1  | 8.0         |
| Pará   | 28,241               | 34,451           | 15.5   | 19.4        |
| Amapá  | 2,327                | 3,258            | 5.2  | 8.3         |
| Tocantins  | 14,366               | 16,177           | 15.1   | 17.8        |
| <b>Northeast Region</b>  | <b>465,699</b>       | <b>419,590</b>   | <b>44.1</b>                                    | <b>41.0</b> |
| Maranhão   | 44,042               | 51,457           | 43.7   | 43.5        |
| Piauí  | 41,311               | 32,844           | 46.6   | 41.7        |
| Ceará  | 79,574               | 57,176           | 48.8   | 46.6        |
| Rio Grande do Norte  | 28,005               | 24,747           | 35.9   | 33.9        |
| Paraíba  | 50,649               | 43,782           | 49.7   | 43.0        |
| Pernambuco   | 75,005               | 65,500           | 45.5   | 40.3        |
| Alagoas  | 23,830               | 24,367           | 42.6   | 41.2        |
| Sergipe  | 13,756               | 15,960           | 26.4   | 28.3        |
| Bahia  | 109,527              | 103,757          | 43.7   | 41.4        |
| <b>Southeast Region</b>  | <b>352,782</b>       | <b>422,562</b>   | <b>16.6</b>                                    | <b>21.9</b> |
| Minas Gerais   | 162,421              | 133,612          | 36.3   | 32.9        |
| Espírito Santo   | 22,000               | 23,217           | 17.0   | 16.8        |
| Rio de Janeiro   | 50,027               | 59,025           | 15.7   | 20.3        |
| São Paulo  | 118,334              | 206,708          | 9.7  | 18.9        |
| <b>South Region</b>  | <b>171,959</b>       | <b>193,122</b>   | <b>28.2</b>                                    | <b>26.6</b> |
| Paraná   | 95,935               | 94,808           | 32.3   | 32.3        |
| Santa Catarina   | 35,290               | 47,446           | 17.7   | 14.9        |
| Rio Grande do Sul  | 40,734               | 50,868           | 35.9   | 44.2        |
| <b>Center-West Region</b>  | <b>89,828</b>        | <b>116,220</b>   | <b>10.5</b>                                    | <b>13.8</b> |
| Mato Grosso do Sul   | 15,037               | 19,913           | 15.4   | 18.9        |
| Mato Grosso  | 10,740               | 16,476           | 6.5  | 10.7        |
| Goiás  | 54,550               | 59,039           | 14.6   | 15.4        |
| Federal District   | 9,501                | 20,792           | 4.4  | 10.5        |

Source: IBGE – General Results of Census Sample, 2010

In the South Region, returning immigration was considerably representative in Paraná (32.3%) in both five-year periods and especially in Rio Grande do Sul, where expansion was of the order of 35.9% in 1995-2000 and 44.2% in 2005-2010 – during the latter period it was ranked second highest, just below Ceará (46.6%).

In all states of the Center-West Region, the proportions of returning immigrants increased between the two quinquennia analyzed, and was most significant in the Federal District (from 4.4% to 10.5%).

## DISABLED PEOPLE

According to the *Report on Disability* published by the World Health Organization (WHO) in 2011 an estimated one billion people experienced some kind of disability, the equivalent to 15.0% of the world population. Of this contingent, 200 million experienced severe difficulty in performing basic tasks necessary for survival.

Article 27 of the United Nations *Convention on the Rights of Persons with Disabilities* (CRPD), approved in 2006 and which entered into force in May 2008, lays out the foundations for the promotion of the rights for people with disabilities in work and employment, as detailed in the Box below.

### United Nations Convention on the Rights of Persons with Disabilities

#### Article 27 Employment and Labor

1. States Parties recognize the right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labor market and work environment that is open, inclusive and accessible to persons with disabilities. States Parties shall safeguard and promote the realization of the right to work, including for those who acquire a disability during the course of employment, by taking appropriate steps, including through legislation, to, inter alia:

- a) Prohibit discrimination on the basis of disability with regard to all matters concerning all forms of employment, including conditions of recruitment, hiring and employment, continuance of employment, career advancement and safe and healthy working conditions;
- b) Protect the rights of persons with disabilities, on an equal basis with others, to just and favorable conditions of work, including equal opportunities and equal remuneration for work of equal value, safe and healthy working conditions, including protection from harassment, and the redress of grievances;
- c) Ensure that persons with disabilities are able to exercise their labor and trade union rights on an equal basis with others;
- d) Enable persons with disabilities to have effective access to general technical and vocational guidance programs, placement services and vocational and continuing training;
- e) Promote employment opportunities and career advancement for persons with disabilities in the labor market, as well as assistance in finding, obtaining, maintaining and returning to employment;
- f) Promote opportunities for self-employment, entrepreneurship, the development of cooperatives and starting one's own business;
- g) Employ persons with disabilities in the public sector;
- h) Promote the employment of persons with disabilities in the private sector through appropriate policies and measures, which may include affirmative action programs, incentives and other measures;
- i) Ensure that reasonable accommodation is provided to persons with disabilities in the workplace;

j) Promote the acquisition by persons with disabilities of work experience in the open labor market;

K) Promote vocational and professional rehabilitation, job retention and return-to-work programs for persons with disabilities.

2. States Parties shall ensure that persons with disabilities are not held in slavery or in servitude, and are protected, on an equal basis with others, from forced or compulsory labor.

Source: United Nations – Enable

Available: <http://www.un.org/disabilities/documents/>

## The Contingent of People with Disabilities in Brazil

The recently published General Results of the Sample of the 2010 Demographic Census conducted by the IBGE provides updated information regarding the experiences of people living with disabilities in Brazil and also provides input to assist the formulation of public policies for social inclusion and the promotion of Decent Labor of this population segment.

The 2010 census identified a contingent of 45.6 million people with at least one of the investigated disabilities (visual impairment<sup>98</sup>, hearing impairments<sup>99</sup>, mobility impairments<sup>100</sup> and mental/intellectual impairments<sup>101</sup>), comprising 23.9% of the Brazilian population.

The Northeast Region presented the highest proportion of people with at least one of the investigated disabilities (26.6%) in 2010, while the Center-West and South Regions displayed the lowest incidence rates (22.5%), as shown in Table 84.

<sup>98</sup> Permanent visual impairment (including people who wore glasses or contact lenses) was researched based on the following classification: *cannot see at all* – for persons who declared being permanently incapable of seeing; *great difficulty* – for people who can great permanent difficulties in seeing, despite wearing glasses or contact lenses; *some difficulty* – for people who declared having some permanent difficulty in seeing, despite wearing glasses or contact lenses; or *no difficulty* – for people who declared not having any permanent difficulties seeing, even if wearing glasses or contact lenses was necessary (IBGE, 2012).

<sup>99</sup> If a person had a permanent hearing impairment (evaluated with the use of a hearing aid, if the person was a user), according to the following classification: *cannot hear at all* – for persons who declared a permanent hearing impairment, even with the use of a hearing aid; *great difficulty in hearing* – if the person declared having difficulty hearing, despite the use of a hearing aid; *some difficulty* – for persons who declared having some permanent difficulty in hearing, even with a hearing aid; or *no difficulty* – for persons declaring not having any permanent difficulty in hearing, despite the need of a hearing aid.

<sup>100</sup> Impairment that prevented people from walking or climbing stairs (evaluated by means of the use of a prosthetic, cane or other equipment) according to the following classification: *absolutely no mobility* – for persons who declared being permanently incapable, due to mobility impairments, walk and/or climb stairs without the aid of another person; *great difficulty* – for persons who declared having permanent difficulty in walking and/or climbing stairs, even with the aid of a device; *some difficulty* – for persons who declared having some permanent difficulty in walking and/or climbing stairs without the aid of another person, despite the aid of a device; *no difficulty* – for persons who declared not having any difficulty in walking and/or climbing stairs without the assistance of another person or the aid of a device.

<sup>101</sup> The investigation considered people who had a mental or intellectual impairment that limited normal functioning such as work, going to school, playing, etc. Disorders such as mental diseases or disturbances such as autism, neuroses, schizophrenia and psychosis were not considered mental disabilities.



TABLE 84

TOTAL POPULATION AND POPULATION WITH AT LEAST ONE OF THE DISABILITIES INVESTIGATED  
AND PERCENTAGE OF THE POPULATION WITH AT LEAST ONE DISABILITY  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Total Population   | Population with at least one of the investigated disabilities | % of Population with at least one of the investigated disabilities |
|---------------------------|--------------------|---|--|
| <b>Brazil</b>             | <b>190,755,799</b> | <b>45,606,048</b>   | <b>23.9</b>  |
| <b>North Region</b>       | <b>15,864,454</b>  | <b>3,654,137</b>  | <b>23.0</b>  |
| Rondônia                  | 1,562,409          | 345,580   | 22.1   |
| Acre                      | 733,559            | 165,892   | 22.6   |
| Amazonas                  | 3,483,985          | 790,647   | 22.7   |
| Roraima                   | 450,479            | 95,510  | 21.2   |
| Pará                      | 7,581,051          | 1,790,289   | 23.6   |
| Amapá                     | 669,526            | 158,770   | 23.7   |
| Tocantins                 | 1,383,445          | 307,449   | 22.2   |
| <b>Northeast Region</b>   | <b>53,081,950</b>  | <b>14,130,717</b>   | <b>26.6</b>  |
| Maranhão                  | 6,574,789          | 1,641,771   | 25.0   |
| Piauí                     | 3,118,360          | 859,627   | 27.6   |
| Ceará                     | 8,452,381          | 2,340,329   | 27.7   |
| Rio Grande do Norte       | 3,168,027          | 882,022   | 27.8   |
| Paraíba                   | 3,766,528          | 1,045,962   | 27.8   |
| Pernambuco                | 8,796,448          | 2,425,900   | 27.6   |
| Alagoas                   | 3,120,494          | 859,707   | 27.6   |
| Sergipe                   | 2,068,017          | 518,568   | 25.1   |
| Bahia                     | 14,016,906         | 3,556,832   | 25.4   |
| <b>Southeast Region</b>   | <b>80,364,410</b>  | <b>18,499,909</b>   | <b>23.0</b>  |
| Minas Gerais              | 19,597,330         | 4,432,186   | 22.6   |
| Espírito Santo            | 3,514,952          | 823,730   | 23.4   |
| Rio de Janeiro            | 15,989,929         | 3,899,885   | 24.4   |
| São Paulo                 | 41,262,199         | 9,344,109   | 22.6   |
| <b>South Region</b>       | <b>27,386,891</b>  | <b>6,159,670</b>  | <b>22.5</b>  |
| Paraná                    | 10,444,526         | 2,280,548   | 21.8   |
| Santa Catarina            | 6,248,436          | 1,330,704   | 21.3   |
| Rio Grande do Sul         | 10,693,929         | 2,548,418   | 23.8   |
| <b>Center-West Region</b> | <b>14,058,094</b>  | <b>3,161,616</b>  | <b>22.5</b>  |
| Mato Grosso do Sul        | 2,449,024          | 525,979   | 21.5   |
| Mato Grosso               | 3,035,122          | 669,042   | 22.0   |
| Goiás                     | 6,003,788          | 1,392,790   | 23.2   |
| Federal District          | 2,570,160          | 573,805   | 22.3   |

Source: IBGE – General Results of Census Sample, 2010

Among the UFs with the highest percentages were Rio Grande do Norte and Paraíba (both with 27.8%) and Ceará (27.7%). The lowest incidences of people with at least one of the investigated disabilities were observed in Roraima (21.2%), Santa Catarina (21.3%) and Mato Grosso do Sul (21.5%).

Following international guidelines, the IBGE investigated the degree of severity of each disability with the purpose of identifying a target-group with severe disabilities, which was considered as the set of people who, when questioned about their visual, hearing and mobile impairments, replied stating they experience “great difficulty” or “total permanent disability.” People with mental disabilities were included in the *severe disability* group.

The Northeast, as region with the highest levels of disabilities, was also the region with the highest rate of severe disabilities: 4.1% for severe visual impairments, 2.6% for severe mobility impairments and 1.6% for severe mental/intellectual impairments, as shown in Table 85. Considering severe hearing impairments, the prevalence in the Northeast Region was equal to that of the South Region (1.2%).

Considering Federation Units, the highest percentages of severe visual disabilities were seen in Piauí (4.7%) and Alagoas (4.6%) while the lowest percentages were found in the Federal District and in São Paulo (2.9%).

Considering severe mobility impairments – prevalence was higher among the population residing in Alagoas (3.1%) and Pernambuco (2.8%) and the lowest in Rondônia (1.6%).

The highest prevalence of severe hearing disability was found in the states of Piauí and Ceará (1.4%), and the lowest in Amapá and Amazonas (0.8%).

Lastly, mental/intellectual disabilities had higher prevalence in Alagoas (1.9%) and Acre (1.7%) and the lowest was found in Amapá (0.9%).

TABLE 85

NUMBER OF PEOPLE WITH SEVERE DISABILITIES AND PREVALENCE AMONG POPULATION IN %  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Number of People with Severe Disabilities |                  |                  |                  | % de Prevalence of People with Severe Disabilities |            |            |            |
|---------------------------|---|------------------|------------------|------------------|--|------------|------------|------------|
|                           | Visual                                    | Hearing          | Mobility         | Mental           | Visual   | Hearing    | Mobility   | Mental     |
| <b>Brazil</b>             | <b>6,562,910</b>                          | <b>2,143,173</b> | <b>4,433,350</b> | <b>2,611,536</b> | <b>3.4</b>   | <b>1.1</b> | <b>2.3</b> | <b>1.4</b> |
| <b>North Region</b>       | <b>573,272</b>                            | <b>146,296</b>   | <b>289,184</b>   | <b>183,587</b>   | <b>3.6</b>   | <b>0.9</b> | <b>1.8</b> | <b>1.2</b> |
| Rondônia                  | 48,505                                    | 13,517           | 25,635           | 19,096           | 3.1  | 0.9        | 1.6        | 1.2        |
| Acre                      | 26,553                                    | 7,348            | 13,827           | 12,105           | 3.6  | 1.0        | 1.9        | 1.7        |
| Amazonas                  | 121,259                                   | 29,270           | 59,743           | 38,671           | 3.5  | 0.8        | 1.7        | 1.1        |
| Roraima                   | 14,732                                    | 3,943            | 7,102            | 4,916            | 3.3  | 0.9        | 1.6        | 1.1        |
| Pará                      | 286,412                                   | 71,350           | 146,810          | 84,194           | 3.8  | 0.9        | 1.9        | 1.1        |
| Amapá                     | 26,106                                    | 5,659            | 11,847           | 6,343            | 3.9  | 0.8        | 1.8        | 0.9        |
| Tocantins                 | 49,706                                    | 15,208           | 24,217           | 18,263           | 3.6  | 1.1        | 1.8        | 1.3        |
| <b>Northeast Region</b>   | <b>2,188,882</b>                          | <b>657,468</b>   | <b>1,369,017</b> | <b>826,170</b>   | <b>4.1</b>   | <b>1.2</b> | <b>2.6</b> | <b>1.6</b> |
| Maranhão                  | 281,851                                   | 74,089           | 146,515          | 96,685           | 4.3  | 1.1        | 2.2        | 1.5        |
| Piauí                     | 146,231                                   | 42,204           | 81,645           | 50,876           | 4.7  | 1.4        | 2.6        | 1.6        |
| Ceará                     | 374,019                                   | 115,677          | 223,885          | 125,353          | 4.4  | 1.4        | 2.6        | 1.5        |
| Rio Grande do Norte       | 135,613                                   | 41,808           | 86,460           | 52,028           | 4.3  | 1.3        | 2.7        | 1.6        |
| Paraíba                   | 150,670                                   | 48,378           | 16,880           | 62,058           | 4.0  | 1.3        | 2.8        | 1.6        |
| Pernambuco                | 368,129                                   | 111,751          | 247,435          | 138,677          | 4.2  | 1.3        | 2.8        | 1.6        |
| Alagoas                   | 143,104                                   | 40,809           | 95,990           | 59,853           | 4.6  | 1.3        | 3.1        | 1.9        |
| Sergipe                   | 79,225                                    | 23,336           | 49,123           | 29,239           | 3.8  | 1.1        | 2.4        | 1.4        |
| Bahia                     | 510,039                                   | 159,414          | 330,911          | 211,402          | 3.6  | 1.1        | 2.4        | 1.5        |
| <b>Southeast Region</b>   | <b>2,496,880</b>                          | <b>867,782</b>   | <b>1,828,930</b> | <b>1,053,910</b> | <b>3.1</b>   | <b>1.1</b> | <b>2.3</b> | <b>1.3</b> |
| Minas Gerais              | 636,328                                   | 231,606          | 483,063          | 300,676          | 3.2  | 1.2        | 2.5        | 1.5        |
| Espírito Santo            | 120,607                                   | 36,238           | 86,340           | 47,313           | 3.4  | 1.0        | 2.5        | 1.3        |
| Rio de Janeiro            | 536,592                                   | 163,883          | 393,247          | 202,991          | 3.4  | 1.0        | 2.5        | 1.3        |
| São Paulo                 | 1,203,353                                 | 436,054          | 866,279          | 502,931          | 2.9  | 1.1        | 2.1        | 1.2        |
| <b>South Region</b>       | <b>861,962</b>                            | <b>330,426</b>   | <b>676,369</b>   | <b>378,124</b>   | <b>3.1</b>   | <b>1.2</b> | <b>2.5</b> | <b>1.4</b> |
| Paraná                    | 321,619                                   | 119,194          | 243,219          | 143,376          | 3.1  | 1.1        | 2.3        | 1.4        |
| Santa Catarina            | 188,459                                   | 72,524           | 147,957          | 71,956           | 3.0  | 1.2        | 2.4        | 1.2        |
| Rio Grande do Sul         | 351,885                                   | 138,708          | 285,193          | 162,792          | 3.3  | 1.3        | 2.7        | 1.5        |
| <b>Center-West Region</b> | <b>441,914</b>                            | <b>141,201</b>   | <b>269,851</b>   | <b>169,743</b>   | <b>3.1</b>   | <b>1.0</b> | <b>1.9</b> | <b>1.2</b> |
| Mato Grosso do Sul        | 73,357                                    | 24,420           | 51,781           | 32,488           | 3.0  | 1.0        | 2.1        | 1.3        |
| Mato Grosso               | 96,583                                    | 27,050           | 51,418           | 33,367           | 3.2  | 0.9        | 1.7        | 1.1        |
| Goiás                     | 197,489                                   | 67,375           | 124,131          | 75,853           | 3.3  | 1.1        | 2.1        | 1.3        |
| Federal District          | 74,483                                    | 22,356           | 42,521           | 28,035           | 2.9  | 0.9        | 1.7        | 1.1        |

Source: IBGE – General Results of Census Sample, 2010

## The Evolution of Formal Employment for People with Disabilities

According to RAIS data, the number of people with disabilities with work contracts in the formal labor market decreased from 348,818 in 2007 to 306,013 in 2010, a 12.3% decline, based on the data displayed in Table 86. The reduction was considerably less significant among women (-18.5%) than men (-8.6%). It is important to stress that during this same period the total number of formal jobs increased by 17.3%, from 37,607,430 to 44,068,355 – i.e. 6,460,925 new jobs.

Due to these opposing trends, the already minute participation of disabled persons in the formal labor market decreased from 0.9% to 0.7% between 2007 and 2010.

Among regions, expansion only took place in the North Region (+7.3%) in terms of work contracts for Persons with Disabilities (PCD) between 2007 and 2010. In the other regions, the most significant declines occurred in the Center-West (-51.6%) and Southeast Regions (-7.4%).

The magnitude of the reduction of formal jobs for disabled persons in the Center-West Region was considerably conditioned by low admittance identified in Goiás (-77.7%) during the period under analysis. In relative terms, the reduction was also significant in Mato Grosso do Sul (-40.9%) and in Mato Grosso (-30.1%). The regional exception was the Federal District, where the number of disabled persons with work contracts increased by 3.5% - from 7,664 in 2007 to 10,371 in 2010.

Considering the Federation Units as a whole, it is possible to observe a less unfavorable situation than the one that emerges from the analysis of each region, since employment of disabled persons increased in 15 out of 27 UFs between 2007 and 2010. Among those in which expansion was verified, three in the North Region stood out: Roraima (+132.5%), Acre (+119.0%) and Amapá (+93.4%). It is important to stress that the relative magnitude of growth in these three UFs was considerably conditioned by the low number of jobs for disabled persons in 2007, the three lowest contingents in the country: 120, 200 and 316, respectively.<sup>102</sup>

Also worthwhile highlighting is the expansion of employment of persons with disabilities in Rio Grande do Norte (+60.1%), Maranhão (43.9%), Piauí (+43.5%) and Alagoas (+37.1%). In view of this context, it is possible to observe that the UFs of the North and Northeast Regions predominated (11 out of 15), considering the UFs where formal jobs for disabled persons increased.

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<sup>102</sup> In these situations, any absolute increase between periods is more likely to produce a greater variation since it is relative to a smaller original amount.

TABLE 86

NUMBER OF EMPLOYED DISABLED PEOPLE WITH WORK CONTRACTS IN THE FORMAL LABOR MARKET, DATED AS OF DECEMBER 31.  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007 AND 2010

| Geographical Area         | 2007           |                |                | 2010           |                |                | Variation (%) 2007/2010 |              |              |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|--------------|--------------|
|                           | Total          | Men            | Women          | Total          | Men            | Women          | Total                   | Men          | Women        |
| <b>Brazil</b>             | <b>348,818</b> | <b>218,922</b> | <b>129,896</b> | <b>306,013</b> | <b>200,193</b> | <b>105,820</b> | <b>-12.3</b>            | <b>-8.6</b>  | <b>-18.5</b> |
| <b>North Region</b>       | <b>11,310</b>  | <b>8,034</b>   | <b>3,276</b>   | <b>12,138</b>  | <b>8,585</b>   | <b>3,553</b>   | <b>7.3</b>              | <b>6.9</b>   | <b>8.5</b>   |
| Rondônia                  | 1,309          | 888            | 421            | 1,353          | 998            | 355            | 3.4                     | 12.4         | -15.7        |
| Acre                      | 200            | 148            | 52             | 438            | 331            | 107            | 119.0                   | 123.6        | 105.8        |
| Amazonas                  | 3,725          | 2,503          | 1,222          | 4,002          | 2,639          | 1,363          | 7.4                     | 5.4          | 11.5         |
| Roraima                   | 120            | 82             | 38             | 279            | 188            | 91             | 132.5                   | 129.3        | 139.5        |
| Pará                      | 4,846          | 3,650          | 1,196          | 4,763          | 3,462          | 1,301          | -1.7                    | -5.2         | 8.8          |
| Amapá                     | 316            | 208            | 108            | 611            | 458            | 153            | 93.4                    | 120.2        | 41.7         |
| Tocantins                 | 794            | 555            | 239            | 692            | 509            | 183            | -12.8                   | -8.3         | -23.4        |
| <b>Northeast Region</b>   | <b>60,110</b>  | <b>39,442</b>  | <b>20,668</b>  | <b>58,170</b>  | <b>37,541</b>  | <b>20,629</b>  | <b>-3.2</b>             | <b>-4.8</b>  | <b>-0.2</b>  |
| Maranhão                  | 3,796          | 2,467          | 1,329          | 5,464          | 3,614          | 1,850          | 43.9                    | 46.5         | 39.2         |
| Piauí                     | 1,542          | 1,139          | 403            | 2,213          | 1,604          | 609            | 43.5                    | 40.8         | 51.1         |
| Ceará                     | 8,733          | 5,748          | 2,985          | 11,045         | 7,201          | 3,844          | 26.5                    | 25.3         | 28.8         |
| Rio Grande do Norte       | 2,913          | 1,817          | 1,096          | 4,665          | 3,281          | 1,384          | 60.1                    | 80.6         | 26.3         |
| Paraíba                   | 5,362          | 4,315          | 1,047          | 4,379          | 2,982          | 1,397          | -18.3                   | -30.9        | 33.4         |
| Pernambuco                | 12,265         | 7,073          | 5,192          | 14,143         | 7,723          | 6,420          | 15.3                    | 9.2          | 23.7         |
| Alagoas                   | 1,866          | 1,527          | 339            | 2,558          | 1,949          | 609            | 37.1                    | 27.6         | 79.6         |
| Sergipe                   | 2,243          | 1,740          | 503            | 2,185          | 1,417          | 768            | -2.6                    | -18.6        | 52.7         |
| Bahia                     | 21,390         | 13,616         | 7,774          | 11,518         | 7,770          | 3,748          | -46.2                   | -42.9        | -51.8        |
| <b>Southeast Region</b>   | <b>168,305</b> | <b>107,030</b> | <b>61,275</b>  | <b>155,938</b> | <b>102,688</b> | <b>53,250</b>  | <b>-7.3</b>             | <b>-4.1</b>  | <b>-13.1</b> |
| Minas Gerais              | 40,224         | 24,389         | 15,835         | 29,232         | 19,247         | 9,985          | -27.3                   | -21.1        | -36.9        |
| Espírito Santo            | 5,290          | 3,626          | 1,664          | 5,893          | 3,818          | 2,075          | 11.4                    | 5.3          | 24.7         |
| Rio de Janeiro            | 17,420         | 11,932         | 5,488          | 20,508         | 13,515         | 6,993          | 17.7                    | 13.3         | 27.4         |
| São Paulo                 | 105,371        | 67,083         | 38,288         | 100,305        | 66,108         | 34,197         | -4.8                    | -1.5         | -10.7        |
| <b>South Region</b>       | <b>60,944</b>  | <b>40,407</b>  | <b>20,537</b>  | <b>56,442</b>  | <b>36,385</b>  | <b>20,057</b>  | <b>-7.4</b>             | <b>-10.0</b> | <b>-2.3</b>  |
| Paraná                    | 21,059         | 13,569         | 7,490          | 19,742         | 12,574         | 7,168          | -6.3                    | -7.3         | -4.3         |
| Santa Catarina            | 20,533         | 13,809         | 6,724          | 15,071         | 9,645          | 5,426          | -26.6                   | -30.2        | -19.3        |
| Rio Grande do Sul         | 19,352         | 13,029         | 6,323          | 21,629         | 14,166         | 7,463          | 11.8                    | 8.7          | 18.0         |
| <b>Center-West Region</b> | <b>48,149</b>  | <b>24,009</b>  | <b>24,140</b>  | <b>23,325</b>  | <b>14,994</b>  | <b>8,331</b>   | <b>-51.6</b>            | <b>-37.5</b> | <b>-65.5</b> |
| Mato Grosso do Sul        | 4,960          | 3,456          | 1,504          | 2,932          | 2,082          | 850            | -40.9                   | -39.8        | -43.5        |
| Mato Grosso               | 4,433          | 3,158          | 1,275          | 3,097          | 2,183          | 914            | -30.1                   | -30.9        | -28.3        |
| Goiás                     | 31,092         | 12,590         | 18,502         | 6,925          | 4,425          | 2,500          | -77.7                   | -64.9        | -86.5        |
| Federal District          | 7,664          | 4,805          | 2,859          | 10,371         | 6,304          | 4,067          | 35.3                    | 31.2         | 42.3         |

Source: MTE - RAIS

Elaborated by: CGET/DES/SPPE/MTE

Unlike the seven other states in the Northeast Region, the state of Bahia exhibited a significant decline (-46.2%) in terms of the number of working contracts for PCD: from 21,390 in 2007 to 11,518 in 2010. This was the second sharpest decline among all UFs, behind only the already mentioned drop in Goiás (-77.7%). The contraction observed in Bahia decisively contributed to the slight decline (-3.2%) of working contracts for PCDs in the Northeast Region, since, with the exception of Sergipe, all other Northeastern states underwent expansion, as mentioned earlier.

Despite the increase in working contracts in 15 UFs during the period analyzed, in none of the 27 Brazilian UFs did the share of PCDs in the formal workforce reach 1.0% in 2010, as shown in Table 87. The percentage share ranged from 0.4% in Acre, Rondônia and Roraima to a maximum of 0.9% in the Federal District, Maranhão and Pernambuco.

It is important to stress that the reduction of formal employment for persons with disabilities between 2007 and 2010 cannot be directly attributed to inactivity and/or expansion of social benefit coverage, as in the case of the Continued Contribution Benefit (BPC, described in the chapter on social security). Indeed, according to data from the 2010 Census, considering only the universe of people with severe disabilities, a contingent of 363 thousand PCDs was classified as unemployed, i.e. either without work or looking for work. Furthermore, the Unemployment Rate was 7.4% among people with severe disabilities.

An important piece of information that must be mentioned is that, since 2011, according to the Organic Law of Social Assistance (LOAS), Law n. 8,742 of December 7, 1993 modified by Laws n. 12,435 of July 6, 2001 and n. 12,470, of August 31, 2011, people with disabilities and BPC beneficiaries who enter the labor market have the right to return to the protection system and receive benefits in case he or she leaves the job. During the period in which the person with disabilities performs a remunerated activity, the benefit will be suspended and can be continued when the working contract is rendered void. Another form of access to the situation of work available for people with disabilities, and BPC beneficiaries starting at the age of 14, is the Apprentice Contract which allows for simultaneous collection of the benefit and the salary for up to two years

TABLE 87

NUMBER OF EMPLOYED PERSONS AS OF DECEMBER 31 WITH DISABILITIES INCLUDED  
IN THE FORMAL MARKET COMPARED TO TOTAL NUMBER OF FORMAL JOBS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007 AND 2010

| Geographical Area         | 2007           |                   |                 | 2010           |                   |                 |
|---------------------------|----------------|-------------------|-----------------|----------------|-------------------|-----------------|
|                           | N. of Jobs     |                   | % PCD/<br>Total | N. of Jobs     |                   | % PCD/<br>Total |
|                           | PCD            | Total             |                 | PCD            | Total             |                 |
| <b>Brazil</b>             | <b>348,818</b> | <b>37,607,430</b> | <b>0.9</b>      | <b>306,013</b> | <b>44,068,355</b> | <b>0.7</b>      |
| <b>North Region</b>       | <b>11,310</b>  | <b>1,954,641</b>  | <b>0.6</b>      | <b>12,138</b>  | <b>2,408,182</b>  | <b>0.5</b>      |
| Rondônia                  | 1,309          | 245,514           | 0.5             | 1,353          | 334,290           | 0.4             |
| Acre                      | 200            | 92,009            | 0.2             | 438            | 121,187           | 0.4             |
| Amazonas                  | 3,725          | 482,727           | 0.8             | 4,002          | 575,739           | 0.7             |
| Roraima                   | 120            | 45,742            | 0.3             | 279            | 78,585            | 0.4             |
| Pará                      | 4,846          | 796,152           | 0.6             | 4,763          | 951,235           | 0.5             |
| Amapá                     | 316            | 88,898            | 0.4             | 611            | 108,191           | 0.6             |
| Tocantins                 | 794            | 203,599           | 0.4             | 692            | 238,955           | 0.3             |
| <b>Northeast Region</b>   | <b>60,110</b>  | <b>6,567,837</b>  | <b>0.9</b>      | <b>58,170</b>  | <b>8,010,839</b>  | <b>0.7</b>      |
| Maranhão                  | 3,796          | 482,938           | 0.8             | 5,464          | 636,625           | 0.9             |
| Piauí                     | 1,542          | 298,831           | 0.5             | 2,213          | 377,463           | 0.6             |
| Ceará                     | 8,733          | 1,059,392         | 0.8             | 11,045         | 1,325,792         | 0.8             |
| Rio Grande do Norte       | 2,913          | 498,467           | 0.6             | 4,665          | 575,026           | 0.8             |
| Paraíba                   | 5,362          | 475,471           | 1.1             | 4,379          | 579,504           | 0.8             |
| Pernambuco                | 12,265         | 1,239,499         | 1.0             | 14,143         | 1,536,626         | 0.9             |
| Alagoas                   | 1,866          | 407,937           | 0.5             | 2,558          | 470,992           | 0.5             |
| Sergipe                   | 2,243          | 320,676           | 0.7             | 2,185          | 369,579           | 0.6             |
| Bahia                     | 21,390         | 1,784,626         | 1.2             | 11,518         | 2,139,232         | 0.5             |
| <b>Southeast Region</b>   | <b>168,305</b> | <b>19,532,512</b> | <b>0.9</b>      | <b>155,938</b> | <b>22,460,999</b> | <b>0.7</b>      |
| Minas Gerais              | 40,224         | 4,036,203         | 1.0             | 29,232         | 4,646,891         | 0.6             |
| Espírito Santo            | 5,290          | 751,559           | 0.7             | 5,893          | 860,421           | 0.7             |
| Rio de Janeiro            | 17,420         | 3,665,846         | 0.5             | 20,508         | 4,080,082         | 0.5             |
| São Paulo                 | 105,371        | 11,078,904        | 1.0             | 100,305        | 12,873,605        | 0.8             |
| <b>South Region</b>       | <b>60,944</b>  | <b>6,502,575</b>  | <b>0.9</b>      | <b>56,442</b>  | <b>7,557,531</b>  | <b>0.7</b>      |
| Paraná                    | 21,059         | 2,378,931         | 0.9             | 19,742         | 2,783,715         | 0.7             |
| Santa Catarina            | 20,533         | 1,697,800         | 1.2             | 15,071         | 1,969,654         | 0.8             |
| Rio Grande do Sul         | 19,352         | 2,425,844         | 0.8             | 21,629         | 2,804,162         | 0.8             |
| <b>Center-West Region</b> | <b>48,149</b>  | <b>3,049,865</b>  | <b>1.6</b>      | <b>23,325</b>  | <b>3,630,804</b>  | <b>0.6</b>      |
| Mato Grosso do Sul        | 4,960          | 472,170           | 1.1             | 2,932          | 560,789           | 0.5             |
| Mato Grosso               | 4,433          | 571,605           | 0.8             | 3,097          | 656,542           | 0.5             |
| Goíás                     | 31,092         | 1,061,426         | 2.9             | 6,925          | 1,313,641         | 0.5             |
| Federal District          | 7,664          | 944,664           | 0.8             | 10,371         | 1,099,832         | 0.9             |

Source: MTE - RAIS

It is important to stress that, if the opportunity to integrate people with disabilities into the formal labor market are still significantly depleted, among disabled women the situation is even more unsettling. Indeed, only roughly one third (34.6%) of existing work contracts for persons with disabilities were for women. In some UFs, this proportion was even lower, around one quarter of all contracts: Alagoas (23.5%), Amapá (25.0%), Rondônia (26.0%) and Tocantins (26.2%). The largest proportion was observed in Pernambuco (45.4% do total). Jobs filled by women with disabilities (106 thousand total) accounted for only 0.2% of the total contingent of formal jobs in 2010.

Of the total of workers with disabilities in 2010, the majority was classified as physically disabled (54.5%), followed by those with hearing impairments (22.5%), visual impairments (5.8%), mental impairments (5.1%) and multiple disabilities (1.26%). Rehabilitated employees comprised 10.9% of persons with disabilities.

Average remuneration of workers with disabilities was R\$ 1,923 in 2010, higher than the average for formal workers as a whole (R\$ 1,742). As highlighted by the MTE (2010b), the differential presented between the earnings of people with disabilities and the average worker can be attributed to the average remuneration received by rehabilitated workers (R\$ 2,107), workers with *physical disabilities* (R\$ 2,026) and *hearing impairments* (R\$ 1,925), whose earnings are above average. On the other hand, it is important to mention that salaries of those with *mental disabilities* presented the lowest average (R\$ 772).

Gender-based salary inequality in the formal market was also present among people with disabilities, to the extents that average remuneration for female workers (R\$ 1,553) corresponded to 82.8% of that for male workers (R\$ 1,876). The largest gap was observed among those with hearing impairments – in this group women earned only 56.8% of what men earned.

## Evolution of Openings Offered by the National Employment System (SINE) for People with Disabilities

The analysis of the distribution of openings offered by the SINE according to the possibility of placement for workers with disabilities reveals that in 2007 only 2.2% of all openings were exclusively or preferentially designated for people with disabilities, being that another 8.7% also were open to PCDs, as the job description was *indifferent* to disabilities, as shown in Table 88. In view of this context, a significant proportion of 89.0% of openings offered would not accept workers with disabilities.

In 2010, the possibilities of inclusion were even lower, as the proportion of openings that did not accept applications from people with disabilities increased to 91.1%. On the other hand, in this same year, there was a reduction, compared to 2007, of the percentage openings that were *indifferent* to disabilities (6.9% of the total), while the proportion of openings that were exclusively or preferentially for people with disabilities (2.1%) remained practically unchanged.

The table below displays information concerning the percentage of openings offered by the SINE according to the possibility of placement for workers with disabilities for the years 2007 and 2010, for Brazil, regions and Federation Units.



TABLE 88

PERCENTAGE DISTRIBUTION OF OPENINGS OFFERED BY THE SINE, ACCORDING TO  
POSSIBILITY OF INCLUSION OF DISABLED WORKERS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2007 AND 2010

| Geographical Area       | 2007                       |             |                 |              | 2010                       |             |                 |              |
|-------------------------|----------------------------|-------------|-----------------|--------------|----------------------------|-------------|-----------------|--------------|
|                         | Accept                     |             | Does Not Accept | Total        | Accept                     |             | Does Not Accept | Total        |
|                         | Exclusive and Preferential | Indifferent |                 |              | Exclusive and Preferential | Indifferent |                 |              |
| <b>Brazil</b>           | <b>2.2</b>                 | <b>8.7</b>  | <b>89.0</b>     | <b>100.0</b> | <b>2.1</b>                 | <b>6.9</b>  | <b>91.1</b>     | <b>100.0</b> |
| <b>Regions</b>          |                            |             |                 |              |                            |             |                 |              |
| North                   | 2.3                        | 15.7        | 82.0            | 100.0        | 3.6                        | 14.2        | 82.2            | 100.0        |
| Northeast               | 3.5                        | 13.3        | 83.1            | 100.0        | 2.5                        | 10.3        | 87.3            | 100.0        |
| Southeast               | 2.1                        | 6.6         | 91.3            | 100.0        | 2.0                        | 3.6         | 94.3            | 100.0        |
| South                   | 2.3                        | 10.0        | 87.8            | 100.0        | 2.0                        | 10.7        | 87.3            | 100.0        |
| Center-West             | 1.4                        | 10.7        | 87.9            | 100.0        | 0.9                        | 9.4         | 89.7            | 100.0        |
| <b>Federation Units</b> |                            |             |                 |              |                            |             |                 |              |
| Rondônia                | 0.5                        | 13.1        | 86.2            | 100.0        | 7.5                        | 39.1        | 53.4            | 100.0        |
| Acre                    | 2.4                        | 0.5         | 97.2            | 100.0        | 0.6                        | -           | 99.3            | 100.0        |
| Amazonas                | 5.7                        | 0.2         | 94.1            | 100.0        | 3.1                        | 1.5         | 95.4            | 100.0        |
| Roraima                 | 1.0                        | 10.7        | 88.3            | 100.0        | 0.8                        | -           | 99.2            | 100.0        |
| Pará                    | 12.6                       | 4.2         | 83.2            | 100.0        | 6.5                        | 1.0         | 92.5            | 100.0        |
| Amapá                   | 0.9                        | 18.8        | 80.2            | 100.0        | 0.7                        | 16.0        | 83.3            | 100.0        |
| Tocantins               | 1.0                        | 24.4        | 74.3            | 100.0        | 0.3                        | 3.1         | 96.6            | 100.0        |
| Maranhão                | 4.3                        | 10.0        | 85.7            | 100.0        | 1.6                        | 7.5         | 90.9            | 100.0        |
| Piauí                   | 3.4                        | 1.1         | 95.4            | 100.0        | 5.0                        | -           | 95.0            | 100.0        |
| Ceará                   | 4.8                        | 14.7        | 80.6            | 100.0        | 2.4                        | 14.4        | 83.2            | 100.0        |
| Rio Grande do Norte     | 1.3                        | 23.2        | 75.1            | 100.0        | 1.1                        | 27.3        | 71.6            | 100.0        |
| Paraíba                 | 1.3                        | 2.4         | 96.2            | 100.0        | 1.1                        | 2.4         | 96.5            | 100.0        |
| Pernambuco              | 4.0                        | 23.0        | 73.0            | 100.0        | 2.8                        | 13.8        | 83.4            | 100.0        |
| Alagoas                 | 0.0                        | 0.0         | 99.9            | 100.0        | 0.1                        | 0.1         | 99.9            | 100.0        |
| Sergipe                 | 5.6                        | 1.1         | 93.3            | 100.0        | 3.0                        | 0.1         | 96.9            | 100.0        |
| Bahia                   | 2.5                        | 7.0         | 90.4            | 100.0        | 2.8                        | 4.7         | 92.6            | 100.0        |
| Minas Gerais            | 2.3                        | 9.7         | 87.8            | 100.0        | 1.2                        | 6.9         | 92.0            | 100.0        |
| Espírito Santo          | 4.0                        | 0.1         | 95.7            | 100.0        | 2.2                        | 8.7         | 89.1            | 100.0        |
| Rio de Janeiro          | 0.5                        | 0.6         | 98.9            | 100.0        | 1.0                        | 1.9         | 97.2            | 100.0        |
| São Paulo               | 2.3                        | 7.4         | 90.3            | 100.0        | 2.6                        | 2.6         | 94.8            | 100.0        |
| Paraná**                | -                          | -           | -               | -            | nd                         | nd          | 74.4            | -            |
| Santa Catarina          | 0.5                        | 18.2        | 81.4            | 100.0        | 0.9                        | 11.6        | 87.5            | 100.0        |
| Rio Grande do Sul       | 3.5                        | 4.0         | 92.4            | 100.0        | 2.8                        | 10.2        | 87.0            | 100.0        |
| Mato Grosso do Sul      | 0.5                        | 4.3         | 95.2            | 100.0        | 0.8                        | 10.3        | 88.9            | 100.0        |
| Mato Grosso             | 2.3                        | 20.7        | 77.0            | 100.0        | 0.6                        | 9.6         | 89.9            | 100.0        |
| Goiás                   | 0.9                        | 8.9         | 90.2            | 100.0        | 1.1                        | 10.7        | 88.3            | 100.0        |
| Federal District        | 2.1                        | 5.4         | 92.4            | 100.0        | 1.0                        | 1.4         | 97.7            | 100.0        |

Source: MTE - SINE Coordination

Elaborated by: DIEESE - Anuário do Sistema Público de Emprego, Trabalho e Renda

Note: For 2010: Roraima - partial data until November; Paraíba - partial data until June; Mato Grosso and Minas Gerais partial data until September; Mato Grosso do Sul and Rio Grande do Sul - partial data until October

\* Due to MTE's system migration, data are partial.

\*\* In 2010, there were 10.602 cases of openings in Paraná which accepted disabled people, but make no distinction to the requirement level (exclusive, preferential or indifferent).

## **Municipal Councils and Programs or Actions Promoting Work and Income for People with Disabilities**

The municipal channels are effective channels of democratic participation of the population in the process of formulating, implementing, supervising, evaluating and overseeing public policy. In this context, the councils have played a major role in enforcing the rights of several segments of the population.

Based on data compiled by the IBGE MUNIC, only 490 Brazilian municipalities had a Municipal Council for the Rights of People with Disabilities in 2009, the equivalent to 8.8% of the total, as shown in Table 89.

The Southeast Region concentrated almost half (242) of the total number of existing councils and also presented the highest percentage of municipalities with councils (14.5%). The states of Rio de Janeiro (30.4%) and São Paulo (23.7%) had the highest proportions of municipalities with councils for people with disabilities.

In the North and Northeast Regions, only 5.3% and 5.6% of municipalities, respectively, had such councils. In 2009, the MUNIC did not find councils in the states of Acre, Roraima and Amapá. In some states in the Northeast Region, the percentage of municipalities with councils was even lower than the regional average: Alagoas (2.0%), Paraíba (2.7%), Rio Grande do Norte (4.2%), Piauí (4.5%), Bahia (4.8%) and Sergipe (5.3%).

TABLE 89

NUMBER OF MUNICIPALITIES WITH PROGRAMS OR ACTIONS PROMOTING WORK AND INCOME FOR PEOPLE WITH DISABILITIES AND WITH MUNICIPAL COUNCIL FOR THE RIGHTS OF PEOPLE WITH DISABILITIES  
BRAZIL, REGIONS AND FEDERATION UNITS, 2009

| Geographical Area         | Total Number of Municipalities | N. of Municipalities with Programs or Actions Promoting Work and Income for People with Disabilities |            | N. of Municipalities with Municipal Council for the Rights of People with Disabilities |             |
|---------------------------|--------------------------------|--|------------|--|-------------|
|                           |                                | Total  | %          | Total  | %           |
| <b>Brazil</b>             | <b>5,565</b>                   | <b>440</b>   | <b>7.9</b> | <b>490</b>   | <b>8.8</b>  |
| <b>North Region</b>       | <b>449</b>                     | <b>40</b>  | <b>8.9</b> | <b>24</b>  | <b>5.3</b>  |
| Rondônia                  | 52                             | 2  | 3.8        | 3  | 5.8         |
| Acre                      | 22                             | 2  | 9.1        | -  | -           |
| Amazonas                  | 62                             | 10   | 16.1       | 3  | 4.8         |
| Roraima                   | 15                             | -  | -          | -  | -           |
| Pará                      | 143                            | 20   | 14.0       | 1  | 0.7         |
| Amapá                     | 16                             | 1  | 6.3        | -  | -           |
| Tocantins                 | 139                            | 5  | 3.6        | 17   | 12.2        |
| <b>Northeast Region</b>   | <b>1,794</b>                   | <b>135</b>   | <b>7.5</b> | <b>101</b>   | <b>5.6</b>  |
| Maranhão                  | 217                            | 15   | 6.9        | 19   | 8.8         |
| Piauí                     | 224                            | 20   | 8.9        | 10   | 4.5         |
| Ceará                     | 184                            | 18   | 9.8        | 16   | 8.7         |
| Rio Grande do Norte       | 167                            | 8  | 4.8        | 7  | 4.2         |
| Paraíba                   | 223                            | 14   | 6.3        | 6  | 2.7         |
| Pernambuco                | 185                            | 19   | 10.3       | 17   | 9.2         |
| Alagoas                   | 102                            | 10   | 9.8        | 2  | 2.0         |
| Sergipe                   | 75                             | 3  | 4.0        | 4  | 5.3         |
| Bahia                     | 417                            | 28   | 6.7        | 20   | 4.8         |
| <b>Southeast Region</b>   | <b>1,668</b>                   | <b>130</b>   | <b>7.8</b> | <b>242</b>   | <b>14.5</b> |
| Minas Gerais              | 853                            | 44   | 5.2        | 51   | 6.0         |
| Espírito Santo            | 78                             | 5  | 6.4        | 10   | 12.8        |
| Rio de Janeiro            | 92                             | 16   | 17.4       | 28   | 30.4        |
| São Paulo                 | 645                            | 65   | 10.1       | 153  | 23.7        |
| <b>South Region</b>       | <b>1,188</b>                   | <b>97</b>  | <b>8.2</b> | <b>93</b>  | <b>7.8</b>  |
| Paraná                    | 399                            | 39   | 9.8        | 36   | 9.0         |
| Santa Catarina            | 293                            | 25   | 8.5        | 15   | 5.1         |
| Rio Grande do Sul         | 496                            | 33   | 6.7        | 42   | 8.5         |
| <b>Center-West Region</b> | <b>466</b>                     | <b>38</b>  | <b>8.2</b> | <b>30</b>  | <b>6.4</b>  |
| Mato Grosso do Sul        | 78                             | 6  | 7.7        | 8  | 10.3        |
| Mato Grosso               | 141                            | 13   | 9.2        | 12   | 8.5         |
| Goiás                     | 246                            | 18   | 7.3        | 9  | 3.7         |
| Federal District          | 1                              | 1  | 100.0      | 1  | 100.0       |

Source: IBGE - Survey of Basic Municipal Information 2009

The 2009 MUNIC survey conducted by the IBGE also investigated if municipalities adopted programs or actions for the promotion of work and income for people with disabilities. The results indicated that in only 440 of a total of 5,565 municipalities in Brazil local governments had adopted such programs or actions, the equivalent to 7.7% of the total.

In the North (8.9%), Center-West and South Regions (both with 8.2%) were found the highest percentages of municipalities with such programs.

Among all Federation Units, the state with the highest percentage of municipalities with municipal programs and actions for the promotion of work and income for people with disabilities in 2009 was the state of Rio de Janeiro (17.4%) which was also the state with the

highest proportion of municipalities with council for people with disabilities, as mentioned earlier. Amazonas (16.1%) and Pará (14.0%) placed second and third in this ranking.

The MUNIC however did not find programs or actions of this sort in the state of Roraima in 2009. It is important to mention that the survey also did not detect any municipal council for people with disabilities in this state.

In the states of Tocantins (3.6%), Rondônia (3.8%), Sergipe (4.0%) and Rio Grande do Norte (4.8%), the proportion of municipalities with programs or actions for the promotion of work and income for people with disabilities did not surpass the 5.0% mark.

## **The National Plan for the Rights of People with Disabilities and the Labor BPC**

In November 2011, the Federal Program launched the National Plan for the Rights of People with Disabilities - dubbed *Viver sem Limite*, or, *Life without Limits*, which calls for actions along four lines: *access to education, healthcare, social inclusion* and *accessibility*.

Among the actions of *social inclusion* is the creation of the BPC Labor Program, whose goal is to articulate inter-sectorial actions for the promotion of access to professional qualification and access to work for disabled people who benefit from the Continued Contribution Benefit Social Assistance Program – BPC, within the age range from 16 to 45 years old. The BPC Labor Program is carried out by the Union through the Ministry of Social Development and Fight against Hunger (MDS), the Ministry of Education (MEC), the Ministry of Labor and Employment (MTE) and the Secretariat for Human Rights of the Republic Presidency (SDF/PR), and involved commitments by the Union, States, the Federal District and Municipalities.

The main actions of the BPC Labor Program are: the identification and active search for BPC beneficiaries with disabilities within the 16-45 age range, to be carried out by experts of the Social Assistance Reference Centers (CRAS); the production of a social diagnosis and assessment with respect to interest in participating in the Program; assisting people with disabilities included in the BPC with the purpose of ensuring the provision of social services and benefits and conducting them to access to other public policies.

It is important to stress that the BPC Labor Program is encompassed by the National Program for Access to Technical Education and Employment (PRONATEC), which is part of the Brasil Sem Miséria Program led by the MDS in conjunction with the MEC and MTE, aimed at expanding the supply of technical and professional training for people that are socially vulnerable, providing priority assistance to beneficiaries of federal income transfer programs, including the beneficiaries of the BPC that have disabilities.

## **The United Nations Fund for the Promotion of Persons with Disabilities**

On December 8, 2011 the UN launched the United Nations Partnership to promote the Rights of Persons with Disabilities Multi-Donor Trust Fund (UNPRPD) with the purpose of collaborating with countries in the improvement of policies, compilation of data, and provision of services for the promotion of rights of people with disabilities.

The Fund is supported by six UN bodies with solid experience in the promotion and protection of the rights of persons with disabilities: the United Nations Human Rights Council (UNHRC), the United Nations Department of Economic and Social Affairs (UN DESA), the United Nations Development Programme (UNDP), and the United Nations Children's Fund (UNICEF), the International Labor Organization (ILO) and the World Health Organization (WHO).

The ILO as a member of the Policy Board and the Management Committee will participate in the review of proposals for funding at the national and worldwide level.

The Trust Fund is managed by the Multi-Donor Trust Fund Office (MPTF Office) of the United Nations Development Program and aims to foster dialogue between governments and organizations representing people with disabilities with the goal of encouraging actions aimed at combating discrimination and marginalization. This goal is in accordance with the United Nations Convention on the Rights of Persons with Disabilities (CRPD), an international agreement with the purpose of fostering international cooperation on these issues.

## **HIV, AIDS AND THE PROMOTION OF EQUALITY IN THE WORLD OF LABOR**

### **AIDS in Brazil and the importance of the workplace in the struggle against AIDS**

According to the Ministry of Health (2011), between 1980 and June 2011 approximately 608 thousand cases of HIV infection (cumulative) had been reported in Brazil – 65.4% affecting men and 34.6% affecting women. The Prevalence Rate of HIV infection among the population aged 15 to 49 years old (i.e. potential working ages) which was 0.5% in the beginning of the 1990s, has remained stable at 0.6% since 2004, being that the prevalence among women was 0.4% and for men 0.8%.<sup>103</sup>

Despite the existence of legal instruments, many people who live with HIV are not able to remain in the labor market; others are able to stay but either experience discrimination at the workplace or are isolated, which can eventually led them to abandon work or request dismissal (TUNALA, 2002).

It is beyond dispute that AIDS has an impact on the world of labor, since most infected individuals are in productive age and most are actively participating in the labor market. It follows that actions carried out at the workplace can have an impact on the epidemic.

The involvement of companies in the elaboration of responses to HIV is an indication of positive cost-to-benefits of such actions: workers are benefitted, since they can resume their functions, contributing with their knowledge and skills towards the company's development; the company is also benefitted, as it does not have to carry the burden of replacing a workers and needing to recruit and train another worker for the same function. And the country as a whole does not need to spend on expenditures related to the dismissal of a still productive worker.

<sup>103</sup> Other information and indicators on the subject are presented in the chapter entitled *Social and Economic Context in the topic on Working Age Population with HIV*.

The creation of culture of acceptance and respect to HIV positive workers at the work environment can have a very positive effect. The workplace is where adults spend most of their time and develop friendship and companionship. For this reason the workplace is a potential environment where positive pattern of behavior can emerge and spread. Encouraging respectful attitudes towards co-workers and oneself, self-care and health, including the prevention of HIV/AIDS can be an enormously positive influence on workers inside and outside the work environment.

Actions carried out at the workplace can help workers who live with the virus discover that carrying a chronic disease does not imply being an inferior citizen.

The presence of people with HIV/AIDS in the world of labor requires companies to learn about the disease and epidemic in order to develop appropriate approaches to the issue.

Responding to prejudice and discrimination in the world labor by means of affirmative actions, support and acceptance is one of the main strategies of promotion of equality and effectiveness relative to the universal right to labor.

This premise takes into consideration the importance of work in the lives of individuals, as a means to obtain material necessities, but also as a site where identities, self-esteem and citizenship are formed.

## **ILO RECOMMENDATION N. 200**

With the purpose of ensuring universal access to prevention, treatment and assistance to persons who live with AIDS and, especially, to increase the participation of work in dealing with the challenge of the epidemic, a new international norm was approved in June 2010 at the International Labor Conference reinforcing the importance of the workplace as a fundamental site for the realization of human rights for people living with HIV, especially those in the world of labor.

Recommendation n. 200 concerning HIV and AIDS and the World of Work has the purpose of scaling up the global effort to realize the rights of workers affected by HIV and the promotion of prevention and assistance actions at the workplace, in addition to establishing guidelines for facing stigma and discrimination at the workplace. Recommendation n. 200 is the first International Labor Norm on HIV and AIDS. It is based on 10 key principles established by the Report on Practical Recommendations on HIV/AIDS and World of Work (2001), and other international instruments. It deals with the state of the pandemic after 2001 (when the report was launched) and established the workplace as an essential element in national, regional and international responses to the pandemic.

Recommendation n. 200 ensures the right to work of all persons, whether in the formal or informal sector of the economy, job seekers, voluntary workers and interns and people in the armed forces or uniformed services; it established principles of protection and care; it gives priority to social protection and the right to confidentiality of the health information of people who live with HIV or AIDS.

The Recommendation comprises a set of guidelines to be followed by countries in the formulation of programs for the prevention of AIDS at the workplace and to promote actions that help infected workers to remain productive, for as long as possible, allowing member states of the ILO to decide how to integrate these principles into the policies and legislation of each country.

The Recommendation's guidelines, approved by member states, stipulates the necessary support for the struggle against discrimination of people who live with HIV/AIDS in the world of work, and also provides guides so that tripartite constituents can contribute towards a more safe, healthy, respectful and discrimination-free workplace.

The adoption of Recommendation n. 200 also represents progress regarding HIV/AIDS in the world of work, since adherence to the Practical Recommendations on HIV/AIDS of the ILO is voluntary and does not assume commitments from countries nor comes with mechanisms that measure the reach and quality of implemented actions. In turn, Recommendation n. 200, in addition to linking its principles with other important elements to approach the right to work and combating discrimination, reiterates the responsibility of governments, workers and employers in approaching from a holistic perspective and together elaborating policies and programs for AIDS in the world of work which contribute to the national response of each signatory of the Norm.

## The Brazilian Legislation

Work for people living with HIV in Brazil is ensured by the Federal Constitution. The document states that work is a basic constitutional right, and that equality and non-discrimination must be guaranteed. Since the beginning of the epidemic, resolutions, specific laws and collective agreements have contributed towards the construction of a legal apparatus for the protection of workers with HIV/AIDS (VALENTIM, 2002).

In 1988 Inter-ministerial Order n. 3,195, of August 10, 1988, created the Nationwide Internal AIDS Prevention Campaign with the purpose of disseminating information and encouraging employers to adopt prevention measure in public and private companies and in the bodies of the state administration. These actions are intended to be promoted by the CIPAS (Internal Commission for Accident Prevention); institutions without a CIPAS are to participate in actions promoted by regional bodies of the Ministry of Labor or other institutions, being that oversight is entrusted to the Ministry of Labor's Labor Inspection Secretariat (SIT)

Inter-ministerial Order n. 796, of May 29, issued by the Ministry of Health and the Ministry of Education, forbids compulsory blood tests for students, teachers and workers and also prohibits disclosure of HIV status of any member of the school community, and in addition also forbids the creation of special classes or schools for people infected with HIV.

In 1992, Inter-ministerial Order n. 869/92, issued by the Ministries of Health, Labor and Administration established the prohibition of mandatory HIV-testing for employment purposes and periodical examinations of public servants. This order also established that positive HIV status should not entail any disadvantage for the infected person, and that social and professional contact with infected persons does not pose risks. It also declared that the appropriate actions to control infection are information and adequate prevention procedures.

In the scope of the Legislative Branch, in 1988, approved Law n. 7,670, September 8, 1998 extended to people with HIV or AIDS several benefits that are exclusively granted to people with other serious diseases, such as sickness benefits, retirement benefits and

reclusion benefits for those enlisted in Social Security, as well as the possibility to withdraw from the FGTS, regardless of the termination of the work contract. Subsequently to that, through Provisional Measure n. 2,164-41, of August 24, 2001, the federal government also authorized the withdraw from FGTS linked accounts in case of the HIV infected person is one of the worker's dependents.

Law n. 7,713, of December 22, 1988, modified Income Tax legislation creating provisions for exemptions in retirement benefits or adaptations caused by occupational injuries or diseases disbursed for people living with HIV or AIDS.

In 1991, Law n. 8,213, of July 24, 1991, which instituted the Social Security Benefit Plan, contains Article 151, which stipulated that the granting of sickness benefits or retirement caused by disability does not require a wait-period in case the insured person is infected with AIDS or has any of other listed diseases.

Different professional segments rely on specific legislation to ensure the right to work for people living with HIV/AIDS.

From the same perspective, a decision by the Federal Medicine Council forbids dismissals grounded on HIV testing. An MTE Order (n. 1,246), published on May 31, 2010, supplements Inter-Ministerial Order n. 869, of August 12, and establishes that no person can be compelled to take an HIV test as an employment pre-condition, before a position transfer or as part of periodical examinations, or as a returning do work condition, or any other work-related circumstances.

The Labor Justice System, since the beginning of the epidemic, has made noteworthy efforts regarding labor relations and AIDS. Among the main issues it has approached is the dismissal of HIV positive workers. In this regard, courts have evolved and have been repressing discriminatory acts and ensuring the employees' right to work.

At the time being, the decisions of the Superior Labor Court (TST) in individual cases has been largely supportive of sustaining labor relations when abusive or discriminatory dismissals and the violation of rights are demonstrated (Valentim, 2003).

There are also reports of decisions ordering the payment of damages as a result of discriminatory practices carried out by employers causing and also immediate readmittance of the worker dismissed in breach of collective agreement clauses.

In August 2011, the TST issued an opinion in favor of the reintegration of an employee explicitly citing ILO Recommendation n. 200 as an international normative instrument adopted by Brazil in the promotion of the right to work for people living with HIV and in combating discrimination.

## **Responses to AIDS the in the World of Work in Brazil**

As responses to growing demands relative to the AIDS epidemic and the world of work initially caused by the already mentioned impacts of HIV/AIDS and then by the increased life expectancy of people living with AIDS – which entails higher numbers of people with AIDS living in health and capable of remaining/entering the labor market – in 1998, the Ministry of Labor published Order n. 3,717 on October 8, 1998 creating the CEN – National Entrepreneurial Council for the Prevention of HIV/AIDS.



Among its attributions are the assistance to the Ministry of Labor in the construction of a national response to HIV/AIDS and the raise of awareness of the private sector concerning the development of HIV/AIDS prevention actions and the promotion of health.

In this sense, with the goal of “broadening the number of Brazilian companies with prevention programs” (CEN/UNAIDS, 2008), the CEN has produced a series of educational materials, among which the “Guidebook concerning the creation and implementation of HIV and AIDS Prevention Programs at the Work Place” (CEN/UNAIDS, 2008). The CEN is also responsible for encouraging the formation of state-level councils for the prevention of HIV/AIDS, providing support for the convening of companies, fostering commitment to the issue and providing assistance in the production of events, campaigns and material.

The CEN has also promoted campaigns and rewarded companies that have made outstanding achievements in the prevention of the epidemic and in improving the health conditions of workers.

The labor movement, acting through its many Syndical Centers (CUT, UGT, CGTB, NCST, CTB and Força Sindical) and many unions have organized responses to AIDS among their rank-and-file. Individually or collectively, these actions reach a large number of workers and families and have been a valuable aid for government agencies in confronting the epidemic.

These responses have taken the perspective of prevention, with the dissemination of information on HIV/AIDS based on campaigns, events and worker communication networks, and also have taken the form of assistance to workers with HIV/AIDS, with counseling concerning labor rights and social security and the inclusion of the subjects as clauses in collective negotiations.

As an example, the project “Summer without AIDS Project, Valuing Life” (*Projeto Verão sem AIDS, Valorizando a Vida*) which first began in 1994 in beaches of the north and south coast of the state of São Paulo, near the city of Santos, promoted by the Federation of Pharmaceutical and Chemical Industry Workers of São Paulo and currently coordinated by the Força Sindical (a union central), was expanded into other initiatives, such as “Spring without AIDS” and “Autumn without AIDS,” in which a large number of workers and their families participate.

There is also an ongoing effort to train union leaders with regard to the subject of HIV/AIDS and related issues, such as sexual diversity, discrimination and prejudice, the rights of people with HIV/AIDS and other. The concern with the protection of human rights, labor rights and preservation of the work of people who live with HIV has been a constant item in the agenda of the Brazilian labor movement.

The CUT Formation School since 1992 offers training in HIV prevention and combating discrimination at the workplace for male and female workers with the goal of preparing union leaders to provide guidance and assistance in cases of rights violations.

## MARITIME SECTOR ADOPTS RECOMMENDATION N. 200 GUIDELINES

In a partnership with the National Federation of Aquatic and Related Transport Workers – FNTTAA, and the Department of DST/AIDS and Viral Hepatic Disease of the Ministry of Health, the ILO has implemented some of the guidelines of Recommendation n. 200 concerning AIDS and the world of work in an initiative which encompasses workers of the most important water transportation networks of the country, such as Paraguay-Paraná, in the Pantanal Region in Mato Grosso, the South-Southeast Basin, which encompasses the waterways of the South Region of Brazil

This joint initiative, started in the city of Corumbá, Mato Grosso do Sul, and followed up in the South Region, trained workers to provide education among peers in issues related to the prevention of HIV and in combating stigmatization and discrimination at the workplace and the protection of fundamental labor rights.

In later stages of the program, the training of more peer-to-peer educators in other important water basin, such as the Amazon, will contribute to improve access to information, diagnosis, and prevention of HIV, and will also facilitate treatment of people diagnosed with the virus in regions with poor access to public services, but intense activities in water transportation.

## TRADITIONAL PEOPLES AND COMMUNITIES

According to Article 3, of Decree n. 6,040 of February 7, 2007, the *Traditional Peoples and Communities* are “culturally distinct groups and recognizes themselves as such, who have their own forms of social organization, occupying territories and national resources as a condition for their social, cultural, religious, economic and ancestral reproduction, employing the knowledge innovation and practices generated and transmitted by tradition.”

The production of statistics concerning the peoples and communities plays a strategic role in understanding their conditions of Decent Labor and their ways of life in general, in accordance with and respecting their cultural differences, as asserted for example by the Convention of Indigenous and Tribal Peoples, 1989 (n. 169).

## ILO CONVENTION N. 169 CONCERNING INDIGENOUS AND TRIBAL PEOPLES

### Goal

To promote the establishment of a new relationship between the State and Indigenous and Tribal Peoples (IPT), based on the recognition of ethnic and cultural diversity, granting protection and encouraging the peoples concerned the right to decide their own development priorities.

The Convention establishes the following rights for indigenous and tribal peoples:

- Rights must be lasting and distinguished;
- Indigenous peoples must have the right to define their own priorities and exert control over them, to the extent possible;
- Peoples shall be consulted in good faith, through appropriate procedures and in particular through their representative institutions, whenever consideration is being given to legislative or administrative measures which may affect them directly;

- Peoples shall have the right to retain their own customs and institutions and to the extent they are compatible with the national legal system and internationally recognized human rights, the methods customarily practices by the peoples concerned for dealing with offenses committed by their members.

Government shall:

- Establish groups to whom this convention applies based on objective criteria (language, kinship, costs) and based on the self-definition of indigenous and tribal peoples;;
- Ensure that ITP benefit on an equal footing, the same rights and opportunities which national laws and regulations grant to other members of the population;
- Assist ITP to eliminate socio-economic gaps that may exist between them and other groups of the national community;
- Consult ITP, through appropriate procedures and mechanisms, whenever consideration is given to measure which may affect them;
- Ensure that, whenever appropriate, studies are carried out, in co-operation with the peoples concerned, to assess the social, spiritual, cultural, environmental impact on them of planned development activities. The results of these studies shall be considered as fundamental criteria for the implementation of these activities.
- Establish means for the full development of these peoples' own institutions and initiatives.

The Action Program of the III World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa in 2001, asserts the importance of the generation of information concerning color, race and ethnicity as a fundamental aspect to overcome racial discrimination and racism (paragraphs 92 to 98), with the following highlights:

- a) States are invited to collect, compile, analyze, disseminate and publish reliable statistical data at the national and local levels;
- b) States, governmental organizations and non-governmental organizations, academic institutions and the private sector are invited to develop and perfect concepts and methods used in the collection and analysis of data to promote research, exchange of practices and experiences and to develop promotional activities in the field;
- c) The declaration acknowledges that policies and programs aimed at combating racism, racial discrimination, xenophobia and related intolerance must be based on qualitative and quantitative research.

The National Statistical System (SEN) endeavored in improving the collection of information concerning traditional peoples and communities, even though there is still a long way to go.

## **The Innovations of the 2010 Demographic Census in Collecting Information on Color, Race and Ethnicity.**

The 2010 Demographic Census carried out by the IBGE presented some innovations which improved investigation techniques and knowledge of ethnic and racial issues in Brazil.

A first important aspect is the reinclusion of the item in which interviewees self-declare color or race in the basic questionnaire of the 2010 Census, i.e. the questionnaires used in all households of the country. This will permit the construction of indicators of living

conditions of the population in small areas from a racial or ethnic perspective, something that was not previously possible since the item on color or race was only included in questionnaire used in the sample-based survey (applied to 15.0% of households).

In addition to the identification of the ethnic groups and the language spoken in the case of people who self-declare as indigenous, the indigenous lands have been organized according to census sector,<sup>104</sup> which will allow for a more specific and precise analysis of lives in these communities.

## **The New Version of the Unified Register for Government Social Program (CadÚnico)**

The newest version (7.0) of the CadÚnico includes a few innovations and certainly constitutes an important source of information concerning the living conditions of some population segments from a racial perspective, particularly among lower-income strata.

In addition to the fact that the question on color uses the same composition as the one used in IBGE survey, the new questionnaire also includes specific questions, asking whether the family is indigenous, to which indigenous people the family belongs to, if the family lives in an indigenous land or reserve, and the name of the indigenous land or reserve. It also identifies whether the family belongs to a former slave community - *quilombola* - and the name of the *quilombola* community.

The information listed in the CadÚnico has become more synergized with the operational-territorial base used by the IBGE, including the identification of the census sector which included the family's household.

The CadÚnico plays a crucial role in the collection of information concerning poorer families in Brazil, providing them access to a set of government initiatives, based on the Brasil sem Miséria Plan. In addition to ensuring access to the Bolsa Família Program, the data from the CadÚnico serves as a reference that permits vulnerable persons to obtain access to documentation (as the Identification Card and the Labor Card), professional training, micro-credit, entrepreneurship, health, education, child labor eradication, among others.

One of the main lines of action of the Brasil sem Miséria Plan is the Active Search which identifies people in extreme poverty and integrates them to the network of policies programs and actions intended to help people overcome poverty. In this context, a set of strategies organized territorially to identify and register families in extreme poverty has been outlined.

Integrated into the set of central guidelines of the Active Search is the correct identification in the CadÚnico, of all families that belong to traditional peoples and communities with the purpose of promoting more effective actions in helping families in extreme poverty belonging to this group to overcome poverty.

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<sup>104</sup> A census sector is the territorial unit created in order to control and organize collection listings and is also the most disaggregated level of information.

## The Ministry of Social Development's (MDS) Public Consultations for the Registration of Specific Traditional Population Groups

Between May 21, 2012 and June 15, 2012 the MDS held a public consultation for the Registration of Specific Traditional Populational Groups with the purpose of providing guidance to the managers of the CadÚnico and Bolsa Família Program concerning the registry of 13 different groups specially identified in the CadÚnico as specific traditional population groups<sup>105</sup>.

- ◇ Gipsies
- ◇ Gatherers/Foragers
- ◇ Artisanal fishermen
- ◇ African religious communities
- ◇ Riverside communities (*ribeirinhas*)
- ◇ Family agriculture
- ◇ People settled in and as part of agrarian reform
- ◇ Beneficiaries of the National Program of Land Credits
- ◇ Camping
- ◇ People affected by intra-structure construction
- ◇ Families of incarcerated convicts
- ◇ Recyclable material collectors
- ◇ People rescued from conditions analogous to slavery

For each one of the 13 family groups, basic characteristics and specificities of the respective registry are presented. Among the functions of the Registration is the initiative to reinforce aspects such as respect to difference, the acknowledgment of the value of diversity inherent to Brazilian society among those conducting the registration.

As the MDS emphasizes (2012):

The effort to identify these populational groups is justified by the comprehension that they are victims of a double invisibility. One is generated by the population which marginalizes segments of the Brazilian population from public policies and state actions. The other form of invisibility is related to prejudice and false crystallized perceptions that stigmatize and further marginalize these families from society and from public assistance mechanisms, making them almost invisible to the state. (MDS, 2012: 1).

Furthermore, the MDS (2012) highlights that populational segments approached for consultation are defined only as a result of organizational questions, based on general traits considered relevant for the registry of those that can be framed as such. Thus, inclusion in the CadÚnico depends on the identification, based on ethnic origins, of families who self-declared as indigenous, *quilombola* and gipsy. And based on cultural characteristics, the registry includes families who subsist on foraging/gathering, artisanal fishing, live in African religious communities, riverside communities and family agriculture producers.

<sup>105</sup> Indigenous families and quilombola communities are not included in the Public Consultation due to the fact that there are already specific registration forms and also specific items in the CadÚnico registration form. The specificities of their registration are discussed in the Guide for the Registration of Indigenous Families and the Guide for the Registration of Quilombola Families, available at: <http://www.mds.gov.br/bolsafamilia/cadastrounico/gestao-municipal/processo-de-cadastramento/cadastramento-diferenciado>.

## The Basic Municipal Information Survey (MUNIC) of the IBGE

In its 2009 edition, the Basic Municipal Information Survey (MUNIC)<sup>106</sup> conducted by the IBGE investigated, among other subjects, important and strategic information concerning the institutionalization of municipal planning regarding policies for the promotion of racial equality in a specific module on human rights.

One of the main innovations of the survey was investigating the existence of gypsy camps in the municipality and whether, administration bodies for human rights (in case they existed) implemented actions and policies for the protection of gypsies.

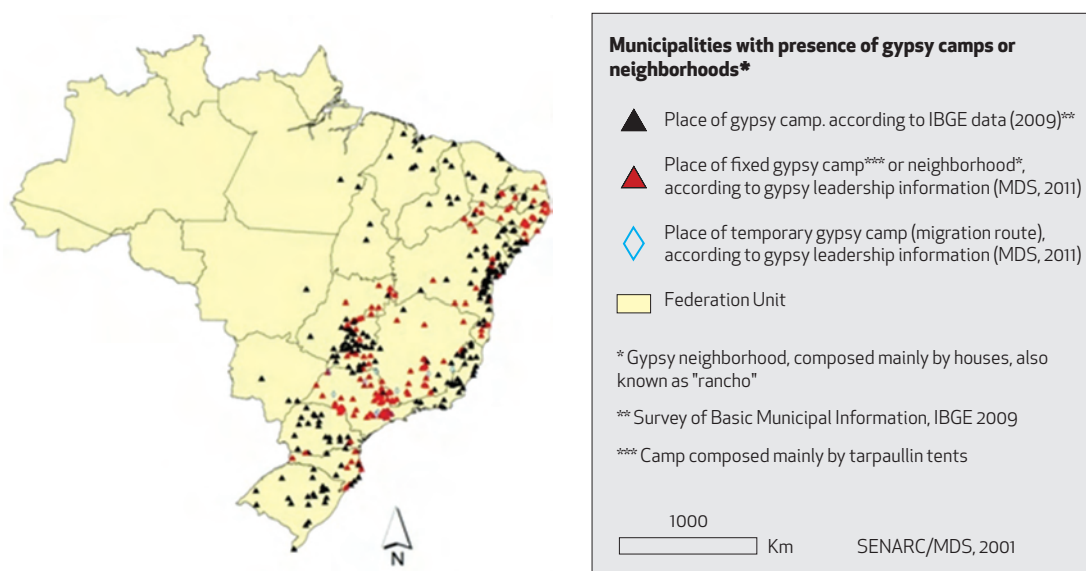
Based on this survey, the MUNIC identified 290 municipalities with gypsy camp sites in 2009, the equivalent to 5.2% of the total of 5,560 municipalities in Brazil.

With respect to spatial distribution, gypsy camps were located in 21 out of 27 Federation Units. Bahia had the largest contingent of municipalities with the presence of gypsy camps (51, or 17.6% of the state total of 290 municipalities). Ranked next were the states of Minas Gerais (49 municipalities or 16.9% of the total) and Goiás (35 or 12.1% of the total).

Map 1, elaborated by the MDS,<sup>107</sup> illustrates the spatial distribution of municipalities with gypsy camps in the national territory, based on information provided by the MUNIC for 2009 and additional information (location of permanent camps or gypsy neighborhoods and temporary camps/migration routes) obtained in interviews with gypsy leaderships in December 2011.

**MAP 1**

MUNICIPALITIES WITH PRESENCE OF GYPSY CAMPS OR NEIGHBORHOODS  
BRAZIL, 2009/2011



Source: MDS - Guia de Cadastramento de Grupos Populacionais Tradicionais e Específicos (version for public consultation)

<sup>106</sup> The MUNIC is defined as an institutional survey of administrative registers of the municipal public administration and is one of many social surveys and empirical studies focusing on the municipal level. The survey is basically a detailed compilation of information regarding structure, dynamics and functioning of public municipal institutions, in particular the mayors' office, and also encompasses different policies and sectors involved in municipal government.

<sup>107</sup> Elaborated by Ludivine Eloy Costa Pereira (MDS) based on documental research (IBGE, 2009) and interviews with gypsy leaders in several states (December 2011).

A contingent of 95 municipalities – approximately a third (32.8%) of the total of 290 in which camps were identified – had populations ranging between 20 and 50 thousand inhabitants.

Of the total 290 municipalities in which camps were identified, 184 or 63.4% did not have a public administration bodies for the promotion of human rights. Only 22 municipalities with camps had programs/actions aimed at the gipsy population – the equivalent of only 7.6% of the total.

It is important to stress that the states of Bahia and Minas Gerais harbored the largest contingents of municipalities with gipsy camps (51 and 49, respectively, as mentioned earlier, only had three municipalities that claimed to have programs and/or actions aimed at gipsy peoples – one in Bahia and two in Minas Gerais.

Lastly, it is worthwhile mentioning that several administrative records of the ministries (Health, Education, Social Development, and Labor and Employment) already incorporated the category color or race (according to the criteria adopted in IBGE surveys) in which it is possible to gather information on indigenous population.

As observed, the National Statistical System has been making significant endeavors to broaden the coverage and shed light onto traditional peoples and communities. Filling still existent gaps is fundamental in order to promote Decent Labor and better living conditions for traditional peoples and communities.

# 9 SAFE WORK ENVIRONMENT

The preamble to the ILO Constitution draws attention to “the protection of the worker against sickness, disease, whether or not work-related, and occupational injuries” as a fundamental elements of social justice. This right to decent work conditions and a safe and healthy work environment was reaffirmed in the Declaration of Philadelphia of 1944 and in the ILO Declaration on Social Justice for a Fair Globalization, adopted by the 98th International Labour Conference held in June 2008.

The Hemispheric Decent Work Agenda 2006-2015 established as a goal that by 2015 “health and safety at the work environment become priorities for social actors” and defined precise goals such as “reducing by 20.0% the incidence of occupational accidents and sickness and doubling coverage of protection in terms of work environment health and safety for ill-attended groups and sectors.” Both the overall and specific goals remain relevant, as well as the goal of a prevention policy and the promotion of health and safety at the work environment as a permanent state policy (ILO Conference ... 2011).

The National Plan for Employment and Decent Labor (MTE, 2011b) in its Priority 1 – Generating more and better jobs with equal opportunity and treatment, stipulated in item d)<sup>108</sup> of the Expected Results the following goals directly linked to health and safety of the work environment:

| Goals 2011  | Goals 2015  |
|---|---|
| 15.0% increase of analyses of severe and fatal accidents  | 30.0% increase of analyses of severe and fatal accidents.   |
| Review and implementation of the National Policy for Worker Health and Safety (PNSST) and perfecting of the National System of Work Environment Health and Safety                           | Implementation of the PNSST and SNSST   |
| Implementation in 40.0% of the notification system for sickness and occupational accidents and elaboration of the Notification of the Workers' Health Issues (SINAN-NET) in municipalities. | Assessment and implementation of the SINAN-NET.   |
| Review and perfecting of the NTEP (Nexo Técnico Epidemiológico Previdenciário) matrix.  | Reduction of the under-notification of occupational accidents and sicknesses. Reduction of occupation sickness and injuries.                        |
| Improvement of the Professional Rehabilitation (RP) system and coverage and requalification for the labor market for those exiting the program.   | Assessment and continued improvement of the INSS National Professional Rehabilitation System.   |
| 20.0% increase of studies and research aimed at the prevention of occupational sickness and accidents.  | 30.0% increase of studies and research aimed at the prevention of occupational sickness and accidents.  |
| Improvement of monitoring of work environment health and safety in economic sectors posing elevated risks to workers' lives and physical integrity.   | Improvement of monitoring of work environment health and safety in economic sectors posing elevated risks to workers' lives and physical integrity. |
| Qualification of 200 Centers of Reference for Worker Health (CEREST) in Brazil, as components of the National Network for Worker Health Care – RENAST.                                      | Expansion of Centers of Reference for Worker Health (CEREST) in Brazil, as components of the National Network for Worker Health Care – RENAST.      |

<sup>108</sup> Expansion and strengthening of social protection for workers and their families especially for more vulnerable social groups and/or migrants.



Work environment health and safety are also components of the priority guidelines in the subnational agendas of Decent Work in the states of Bahia and Mato Grosso.

In May 2008, the Tripartite Health Commission (CT-SST) was instituted in Brazil<sup>109</sup> with the goal of assessing and proposing measures for the implementation of a Convention on the Promotional Framework for Occupational Health and Safety (ILO Convention n. 187, 2006). The CT-SST is composed by government, worker and employer representatives. Their coordination is headed by the ministries, and follow a rotation scheme.

Among the main goals of this Commission the following stand out:

- Revise and expand the proposal of the National Policy for Worker Health and Safety (PNSST);
- Formulate a plan for safety and health at the work environment linking promotion, prevention, assistance, rehabilitation and recuperation of worker health;
- Structure an integrated information network with data on worker health;
- Promote the implementation of systems and management programs for health and security at the work environment;
- Propose initiatives that contribute to the restructuring of the training in worker health and safety at the workplace;
- Stimulate training and continued education of workers;
- Stimulate the promotion of an integrated agenda of studies and research in security and safety at the work environment.

The CT-SST established bilateral agreements in the realms of education, mining and energy, and health, and within the scope created the Sectoral Working Group – Industry and Civil Construction (GTS – ICC) and the Sectoral Working Groups –Cargo Road Transportation (GTS –TRC), the latter focusing on small and “micro”-sized enterprises. Both working groups follow an action plan that encourages social dialogue, the perfecting of the regulation currently in force in the civil construction industry sector (IC) and in the Cargo Road Transportation sector (TRC) and specific training in Health and Safety at the Work Environment (SST), in addition to auditing and sanitary inspection (IPEA, 2010)

On April 27, 2012, the ministries of Labor and Employment, Social Protection, and Health, launched a new National Plan for Health and Safety at the Work Environment (PLANSAT). The Plan outlines the goals, strategies and concrete actions necessary to fulfill the principles and guidelines of the National Policy for Health and Safety at the Work Environment, established by Decree n. 7,602 of November 7, 2011. The PLANSAT was formulated by a Tripartite Commission with representatives of the government, workers and employers within the scope of the CT-SST.

The goals outlined by the PLANSAT are:

- The inclusion of all Brazilian workers in the National System for the Promotion and Protection of Health and Safety at the Work Environment – SST;
- Harmonization of the labor, sanitary, social protection and other legislations related to SST;

<sup>109</sup> By means of Inteministerial Order n.152 of the Ministry of Labor, dated as of May 13, 2008.

- Integration of government actions pertaining to SST;
- Adoption of special measures for labor activities exposed to high risk of occupational sickness and accidents;
- Structuring of an integrated SST network;
- Implementation of a management system for SST in the private and public sectors;
- Training and continued education in SST;
- Creation of an integrated agenda of studies and research in SST.

## Methodological Aspects concerning the Indicators

Article 19 of Law n. 8,213 of July 24, 1991, states that “work accidents are those that occur during performance of work at the service of a company or performance by a special insured worker, causing a body injury or a functional disturbance whether it be temporary or permanent.” Such accidents may simply lead to absence from work, the loss or reduction of the capacity to work or in extreme cases to the death of the insured worker.

The following categories are eligible for the benefit granted due to incapacity caused by work environment risks: the employed insured worker, the miscellaneous worker, and the special insured worker (see Legal Framework Indicators 13 and 17 ‘Temporary incapacity for work’ and ‘Permanent incapacity for work’, respectively, Annex p. 377 and p. 384).

Under Brazilian legislation, the following are considered occupational injuries:

- a) an injury occurring on the commute between the home and workplace of the insured worker;
- b) an occupational disease, defined as being one triggered by the performance of a particular work or a given activity; and
- c) a work-related disease contracted or triggered as a consequence of special working conditions to which it is directly related.

In these last two cases, the disease must be included in the list found in Appendix II of the Regulation of Social Protection, approved by Decree n. 3,048, dated as of May 6, 1999. In exceptional cases, reaching the conclusion that the disease not included in Appendix II was caused under special circumstances in which the performance of work was determinant, Social Security must consider it as a work accident.

Not considered occupational injuries are: degenerative diseases; those inherent to certain age groups; diseases that do not produce incapacity for work, endemic disease contracted by insured workers living in regions where they are prevalent, except when proven that they result from exposure of direct contact determined by the nature of the work. Other types of disease may also be regarded as occupational injuries.<sup>110</sup>

<sup>110</sup> This list includes (1) – a work-related accident which, though not the sole cause, contributed directly toward the death of the insured worker, reduced his/her capacity for work, or produced a lesion requiring medical attention for recovery; (2) an accident suffered by an insured worker at the place and time of work, as a consequence of an act of aggression, sabotage or terrorism perpetrated by third parties or workmate(s); intentional physical attack by a third party, in a work-related dispute; act of carelessness, negligence or ineptitude by a third party or workmate; act of a person not in his/her mental capabilities; collapse, flooding, fire or other event characterized as *force majeure*; (3) sickness resulting from accidental contamination of employee during exercise of his/her duties; and (4) an accident suffered by an insured worker, even if not during working hours, while executing an order or carrying out work by order of the company.

In 2007, the National Social Security Institute (INSS) instituted a new system for granting benefits for injured workers that had a direct impact on the compilation and availability of statistics concerning occupational injuries.

In 2004, the National Council of Social Security – CNPS approved Resolution n. 1,236/2004 which contained a new methodology to be adopted in order to adjust the contribution percentages for the funding of the special retirement benefit and those granted due to the degree of labor incapacity caused by environmental risks at the work environment. This methodology's goal was to stimulate, among other aspects, employer investment in improvements in productivity methods and the qualification of workers, with the aim of reducing environmental risks at work. The methodology approved required a new form of identification of work accidents which, along with the Work Accident Reports (CAT), minimized under-notification of occupation accidents and disease and prevented companies from profiting from withholding information from the INSS. Studies that applied statistical and epidemiological principles, juxtaposing the coded data from International Disease Classification (CID-10) and the coded data from the National Classification of Economic Activities, allowed the identification a strong correlation between injuries (*agravo*<sup>111</sup>) and the activities performed by the worker.

Based on the identification of strong linkages between injuries and work activities, a matrix was elaborated with pairings between the CNAE coding and CID-10, aiding in the analysis of labor-related incapacity by the INSS's medicine experts: the Social Security Epidemiological Technical Nexus – NTEP. The NTEP is an additional aiding tool in the analysis and assessment of the origin of the work incapacitating factor by the INSS (MPS, 2011).

Along with the adoption of this new system, the INSS changed its procedures and the existence of a filed Work Accident Report (CAT) is no longer required for the characterization of an accident as work-related and for the granting of benefits. Although the submission of a CAT is still a legal obligation, waiving the requirement led to a change in the statistics on occupational injuries. A number of accident benefits are now granted by the INSS and presumed to be related to occupational injuries. The totality of occupational injuries are now considered the sum of accidents and occupational diseases informed by the CAT and the accidents and diseases that generated accident benefits, for which CATs are not submitted (MPS, 2011).

With a view to maintaining comparability of historical series and enabling consistent analysis of the progression of occupational injuries, only information referring to 2008 – when the statistics generated by the new system of benefit granting 2007 only injuries for were fully integrated – and 2010 (the last year for which data was available at the time of the completion of this report) will be considered.

As stressed by the Ministry of Social Security, it is worth noting that the data related to year 2010 are preliminary, that is, posterior tabulations can generate different numbers, since some CATs could be registered subsequent to the initial reading date.

The analysis of the safe work dimension is based on information from two sources: administrative records of the Ministry of Social Security concerning accidents and Ministry of Labor records referring to its inspections; and also the household survey information compiled in the PNAD Supplementary Health Modules, conducted by the IBGE and published in 1998, 2003 and 2008.

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<sup>111</sup> *Agravo* is the terminology adopted in Social Security that encompasses lesions, diseases, health disorders, disturbances or chronic, acute or sub-acute evolution syndromes, which are clinical or non-clinical in nature, regardless of latency periods.

## Recent Evolution of Occupational Accidents Reported by Motive

The number of occupational injuries recorded in Brazil declined from 755,980 in 2008 to 701,496 in 2010, the equivalent to a 7.2% reduction in two years, as shown in Table 90. The declines were observed both for injuries *with submitted CATs* (from 551,023 to 525,206 or 4.7%) and those *without submitted CATs* (from 204,957 to 176,290, which corresponded to 14.0%).

| Year                             | Number of Occupational Injuries |                |             |            |                      |              |
|----------------------------------|---------------------------------|----------------|-------------|------------|----------------------|--------------|
|                                  | Total                           | With Filed CAT |             |            |                      | No Filed CAT |
|                                  |                                 | Total          | Motive      |            |                      |              |
|                                  |                                 |                | Typical     | Commuting  | Occupational Disease |              |
| 2008                             | 755,980                         | 551,023        | 441,925     | 88,742     | 20,356               | 204,957      |
| 2009                             | 733,365                         | 534,248        | 424,498     | 90,180     | 19,570               | 199,117      |
| 2010                             | 701,496                         | 525,206        | 414,824     | 94,789     | 15,593               | 176,290      |
| <b>Variation %<br/>2008/2010</b> | <b>-7.2</b>                     | <b>-4.7</b>    | <b>-6.1</b> | <b>6.8</b> | <b>-23.4</b>         | <b>-14.0</b> |

Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

Analyzing this data considering the *motive* of the injuries, it is possible to notice that during this period there was a 6.1% reduction of *Typical Occupational Injuries*<sup>112</sup> and a significant decline (23.4%) of *Occupational Diseases*.<sup>113</sup> On the other hand, *Commuting Injuries*<sup>114</sup> increased 6.8%.

As a consequence of this trend, the share of *Commuting Injuries* among the total number of recorded injuries increased, rising from 16.1% to 18.0% between 2008 and 2010. Despite a reduction in share (from 80.2% to 79.0% of the total) *Typical Occupational Accidents* still is responsible for the overwhelming majority. *Occupational Diseases* also saw its share decrease from 3.7% to 3.0%.

The largest share of injuries (approximately 72.0% of the total) occurred among men in 2010.<sup>115</sup> This proportion however varied according to the injury's cause: men accounted for 76.5% and women for 23.5% of *Typical Occupational Injuries*; 65.0% and 35.7% for *Commuting Accidents*; 57.8% and 42.2%, respectively, for *Occupational Disease*. The fact women account for a higher share in the *occupational diseases* category is striking, demanding further and deeper investigation from a gender standpoint concerning the typology of occupational disease among workers.

Commuting accidents are directly related to violence in traffic and, to a certain extent, to urban violence. The growth of this kind of accident recently indicates the need to seriously

<sup>112</sup> Injuries caused by the nature of the professional activity performed by the insured worker.

<sup>113</sup> An occupational disease is defined as one produced or triggered by the exercise of work that is characteristic of a certain kind of activity.

<sup>114</sup> Accidents occurred during the on the route from the worker's residence to the workplace, and vice-versa.

<sup>115</sup> It must be noted that in 2009, men represented 57.2% of the employed population.

assess the security of workers during their commutes from home to work. This kind of accident is predominant among younger age groups and most of all among men. In 2010, roughly 45.0% of these accidents occurred among workers aged 20 to 29, being that 67.8% of the accidents of this type involved men.

Breaking down the analysis to Federation Units, it is possible to observe a very different trajectory and intensity of occupational injuries, which further reinforced the importance of disaggregating Decent Work Indicators territorially.

In 17 out of 27 UFs, there was a reduction in the number of occupational injuries recorded between 2008 and 2010, following the national trend. According to the data in Table 91, the most significant declines were seen in Espírito Santo (-22.0%), Rio Grande do Norte (-16.9%) and Tocantins (-13.9%).

In the ten UFs where the number of occupational injuries increased between 2008 and 2010, it is noteworthy that all were part of the North and Northeast Regions. The most significant increases occurred in Acre (32.3%), Piauí (23.5%), Ceará (19.5%) and Pernambuco (18,4%).

On the other hand, in all states of the South, Southeast and Center-West Regions there was a reduction in the total number of occupational injuries in the period analyzed.

A disaggregated analysis of this data by type of accident, a few peculiarities stand out. With regard to *Typical Occupational Injuries*:

- In 20 UFs, a reduction took place, with the states of Rio Grande do Norte (-27.7%), Tocantins (-22.4%) and Mato Grosso do Sul (-17.4%) standing out;
- In the remaining 7 UFs there were increases, the most significant ones being in Roraima (39.6%), Acre (33.9%), Ceará (27.8%) and Rondônia (27.3%);

With regard to *Commuting Accidents*:

- A reduction was only identified in the state of Pará, even so a very small one (-1.6%)
- In the other 26 UFs an increase was observed, the most significant of which occurred in Roraima (68.8%), Acre (49.5%), Ceará (43.6%), Maranhão (37.6%) and Paraíba (32.4%) – percentages well above the national average (7.8%).

CONTINUES &gt;&gt;

| TABLE 91  |                          |                                 |                |         |           |              |                      |
|---|--------------------------|---------------------------------|----------------|---------|-----------|--------------|----------------------|
| NUMBER OF OCCUPATIONAL INJURIES BROKEN DOWN BY CAUSE<br>FEDERATION UNITS, 2008-2010 |                          |                                 |                |         |           |              |                      |
| Federation Units  | Year                     | Number of Occupational Injuries |                |         |           |              |                      |
|   |                          | Total                           | With Filed CAT |         |           | No Filed CAT |                      |
|   |                          |                                 | Total          | Typical | Commuting |              | Occupational disease |
| Rondônia  | 2008                     | 4,719                           | 2,724          | 2,064   | 527       | 133          | 1,995                |
|   | 2010                     | 5,280                           | 3,639          | 2,627   | 631       | 381          | 1,641                |
|   | Variation %<br>2008/2010 | 11.9                            | 33.6           | 27.3    | 19.7      | 186.5        | -17.7                |
| Acre  | 2008                     | 821                             | 442            | 307     | 99        | 36           | 379                  |
|   | 2010                     | 1,086                           | 581            | 411     | 148       | 22           | 505                  |
|   | Variation %<br>2008/2010 | 32.3                            | 31.4           | 33.9    | 49.5      | -38.9        | 33.2                 |
| Amazonas  | 2008                     | 9,484                           | 7,411          | 5,676   | 835       | 900          | 2,073                |
|   | 2010                     | 8,375                           | 6,279          | 5,001   | 892       | 386          | 2,096                |
|   | Variation %<br>2008/2010 | -11.7                           | -15.3          | -11.9   | 6.8       | -57.1        | 1.1                  |
| Roraima   | 2008                     | 535                             | 221            | 139     | 77        | 5            | 314                  |
|   | 2010                     | 513                             | 329            | 194     | 130       | 5            | 184                  |
|   | Variation %<br>2008/2010 | -4.1                            | 48.9           | 39.6    | 68.8      | -            | -41.4                |
| Pará  | 2008                     | 11,926                          | 9,573          | 8,128   | 1,198     | 247          | 2,353                |
|   | 2010                     | 11,435                          | 8,906          | 7,526   | 1,179     | 201          | 2,529                |
|   | Variation %<br>2008/2010 | -4.1                            | -7.0           | -7.4    | -1.6      | -18.6        | 7.5                  |
| Amapá   | 2008                     | 642                             | 517            | 394     | 114       | 9            | 125                  |
|   | 2010                     | 667                             | 511            | 352     | 153       | 6            | 156                  |
|   | Variation %<br>2008/2010 | 3.9                             | -1.2           | -10.7   | 34.2      | -33.3        | 24.8                 |
| Tocantins   | 2008                     | 2,165                           | 1,340          | 1,025   | 267       | 48           | 825                  |
|   | 2010                     | 1,864                           | 1,094          | 795     | 283       | 16           | 770                  |
|   | Variation %<br>2008/2010 | -13.9                           | -18.4          | -22.4   | 6.0       | -66.7        | -6.7                 |
| Maranhão  | 2008                     | 5,810                           | 3,567          | 2,996   | 476       | 95           | 2,243                |
|   | 2010                     | 5,969                           | 3,347          | 2,598   | 655       | 94           | 2,622                |
|   | Variation %<br>2008/2010 | 2.7                             | -6.2           | -13.3   | 37.6      | -1.1         | 16.9                 |
| Piauí   | 2008                     | 2,612                           | 1,103          | 808     | 262       | 33           | 1,509                |
|   | 2010                     | 3,226                           | 1,236          | 869     | 340       | 27           | 1,990                |
|   | Variation %<br>2008/2010 | 23.5                            | 12.1           | 7.5     | 29.8      | -18.2        | 31.9                 |
| Ceará   | 2008                     | 10,153                          | 6,273          | 4,513   | 1,463     | 297          | 3,880                |
|   | 2010                     | 12,135                          | 8,105          | 5,768   | 2,101     | 236          | 4,030                |
|   | Variation %<br>2008/2010 | 19.5                            | 29.2           | 27.8    | 43.6      | -20.5        | 3.9                  |
| Rio Grande do Norte   | 2008                     | 8,456                           | 6,575          | 5,482   | 898       | 195          | 1,881                |
|   | 2010                     | 7,023                           | 5,124          | 3,961   | 1,016     | 147          | 1,899                |
|   | Variation %<br>2008/2010 | -16.9                           | -22.1          | -27.7   | 13.1      | -24.6        | 1.0                  |
| Paraíba   | 2008                     | 4,277                           | 2,798          | 2,204   | 429       | 165          | 1,479                |
|   | 2010                     | 4,957                           | 2,924          | 2,166   | 568       | 190          | 2,033                |
|   | Variation %<br>2008/2010 | 15.9                            | 4.5            | -1.7    | 32.4      | 15.2         | 37.5                 |
| Pernambuco  | 2008                     | 16,841                          | 11,836         | 9,169   | 2,104     | 563          | 5,005                |
|   | 2010                     | 19,936                          | 13,673         | 10,575  | 2,561     | 537          | 6,263                |
|   | Variation %<br>2008/2010 | 18.4                            | 15.5           | 15.3    | 21.7      | -4.6         | 25.1                 |
| Alagoas   | 2008                     | 8,580                           | 6,935          | 6,177   | 633       | 125          | 1,645                |
|   | 2010                     | 9,185                           | 6,543          | 5,709   | 695       | 139          | 2,642                |
|   | Variation %<br>2008/2010 | 7.1                             | -5.7           | -7.6    | 9.8       | 11.2         | 60.6                 |

(CONCLUSION)

| TABLE 91<br>NUMBER OF OCCUPATIONAL INJURIES BROKEN DOWN BY CAUSE<br>FEDERATION UNITS, 2008-2010 |                          |                                 |                |                  |           |              |                       |
|---|--------------------------|---------------------------------|----------------|------------------|-----------|--------------|-----------------------|
| Federation Units  | Year                     | Number of Occupational Injuries |                |                  |           |              |                       |
|   |                          | Total                           | With Filed CAT |                  |           | No Filed CAT |                       |
|   |                          |                                 | Total          | Typical Injuries | Commuting |              | Occupational diseases |
| Sergipe   | 2008                     | 3,082                           | 2,245          | 1,813            | 349       | 83           | 837                   |
|   | 2010                     | 3,120                           | 2,361          | 1,874            | 388       | 99           | 759                   |
|   | Variation %<br>2008/2010 | 1.2                             | 5.2            | 3.4              | 11.2      | 19.3         | -9.3                  |
| Bahia   | 2008                     | 26,142                          | 15,866         | 12,622           | 2,085     | 1,159        | 10,276                |
|   | 2010                     | 23,934                          | 13,777         | 10,845           | 2,202     | 730          | 10,157                |
|   | Variation %<br>2008/2010 | -8.4                            | -13.2          | -14.1            | 5.6       | -37.0        | -1.2                  |
| Minas Gerais  | 2008                     | 78,265                          | 57,992         | 48,421           | 8,139     | 1,432        | 20,273                |
|   | 2010                     | 74,763                          | 54,445         | 45,008           | 8,345     | 1,092        | 20,318                |
|   | Variation %<br>2008/2010 | -4.5                            | -6.1           | -7.0             | 2.5       | -23.7        | 0.2                   |
| Espírito Santo  | 2008                     | 17,427                          | 12,780         | 10,605           | 1,831     | 344          | 4,647                 |
|   | 2010                     | 13,592                          | 11,362         | 9,067            | 2,066     | 229          | 2,230                 |
|   | Variation %<br>2008/2010 | -22.0                           | -11.1          | -14.5            | 12.8      | -33.4        | -52.0                 |
| Rio de Janeiro  | 2008                     | 53,407                          | 39,709         | 29,672           | 7,345     | 2,692        | 13,698                |
|   | 2010                     | 47,938                          | 38,042         | 28,575           | 7,500     | 1,967        | 9,896                 |
|   | Variation %<br>2008/2010 | -10.2                           | -4.2           | -3.7             | 2.1       | -26.9        | -27.8                 |
| São Paulo   | 2008                     | 265,975                         | 207,686        | 165,179          | 35,569    | 6,938        | 58,289                |
|   | 2010                     | 242,271                         | 197,504        | 154,984          | 37,244    | 5,276        | 44,767                |
|   | Variation %<br>2008/2010 | -8.9                            | -4.9           | -6.2             | 4.7       | -24.0        | -23.2                 |
| Paraná  | 2008                     | 57,529                          | 40,940         | 33,839           | 6,083     | 1,018        | 16,589                |
|   | 2010                     | 51,509                          | 40,157         | 33,067           | 6,281     | 809          | 11,352                |
|   | Variation %<br>2008/2010 | -10.5                           | -1.9           | -2.3             | 3.3       | -20.5        | -31.6                 |
| Santa Catarina  | 2008                     | 51,297                          | 29,040         | 22,826           | 5,177     | 1,037        | 22,257                |
|   | 2010                     | 47,107                          | 28,817         | 22,384           | 5,666     | 767          | 18,290                |
|   | Variation %<br>2008/2010 | -8.2                            | -0.8           | -1.9             | 9.4       | -26.0        | -17.8                 |
| Rio Grande do Sul   | 2008                     | 63,396                          | 44,726         | 36,892           | 6,058     | 1,776        | 18,670                |
|   | 2010                     | 58,237                          | 40,465         | 33,029           | 6,160     | 1,276        | 17,772                |
|   | Variation %<br>2008/2010 | -8.1                            | -9.5           | -10.5            | 1.7       | -28.2        | -4.8                  |
| Mato Grosso do Sul  | 2008                     | 11,416                          | 8,342          | 6,797            | 1,333     | 212          | 3,074                 |
|   | 2010                     | 10,032                          | 7,314          | 5,616            | 1,477     | 221          | 2,718                 |
|   | Variation %<br>2008/2010 | -12.1                           | -12.3          | -17.4            | 10.8      | 4.2          | -11.6                 |
| Mato Grosso   | 2008                     | 13,832                          | 9,649          | 8,021            | 1,411     | 217          | 4,183                 |
|   | 2010                     | 13,376                          | 9,413          | 7,606            | 1,584     | 223          | 3,963                 |
|   | Variation %<br>2008/2010 | -3.3                            | -2.4           | -5.2             | 12.3      | 2.8          | -5.3                  |
| Goiás   | 2008                     | 17,840                          | 14,496         | 11,615           | 2,639     | 242          | 3,344                 |
|   | 2010                     | 15,625                          | 13,112         | 9,792            | 3,110     | 210          | 2,513                 |
|   | Variation %<br>2008/2010 | -12.4                           | -9.5           | -15.7            | 17.8      | -13.2        | -24.9                 |
| Federal District  | 2008                     | 9,351                           | 6,237          | 4,541            | 1,341     | 355          | 3,114                 |
|   | 2010                     | 8,341                           | 6,146          | 4,425            | 1,414     | 307          | 2,195                 |
|   | Variation %<br>2008/2010 | -10.8                           | -1.5           | -2.6             | 5.4       | -13.5        | -29.5                 |

Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

In the category *Occupational Diseases* it is possible to highlight the following points:

- A decline was recorded in 22 out of 27 UFs, being that in some states this percentage was rather significant: Tocantins (-66.7%), Amazonas (-57.1%), Acre (-38.9%) and Bahia (-37.0%).
- Among the four states in which occupational diseases increased, Rondônia stood out, as the number of injuries of this type more than doubled (186.5%), increasing from 133 to 381, between 2008 and 2010.
- In Roraima, the number of injuries that culminated in occupational diseases remained stable.

Despite the reduction observed for the country as a whole (-14.0%), the number of injuries which *did not result in filed CATs* between 2008 and 2010, in 12 states (of which 11 in the North and Northeast Regions) the number increased. In Alagoas, the increase corresponded to 60.6%.

In 2010, in several UFs the share of injuries *with no filed CATs* was still elevated, and as high as 61.7% in Piauí, 46.5% in Acre and 43.9% in Maranhão.

## Distribution of Accidents Broken Down by Sector of Economic Activity

*Agriculture* accounted for 3.9% of the total number of injuries *with filed CATs* in 2010, a share identical to that of 2008. *Industry* accounted for 43.9% of injuries in 2010 and for 46.1% in 2008. Lastly, there was a slight decrease for the *services* sector, falling from 50.0% of the total to 47.3% in 2010.

In 2010, the subsectors with a greater share in the total of *Typical Occupational Injuries* were *Commerce and automobile repair* (12.2%) and *Health and social services* (10.3%). In *Commuting Accidents*, the largest shares were found in the categories *Commerce and automobile repair* and *Services rendered for companies* with, respectively, 18.8% and 13.9% of the total. In *Occupational diseases*, the leading subsectors were *Commerce and automobile repair* (12.5%) and *Food and beverage* (11.0%) (MPS/DATAPREV, 2011).

## Recent Patterns of Liquidated Occupational Injuries<sup>116</sup> by Consequence

In 2010, the number of occupational injuries recorded was 720,128, corresponding to a 7.0% decrease relative to 2008, as shown in Table 92. Considering the distribution according to causes of injury, the accidents resulting in *Temporary Injuries*<sup>117</sup> decreased 7.2% during the same period (from 653,311 to 606,250).

<sup>116</sup> It corresponds to the number of injuries whose reports were administratively archived by the INSS upon completion of treatment and consequences thereof indemnified. The categories into which the consequences of injuries are organized include: medical assistance, temporary incapacity (below and above 15 days), permanent incapacity and death.

<sup>117</sup> Temporary incapacity is defined as an interruption of labor in the course of psychological-social treatment caused by an occupational injury. Absences that do not surpass a 15-day waiting period do not trigger benefit payments by the INSS, meaning that during this period the employer is responsible for financial coverage (salary remuneration). When the absence surpasses 15 days, the injured worker is eligible for benefits paid by the INSS.



| Years                            | Number of Liquidated Occupational Injuries |                    |                      |                   |                   |                      |             |
|----------------------------------|--|--------------------|----------------------|-------------------|-------------------|----------------------|-------------|
|                                  | Total                                      | Medical Assistance | Consequence          |                   |                   |                      | Death       |
|                                  |  |                    | Temporary Incapacity |                   |                   | Permanent Incapacity |             |
|                                  |  |                    | Total                | Less than 15 days | More than 15 days |                      |             |
| 2008                             | 774,473                                    | 105,249            | 653,311              | 317,702           | 335,609           | 13,096               | 2,817       |
| 2009                             | 752,121                                    | 103,029            | 631,927              | 306,900           | 325,027           | 14,605               | 2,560       |
| 2010                             | 720,128                                    | 97,069             | 606,250              | 299,928           | 306,322           | 14,097               | 2,712       |
| <b>Variation %<br/>2008/2010</b> | <b>-7.0</b>                                | <b>-7.8</b>        | <b>-7.2</b>          | <b>-5.6</b>       | <b>-8.7</b>       | <b>7.6</b>           | <b>-3.7</b> |

Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

The same downward trend (-7.8%) was observed for injuries that only resulted in *Medical Assistance*<sup>118</sup> – from 105,249 to 97,069 during the same period.

In turn, injuries that resulted in worker *Permanent Incapacity*<sup>119</sup> increased from 13,096 in 2008 to 14,097 in 2010, the equivalent to a 7.6% increase.

It was also possible to observe a reduction of *deaths*<sup>120</sup> as a result of occupational injuries (from 2,817 to 2,712 in the period analyzed, the equivalent to a 3.7% reduction). It is worth mentioning that this kind of cause of death has been falling in Brazil since the 1990s. In 1996, occupational injuries led to 4,488 deaths, being that in 1999 this figure was 3,896. During several years of the first decade of the 2000s, the number of deaths related to occupational injuries remained at a level below 3,000, being that the average for recent years (2008 to 2010) gravitated at around 2,700 deaths.

It is important to mention the existence in Brazil, in the scope of social security, of a health benefit, granted to insured workers prevented from working due to disease or accident for more than 15 consecutive days. In order to be eligible for this benefit, the worker must contribute toward Social Security for at least 12 months. The period of contribution is not required for benefits generated by accidents of any nature (accidents at work or outside work), (see Legal Framework Indicator 16 ‘Social security – Sickness benefit’, Annex p. 383).

In slightly more than half of the UFs (16 out of 27),<sup>121</sup> the number of occupational injuries leading to deaths declined. The decline was sharpest in the states of Rio

<sup>118</sup> It corresponds to insured workers who only received medical assistance for recovery of capacity to exercise labor activity.

<sup>119</sup> It refers to insured workers who were permanently incapacitated for work. Permanent incapacity can be classified into two categories: partial and total. Partial permanent incapacity can be defined as an incapacity that remains even after proper psychophysical and social treatment, according to legally defined disabilities, or the reduction of the capacity of work entailing frater effort to perform the same function performed at the times of the injury or given this impossibility the performance of any other activity after professional rehabilitation, as defined by the INSS. The other type occurs when the insured worker is permanently incapacitated to perform any form of work. In the first case, data is compiled based on the granting of injury or accident related benefits and, in the second the applicable benefit is retirement by incapacity or occupational injury.

<sup>120</sup> It corresponds to the number of insured workers who died as a result of occupational injuries. This information is compiled based on filed CAT notifications of deaths as a result of occupational injuries and of benefits granted for survivors given that this kind of pension necessarily depends upon deaths as a result of occupational injuries.

<sup>121</sup> In the case of the UFs, the comparative analysis of the percentage variation of the number of deaths must be approached with caution, given that percentage variations relative to small (sometimes minutes) values do not have the same implications as similar variations relative to larger bases.

Grande do Norte (-46.4%), Acre (-42.9%) and the Federal District (-34,0%), according to Table 93.

In eight states, six of which in the Northeast Region, the number of deaths increased: Rondônia, Maranhão, Piauí, Ceará, Paraíba, Pernambuco, Rio Grande do Sul and Goiás. From this perspective worth mentioning are the Pernambuco (where the number of deaths caused by occupational injuries expanded 44.1%, increasing from 68 to 98 between 2008 and 2010), Piauí and Goiás, where expansion corresponded to 31.6% and 30.4%, respectively.

In the states of Sergipe, Roraima and Amapá, the number of deaths remained constant during the period analyzed in this report.

CONTINUES &gt;&gt;

| TABLE 93   |                       |  |                    |             |                   |                   |                      |       |
|--|-----------------------|--|--------------------|-------------|-------------------|-------------------|----------------------|-------|
| NUMBER OF LIQUIDATED OCCUPATIONAL INJURIES BY CONSEQUENCE<br>FEDERATION UNITS, 2008-2010 |                       |  |                    |             |                   |                   |                      |       |
| Federation Units   | Years                 | Number of Liquidated Occupational Injuries |                    |             |                   |                   |                      |       |
|  |                       | Total                                      | Medical Assistance | Consequence |                   |                   | Permanent incapacity | Death |
|  |                       |  |                    | Total       | More than 15 days | More than 15 days |                      |       |
| Rondônia   | 2008                  | 4,950                                      | 280                | 4,416       | 1,620             | 2,796             | 220                  | 34    |
|  | 2010                  | 5,487                                      | 950                | 4,334       | 1,830             | 2,504             | 162                  | 41    |
|  | Variation % 2008/2010 | 10.8                                       | 239.3              | -1.9        | 13.0              | -10.4             | -26.4                | 20.6  |
| Acre   | 2008                  | 871  | 58                 | 751         | 233               | 518               | 55                   | 7     |
|  | 2010                  | 1,124                                      | 24                 | 1,054       | 367               | 687               | 42                   | 4     |
|  | Variation % 2008/2010 | 29.0                                       | -58.6              | 40.3        | 57.5              | 32.6              | -23.6                | -42.9 |
| Amazonas   | 2008                  | 9,747                                      | 1,377              | 8,239       | 5,096             | 3,143             | 89                   | 42    |
|  | 2010                  | 8,558                                      | 1,026              | 7,392       | 4,362             | 3,030             | 111                  | 29    |
|  | Variation % 2008/2010 | -12.2                                      | -25.5              | -10.3       | -14.4             | -3.6              | 24.7                 | -31.0 |
| Roraima  | 2008                  | 543  | 12                 | 513         | 134               | 379               | 15                   | 3     |
|  | 2010                  | 546  | 11                 | 501         | 174               | 327               | 31                   | 3     |
|  | Variation % 2008/2010 | 0.6  | -8.3               | -2.3        | 29.9              | -13.7             | 106.7                | -     |
| Pará   | 2008                  | 12,328                                     | 2,385              | 9,599       | 5,193             | 4,406             | 252                  | 92    |
|  | 2010                  | 11,827                                     | 2,259              | 9,206       | 4,944             | 4,262             | 290                  | 72    |
|  | Variation % 2008/2010 | -4.1                                       | -5.3               | -4.1        | -4.8              | -3.3              | 15.1                 | -21.7 |
| Amapá  | 2008                  | 658  | 113                | 529         | 279               | 250               | 12                   | 4     |
|  | 2010                  | 681  | 82                 | 585         | 320               | 265               | 10                   | 4     |
|  | Variation % 2008/2010 | 3.5  | -27.4              | 10.6        | 14.7              | 6.0               | -16.7                | -     |
| Tocantins  | 2008                  | 2,219                                      | 250                | 1,896       | 779               | 1,117             | 48                   | 25    |
|  | 2010                  | 1,935                                      | 113                | 1,744       | 640               | 1,104             | 61                   | 17    |
|  | Variation % 2008/2010 | -12.8                                      | -54.8              | -8.0        | -17.8             | -1.2              | 27.1                 | -32.0 |
| Maranhão   | 2008                  | 5,948                                      | 1,025              | 4,725       | 1,950             | 2,775             | 160                  | 38    |
|  | 2010                  | 6,270                                      | 724                | 5,236       | 2,046             | 3,190             | 261                  | 49    |
|  | Variation % 2008/2010 | 5.4  | -29.4              | 10.8        | 4.9               | 15.0              | 63.1                 | 28.9  |
| Piauí  | 2008                  | 2,672                                      | 140                | 2,422       | 693               | 1,729             | 91                   | 19    |
|  | 2010                  | 3,356                                      | 213                | 2,995       | 738               | 2,257             | 123                  | 25    |
|  | Variation % 2008/2010 | 256  | 52.1               | 23.7        | 6.5               | 30.5              | 35.2                 | 31.6  |
| Ceará  | 2008                  | 10,407                                     | 775                | 9,325       | 3,725             | 5,600             | 253                  | 54    |
|  | 2010                  | 12,504                                     | 1,012              | 11,091      | 4,996             | 6,095             | 333                  | 68    |
|  | Variation % 2008/2010 | 20.1                                       | 30.6               | 18.9        | 34.1              | 8.8               | 31.6                 | 25.9  |
| Rio Grande do Norte  | 2008                  | 8,605                                      | 3,005              | 5,475       | 2,650             | 2,825             | 97                   | 28    |
|  | 2010                  | 7,241                                      | 1,418              | 5,614       | 2,753             | 2,861             | 194                  | 15    |
|  | Variation % 2008/2010 | -15.9                                      | 52.8               | 2.5         | 3.9               | 1.3               | 100.0                | -46.4 |
| Paraíba  | 2008                  | 4,425                                      | 666                | 3,600       | 1,482             | 2,118             | 138                  | 21    |
|  | 2010                  | 5,170                                      | 414                | 4,542       | 1,678             | 2,864             | 190                  | 24    |
|  | Variation % 2008/2010 | 16.8                                       | -37.8              | 26.2        | 13.2              | 35.2              | 37.7                 | 14.3  |
| Pernambuco   | 2008                  | 17,344                                     | 1,738              | 15,200      | 7,668             | 7,532             | 338                  | 68    |
|  | 2010                  | 20,386                                     | 2,352              | 17,649      | 8,277             | 9,372             | 287                  | 98    |
|  | Variation % 2008/2010 | 17.5                                       | 35.3               | 16.1        | 7.9               | 24.4              | -15.1                | 44.1  |
| Alagoas  | 2008                  | 8,737                                      | 590                | 8,025       | 5,473             | 2,552             | 91                   | 31    |
|  | 2010                  | 9,513                                      | 505                | 8,695       | 5,071             | 3,624             | 284                  | 29    |
|  | Variation % 2008/2010 | 8.9  | -14.4              | 8.3         | -7.3              | 42.0              | 212.1                | -6.5  |

CONCLUSION

TABLE 93

NUMBER OF LIQUIDATED OCCUPATIONAL INJURIES BY CONSEQUENCE  
FEDERATION UNITS, 2008-2010

| Federation Units   | Years                    | Number of Liquidated Occupational Injuries |                    |                      |                   |                   |                      |       |
|--------------------|--------------------------|--|--------------------|----------------------|-------------------|-------------------|----------------------|-------|
|                    |                          | Total                                      | Consequence        |                      |                   |                   |                      |       |
|                    |                          |  | Medical Assistance | Temporary Incapacity |                   |                   | Permanent incapacity | Death |
|                    |                          |  |                    | Total                | More than 15 days | More than 15 days |                      |       |
| Sergipe            | 2008                     | 3,207                                      | 559                | 2,531                | 1,295             | 1,236             | 98                   | 19    |
|                    | 2010                     | 3,263                                      | 612                | 2,517                | 1,334             | 1,183             | 115                  | 19    |
|                    | Variation %<br>2008/2010 | 1.7  | 9.5                | -0.6                 | 3.0               | -4.3              | 17.3                 | -     |
| Bahia              | 2008                     | 27,302                                     | 4,273              | 21,926               | 8,542             | 13,384            | 983                  | 120   |
|                    | 2010                     | 25,232                                     | 3,535              | 20,310               | 7,219             | 13,091            | 1,268                | 119   |
|                    | Variation %<br>2008/2010 | -7.6                                       | -17.3              | -7.4                 | -15.5             | -2.2              | 29.0                 | -0.8  |
| Minas Gerais       | 2008                     | 79,773                                     | 13,186             | 64,988               | 32,963            | 32,025            | 1,249                | 350   |
|                    | 2010                     | 76,663                                     | 11,960             | 62,867               | 30,678            | 32,189            | 1,493                | 343   |
|                    | Variation %<br>2008/2010 | -3.9                                       | -9.3               | -3.3                 | -6.9              | 0.5               | 19.5                 | -2.0  |
| Espírito Santo     | 2008                     | 17,834                                     | 2,789              | 14,577               | 7,242             | 7,335             | 358                  | 110   |
|                    | 2010                     | 13,947                                     | 2,552              | 11,058               | 6,463             | 4,595             | 249                  | 88    |
|                    | Variation %<br>2008/2010 | -21.8                                      | -8.5               | -24.1                | -10.8             | -37.4             | -30.4                | -20.0 |
| Rio de Janeiro     | 2008                     | 54,834                                     | 9,620              | 44,299               | 20,412            | 23,887            | 746                  | 169   |
|                    | 2010                     | 49,220                                     | 9,026              | 39,191               | 19,687            | 19,504            | 856                  | 147   |
|                    | Variation %<br>2008/2010 | -10.2                                      | -6.2               | -11.5                | -3.6              | -18.3             | 14.7                 | -13.0 |
| São Paulo          | 2008                     | 272,271                                    | 36,712             | 230,863              | 124,834           | 106,029           | 3,955                | 741   |
|                    | 2010                     | 247,199                                    | 33,814             | 209,489              | 116,637           | 92,852            | 3,186                | 710   |
|                    | Variation %<br>2008/2010 | -9.2                                       | -7.9               | -9.3                 | -6.6              | -12.4             | -19.4                | -4.2  |
| Paraná             | 2008                     | 58,806                                     | 7,390              | 50,200               | 24,228            | 25,972            | 1,011                | 205   |
|                    | 2010                     | 52,905                                     | 7,783              | 43,830               | 23,579            | 20,251            | 1,099                | 193   |
|                    | Variation %<br>2008/2010 | -10.0                                      | 5.3                | -12.7                | -2.7              | -22.0             | 8.7                  | -5.9  |
| Santa Catarina     | 2008                     | 52,360                                     | 4,377              | 46,844               | 15,115            | 31,729            | 985                  | 154   |
|                    | 2010                     | 48,712                                     | 4,133              | 42,978               | 15,394            | 27,584            | 1,449                | 152   |
|                    | Variation %<br>2008/2010 | -7.0                                       | -5.6               | -8.3                 | 1.8               | -13.1             | 47.1                 | -1.3  |
| Rio Grande do Sul  | 2008                     | 64,807                                     | 8,449              | 55,230               | 23,095            | 32,135            | 985                  | 143   |
|                    | 2010                     | 59,678                                     | 7,342              | 51,051               | 20,572            | 30,479            | 1,133                | 152   |
|                    | Variation %<br>2008/2010 | -7.9                                       | -13.1              | -7.6                 | -10.9             | -5.2              | 15.0                 | 6.3   |
| Mato Grosso do Sul | 2008                     | 11,716                                     | 1,694              | 9,750                | 4,216             | 5,534             | 211                  | 61    |
|                    | 2010                     | 10,368                                     | 1,182              | 8,907                | 3,616             | 5,291             | 236                  | 43    |
|                    | Variation %<br>2008/2010 | -11.5                                      | -30.2              | -8.6                 | -14.2             | -4.4              | 11.8                 | -29.5 |
| Mato Grosso        | 2008                     | 14,252                                     | 1,368              | 12,577               | 5,673             | 6,904             | 177                  | 130   |
|                    | 2010                     | 13,761                                     | 1,724              | 11,703               | 4,917             | 6,786             | 230                  | 104   |
|                    | Variation %<br>2008/2010 | -3.4                                       | 26.0               | -6.9                 | -13.3             | -1.7              | 29.9                 | -20.0 |
| Goiás              | 2008                     | 18,307                                     | 1,822              | 16,057               | 8,766             | 7,291             | 326                  | 102   |
|                    | 2010                     | 16,073                                     | 1,621              | 14,045               | 7,406             | 6,639             | 274                  | 133   |
|                    | Variation %<br>2008/2010 | -12.2                                      | -11.0              | -12.5                | -15.5             | -8.9              | -16.0                | 30.4  |
| Federal District   | 2008                     | 9,550                                      | 596                | 8,754                | 4,346             | 4,408             | 153                  | 47    |
|                    | 2010                     | 8,509                                      | 682                | 7,666                | 4,230             | 3,436             | 130                  | 31    |
|                    | Variation %<br>2008/2010 | -10.9                                      | 14.4               | -12.4                | -2.7              | -22.1             | -15.0                | -34.0 |

Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

In turn, occupational accidents that led to *permanent* incapacity increased in 19 out of 27 UFs, which decisively contributed to a 7.6% elevation of the national average, as already mentioned. The increase recorded in Alagoas (from 91 in 2008 to 284 in 2010, a 212.1% growth), Rio Grande do Norte and Roraima (where the number of accidents that culminated in *permanent incapacity* doubled during the period within the scope of this analysis) stands out.

Among the states in which a reduction in terms of this kind of accidents, the following stood out: Espírito Santo (-30.4%), Rondônia (-26.4%), Acre (-23.6%) and São Paulo (-19.4%)

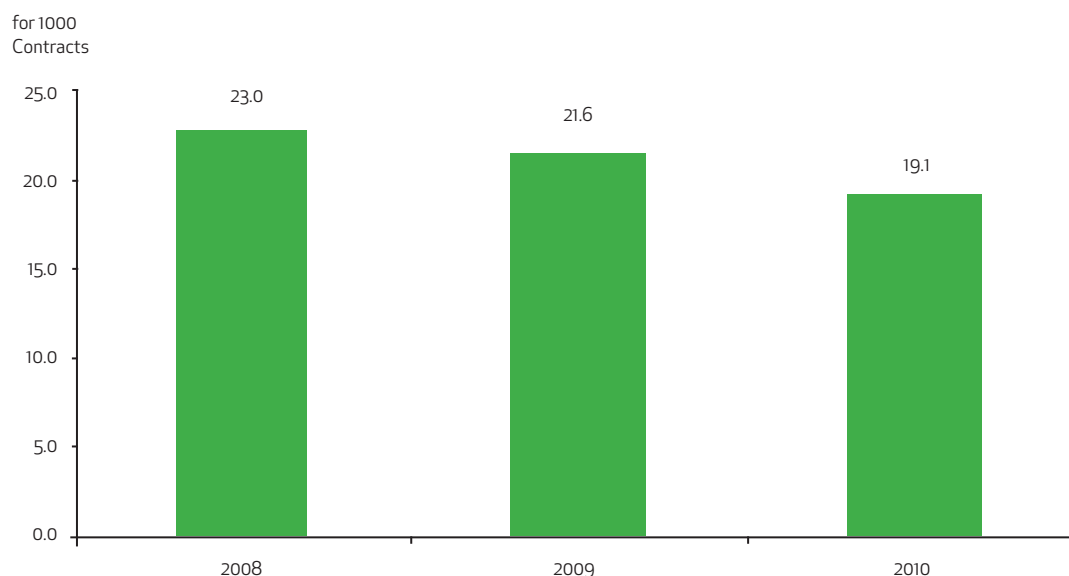
## Occupational Injury Indicators: Territorial Patterns of Incidence

The indicators for occupational injuries are important in measuring worker exposure to risk factors inherent to economic activity, making it possible to trace patterns and historical trends relative to injuries and their impact on companies and on the lives of workers. Furthermore, indicators are valuable aids when elaborating in-depth studies on the subject and allow for better planning in the approach to occupational health and safety. Lastly, indicators are strategic in comparisons of the incidence of occupation injuries from the geographic perspective.

As a result, above all, of the previously mentioned reduction in the number of occupational injuries, the *Rate of Incidence of Occupational Injuries*<sup>122</sup> that was equal to 23.0 for every 1,000 labor contracts in the year 2008 dropped to 21.6 in 2009 and then to 19.1 in 2010, as shown in Graph 27.

**GRAPH 27**

RATE OF INCIDENCE OF OCCUPATIONAL INJURIES  
BRAZIL, 2008 TO 2010



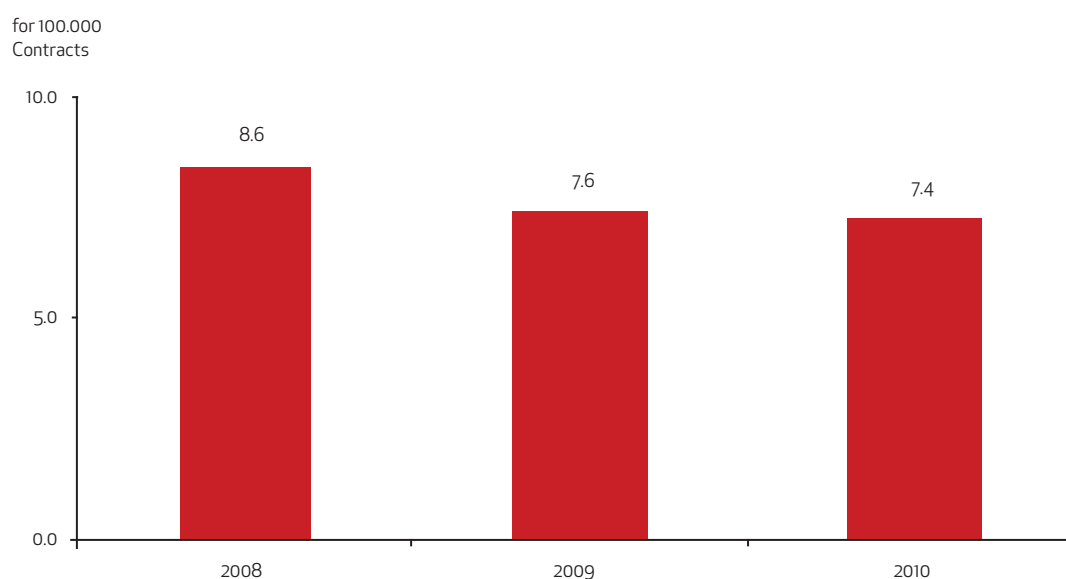
Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

<sup>122</sup> This indicator reflects the frequency of occupational injuries. It also expresses the relationship between work conditions and the average amount of exposed workers. The ratio is the most general and simplified expression of risk. It is defined as the ratio of new occupational injuries recorded every year and the population exposed to work injuries. This group is composed only of workers with coverage against risks stemming from occupational injuries. Not included are individual contributors (self-employed workers and domestic workers, among others) and public tenured servants and military personnel.

The downward trend of deaths caused by occupational injuries becomes even more discernible when analyzing an indicator that relates deaths with the population exposed to risk. In fact, the *Mortality Rate*<sup>123</sup> for Occupational Injuries has been systematically declining in the 2000s: from 13.0 deaths per 100,000 working contracts in 2002, to 11.4 in 2004, until reaching single digit figures in 2008 (8.6). According to Graph 28, in 2010, the rate declined even more (to 7.4 deaths per 100,000 work contracts) as a result of, above all, the 3.7% reduction of fatal injuries, comparing 2008 and 2010, as mentioned above.

**GRAPH 28**

MORTALITY RATES FOR OCCUPATIONAL INJURIES  
BRAZIL, 2008 TO 2010



Source: MTE / MPS - Anuário Estatístico de Acidentes do Trabalho

Observing the national trend, 22 of 27 UFs displayed a reduction of the *Rate of Mortality of Occupational Injuries* during this period. Only in Acre, Paraíba, Ceará and Piauí, was the increase of this rate verified. In Pernambuco, the incidence remained constant.

As already mentioned, the analysis of the Incidence Rate is of the utmost importance, as it makes it possible to view in relative terms the absolute variation of the number of occupational injuries compared to the evolution of the number of work contracts. This was the case, for example, in Rondônia, where, despite a 11.9% increase in the number of injuries that took place between 2008 and 2010, the Rate of Incidence decreased from 26.2 to 22.0 injuries per 1,000 contracts in the same period, as shown in Table 94.

Despite the reduction observed in the majority of UFs, the *Rate of Incidence of Occupational Injuries* still displayed significant variance throughout the national territory in 2010, being that in some UFs the rate was still rather high and concerning. In nine UFs, the incidence observed was above the national average (19.1). In Alagoas, the rate was the

<sup>123</sup> It measures the ratio of total number of deaths stemming from occupational injuries in a year, and the population exposed to the risk of injury. The indicator is obtained employing a coefficient between the number of deaths caused by occupational injuries and the average annual number of work contracts.

highest in the country, at 30.2 for every 1,000 contracts, and was also significantly high in Santa Catarina (26.3) and Rio Grande do Sul (24.6).

| TABLE 94<br>INCIDENCE RATES OF MORTALITY CAUSED BY OCCUPATIONAL INJURIES<br>BRAZIL AND FEDERATION UNITS, 2008-2010 |  |             |             |  |            |            |
|--|--|-------------|-------------|--|------------|------------|
| Federation Units   | Rate of Incidence of Occupational Injuries (per 1,000 contracts) |             |             | Rate of Mortality by Occupational Injuries (per 100,000 contracts) |            |            |
|  | 2008   | 2009        | 2010        | 2008   | 2009       | 2010       |
| <b>Brazil</b>  | <b>23.0</b>  | <b>21.6</b> | <b>19.1</b> | <b>8.6</b>   | <b>7.6</b> | <b>7.4</b> |
| Rondônia   | 26.2   | 25.0        | 22.0        | 18.9   | 18.6       | 17.1       |
| Acre   | 12.8   | 15.7        | 14.6        | 10.9   | 7.1        | 5.4        |
| Amazonas   | 24.8   | 23.1        | 20.1        | 11.0   | 7.0        | 6.9        |
| Roraima  | 12.2   | 11.7        | 9.3         | 6.8  | 6.4        | 5.5        |
| Pará   | 18.8   | 19.3        | 16.8        | 14.5   | 11.7       | 10.6       |
| Amapá  | 11.3   | 11.9        | 9.7         | 7.0  | 4.8        | 5.8        |
| Tocantins  | 13.0   | 14.5        | 10.0        | 15.1   | 8.8        | 9.1        |
| Maranhão   | 15.3   | 15.4        | 14.2        | 10.0   | 11.3       | 11.6       |
| Piauí  | 10.9   | 12.3        | 11.4        | 7.9  | 7.5        | 8.8        |
| Ceará  | 11.4   | 12.7        | 11.6        | 6.1  | 5.1        | 6.5        |
| Rio Grande do Norte  | 21.1   | 21.6        | 15.7        | 7.0  | 5.1        | 3.4        |
| Paraíba  | 11.7   | 13.2        | 12.2        | 5.7  | 6.5        | 5.9        |
| Pernambuco   | 18.1   | 18.8        | 18.1        | 7.3  | 9.5        | 8.9        |
| Alagoas  | 30.9   | 32.3        | 30.2        | 11.2   | 10.3       | 9.5        |
| Sergipe  | 11.9   | 11.8        | 10.9        | 7.4  | 7.2        | 6.7        |
| Bahia  | 16.7   | 16.4        | 13.6        | 7.7  | 7.5        | 6.8        |
| Minas Gerais   | 21.0   | 20.5        | 18.2        | 9.4  | 8.1        | 8.4        |
| Espírito Santo   | 24.8   | 21.1        | 17.7        | 15.6   | 11.7       | 11.4       |
| Rio de Janeiro   | 18.8   | 17.0        | 15.0        | 6.0  | 5.3        | 4.6        |
| São Paulo  | 25.7   | 23.6        | 21.3        | 7.2  | 6.3        | 6.2        |
| Paraná   | 26.3   | 24.1        | 21.3        | 9.4  | 9.8        | 8.0        |
| Santa Catarina   | 31.8   | 30.0        | 26.3        | 9.6  | 6.8        | 8.5        |
| Rio Grande do Sul  | 29.5   | 28.3        | 24.6        | 6.7  | 6.1        | 6.4        |
| Mato Grosso do Sul   | 27.6   | 25.5        | 22.1        | 14.7   | 10.5       | 9.5        |
| Mato Grosso  | 26.9   | 25.8        | 22.7        | 25.2   | 23.3       | 17.7       |
| Goiás  | 19.4   | 17.6        | 14.6        | 11.1   | 10.2       | 12.4       |
| Federal District   | 15.7   | 14.8        | 12.3        | 7.9  | 3.3        | 4.6        |

Source: MPS - AEAT INFOLOGO

Regarding the *Rate of Mortality by Occupational Injury*, it is possible to observe declines in 21 UFs, whereas it increased in Goiás, Maranhão, Pernambuco, Paraíba, Ceará and Piauí. It is important to stress that, in these last three states in the Northeast Region, there was also an increase in the *Rate of Incidence of Occupational Injuries*, as already analyzed.

As in the case of the Rate of Incidence, the Rate of Mortality varied significantly among UFs. In the year 2010, 14 states had Rates of Mortality superior to the national average (7.4 deaths per 100,000 contracts).

The state of Mato Grosso, despite a sharp reduction (from 25.2 to 17.7 deaths per 100,000 contracts) in mortality rate between 2008 and 2010, still presented the highest incidence of deaths stemming from occupational injuries in the country, followed closely by Rondônia (17.1 per 100,000 contracts).

In turn, Rio Grande do Norte (3.4), the Federal District and Rio de Janeiro (both with rates of 4.0 deaths per 100,000 contracts) displayed the lowest mortality rates related to occupation injuries among all 27UFs in the year 2010.

## The Cost of Occupational Injuries in Brazil

In Brazil, employment injury benefits are guaranteed by the Federal Constitution as integrated actions taken by the Ministries of Social Security, Labor and Employment, and Health.

The funding source to cover workplace related risks – occupational injuries and diseases, as well as special retirement benefits – is based on the collective taxing of companies, according to the classification of main activities performed as established by the subclass categorization system of the National Classification of Economic Activities.

Collective taxing is stipulated in item II of Article 22 of Law n. 8,212/1991 and the contribution owed by the company is defined according to the Work Environment Risk coefficient (RAT), which measures the risk of each economic activity, based on which contributions are calculated in order to fund pension benefits that accrue based on the degree of working incapacity.

The contribution percentage towards the RAT will be 1% if the activity is classified as posing *minimal risk*; 2% if classified as *medium risk* and 3% if classified as *severe risk*. The percentages are relative to total remuneration paid, owed or credited for any reason, in the course of a month, to insured workers and miscellaneous workers. If the worker is exposed to harmful substances that render workers eligible for a special retirement regime, there is an increase in the percentages collected according to the legislation in force. These percentages can be reduced or incremented as per the stipulations contained in Article 10 of Law n. 10,666/2003. This represents the possibility of establishing an individualized and flexible taxing regime for companies: taxes can see owed contributions either double or decrease by half.

The flexibility of tax aliquot percentages to be converted to funding for benefits granted by Social Security stemming from work environment risks was put into action with the adoption of the methodology of the Prevention Injury Factor (*Fator Acidentário de Prevenção* - FAP). The methodology was approved by the National Council of Social Pension (CNPS<sup>124</sup>), following the analysis and assessment of the methodological proposition and the publication of CNPS Resolutions n. 1,308 and 1,309, both in 2009. The approved methodology aimed for reward employers that have endeavored to improve the environment of workplaces and have been able to decrease rates of injury and at the same time increase hold of companies that display injury rates superior to the average within its sector of economic activity.

<sup>124</sup> The CNPS is a quadripartite body, with the participation of representatives for workers, employers, pension associations and the government



Based on this methodology, the FAP assesses the performance of companies, within each respective economic activity, relative to the number of occupational injuries during a certain period of time. The FAP consists of a varying multiplier in a continuous interval of five decimal units (0.5000) and two whole units (2.000 numbers) applied to the RAT aliquot. The annual FAP reflects the assessment of the rate of injury of companies relative to the immediately previous years counted from the day of processing.<sup>125</sup> The annual FAP rate remains in effect during the year immediately after the year of processing.

The analysis of occupational injuries in Brazil will be carried out based on the last estimates released by the Ministry of Social Security (MPS), and refers to the year 2009.

In this year, 733,365 occupational injuries and diseases were registered among workers insured by Social Security. It is important to stress that this number, already concerning, does not include self-employed workers (individual contributors) and domestic workers. These events have a significant economic and social impact on Brazilian public health. The number of occupational diseases counted among this total was 19,570 being that part of these resulted in absences of 631,927 workers due to temporary incapacity (306,900 below 15 days and 325,027 above 15 days), 14,605 resulted in permanent incapacity, and 2,560 deaths.

According to estimates by the MPS, when exclusively considering INSS benefit payments for occupational injuries and diseases in addition to the payment of special retirement caused by incapacities stemming from work environment conditions in 2009, the total amount dispensed was R\$ 14.2 billion. By adding the operational costs of the INSS plus expenditures in the health system and other related costs, the total cost of occupational injuries in Brazil reaches the impressive sum of R\$ 56.8 billion – more than the sum of the GDPs of five Brazilian states in 2009: Acre, Roraima, Amapá, Tocantins e Piauí.

It is important to stress that these costs are certainly higher if several other related costs are taken into account, as for example: expenditures with the hiring and training of substitute workers when absences are definitive or prolonged; the loss (even if only momentary) of labor productivity; costs related possible damages and interruption of production; increased costs for asset insurance, costs with legal aid, including costs involved in complying to workplace regulations, costs associated to the company's image, among others.

Lastly, the main cost associated to occupational injuries cannot be measured and refers to the irreparable physical, psychological and emotional damaged caused to injured workers and their families and colleagues.

## Absence from Usual Activities Due to Occupational Injuries

The PNAD Health Supplement produced in the years 1998, 2003 and 2008 investigated the main health issue that led workers to be absent from their usual working activities during a two week reference period. Among the motives presented are *occupational injuries*.<sup>126</sup> Based on this information, in 1998 a contingent of 130 thousand workers was

<sup>125</sup> As an example, the 2010 FAP is based on the period from January 2008 and December 2009.

<sup>126</sup> An occupational injury is one which prevented a person from exercising habitual work tasks for one or more days during the two-week reference period, due to accidental lesions of injuries sustained at the workplace, either on or

not able to perform their usual tasks due to occupational accidents and injuries. This cause accounted for 3.1% of employed workers who had to be absent from usual tasks.

In 2003, approximately 155 thousand workers had to be absent from work due to injuries and said motive accounted for 3.3% of those employed incapable of performing. In 2008, the number of absent workers totaled 221 thousand and corresponded to 3.3% of absent employed workers.

## **The Specific Network for Worker Health Care: the Reference Centers for Occupational Health (CERESTs)**

The previous National Policy for Occupational Health (PNST) was elaborated in 2004, by the Ministry of Health and institute by decree (Portaria GM/MS n. 1,125, dated as of July 6, 2005) and presented the policy guidelines for the development of actions to be carried out by the SUS, as the tools for occupational health.

In order to consolidate the implementation of the PNST, the National Network of Integrated Attention to Occupational Health - RENAST was instituted (Portaria GM / MS n. 1,679, dated as of September 19, 2005), with the aim of reinforcing and linking actions for the promotion, prevention, protection, surveillance and recovery of the occupational health of urban and rural workers, regardless of the kind of work relation and insertion in the labor market.

An integrating axis of the REANST is the regionalized network of Reference Center of Occupational Health (CERESTs). The Order mentioned above stipulated the certification of 150 CERESTs distributed in all national territory, according to the principles of decentralization and regionalization. However, in 2005, the network was expanded to 200 centers (Portaria GM/MS n. 2,437, dated as of December 7, 2005). (CONFERÊNCIA..., 2011).

As emphasized by Vaz de Souza and Machado (2011), the CERESTs are in the charge of providing technical and scientific support to SUS interventions in occupational health, integrated regionally with other public agencies. The CERESTs consist of state centers located in state capitals, and regional centers, administrated at the state and municipal levels, located in metropolitan regions and municipalities that in regional cities that function as service centers.

The CERESTs are responsible for qualifying the local health network, supporting investigations with a higher degree of complexity, assisting in the establishment of technical cooperation agreements, subsidizing the formulation of public policy, and supporting structuring of medical and high complexity assistance in order to provide care to occupational injuries listed by the Occupational Disease Repertory and the compulsory notification of injuries<sup>127</sup> contained in Order GM/MS n. 777 of April 28, 2004.

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off premises (e.g. for a person working with solid-waste collection, communication and electric line servicemen, road construction or conservation, highway transport, taxi services, etc.).

<sup>127</sup> I – Fatal Occupational Accidents; II – Occupational Accidents causing mutilation; III – Accidents Caused by Exposure to Biohazardous substance; IV – Occupational Injuries affecting Children and Adolescents; V – Occupational Dermatoses; VI – Exogenous Intoxication (caused by chemical substances, including pesticides, toxic fumes and heavy metals); VII – Carpal Tunnel Syndrome, Bone and muscle disorders related to work (DORT); VIII - Pneumoconioses; IX – Hearing Loss caused by Nois – PAIR; X – Occupational Mental Disorders; and XI – Cancer Related to Work.

According to Order GM/MS n. 2,437 of December 7, 2005, the team of professionals allocated at regional CERESTs must be composed of at least 4 professionals with secondary education degrees (of which 2 must be nursing assistants) and 6 higher degree professionals (at least 2 doctors and 1 nurse). In the case of state CERESTs, the team should be composed of 5 professionals with secondary education degrees (of which 2 must be nursing assistants) and 6 higher degree professionals (at least 2 doctors and 1 nurse).

The first CERESTs were certified beginning in 2002, with the purpose of becoming the integrating axis of the National Network for Integrated Care for Occupational Health (RENAST). From 2002 to 2010, 181 CERESTs were certified, being that 19 additional centers will be certified in the next years, totaling 200 centers.

Based on the information displayed in Table 95, it is possible to observe that the Southeast Region concentrated 39.8% of the total number of certified CERESTs in Brazil. The state of São Paulo was the location of 42 CERESTs, the equivalent to almost one fourth (23.3%) of the national total.

The Northeast Region was the location of 56 certified CERESTs (30.9% of the total), followed by the South Region with 23 units (12.7%). The North and Center West Regions accounted for 16 and 14 CERESTs, the equivalent to 8.8% and 7.7% of the total, respectively.

TABLE 95

DISTRIBUTION OF CERESTS, AS PER ORDERS GM/MS N. 2,437/05 AND N. 2,728/09  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | N. of CERESTs Certified by August 2010 (A) | N. of CERESTs to be Certified (B) | Total (A+B) | Percentage of Certified CERESTs relative to total number of Units (%) |
|---------------------------|--|-----------------------------------|-------------|---|
| <b>North Region</b>       | <b>16</b>                                  | <b>3</b>                          | <b>19</b>   | <b>8.8</b>  |
| Rondônia                  | 2  | -                                 | 2           | 1.1   |
| Acre                      | 1  | 1                                 | 2           | 0.6   |
| Amazonas                  | 3  | -                                 | 3           | 1.7   |
| Roraima                   | 1  | 1                                 | 2           | 0.6   |
| Pará                      | 4  | 1                                 | 5           | 2.2   |
| Amapá                     | 2  | -                                 | 2           | 1.1   |
| Tocantins                 | 3  | -                                 | 3           | 1.7   |
| <b>Northeast Region</b>   | <b>56</b>                                  | <b>-</b>                          | <b>56</b>   | <b>30.9</b>   |
| Maranhão                  | 5  | -                                 | 5           | 2.8   |
| Piauí                     | 4  | -                                 | 4           | 2.2   |
| Ceará                     | 8  | -                                 | 8           | 4.4   |
| Rio Grande do Norte       | 4  | -                                 | 4           | 2.2   |
| Paraíba                   | 4  | -                                 | 4           | 2.2   |
| Pernambuco                | 9  | -                                 | 9           | 5.0   |
| Alagoas                   | 4  | -                                 | 4           | 2.2   |
| Sergipe                   | 3  | -                                 | 3           | 1.7   |
| Bahia                     | 15   | -                                 | 15          | 8.3   |
| <b>Southeast Region</b>   | <b>72</b>                                  | <b>10</b>                         | <b>82</b>   | <b>39.8</b>   |
| Minas Gerais              | 17   | 2                                 | 19          | 9.4   |
| Espírito Santo            | 3  | 2                                 | 5           | 1.7   |
| Rio de Janeiro            | 10   | 6                                 | 16          | 5.5   |
| São Paulo                 | 42   | -                                 | 42          | 23.2  |
| <b>South Region</b>       | <b>23</b>                                  | <b>6</b>                          | <b>29</b>   | <b>12.7</b>   |
| Paraná                    | 6  | 4                                 | 10          | 3.3   |
| Santa Catarina            | 7  | -                                 | 7           | 3.9   |
| Rio Grande do Sul         | 10   | 2                                 | 12          | 5.5   |
| <b>Center-West Region</b> | <b>14</b>                                  | <b>-</b>                          | <b>14</b>   | <b>7.7</b>  |
| Mato Grosso do Sul        | 3  | -                                 | 3           | 1.7   |
| Mato Grosso               | 3  | -                                 | 3           | 1.7   |
| Goiás                     | 5  | -                                 | 5           | 2.8   |
| Federal District          | 3  | -                                 | 3           | 1.7   |
| <b>Total</b>              | <b>181</b>                                 | <b>19</b>                         | <b>200</b>  | <b>100.0</b>  |

Source: Vaz e Machado (2011) based on data compiled by the Ministry of Health.

The apparent concentration of CERESTs in the Southeast Region can be related to its size, and consequently, the higher number of workers.

With the purpose of comprehending the distribution of CERESTs relative to the size of the working population in several geographical areas, a derivative indicator was created consisting of the average of the employed population (in thousands) divided by the units of certified CERESTs, as shown in Table 96.

Considering regions, in general terms, no sharp discrepancies were observed in terms of the average employed population per certified CEREST, varying from 431 thousand in the North Region up to 644 thousand in the South Region of the country. In the case of the Southeast, which accounted for 40.0% of the CEREST units, the average was 550 thousand.

Among Federation Units, the availability of CERESTs compared to the size of the employed population displayed significant variation. Even though the state of Amapá only has two CERESTs, the average was 124 thousand workers per unit, the lowest in the country.

On the other hand, the state of Paraná, which had 5 CARESTs due to the number of workers inserted in the labor market (5.5 million), the average of the employed population per unit was as high as 928 thousand (the highest nationally).

In addition to the number of units and workers, it is also important to take into consideration the geographical size of states and the ensuing potential accessibility issues arising from long distances and geographical location. This is the case for example, of the state of Pará which, a geographical area of 1.25 million square kilometers and only had four CERESTs for an employed population of 3.2 million people – an average 804 thousand workers per CEREST, the second highest in the country.

TABLE 96

NUMBER OF CERTIFIED CERESTS, EMPLOYED POPULATION AGED 10 OR OLDER AND  
AVERAGE OF EMPLOYED POPULATION PER CEREST UNIT  
BRAZIL, REGIONS AND UNITS OF THE FEDERATION, 2010

| Geographical Area         | Number of Certified CERESTS as of 2010 | Employed Population (in millions) | Average Number of Worker per CEREST Unit (in thousands) |
|---------------------------|--|-----------------------------------|---|
| <b>North Region</b>       | <b>16</b>                              | <b>6,889</b>                      | <b>431</b>  |
| Rondônia                  | 2                                      | 777                               | 389   |
| Acre                      | 1                                      | 324                               | 324   |
| Amazonas                  | 3                                      | 1,455                             | 485   |
| Roraima                   | 1                                      | 183                               | 183   |
| Pará                      | 4                                      | 3,216                             | 804   |
| Amapá                     | 2                                      | 248                               | 124   |
| Tocantins                 | 3                                      | 686                               | 229   |
| <b>Northeast Region</b>   | <b>56</b>                              | <b>24,365</b>                     | <b>435</b>  |
| Maranhão                  | 5                                      | 2,742                             | 548   |
| Piauí                     | 4                                      | 1,650                             | 413   |
| Ceará                     | 8                                      | 4,109                             | 514   |
| Rio Grande do Norte       | 4                                      | 1,473                             | 368   |
| Paraíba                   | 4                                      | 1,546                             | 387   |
| Pernambuco                | 9                                      | 3,590                             | 399   |
| Alagoas                   | 4                                      | 1,258                             | 315   |
| Sergipe                   | 3                                      | 921                               | 307   |
| Bahia                     | 15                                     | 7,076                             | 472   |
| <b>Southeast Region</b>   | <b>72</b>                              | <b>39,592</b>                     | <b>550</b>  |
| Minas Gerais              | 17                                     | 10,401                            | 612   |
| Espírito Santo            | 3                                      | 1,765                             | 588   |
| Rio de Janeiro            | 10                                     | 7,254                             | 725   |
| São Paulo                 | 42                                     | 20,172                            | 480   |
| <b>South Region</b>       | <b>23</b>                              | <b>14,802</b>                     | <b>644</b>  |
| Paraná                    | 6                                      | 5,566                             | 928   |
| Santa Catarina            | 7                                      | 3,421                             | 489   |
| Rio Grande do Sul         | 10                                     | 5,815                             | 582   |
| <b>Center-West Region</b> | <b>14</b>                              | <b>7,039</b>                      | <b>503</b>  |
| Mato Grosso do Sul        | 3                                      | 1,217                             | 406   |
| Mato Grosso               | 3                                      | 1,561                             | 520   |
| Goiás                     | 5                                      | 3,043                             | 609   |
| Federal District          | 3                                      | 1,218                             | 406   |
| <b>Total</b>              | <b>181</b>                             | <b>92,689</b>                     | <b>512</b>  |

Source: Vaz e Machado (2011) based on data compiled by the Ministry of Health and IBGE - PNAD.  
Elaborated by: ILO Brazil Office

Lastly, it is important to stress that Order GM/MS n. 2,978, dated as of December 15, 2011, expanded the number of CERESTs to be implemented from 200 to 210. The new CERESTs will obey the following geographical distribution: five in the Center-West Region (two in Mato Grosso and one in Mato Grosso do Sul), two in the North Region (in Rondônia and Roraima), and two in the Northeast Region (in Piauí and Ceará) and one in the Southeast Region (in Minas Gerais).

## The Federal Labor Inspection System (SIT)<sup>128</sup>

The existence of an efficient labor inspection system capable of facing the challenges of a constantly changing and an increasingly complex society and production organization is a central element for the promotion of Decent Labor. A fully functioning labor system is crucial in guaranteeing the enforcement of the labor legislation and ensuring the protection of workers. Labor inspection also increases the effectiveness of labor and employment policies, thus contributing to greater social inclusion through work, and, by the same token, the expansion of citizenship.

The creation and strengthening of labor inspection as a fundamental tool in ensuring labor right has been a perennial concern of the ILO since its creation in 1919. In 1947, the ILO adopted the Convention of Labor Inspection (Convention n. 81, see Chart 1). In 2010, out of the 183 member states of the ILO at that time, 141 had ratified the Convention – the equivalent to 77.0% of the total.

### CHART 1

PRECEPTS OF CONVENTION N. 81 ON LABOR INSPECTION (1947)

Convention n. 81 establishes the following:

- Labor inspection is a **public function**, which is among the responsibilities of the Federal Government and must be organized as a system, inscribed within the larger context of state system, in order to administrate social and labor policy, as well as supervise the enforcement of legislation and norms.
- Inspection must be attached to and supervised by a **central authority**.
- The importance of **fostering the cooperation among workers and employers** in the formulation of legislation protecting workers and its enforcement at the workplace.
- The **cooperation with other institutions** such as research institutes, universities, social security systems, and the importance of seeking the collaboration of experts, doctors, engineers and other professionals.
- The emphasis on **prevention**.

In 2008, with the Declaration on Social Justice for Fair Globalization, these conventions were recognized as priorities and as one of the most significant International Labor Norms from the point of view of governability. This process culminated with the launching, in 2009, of the Labor Administration Program (LAB/ADMIN).

In addition to Convention n. 81 on Labor Inspection, two other conventions ratified by Brazil are key tools for inspection:<sup>129</sup>

- The Convention on Occupational Health and Safety, 1981 (n. 155), which states that all signatories must promote constant improvements of health and safety at the work environment (SST) by means of the creation of national SST policies with

<sup>128</sup> This topic was based on the report titled: *The good practices of labour inspection in Brazil: for the promotion of decent work*. Brasília: OIT, 2010.

<sup>129</sup> Another important, although not ratified by Brazil, convention is Convention n. 129, concerning the creation of labor inspection system for agricultural work.

the cooperation of representative of workers and employers. These policies must include mechanisms for surveillance such as labor inspection

- The Convention concerning the Inspection of Seafarers' Working and Living Conditions, 1996 (n. 178), ratified in 2007 stating that signatory countries must maintain a system of inspection monitoring the working conditions of seafarers, including a minimum frequency of inspection in ships and the duty of inspect foreign ships in its territory.

The Brazilian labor inspection system has evolved significantly and today incorporates a systemic view of the world of labor. The inspection model adopted in Brazil is generalist, meaning that actions to ensure health and safety in work are executed in integrated fashion.

According to the precept laid out by Convention n. 81, the Federal Constitution established that it is the Union's remit to organize, maintain and execute labor inspection, ensuring the protection of labor rights. The labor inspection system in Brazil is effectively supervised by a central authority, the Ministry of Labor and Employment (MTE), which acts through its Secretariat of Labor Inspection. The MTE also is present in all states of the federation, through its Superintendencies, and Regional Administration Offices and Agencies.

Labor Inspection concerning Health and Safety aims to prevent damages to the workers' health and is achieved by means of the adoption by employers, of the actions that improve the working environment, processes and labor organization. From this perspective, the elaboration of norms and their enforcement serve the purpose of progressively and constantly providing sustainable improvement that take into account a significant number of companies and work environments.

## Occupational Health and Safety

Occupational health and safety are inscribed in legislation as a collective right and its dispositions are encompassed by a dynamics form of regulation: the Regulating Norms. Article 200 of the Labor Consolidation Laws confers the MTE with the authority to lay out norms concerning this subject. The process of creation/review of occupational health and safety regulations is carried out by a Permanent Tripartite Commission (CTPP). This activity is coordinated by the Department of Security and Health (DSST) of the SIT, which is also responsible for supervising the surveillance related to health and security.

The planning of inspection activities concerning occupational health and security is integrated to the programming of issues related to legislation. In the elaboration of the planning priority is given to economic activities that exhibit higher rates of occupational injuries and diseases.

The inspection of occupation safety and health employs a special form of notification as a working tool. It consists of providing the employer with a deadline to comply with the law. Additionally, Brazilian legislation stipulates the possibility of closure (*embargo*) and interdiction in case workers are exposed to conditions of severe and imminent risk to health or physical integrity.

The DSST is also in charge of the administration of the Workers' Meal Program (PAT), a voluntary program that encourages employers to provide their workers with nutritionally adequate meals in exchange for tax deductions. More than 13 million workers are benefitted



by the PAT. The program is evaluated and monitored by the Tripartite Commission of the PAT (CTPAT).

Labor Inspection adopts all the abovementioned tools in creating a culture of job creation that respects adequate health and safety environments, something that interests employers as well as workers and the government.

This means that the country can count on a consolidated and wide-ranging Federal Labor Inspection System (SFIT), whose actions encompass all companies, establishments and workplaces (both public and private), as well as the liberal professions and non-profit institutions. In addition to the several inherent attributions of labor inspection already mentioned, the SFIT also oversees the enforcement of quotas for apprentices and people with handicaps in the labor market and the surveillance for the eradication of child labor and the elimination of work exercised in conditions analogous to slavery.

Concerning the data describing occupational health and safety inspection, the information in Table 97 demonstrates that the number of fiscal actions increased only 0.9% in seven years, increasing from 136.8 thousand in 2004 to 138.1 in 2011 thousand. In turn, the number of workers reached by inspections increased 20.5%: from 14.5 million in 2004 to 17.5 million in 2011.

During this period, the number of notifications<sup>130</sup> increased 5.3% (from 97.8 thousand to 103.0 thousand).

| TABLE 97  |            |            |                          |
|---|------------|------------|--------------------------|
| DATA FOR INSPECTIONS CONCERNING OCCUPATIONAL SAFETY AND HEALTH<br>BRAZIL, 2004 AND 2011 |            |            |                          |
| Items of inspection   | Year       |            | Variation %<br>2004/2011 |
|   | 2004       | 2011       |                          |
| N. of Inspection Actions  | 136,881    | 138,143    | 0.9                      |
| N. of Workers Reached   | 14,549,368 | 17,534,078 | 20.5                     |
| Notifications   | 97,847     | 103,080    | 5.3                      |
| Infraction Notices  | 20,403     | 75,628     | 270.7                    |
| Embargos/Interdiction   | 3,635      | 4,512      | 24.1                     |
| N. of Injuries Analyzed   | 1,666      | 1,957      | 17.5                     |

Source: MTE - Federal Labor Inspection System

Infraction notices,<sup>131</sup> in turn, expanded significantly, (270,7%), increasing from 20.4 thousand to 75.6 thousand between 2004 and 2011. Embargos and interdictions increased 24.1% during the same period.

The number of occupational injuries increased from 1.6 thousand in 2004 to 1.9 thousand in 2011, a 17,5% increase.

<sup>130</sup> Notifications refer to the issuing by the Federal Inspector of a deadline to comply with the norm.

<sup>131</sup> Infraction notices are the first step of an administrative procedure, which may result in a fine.

## The Evolution of the Employed Population and the Number Labor Inspectors<sup>132</sup>

Based on the information from the SFTIT and the PNAS, it is possible to observe that between 2004 and 2009 the employed population has been growing at a pace superior to the number of Labor Inspectors (*Auditores Fiscais do Trabalho* - AFTs). In fact, while the contingent of the employed population increased by 8.27 million people between 2004 and 2009, the number of AFTs varied from 2,927 to 2,949 (an addition of 22 professionals) during the same period, as shown in Table 98. Consequently, the average number of AFTs for each group of 10 thousand employed people declined from 0.35 in 2004 to 0.32 in 2009.

**TABLE 98**

NUMBER OF ACTIVE LABOR INSPECTORS, EMPLOYED POPULATION AGED 10 OR OLDER  
AND AVERAGE NUMBER OF LABOR INSPECTORS PER 10 THOUSAND EMPLOYED WORKERS  
BRAZIL, 2004-2009

| Labor Inspection                | Years  |        |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|--------|--------|
|                                 | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   |
| N. of Labor Inspectors*         | 2,927  | 2,935  | 2,872  | 3,172  | 3,112  | 2,949  |
| Employed Population (thousands) | 84,419 | 86,840 | 88,725 | 89,899 | 92,395 | 92,689 |
| N. of Inspector per 10 thousand | 0.35   | 0.34   | 0.32   | 0.35   | 0.34   | 0.32   |

Source: IBGE - PNAD e MTE - SIT

\* Active as of December

Among regions and Federation Units, the ratio of labor inspectors to employed population varied significantly. In the Center-West Region, in 2009, the average number of AFTs for each group of 10 thousand employed persons was 0.50 and was well above the national average (0.32). The North (0.29) and Northeast (0.30) Regions exhibited the lowest averages, slightly below the averages for the South and Southeast Regions (0.31), as shown in Table 99.

The states of Maranhão (0.18), Bahia (0.20), Amazonas (0.21) and Rondônia (0.24) had the lowest ratios of AFTS per 10 thousand employed persons in the country. These indicators are concerning since these states are also characterized by high levels of market informality and child labor incidence, in addition to repeated cases of workers rescued from conditions analogous to slavery. Furthermore, in the case of Amazonas and Rondônia, it is also possible to observe high incidence levels of occupational injuries and mortality due to occupational injuries, as mentioned above.

<sup>132</sup> In Brazil, labor inspectors are called *auditores fiscais do trabalho* (AFTs).

TABLE 99

NUMBER OF ACTIVE LABOR INSPECTORS, POPULATION EMPLOYED AGED 10 OR OLDER AND  
AVERAGE NUMBER OF INSPECTORS PER 10 THOUSAND EMPLOYED PERSONS  
BRAZIL, REGIONS AND FEDERATION UNITS, 2009

| Geographical Area         | N. Labor Inspectors* | Emp. Pop. (thousands) | N. of Inspectors p/10 thousand Emp. |
|---------------------------|----------------------|-----------------------|-------------------------------------|
| <b>Brazil</b>             | <b>2.959</b>         | <b>92,689</b>         | <b>0.32</b>                         |
| <b>North Region</b>       | <b>200</b>           | <b>6,889</b>          | <b>0.29</b>                         |
| Rondônia                  | 19                   | 777                   | 0.24                                |
| Acre                      | 12                   | 324                   | 0.37                                |
| Amazonas                  | 31                   | 1,455                 | 0.21                                |
| Roraima                   | 8                    | 183                   | 0.44                                |
| Pará                      | 104                  | 3,216                 | 0.32                                |
| Amapá                     | 9                    | 248                   | 0.36                                |
| Tocantins                 | 17                   | 686                   | 0.25                                |
| <b>Northeast Region</b>   | <b>726</b>           | <b>24,365</b>         | <b>0.30</b>                         |
| Maranhão                  | 49                   | 2,742                 | 0.18                                |
| Piauí                     | 62                   | 1,650                 | 0.38                                |
| Ceará                     | 136                  | 4,109                 | 0.33                                |
| Rio Grande do Norte       | 61                   | 1,473                 | 0.41                                |
| Paraíba                   | 54                   | 1,546                 | 0.35                                |
| Pernambuco                | 133                  | 3,590                 | 0.37                                |
| Alagoas                   | 46                   | 1,258                 | 0.37                                |
| Sergipe                   | 45                   | 921                   | 0.49                                |
| Bahia                     | 140                  | 7,076                 | 0.20                                |
| <b>Southeast Region</b>   | <b>1.228</b>         | <b>39,592</b>         | <b>0.31</b>                         |
| Minas Gerais              | 310                  | 10,401                | 0.30                                |
| Espírito Santo            | 99                   | 1,765                 | 0.56                                |
| Rio de Janeiro            | 273                  | 7,254                 | 0.38                                |
| São Paulo                 | 546                  | 20,172                | 0.27                                |
| <b>South Region</b>       | <b>453</b>           | <b>14,802</b>         | <b>0.31</b>                         |
| Paraná                    | 139                  | 5,566                 | 0.25                                |
| Santa Catarina            | 113                  | 3,421                 | 0.33                                |
| Rio Grande do Sul         | 201                  | 5,815                 | 0.35                                |
| <b>Center West Region</b> | <b>352</b>           | <b>7,039</b>          | <b>0.50</b>                         |
| Mato Grosso do Sul        | 46                   | 1,217                 | 0.38                                |
| Mato Grosso               | 118                  | 1,561                 | 0.76                                |
| Goiás                     | 87                   | 3,043                 | 0.29                                |
| Federal District          | 101                  | 1,218                 | 0.83                                |

Source: IBGE - PNAD e MTE - SIT

\* Active as of the month of november

The Federal District, with approximately 0.83 labor inspectors for every group of 10 thousand employed persons, displayed the highest average among the 27 UFs. It was followed by the states of Mato Grosso (0.76) and Espírito Santo (0.56).

It is importante to mention that in Decemeber 2010 the number of active labor inspectors was increased to 3,061 and that, in October 2011, 215 new inspectors were appointed, after their approval in a public examination in 2010.

# 10 SOCIAL SECURITY

Social security is a fundamental human right and implies coverage against risks throughout life and work for all, indiscriminately. Within the scope of Decent Work, the social security dimension is intrinsically linked to two of the ILO's strategic goals: rights at work and social protection.

The 1988 Federal Constitution of Brazil, in the context of redemocratization, introduced the concept of social security. In its Title VIII, *Of Social Order*, the constitution establishes that this order is based on labor and its goal is well-being and social justice. Social security consequently is seen as a set of initiatives taken by public entities, with the participation of civil society, based on three pillars: social insurance, social assistance and health. This tripod puts into place a social protection system premised upon the following principles: a) the universality of coverage and assistance; b) uniformity and equivalence of benefits and services for rural populations; c) selectivity and distributiveness in the rendering of benefits and services; d) non-reducibility of the value of benefits; e) equality in forms of participating in funding; f) diversity of revenue sources; g) democratic and decentralized management.

In 2009, Brazil completed the process of participation and tripartite consultations, pursuant to the ILO Convention on tripartite consultation (international labor norms), of 1976 (n. 144), relative to the ratification of the ILO Convention on social security (minimum standards), of 1952 (n. 102). Brazil was the 44th nation to ratify Convention n. 102, which defines which defines minimum standards for the social protection of workers (see Legal Framework Indicator 15 'Social security – Retirement and pensions', Annex p. 381). Ratification of this convention implies that signatories are committed to at least three of the following basic social insurance benefits: disability pension, old-age pension, incapacity due to work-related accidents and diseases, family and maternity benefits, retirement due to incapacity, and survivor pension. The Convention also stipulates ensured medical assistance and unemployment insurance.

Globalization of markets and labor, the increment of migration flows and the informality of labor relations created new challenges for social security. In Latin America, the high level of unemployment and weakened job stability experienced during the 1990s dealt severe blows to social protection throughout Latin America, leading to a lowering of the already limited coverage for the population (ILO, 2006).

The insufficient coverage of the social protection system – both in relation to the number of workers and the array of risks covered – and low quality of the protection provided are among the principal challenges to promoting decent work and strengthening social cohesion in the region (ILO, 2006). The onset of the international financial crisis in 2008 aggravated this challenge.

During the 100th Session of the International Labor Conference (2011),<sup>133</sup> the ILO emphasized that the main goals of social security consist of:

- Reducing the insecurity of earnings, namely the eradication of poverty, and improving access to all people to health services, with the goal of ensuring dignified work and living;
- Reducing inequality and iniquity;
- Providing adequate services as a legal right; and simultaneously
- Guaranteeing the absence of discrimination based on nationality, ethnicity or gender and;
- Guaranteeing fiscal viability, efficiency and sustainability.

In the following sections, the recent evolution of social security in Brazil, from the perspective of Decent Labor, with an emphasis on coverage and public expenditures with Social Pension, Assistance and Health.

## SOCIAL PENSION

### The Evolution of Pension Coverage

Access to social pension benefits is a key element in the promotion of decent work as it promotes a guarantee of income and social services for workers, with positive effects for their families. In Brazil, the second half of the first decade of the 2000s was marked by significant expansion of the proportion of occupied workers who contribute to social pension, being that, for the first time, more than half of those occupied aged 16 and older, became covered by social pensions. In fact, this proportion, which in 2004 accounted for 47.6% and increased to 54.4% in 2009, a seven percentage point difference in just five years. This expansion was predominantly associated to the growth of formal employment, and, on a second level, to different incentives to the formalization of labor relations, as mentioned in the chapter on *Employment Opportunities*.

Despite this positive development, there are still differences in terms of the rate of contribution between workers by gender, color/race, place of residence and household situation. In 2009, social pension coverage was a reality for 55.2% of men and 53.3% of women, an increase compared to 2004, when these figures were, respectively, 48.5% (men) and 46.4% (women) (see Table 100). In turn, the rate of coverage for whites (61.6%) was significantly higher than that for blacks (47.3%) in 2009, despite the percentage point gap in terms of this indicator dropped from 16.0 p.p. to 14.3 p.p. between 2004 and 2009. Among black women, the proportion of the contribution was even lower (45.4% in 2009).

Social pension coverage also revealed significant gaps among regions. While encompassing more than 60.0% of workers in the Southeast (64.1%) and South (62.0%) Regions in 2009, the rate of coverage was still only 37.1% in the Northeast and 41.4% in the North Regions

<sup>133</sup> See Relatório VI. Segurança social para a justiça social e uma globalização justa. Debate recorrente sobre protecção social (segurança social) no quadro do seguimento da Declaração da OIT sobre a Justiça Social para uma Globalização Justa, 2011. Sexto item da ordem de trabalhos. Conferência Internacional do Trabalho, 100<sup>a</sup> Sessão, 2011. Genebra; Bureau Internacional do Trabalho, 2011 (Tradução portuguesa).

of the country, notwithstanding significant coverage expansion in these regions compared to 2004 – when the rates were 29.3% and 32.8%, respectively.

Among workers residing in urban areas, the proportion of those making contributions (60.2%) was more than twice that for rural workers (25.8%) despite an evolution of coverage between 2004 and 2009.

It is important to stress that in the case of Brazil, Rural Social Pension is a semi-contributing system focusing on small rural properties and artisanal fishing. This system represents an innovation in terms of the concession of retirement pensions, since contributions are not individual but rather defined according to the value of family production. As already mentioned in the chapter on *Employment Opportunities* in 2009, roughly 7.2 million people were categorized as recipients of special rural insurance.<sup>134</sup>

Social pension coverage for workers expanded between 2004 and 2009 in all Federation Units, as shown in Table 100. The greatest variations in percentage points occurred in Acre (+13.7), Rondônia (+13.7) and Amapá (+11.6) – all situated in the North Region of Brazil – followed by Mato Grosso (+11.3). On the other hand, the lowest variations were observed in the Federal District (+3.0) and Rio de Janeiro (+4.2) – already Federation Units with largest coverage rates – and Sergipe (+4.3).

Despite overall expansion of the proportion of occupied people contribution toward the social pension system, there are still sharp inequalities in terms of coverage among the Federation Units. In 2009, when coverage hovered around 70.0% among workers of Santa Catarina (71.0%), the Federal District (69.5%) and São Paulo (69.2%), it was still a very low 25.9% in Piauí and 31.8% in Maranhão.

In 2009, in 14 out of 27 Federation Units, the proportion of contributors of the male gender was superior to that of the female gender, being that the most significant gap (7.7 percentage points) was recorded in Mato Grosso do Sul – 56.0% among men and 48.3% among women. In the set of 13 UFs in which coverage was greater among women, 12 were located in the North and Northeast Regions, in addition to the Federal District. It is worthwhile emphasizing that in these UFs, particularly those in the North Region, there is a large proportion of *military personnel or tenured public servants* in the female occupational structure, ensuring a greater proportion of workers contribution toward the social pension system.

In all Federation Units, coverage among occupied workers of the White color/race were higher relative to blacks in 2009, being that in eight of them, this gap was greater than ten percentage points. In Roraima (+15.5) and Amazonas (+15.2), the gap was greater than 15.0 p.p.

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<sup>134</sup> Special Insurance is available for the rural worker who works with his or her family in an activity indispensable for subsistence, or in conditions of mutual dependency and cooperation. This category encompasses, the rural producer, and sharecropper, gold and mineral prospectors artisanal fisherman, as well as their respective spouses whose activities are carried out according to the family economy regime, without permanent employees. This insured person must make contributions equivalent to 2.1% of the net income derived from the commercialization of their production. It is important to stress that the social pension system does not use geographical location of the population's residence to identify those eligible for insurance. It considers activities peculiar to rural activities rather than the location of activity. Based on this concept, it is possible to find workers who reside in urban areas, yet are classified as rural workers based on occupation. The inverse situation can occur as well.

TABLE 100

SHARE OF OCCUPIED WORKERS AGED 16 OR OLDER WHO CONTRIBUTE TO SOCIAL SECURITY,  
BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | Whites      | Blacks      | Total       | Men         | Women       | Whites      | Blacks      |
| <b>Brazil</b>           | <b>47.6</b> | <b>48.5</b> | <b>46.4</b> | <b>55.1</b> | <b>39.1</b> | <b>54.4</b> | <b>55.2</b> | <b>53.3</b> | <b>61.6</b> | <b>47.3</b> |
| Urban Area              | 54.4        | 55.6        | 52.8        | 60.7        | 46.5        | 60.2        | 61.5        | 58.6        | 66.2        | 53.8        |
| Rural Area              | 18.2        | 20.2        | 15.1        | 23.0        | 14.8        | 25.8        | 27.2        | 23.5        | 32.6        | 21.3        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 32.8        | 32.2        | 33.8        | 39.9        | 30.4        | 41.1        | 40.9        | 41.5        | 49.0        | 38.7        |
| Northeast               | 29.3        | 28.9        | 29.9        | 33.7        | 27.4        | 37.1        | 36.7        | 37.5        | 42.9        | 34.8        |
| Southeast               | 58.9        | 61.1        | 55.9        | 62.5        | 52.9        | 64.1        | 66.1        | 61.6        | 67.6        | 59.5        |
| South                   | 54.4        | 56.1        | 52.2        | 55.7        | 47.9        | 62.0        | 63.5        | 60.1        | 63.1        | 57.7        |
| Center-West             | 47.8        | 49.1        | 46.1        | 52.0        | 44.5        | 55.4        | 56.8        | 53.6        | 59.0        | 52.8        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 36.7        | 36.3        | 37.3        | 42.8        | 33.3        | 50.4        | 51.5        | 48.8        | 51.4        | 49.9        |
| Acre                    | 32.8        | 30.2        | 36.6        | 39.5        | 30.9        | 46.5        | 45.6        | 47.9        | 55.1        | 43.5        |
| Amazonas                | 38.6        | 37.1        | 41.0        | 49.1        | 34.5        | 45.4        | 45.1        | 45.7        | 57.4        | 42.2        |
| Roraima                 | 37.8        | 30.9        | 50.7        | 48.0        | 34.2        | 48.7        | 44.4        | 54.7        | 59.8        | 44.3        |
| Pará                    | 29.4        | 29.9        | 28.6        | 34.2        | 28.1        | 35.9        | 36.1        | 35.5        | 42.0        | 34.1        |
| Amapá                   | 36.0        | 34.4        | 38.3        | 39.7        | 34.6        | 47.6        | 44.5        | 52.4        | 57.0        | 44.7        |
| Tocantins               | 30.7        | 28.9        | 33.4        | 35.4        | 29.0        | 39.5        | 38.1        | 41.4        | 50.0        | 36.2        |
| Maranhão                | 21.1        | 21.5        | 20.6        | 24.5        | 20.0        | 31.8        | 30.6        | 33.7        | 38.3        | 29.8        |
| Piauí                   | 18.8        | 17.0        | 21.2        | 20.7        | 18.2        | 25.9        | 25.7        | 26.1        | 36.1        | 22.7        |
| Ceará                   | 28.3        | 27.7        | 29.0        | 32.8        | 25.9        | 34.7        | 34.8        | 34.5        | 39.9        | 32.5        |
| Rio Grande do Norte     | 34.8        | 32.3        | 38.4        | 36.1        | 34.0        | 42.6        | 41.3        | 44.5        | 48.8        | 39.2        |
| Paraíba                 | 31.3        | 29.8        | 33.4        | 36.2        | 28.3        | 40.6        | 38.5        | 44.0        | 48.8        | 36.3        |
| Pernambuco              | 34.2        | 35.2        | 32.8        | 38.1        | 31.9        | 42.3        | 42.0        | 42.7        | 48.6        | 38.8        |
| Alagoas                 | 33.0        | 33.5        | 32.3        | 39.1        | 29.6        | 40.6        | 40.3        | 41.3        | 47.8        | 38.0        |
| Sergipe                 | 38.4        | 38.6        | 38.1        | 48.2        | 34.2        | 42.7        | 43.6        | 41.4        | 47.4        | 40.7        |
| Bahia                   | 29.8        | 28.8        | 31.2        | 32.1        | 29.1        | 37.1        | 37.0        | 37.2        | 38.6        | 36.6        |
| Minas Gerais            | 50.8        | 53.6        | 47.1        | 55.7        | 46.2        | 55.8        | 57.7        | 53.5        | 59.9        | 52.6        |
| Espírito Santo          | 48.9        | 49.6        | 47.9        | 51.2        | 46.9        | 57.2        | 58.6        | 55.3        | 58.0        | 56.6        |
| Rio de Janeiro          | 59.3        | 60.4        | 57.8        | 62.5        | 54.8        | 63.5        | 65.7        | 60.6        | 67.0        | 59.0        |
| São Paulo               | 63.6        | 66.0        | 60.4        | 65.5        | 58.9        | 69.2        | 71.1        | 66.8        | 71.0        | 65.7        |
| Paraná                  | 52.1        | 54.2        | 49.4        | 54.7        | 44.2        | 59.3        | 61.1        | 57.1        | 60.7        | 55.8        |
| Santa Catarina          | 61.6        | 63.0        | 59.9        | 62.3        | 55.2        | 71.0        | 72.5        | 69.2        | 71.3        | 69.6        |
| Rio Grande do Sul       | 52.6        | 54.1        | 50.7        | 52.7        | 51.8        | 59.3        | 60.5        | 57.8        | 60.2        | 55.0        |
| Mato Grosso do Sul      | 46.5        | 48.0        | 44.5        | 49.3        | 43.9        | 52.6        | 56.0        | 48.3        | 54.8        | 50.5        |
| Mato Grosso             | 41.0        | 42.2        | 39.4        | 44.9        | 38.5        | 52.3        | 54.1        | 49.8        | 58.2        | 48.3        |
| Goiás                   | 44.8        | 47.3        | 41.0        | 48.5        | 41.9        | 52.4        | 53.9        | 50.4        | 55.2        | 50.6        |
| Federal District        | 66.5        | 65.8        | 67.2        | 71.9        | 61.8        | 69.5        | 69.0        | 70.1        | 73.9        | 66.4        |

Source: IBGE - PNAD

The share of the elderly (aged 65 or older) who regularly receive retirement pension or social insurance is another important indicator of social security coverage. In addition to ensuring permanent income for people who exited the labor market due to retirement (due to time of service or disability) and for pensioners, this coverage is crucial for the subsistence of many families in Brazil. A considerable portion of pension revenues received by the elderly is employed in the purchase of essential services for the well-being of the family as a whole. These resources are also significantly capable of stimulating the economy, especially in small-sized municipalities.

During the years 2004 and 2009, the proportion of the elderly who received retirement benefits or pensions remained relatively stable, hovering around 86.0%. Coverage was wider among men (90.3%) than women (82.1%) but did not reveal disparities between whites (85.6%) and blacks (85.7%) in 2009.

The percentage of people aged 65 or older eligible for retirement benefits or pensions varied significantly among the regions of Brazil in 2009 – from 77.9% in the Center-West to 89.5% in the South Region – a 11.6 p.p. difference.

Among the elderly residing in rural areas, the proportion also remained stable at around 92.0%, following the trend observed in urban areas (around 84.5%). The gap in terms of coverage according to place of residence is influenced by the 1988 Federal Constitution which promoted the expansion of old-age retirement pension stipulated according to the value of the minimum wage, regardless of the nature of the work or time of contribution.

## SOCIAL ASSISTANCE

### The Federal Income Transfer Program – *Bolsa Família*

In 2003, Brazil implemented the *Bolsa Família Program* (PBF), a direct income transfer program with impending conditions that benefits families in poverty and extreme poverty. The PBF is a component of the *Fome Zero Program*, whose goal is to ensure the human right to adequate food, promoting food security and nutritional security and contributes toward endowing a large portion of the population most vulnerable to hunger with citizenship.

The PBF is premised upon three main principles: income transfers, conditions, and complementary programs. Income transfers alleviate the immediate effects of poverty. The conditionalities reinforce access to basic social rights encompassing access to health, education and social assistance. Complementary programs, in turn, aim to help families overcome vulnerability.

In order to be eligible for the PBF, beneficiaries must have family income no higher than R\$140 per person and be registered in the Cadastro Único para Programas Sociais.<sup>135</sup> Family income is calculated based on the sum of revenues earned by those who receive on a monthly basis. This value is then divided by the number of people of the household, thus obtaining a per capita family income. Families with monthly incomes between R\$ 70 and R\$ 140 per person will only be eligible for the PBF if they have children aged below 17. In turn, families with monthly income of R\$ 70 or below per person are eligible, regardless of the age of family members.

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<sup>135</sup> The Cadastro Único para Programas Sociais is an instrument that identifies and characterizes families with monthly incomes no higher than half a minimum wage per person or of three minimum wages in total. Cadastro Único makes it possible to access the socioeconomic reality of these families insofar as it encompasses information of the family's nucleus, the traits of the household, the forms of access to essential public services and also information relative to each member of the family. Regulated by Decree n. 6,135/07 and coordinated by the Ministry of Social Development and Combat against Hunger (MDS), the Cadastro is mandatory in the selection of beneficiaries and in the integration of Federal Government Social Programs, such as the Bolsa Família. The information it contains can also be used by state governments and municipal governments in carrying out socioeconomic assessments of listed families, which enables the analysis of their main needs.



Depending on the family income per person (limited to R\$ 140), the number and age of children, the value of the benefit<sup>136</sup> received by the family can range from R\$ 32 to R\$ 306.

Administration of the Bolsa Família is decentralized and shared by the Federal Union, states, the Federal District and municipalities. These three federal entities work in unison to improve, broaden and oversee the execution of the Program, instituted by Law n. 10,836/04 and regulated by Decree n. 5,209/04. The list of beneficiaries is public and can be accessed by any citizen.

Between 2004 and 2011, coverage provided by the Program expanded considerably: the total number of benefitted families doubled, from 6.5 million to 13.3 million. According to estimates made by the ECLAC,<sup>137</sup> the PBF is the largest conditional income transfer program in Latin America and the Caribbean based on the number of beneficiaries – approximately 52 million people, the equivalent to almost half of the 113 million people benefitted by analogous programs in the region. Next in this ranking is the *Oportunidades Program* in Mexico (27 million people) and the *Familias en Acción* in Colombia (12 million people).

The PBF has been systematically contributing to the reduction of poverty in Brazil. Between 2003 and 2009, this reduction reached 36.5%, which translated into 27.9 million people lifted from poverty.<sup>138</sup> In addition to the PBF, the growth of employment, real minimum wage increases and the broadening of social security and assistance coverage have also contributed towards the reduction of poverty.

The total accumulated worth of revenues transferred to families during 2011 was R\$ 16.7 billion. Total investment in the program corresponded to 0.40% of the GDP. According to studies conducted by the Institute of Applied Economic Research,<sup>139</sup> for every R\$1.00 spent on the PBF, the GDP increased by R\$ 1.44 and the income of families by 2.25% upon completion of the cycle of income multiplication in the economy.

The revenue received by beneficiary families is directly channeled to consumption, energizing local markets and socioeconomic contexts, especially in small-sized municipalities. As a result of, first and foremost, informality and the low level monetization extant in local markets of small municipalities, this effect has still not been adequately captured by traditional indicators and data, as for example the collection of the ICMS tax (GUIMARÃES, 2008).

Considering regions and the Federation Units, the data contained in Table 101 demonstrates that the Northeast Region, in 2011, had a contingent of 6.8 million families benefitted by the PBF, the equivalent to more than half (51.1%) of the national total of eligible families (13.3 million)

<sup>136</sup> These values were the result of an average increase of 19.4% announced March 1, 2011 and entered into force in April of the same year.

<sup>137</sup> Conditioned transfer programs benefit more than 100 million people in the region. ECLAC Press Newsletters available at: <http://www.eclac.org/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/0/42140/P42140.xml&xsl=/prensa/tpl-p/p6f.xsl&base=/tpl/top-bottom.xslt>

<sup>138</sup> People living in families with incomes below ½ of a minimum wage per month and per capita.

<sup>139</sup> *Gastos com a Política Social: alavanca para o crescimento com distribuição de renda*. IPEA Releases n. 75, February 3, 2011.

TABLE 101

NUMBER OF FAMILIES BENEFITTED BY THE BOLSA FAMÍLIA PROGRAM,  
ANNUAL TRANSFER AMOUNTS AND AVERAGE TRANSFER AMOUNT PER FAMILY IN DECEMBER 2011  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2011

| Geographical Area         | Number of Benefitted Families |                   |                  | Annual Amount of Transfers (In R\$) 2011 | Average Transfer Amount per Family (In R\$) December 2011 |
|---------------------------|-------------------------------|-------------------|------------------|--|---|
|                           | 2004                          | 2011              | Var. % 2004/2011 |  |   |
| <b>Brazil</b>             | <b>6,571,839</b>              | <b>13,352,306</b> | <b>103.2</b>     | <b>16,699,039,999</b>                    | <b>119.83</b>   |
| <b>North Region</b>       | <b>527,652</b>                | <b>1,476,939</b>  | <b>179.9</b>     | <b>2,001,374,284</b>                     | -   |
| Rondônia                  | 54,942                        | 112,950           | 105.6            | 145,852,392                              | 123.77  |
| Acre                      | 28,851                        | 56,272            | 95.0             | 85,790,962                               | 144.56  |
| Amazonas                  | 104,135                       | 307,285           | 195.1            | 435,876,117                              | 140.57  |
| Roraima                   | 14,522                        | 45,575            | 213.8            | 66,171,418                               | 138.40  |
| Pará                      | 259,641                       | 772,311           | 197.5            | 1,025,164,477                            | 133.72  |
| Amapá                     | 10,256                        | 50,832            | 395.6            | 75,156,994                               | 140.57  |
| Tocantins                 | 55,305                        | 131,714           | 138.2            | 167,361,924                              | 122.40  |
| <b>Northeast Region</b>   | <b>3,320,446</b>              | <b>6,825,997</b>  | <b>105.6</b>     | <b>8,649,837,379</b>                     | -   |
| Maranhão                  | 380,742                       | 920,048           | 141.6            | 1,246,690,137                            | 129.01  |
| Piauí                     | 217,931                       | 444,696           | 104.1            | 566,336,747                              | 119.58  |
| Ceará                     | 572,730                       | 1,076,764         | 88.0             | 1,340,823,303                            | 118.47  |
| Rio Grande do Norte       | 190,116                       | 349,595           | 83.9             | 430,674,802                              | 117.25  |
| Paraíba                   | 273,135                       | 487,779           | 78.6             | 609,205,450                              | 118.58  |
| Pernambuco                | 518,956                       | 1,115,851         | 115.0            | 1,410,095,940                            | 119.23  |
| Alagoas                   | 214,726                       | 425,137           | 98.0             | 552,418,942                              | 123.15  |
| Sergipe                   | 113,147                       | 253,134           | 123.7            | 317,958,593                              | 121.90  |
| Bahia                     | 838,963                       | 1,752,993         | 108.9            | 2,175,633,465                            | 119.31  |
| <b>Southeast Region</b>   | <b>1,730,675</b>              | <b>3,296,258</b>  | <b>90.5</b>      | <b>3,929,371,007</b>                     | -   |
| Minas Gerais              | 756,335                       | 1,159,172         | 53.3             | 1,384,264,312                            | 115.90  |
| Espírito Santo            | 120,911                       | 192,365           | 59.1             | 232,294,870                              | 117.03  |
| Rio de Janeiro            | 196,330                       | 734,902           | 274.3            | 877,893,758                              | 116.58  |
| São Paulo                 | 657,099                       | 1,209,819         | 84.1             | 1,434,918,067                            | 112.93  |
| <b>South Region</b>       | <b>700,661</b>                | <b>1,035,602</b>  | <b>47.8</b>      | <b>1,246,418,688</b>                     | -   |
| Paraná                    | 308,754                       | 444,050           | 43.8             | 529,597,796                              | 112.13  |
| Santa Catarina            | 101,247                       | 140,774           | 39.0             | 167,143,749                              | 115.10  |
| Rio Grande do Sul         | 290,660                       | 450,778           | 55.1             | 549,677,143                              | 115.65  |
| <b>Center-West Region</b> | <b>292,405</b>                | <b>717,510</b>    | <b>145.4</b>     | <b>872,038,641</b>                       | -   |
| Mato Grosso do Sul        | 32,588                        | 134,447           | 312.6            | 166,053,057                              | 118.61  |
| Mato Grosso               | 82,116                        | 171,905           | 109.3            | 209,456,236                              | 119.14  |
| Goiás                     | 135,758                       | 333,567           | 145.7            | 401,393,139                              | 115.81  |
| Federal District          | 41,943                        | 77,591            | 85.0             | 95,136,209                               | 98.95   |

Source: MDS/SAGI – Social Information Matrix

The state of Bahia accounted for, as of December 2011, the largest contingent of benefitted families – 1.7 million, the equivalent to 25.7% and 13.1% of the total contingent in the Northeast and in Brazil, respectively. The significant amount of families benefitted in Bahia is directly related to the fact that the state has the largest absolute number of people living in extreme poverty as of 2010, as shall be seen ahead.

The expansion of coverage by the PBF between the years 2004 and 2011 was more expressive in the North (180.0%) and Center-West (145.4%) Regions. In Amapá, the number of families covered also increased sharply (395.6%), increasing from 10,256 in

2004 to 50,832 in 2011. Growth was also significant and stood out in Mato Grosso do Sul (312.6%), Rio de Janeiro (274.3%) and Roraima (213.8%), as shown in Table 101.

In the South Region, the expansion of the PBF was less significant (47.8%), in particular in Santa Catarina (39.0%) and in Paraná (43.8%). It is important to point out that the three UFs that comprise the South Region were among the five with the lowest levels of poverty in 2010.

The average value of the benefit received per family was approximately R\$ 120.00 in December 2011, ranging among UFs from a minimum of R\$ 98.95 in the Federal District up to R\$ 144.56 in Acre.

The Social Assistance Supplement of the Basic Municipal Information Survey carried out by the IBGE for the year 2009 investigate the existence of municipal income transfer programs.

The survey reached the conclusion that a contingent of 464 municipalities in the country (accounting for 8.3% of the total) had municipal income transfer programs targeted at families in poverty. Programs existed more often in large-sized municipalities; they existed in 42.5% of municipalities with more than 500 thousand inhabitants. On the other hand, it is important to point out that, in absolute terms, the highest occurrence of such programs was found in municipalities with populations ranging between 20 and 50 thousand (106 municipalities).

In regional terms, the proportion of municipalities with transfer programs varied from 7.1% in the Northeast Region to 10.1% in the Center-West Region of Brazil.

## The Continued Contribution Benefit (BPC)

The Continued Contribution Benefit<sup>140</sup> (BPC) also plays an important role in Social Security. Between 2004 and 2011, the number of beneficiaries expanded 73.7%, increasing from 2.06 to 3.58 million. The expansion was more significant among the elderly (80.2%) than among people with disabilities (68.3%), according to the data presented in Table 102.

The total amount of transferred revenue to beneficiaries during 2011 was R\$ 20.9 billion, being that R\$ 9.9 billion (47.4% of the total) were channeled to the contingent of 1.68 million people and almost R\$ 11.0 billion (52.6% of the total) was transferred to 1.90 million eligible disabled people.

It is important to stress that despite the fact that the number of beneficiaries of the BPC is lower compared to other programs – as the Bolsa Família – the amount of revenues transferred is considerably significant, since the value of the benefit is fixed and corresponds to one monthly minimum wage. Indeed, while the amount committed to the contingent of 13.3 million families benefitted by the PBF totaled R\$ 16.7 billion in 2011, the value transferred by the BPC to the 3.58 million people it benefitted was R\$ 20.9 billion in the same year – a R\$ 4.2 billion (25.1%) difference.

<sup>140</sup> The BPC is a constitutional right. It consists of the payment 1 monthly minimum wage to people aged 65 or older and to incapacitated people unable to work or lead an independent life. In both cases, the family per capita income must be lower than ¼ of a minimum wage. The BPC is also legally grounded on Law n. 10,741, of October 1, 2003, the Statute of the Elderly. The Benefit is administrated by the Ministry of Social Development and Combat against Hunger (MDS). Revenue for the program is provided by the National Social Assistance Fund (FNAS).

Given this context, the BPC has also played an important role in combatting poverty and social inequality. According to the aforementioned IPEA study, for each R\$ 1.00 spent with the PBC, the GDP increases by R\$ 1.38 and the income of families by 2.20%.

Considering the regions and the Federation Units, the data available in Table 102 indicates that coverage of the BPC expanded between 2004 and 2011 most significantly in the South (84.0%) and North (78.6%) Regions of Brazil.

During this period, the expansion of the BPC more than doubled in five Federation Units: Roraima (156.3%), Alagoas (146.3%), Rio de Janeiro (120.6%), Santa Catarina (109.7%) and Amapá (100.3%). The lowest percentages of expansion occurred in Mato Grosso (46.7%), Minas Gerais (47.6%), Paraíba (55.3%) and Pernambuco (61.6%).

| <b>TABLE 102</b>   |                         |                  |                     |                    |                  |                     |                  |                  |                     |
|--|-------------------------|------------------|---------------------|--------------------|------------------|---------------------|------------------|------------------|---------------------|
| NUMBER OF BENEFICIARIES OF THE CONTINUED CONTRIBUTION BENEFIT (BPC)<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2011 |                         |                  |                     |                    |                  |                     |                  |                  |                     |
| Geographical Area  | Number of Beneficiaries |                  |                     |                    |                  |                     |                  |                  |                     |
|  | Disabled People (A)     |                  |                     | Elderly People (B) |                  |                     | Total (A+B)      |                  |                     |
|  | 2004                    | 2011             | Var. %<br>2004/2011 | 2004               | 2011             | Var. %<br>2004/2011 | 2004             | 2011             | Var. %<br>2004/2011 |
| <b>Brazil</b>  | <b>1,127,849</b>        | <b>1,898,059</b> | <b>68.3</b>         | <b>933,164</b>     | <b>1,681,707</b> | <b>80.2</b>         | <b>2,061,013</b> | <b>3,579,766</b> | <b>73.7</b>         |
| <b>North Region</b>  | <b>118,741</b>          | <b>196,960</b>   | <b>65.9</b>         | <b>81,677</b>      | <b>161,073</b>   | <b>97.2</b>         | <b>200,418</b>   | <b>358,033</b>   | <b>78.6</b>         |
| Rondônia   | 10,125                  | 21,444           | 111.8               | 9,020              | 14,356           | 59.2                | 19,145           | 35,800           | 87.0                |
| Acre   | 7,641                   | 13,197           | 72.7                | 2,377              | 5,625            | 136.6               | 10,018           | 18,822           | 87.9                |
| Amazonas   | 29,634                  | 42,626           | 43.8                | 17,114             | 34,825           | 103.5               | 46,748           | 77,451           | 65.7                |
| Roraima  | 2,142                   | 6,084            | 184.0               | 1,348              | 2,862            | 112.3               | 3,490            | 8,946            | 156.3               |
| Pará   | 54,267                  | 86,612           | 59.6                | 36,865             | 77,835           | 111.1               | 91,132           | 164,447          | 80.4                |
| Amapá  | 3,970                   | 8,818            | 122.1               | 5,300              | 9,752            | 84.0                | 9,270            | 18,570           | 100.3               |
| Tocantins  | 10,962                  | 18,179           | 65.8                | 9,653              | 15,818           | 63.9                | 20,615           | 33,997           | 64.9                |
| <b>Northeast Region</b>  | <b>459,140</b>          | <b>751,374</b>   | <b>63.6</b>         | <b>293,025</b>     | <b>537,688</b>   | <b>83.5</b>         | <b>752,165</b>   | <b>1,289,062</b> | <b>71.4</b>         |
| Maranhão   | 51,864                  | 85,682           | 65.2                | 42,972             | 86,693           | 101.7               | 94,836           | 172,375          | 81.8                |
| Piauí  | 21,864                  | 34,671           | 58.6                | 6,146              | 17,507           | 184.9               | 28,010           | 52,178           | 86.3                |
| Ceará  | 72,505                  | 114,661          | 58.1                | 37,234             | 73,035           | 96.2                | 109,739          | 187,696          | 71.0                |
| Rio Grande do Norte  | 26,934                  | 40,217           | 49.3                | 7,378              | 18,099           | 145.3               | 34,312           | 58,316           | 70.0                |
| Paraíba  | 36,912                  | 53,640           | 45.3                | 16,515             | 29,358           | 77.8                | 53,427           | 82,998           | 55.3                |
| Pernambuco   | 95,085                  | 146,443          | 54.0                | 58,663             | 102,061          | 74.0                | 153,748          | 248,504          | 61.6                |
| Alagoas  | 23,546                  | 65,720           | 179.1               | 17,057             | 34,283           | 101.0               | 40,603           | 100,003          | 146.3               |
| Sergipe  | 16,176                  | 29,751           | 83.9                | 7,890              | 13,844           | 75.5                | 24,066           | 43,595           | 81.1                |
| Bahia  | 114,254                 | 180,589          | 58.1                | 99,170             | 162,808          | 64.2                | 213,424          | 343,397          | 60.9                |
| <b>Southeast Region</b>  | <b>343,109</b>          | <b>580,321</b>   | <b>69.1</b>         | <b>367,510</b>     | <b>655,495</b>   | <b>78.4</b>         | <b>710,619</b>   | <b>1,235,816</b> | <b>73.9</b>         |
| Minas Gerais   | 136,230                 | 193,340          | 41.9                | 96,074             | 149,553          | 55.7                | 232,304          | 342,893          | 47.6                |
| Espírito Santo   | 18,213                  | 27,940           | 53.4                | 13,227             | 24,182           | 82.8                | 31,440           | 52,122           | 65.8                |
| Rio de Janeiro   | 40,372                  | 93,733           | 132.2               | 71,131             | 152,234          | 114.0               | 111,503          | 245,967          | 120.6               |
| São Paulo  | 148,294                 | 265,308          | 78.9                | 187,078            | 329,526          | 76.1                | 335,372          | 594,834          | 77.4                |
| <b>South Region</b>  | <b>114,900</b>          | <b>219,780</b>   | <b>91.3</b>         | <b>94,431</b>      | <b>165,391</b>   | <b>75.1</b>         | <b>209,331</b>   | <b>385,171</b>   | <b>84.0</b>         |
| Paraná   | 52,442                  | 92,896           | 77.1                | 47,026             | 78,939           | 67.9                | 99,468           | 171,835          | 72.8                |
| Santa Catarina   | 15,946                  | 35,029           | 119.7               | 10,136             | 19,674           | 94.1                | 26,082           | 54,703           | 109.7               |
| Rio Grande do Sul  | 46,512                  | 91,855           | 97.5                | 37,269             | 66,778           | 79.2                | 83,781           | 158,633          | 89.3                |
| <b>Centre-West Region</b>  | <b>91,959</b>           | <b>149,624</b>   | <b>62.7</b>         | <b>96,521</b>      | <b>162,060</b>   | <b>67.9</b>         | <b>188,480</b>   | <b>311,684</b>   | <b>65.4</b>         |
| Mato Grosso do Sul   | 14,986                  | 29,218           | 95.0                | 24,264             | 38,781           | 59.8                | 39,250           | 67,999           | 73.2                |
| Mato Grosso  | 25,887                  | 36,573           | 41.3                | 25,396             | 38,668           | 52.3                | 51,283           | 75,241           | 46.7                |
| Goiás  | 37,974                  | 62,249           | 63.9                | 36,140             | 64,047           | 77.2                | 74,114           | 126,296          | 70.4                |
| Federal District   | 13,112                  | 21,584           | 64.6                | 10,721             | 20,564           | 91.8                | 23,833           | 42,148           | 76.8                |

Source: MDS / SAGI - Social Information Matrix

Table 103 presents the total annual value of the revenues transferred by the BPC to people with disabilities and to the elderly in 2011. The North and Northeast Regions of Brazil – which accounted for the largest contingent of the poor population – together received approximately R\$ 9.6 billion, the equivalent to 46.0% of the total of values transferred in the whole country.

| <b>TABLE 103</b>  |                                |                      |                       |
|---|--------------------------------|----------------------|-----------------------|
| ANNUAL TRANSFER VALUE OF THE CONTINUED CONTRIBUTION BENEFIT (BPC)<br>BRAZIL, REGIONS AND FEDERATION UNITS, 2011 |                                |                      |                       |
| Geographical Area   | Annual Transfer Value (In R\$) |                      |                       |
|   | Disabled People                | Elderly People       | Total                 |
| <b>Brazil</b>   | <b>10.992.776.492</b>          | <b>9.896.060.677</b> | <b>20.888.837.169</b> |
| <b>North Region</b>   | <b>1.142.881.499</b>           | <b>948.747.542</b>   | <b>2.091.629.041</b>  |
| Rondônia  | 124.015.891                    | 84.755.882           | 208.771.773           |
| Acre  | 76.269.018                     | 32.878.790           | 109.147.808           |
| Amazonas  | 248.634.671                    | 202.453.351          | 451.088.022           |
| Roraima   | 34.955.230                     | 16.471.882           | 51.427.112            |
| Pará  | 501.957.671                    | 460.611.770          | 962.569.442           |
| Amapá   | 50.871.272                     | 57.296.481           | 108.167.753           |
| Tocantins   | 106.177.746                    | 94.279.386           | 200.457.131           |
| <b>Northeast Region</b>   | <b>4.346.021.357</b>           | <b>3.164.134.155</b> | <b>7.510.155.512</b>  |
| Maranhão  | 499.435.409                    | 517.648.955          | 1.017.084.364         |
| Piauí   | 200.267.358                    | 101.308.350          | 301.575.708           |
| Ceará   | 658.592.818                    | 425.261.325          | 1.083.854.143         |
| Rio Grande do Norte   | 232.582.110                    | 104.608.393          | 337.190.503           |
| Paraíba   | 311.255.026                    | 171.794.080          | 483.049.106           |
| Pernambuco  | 847.993.135                    | 601.996.044          | 1.449.989.179         |
| Alagoas   | 380.655.849                    | 203.151.157          | 583.807.006           |
| Sergipe   | 170.844.816                    | 81.371.900           | 252.216.716           |
| Bahia   | 1.044.394.836                  | 956.993.950          | 2.001.388.786         |
| <b>Southeast Region</b>   | <b>3.363.395.613</b>           | <b>3.852.178.922</b> | <b>7.215.574.535</b>  |
| Minas Gerais  | 1.124.992.425                  | 881.487.242          | 2.006.479.667         |
| Espírito Santo  | 162.960.456                    | 141.431.938          | 304.392.394           |
| Rio de Janeiro  | 538.195.009                    | 893.143.672          | 1.431.338.681         |
| São Paulo   | 1.537.247.723                  | 1.936.116.070        | 3.473.363.792         |
| <b>South Region</b>   | <b>1.273.628.001</b>           | <b>972.579.644</b>   | <b>2.246.207.646</b>  |
| Paraná  | 543.530.990                    | 464.535.911          | 1.008.066.901         |
| Santa Catarina  | 201.790.187                    | 115.285.754          | 317.075.941           |
| Rio Grande do Sul   | 528.306.825                    | 392.757.980          | 921.064.804           |
| <b>Centre-West Region</b>   | <b>866.850.021</b>             | <b>958.420.414</b>   | <b>1.825.270.435</b>  |
| Mato Grosso do Sul  | 168.098.041                    | 229.741.909          | 397.839.950           |
| Mato Grosso   | 212.523.902                    | 230.003.497          | 442.527.399           |
| Goiás   | 361.209.554                    | 378.886.669          | 740.096.224           |
| Federal District  | 125.018.524                    | 119.788.339          | 244.806.863           |

Source: MDS / SAGI - Social Information Matrix

## Health

### The Unified Health System (SUS)

The existence of the Unified Health System<sup>141</sup> (SUS) guarantees, by definition, unrestricted coverage and access to basic healthcare for the entirety of the population Brazil. The creation of the SUS conferred universality to the Brazilian healthcare system, which before operated on a contribution basis. Its administration requires intense cooperation between the several levels of government: federal, state and municipal. Apart from the public healthcare system, there are different types of optional private healthcare systems, which protect approximately 40 million people in Brazil.

The improved capacity and efficiency of the SUS's administration is constant concern for the government levels involved. One of the main obstacles is regional differences.

The SUS every year provides on average 2.3 million normal medical appointments and exams, 11 thousand transplants, 215 thousand surgeries and 9.0 million chemotherapy sessions and 11.3 million hospital admissions.

According to the PNAD 2008 Health Supplement, a significant share (67.7%) of the Brazilian population had had at least one medical appointment in the 12 months prior to the survey's reference period. Considering the two-week period prior to the interview date, it was estimated that 27.5 million persons (14.5% of the total) sought healthcare services. With respect to the funding of this service, 56.5% was funded by the SUS, 26.2% by health plans and in 18.7% of cases by direct payments. Expenditure with health in Brazil is concentrated on medical appointments of medium and high complexity, accounting for a total of 86.0% and also one of the main challenges of the health system.

Some innovative programs developed by the Brazilian SUS stand out: the Family Health Program, the National Immunization Program, Popular Pharmacy Program (Programa Farmácia Popular), Humanize SUS (Humaniza SUS), the Urgent Mobile Care Service – SAMU and the 24-Hour Emergency Care Units – UPA-24.

### Existence of Health Plans among Workers and the Importance of the SUS

According to information from the PNAD Health Supplement of 2008, only 29.2% of employed persons subscribed to a health program or insurance<sup>142</sup> in 2008. This proportion

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<sup>141</sup> The Unified Health Plan - SUS - was created by the 1988 Federal Constitution and is regulated by Laws n. 8,080/90 and n. 8,142/90, the Organic Law of Health, with the purpose of correcting the inequalities that affected healthcare provided to the population, guaranteeing public healthcare to all citizens, free of charge under any circumstance. The SUS is targeted at all citizens and is funded by revenues collected through taxes and social contributions paid by the population at the federal, state and municipal levels.

<sup>142</sup> The right to some form of health plan (medical or dental), private, enterprise-funded, or funded by state companies. Medical or dental health plan is defined as the contract or right acquired individually or through an employer (public or private) aiming at healthcare provided by professional and/or health enterprises (clinics, hospitals, laboratories, etc.). The fulfillment of this right is guaranteed by the payment of monthly installment paid either by the insured person or other parties, or the employer, or by means of salary deductions. The contract can be signed with different kinds of institutions: medical cooperatives, medical enterprises belonging to groups, insurance companies or enterprises that provide both insurance and healthcare or, lastly, signed with any clinic, hospital, laboratory, etc. Public servants (civilian or military) generally contribute by means of salary check deductions to plans offered by healthcare institutions created specifically with this purpose, as for example the IASERJ, PATRONAL and the armed forces medical service.

TABLE 104

OCCUPIED POPULATION AGED 16 OR OLDER  
WITH HEALTH PLANS  
BRAZIL AND FEDERATION UNITS, 2008

| Geographical Area       | % of workers with health plan |
|-------------------------|-------------------------------|
| <b>Brazil</b>           | <b>29.2</b>                   |
| <b>Federation Units</b> |                               |
| Rondônia                | 14.6                          |
| Acre                    | 14.8                          |
| Amazonas                | 17.0                          |
| Roraima                 | 11.7                          |
| Pará                    | 16.0                          |
| Amapá                   | 15.2                          |
| Tocantins               | 15.6                          |
| Maranhão                | 7.3                           |
| Piauí                   | 13.2                          |
| Ceará                   | 15.1                          |
| Rio Grande do Norte     | 18.0                          |
| Paraíba                 | 14.8                          |
| Pernambuco              | 18.5                          |
| Alagoas                 | 12.2                          |
| Sergipe                 | 17.7                          |
| Bahia                   | 17.2                          |
| Minas Gerais            | 31.6                          |
| Espírito Santo          | 29.2                          |
| Rio de Janeiro          | 36.8                          |
| São Paulo               | 44.5                          |
| Paraná                  | 29.2                          |
| Santa Catarina          | 30.2                          |
| Rio Grande do Sul       | 36.7                          |
| Mato Grosso do Sul      | 28.0                          |
| Mato Grosso             | 18.8                          |
| Goiás                   | 27.2                          |
| Federal District        | 35.4                          |

Source IBGE - PNAD (Health Supplement)

was even higher among workers with signed labor cards: roughly 40.0%.

Possession of a health plan among employed workers varied widely between Federation Units. According to Table 104, the highest percentages were observed in the South and Southeast Regions, where labor markets have more consolidated structures and shared of formalized workers in the private sector are higher, all of which facilitate access health plans. Indeed, São Paulo (44.5%), Rio de Janeiro (36.8%) and Rio Grande do Sul (36.7%) presented the highest shares in Brazil.

In the opposite direction, all the UFs of the North and Northeast Regions, presented low proportions of workers with health plans, at an overall level well below the national average, with the lowest percentages being observed in the states of Maranhão (7.3%), Roraima (11.7%) and Alagoas (12.2%).

The very low percentage of occupied workers with health plans were striking in Mato Grosso (18.8%), given the disparity compared to other states in the same region (Center-West): Federal District (35.4%), Mato Grosso do Sul (28.0%) and Goiás (27.2%).

Given the low rate of health plan coverage for workers, the SUS plays a highly important role in the provision of healthcare. Among the occupied population aged 16 or older that sought healthcare in the two weeks prior to the date of the interview for the PNAD Health

Supplement of 2008, almost half (47.8%) were funded by the SUS. However, among those occupied workers who did not have health plans, the share of procedures funded by the SUS rises to 70.2%, further underscoring the importance of the SUS for the working class.

## PATTERNS OF PUBLIC FEDERAL EXPENDITURES WITH SOCIAL SECURITY AND ITS IMPORTANCE IN COMBATTING POVERTY

### Trajectory of Federal Social Expenditure with Social Security

The 1988 Federal Constitution defined social security as the integrated set of measures aimed at ensuring the right to healthcare, pension and social assistance. Considering these components jointly, it is possible to observe that, since the second half of the 1990s, the share of federal public expenditure with social security as a proportion of GDP has

been systematically increasing. This figure increased from 6.85% to 7.73% between 1995 and 1999 and to 9.02% in 2004, until reaching double digits (10.21%) for the first time since 2009 (see Table 105), according to information provided by the IPEA.<sup>143</sup>

It is important to stress that this trend of expansion of the share of GDP with social security expenditures in tandem with the same trend observed relative to Total Social Federal Expenditures,<sup>144</sup> which increased from 11.24% to 15.80% between 2005 and 2009.

| Area of Activity                          | 1995         | 1999         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Social Assistance                         | 0.08         | 0.29         | 0.66         | 0.75         | 0.83         | 0.91         | 0.93         | 0.97         | 1.08         |
| Social Pension                            | 4.98         | 5.75         | 6.52         | 6.65         | 7.00         | 7.20         | 7.04         | 6.78         | 7.28         |
| Health                                    | 1.79         | 1.69         | 1.58         | 1.62         | 1.59         | 1.68         | 1.66         | 1.63         | 1.85         |
| <b>Social Security - Total</b>            | <b>6.85</b>  | <b>7.73</b>  | <b>8.76</b>  | <b>9.02</b>  | <b>9.42</b>  | <b>9.79</b>  | <b>9.63</b>  | <b>9.38</b>  | <b>10.21</b> |
| <b>Federal Social Expenditure - Total</b> | <b>11.24</b> | <b>12.16</b> | <b>12.95</b> | <b>13.20</b> | <b>13.82</b> | <b>14.35</b> | <b>14.38</b> | <b>14.19</b> | <b>15.80</b> |

Source: SIAFI/SIDOR and Ipeadata.  
Elaborated by: DISOC/IPEA

Despite the growth of social expenditure as a share of GDP, the disaggregated analysis of the components of social security reveals that the rate of expansions of each one was distinct.

In the case of Health<sup>145</sup>, the percentage of expenditure decreased between 1995 and 2004, dropping from 1.79% to 1.62% of the GDP. However, the share increased during the second half of the first decade of the 2000s, being that there was a sharp increase (from 1.63% to 1.85%) from 2008 to 2009.

With regard to Social Pension,<sup>146</sup> the share of expenditure has been on the rise, more rapidly after the beginning of the current decade, increasing from 5.75% to 6.65% between 1999 and 2004, and then to 7.28% in 2009. This larger share was followed by a significant expansion in the coverage of social protection. Indeed, the number of provided beneficiaries increased successively throughout the period, rising from 14.5 million to 21.2 million between 1995 and 2005 until reaching 23.5 million beneficiaries in 2009. According to the IPEA (2001a), another striking feature was the increase of the purchase power of the baseline value of the benefit (attached to the minimum wage), which is the value received by 2/3 of beneficiaries in the General Social Pension Regime.

Lastly, Social Assistance grew gradually, increasing from 0.08% in 1995 to 0.75% in 2009. It is important to stress that the growth of the share of Social Assistance,<sup>147</sup> especially after

<sup>143</sup> IPEA. 15 anos de Gasto Social Federal: Notas sobre o período de 1995 a 2009. Brasília, July 2011. (IPEA Releases, n. 98). Available at: <[http://www.ipea.gov.br/portal/images/stories/PDFs/comunicado/110708\\_comunicadoipea98.pdf](http://www.ipea.gov.br/portal/images/stories/PDFs/comunicado/110708_comunicadoipea98.pdf)>.

<sup>144</sup> In addition to Social Assistance, Social Pension and Health, the Total Social Federal Expenditure includes the following areas of activity: Food and Nutrition; Federal Public Servant Benefits; Culture; Rural Development, Educations; Employment and Worker Protection; Housing, Urbanism and Sanitation.

<sup>145</sup> Includes expenditures with Basic Healthcare, Hospital Care and Laboratory Care in the Unified Health System, Epidemiological Surveillance and Control of Contagious Disease, Prevention and Action of HIV/AIDS and other Sexually Transmittable Diseases.

<sup>146</sup> Includes Basic Social Pension (General Regime of Social Pension) – retirement benefits, pensions and disability pensions. The spending relative to the pension of federal public servants is not included in this category.

<sup>147</sup> Includes Conditional Income Transfers – Bolsa Família, Social Protection for People with Disabilities (RMV and BPC/Loas), Social Protection for the Elderly and Eradication of Child Labor.



2000, was directly influenced by the adoption and expansion of income transfer programs such as the Bolsa Família and the protection to elderly people and disable people with low incomes, by means of the BPC.

## The Importance of Transfers in Combatting Poverty

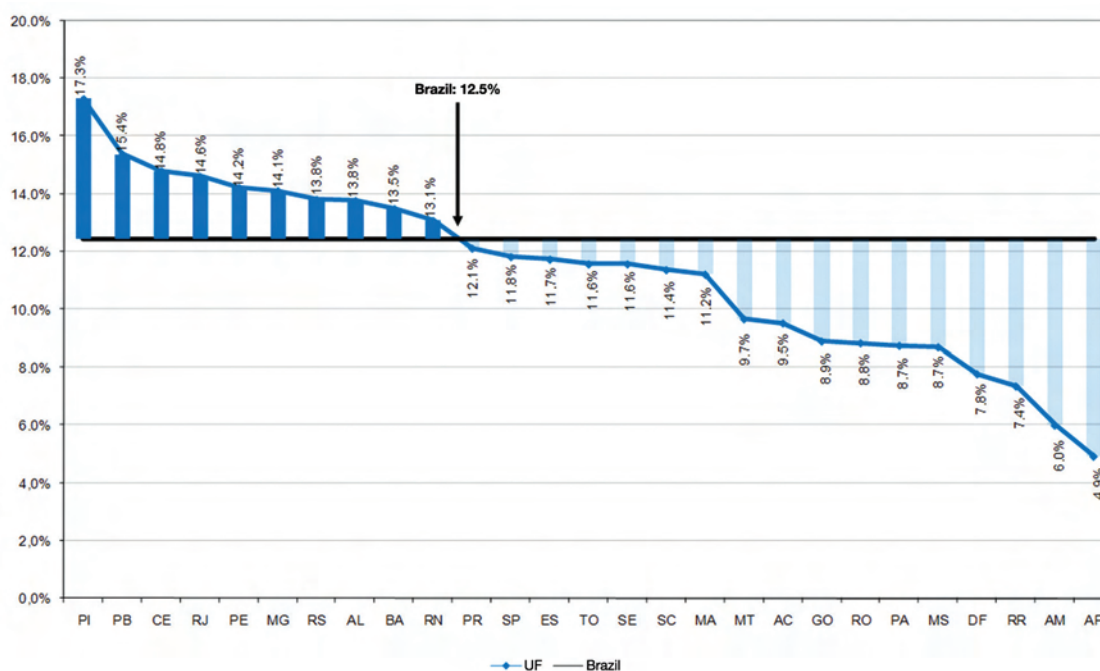
The benefits paid by Social Assistance and Pension also play a highly important role in combatting poverty. A study conducted by the Secretariat of Social Pension Policies<sup>148</sup> showed that the income from pension benefits provided by the BPC lifted from poverty a contingent of 23.1 million people in Brazil in the year 2009, the equivalent to a 12.5 percentage point reduction in terms of the proportion of people living below the poverty line, according to the aforementioned criteria used to define poverty.

As shown in Graph 29, in ten Federation Units the contribution towards the reduction of poverty was above the national average, with the following states standing out: Piauí, (17.3 p.p.), Paraíba (15.4 p.p.) and Ceará (14.8 p.p.).

It is important to stress that the contribution of incomes received through pension benefits and through the BPC in terms of poverty reduction was not limited to states in the Northeast Region, in which the high prevalence of poverty is a historical trend. Indeed, among the ten Federation Units with contributions above the national average are Rio de Janeiro (14.6 p.p.), Minas Gerais (14.1 p.p.) and Rio Grande do Sul (13.8 p.p.).

**GRAPH 29**

PERCENTAGE POINT REDUCTION OF POVERTY AS A RESULT OF PENSION TRANSFERS  
BRAZIL AND FEDERATION UNITS, 2009



Source: IBGE - PNAD

Elaborated by: SPS/MPS

Obs.: Considering only households in which all inhabitants declared their total incomes.

\* Poverty Line = 1/2 minimum wage.

<sup>148</sup> *Evolução Recente da Proteção Previdenciária e seus Impactos sobre o Nível de Pobreza. Informe da Previdência Social*, October 2010, v.22, n.10.

The information of the Family Budget Survey 2008-2009, of the IBGE, also reveals the importance of transfers in combatting poverty in Brazil. In the constitution of family budgets – which include retirement benefits and public and private pensions, income transfer social programs and scholarships – accounted for 18.5% of the total revenue and patrimonial variation of families, occupying second place in the ranking of revenues in family budgets – second only to work earnings (61.1%).

In the Northeast Region, the importance of transfers was even more significant, accounting for 22.5% of the total revenue and variation of family patrimony.

Among Brazilian families who did not receive earnings or who received less than two monthly minimum wages, the 2008-2009 POF indicated that the share of transfers in the domestic budget reached 26.7%.

## THE CHALLENGE OF ERADICATING EXTREME POVERTY

### The levels and profile of extreme poverty in 2010

Despite the significant reduction of poverty and the important role of the Bolsa Família Program, the challenge of eradicating extreme poverty in Brazil remains. Based on estimates<sup>149</sup> produced by the IBGE using data from the 2010 Census Results, the contingent of people in extreme poverty<sup>150</sup> encompassed 16.27 million, the equivalent to 8.5% of the total population.

In geographical terms, extreme poverty is concentrated in urban areas (8.67 million people, or 53.3% of the total). In turn, 7.59 million people in extreme poverty lived in rural areas (46.7% of the total). On the other hand, the prevalence of extreme poverty was a lot more significant in rural areas (25.5%) compared to urban areas (5.4%), according to Table 106.

The Northeast Region had 9.61 million people living in extreme poverty, the equivalent to 59.1% of the total national contingent. The prevalence of extreme poverty in the Northeast was 18.1%, more than double the figure of proportion relative to the total of the population (8.5%). The North Region also exhibits a high prevalence (16.8%) and accounted for 2.66 million residents living in extreme poverty (16.3% of the country's total). Extreme poverty was less prevalent in the South (2.6%), Southeast (3.4%) and Center-West (4.0%) Regions.

Following the trend already reflected by the regional indicators, some states in the Northeast Region figured among those with the highest levels of extreme poverty in Brazil, as, for example, Maranhão (25.7%), Piauí (21.3%) and Alagoas (20.3%). On the other hand, the lowest rates were observed in Santa Catarina (1.6%), the Federal District (1.8%) and São Paulo (2.6%).

<sup>149</sup> Due to the publication of the Results of the 2010 Census Sample, estimates are expected to be revised.

<sup>150</sup> Population living in permanent private households with no earnings and with nominal household per capita income between R\$ 1.00 and R\$ 70.00. The estimate considered a sampling criterion that would only include people in households with a higher probability of living in extreme poverty. The criteria adopted to estimate this portion of the population among households with no income were the following: no exclusive bathroom; no connection to the water or sewer grid and no septic tank; or in rural areas with no connection to the water distribution grid or no well or spring in property; or no electricity; or at least one illiterate household member aged 15 or older; or at least three household members aged 14 or below; or at least one household member aged 65 or above.

In some Federation Units, the prevalence of extreme poverty was so high in rural areas that it encompassed almost half of the population, as for example, in Amazonas (48.0%), Roraima (47.8%) and Maranhão (43.8%).

| Geographical Area       | Population in Extreme Poverty Situation |                  |                  |                |             |             |                |            |             |
|-------------------------|---|------------------|------------------|----------------|-------------|-------------|----------------|------------|-------------|
|                         | Number of People                        |                  |                  | Distribution % |             |             | % of Incidence |            |             |
|                         | Total                                   | Urban            | Rural            | Total          | Urban       | Rural       | Total          | Urban      | Rural       |
| <b>Brazil</b>           | <b>16.267.197</b>                       | <b>8.673.845</b> | <b>7.593.352</b> | <b>100.0</b>   | <b>53.3</b> | <b>46.7</b> | <b>8.5</b>     | <b>5.4</b> | <b>25.5</b> |
| <b>Regions</b>          |   |                  |                  |                |             |             |                |            |             |
| North                   | 2.658.452                               | 1.158.501        | 1.499.951        | 100.0          | 43.6        | 56.4        | 16.8           | 9.9        | 35.7        |
| Northeast               | 9.609.803                               | 4.560.486        | 5.049.317        | 100.0          | 47.5        | 52.5        | 18.1           | 11.7       | 35.4        |
| Southeast               | 2.725.532                               | 2.144.624        | 580.908          | 100.0          | 78.7        | 21.3        | 3.4            | 2.9        | 10.2        |
| South                   | 715.961                                 | 437.346          | 278.615          | 100.0          | 61.1        | 38.9        | 2.6            | 1.9        | 6.8         |
| Center-West             | 557.449                                 | 372.888          | 184.561          | 100.0          | 66.9        | 33.1        | 4.0            | 3.0        | 11.7        |
| <b>Federation Units</b> |   |                  |                  |                |             |             |                |            |             |
| Rondônia                | 121.290                                 | 56.064           | 65.226           | 100.0          | 46.2        | 53.8        | 7.8            | 4.9        | 15.8        |
| Acre                    | 133.410                                 | 49.485           | 83.925           | 100.0          | 37.1        | 62.9        | 18.2           | 9.3        | 41.7        |
| Amazonas                | 648.694                                 | 298.771          | 349.923          | 100.0          | 46.1        | 53.9        | 18.6           | 10.8       | 48.0        |
| Roraima                 | 76.358                                  | 25.846           | 50.512           | 100.0          | 33.8        | 66.2        | 17.0           | 7.5        | 47.8        |
| Pará                    | 1.432.188                               | 582.653          | 849.535          | 100.0          | 40.7        | 59.3        | 18.9           | 11.2       | 35.6        |
| Amapá                   | 82.924                                  | 61.557           | 21.367           | 100.0          | 74.2        | 25.8        | 12.4           | 10.2       | 31.2        |
| Tocantins               | 163.588                                 | 84.125           | 79.463           | 100.0          | 51.4        | 48.6        | 11.8           | 7.7        | 27.1        |
| Maranhão                | 1.691.183                               | 626.839          | 1.064.344        | 100.0          | 37.1        | 62.9        | 25.7           | 15.1       | 43.8        |
| Piauí                   | 665.732                                 | 241.280          | 424.452          | 100.0          | 36.2        | 63.8        | 21.3           | 11.8       | 39.8        |
| Ceará                   | 1.502.924                               | 726.270          | 776.654          | 100.0          | 48.3        | 51.7        | 17.8           | 11.4       | 36.9        |
| Rio Grande do Norte     | 405.812                                 | 216.601          | 189.211          | 100.0          | 53.4        | 46.6        | 12.8           | 8.8        | 26.9        |
| Paraíba                 | 613.781                                 | 329.618          | 284.163          | 100.0          | 53.7        | 46.3        | 16.3           | 11.6       | 30.6        |
| Pernambuco              | 1.377.569                               | 818.537          | 559.032          | 100.0          | 59.4        | 40.6        | 15.7           | 11.6       | 32.1        |
| Alagoas                 | 633.650                                 | 327.589          | 306.061          | 100.0          | 51.7        | 48.3        | 20.3           | 14.3       | 37.2        |
| Sergipe                 | 311.162                                 | 152.939          | 158.223          | 100.0          | 49.2        | 50.8        | 15.0           | 10.1       | 28.9        |
| Bahia                   | 2.407.990                               | 1.120.813        | 1.287.177        | 100.0          | 46.5        | 53.5        | 17.2           | 11.1       | 32.9        |
| Minas Gerais            | 909.660                                 | 500.560          | 409.100          | 100.0          | 55.0        | 45.0        | 4.6            | 3.0        | 14.2        |
| Espírito Santo          | 144.885                                 | 88.409           | 56.476           | 100.0          | 61.0        | 39.0        | 4.1            | 3.0        | 9.7         |
| Rio de Janeiro          | 586.585                                 | 550.596          | 35.989           | 100.0          | 93.9        | 6.1         | 3.7            | 3.6        | 6.8         |
| São Paulo               | 1.084.402                               | 1.005.059        | 79.343           | 100.0          | 92.7        | 7.3         | 2.6            | 2.5        | 4.7         |
| Paraná                  | 306.638                                 | 178.679          | 127.959          | 100.0          | 58.3        | 41.7        | 2.9            | 2.0        | 8.4         |
| Santa Catarina          | 102.672                                 | 58.821           | 43.851           | 100.0          | 57.3        | 42.7        | 1.6            | 1.1        | 4.4         |
| Rio Grande do Sul       | 306.651                                 | 199.846          | 106.805          | 100.0          | 65.2        | 34.8        | 2.9            | 2.2        | 6.7         |
| Mato Grosso do Sul      | 120.103                                 | 69.638           | 50.465           | 100.0          | 58.0        | 42.0        | 4.9            | 3.3        | 14.3        |
| Mato Grosso             | 174.783                                 | 92.774           | 82.009           | 100.0          | 53.1        | 46.9        | 5.8            | 3.7        | 14.8        |
| Goiás                   | 215.975                                 | 167.256          | 48.719           | 100.0          | 77.4        | 22.6        | 3.6            | 3.1        | 8.4         |
| Federal District        | 46.588                                  | 43.220           | 3.368            | 100.0          | 92.8        | 7.2         | 1.8            | 1.7        | 3.8         |

Source: MDS/SAGI - Social Information Matrix, based on results of 2010 Census (IBGE)  
Elaborated by: ILO Brazil Office

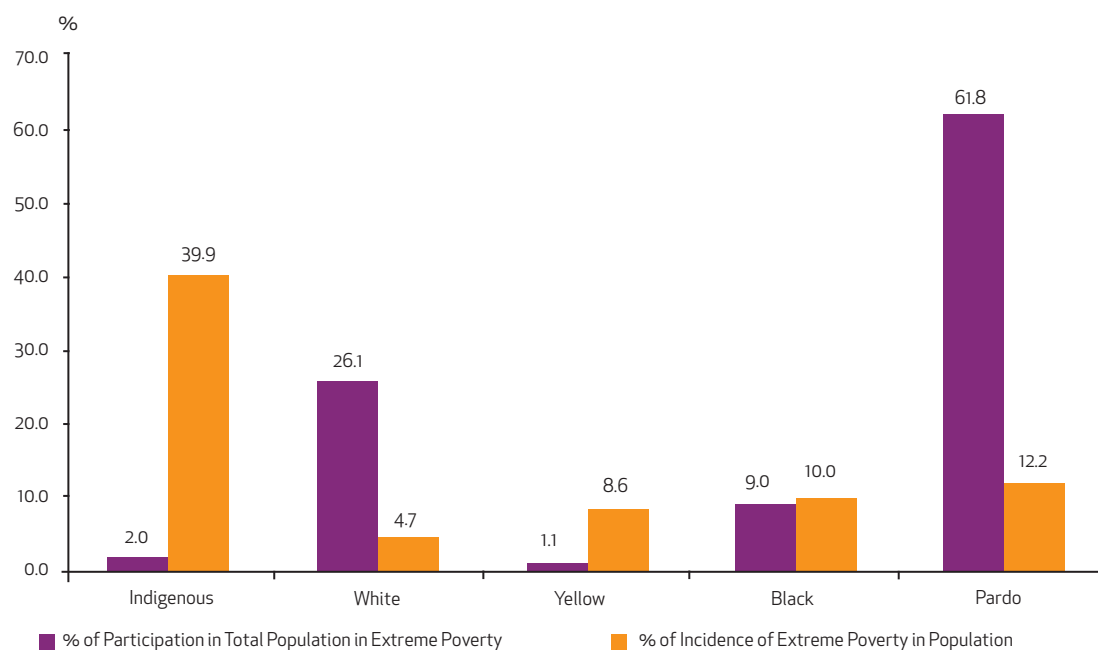
Considering gender, the distribution of the population living in extreme poverty was relatively even, being composed of 50.5% women and 49.5% men.

Considering color or race, the distribution of the population living in extreme poverty was as follows: *pardo* (brown) (61.8% of the total), white (26.1%), black (9.0%), yellow (1.1%) and indigenous (2.0%).

On the other hand, as shown in Graph 30 below, the prevalence of extreme poverty, that is, the percentage of the total amount of people of certain category of race or color that were living in extreme poverty conditions relative to the total population within this cohort, was rather significant among the indigenous population, the equivalent to almost 40.0%. In other words, roughly 326 thousand of the approximately 818 thousand people who self-identified as belonging to the indigenous race in the Census were living in conditions of extreme poverty in 2010. Among individuals who self-identified as *pardo* the prevalence percentages were 12.2%, and for those who self-identifies as black, 10.0%. The lowest percentage was found among the yellow race (8.6%) and whites (4.7%).

**GRAPH 30**

SHARE OF POPULATION DISAGGREGATED BY COLOR OR RACE RELATIVE TO TOTAL POPULATION LIVING IN EXTREME POVERTY AND PREVALENCE OF EXTREME POVERTY BY COLOR OR RACE  
BRAZIL, 2010



Source: MDS based on results of 2010 Census (IBGE)

Considering age cohorts, children aged 0 to 14 accounted for approximately 40.0% of those living in extreme poverty; adolescents aged 15 to 19, for 11.0%. This means that five out of ten individuals living in extreme poverty in Brazil were children or adolescents aged 19 or younger.

It is important to stress that a significant proportion of 44.0% of people living in extreme poverty were between the ages of 18 and 59, that is, within the cohort of people in full productive capacity. Lastly, 5.1% of individuals in extreme poverty were elderly people aged 60 or above, being that this percentage was as high as 12.8% in the Southeast Region.

## **The *Brasil Sem Miséria* Plan**

In June 2011, the president of Brazil, Dilma Rousseff, launched the *Brasil Sem Miséria* (“Brazil Without Misery”) plan, targeted mainly at eradicating extreme poverty in the country. The plan consists of a set of policies and actions aimed at improving upon the recent Brazilian strategy and experience combatting poverty and social inequality, which has been achieving significant results in the last few years, as mentioned previously.

The Plan targets the 16.2 million Brazilian living in extreme poverty and its goal is to promote the social and productive inclusion of this population. In order to achieve this result, the Plan is organized into three main lines of action:

### I) Income guarantees

The plan actively seeks to include into the CadÚnico extremely poor families that are not covered by the social protection net. The Bolsa Família Program will be expanded and can be expected to include by 2013 a contingent of 800 thousand eligible families who have not been yet incorporated by the program. It is important to stress that, according to MDS data, until March 2012, a contingent of 687 thousand new extreme poor families were included into the CadÚnico and became Bolsa Família beneficiaries, surpassing the goal of 640 thousand families stipulated for 2012.

The expansion of the Bolsa Família Program aims to incorporate 1.3 million children and adolescents aged 15 and younger, with the purpose of increasing the efficiency of the poverty combatting strategy, protecting children from child labor and keeping them in school and receiving proper healthcare.

### II) Productive Inclusion

This line of action is aimed at the generation of jobs and employment for people living in conditions of extreme poverty. It involves the following measures: a) professional qualification and training; b) public deployment of labor; c) providing support for the formation and of solidary enterprise networks, collective small enterprises and the constitution of incubators for the generation of jobs and income; d) the promotion of formalization of small businesses run by self-employed workers in conjunction with fiscal and pension authorities; e) access to micro-credit.

### III) Expansion of Access to Public Services

The adopted actions seek to expand the supply of public services in priority areas such as education, health, food security, housing among others. The strategy involves incrementing the potential of the Social Assistance Reference Centers (CRAS), as centers of reference for the services provided by the programs included in the *Brasil Sem Miséria* Program. The creation of new centers is also in the program, with the goal of expanding services to the population in all areas with extreme poverty.

## POPULAR PERCEPTION CONCERNING POVERTY

Based on the Social Perception Indicator System (SIPS<sup>151</sup>), developed by IPEA, it is possible to identify important elements concerning the Brazilian population's perception of the issue of poverty in the country, based on data collected in August 2011.<sup>152</sup>

The results of the SIPS demonstrate that the issue of *poverty/hunger* is not considered by Brazilian one of the main problems in the country. According to those interviewed, *violence/lack of security* (23.0%) was indicating as the country's biggest problem, followed closely by health (22.3%). The next most mentioned issues were *corruption* (13.7%) and unemployment (12.4%). Only 6.1% of Brazilians mentioned *poverty/hunger*.

Regarding the perceptions concerning the main causes of poverty, 29.5% of the Brazilian population believes that *unemployment* is the most influential factor in generating and increasing the level of poverty. The following most mentioned causes are *bad quality education/insufficient access to education* (mentioned by 18.4% interviewees), and *corruption* (16.8%) and *poor income distribution and social inequality* (12.0%)

Concerning the perception as to the main paths to exit poverty, the creation of *more jobs* was mentioned by roughly one third (31.4%) of the interviewees. The second most mentioned exit was *quality education* (23.3%), followed by the need of *greater individual effort* (10.6%). Mentions of better wages (*higher salaries and increasing the value of the minimum wage*) together corresponded to 16.1%. Given this context, practically half of those interviewed (47.5%) stressed that the main actions need to overcome poverty are directly linked to the labor market, either due to the necessity of a higher supply of jobs, or the need for higher salaries.

It is important to stress that among those interviewed with incomes corresponding to ¼ or less of a minimum wage per capita, the perception regarding poverty and the labor market is even more significant. Indeed, for 43.8% of the poorest interviewees, unemployment is the main cause of poverty – compared to 29.5% considering the entire sample, as mentioned above. Concerning the main paths to exit poverty, for 46.8% of the poorest, *more jobs* are needed – a considerable higher percentage compared to the equivalent figure for the entire sample (31.4%)

This information concerning the population's perception of the causes and possible solutions to poverty further reinforces the importance of the promotion of Decent Labor as a pathway to overcome poverty.

## MINIMUM STANDARDS OF SOCIAL PROTECTION

The ILO has since 2003 been leading a worldwide campaign, based on the resolutions of the 2001 International Labor Convention, for the extension of social security coverage, whose core is based on the promotion of Minimum Standards of Social Security, which is premised upon a twofold strategy: vertical and horizontal expansion of coverage. The

<sup>151</sup> The Social Perception Indicator System (SIPS), elaborated by IPEA, is a household-based survey with the purpose of revealing the perception of the Brazilian population with regard to public goods and services.

<sup>152</sup> The data was collected from August 8 – 29, 2011. The sample included 3,796 people.

purpose of the horizontal strategy is to guarantee, within one year, Minimum Standard of Social Security for all citizens, while progress should be made towards higher standards of social security, as defined by the Conventions of the ILO. In the vertical dimension, the goal is to secure the ratification of Convention n. 102 by several countries.

The Minimum Standards of Social Security must include the following components:

- Access of all residents of a country to basic/essential medical services;
- A system of family contributions that offers income to the children of beneficiaries of social protection, providing them with access to food, education, and care for infants;
- A basic social protection system capable of providing income at least sufficient to overcome the poverty line for people in working age who cannot work due to disabilities, illness, insufficient work of precarious work, absence of people capable of providing for the family;
- A universal basic pension system capable of providing income at least sufficient to overcome the poverty line in the case of old age, disability and death;
- The provision and physical and financial accessibility to essential public services essential for human development, coordinated with essential assured provision of running water, sanitation, education, electricity, housing, job assistance and others.

One of the main goals of the Minimum Standards of Social Protection is to promote greater coordination of distinct social programs, especially those adopting conditioned income transfer policies in their social programs. The Minimum Standards of Social Protection are also a tool to broaden access to social programs and services and harmonize them with social security systems. The Minimum Standards seek to improve, above all, the socioeconomic condition of the previously excluded population, through the development of a set of basic services and income transfer for the whole population.

In order to achieve these goals social security policies are fundamental. Tripartite dialogue is an important tool in the construction of well-rounded models that ensure social protection policies, generate rights for the beneficiaries, that are financially sustainable and linked to employment and economic policies that act directly on the causes of poverty and income inequality.

In June 14, 2012, the 101st Session of the International Labour Conference adopted the Social Protection Floors Recommendation (n. 202), which provides guidance to ILO Member States in ensuring a minimum level of social security, aiming at overcoming poverty and social vulnerabilities and fighting against social exclusion.

## 11

# SOCIAL DIALOGUE AND WORKERS' AND EMPLOYERS' REPRESENTATION

## SOCIAL DIALOGUE AND THE PROMOTION OF DECENT WORK

Social dialogue aims to strengthen the democratic values behind policy-making processes that affect specific social actors or society as a whole. Accordingly, spaces for dialogue between interested actors who many times hold very distinct worldviews are institutionalized in order to settle and control conflict, foster cooperation and produce policies that converge with the aims of parties involved. Thus, this process contributes towards expanding the social legitimacy of public policies and enterprise management and, therefore, towards strengthening a democratic culture in Brazil.

Specifically, in the world of labor, social dialogue requires effective freedom of organization and trade union association for workers and employers, as well as guaranteed periodic collective bargaining.

Social dialogue presumes freedom of organization and association and the strengthening of worker and employer organizations, as well as that of other civil society groups committed to themes within the world of labor. By means of regular tripartite consultations, governments can assure that, among other aspects, legislation is applied and monitored through worker and employer participation. Such consultations assure greater cooperation between social representatives, a broader awareness about issues related to international labor standards, strengthen governability and a culture of dialogue around social and economic themes. (CONFERENCE..., 2011).

The following legal instruments and mechanisms characterize the institutional framework for social dialogue in Brazil (see Legal Framework Indicators 18 and 19 'Freedom of association and the right to organize' and 'Collective bargaining', respectively, Annex p. 386 and p. 389):

- 1988 Constitution, which in Article 1, sole paragraph, establishes the idea of popular sovereignty: *All power comes from the people, who exercise it by means of elected representatives or directly, under the terms of this Constitution* (Article 1, sole paragraph);
- ILO Convention concerning the Right to Organize and to Bargain Collectively, 1949 (n. 98), ratified on November 18, 1952;
- ILO Convention concerning Workers' Representation, 1971 (n. 135), ratified on May 18, 1990;



- ILO Convention concerning the Promotion of Collective Bargaining, 1981 (n. 154), ratified on July 10, 1992;
- ILO Convention concerning Tripartite Consultations to Promote the Implementation of International Labor, 1976 (n. 144), ratified on September 9, 1994;
- MTE Ordinance n. 186, March 14, 2008, which discusses trade union registration procedures and presents the possibility for entities who are in conflict regarding trade union representation to discuss this conflict at a negotiation table and reach an agreement with the participation of a MTE facilitator;
- ILO Convention concerning the Right to Organize and Conditions of Employment in the Public Service, 1978 (n. 151), ratified by Brazil on June 15, 2010. In order to regulate this Convention, the MTE created a Working Group with the objective of creating a regulatory project that allows public workers the possibility of participating in collective bargaining.

As made clear in CONFERENCE...(2011), among the main spaces reserved for tripartite social dialogue currently in force in Brazil, we can highlight, in first place, those coordinated by the Ministry of Labor and Employment (see Legal Framework Indicator 20 'Tripartite consultations', Annex p. 391):

- Deliberative Council of the Workers' Support Fund (CODEFAT), created to manage the Worker's Support Fund (FAT) under Law n. 7,998, January 11, 1990. CODEFAT is a collegiate, tripartite body in which workers, employers and government are equally represented. Among its most important functions, it creates guidelines for programs and for resource allocation, monitors and assesses their social impact and proposes means for perfecting labor, employment and income related legislation.

Of equal importance is its role of exercising social control over the execution of such policies – which includes analyzing the Fund's accounts and the reports sent in by those responsible for its supported programs, as well as inspecting the FAT management.

In order to substantiate organized society's participation in the management of a Public Employment System on a national scale, as provided for in ILO Convention n. 88, in 1994 and 1995, CODEFAT established, by means of Resolutions n. 63 e n. 80, criteria for recognizing state, district or municipal employment commissions. Currently, there are 26 state commissions and one in the Federal District approved by CODEFAT, and 3,651 municipal commissions, out of which 3,110 are approved, or 66.7% of total existing municipalities. Employment Commissions are structured in the same way as CODEFAT: they are permanent, deliberative, tripartite and joint commissions.

The duties of these Employment Commissions can be grouped under four great functions: help adjust MTE's policies to the singularities of the local workplace; guide and control local policy execution; and promote institutional articulation, especially in regards to State Employment Commissions.

- Tripartite Commission on International Relations (CTRI): established in 2004 in order to aid the Labor and Employment Ministry in making decisions on matters of international politics. The Commission analyzes work agendas proposed by different international forums, such as ILO, Inter-American Conference of Ministers of Labor of the Organization of American States (IACML/OAS) and MERCOSUR, among others.
- Tripartite Commission for Equal Opportunity and Treatment of Gender and Race at the Workplace (CTIO), established in August, 2004, whose role is to promote public

policies related to equal opportunity and treatment and the fight against all forms of gender and race discrimination at the workplace.

- **Quadrupartite Commission for Strengthening the Minimum Wage** established in 2005, of advisory nature, and which proposes a program for strengthening the minimum wage and analyzing its impact on the workplace, on Social Security and social welfare, within the scope of the Federal Government and other federal entities.
- **Tripartite Commission of Permanent and Equal Representation (CTPP)**, created in 1996 and responsible for the Regulatory Standards for Safety and Health in the Workplace (NRs). The Commission can also suggest and carry out studies on accident prevention. It is made up of the MTE, the Ministry of Health, the Ministry of Social Security, representative entities from commercial, industrial, agricultural, transportation sectors and financial institutions, as well as representatives nominated by trade unions.
- **National Council on Immigration (CNIg)**: set up in 1980 with the following goals: to formulate objectives for elaborating immigration policies; to promote studies on issues related to immigration; to periodically assess the need for foreign skilled workers; and contribute with an opinion on legislation modifications relative to immigration.
- **National Commission on Ports (CNP)**: the former National and Permanent Commission on Ports (CNPP), established in 2003, gives continuity to its work in 2011 under new regulation. Ordinance n. 819/2011 creates a new National Commission on Ports and also modifies the institution's guidelines. CNPP was originally created in order to inspect illegal practices in the hiring of workers and curb irregularities in the ports sector. In contrast, CNP directs the institution's discussions towards new proposals for improving the sector's operations, giving special attention to issues concerning labor relations. It aims to promote dialogue and negotiation between worker representatives, employers and the Federal Government, so as to build consensus on themes relative to the Brazilian ports system.
- **National Committee for the Eradication of Child Labor (CONAETI)**: established in 2002, coordinated by the MTE and with quadripartite participation, CONAETI aims to implement the provisions of ILO Conventions n. 138 and n. 182. One of its main duties is to monitor the execution of the National Plan for Eradicating of Child Labor, created by the committee itself in 2003.
- **Tripartite Commission for Safety and Health at the Workplace (CTSST)**: instituted in 2008 with the objective of revising and expanding the National Policy for Health and Safety at the Workplace (PNSST). Furthermore, the Commission proposes improvements to the national system of health and safety at the workplace by defining roles and mechanisms of permanent dialogue between its components and by elaborating a National Program for Safety and Health at the Workplace. The Program defines strategies and plans of action for its implementation, monitoring, assessment and regular revision within the scope of the ministries of Labor and Employment, Health and Social Security. In its 9th meeting, the Commission consensually approved the basic text for the National Policy for Safety and Health at the Workplace (PNSST), which was submitted for the appraisal of the Ministers of Labor and Employment, Social Security and Health and, in due course, to the decision of the President of the Republic. This movement culminated with the publication of Decree n. 7,602, November 7, 2011, which established the PNSST. As of its 13th meeting, the CTSST began discussing the formulation of the National Plan for Safety and Health at the

Workplace, putting forth the strategies and actions to be developed for each of the PNSST guidelines. The Plan was launched in April, 2012,<sup>153</sup>

- National Council for Solidarity Economy (CNES): established in 2003, the CNES is an advisory body which fosters permanent dialogue between sectors of government and civil society that work towards the good of solidarity economy. Its main duties are to propose guidelines for actions towards solidarity economy to participating ministries and other bodies of the Federal Government. It also monitors the execution of such actions in the scope of national policy for solidarity economy. The Council comprises 56 entities and is divided in three sectors: government, solidarity economy ventures and non-governmental organizations that foster and provide consultation on solidarity economy.

Besides these listed above, according to CONFERENCE...(2011), other spaces have held a very important role in the sense of stimulating social dialogue concerning the world of labor. Among these, we cite:

- The National Commission for the Eradication of Slave Labor (CONATRAE): established in August, 2003, coordinated by the Special Secretariat for Human Rights of the Presidency of the Republic to monitor execution of the National Plan for Eradication of Slave Labor.
- The National Council for Social Security (CNPS): established in 1991. It is quadripartite and comprised of Government representatives, employers, active workers and retirees. The CNPS is a superior collegiate decision-making body, whose main objective is to monitor and assess the plans and programs carried out by the administration in order to improve the services provided to social security beneficiaries.
- The Economic and Social Development Council (CDES): created in 2003 with the role of advising the President of the Republic in the formulation of specific policies and guidelines. It also evaluates proposals for public policies, structural reforms and economic and social development submitted by the President of the Republic to the Council, in order to articulate relations between government and society representatives.

We also highlight the progress achieved by means of the legal recognition obtained by trade unions centers<sup>154</sup> in 2008 and the creation of the Council for Labor Relations (December, 2010), whose objective is to promote studies that seek the democratization of labor relations and tripartisanship, the understanding between workers, employers and Federal Government, as well as studies related to labor relations, trade union organization and that incentivize collective bargaining and social dialogue.

Lastly, we emphasize that Brazil is currently undergoing an unprecedented process of social dialogue concerning the world of labor. Convened by the President of the Republic in November 2010, the 1<sup>st</sup> National Conference for Decent Work and Employment was held in August 2012, preceded by preparatory steps on a global, regional and state level. The Conference's main objective is to draw guidelines for a National Policy for Decent Work and Employment and revise and update the National Plan for Decent Work and

<sup>153</sup> BRAZILIAN MINISTRY OF LABOR AND EMPLOYMENT. Ministry of Social Security. Ministry of Health (Brazil). Tripartite Commission for Health and Safety at the Workplace – CT – SST. *National Plan for Safety and Work at the Workplace*. Brasilia: MTE, 2012. Available at: < [http://portal.mte.gov.br/data/files/8A7C816A36A27C140138577C3D827113/PLANSAT\\_2012.pdf](http://portal.mte.gov.br/data/files/8A7C816A36A27C140138577C3D827113/PLANSAT_2012.pdf)>

<sup>154</sup> Although they have been increasingly present in the life of national policy since the early 1980s, Brazilian trade unions did not receive formal recognition by Brazilian legislation until 2008. With Law n. 11,648 (March 31, 2008) trade unions gained chairs in all spaces where social dialogue is present and the right to use a portion of their union dues to pay for their activities (CONFERENCE..., 2011).

Employment launched in May 2010. It is part of a strategy of relations between State and society, which includes establishing wide-reaching consultation and social participation processes in the most diverse areas of public policy. These consultations, consolidated in the national conferences, have involved, over the past nine years, around 2 million people. Although several aspects related to work and employment have been discussed in several conferences, this is the first time that the theme has been approached in such a comprehensive and complete manner, thanks to the adoption of the concept of decent work as a debate's central reference (ABRAMO, 2011).

The Conference's structure is based on tripartisanship: its protagonists are representatives from the government, trade unions centers and employer confederations. Whether at national or state level, these actors comprise the conferences' organizing commissions and 90.0% of its delegations. Representatives from civil society organizations recognized in the world of labor comprise the other 10.0% of these delegations. The process, at national level, is coordinated by the MTE. At state level, we highlight the role of state secretariats of labor and employment and that of FONSET (National Forum for Secretariats of Labor) in summoning and organizing the conferences.

The Conference's first phase – which took place between August and December 2011 – consisted of 26 state/district conferences as well as approximately 500 regional/municipal ones, which mobilized around 23 thousand people throughout all five regions of the country during July and August 2011, as well as six Capacity-Building Workshops for Building and Analyzing Decent Work Indicators.

Considering a request of technical support by FONSET to strengthen states' capacity in the elaboration of diagnoses about the situation of Decent Work, in order to subsidize state/regional conferences, ILO Office in Brazil realized in all five regions of the country, during July and August 2011, six Capacitation Workshops on the Elaboration and Analysis of Decent Work Indicators.

The workshops counted with the participation of 155 technicians from government representations, employers and workers from 25 of the 27 Brazilian Federation Units.

As highlighted by Abramo (2011), the breadth of this social dialogue concerning Decent Work is a unique opportunity for expanding the discussion of the theme in Brazil and incorporating it to a diversity of situations, problems, challenges and opportunities that characterize the country's different regions. In this sense, it is an unprecedented experience, not only in Brazil, but also in the world.

The following topics present a set of Decent Work analyses and indicators regarding the dimension of *Social Dialogue and Workers' and Employers' Representation*, as exemplified by the Union Density Rates, collective bargaining and access to labor courts/conflicts.

## UNION DENSITY RATES

The indicator analyzed here is that of union density rates, defined as the percentage of workers affiliated to a trade union<sup>155</sup>. According to the PNAD and IBGE, this rate

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<sup>155</sup> According to the definition adopted by the PNAD, a trade union is the association of one or more categories in order to study, defend or coordinate the economic and professional interests of all those who exercise identical, similar or related activities or professions. This association must also possess a Letter of Recognition from the Ministry of Labor and Employment or a Public Registry to function in this capacity.

varied greatly in Brazil between 2004 and 2009. Between 2004 and 2006, it rose from 18.5% to 19.1%. However, it dropped to 18.2% in 2007, then increased again to 18.6% in 2008, and then declined to 18.1% in 2009, a level lower than that shown in the first year of the series.

Analyzing the data in an isolated fashion, we can see that during this period, general tendencies reproduce themselves from the perspective of gender, race/color and place of residence. In 2009, the density rates for men (19.1%) was greater than that for women (16.9%), and that of white workers (19.6%) greater than that of black ones (16.7%), and rural area residents (24.7%) greater than that of urban workers (14.6%).

However, during the period in question, the union density rate varied among different regions in Brazil: we observed an expansion in the North (from 13.9% to 14.6%) and in the Northeast Regions (from 19.4% to 20.0%), while an opposite trend was observed in the Southeast (from 17.7% to 17.2%), South (from 22.9% to 21.1%) and in the Center-West Regions (14.9% to 14.5%), as seen in Table 107.

During this period, there was a rise in the union density rate in 13 Federation Units, most notably in Tocantins (5.5 percentage points), Roraima (3.7 p.p.), Acre (2.9 p.p.) and Piauí (2.5 p.p.). On the other hand, 13 other Federation Units presented a decline in this indicator, the most significant among them being Santa Catarina (5.4 p.p.), Espírito Santo (3.2 p.p.) and Mato Grosso (2.7 p.p.). In Amazonas, however, the rate remained the same. In 2009, Piauí was the Federal Unit with the highest union density rate in the country (27.9%), while Amazonas held the lowest (11.0%).

In the case of Piauí, the rate of trade union affiliation is very much influenced by the tradition and large number of workers affiliated to trade unions in the *agriculture* sector (41.4%). This, in turn, was the economic activity which accounted for 40.7% of the active population in the state, in 2009. It is also possible to highlight the proportion of unionized workers in the *commerce and repair* sector (15.4%), the second highest union density rate in the sector among the 27 Federation Units – losing only to the Federal District (16.8%). It is worth noting that in April 2011, the Commerce Worker Union of Teresina completed 70 years of foundation.

From the gender perspective, we observe that the union density rate for men grew in 12 Federation Units, dropped in 14 and remained stable in the state of Pará. Of particular interest is Tocantins (5.9 p.p.), with the greatest rate increase and, on the opposite side, Santa Catarina, whose rate decreased 5.2 p.p. The union density rate for men was higher than that for women in 18 Federation Units in 2009. In Rio de Janeiro, for example, 17.5% of men were unionized, against 11.5% of women.

In terms of race or color, we note that the union density rate for whites increased in 13 Federation Units, decreased in 13 and remained stable in Paraná. Roraima displays the highest increase (4.9 p.p.) and Santa Catarina the most pronounced decline (6.0 p.p.). In turn, the union density rate for blacks increased in 16 UFs and decreased in 11. The greatest increase was registered in Tocantins (5.9 p.p.) and the greatest drop in Espírito Santo (2.3 p.p.). The union density rate for white workers was higher than that of black workers in 22 UFs in 2009. The only exceptions to this trend were Piauí, Paraíba, Minas Gerais and Pará.

TABLE 107

UNION DENSITY RATE OF ACTIVE POPULATION AGED 16 OR OLDER, BY SEX AND COLOR OR RACE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2004 AND 2009

| Geographical Area       | 2004        |             |             |             |             | 2009        |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | Total       | Men         | Women       | Whites      | Blacks      | Total       | Men         | Women       | Whites      | Blacks      |
| <b>Brazil</b>           | <b>18.5</b> | <b>19.5</b> | <b>17.1</b> | <b>20.4</b> | <b>16.4</b> | <b>18.1</b> | <b>19.1</b> | <b>16.9</b> | <b>19.6</b> | <b>16.7</b> |
| Urban Area              | 17.3        | 18.7        | 15.5        | 19.3        | 14.7        | 14.6        | 15.2        | 13.7        | 15.6        | 13.8        |
| Rural Area              | 23.8        | 23.1        | 24.9        | 26.2        | 22.1        | 24.7        | 22.9        | 27.5        | 26.2        | 23.6        |
| <b>Regions</b>          |             |             |             |             |             |             |             |             |             |             |
| North                   | 13.9        | 14.6        | 12.7        | 15.4        | 13.4        | 14.6        | 15.4        | 13.3        | 16.0        | 14.1        |
| Northeast               | 19.4        | 18.9        | 20.2        | 20.5        | 18.9        | 20.0        | 19.1        | 21.2        | 20.9        | 19.6        |
| Southeast               | 17.7        | 19.6        | 15.2        | 19.0        | 15.5        | 17.2        | 19.0        | 14.8        | 18.4        | 15.5        |
| South                   | 22.9        | 24.5        | 20.9        | 24.3        | 12.8        | 21.1        | 22.7        | 19.2        | 22.6        | 15.4        |
| Center-West             | 14.9        | 15.7        | 13.7        | 16.8        | 13.4        | 14.5        | 15.3        | 13.5        | 15.5        | 13.8        |
| <b>Federation Units</b> |             |             |             |             |             |             |             |             |             |             |
| Rondônia                | 20.8        | 22.2        | 18.8        | 23.1        | 19.5        | 21.7        | 19.9        | 24.4        | 23.0        | 21.0        |
| Acre                    | 19.8        | 17.7        | 22.9        | 22.5        | 19.1        | 22.7        | 21.5        | 24.4        | 23.0        | 22.6        |
| Amazonas                | 11.0        | 12.8        | 8.2         | 12.9        | 10.3        | 11.0        | 13.2        | 7.8         | 13.1        | 10.5        |
| Roraima                 | 8.4         | 8.0         | 9.1         | 7.3         | 8.8         | 12.1        | 13.3        | 10.5        | 12.2        | 12.1        |
| Pará                    | 14.2        | 15.0        | 13.0        | 14.3        | 14.2        | 13.9        | 15.0        | 12.2        | 13.8        | 13.9        |
| Amapá                   | 10.2        | 8.4         | 12.9        | 13.9        | 9.1         | 11.9        | 11.8        | 12.0        | 16.2        | 10.5        |
| Tocantins               | 9.8         | 10.3        | 9.1         | 12.4        | 8.9         | 15.3        | 16.2        | 14.2        | 17.0        | 14.8        |
| Maranhão                | 21.9        | 20.6        | 23.5        | 24.1        | 21.1        | 21.8        | 19.9        | 24.7        | 21.9        | 21.8        |
| Piauí                   | 25.4        | 22.0        | 30.0        | 25.7        | 25.3        | 27.9        | 23.9        | 32.9        | 27.1        | 28.2        |
| Ceará                   | 20.5        | 19.8        | 21.4        | 21.1        | 20.2        | 21.1        | 19.6        | 23.2        | 22.0        | 20.8        |
| Rio Grande do Norte     | 21.2        | 21.4        | 20.9        | 21.6        | 21.0        | 23.1        | 21.7        | 25.2        | 23.8        | 22.7        |
| Paraíba                 | 22.0        | 22.0        | 22.1        | 22.6        | 21.7        | 24.3        | 23.7        | 25.2        | 23.7        | 24.6        |
| Pernambuco              | 19.2        | 19.5        | 18.8        | 20.2        | 18.7        | 17.6        | 17.7        | 17.5        | 19.2        | 16.7        |
| Alagoas                 | 16.1        | 18.0        | 13.0        | 15.9        | 16.2        | 15.2        | 15.4        | 14.7        | 17.7        | 14.2        |
| Sergipe                 | 13.8        | 13.3        | 14.5        | 14.9        | 13.3        | 13.0        | 11.5        | 14.9        | 14.0        | 12.5        |
| Bahia                   | 16.6        | 16.4        | 16.9        | 18.1        | 16.2        | 18.1        | 18.1        | 17.9        | 19.6        | 17.6        |
| Minas Gerais            | 14.3        | 15.5        | 12.7        | 15.2        | 13.5        | 15.7        | 16.8        | 14.3        | 15.5        | 15.8        |
| Espírito Santo          | 25.7        | 28.1        | 22.6        | 26.8        | 24.8        | 22.5        | 24.6        | 19.8        | 22.5        | 22.5        |
| Rio de Janeiro          | 16.6        | 18.1        | 14.7        | 18.0        | 14.6        | 14.9        | 17.5        | 11.5        | 16.6        | 12.8        |
| São Paulo               | 19.1        | 21.5        | 15.9        | 20.2        | 16.3        | 18.3        | 20.2        | 15.7        | 19.7        | 15.6        |
| Paraná                  | 18.4        | 19.9        | 16.4        | 19.7        | 14.5        | 18.1        | 19.8        | 15.8        | 19.7        | 13.6        |
| Santa Catarina          | 28.4        | 29.2        | 27.3        | 29.6        | 16.9        | 23.0        | 24.0        | 21.7        | 23.6        | 19.4        |
| Rio Grande do Sul       | 24.1        | 26.2        | 21.4        | 24.9        | 17.9        | 22.9        | 24.6        | 20.8        | 24.3        | 16.2        |
| Mato Grosso do Sul      | 14.8        | 14.9        | 14.7        | 16.5        | 13.3        | 15.0        | 15.6        | 14.2        | 15.4        | 14.6        |
| Mato Grosso             | 15.1        | 17.1        | 11.9        | 16.5        | 14.0        | 12.3        | 14.2        | 9.5         | 12.4        | 12.3        |
| Goiás                   | 12.5        | 13.6        | 11.0        | 13.5        | 11.7        | 11.4        | 12.2        | 10.4        | 12.1        | 11.0        |
| Federal District        | 20.8        | 20.5        | 21.1        | 25.3        | 16.9        | 24.3        | 24.3        | 24.2        | 27.2        | 22.2        |

Source: IBGE - PNAD

By analyzing the union density rates according to sector of economic activity, it is possible to observe a significant variation in the proportion of unionized workers, according to the economic sector where they perform their labor activities.

Disregarding the *other industrial activities* sector – in which the rate of union membership reached 36.6% in 2009 – the proportion of unionized workers was the highest in *education, health and social service* (28.6%), *public administration* (26.8%) and *agriculture* (26.4%), according to Table 108.

The lowest levels of union membership were found in *domestic services* (2.2%), in the set of *insufficiently defined activities* (2.9%) and in the *construction* (8.4%) and *housing and food* (9.3%) sectors.

Regarding the evolution of the Union Density Rate between 2004 and 2009, the greatest expansion can be found in the *agriculture* sector (from 24.4% to 26.4%), followed by *construction* (from 7.3% to 8.4%) and *domestic services* (from 1.6% to 2.2%).

The sectors whose rates decreased between 2004 and 2009 include the *processing industry* (from 22.2% to 20.5%), *education, health and social services* (from 30.1% to 28.6%) and *other activities* (from 24.2% to 21.4%).

TABLE 108

UNION DENSITY RATES AMONG ACTIVE POPULATION AGED 16 OR OLDER, BY SECTOR OF ECONOMIC ACTIVITY  
BRAZIL, 2004 AND 2009

| Sector of Economic Activity                    | Union Density Rate (%) |             |
|--|------------------------|-------------|
|  | 2004                   | 2009        |
| Agriculture                                    | 24.4                   | 26.4        |
| Processing industry                            | 22.2                   | 20.5        |
| Construction                                   | 7.3                    | 8.4         |
| Other industrial activities                    | 36.6                   | 36.6        |
| Commerce and repair                            | 11.3                   | 11.5        |
| Housing and food                               | 9.4                    | 9.3         |
| Transportation, storage and communication      | 25.1                   | 24.2        |
| Public administration                          | 26.4                   | 26.8        |
| Education, health and social services          | 30.1                   | 28.6        |
| Domestic services                              | 1.6                    | 2.2         |
| Other collective, social and personal services | 10.2                   | 10.0        |
| Other activities                               | 24.2                   | 21.4        |
| Insufficiently defined activities              | 4.7                    | 2.9         |
| <b>Total</b>                                   | <b>18.5</b>            | <b>18.1</b> |

Source: IBGE - PNAD

## COLLECTIVE BARGAINING

### Collective Bargaining and Decent Labor<sup>156</sup>

Collective bargaining is the decision-making process adopted by employers and workers as a means to establish and apply regulatory standards to labor relations and, in a stricter sense, to the relations of parties involved in a negotiation process. It is the most important instrument for direct regulation of labor relations and an effective channel for improving the relationship between parties.

The link between collective bargaining and decent labor emerged with the creation of the ILO. Its Constitution includes freedom of association among the measures that lead to the improvement of labor conditions and universal peace and harmony. The Declaration of Philadelphia (1944), part of the Organization's founding act and a ratification of its inspiring principles and objectives, links freedom of association to constant progress

<sup>156</sup> This text has been removed in its entirety from CONFERÊNCIA...(2011) I CNETD – Subsidiary Document.

(Attachment, I, b) and supports tripartite and equal participation in democratic decisions that seek common well-being (Id., I, d). It lends special attention to the commitment made by the ILO to support universal programs for “achieving the effective recognition of the right to collective bargaining, worker-employer cooperation towards the continuous improvement of production efficiency and worker and employer collaboration for preparing and applying social and economic measures.” (Id., III, e). Together with other ILO actions, the Organization’s conventions and recommendations embody this commitment and help raise social rights to the condition of fundamental human rights.

The convergence of collective bargaining with decent labor is presented in the Declaration under the theme of fundamental labor principles and rights and their execution (1988), which includes freedom of association and the effective recognition of the right to collective bargaining. By simply belonging to the Organization, all of ILO’s State Members, regardless of having or not ratified the corresponding conventions (among which are Conventions n. 87 and n. 98), are obliged to respect, promote and practice such principles and rights which, according to the Declaration, shape social policies, the judiciary system and the democratic institutions which guaranty equality, social progress and the eradication of poverty.

More recent acts have strengthened the connection between collective bargaining, decent labor and sustainable development: ILO’s Declaration on Social Justice for Fair Globalization (2008) highlights the importance of freedom of association and union freedom and of the recognition of collective bargaining in order to accomplish ILO’s four strategic objectives (subparagraph iv); and the Resolution about the promotion of sustainable companies (2007) states, among other points, the role of social dialogue based on freedom of association and on the right to collective bargaining in creating a favorable setting for sustainable companies.

## **Recent Assessment of Collective Bargaining in Brazil**

In Brazil, collective bargaining is ensured by the constitution to all registered workers in the private sector,<sup>157</sup> and is one of the most important dimensions of union practices. With this regulatory instrument, it is possible to negotiate parameters that guide companies’ remuneration policies and benefits, as well as important aspects of internal work organization and labor representation.

In this sense, by analyzing the outcome of salary adjustment negotiations which took place in the Inter-union Department of Statistics and Socioeconomic Studies – DIEESE, it is possible to outline a general yet partial picture of how collective bargaining has evolved in Brazil, for salary issues are still of central importance to the process

In this sense, 2004 represents a clear turning point, for it was the year that signaled an unprecedented reduction in a historical series, initiated in 1996, of the amount of negotiations that established a salary adjustment lower than the National Index of Consumer Prices – INPC. Indeed, a very significant portion of collective bargaining in Brazil resulted in effective salary adjustments between 2004 and 2010. The highest adjustment was obtained this last year, when almost 89.0% of the bargaining processes surpassed the INPC. Between 1996 and 2003, this proportion surpassed 50.0% only twice.

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<sup>157</sup> The Federal Constitution does not guarantee public workers the right to collective bargaining, although it does guarantee them the right to free union association and the right to strike.



Among activity sectors, we highlight that in 2010, 95.7% of collective bargaining which took place in commerce resulted in salary adjustments higher than inflation. In the industry and service sectors, in turn, such percentages reached 90.5% and 82.8%, respectively. In comparison with the previous year, all sectors presented progress in the number of salary negotiations which resulted in adjustments higher than inflation.

In regional terms, the Centre-West and the South stand out as regions with the greatest percentages of negotiations resulting in actual salary adjustments (93.8% and 91.6% respectively). Following closely behind is the Northeast (87.6%), the Southeast (87.0%) and the North Regions (86.4%). We highlight that 83.3% of the agreements or collective conventions with inter-regional reach obtained actual salary increases.

It is clear that the changes identified above respond to a more dynamic economic scenario, guided by higher rates of economic growth and lower unemployment rates, which most certainly increases workers' bargaining power as well as the possibility for companies to meet these demands.

## Assessment of Strikes

The right to strike is one of the main pillars of contemporary democracies and in Brazil it is guaranteed constitutionally through the 1988 Federal Constitution. According to the DIEESE, in 2009, there were 516 strikes in Brazil, resulting in 33.1 thousand suspended work hours.

An isolated analysis of the data shows that 262 strikes (or 50.8%) took place in the private sector, compared to 254 (or 49.2%) in the public sector. When analyzed by sector, strikes in the private sector displayed the following distribution: 146 in industry sector, 112 in the service sector, three in the rural segment and one which occurred conjointly with the industrial and rural segments. In the public sectors, 216 strikes affected the civil service (107 at state level, 17 at federal level and 89 at municipal level), while 37 took place in government-owned corporations. It is important to mention that three strikes involved workers from state and municipal spheres, conjointly.

Out of the total number of strikes in 2009, 68.0% were propositional in nature, 48.4% defensive, such as to perform maintenance of the conditions in force and responding to the lack of compliance with rights. Finally, 8.9% of paralyzations took the form of protests, among other aspects of minor statistical meaning.

Most strikes were initiated by salary adjustments demands (50.6%), followed by meal allowance demands/adjustments (18.4%), career and salary plan implementation/revision (18.2%), and improvement of work conditions (17.1%), among others.

## LABOR CONFLICT AND ACCESS TO THE JUDICIAL SYSTEM

### Labor Justice in Brazil: structure and main indicators

Standardized by article 111 of the Federal Constitution, Brazilian Labor Justice is separated into three degrees of jurisdiction: the Superior Labor Court, 24 Regional Labor Courts and 1,378 first instance labor courts, being that 1,371 of the latter were established until December 2008.

On December 8, 2004, National Congress promulgated Constitutional Amendment n. 45 (EC 45/04) to Art. 114 of the Federal Constitution and modified the Labor Justice's jurisdiction. It was extended to include lawsuits regarding *labor relations* and not only those regarding *employment relations* as ruled by the Consolidation of Labor Laws. Article 114 kept the prescriptive power of Labor Justice and defined new attributes, such as ruling on trade union representation law suits, strike-related acts, compensation for non-material damages or damage to property resulting from labor relations and processes relative to administrative penalties applied to employers by labor inspectors. Labor Justice (JT) also began to rule on writ of mandamus, *habeas corpus* and *habeas data* when the act in question involves an issue subject to its jurisdiction, and finally, collective complaints (CNJ, 2010).

The first instance of JT is composed of the *Varas do Trabalho* (name given by Constitutional Amendment n. 24/99 to the former Conciliation and Trial Councils). These courts rule only on individual disputes, which are controversies that appear in work relations between employer (legal or natural person) and worker (always a natural person), in the form of a labor claim.

The jurisdiction of the *vara* is local, generally encompassing one or few municipalities. Its competence is determined by the location where the worker, whether plaintiff or defendant, provides the employer with services, even if he was hired in another location or even abroad. The first instance court is comprised of a regular labor court judge and a substitute labor court judge and, in districts where there are no first instance courts, the law can assign labor jurisdiction to the ordinary court judge.

The second instance is composed of Regional Labor Courts (TRT's). These rule on ordinary appeals against decisions reached by the *Vara do Trabalho*, ordinary civil action (collective complaints from work classes under its jurisdiction – employers' or workers' unions organized at a regional level), suspension actions reached by the court or other first instance courts and writ of mandamus against its judge's rulings.

The Labor Justice system is made up of 24 Courts encompassing the following states or municipal groups: 1st Region: Rio de Janeiro; 2nd Region: encompasses part of the municipalities of the state of São Paulo<sup>158</sup>; 3rd region: Minas Gerais; 4th Region: Rio Grande do Sul; 5th Region: Bahia; 6th Region: Pernambuco; 7th Region: Ceará; 8th Region: Pará and Amapá; 9th Region: Paraná; 10th Region: Federal District and Tocantins; 11th Region: Amazonas and Roraima; 12th Region: Santa Catarina; 13th Region: Paraíba; 14th Region: Rondônia and Acre; 15th Region: has its main office in the city of Campinas and encompasses municipalities of the state of São Paulo, except those of the 2nd Region; 16th Region: Maranhão; 17th Region: Espírito Santo; 18th Region: Goiás; 19th Region: Alagoas; 20th Region: Sergipe; 21st Region: Rio Grande do Norte; 22nd Region: Piauí; 23rd Region: Mato Grosso; 24th Region: Mato Grosso do Sul.

Lastly, the higher court is made up of the Superior Labor Court (TST), whose main function is to standardize labor jurisprudence. This court rules on appeals of revision, ordinary appeals and review appeals against the TRT's rulings and collective complaints

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<sup>158</sup> The 2nd Region encompasses the following municipalities: Arujá, Barueri, Biritiba-Mirim, Caieiras, Cajamar, Carapicuíba, Cotia, Cubatão, Diadema, Embu, Embu-Guaçu, Ferraz de Vasconcelos, Francisco Morato, Franco da Rocha, Guararema, Guarujá, Guarulhos, Itapeverica da Serra, Itapevi, Itaquaquecetuba, Jandira, Jujuitiba, Mairiporã, Mauá, Mogi das Cruzes, Osasco, Pirapora do Bom Jesus, Poá, Praia Grande, Ribeirão Pires, Rio Grande da Serra, Salesópolis, Santa Isabel, Santana de Parnaíba, Santo André, Santos, São Bernardo do Campo, São Caetano do Sul, São Paulo, São Vicente, Suzano, Taboão da Serra.

organized at national level, besides writ of mandamus, embargos against its rulings and suspension actions (CNJ, 2010).

Based on information supplied by the National Justice Council (CNJ), in December 2010, the Labor Justice system counted on 50,512 employees, 3,117 of these judges and 47,395, civil servants. The number of judges decreased 2.0% between 2009 and 2010 and Labor Justice has, on average, only 1.6 judges per group of one hundred thousand inhabitants. In 2004, this index was only 1.4.

The average number of judges in relation to the population varied significantly among regional courts. In a group of 12, that is, in half the courts, the average number of judges per one hundred thousand inhabitants surpassed the amount corresponding to the national total (1.6) in 2010, with special mention to the 14th Region (Roraima/Acre) and 10th Region – with 2.5 and 2.4 judges per one hundred thousand inhabitants respectively, as is shown in Chart 2.

| <b>CHART 2</b>  |                  |   |
|---|------------------|---|
| NUMBER OF JUDGES AND AVERAGE NUMBER OF JUDGES PER ONE HUNDRED THOUSAND INHABITANTS<br>BRAZILIAN REGIONAL LABOR COURTS, 2010 |                  |   |
| <b>Regional Labor Courts</b>  | Number of Judges | Judges per One Hundred Thousand Inhabitants |
| <b>Above national average</b>   |                  |   |
| 14th Region (Roraima/Acre)  | 56               | 2.5   |
| 10th Region (Federal District/Tocantins)  | 93               | 2.4   |
| 24th Region (Mato Grosso do Sul)  | 56               | 2.3   |
| 04th Region (Rio Grande do Sul)   | 241              | 2.2   |
| 23th Region (Mato Grosso)   | 64               | 2.1   |
| 12th Region (Santa Catarina)  | 121              | 2.0   |
| 02nd Region (São Paulo)   | 408              | 1.9   |
| 15th Region (Campinas)  | 364              | 1.8   |
| 17th Region (Espírito Santo)  | 62               | 1.8   |
| 09th Region (Paraná)  | 195              | 1.8   |
| 1st Region (Rio de Janeiro)   | 272              | 1.7   |
| 13th Region (Paraíba)   | 65               | 1.7   |
| <b>National average</b>   |                  |   |
| 11ª Region (Amazonas/Roraima)   | 62               | 1.6   |
| 06ª Region (Pernambuco)   | 140              | 1.6   |
| <b>Below national average</b>   |                  |   |
| 20th Region (Sergipe)   | 31               | 1.5   |
| 19th Region (Alagoas)   | 45               | 1.4   |
| 05th Region (Bahia)   | 204              | 1.4   |
| 03rd Region (Minas Gerais)  | 284              | 1.4   |
| 18th Region (Goiás)   | 81               | 1.3   |
| 08th Region (Pará/Amapá)  | 104              | 1.3   |
| 21st Region (Rio Grande do Norte)   | 38               | 1.2   |
| 22nd Region (Piauí)   | 32               | 1.0   |
| 16th Region (Maranhão)  | 48               | 0.7   |
| 07th Region (Ceará)   | 51               | 0.6   |
| <b>Total</b>  | <b>3,117</b>     | <b>1.6</b>                                  |

Source: CNJ – Justice in Numbers 2010

In two courts – 6th Region (Pernambuco) and 11th Region (Amazonas/Roraima), the average was equal to the national average (1.6 judges per one hundred thousand inhabitants). On the other hand, a group comprised of ten courts presented below average indicators, being that the lowest of them were found in the 7th Region (Ceará) and 16th Region (Maranhão) – with only 0.6 and 0.7 judges per one hundred thousand inhabitants, respectively.

Regarding the amount of lawsuits, there were a total of 3.3 million lawsuits in 2010 concerning labor issues. This total represents, on average, about 1,350 new cases per group of one hundred thousand inhabitants.

Considering that there were 3.3 million pending cases from previous years, the total amount of ongoing lawsuits in 2010 rises to about 6.6 million in 2010. In this same year, 3.4 million lawsuits or 52.0% of the ongoing total were concluded, and 3.4 million rulings were issued.

The workload<sup>159</sup> of each second instance Labor Court judge was on average 1,877 lawsuits in 2010. Among first instance judges, the workload was that of 2,450 lawsuits on average.

The Rate of Congestion<sup>160</sup> for the second instance Labor Courts was 27.7% in 2010, meaning that out of 100 ongoing lawsuits in the year in question, about 28 were not definitively concluded. In first instance law courts, the rates were 35.8% in the *recognition phase* and 67.8% in the *execution phase*.

Regarding the judge's productivity<sup>161</sup>, each judge ruled on, at second instance level, an average of 1,356 lawsuits. In comparison to 2009, there was a 20.0% increase in productivity, for in this year the average number of ruled lawsuits was 1,134. According to CNJ (2010), this increase in productivity can be explained by the 234.0% increase in total lawsuit termination rulings per judge in the 13th level 2nd instance TRT, besides the 5.0% reduction of total judges in second instance. However, in first instance, each judge ruled, on average, on 1,060 lawsuits.

## Main characteristics of labor conflicts based on an IBGE survey supplementary to the PNAD

In 2009, IBGE conducted a complementary survey to the PNAD about Access to Justice<sup>162</sup>, in partnership with the National Council of Justice (CNJ).

One of the dimensions under investigation was the involvement of population aged 18 or over in *conflict situations which correspond to any problematic situation between persons or between persons and public or private institutions. Some branch of the law is responsible for offended or threatened common goods (freedom, equality, expression, property, etc.)* (IBGE, 2010b).

<sup>159</sup> *Workload* is an indicator used to measure the average annual quantity of lawsuits assigned to judges.

<sup>160</sup> Indicator used to measure, in a given year, the percentage of ongoing lawsuits that have not been definitively terminated.

<sup>161</sup> An average of the amount of rulings issued by a judge in a specific period.

<sup>162</sup> According to the concept adopted by the PNAD, *Access to Justice* is understood in a general sense, that is, it includes the elaboration of public policies designed to guarantee fundamental rights and prevent conflict. It is a matter of social inclusion and not only of access to services provided by the Judiciary Branch, encompassing other spheres of power, be they public, private, from the third sector or civil society.

The PNAD supplement found that a contingent of 12.6 million people aged 18 or over had been involved in conflict situation in the five years preceding the day of the interview,<sup>163</sup> which corresponds to 9.4% of this age group's total population.

Regarding the most problematic areas investigated by PNAD<sup>164</sup> involving Brazilian population in conflict situations, *labor* reached the highest percentage (23.3%), followed by *family*<sup>165</sup> (22.0%), *criminal* (12.6%), *water, electricity or telephone*<sup>166</sup> (9.7%) and *INSS or social security benefits*<sup>167</sup> (8.6%), according to Table 109.

Labor conflicts encompass difficulties related to employment, salary and work conditions. In general, when issues such as vacation time, benefits, leave of absence, allowances (housing/food/dangerous or unhealthy work conditions), strikes and termination of employment involve both workers and employers.

Compared to the study conducted during the 1980s, the proportion of people involved in labor conflict increased approximately 4.5 percentage points – from 18.7% in 1988 to 23.3% in 2009. We highlight that in 1988, the area of most conflict was *family* (33.3 % of the total), followed by labor conflicts. Between 1988 and 2009, besides *family* (33.3% to 22.0%), the other areas investigated also experienced a reduction in their participation among the population that presented conflict situations – *criminal* (from 17.2% to 12.5%) and *land and housing* (from 11.5% to 4.8%). In this context, only the labor area increased its participation.

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<sup>163</sup> Between September 27, 2004 and September 26, 2009.

<sup>164</sup> Labor, criminal, family, land/housing, water, electricity and telephone services, taxes/taxation, INSS/social security benefits, banks/financial institutions and others.

<sup>165</sup> Problems relative to conjugal separation, paternity investigations and division of assets and rights, such as inheritance, alimony and child custody.

<sup>166</sup> Failure, interruption or any other problem regarding the supply of these services, excessive billing or incidents such as ruined appliances due to power surges and having one's name included to a defaulter data bank (such as SPC and SERASA). In general, they involve low values (the formerly called "small claims") and these complaints are forwarded to Special Courts.

<sup>167</sup> Regarding social security, such as retirement, leave of absence, allowances in case of pregnancy, work accidents, benefits due to inability to work, among others.

TABLE 109

DISTRIBUTION OF PERSONS AGED 18 OR OLDER INVOLVED IN CONFLICT, IN THE REFERENCE PERIOD OF 5 YEARS, BY AREA OF THE MOST SERIOUS CONFLICT INVOLVED  
BRAZIL AND FEDERATION UNITS, 2009

| Federation Units    | Distribution of persons aged 18 or older involved in conflict, in the reference period of 5 years (%) |  |             |             |                 |  |                                  |                                 |             |
|---------------------|---|--|-------------|-------------|-----------------|--|----------------------------------|---------------------------------|-------------|
|                     | Total   | Area of the most serious conflict involved |             |             |                 |  |                                  |                                 |             |
|                     |   | Labor                                      | Criminal    | Family      | Land or housing | Water, electricity or telephone services | INSS or social security benefits | Banks or financial institutions | Other       |
| <b>Brazil</b>       | <b>100.0</b>  | <b>23.3</b>                                | <b>12.6</b> | <b>22.0</b> | <b>4.8</b>      | <b>9.7</b>                               | <b>8.6</b>                       | <b>7.4</b>                      | <b>11.6</b> |
| Rondônia            | 100.0   | 22.3                                       | 16.5        | 34.5        | 6.6             | 6.5                                      | 1.5                              | 3.2                             | 9.0         |
| Acre                | 100.0   | 15.7                                       | 29.2        | 25.3        | 4.3             | 8.9                                      | 3.8                              | 4.0                             | 8.9         |
| Amazonas            | 100.0   | 36.2                                       | 5.5         | 27.7        | 5.2             | 9.6                                      | 5.7                              | 4.8                             | 5.2         |
| Roraima             | 100.0   | 21.1                                       | 27.3        | 29.1        | 6.5             | 3.4                                      | 4.2                              | 2.1                             | 6.2         |
| Pará                | 100.0   | 23.5                                       | 15.3        | 30.7        | 7.7             | 5.0                                      | 5.1                              | 4.3                             | 8.4         |
| Amapá               | 100.0   | 24.8                                       | 11.2        | 35.2        | 5.9             | 4.0                                      | 6.0                              | 8.1                             | 4.8         |
| Tocantins           | 100.0   | 14.1                                       | 18.5        | 26.0        | 7.0             | 8.9                                      | 7.0                              | 6.8                             | 11.7        |
| Maranhão            | 100.0   | 16.5                                       | 10.0        | 34.4        | 5.8             | 8.6                                      | 6.9                              | 7.9                             | 10.0        |
| Piauí               | 100.0   | 11.7                                       | 15.0        | 27.5        | 6.2             | 5.8                                      | 15.4                             | 5.4                             | 12.9        |
| Ceará               | 100.0   | 15.8                                       | 17.1        | 31.3        | 5.9             | 4.6                                      | 10.3                             | 5.6                             | 9.4         |
| Rio Grande do Norte | 100.0   | 24.7                                       | 15.5        | 22.3        | 4.8             | 9.4                                      | 7.8                              | 6.2                             | 9.3         |
| Paraíba             | 100.0   | 26.2                                       | 12.7        | 16.9        | 2.7             | 13.4                                     | 12.2                             | 6.6                             | 9.3         |
| Pernambuco          | 100.0   | 22.6                                       | 13.9        | 23.9        | 4.5             | 12.7                                     | 7.0                              | 4.4                             | 11.0        |
| Alagoas             | 100.0   | 26.7                                       | 10.5        | 18.6        | 5.7             | 3.6                                      | 13.8                             | 10.9                            | 10.1        |
| Sergipe             | 100.0   | 18.8                                       | 14.5        | 29.8        | 6.4             | 11.0                                     | 3.8                              | 5.2                             | 10.7        |
| Bahia               | 100.0   | 22.3                                       | 14.4        | 22.2        | 4.9             | 10.6                                     | 10.1                             | 6.7                             | 8.8         |
| Minas Gerais        | 100.0   | 21.1                                       | 14.8        | 25.7        | 5.1             | 6.9                                      | 7.8                              | 6.3                             | 12.3        |
| Espírito Santo      | 100.0   | 19.7                                       | 12.6        | 26.5        | 3.0             | 10.0                                     | 6.6                              | 7.3                             | 14.3        |
| Rio de Janeiro      | 100.0   | 23.8                                       | 9.1         | 16.5        | 4.2             | 15.9                                     | 5.8                              | 10.9                            | 13.8        |
| São Paulo           | 100.0   | 27.4                                       | 9.5         | 19.2        | 3.7             | 11.0                                     | 10.1                             | 8.2                             | 10.9        |
| Paraná              | 100.0   | 25.5                                       | 13.2        | 20.3        | 5.4             | 6.6                                      | 9.2                              | 7.3                             | 12.5        |
| Santa Catarina      | 100.0   | 19.6                                       | 12.0        | 16.6        | 6.5             | 9.4                                      | 11.1                             | 10.2                            | 14.5        |
| Rio Grande do Sul   | 100.0   | 23.7                                       | 12.0        | 18.6        | 4.9             | 9.8                                      | 9.4                              | 7.5                             | 14.2        |
| Mato Grosso do Sul  | 100.0   | 21.9                                       | 15.9        | 25.5        | 5.4             | 8.7                                      | 7.5                              | 4.4                             | 10.7        |
| Mato Grosso         | 100.0   | 23.3                                       | 18.0        | 27.3        | 4.4             | 7.4                                      | 5.5                              | 3.6                             | 10.4        |
| Goiás               | 100.0   | 21.3                                       | 14.1        | 24.8        | 4.6             | 6.9                                      | 8.6                              | 8.7                             | 10.9        |
| Federal District    | 100.0   | 24.8                                       | 16.4        | 17.8        | 4.0             | 11.0                                     | 3.5                              | 6.6                             | 16.0        |

Source: IBGE - PNAD 2009, Access to Justice Supplement

Labor-related conflicts were the most numerous in 11 out of the 27 Federation Units, according to a study conducted in 2009. Considering the set of people who found themselves in conflict situations, the highest percentages associated to the labor area were found in Amazonas (36.2%), São Paulo (27.4%), Alagoas (26.7%) and Paraíba (26.2%), according to the information provided in Table 109.

On the other hand, labor conflicts were less representative in Piauí (11.7%), Tocantins (14.1%), Acre (15.7%) and Ceará (15.8%).

When analyzing the profile of the national contingent of 2.95 million people aged 18 and over who were involved in labor conflict situations between 2004 and 2009, we note that, of this total, 62.2% were men and 37.8%, women. This predominance of men in labor related conflicts, in contrast with the equilibrium found in other investigated conflicts

areas (51.1% men and 48.9% women), is very much influenced by the higher participation of men in the labor market.

Considering the findings by color or race, we found a relative equilibrium, to the extent that 51.8% of the total population involved in a labor conflict situation was white and 47.4%, black. Regarding age groups, about one third of the people (33.1%) were aged 18-34, while the predominant group was aged 40 or older (53.8% of the total).

In terms of education level distribution, we observe that 30.6% of people who experienced a conflict situation in five years preceding the interview date had completed high school, followed by incomplete elementary school (26.9%) and complete higher education (16.0%).

When analyzing the existence of conflict according to monthly household income levels *per capita*, we note that people who live in higher income households have greater representation. Indeed, 28.0% of the population involved in labor conflicts resided in households with a *per capita* income of two or more minimum wages and 26.9% with one or less minimum wages. On the other hand, only 5.4% of people involved in conflict situations resided in households with no income or less than 1/4 of the minimum wage.

When analyzing the activity condition in the labor market, 81.3% of people who had experienced labor conflict were economically active in 2009, while 18.7% were inactive. Considering the total of economically active people, approximately 10.0% were inactive.

Regarding the total number of people aged 18 or older who had experienced labor conflict situations, around 96.0% sought out solutions. It is important to state that this proportion of solution seeking for labor conflicts was greater than the corresponding sum of investigated conflict areas (92.7%).

Among the population that sought out solutions for their labor conflicts, 88.2% went to *court*<sup>168</sup> and 8.8% to *special courts* (formerly named small claims court). Approximately 4.0% sought out their *union or association*<sup>169</sup>. It is noteworthy that such proportions for conflict resolution in the labor area were expressively greater than those found in all the other areas of conflict investigated by the PNAD supplement – 62.4% and 2.6%, respectively.

Regarding labor conflict resolutions, less than half of people (43.1%) had their cases resolved, while 56.9% were still awaiting resolution. In this context, labor conflicts presented one of the lowest percentages of resolution among the investigated conflicts. The areas of *water, electricity and telephone services* presented the highest percentage of resolution (59.3%), followed by *family* conflicts (57.0%), *criminal* (46.0%), *banks and financial institutions*<sup>170</sup> (45.3%) and *land and housing* (43.9%).

Under the category of main entity responsible for labor conflict resolution, the *judicial system* accounted for 57.9% of solved cases, followed by *private lawyer or public defense attorneys* (17.7%) and *special courts* (8.7%). Unions or associations responded for 4.6% of resolved labor related cases.

<sup>168</sup> In this case, formal litigation was pursued.

<sup>169</sup> Unions are institutions used to organize workers to fight for their rights. Associations are collective forms of organization in order to reach common goals – they can be relative to neighbourhoods, countries, and residents, among others. (IBGE, 2010b).

<sup>170</sup> Conflicts related to abusive or miscalculate charges, to delays in the rendering of services, and the privacy of data and information.

Among resolved labor conflicts, the predominant time lapse – between the start and resolution of the conflict – was 1 year (64.9% of cases). Around one third of the cases (33.5%) were resolved in 1 to 5 years. In comparison to the majority of other conflicts, we note that the labor area presented one of the lowest proportions of resolutions in up to one year. Indeed, among conflicts related to water, electricity and telephone services (84.9%), criminal (75.4%), banks or financial institutions (71.3%), family (71.2%) and land and housing (67.3%), the percentages of time of resolution of up to one year were greater than those found in the labor area (64.9%).

When considering people who did not seek out resolutions to their labor conflict in the judicial system<sup>171</sup> (12.0% of total), the main reason indicated for not doing so was due to the fact that the problem occurred during a mediation or conciliation (27.5%). The second main reason was the opinion that the judicial system would take too long to resolve the conflict (15.8%).

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<sup>171</sup> Any body of the Judicial Branch.



# 12

## ENTERPRISES AND DECENT WORK

### INTRODUCTION

Enterprises are a key component to the challenges of development, which includes job creation and the promotion of Decent Work.

In addition to presenting a set of indicators and enterprise analyses that can aid in defining policies and actions concerned with the promotion of Decent Work, this chapter's goal is to contribute towards developing and improving the methodology that measures Decent Work. This is an initial methodological effort that must be improved upon in future editions of this report, by means of new contributions from tripartite consultation workshops within the scope of Decent Work measurement.

The analysis of the important role of enterprises in the labor market will be conducted based on official data from the National Statistical System, following the example set by IBGE's Central Register of Enterprises (CEMPRE) and the MTE's Annual Social Information Report.

### SUSTAINABLE ENTERPRISES AND DECENT WORK

Enterprises, regardless of their size, are the main source of economic growth and job creation. They underpin economic activity and development in the vast majority of countries.

As stressed by Buckley et al. (2010):

Growth is fuelled, first and foremost, by the creativity and hard work of entrepreneurs and workers. Driven by the quest for profit, enterprises innovate, invest, and generate employment and wage income. Their contribution to the creation of jobs varies from country to country; in general, however, private companies generate most jobs and create opportunities for people in terms of knowledge acquisition, skill and talent usage, as well as improvement of well-being (...). Enterprises are the largest – and often the main – tax revenue source. Therefore, they generally constitute the foundation of the reserves for public health, education and other services (Buckley *et al* 2010: p.33).

The concept of sustainable enterprises, discussed at the 97th Session of the International Labor Conference (2007), strongly relates to the concept of Decent Work and is directly related to the notion of sustainable development which rests on three pillars: economic growth, social progress and environmental aspects.

The concept of sustainable enterprises differs from traditional perspectives, as shown in Chart 3:

## CHART 3

TRADITIONAL PERSPECTIVES OF ENTERPRISES AND  
THE FOCUS OF SUSTAINABLE ENTERPRISES

| Traditional Perspectives   | Sustainable Enterprises                                      |
|--|--|
| Strictly defined   | Holistically defined   |
| Consider enterprises in terms of input-output linear relationships | Work in spheres of influence at micro, macro and meta levels |
| Focused on maximizing short-term economic value                    | Integrated and long-term vision                              |

Source: ILO, 2007. (The promotion of sustainable enterprises – ILC, 96th Session, 2007).

The *Resolution Concerning the Promotion of Sustainable Enterprises*, adopted at the 96th Session of the International Labor Conference (2007), lists 17 points that cover the basic conditions needed to create an environment conducive to the promotion and development of sustainable enterprises: a) Peace and political stability; b) Good governance; c) Social dialogue; d) Respect for universal human rights and international labor standards; e) Entrepreneurial culture; f) Sound and stable macroeconomic policy and good management of the economy; g) Trade and sustainable economic integration; h) Enabling legal and regulatory environment; i) Rule of law and secure property rights; j) Fair competition; k) Access to financial services; l) Physical infrastructure; m) Information and communication technologies; n) Education, training and lifelong learning; o) Social justice and social inclusion; p) Adequate social protection; q) Responsible environmental stewardship.

The Resolution also emphasizes that social dialogue has a strategic role in the process of promoting sustainable enterprises:

Social dialogue is a fundamental pillar in the context of this debate. Workers, employers and their organizations have a vital role to play in supporting governments in the development and implementation of policies that promote sustainable companies. They can play an effective role by supporting the development of policies that encourage the development of sustainable enterprises, by broadening worker and employer representation, by highlighting the benefits of association, by the enterprise rendering services to their members, and by the promotion of decent work in policy and standard implementation. (CONFERENCE...2011: p. 140).

In Brazil, the National Plan for Employment and Decent Work (PNETD), launched by the Federal Government in May 2010, highlights the important connection between sustainable enterprises and Decent Work. The Plan emphasizes the fact that this concept has been discussed in the 96th Session of the International Labor Conference (2007) and subsequently incorporated into the ILO Declaration on Social Justice for a Fair Globalization and into the Global Jobs Pact, adopted by consensus by the International Labor Conference, at its 2008 and 2009 sessions, respectively.

The theme of sustainable enterprises is also found in the National Plan for Employment and Decent Work in its *Priority 1 – Creating more and better jobs, with equal opportunities and equal treatment*, which establishes, in item a) of *Expected Results: To target public and private investments and fiscal and financial incentives at strategic sectors in terms of job creation and sustainable development promotion by means of: (i) sustainable enterprises; (ii) projects for the improvement or maintenance of environmental quality; (iii) micro and small businesses; (iv) cooperatives and solidary economy enterprises; (v) family farming (MTE, 2011b).*

The issue of sustainable enterprises was also incorporated into the agenda of discussions of the First National Conference on Employment and Decent Work (I CNETD). The

relationship between sustainable enterprises and Decent Work was explained as follows in the Chapter *Employers' Outlook* in the Base-Text<sup>172</sup> *Municipal/Regional/State Conferences* examined at the First CNETD:

Sustainable businesses are a major source of growth, wealth creation and decent work. The promotion of sustainable companies is therefore an important tool for the achievement of decent work, sustainable development and innovation that ultimately improves living standards and social conditions.[...]

Promoting sustainable companies implies strengthening the rule of law, institutions and governance systems that make businesses thrive and encourage them to pursue their activities in a sustainable way. For this, it is crucial to have a favorable environment that stimulates investment, entrepreneurship, and workers' rights, as well as sustainable companies' creation, growth and maintenance, reconciling companies' needs and interests with society's ambition to follow a growth model that respects the values and principles of decent work, human dignity and environmental sustainability (MTE 2011d: p.63 – Employers' Outlook Chapter).

## Businesses and Other Organizations Operating in the Country

Companies play a crucial role in the economy, be it due to their capacity to invest and extend the level of economic activity, be it for the continuous absorption of significant contingents of laborers, boosting and extending added value in the various production and/or service rendering stages.

According to IBGE's CEMPRE<sup>173</sup>, business entities in Brazil account for 88.1% of the universe of 4.84 million businesses and other formal organizations duly registered in the National Record of Legal Entities (CNPJ) incepted by December 31, 2009 and that are still active today. They were responsible for employing 70.2% of all salaried workforce – 28.2 million employment positions – and paid 61.1% of the entire volume of salaries and other forms of remuneration (equivalent to about 478 billion ), as shown in Table 110.

| Legal Nature          | Companies and Other Organizations |              | Employed Persons  |              |                   |              | Salaries and Other Remuneration (In R\$ 1,000) |              |
|-----------------------|-----------------------------------|--------------|-------------------|--------------|-------------------|--------------|--|--------------|
|                       | Absolute                          | Relative     | Total             |              | Salaried          |              | Absolute                                       | Relative     |
|                       |                                   |              | Absolute          | Relative     | Absolute          | Relative     |  |              |
| <b>Total</b>          | <b>4.846.639</b>                  | <b>100.0</b> | <b>46.682.448</b> | <b>100.0</b> | <b>40.212.057</b> | <b>100.0</b> | <b>781.881.723</b>                             | <b>100.0</b> |
| Public administration | 19,596                            | 0.4          | 9.138.195         | 19.6         | 9.138.152         | 22.7         | 251.835.985                                    | 32.2         |
| Businesses entities   | 4.268.930                         | 88.1         | 34.354.174        | 73.6         | 28.238.708        | 70.2         | 477.924.212                                    | 61.1         |
| Non-profit entities   | 498,220                           | 10.3         | 3.106.172         | 6.7          | 2.811.076         | 7.0          | 51.876.895                                     | 6.6          |
| Others                | 59,893                            | 1.2          | 83.907            | 0.2          | 24.121            | 0.1          | 244.631  | 0.0          |

Source: IBGE - Central Register of Enterprises, 2009

<sup>172</sup> This basic draft became the reference for the entire debate process at the First CNETD. The paper consists of four parts: "in the first part we present the PNETD document in its entirety, as well as the expected results rearranged according to the Conference's four axes. In the second part, we present the Federal Government's stance; in the third, the Employers' stance; and in the fourth, the Workers' stance" (MTE: 2011d, p. 10).

<sup>173</sup> CEMPRE covers the universe of organizations listed in the Ministry of Finance's National Record of Legal Entities – CNPJ that answered IBGE's economic surveys and/or were in the administrative records of the Ministry of Labor and Employment (in this case, RAIS) in the reference year. It encompasses business entities, public administration bodies and private non-profit institutions.

When observed from the point of view of labor absorption, the group represented by enterprises and other organizations reveals important details about their representativeness in relation to occupation. In this sense, it is possible to observe that in 2009, businesses and other organizations with up to 19 persons employed represented 95.3% of the total number of recorded enterprises and accounted for 30.2% of the total workforce and 20.0% of the total number of paid labor.

Although apparent that large enterprises drive a larger degree of workforce occupation, especially in the major industry and services sectors, the quantitative progress of micro, small and medium-sized enterprises becomes increasingly important considering that this number is gradually connected to the increase in formalizing a large portion of the workforce, which contributes to the expansion of the contingent of people supported by labor legislation, as will be discussed later in a specific section.

Regarding remuneration of wage-earning workers, one can see the increase in earnings – measured in the number of minimum salaries as the production units feature a larger contingent of persons employed. The higher number of persons employed indicates that we are dealing with large companies<sup>174</sup>. This is why the number of minimum wages paid increases whenever the size or scale of organizations increase. Such a phenomenon, among other factors, may be related to the enterprise's technological level and highest investment allocation: in general, this results in a greater number of better paid hierarchical positions. On the other hand, in companies with a high degree of complexity and several stages in their production process, the level of education and specialization required to carry out tasks is greater, contributing also to the employment of higher skilled workforce and, consequently, to better remuneration. The results can be seen in Table 111.

TABLE 111

COMPANIES AND OTHER ORGANIZATIONS, TOTAL EMPLOYED AND SALARIED PERSONS AND AVERAGE MONTHLY SALARY ACCORDING TO GROUPS OF TOTAL EMPLOYED PERSONS BRAZIL, 2008 AND 2009

| Groups of Total Employed Persons | Companies and Other Organizations |                  | Employed Persons  |                   |                   |                   | Average Monthly Salary (In Minimum Wages) |      |
|----------------------------------|-----------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|---|------|
|                                  |                                   |                  | Total             |                   | Salaried          |                   |   |      |
|                                  | 2008                              | 2009             | 2008              | 2009              | 2008              | 2009              | 2008                                      | 2009 |
| <b>Total</b>                     | <b>4 607 261</b>                  | <b>4 846 639</b> | <b>44 574 884</b> | <b>46 682 448</b> | <b>38 407 783</b> | <b>40 212 057</b> | 3.4                                       | 3.3  |
| 0 a 4                            | 3 506 807                         | 3 689 916        | 5 713 997         | 5 998 675         | 1 645 716         | 1 727 367         | 1.9                                       | 1.7  |
| 5 a 9                            | 589 308                           | 619 547          | 3 810 828         | 4 006 357         | 2 785 903         | 2 932 797         | 1.8                                       | 1.7  |
| 10 a 19                          | 294 604                           | 310 429          | 3 883 717         | 4 091 135         | 3 198 826         | 3 369 932         | 2.0                                       | 1.9  |
| 20 a 29                          | 80 752                            | 84 971           | 1 916 704         | 2 014 214         | 1 764 805         | 1 854 268         | 2.1                                       | 2.0  |
| 30 a 49                          | 58 333                            | 60 718           | 2 196 904         | 2 285 364         | 2 092 352         | 2 177 775         | 2.3                                       | 2.2  |
| 50 a 99                          | 38 270                            | 40 219           | 2 628 528         | 2 757 658         | 2 558 651         | 2 685 235         | 2.6                                       | 2.6  |
| 100 a 249                        | 21 887                            | 22 619           | 3 370 948         | 3 476 809         | 3 333 021         | 3 438 007         | 3.0                                       | 2.9  |
| 250 a 499                        | 8 614                             | 8 964            | 3 002 631         | 3 115 402         | 2 989 476         | 3 101 762         | 3.3                                       | 3.2  |
| 500 e mais                       | 8 686                             | 9 256            | 18 050 627        | 18 936 834        | 18 039 033        | 18 924 914        | 4.6                                       | 4.5  |

Source: IBGE - Research Directory, Central Register of Enterprises, 2008-2009.

Note: Average monthly minimum wage = R\$ 409,62 and R\$ 461,15, respectively, in 2008-2009.

<sup>174</sup> When measuring the size of an enterprise, employed personnel is only one possible indicator. Other indicators, such as the company's revenue, investment volume and amount of equipment can also be used when defining criterion. These indicators are used according to the enterprise's economic activity segment.

The analysis of a single segment represented by the enterprises, when focused on a longer period<sup>175</sup>, provides an overview, in every period of time, of companies' advancement in terms of labor absorption. The reading of the results provided by CEMPRE, structured according to the National Classification of Economic Activities, points at differentiated growth rates per sector. In the period comprised between 2008 and 2009, the greatest advances in expanding occupancy levels were concentrated in two segments with different representative levels in quantitative terms of employed staff. They were: *Professional, scientific and technical activities* (18.2%) and *Construction* (12.5%), according to Table 112.

| CNAE 2.0 SEGMENTS                                  | Absolute Value (In 1,000) |        |        |        | Relative Variation (%) |           |           |
|--|---------------------------|--------|--------|--------|------------------------|-----------|-----------|
|  | 2006                      | 2007   | 2008   | 2009   | 2006/2007              | 2007/2008 | 2008/2009 |
| Total  | 23,237                    | 25,351 | 26,999 | 28,239 | 9.1                    | 6.5       | 4.6       |
| Trade, automobile and motorcycle repair            | 6,076                     | 6,585  | 7,043  | 7,417  | 8.4                    | 7.0       | 5.3       |
| Construction                                       | 1,399                     | 1,658  | 1,982  | 2,228  | 18.5                   | 19.5      | 12.5      |
| Complementary administrative services              | 2,408                     | 2,661  | 2,784  | 2,977  | 10.5                   | 4.6       | 7.0       |
| Transportation, storage and postal services        | 1,636                     | 1,737  | 1,843  | 1,944  | 6.2                    | 6.1       | 5.5       |
| Scientific and technical professional activities   | 393                       | 445    | 518    | 612    | 13.1                   | 16.3      | 18.2      |
| Food and housing                                   | 1,131                     | 1,235  | 1,339  | 1,417  | 9.2                    | 8.4       | 5.8       |
| Fin. activities from related segments and services | 654                       | 699    | 737    | 783    | 6.8                    | 5.5       | 6.2       |
| Education  | 524                       | 564    | 608    | 651    | 7.7                    | 7.8       | 7.0       |
| Processing industry                                | 6,642                     | 7,236  | 7,438  | 7,480  | 8.9                    | 2.8       | 0.6       |
| Other activities                                   | 2,374                     | 2,532  | 2,707  | 2,728  | 6.7                    | 6.9       | 0.8       |

Source: IBGE - Research Directory, Central Register of Enterprises, 2008-2009.

Since the segment *Professional, scientific and technical activities* is the less representative one in terms of number of personnel, it was necessary to conduct a weighting process to make it possible to effectively assess the relative contribution of all segments of economic activity listed by CNAE.

With this objective, Table 113 was elaborated. With this table reconfiguration, where the economic activity segments are now weighed according to their relative importance in the set of jobs created, between 2006 and 2009, the *automotive vehicle and motorcycle retail and repair* segment contributed the most towards achieving a global growth rate of 21.5% in the number of salaried employed persons, with a share of 26.8% in the composition of the figure. It was followed by *Processing industry* (16.8%), *Construction* (16.6%) and *Administrative activities and complementary services* (11.4%).

As for the absorption of salaried labor, the *Processing industry* (with 26.5%) and the *Automotive vehicle and motorcycle retail and repair* sector (26.3%) together accounted for more than half (52.8%) of the existing salaried employment contingent in 2009.

<sup>175</sup> The analyzed period is only retroactive to the year 2006, due to the change in classification of economic activities.

TABLE 113

SALARIED EMPLOYED PERSONS IN COMPANIES, RELATIVE PARTICIPATION,  
GROWTH RATE AND CONTRIBUTION TO RATE COMPOSITION  
BRAZIL, 2008 AND 2009

| CNAE 2.0 Segments                                  | Salaried Employed Persons |              |                        |              |                              |   |   |
|--|---------------------------|--------------|------------------------|--------------|------------------------------|---|---|
|  | 2006                      |              | 2009                   |              | Growth Rate (%)<br>2006/2009 | Absolute Contribution on Rate Composition | Relative Contribution to Rate Composition (%) |
|  | Absolute Value (1.000)    | Part. %      | Absolute Value (1.000) | Part. %      |                              |   |   |
| <b>Total</b>                                       | <b>23,237</b>             | <b>100.0</b> | <b>28,239</b>          | <b>100.0</b> | <b>21,5</b>                  | <b>21,5</b>                               | <b>100,0</b>                                  |
| Trade, automobile and motorcycle repair            | 6,076                     | 26.1         | 7,417                  | 26.3         | 22,1                         | 5,8                                       | 26,8  |
| Construction                                       | 1,399                     | 6.0          | 2,228                  | 7.9          | 59,3                         | 3,6                                       | 16,6  |
| Complementary administrative services              | 2,408                     | 10.4         | 2,977                  | 10.5         | 23,6                         | 2,4                                       | 11,4  |
| Transportation, storage and postal services        | 1,636                     | 7.0          | 1,944                  | 6.9          | 18,9                         | 1,3                                       | 6,2   |
| Scientific and technical professional activities   | 393                       | 1.7          | 612                    | 2.2          | 55,5                         | 0,9                                       | 4,4   |
| Food and housing                                   | 1,131                     | 4.9          | 1,417                  | 5.0          | 25,3                         | 1,2                                       | 5,7   |
| Fin. activities from related segments and services | 654                       | 2.8          | 783                    | 2.8          | 19,6                         | 0,6                                       | 2,6   |
| Education  | 524                       | 2.3          | 651                    | 2.3          | 24,2                         | 0,5                                       | 2,5   |
| Processing industry                                | 6,642                     | 28.6         | 7,480                  | 26.5         | 12,6                         | 3,6                                       | 16,8  |
| Other activities                                   | 2,374                     | 10.2         | 2,728                  | 9.7          | 14,9                         | 1,5                                       | 7,1   |

Source: IBGE - Research Directory, Central Register of Enterprises, 2008-2009.  
Elaborated by: ILO Brazil Office

The available data for the set of companies and other organizations enable us to analyze their respective distributions in various Federation Units. Therefore, the state of São Paulo's prevalence and magnitude is evident: it concentrates 31.6% of all the country's businesses and other organizations, in addition to accounting for 31.5% of jobs. São Paulo is followed by the states of Minas Gerais (11.0% of businesses and other organizations and 10.2% of occupations) and Rio Grande do Sul (9.0% of total enterprises and other organizations and 6.4% of the country's employed workforce). It is noteworthy that the state of Rio de Janeiro does not surpass Rio Grande do Sul in number of enterprises and other organizations (7.3%); however, the state's participation in terms of employed workers (9.4%) is 3.0 percentage points higher than that of Rio Grande do Sul.

In terms of growth throughout the series, the economy of these states grew significantly in the period between 2006 and 2009, both in terms of number of companies and other organizations and in the number of people employed by them. The state of São Paulo, with its economic strength, increased the number of companies and other organizations in its territory by 15.5%. This result surpasses the national average growth (12.6%). Regarding occupation, it absorbed 18.0% more manpower – a better result than the national average growth, which increased 17.8% in the same period.

A simple and single reading of the growth rates of all Federation Units, found in Table 114, enables us to observe the growth rates achieved by each one of them during that period. These observations lead us to observe that average growth rates in the incorporation of companies and other organizations above the national average (12.6%) were registered by 13 of the 27 Federation Units. In this scenario, the five largest expansion percentages were found in the Federal District (25.0%), Pará (20.9%), Goiás (19.9%), Amazonas (18.7%), and Mato Grosso (17.6%).

In terms of increases in employed staff, hierarchical positions between the states vary considerably. In this case, variations above the national average growth (17.8% between 2006 and 2009) were observed in 18 Federation Units, among which the five highest percentages were reached by Roraima (104.8%), Amapá (39.7%), Maranhão (31.0%), Rondônia (28.6%), and Ceará (25.5%). It is important to stress that these five states are located in the North and Northeast Regions where, in addition to the growth fostered by private investments, substantial resources were granted via the Growth Acceleration Program (PAC). The percentage of growth achieved by the state of Roraima, the highest among the five, can be corroborated by recent results released by IBGE in relation to Regional Accounts, according to which the construction segment has significantly evolved, considering only the comparison between 2009 and 2008.

Construction also influenced the growth of activity, whose volume was in the order of 7.5% in 2009. One can see a 33.0% expansion in the official registering of the workforce involved in the construction of buildings. That accounts for around 84.0% of the contingent who are officially registered workers in this activity, according to the Ministry of Labor and Employment's Annual Social Information Report – RAIS. (IBGE 2011c: p. 31).

TABLE 114

COMPANIES AND OTHER ORGANIZATIONS, TOTAL EMPLOYED PERSONS ON DECEMBER 31,  
RELATIVE PARTICIPATION AND GROWTH BY FEDERATION UNIT  
BRAZIL AND FEDERATION UNITS, 2008 AND 2009

| Geographical Area   | Number of Companies and Other Organizations |                  |              |                          | Total Employed Persons |                   |              |                          |
|---------------------|---|------------------|--------------|--------------------------|------------------------|-------------------|--------------|--------------------------|
|                     | 2006  | 2009             | Part. % 2009 | Variation % 2006 to 2009 | 2006                   | 2009              | Part. % 2009 | Variation % 2006 to 2009 |
| <b>Brazil</b>       | <b>4,305,578</b>                            | <b>4,846,639</b> | <b>100.0</b> | <b>12.6</b>              | <b>39,622,751</b>      | <b>46,682,448</b> | <b>100.0</b> | <b>17.8</b>              |
| Rondônia            | 24,035                                      | 28,115           | 0.6          | 17.0                     | 226,590                | 291,332           | 0.6          | 28.6                     |
| Acre                | 7,352                                       | 8,093            | 0.2          | 10.1                     | 91,299                 | 104,604           | 0.2          | 14.6                     |
| Amazonas            | 24,852                                      | 29,492           | 0.6          | 18.7                     | 464,885                | 583,578           | 1.3          | 25.5                     |
| Roraima             | 5,304                                       | 5,911            | 0.1          | 11.4                     | 38,007                 | 77,848            | 0.2          | 104.8                    |
| Pará                | 53,051                                      | 64,120           | 1.3          | 20.9                     | 707,161                | 857,060           | 1.8          | 21.2                     |
| Amapá               | 5,781                                       | 6,755            | 0.1          | 16.8                     | 73,846                 | 103,188           | 0.2          | 39.7                     |
| Tocantins           | 19,094                                      | 22,194           | 0.5          | 16.2                     | 198,589                | 246,656           | 0.5          | 24.2                     |
| Maranhão            | 52,206                                      | 61,282           | 1.3          | 17.4                     | 441,629                | 578,371           | 1.2          | 31.0                     |
| Piauí               | 37,830                                      | 40,817           | 0.8          | 7.9                      | 320,916                | 388,843           | 0.8          | 21.2                     |
| Ceará               | 126,792                                     | 140,650          | 2.9          | 10.9                     | 1,107,464              | 1,386,101         | 3.0          | 25.2                     |
| Rio Grande do Norte | 43,424                                      | 49,601           | 1.0          | 14.2                     | 461,636                | 543,290           | 1.2          | 17.7                     |
| Paraná              | 47,378                                      | 53,297           | 1.1          | 12.5                     | 453,447                | 553,404           | 1.2          | 22.0                     |
| Pernambuco          | 106,824                                     | 118,916          | 2.5          | 11.3                     | 1,219,511              | 1,464,493         | 3.1          | 20.1                     |
| Alagoas             | 29,712                                      | 34,327           | 0.7          | 15.5                     | 477,738                | 495,063           | 1.1          | 3.6                      |
| Sergipe             | 22,906                                      | 26,515           | 0.5          | 15.8                     | 298,713                | 350,512           | 0.8          | 17.3                     |
| Bahia               | 209,312                                     | 229,676          | 4.7          | 9.7                      | 1,721,923              | 2,070,647         | 4.4          | 20.3                     |
| Minas Gerais        | 483,909                                     | 534,534          | 11.0         | 10.5                     | 3,971,419              | 4,766,419         | 10.2         | 20.0                     |
| Espírito Santo      | 82,847                                      | 92,782           | 1.9          | 12.0                     | 745,844                | 862,085           | 1.8          | 15.6                     |
| Rio de Janeiro      | 329,443                                     | 355,801          | 7.3          | 8.0                      | 3,752,093              | 4,390,067         | 9.4          | 17.0                     |
| São Paulo           | 1,325,217                                   | 1,530,486        | 31.6         | 15.5                     | 12,463,650             | 14,709,263        | 31.5         | 18.0                     |
| Paraná              | 331,502                                     | 372,005          | 7.7          | 12.2                     | 2,488,260              | 2,933,194         | 6.3          | 17.9                     |
| Santa Catarina      | 229,056                                     | 253,245          | 5.2          | 10.6                     | 1,828,296              | 2,138,417         | 4.6          | 17.0                     |
| Rio Grande do Sul   | 410,813                                     | 434,484          | 9.0          | 5.8                      | 2,837,663              | 2,979,970         | 6.4          | 5.0                      |
| Mato Grosso do Sul  | 48,297                                      | 53,477           | 1.1          | 10.7                     | 388,949                | 460,716           | 1.0          | 18.5                     |
| Mato Grosso         | 62,123                                      | 73,080           | 1.5          | 17.6                     | 487,112                | 581,411           | 1.2          | 19.4                     |
| Goiás               | 120,366                                     | 144,315          | 3.0          | 19.9                     | 1,004,188              | 1,250,702         | 2.7          | 24.5                     |
| Federal District    | 66,152                                      | 82,669           | 1.7          | 25.0                     | 1,351,923              | 1,515,214         | 3.2          | 12.1                     |

Source: IBGE - Central Register of Enterprises

## ENTRY, EXIT, AND SURVIVAL OF ENTERPRISES IN THE MARKET

Economic dynamics produces a stream of enterprises going in and out of business closely related to aspects connected to economic performance and competitiveness, as well as to the changes and relocations of activities in different niches. Due to these changes, there is a systematic and continuous search for new adjustments and operational advances.

The recent IBGE study – based on CEMPRE’s information – entitled *Demography of Enterprises*, gives us information which provides an overview of the entry, exit, re-entry and survival of companies in the market, as well as statistics on high-growth companies and “gazelles<sup>176</sup>.”

As previously mentioned, CEMPRE is structured based on information from the RAIS, as well as annual surveys conducted in the Industry, Construction, Trade and Service areas. With this particular cutout of records, it is imperative to highlight that the study refers exclusively to the formal segment of Brazilian companies, i.e. those entered in the Internal Revenue Service’s CNPJ, including corporate entities, public administration bodies and private non-profit institutions.

Based on the information released by the IBGE relative to 2008, it is possible to observe that the total number of active enterprises<sup>177</sup> reached 4.1 million. They were responsible for the employment of 32.8 million people, creating an average 8 people/company employment ratio. Of total employment, about 27 million corresponded to wage-earning labor. The other 5.7 million were paid employment in the positions of shareholders or owners.

The companies considered *surviving enterprises* were the ones that were *active*, existing in 2007, and that remained active in 2008, regardless of the year they came into existence or entered the market. In this category, the study accounted for 3.2 million companies, with 30.9 million employed staff, of which 26.2 million were salaried.

Regarding entries, 558,600 companies were considered *new* (births), while those that returned to business (*reentry*) totaled 330,900.

The *exits* totaled 719,900 companies, with 1.3 million employed workers, of whom 414.9 million were salaried.

As for the resulting balance in the movement of companies’ entry and exit, considering the year 2007 as a starting point, we highlight that the balance was positive when compared with 2008, recording the incorporation of about 170,000 companies. This represented an addition to economic activities; consequently, an increase in offer of goods and services.

Even with the advance of the automation process and/or increase in technological levels, it is possible to observe that the employed staff average in new companies was of 2.55 people/company, therefore higher than the absorption degree of the companies that went out of business, which employed 1.90 person/company on average. Companies that undertook a re-entry into the market did so absorbing an even smaller number of workers (1.69 person/company).

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<sup>176</sup> The concept of gazelles refers to companies that experienced significant as well as very quick growth.

<sup>177</sup> Encompasses business entities, public administration bodies and private non-profit institutions.



The average percentage of salaried employees in enterprises that went into business was of 41.3%. However, this percentage was clearly higher than among those classified as *new* (births) (48.3%) in comparison with those described as *re-entry* (23.5%). On the other hand, when looking at the companies that went out of business, salaried workers accounted for 30.4% of employed staff. The consolidated results can be seen in Table 115.

TABLE 115

NUMBER OF COMPANIES, TOTAL AND SALARIED EMPLOYED PERSONS AND SALARIES AND OTHER REMUNERATIONS AND RESPECTIVE DISTRIBUTION ACCORDING TO TYPE OF DEMOGRAPHIC EVENT  
BRAZIL, 2008

| Type of Demographic Event | Number of Companies |       | Employed Persons |       |            |       | Salaries and Other Remunerations (In R\$ 1,000) |       |
|---------------------------|---------------------|-------|------------------|-------|------------|-------|---|-------|
|                           |                     |       | Total            |       | Salaried   |       |   |       |
|                           | Total               | Part% | Total            | Part% | Total      | Part% | Total   | Part% |
| Active                    | 4,077,662           | 100.0 | 32,833,873       | 100.0 | 26,978,086 | 100.0 | 434,407,204                                     | 100.0 |
| Surviving                 | 3,188,176           | 78.2  | 30,853,490       | 94.0  | 26,160,232 | 97.0  | 429,513,818                                     | 98.9  |
| Entries                   | 889,486             | 21.8  | 1,980,383        | 6.0   | 817,854    | 3.0   | 4,893,386                                       | 1.1   |
| Births                    | 558,608             | 13.7  | 1,421,741        | 4.3   | 686,445    | 2.5   | 3,798,996                                       | 0.9   |
| Reentries                 | 330,878             | 8.1   | 558,642          | 1.7   | 131,409    | 0.5   | 1,094,390                                       | 0.3   |
| Exits                     | 719,915             | 17.7  | 1,365,064        | 4.2   | 414,908    | 1.5   | 6,257,739                                       | 1.4   |

Source: IBGE, Demography of Enterprises - 2008.

When analyzing business size, using the rate of persons employed as a reference to structure the classification, it is important to stress that the entries and exits were more intense among small businesses, especially where there is no hiring of workers. In its analytical report, based on broader information, IBGE makes the following observations:

One can observe that there is a direct relationship between company size and survival rate. While among companies with no salaried employees only 67.6% are *survivors*, in enterprises with 1 to 9 people that rate rises to 89.2%, and for companies with 10 or more salaried workers this rate was 96.0%. On the other hand, when it comes to *entries* (*births and re-entries*) and *exits*, the ratio is reversed because the highest rates were observed among enterprises without salaried employees: 19.0%, 13.4% and 29.1%, respectively. Companies with 1 to 9 people presented a lower level in the occurrence of these events: 8.4%, 2.3% and 4.9%, respectively (IBGE, 2010c: p. 23).

When analyzing the data according to region, the concept of company gives way to that of *Local Unit*. The local unit is understood as the place where companies carry out their activities. Thus, the number of local units is generally greater than the amount of companies, given that a company can function in more than one place.

From the regional point of view, the hegemony of the Southeast Region is seen in all the so-called *demographic events* surveyed by IBGE, aimed at learning about the movement of enterprises in the market. The Southeast Region accounts for 51.7% of the whole country's *active* local units, for 52.4% of *survivors*, 49.4% of *births*, 49.3% of *re-entries*, and 48.8% of all *exits*. The regions that present lower percentages are, in descending order: South, Northeast, Centre-West and North. Table 116 allows for the reading of all Brazilian region percentages, by type of demographic event.

**TABLE 116**  
NUMBER OF TOTAL LOCAL UNITS AND PERCENTAGE DISTRIBUTION ACCORDING TO TYPE OF DEMOGRAPHIC EVENT  
BRAZIL AND REGIONS, 2008

| Type of Demographic Event | Number of Local Units       |         |           |           |         |             |
|---------------------------|-----------------------------|---------|-----------|-----------|---------|-------------|
|                           | Brazil                      | North   | Northeast | Southeast | South   | Center-West |
| Active                    | 4,394,182                   | 147,440 | 660,416   | 2,272,884 | 984,565 | 328,877     |
| Surviving                 | 3,433,597                   | 104,788 | 498,649   | 1,798,577 | 785,252 | 246,331     |
| Entries                   | 960,585                     | 42,652  | 161,767   | 474,307   | 199,313 | 82,546      |
| Births                    | 612,954                     | 26,735  | 100,195   | 303,016   | 127,137 | 55,871      |
| Reentries                 | 347,631                     | 15,917  | 61,572    | 171,291   | 72,176  | 26,675      |
| Exits                     | 770,769                     | 32,375  | 132,743   | 376,183   | 168,850 | 60,618      |
|                           | Percentual Distribution (%) |         |           |           |         |             |
| Active                    | 100.0                       | 3.4     | 15.0      | 51.7      | 22.4    | 7.5         |
| Surviving                 | 100.0                       | 3.1     | 14.5      | 52.4      | 22.9    | 7.2         |
| Entries                   |                             |         |           |           |         |             |
| Births                    | 100.0                       | 4.4     | 16.3      | 49.4      | 20.7    | 9.1         |
| Reentries                 | 100.0                       | 4.6     | 17.7      | 49.3      | 20.8    | 7.7         |
| Exits                     | 100.0                       | 4.2     | 17.2      | 48.8      | 21.9    | 7.9         |

Source: IBGE, Demography of Enterprises - 2008.

Considering each state's total active local units, the highest survival rates were recorded in the following UF's: Santa Catarina (82.2%), Rio de Janeiro (80.5%), Minas Gerais (79.6%), Rio Grande do Sul (79.4%), and Paraíba (79.3%). On the other hand, the lower survival levels were recorded in Pará (72.1%), Amazonas (68.1%), Acre (66.9%), Roraima (66.2%), and Amapá (66.0%).

Regarding *entries* (local units that went into business in the reference year), we can highlight: Amapá (34.0%), Roraima (33.8%), Acre (33.1%), Amazonas (31.9%), and Pará (27.9%). The smallest percentages were found in the following states: Paraíba (20.7%), Rio Grande do Sul (20.6%), Minas Gerais (20.4%), Rio de Janeiro (19.5%), and Santa Catarina (17.8%).

The states where it is possible to find the largest percentages of local units that went out of business, in comparison with their respective active units totals, were: Amazonas (24.9%), Amapá (24.5%), Acre (23.3%), Maranhão (22.7%), and Rondônia (22.5%).

The Federation Units with lower local unit *exits* in relation to active units were: Minas Gerais (17.1%), Rio de Janeiro (16.6%), São Paulo (16.3%), Federal District (15.8%), and Santa Catarina (13.4%).

The data presented according to Federation Units allows for a more specialized outlook of the movements of local units throughout Brazil and are detailed in Table 117.

TABLE 117

NUMBER OF LOCAL UNITS BY TYPE OF DEMOGRAPHIC EVENT  
BRAZIL AND FEDERATION UNITS, 2008

| Geographical Area   | Number of Local Units |                           |             |                |             |                |             |
|---------------------|-----------------------|---------------------------|-------------|----------------|-------------|----------------|-------------|
|                     | Active                | Type of Demographic Event |             |                |             |                |             |
|                     |                       | Surviving                 |             | Entries        |             | Exits          |             |
|                     |                       | Total                     | Part%       | Total          | Part%       | Total          | Part%       |
| <b>Brazil</b>       | <b>4.394.182</b>      | <b>3.433.597</b>          | <b>78.1</b> | <b>960.585</b> | <b>21.9</b> | <b>770.769</b> | <b>17.5</b> |
| Rondônia            | 25,163                | 18,602                    | 73.9        | 6,561          | 26.1        | 5,657          | 22.5        |
| Acre                | 7,237                 | 4,840                     | 66.9        | 2,397          | 33.1        | 1,683          | 23.3        |
| Amazonas            | 27,175                | 18,503                    | 68.1        | 8,672          | 31.9        | 6,760          | 24.9        |
| Roraima             | 6,070                 | 4,016                     | 66.2        | 2,054          | 33.8        | 1,224          | 20.2        |
| Pará                | 55,525                | 40,053                    | 72.1        | 15,472         | 27.9        | 11,340         | 20.4        |
| Amapá               | 6,283                 | 4,144                     | 66.0        | 2,139          | 34.0        | 1,537          | 24.5        |
| Tocantins           | 19,987                | 14,630                    | 73.2        | 5,357          | 26.8        | 4,174          | 20.9        |
| Maranhão            | 49,324                | 36,166                    | 73.3        | 13,158         | 26.7        | 11,182         | 22.7        |
| Piauí               | 33,060                | 25,162                    | 76.1        | 7,898          | 23.9        | 6,218          | 18.8        |
| Ceará               | 121,148               | 91,536                    | 75.6        | 29,612         | 24.4        | 24,978         | 20.6        |
| Rio Grande do Norte | 45,036                | 33,660                    | 74.7        | 11,376         | 25.3        | 8,353          | 18.5        |
| Paraíba             | 44,859                | 35,591                    | 79.3        | 9,268          | 20.7        | 7,873          | 17.6        |
| Pernambuco          | 105,212               | 79,232                    | 75.3        | 25,980         | 24.7        | 22,546         | 21.4        |
| Alagoas             | 30,414                | 22,740                    | 74.8        | 7,674          | 25.2        | 5,836          | 19.2        |
| Sergipe             | 23,389                | 18,275                    | 78.1        | 5,114          | 21.9        | 4,140          | 17.7        |
| Bahia               | 207,974               | 156,287                   | 75.1        | 51,687         | 24.9        | 41,617         | 20.0        |
| Minas Gerais        | 477,797               | 380,337                   | 79.6        | 97,460         | 20.4        | 81,864         | 17.1        |
| Espírito Santo      | 85,246                | 66,602                    | 78.1        | 18,644         | 21.9        | 14,621         | 17.2        |
| Rio de Janeiro      | 318,698               | 256,633                   | 80.5        | 62,065         | 19.5        | 52,836         | 16.6        |
| São Paulo           | 1.391.143             | 1.095.005                 | 78.7        | 296,138        | 21.3        | 226,862        | 16.3        |
| Paraná              | 338,118               | 265,139                   | 78.4        | 72,979         | 21.6        | 60,237         | 17.8        |
| Santa Catarina      | 237,476               | 195,275                   | 82.2        | 42,201         | 17.8        | 31,901         | 13.4        |
| Rio Grande do Sul   | 408,971               | 324,838                   | 79.4        | 84,133         | 20.6        | 76,712         | 18.8        |
| Mato Grosso do Sul  | 51,662                | 39,686                    | 76.8        | 11,976         | 23.2        | 9,121          | 17.7        |
| Mato Grosso         | 70,048                | 51,076                    | 72.9        | 18,972         | 27.1        | 14,164         | 20.2        |
| Goiás               | 132,897               | 99,605                    | 74.9        | 33,292         | 25.1        | 25,595         | 19.3        |
| Federal District    | 74,270                | 55,964                    | 75.4        | 18,306         | 24.6        | 11,738         | 15.8        |

Source: IBGE, Demography of Enterprises - 2008

## ENTREPRENEURSHIP

IBGE's study of entrepreneurship, based on CEMPRE, enabled an incursion into some aspects of companies that can characterize them as entrepreneurs, although we recognize the statistical difficulty of materializing aspects that are frequently very theoretical/conceptual and hard to quantify. The institute addresses several readings on the topic and comments on the limitation and simplification of the concepts applied while it seeks to find elements which define traits that can become a rough classification of what entrepreneurial activity could be:

From a theoretical point of view, there is a direct connection between entrepreneurial activity and economic growth. However, it is difficult to measure this statistical inference. Recently, with the available tools, it is not possible to measure precisely the trajectory between a nation's entrepreneurial strength and the nation's expectation of economic and social profits. Especially regarding the way current statistics are organized, one cannot measure how much of the initial theoretical hypothesis can be applied to

each country's different reality. It becomes harder to implement systemic, short and long-term actions so that fostering companies' entrepreneurial initiatives can translate into larger gains for society.

It is worth highlighting that the study of entrepreneurship can be conducted, on one hand, from the entrepreneur's viewpoint, focusing the analysis upon the actions that individuals undertake in order to be entrepreneurs. On the other hand, there is the bias of the company itself, as a formal entity working in the market, reflecting the expectations and intentions of the individuals who create and run it. Recently, many publications have adopted the "high-growth enterprise" (HGE) concept as a central theme of their studies. A company is considered a high-growth enterprise, according to OECD criteria, when its average growth of salaried employees comprises 20.0% per year or more for a period of three years, and has at least 10 salaried employed persons in the first year of observation. High-growth enterprises with up to five years of age in the initial year are called gazelles. It should be noted that gazelles are a subset of high-growth enterprises (IBGE, 2011d: p. 10).

Based on the available information and in view of the limitations faced, IBGE adopted the concept of *high-growth enterprises* as central, while also exploring the concept of *gazelles*.

Because of the *high-growth enterprise* concept, we restricted our reading to those with at least 10 employed persons in the initial year of observation. Companies were analyzed with reference to the period 2005-2008. In the analysis, the main focus was directed towards high-growth enterprises and the so-called gazelles. According to IBGE, high-growth firms were responsible for creating 2.9 million of the 5 million formal salaried jobs between 2005 and 2008, creating 57.4% of new jobs, and still reached 172.4% average growth during the same period.

With respect to *corporate mobility* of high-growth enterprises according to their size, it can be stated that, in the 2005-2008 period, 62.1% of small businesses have remained their size in 2008, 36.5% became medium-sized enterprises and only 1.3% became large. With regard to medium-sized enterprises, 62.1% remained as medium-sized, while 37.9% increased their size, according to Table 118.

| Enterprises Size in 2008 | Corporate Mobility of High-Growth Enterprises |        |       |
|--------------------------|---|--------|-------|
|                          | Enterprises Size in 2005                      |        |       |
|                          | Small   | Medium | Large |
| Small                    | 62.1  | 0.0    | 0.0   |
| Medium                   | 36.5  | 62.1   | 0.0   |
| Large                    | 1.3   | 37.9   | 100.0 |

Source: IBGE, Central Register of Enterprises 2005-2008.  
Elaborated by: IBGE, Statistics of Entrepreneurship - 2008. Ed. 2011

In order to learn about specific high-growth enterprise's needs, IBGE estimated intra-sectorial and inter-sectorial rates. To calculate intra-sectorial rates, we considered the number of high-growth enterprises in the total amount of companies in the sector. For the calculation of inter-sectorial rates, we considered the total number of high-growth enterprises. Considering the high-growth enterprise intra-sectorial rates, the highlights are *Construction*, with 2.9% of high-growth enterprises in the total amount of companies in the sector, and *Industry*, with 2.1%, above the average of 0.8%, according to Table 119. The Brazilian industry data also stand out when compared with international businesses. In this sector, Brazil has a high rate of high-growth enterprises. Of the 21 countries included

in the publication *Measuring entrepreneurship: a collection of indicators*, published by OECD in 2009, Brazil obtained the fourth largest intra-sectorial index, coming behind Bulgaria, Slovakia, and Latvia (IBGE, 2011d).

TABLE 119

NUMBER OF COMPANIES, TOTAL AND HIGH-GROWTH, AND INTRA-SECTORIAL RATE ACCORDING TO ECONOMIC ACTIVITY SECTOR AND RESPECTIVE CNAE 2.0 SEGMENTS BRAZIL, 2008

| Economic activity sector and respective CNAE 2.0 segments | Number of Companies |               | Intra-sectorial Rate (%) |
|---|---------------------|---------------|--------------------------|
|   | Total               | High-Growth   |                          |
| Industry (B+C+D+E)  | 426.077             | 8,844         | 2.1                      |
| Services (H+I+J+K+L+M+N+O)                                | 1.185.455           | 7,787         | 0.7                      |
| Construction (F)  | 131.308             | 3,770         | 2.9                      |
| Trade (G)   | 2.089.648           | 8,161         | 0.4                      |
| Others (A+P+Q+R+T)  | 245.174             | 2,392         | 0.0                      |
| <b>Total</b>  | <b>4.077.662</b>    | <b>30,954</b> | <b>0.8</b>               |

Source: IBGE, Central Register of Enterprises 2005-2008.

Elaborated: IBGE, Statistics of Entrepreneurship - 2008. Ed. 2011

An analysis of the inter-sectorial rate of high-growth enterprises per CNAE 2.0 segment shows *Processing industries* and *Automotive vehicle and motorcycle retail and repair* with 27.4% and 26.4%, respectively, of the total number of high-growth enterprises, far above the *Construction* sector, which shows 12.2%, holding third place in the ranking of enterprises of this sort.

In 2008, among high-growth enterprises, the so-called *gazelles* represented approximately 40.0%. This percentage comprised in absolute terms about 12,400 companies, whose expressive and rapid growth in the 2005-2008 period justified this description.

It is also worth noting that 28.0% of the working staff at high-growth enterprises was allocated at gazelle companies; furthermore, the salaries and other remunerations paid by such enterprises reached 22.4% of the total amount paid by all the high-growth enterprises.

An analysis of employed persons shows us that the title “gazelles” is most widely represented by companies that operate with a contingent that lies between 10 and 249 employed persons. In the range from 10 to 49 employed persons, gazelles account for 42.7% of the total number of high-growth enterprises. As for medium-sized companies, (i.e. with 50 to 249 employed persons), this percentage reaches 39.2%. The larger sized *gazelles* (i.e. those with more than 250 employed persons) account for 27.4% of high-growth enterprises. The figures of salaried employed staff, according to number of employed persons, as well as the representative values of salaries and other remuneration, have relatively similar proportions among companies with different amounts of employed people, as displayed in Table 120.

TABLE 120

HIGH-GROWTH COMPANIES, SALARIED EMPLOYED PERSONS AND OTHER REMUNERATIONS,  
TOTAL AND RELATIVE PARTICIPATION OF GAZELLE COMPANIES, BY TIER OF SALARIED EMPLOYED PERSONS  
BRAZIL, 2008

| Tier of Salaried Employed Persons | High-Growth Companies |                   |             | Salaried Employed Persons |                   |             | Salaries and Other Remunerations (In R\$ 1,000) |                   |             |
|-----------------------------------|-----------------------|-------------------|-------------|---------------------------|-------------------|-------------|---|-------------------|-------------|
|                                   | Active                | Gazelle Companies |             | Total                     | Gazelle Companies |             | Total   | Gazelle Companies |             |
|                                   |                       | Total             | Part%       |                           | Total             | Part%       |   | Total             | Part%       |
| <b>Total</b>                      | <b>30,954</b>         | <b>12,359</b>     | <b>39.9</b> | <b>4,505.237</b>          | <b>1,260.658</b>  | <b>28.0</b> | <b>69.488.876</b>                               | <b>15.539.906</b> | <b>22.4</b> |
| 10 to 49                          | 15,978                | 6,827             | 42.7        | 502.549                   | 215,648           | 42.9        | 5.485.425                                       | 2.222.559         | 40.5        |
| 50 to 249                         | 12,084                | 4,740             | 39.2        | 1.226.732                 | 466,078           | 38.0        | 16.656.591                                      | 5.681.688         | 34.1        |
| 250 or over                       | 2,892                 | 792               | 27.4        | 2.775.956                 | 578,932           | 20.9        | 47.346.860                                      | 7.635.660         | 16.1        |

Source: IBGE, Demography of Enterprises - 2008

Considering local units and using Federation Units as a cutout, one can verify the large representativeness of *high-growth enterprise* local units (73.0%), as well as of *gazelles* (70.8%), in the South and Southeast Regions as a group. In order of importance are: São Paulo (33.8% *high-growth enterprises* and 31.3% *gazelles*), Minas Gerais (9.7% *high-growth enterprises* and 9.8% *gazelles*), Rio de Janeiro (7.9% *high-growth enterprises* and 8.9% *gazelles*), Paraná (6.9% *high-growth enterprises* and 7.0% *gazelles*), and Rio Grande do Sul (7.2% *high-growth enterprises* and 6.1% *gazelles*).

The five lowest state participations in the national context represent 1.5% of total *high-growth* local units and 1.7% *gazelles*. The smaller participation states all belonged to the North and Northeast Regions: Piauí (with *high-growth enterprises* accounting for 0.6% and *gazelles* also 0.6%), Tocantins (0.4% *high-growth enterprises* and the same percentage of *gazelles*); Acre (0.2% *high-growth enterprises* and 0.3% *gazelles*), Amapá (0.2% in both categories) and Roraima (0.1% *high-growth enterprises* and 0.2% *gazelles*).

Considering the proportion of local units of gazelle companies in light of the number of high-growth companies according to Federation Units, we obtain a different ranking which highlights significant entrepreneurial advances in business units in regions of different economic magnitudes.

In this sense, there are 21 Federation Units surpassing the proportion displayed by the national average (23.2%). Among those, the top five highlights are the following states: Acre (35.9%), Pará (28.4%), Ceará (28.3%), Amapá (27.4%), Mato Grosso and Alagoas (26.9%). There are six Federation Units with proportions lower than the national average. The five lowest ones are: Rio Grande do Norte (22.2%), Federal District (22.1%), Mato Grosso do Sul (21.6%), São Paulo (21.5%), and Rio Grande do Sul (19.5%). This phenomenon indicates, notwithstanding other analyses and/or interpretations, that organizations performed ongoing modernization and improvement in planning and management mechanisms. Thus, when these occurred in states with incipient economies, they produced greater representativeness.

Table 121 shows the relative contributions according to high-growth enterprise local units, as well as gazelles, per Federation Unit.

TABLE 121

HIGH-GROWTH AND GAZELLE COMPANIES LOCAL UNITS TOTAL AND PERCENTAGE DISTRIBUTION,  
AND PROPORTION OF GAZELLE COMPANIES TO THE NUMBER OF HIGH-GROWTH COMPANIES LOCAL UNITS  
BRAZIL AND FEDERATION UNITS, 2008

| Geographical Area   | Local Units           |                  |                   |                  | Proportion of Gazelle Companies to the Number of High-Growth Companies Local Units |
|---------------------|-----------------------|------------------|-------------------|------------------|--|
|                     | High-Growth Companies |                  | Gazelle Companies |                  |  |
|                     | Total                 | Distribution (%) | Total             | Distribution (%) |  |
| <b>Brazil</b>       | <b>67,561</b>         | <b>100.0</b>     | <b>67,561</b>     | <b>100.0</b>     | <b>23.2</b>  |
| São Paulo           | 22,863                | 33.8             | 22,863            | 33.8             | 21.5   |
| Minas Gerais        | 6,531                 | 9.7              | 6,531             | 9.7              | 23.7   |
| Rio de Janeiro      | 5,369                 | 7.9              | 5,369             | 7.9              | 26.1   |
| Rio Grande do Sul   | 4,888                 | 7.2              | 4,888             | 7.2              | 19.5   |
| Paraná              | 4,661                 | 6.9              | 4,661             | 6.9              | 23.6   |
| Santa Catarina      | 3,682                 | 5.4              | 3,682             | 5.4              | 24.0   |
| Bahia               | 2,805                 | 4.2              | 2,805             | 4.2              | 24.5   |
| Pernambuco          | 1,932                 | 2.9              | 1,932             | 2.9              | 25.6   |
| Goiás               | 1,752                 | 2.6              | 1,752             | 2.6              | 23.3   |
| Ceará               | 1,678                 | 2.5              | 1,678             | 2.5              | 28.3   |
| Espírito Santo      | 1,426                 | 2.1              | 1,426             | 2.1              | 23.3   |
| Mato Grosso         | 1,262                 | 1.9              | 1,262             | 1.9              | 26.9   |
| Federal District    | 1,251                 | 1.9              | 1,251             | 1.9              | 22.1   |
| Pará                | 1,160                 | 1.7              | 1,160             | 1.7              | 28.4   |
| Rio Grande do Norte | 922                   | 1.4              | 922               | 1.4              | 22.2   |
| Amazonas            | 807                   | 1.2              | 807               | 1.2              | 26.0   |
| Mato Grosso do Sul  | 754                   | 1.1              | 754               | 1.1              | 21.6   |
| Maranhão            | 722                   | 1.1              | 722               | 1.1              | 25.2   |
| Paráíba             | 618                   | 0.9              | 618               | 0.9              | 26.7   |
| Rondônia            | 529                   | 0.8              | 529               | 0.8              | 23.8   |
| Alagoas             | 469                   | 0.7              | 469               | 0.7              | 26.9   |
| Sergipe             | 434                   | 0.6              | 434               | 0.6              | 26.3   |
| Piauí               | 432                   | 0.6              | 432               | 0.6              | 22.9   |
| Tocantins           | 261                   | 0.4              | 261               | 0.4              | 23.4   |
| Acre                | 145                   | 0.2              | 145               | 0.2              | 35.9   |
| Amapá               | 113                   | 0.2              | 113               | 0.2              | 27.4   |
| Roraima             | 95                    | 0.1              | 95                | 0.1              | 25.3   |

Source: IBGE, Demography of Enterprises - 2008.

## COMPANIES AND TECHNOLOGICAL INNOVATION

The analysis of technological innovation in companies is based on the most recent Technological Innovation Study (PINTEC) carried out by IBGE in reference to the year 2008, which focused on the period from 2006 to 2008.

The PINTEC's goal is to create sectorial, national and regional indicators of technological innovation activities in Brazilian industrial companies and selected services (publishing, telecommunication and computing) and in research and development sectors, aligned with the international recommendations in conceptual and methodological terms<sup>178</sup>.

<sup>178</sup> The conceptual and methodological reference for PINTEC is based on the third edition of the Oslo Manual and, more specifically, on the 2008 Community Innovation Survey - CIS, set forth by the Statistical Office of the European Communities – Eurostat, of which 15 members of the European Community (IBGE, 2010d).

The PINTEC 2008 encompasses all companies with ten or more employed persons, registered in the Ministry of Finance CNPJ, and that presented the following main activities in their IBGE record, according to CNAE 2.0:

- Industry (includes *extraction* and *processing*)
- Selected services (*publishing* and *music recording and editing, telecommunication* and *computing*)
- Research and Development (R&D<sup>179</sup>)

The innovation rate<sup>180</sup> of the entire scope of *industry, selected services* and the R&D sector grew from 33.4% between 2003-2005 to 38.1% between 2006-2008, according to PINTEC 2008.

Between 2006 and 2008, a contingent of 38,299 out of a set of 100,496 industrial companies carried out innovation, making the innovation rate for the industrial sector reach 38.1% – the highest percentage since the start of this study (1998-2000) – as seen in Table 122.

During the same period, the innovation rate for *selected services* was 46.2% and in the R&D sector, 97.5%.

| Reference Period | Number of Companies |            | Innovation Rate (%) |
|------------------|---------------------|------------|---------------------|
|                  | Total               | Innovative |                     |
| 1998-2000        | 72,005              | 22,698     | 31.5                |
| 2001-2003        | 84,262              | 28,036     | 33.3                |
| 2003-2005        | 91,055              | 30,377     | 33.4                |
| 2006-2008*       | 100,496             | 38,299     | 38.1                |

Source: IBGE - PINTEC 2008

\* Since its 2008 edition, regarding the 2006-2008 period, industry range does not comprise recycling and editing activities, due to the introduction of the new CNAE 2.0 in PINTEC.

Innovation rates varied substantially according to company size. Industrial companies with more employed staff presented superior innovation rates: in those with 500 or more workers, 71.9% presented product or process innovation (compared to a 38.1% average), being that 26.9% launched new or perfected products into the national market and 18.1% implemented an innovation process for its sector in Brazil. In large scale selected services companies, 67.2% presented innovations (compared to a 46.2% average), 24.3% launched their innovations into the Brazilian market and 22.5% presented process innovations. In R&D companies, innovation rates were high regardless of their scale, considering that their main activity is to promote innovation.

<sup>179</sup> In Brazil, the R&D sector is comprised of public administration institutions and, above all, of non-profit and business entities. Its primordial function is carrying out basic, applied or experimental development research. A great portion of these institutions provides services specialized in intensive knowledge. These services are mainly directed to the energy, agriculture, pharmaceuticals and information and communication technology sectors. They render services to the government and to the private sector through contracts with confidentiality clauses.

<sup>180</sup> It corresponds to the percentage of investigated companies that implemented a new or substantially perfected product and/or process.



The eight activities with the highest innovation rates were that of *high and medium-high* technological intensity, according to the classification created by the Organization for Economic Cooperation and Development (OECD), adapted by *Eurostat* for the CNAE 2.0: *automobiles, pick-up trucks, utility, trucks and buses* (83.2%), *pharmaceuticals and pharmaceuticals* (63.7%), *other electronic and optical products* (63.5%), *chemical products* (58.1%), *machines and equipment* (51.0%) and *electronic components* (49.0%). Only one sector of medium-high intensity was found to be below the industry average: *other transportation equipment* (36.1%). The remaining sectors of medium-high intensity were of lesser technological content. In the lead for lowest rates were the *extraction industries* (23.7%) and *timber products* (23.6%) (IBGE, 2010).

Regarding investment in innovation activities, PINTEC information shows that in 2008, *industry* invested 2.5% of its total revenue in this modality, which corresponds to R\$ 43.7 billion. In spatial terms, Table 123 displays that the state of São Paulo concentrated half (50.2%) of this industrial spending on innovation activities. It is worth noting that São Paulo also housed almost one third (32.3%) of the total amount of innovative industries.

| Federation Units  | Number of Innovative Companies | % of Participation in National Total | Incurred Expenditure (In R\$ 1,000) | % of Participation in National Total |
|-------------------|--------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| Amazonas          | 449                            | 1.2                                  | 1.242.321                           | 2.8                                  |
| Pará              | 433                            | 1.1                                  | 491.160                             | 1.1                                  |
| Ceará             | 840                            | 2.2                                  | 353.968                             | 0.8                                  |
| Pernambuco        | 729                            | 1.9                                  | 407.997                             | 0.9                                  |
| Bahia             | 1,083                          | 2.8                                  | 1.027.608                           | 2.4                                  |
| Minas Gerais      | 5,208                          | 13.6                                 | 5.757.802                           | 13.2                                 |
| Espírito Santo    | 953                            | 2.5                                  | 250.812                             | 0.6                                  |
| Rio de Janeiro    | 1,713                          | 4.5                                  | 4.078.202                           | 9.3                                  |
| São Paulo         | 12,379                         | 32.3                                 | 21.933.355                          | 50.2                                 |
| Paraná            | 3,641                          | 9.5                                  | 2.125.589                           | 4.9                                  |
| Santa Catarina    | 3,209                          | 8.4                                  | 1.502.841                           | 3.4                                  |
| Rio Grande do Sul | 4,029                          | 10.5                                 | 2.716.010                           | 6.2                                  |
| Goiás             | 1,261                          | 3.3                                  | 934.078                             | 2.1                                  |
| Others            | 2,373                          | 6.2                                  | 905.718                             | 2.1                                  |
| <b>Total</b>      | <b>38,300</b>                  | <b>100.0</b>                         | <b>43.727.461</b>                   | <b>100.0</b>                         |

Source: IBGE - PINTEC 2008  
Elaborated by: ILO Brazil Office

Minas Gerais presents the second highest percentage of industrial expenditure with innovation activities, housing 13.2% of the total universe of innovative companies in the industry sector.

The industrial sector invested 0.62% of its revenue in R&D, a percentage value slightly higher than in 2005 (0.57%), even without considering *recycling* and *publishing* activities. However, the total expenditure of the industry, selected services and R&D sectors remained stable at 0.8%.

As highlighted by IBGE (2010d), between 2006 and 2008, approximately 4.8 thousand innovative companies invested in internal R&D activities, distributed as follows: 70.3% in industry, 19.1% in R&D and 10.5% in selected services. When analyzing education levels, we note that little over 60.0% of persons who worked with R&D activities held higher education degrees; of this total, 47.8% held undergraduate degrees and 14.0%, graduate degrees. In selected services activities, 71.0% of employed persons in R&D held undergraduate degrees, while in industry, this percentage reached 51.7%. On the other hand, industry stands out with its percentage of workers with graduate degrees (9.1% against 8.1% in selected services), although the sector with the most graduate-level workers was R&D (29.3%)

The study also indicates an increase from 18.8% to 22.3% in the percentage of innovative companies that made use of at least one instrument of government support, when compared to the periods of 2003-2005 and 2006-2008. In the years 2006-2008, about 9.2 thousand companies made use of some sort of federal public incentive in order to innovate. Among innovative industry companies, 22.8% (8.7 thousand companies) obtained at least one government benefit in order to develop its product and/or process innovation. This proportion grew according to company scale: it was 22.2% for those who employ 10 to 99 persons, 23.7% for those who employ 100 to 499 persons and reaches 36.8% in companies with 500 or more employed persons. In selected services companies, 15.3% of innovative ones used some form of government support, a percentage lower than that observed in industry (22.8%) almost all of the R&D companies received some form of government support between 2006 and 2008 (37 out of 39 of them) (IBGE, 2010d).

Regarding the impact of innovation, 84.5% of innovative companies considered in this study indicated at least one impact resulting from innovation as being of relevance (high or medium) between 2006 and 2008. In *industry*, this proportion was 88.4%, while in related services and R&D sectors, it was 86.8% and 100.0%, respectively. Chart 4 presents the main relevant impacts indicated according to sector:

| CHART 4   |          |                  |      |
|---|----------|------------------|------|
| MAIN IMPACTS OF INNOVATION AS INDICATED BY COMPANIES (IN %)   |          |                  |      |
| INDUSTRY, RELATED SERVICES AND R&D ACTIVITIES                 |          |                  |      |
| BRAZIL, 2008  |          |                  |      |
| Main Impact of Innovation                                     | Industry | Related Services | R&D  |
| Allowed company to stay in market                             | 76.0     | 80.6             | 71.8 |
| Improved the quality of goods and services                    | 75.2     | 79.0             | 92.3 |
| Expanded the company's participation in market                | 68.3     | 70.5             | 61.5 |
| Increased production and service-rendering capacity           | 68.0     | 68.8             | 69.2 |
| Increased production and service-rendering flexibility        | 66.9     | 66.1             | 61.5 |
| Expanded the range of offered goods and services              | 61.3     | 68.5             | 89.7 |
| Allowed for the opening of new markets                        | 58.8     | 58.8             | 59.0 |
| Helped monitor health and safety related aspects              | 49.9     | 18.6             | 38.5 |
| Reduced production or service-rendering costs                 | 48.7     | 36.9             | 51.3 |
| Adapting to internal or external market norms and regulations | 42.1     | 34.0             | 56.4 |
| Reduced environmental impact                                  | 33.1     | 15.5             | 41.0 |
| Reduced work costs  | 47.5     | -                | -    |

Source: IBGE - PINTEC 2008

Increased competitiveness brought on by innovation is an important stimulus for companies to implement new or substantially improved-upon products and/or processes. In PINTEC 2005, 84.5% of innovative companies considered in the study indicated at least one impact resulting from innovation as being of relevance (high or medium). Regarding innovative companies in the period of 2006-2008, this percentage increased to 88.3%. This indicates that a greater number of companies that carried out product and/or process innovation were significantly impacted by it.

The percentage of companies with problems or obstacles to innovation increased from 35.2% between 2003 and 2005 to 49.8% between 2006 and 2008. Among the main problems and obstacles (of high or medium importance) to innovation as indicated by companies, a set of four main obstacles are common to all three sectors investigated by the PINTEC 2008. They varied only in position and dimension, as displayed in Chart 5.

In *industry*, first place goes to *high innovation costs* (73.2%), followed by *excessive economic risk* (65.9%), *lack of qualified personnel* (57.8%) and *scarcity of funding sources* (51.6%).

In *selected services*, the most frequent problem was *lack of qualified personnel*, (70.4%), followed by *high innovation costs* (72.1%), *excessive economic risk* (62.6%) and *scarcity of funding sources* (48.7%).

| CHART 5   |          |                  |      |
|---|----------|------------------|------|
| PROBLEMS AND OBSTACLES INDICATED BY COMPANIES WHO IMPLEMENTED INNOVATIONS (IN %)<br>INDUSTRY, RELATED SERVICES AND R&D ACTIVITIES<br>BRAZIL, 2008 |          |                  |      |
| Problems and Obstacles  | Industry | Services Related | R&D  |
| High innovation costs   | 73.2     | 72.1             | 73.3 |
| Excessive economic risk   | 65.9     | 62.6             | 63.3 |
| Lack of qualified personnel   | 57.8     | 70.4             | 46.7 |
| Scarcity of funding sources   | 51.6     | 48.7             | 70.0 |
| Organizational inflexibility  | 31.1     | 34.4             | 40.0 |
| Scarcity of technical services  | 37.3     | 42.2             | 26.7 |
| Lack of information about technology  | 37.2     | 30.8             | 30.0 |
| Lack of information about the market  | 32.6     | 31.0             | 40.0 |
| Difficulty adapting to standards  | 32.1     | 35.5             | 36.7 |
| Scarce possibilities for cooperation  | 31.6     | 31.9             | 33.3 |
| Weak consumer response  | 30.2     | 26.4             | 23.3 |

Source: IBGE - PINTEC 2008

In the R&D sector, the main problems and obstacles were: *high innovation costs* (73.3%), *scarcity of funding sources* (70.0%), *excessive economic risks* (63.3%) and *lack of qualified personnel* (46.7%).

## THE IMPORTANCE OF COMPANIES IN THE WORK MARKET: AN ANALYSIS ACCORDING TO SIZE

### Methodological Aspects

The analysis of the importance of companies in job creation according to size is based on data recently made available by the *Annual Report on Work in Micro and Small Enterprises 2010-2011*, written by DIEESE in partnership with the Brazilian Service of Support to Micro and Small Businesses (SEBRAE). Information regarding company size was obtained based on RAIS and MTE data. According to the Note on Methodology found in the abovementioned report, the criteria adopted for classifying establishments by size was defined by SEBRAE in this text: “Notes on Methodology for Defining Basic MSE Numbers.” In this technical note, the scale of the establishment was defined by considering the number of employed persons, and depends on the economic activity being investigated<sup>181</sup>, as seen in the following chart:

| CHART 6<br>ESTABLISHMENT CLASSIFICATION ACCORDING TO SIZE |                               |                              |
|---|-------------------------------|------------------------------|
| Size  | Economic Activity Sector      |                              |
|   | Industry*                     | Trade and Services**         |
| Micro Enterprise  | Up to 19 employed persons     | Up to 09 employed persons    |
| Small Enterprise  | de 20 a 99 employed persons   | de 10 a 49 employed persons  |
| Medium Enterprise   | de 100 a 499 employed persons | de 50 a 99 employed persons  |
| Large Enterprise  | 500 or more employed persons  | 100 or more employed persons |

Source: SEBRAE

Elaborated by: DIEESE

\* The same size delimitations were used for the Construction sector

\*\* Services sector does not include Public Administration and Domestic Services

### The Recent Evolution of Formal Employment Generated by Companies

Based on the methodology mentioned above, Brazil had about 6.18 million formal non-agriculture private establishments in 2010. Micro and Small Enterprises (MSEs) held an important role in the Brazilian economy, including in terms of job creation. In 2010, they represented 99.0% of formal establishments and accounted for 51.6% of formal non-agriculture private jobs in the country and approximately 40.0% of wages.

The number of MSEs in Brazil evolved from 4.20 million in 2000 to 6.12 million establishments in 2010, resulting in an absolute increment of approximately 1.9 million and a relative one of 45.2% throughout a decade.

From the perspective of job creation, this evolution was even more significant. Between 2000 and 2010, formal employment created by the MSEs increased from 8.6 million to 14.7 million, totaling 6.1 million new job posts.

<sup>181</sup> According to the adopted methodology, “livestock” divisions were excluded, for this sector is under-represented in RAIS. A significant part of rural producers do not need to register their enterprise as a legal person. All it takes to carry out one’s activities register with state secretariats of finance” (SEBRAE, 2006, p.13 *Apud* SEBRAE, 2011).

During the first half of the decade, the average annual growth rate of employment in MSEs was 5.1%. In the period from 2005 to 2010, the expansion rate intensified to 6.1% per year, influenced by the good performance of the Brazilian economy and despite the international financial crisis which broke out in September 2008. When we take the decade as a whole, the average annual rate was 5.5%.

It is also important to highlight the importance of Medium and Large Enterprises (MLEs) for job creation. In 2010, 59.6 thousand establishments created 13.8 million job posts and accounted for 48.4% of the total contingent of formal non-agriculture private jobs in the country.

The rate of job creation in MLEs was also very significant during the last decade: on average 6.6% per year between 2000 and 2010 and therefore higher than that of the MSEs (5.5% a year). Due to this good performance, the MLEs expanded their participation in the composition of formal non-agriculture private jobs, going from 45.9% in 2000 to 48.4% in 2010. During this period the MLEs created 6.5 million new job posts in the formal work market.

Formal job composition according to size of establishment presented considerable heterogeneity throughout national territory. In the South (58.1%) and Centre-West Regions (57.2%), the participation of MSEs in the structure of formal employment surpassed the national average (51.6%). In the Southeast and Northeast Regions, we observed a relative equilibrium, for in the Southeast the MLEs accounted for little over half (50.6%) of employment.

In 18 of the 27 Federation Units, MSEs were the main source of job creation, with special mention to Tocantins (70.7% of the total), Mato Grosso (66.3%) and Acre (59.7%). Among the nine UFs where MLEs created the most jobs, the highest percentages were observed in Amazonas (65.4%), Alagoas (59.1%) and Rio de Janeiro (53.4%).

**TABLE 124**  
NUMBER AND PERCENTAGE DISTRIBUTION OF FORMAL JOBS BY SIZE OF ESTABLISHMENT  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Number of Jobs*/Size of Establishment |             |                  |             |                   |             |                   |             |                   |              |
|---------------------------|---------------------------------------|-------------|------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|--------------|
|                           | Micro and Small Enterprises (MSE)     |             |                  |             |                   |             | Medium and Large  |             | Grand Total       |              |
|                           | Micro (M)                             | (%)         | Small (S)        | (%)         | Total             | (%)         | Number            | (%)         | Number            | (%)          |
| <b>Brazil</b>             | <b>6,835,790</b>                      | <b>24.0</b> | <b>7,874,841</b> | <b>27.6</b> | <b>14,710,631</b> | <b>51.6</b> | <b>13,781,046</b> | <b>48.4</b> | <b>28,491,677</b> | <b>100.0</b> |
| <b>North Region</b>       | <b>250,039</b>                        | <b>20.5</b> | <b>344,668</b>   | <b>28.3</b> | <b>594,707</b>    | <b>48.8</b> | <b>624,574</b>    | <b>51.2</b> | <b>1,219,281</b>  | <b>100.0</b> |
| Rondônia                  | 49,452                                | 26.6        | 57,737           | 31.1        | 107,189           | 57.7        | 78,601            | 42.3        | 185,790           | 100.0        |
| Acre                      | 12,928                                | 26.6        | 16,127           | 33.1        | 29,055            | 59.7        | 19,625            | 40.3        | 48,680            | 100.0        |
| Amazonas                  | 40,880                                | 12.3        | 74,349           | 22.3        | 115,229           | 34.6        | 218,133           | 65.4        | 333,362           | 100.0        |
| Roraima                   | 7,986                                 | 24.8        | 10,842           | 33.7        | 18,828            | 58.5        | 13,318            | 41.4        | 32,146            | 100.0        |
| Pará                      | 97,289                                | 20.1        | 138,909          | 28.7        | 236,198           | 48.8        | 247,613           | 51.2        | 483,811           | 100.0        |
| Amapá                     | 10,428                                | 22.8        | 14,390           | 31.4        | 24,818            | 54.2        | 20,993            | 45.8        | 45,811            | 100.0        |
| Tocantins                 | 31,076                                | 34.7        | 32,314           | 36.0        | 63,390            | 70.7        | 26,291            | 29.3        | 89,681            | 100.0        |
| <b>Northeast Region</b>   | <b>1,045,749</b>                      | <b>23.6</b> | <b>1,177,888</b> | <b>26.6</b> | <b>2,223,637</b>  | <b>50.2</b> | <b>2,211,149</b>  | <b>49.9</b> | <b>4,434,786</b>  | <b>100.0</b> |
| Maranhão                  | 69,005                                | 22.8        | 81,634           | 27          | 150,639           | 49.8        | 151,889           | 50.2        | 302,528           | 100.0        |
| Piauí                     | 50,123                                | 28.3        | 49,315           | 27.9        | 99,438            | 56.2        | 77,613            | 43.8        | 177,051           | 100.0        |
| Ceará                     | 173,805                               | 22.3        | 205,016          | 26.3        | 378,821           | 48.6        | 400,304           | 51.4        | 779,125           | 100.0        |
| Rio Grande do Norte       | 81,991                                | 25.8        | 94,843           | 29.8        | 176,834           | 55.6        | 141,080           | 44.4        | 317,914           | 100.0        |
| Paraíba                   | 73,721                                | 28.8        | 73,716           | 28.8        | 147,437           | 57.6        | 108,478           | 42.4        | 255,915           | 100.0        |
| Pernambuco                | 200,689                               | 21.6        | 238,919          | 25.7        | 439,608           | 47.3        | 488,905           | 52.7        | 928,513           | 100.0        |
| Alagoas                   | 51,969                                | 19.4        | 57,404           | 21.5        | 109,373           | 40.9        | 158,239           | 59.1        | 267,612           | 100.0        |
| Sergipe                   | 44,255                                | 23.3        | 54,635           | 28.7        | 98,890            | 52.0        | 91,420            | 48.0        | 190,310           | 100.0        |
| Bahia                     | 300,191                               | 24.7        | 322,406          | 26.5        | 622,597           | 51.2        | 593,221           | 48.8        | 1,215,818         | 100.0        |
| <b>Southeast Region</b>   | <b>3,461,215</b>                      | <b>22.3</b> | <b>4,209,114</b> | <b>27.1</b> | <b>7,670,329</b>  | <b>49.4</b> | <b>7,870,550</b>  | <b>50.6</b> | <b>15,540,879</b> | <b>100.0</b> |
| Minas Gerais              | 822,217                               | 27.7        | 833,163          | 28.1        | 1,655,380         | 55.8        | 1,312,579         | 44.2        | 2,967,959         | 100.0        |
| Espírito Santo            | 156,457                               | 27.6        | 176,281          | 31.1        | 332,738           | 58.7        | 234,145           | 41.3        | 566,883           | 100.0        |
| Rio de Janeiro            | 546,126                               | 19.9        | 730,979          | 26.7        | 1,277,105         | 46.6        | 1,462,227         | 53.4        | 2,739,332         | 100.0        |
| São Paulo                 | 1,936,415                             | 20.9        | 2,468,691        | 26.6        | 4,405,106         | 47.5        | 4,861,599         | 52.5        | 9,266,705         | 100.0        |
| <b>South Region</b>       | <b>1,538,966</b>                      | <b>28.9</b> | <b>1,560,093</b> | <b>29.2</b> | <b>3,099,059</b>  | <b>58.1</b> | <b>2,234,669</b>  | <b>41.9</b> | <b>5,333,728</b>  | <b>100.0</b> |
| Paraná                    | 544,693                               | 28.7        | 567,093          | 29.9        | 1,111,786         | 58.6        | 787,445           | 41.5        | 1,899,231         | 100.0        |
| Santa Catarina            | 437,012                               | 29.1        | 444,696          | 29.6        | 881,708           | 58.7        | 621,969           | 41.4        | 1,503,677         | 100.0        |
| Rio Grande do Sul         | 557,261                               | 28.9        | 548,304          | 28.4        | 1,105,565         | 57.3        | 825,255           | 42.7        | 1,930,820         | 100.0        |
| <b>Center-West Region</b> | <b>539,821</b>                        | <b>27.5</b> | <b>583,078</b>   | <b>29.7</b> | <b>1,122,899</b>  | <b>57.2</b> | <b>840,104</b>    | <b>42.8</b> | <b>1,963,003</b>  | <b>100.0</b> |
| Mato Grosso do Sul        | 84,240                                | 28.4        | 89,493           | 30.2        | 173,733           | 58.6        | 123,058           | 41.5        | 296,791           | 100.0        |
| Mato Grosso               | 117,414                               | 31.3        | 131,327          | 35.0        | 248,741           | 66.3        | 126,635           | 33.7        | 375,376           | 100.0        |
| Goiás                     | 222,700                               | 29.1        | 220,332          | 28.8        | 443,032           | 57.9        | 321,908           | 42.1        | 764,940           | 100.0        |
| Federal District          | 115,467                               | 22.0        | 141,926          | 27.0        | 257,393           | 49.0        | 268,503           | 51.1        | 525,896           | 100.0        |

Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

\* It considers existing job posts on December 31 in formal non-agriculture private establishments

## Sectorial Structure

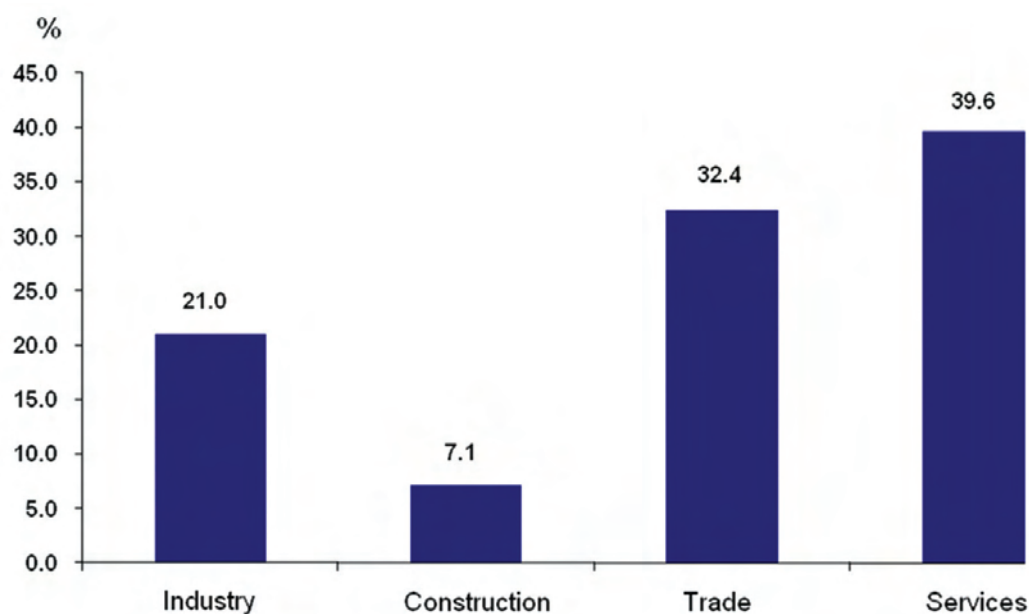
In terms of sectors, during the entire decade, *trade* maintained its status as the sector with the greatest number of MSEs in Brazil, accounting for more than half of the total of them. However, the relative participation of *trade* fell from 54.7% in 2000 to 51.5% of total MSEs in 2010, ending the decade with about 3.1 million establishments. In turn, the *services* sector not only maintained its place as second sector with most number of MSEs, but also increased its participation from 29.9% to 33.3% of the total between 2000 and 2010. In this last year, there were about 2.0 million establishments of this size in the services sector (SEBRAE, 2011).

*Industry* presented a minor decrease in its relative participation, going from 11.4% of total MSEs in 2000 to 10.7% in 2010, with 657 thousand establishments at the end of the decade. The *construction* sector presented a slight growth – its relative participation increased from 3.9% of total MSEs to 4.5% between 2000 and 2010, totaling 273 thousand establishments in this last year.

Regarding MLE, in 2010, 23.6 thousand establishments from this size segment in all the country belonged to the service sector and accounted for 39.6% of the total (59.6 thousand), according to Graph 30. In second place we find *trade*, with 19.9 thousand establishments, which equals 32.4% of the total.

**GRAPH 31**

PERCENTAGE DISTRIBUTION OF MEDIUM AND LARGE ENTERPRISES - MLES,  
BY ECONOMIC ACTIVITY SECTOR  
BRAZIL, 2010



Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

*Industry* encompassed 12.5 thousand companies and made up 21.0% of total MLEs in 2010. The lowest number of medium and large enterprise establishments (4.2 thousand) was found in the construction sector and represented 7.1% of the total.

Regarding formal job creation, only micro and small enterprises shall be included in the sectorial analysis.<sup>182</sup>

In 2010, the trade sector created 6.1 million jobs and accounted for 41.3% of the total jobs in MSEs in Brazil. Services reinforced tertiary sector representation, accounting for 27.1% of job posts.

*Industry* MSEs had relevant participation, creating 3.4 million formal jobs in 2010, which equals 23.4% of the total. The construction sector accounted for 8.2% of formal jobs.

Regionally speaking, economic activity sectors were represented relatively heterogeneously according to the specificities of the economic fabric. In the North Region, for example, *trade* was responsible for practically half (49.2%) of existing formal jobs in MSEs, being that in Amapá, this percentage reached 55.5%.

In the South Region, *industry* stood out with its participation in MSEs formal employment structure (29.9% of total), surpassing in 6.5 percentage points this sector's participation in the national average (23.4%) in 2010. Because of this relevance, the Federation Units of Santa Catarina (34.1%) and Rio Grande do Sul (29.1%), presented the highest levels in the country of *industry* representation in the composition of MSE employment.

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<sup>182</sup> The *Annual Report on Work in Micro and Small Enterprises 2010-2011* did not provide information on job distribution created by medium and large enterprises by economic activity sector.



**TABLE 125**  
PERCENTAGE DISTRIBUTION OF JOBS IN MICRO AND SMALL ENTERPRISES, BY ECONOMIC ACTIVITY SECTOR  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Total No of Jobs* | Distribution % |              |             |             |              |
|---------------------------|-------------------|----------------|--------------|-------------|-------------|--------------|
|                           |                   | Industry       | Construction | Commerce    | Services    | Total        |
| <b>Brazil</b>             | <b>14,710,631</b> | <b>23.4</b>    | <b>8.2</b>   | <b>41.3</b> | <b>27.1</b> | <b>100.0</b> |
| <b>North Region</b>       | <b>594,707</b>    | <b>18.4</b>    | <b>10.0</b>  | <b>49.2</b> | <b>22.4</b> | <b>100.0</b> |
| Rondônia                  | 107,189           | 21.6           | 8.2          | 50.6        | 19.5        | 100.0        |
| Acre                      | 29,055            | 15.7           | 15.8         | 48.1        | 20.5        | 100.0        |
| Amazonas                  | 115,229           | 20.3           | 8.5          | 45.3        | 25.9        | 100.0        |
| Roraima                   | 18,828            | 11.3           | 13.9         | 52.9        | 21.9        | 100.0        |
| Pará                      | 236,198           | 18.8           | 9.8          | 49.2        | 22.3        | 100.0        |
| Amapá                     | 24,818            | 9.9            | 11.0         | 55.5        | 23.6        | 100.0        |
| Tocantins                 | 63,390            | 14.9           | 12.1         | 51.1        | 21.9        | 100.0        |
| <b>Northeast Region</b>   | <b>2,223,637</b>  | <b>18.6</b>    | <b>10.3</b>  | <b>45.3</b> | <b>25.8</b> | <b>100.0</b> |
| Maranhão                  | 150,639           | 12.9           | 10.7         | 55.0        | 21.4        | 100.0        |
| Piauí                     | 99,438            | 18.5           | 11.2         | 49.3        | 21.1        | 100.0        |
| Ceará                     | 378,821           | 26.1           | 10.3         | 40.1        | 23.5        | 100.0        |
| Rio Grande do Norte       | 176,834           | 19.5           | 12.3         | 42.8        | 25.4        | 100.0        |
| Paraíba                   | 147,437           | 19.1           | 13.8         | 43.3        | 23.8        | 100.0        |
| Pernambuco                | 439,608           | 20.0           | 9.0          | 43.9        | 27.1        | 100.0        |
| Alagoas                   | 109,373           | 12.9           | 10.6         | 48.7        | 27.7        | 100.0        |
| Sergipe                   | 98,890            | 17.4           | 12.9         | 41.0        | 28.7        | 100.0        |
| Bahia                     | 622,597           | 15.3           | 9.1          | 47.6        | 27.9        | 100.0        |
| <b>Southeast Region</b>   | <b>7,670,329</b>  | <b>23.4</b>    | <b>7.5</b>   | <b>39.8</b> | <b>29.2</b> | <b>100.0</b> |
| Minas Gerais              | 1,655,380         | 23.9           | 9.3          | 41.3        | 25.5        | 100.0        |
| Espírito Santo            | 332,738           | 22.4           | 10.0         | 41.0        | 26.6        | 100.0        |
| Rio de Janeiro            | 1,277,105         | 15.2           | 6.4          | 40.9        | 37.5        | 100.0        |
| São Paulo                 | 4,405,106         | 25.7           | 6.9          | 38.9        | 28.5        | 100.0        |
| <b>South Region</b>       | <b>3,099,059</b>  | <b>29.9</b>    | <b>7.6</b>   | <b>38.6</b> | <b>23.9</b> | <b>100.0</b> |
| Paraná                    | 1,111,786         | 27.4           | 7.2          | 41.1        | 24.3        | 100.0        |
| Santa Catarina            | 881,708           | 34.1           | 7.9          | 35.1        | 22.9        | 100.0        |
| Rio Grande do Sul         | 1,105,565         | 29.1           | 7.8          | 39.0        | 24.2        | 100.0        |
| <b>Center-West Region</b> | <b>1,122,899</b>  | <b>17.6</b>    | <b>9.6</b>   | <b>46.0</b> | <b>26.8</b> | <b>100.0</b> |
| Mato Grosso do Sul        | 173,733           | 15.6           | 8.6          | 49.1        | 26.6        | 100.0        |
| Mato Grosso               | 248,741           | 20.2           | 8.5          | 49.2        | 22.1        | 100.0        |
| Goiás                     | 443,032           | 22.3           | 9.5          | 43.7        | 24.5        | 100.0        |
| Federal District          | 257,393           | 8.5            | 11.4         | 44.7        | 35.4        | 100.0        |

Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

\* It considers existing job posts on December 31 in formal non-agriculture private establishments

The *construction sector* displayed greater relative expression regarding formal employment structure of MSEs in Acre (15.8%), Roraima (13.9%) and Paraíba (13.8%) – percentages much higher than the national average (8.2%).

Regarding the *services sector*, Rio de Janeiro and the Federal District had the highest representation. Their participation in total formal non-agriculture private employment created by MSEs was 37.5% and 35.4%, respectively.

## Evolution and Remuneration Levels

Between 2000 and 2010, the actual average employee remuneration in formal micro and small size businesses grew at a rate of 1.4% per year, from R\$ 961 in 2000 to R\$ 1,099 in 2010. This result was above both the average income growth of all workers (0.9% per year) in the formal market, and that of those allocated in medium and large size companies (0.4% per year). The performance of actual average workers' income at micro and small size businesses was better in the second half of the decade, with an increase of 2.8% per year (SEBRAE, 2011).

It is important to note that, although the average remuneration of workers at medium and large size businesses grew at a smaller rate compared to that of micro and small size businesses during the decade of 2000, wage levels are significantly higher at larger companies. In fact, in 2010, while the average employee remuneration at formal micro and small size businesses was R\$ 1,099, at medium and large size companies it reached R\$ 1,786, i.e. 62.5% higher.

In this context, even though medium and large size companies had a slightly lower proportion of participation in total formal jobs (48.4%) than that of micro and small sized companies (51.6%), medium and large size companies accounted for 60.0% of total payrolls.

Following the historical trajectory of regional inequalities still prevalent in the country regardless of company size, remuneration levels were greater in the South and Southeast and lower in the Northeast and North Regions. In the case of micro and small enterprises, the higher wage averages in 2010 were found in São Paulo (R\$1,342), Federal District (R\$ 1,137), Santa Catarina (R\$ 1,135), and Rio de Janeiro (R\$ 1,109), as seen in Table 126. The lowest average salaries were paid in Piauí (R\$ 731), Ceará (R\$ 737) and Paraíba (R\$ 748).

Among medium and large enterprises, the highest remuneration levels were seen in the Southeast Region (R\$ 2,056), reaching the national peak in São Paulo (R\$ 2,189), followed by Rio de Janeiro (R\$ 2,133). Only in Ceará (R\$ 976) and Teresina (R\$ 991) was the average medium and large enterprise salary less than R\$ 1,000 per month.

TABLE 126

VALUE OF EMPLOYEE AVERAGE REMUNERATION IN REAIS AND PERCENTAGE DISTRIBUTION  
OF REMUNERATION PER BUSINESS SIZE  
BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Micro and Small Enterprises |              |              | Medium and Large Enterprises | Grand Total  | Remuneration (%) |                  |
|---------------------------|-----------------------------|--------------|--------------|------------------------------|--------------|------------------|------------------|
|                           | Micro                       | Small        | Total        |                              |              | Micro and Small  | Medium and Large |
| <b>Brazil</b>             | <b>947</b>                  | <b>1,231</b> | <b>1,099</b> | <b>1,786</b>                 | <b>1,431</b> | <b>39.7</b>      | <b>60.3</b>      |
| <b>North Region</b>       | <b>825</b>                  | <b>1,064</b> | <b>964</b>   | <b>1,485</b>                 | <b>1,230</b> | <b>38.2</b>      | <b>61.8</b>      |
| Rondônia                  | 832                         | 1,139        | 998          | 1,574                        | 1,242        | 37.4             | 62.6             |
| Acre                      | 759                         | 1,101        | 949          | 1,066                        | 996          | 46.2             | 53.8             |
| Amazonas                  | 924                         | 1,130        | 1,057        | 1,593                        | 1,407        | 26.1             | 73.9             |
| Roraima                   | 762                         | 1,032        | 918          | 1,023                        | 962          | 45.3             | 54.7             |
| Pará                      | 795                         | 1,002        | 917          | 1,463                        | 1,197        | 55.9             | 44.1             |
| Amapá                     | 773                         | 1,036        | 926          | 1,308                        | 1,102        | 57.1             | 42.9             |
| Tocantins                 | 838                         | 1,045        | 944          | 1,209                        | 1,021        | 65.4             | 34.6             |
| <b>Northeast Region</b>   | <b>726</b>                  | <b>916</b>   | <b>826</b>   | <b>1,220</b>                 | <b>1,022</b> | <b>40.7</b>      | <b>59.3</b>      |
| Maranhão                  | 735                         | 941          | 847          | 1,241                        | 1,044        | 45.4             | 54.6             |
| Piauí                     | 665                         | 799          | 731          | 991                          | 845          | 34.3             | 65.7             |
| Ceará                     | 669                         | 794          | 737          | 976                          | 859          | 41.8             | 58.2             |
| Rio Grande do Norte       | 712                         | 907          | 816          | 1,233                        | 1,001        | 38.3             | 61.7             |
| Paraíba                   | 689                         | 807          | 748          | 993                          | 851          | 50.9             | 49.1             |
| Pernambuco                | 750                         | 974          | 872          | 1,249                        | 1,069        | 38.9             | 61.1             |
| Alagoas                   | 710                         | 895          | 807          | 1,075                        | 965          | 40.6             | 59.4             |
| Sergipe                   | 717                         | 895          | 816          | 1,424                        | 1,107        | 39.5             | 60.5             |
| Bahia                     | 767                         | 996          | 886          | 1,431                        | 1,151        | 48.6             | 51.4             |
| <b>Southeast Region</b>   | <b>1,021</b>                | <b>1,344</b> | <b>1,199</b> | <b>2,056</b>                 | <b>1,632</b> | <b>36.3</b>      | <b>63.7</b>      |
| Minas Gerais              | 805                         | 1,046        | 927          | 1,558                        | 1,205        | 42.9             | 57.1             |
| Espírito Santo            | 874                         | 1,120        | 1,004        | 1,619                        | 1,258        | 46.9             | 53.1             |
| Rio de Janeiro            | 954                         | 1,224        | 1,109        | 2,133                        | 1,652        | 31.6             | 68.4             |
| São Paulo                 | 1,145                       | 1,496        | 1,342        | 2,189                        | 1,786        | 35.7             | 64.3             |
| <b>South Region</b>       | <b>974</b>                  | <b>1,234</b> | <b>1,105</b> | <b>1,597</b>                 | <b>1,311</b> | <b>49.0</b>      | <b>51.0</b>      |
| Paraná                    | 965                         | 1,208        | 1,089        | 1,594                        | 1,298        | 49.2             | 50.8             |
| Santa Catarina            | 1,007                       | 1,260        | 1,135        | 1,538                        | 1,302        | 47.3             | 52.7             |
| Rio Grande do Sul         | 956                         | 1,242        | 1,098        | 1,644                        | 1,331        | 51.2             | 48.8             |
| <b>Center-West Region</b> | <b>886</b>                  | <b>1,153</b> | <b>1,025</b> | <b>1,479</b>                 | <b>1,219</b> | <b>48.1</b>      | <b>51.9</b>      |
| Mato Grosso do Sul        | 859                         | 1,117        | 992          | 1,303                        | 1,120        | 37.3             | 62.7             |
| Mato Grosso               | 916                         | 1,180        | 1,056        | 1,297                        | 1,137        | 49.9             | 50.1             |
| Goiás                     | 838                         | 1,074        | 956          | 1,319                        | 1,109        | 61.5             | 38.5             |
| Federal District          | 967                         | 1,274        | 1,137        | 1,839                        | 1,495        | 52.0             | 48.0             |

Source: Annual Report on Work in Micro and Small Enterprises 2010-2011 - SEBRAE.

Created by: DIEESE

\*Refers to the remuneration of active workers on December 31, excluding those whose income was unknown.

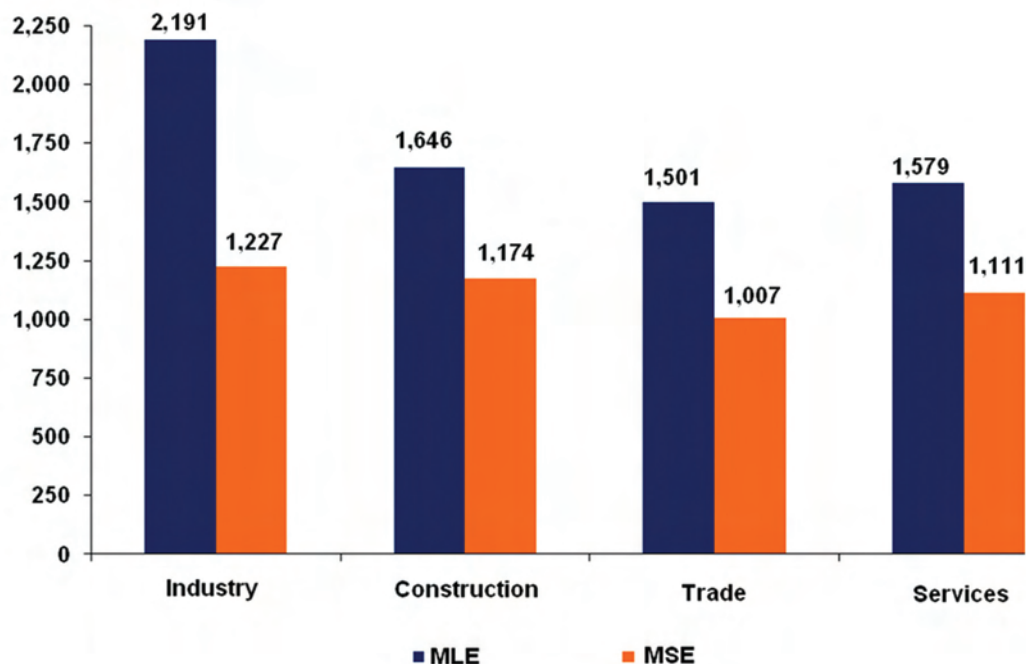
Note: Sectors analyzed: industry, construction, trade and services.

Considering the average employee remuneration by economic activity sector, the information laid out in Graph 32 shows that in 2010, *industry* presented the highest salary averages among micro and small enterprises (R\$1,227), as well as among medium and large enterprises (R\$ 2,191).

In the third sector, remuneration levels were relatively close. Among micro and small enterprises R\$ 1,007 in *trade* and R\$ 1,011 in *services*. For the set of medium and large enterprises, the values were R\$ 1,501 among *trade* employees and R\$ 1,579 for workers in *services*.

GRAPH 32

EMPLOYEE REMUNERATION BY ECONOMIC ACTIVITY SECTOR  
ACCORDING TO COMPANY SIZE  
BRAZIL, 2010



Source: MTE – RAIS

Created by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

\*Refers to the remuneration of active workers on December 31, excluding those whose income was unknown.

Note: Sectors analyzed: industry, construction, trade and services.

The percentage of the mass remuneration according to company size in national territory subspaces was conditioned by the participation of micro and small enterprises and medium and large enterprises in the composition of employment, by their respective average remuneration levels, and by the economic structure. In only seven Federation Units was the mass remuneration predominantly from micro and small size companies: Tocantins (65.4%), Goiás (61.5%), Amapá (57.1%), Pará (55.9%), Federal District (52.0%), Rio Grande do Sul (51.2%), and Paraíba (50.9%).

Among the other 20 Federation Units, the prevalent salary mass came from medium and large size companies. The highlights of the list were Amazonas (73.9%), Rio de Janeiro (68.4%), Piauí (65.7%), and São Paulo (64.3%).

## Micro and Small Enterprises Spatial Distribution (Capital Cities and Inland)

The spatial distribution analysis reveals the importance of micro and small enterprises in the creation of formal jobs outside Brazilian capital cities. In fact, in 2010, a contingent of 9.6 million jobs (65.4% of the total) created by micro and small enterprises were found outside of capital city borders – considered *inland*<sup>183</sup> in the *Annual Report on Work in Micro and Small Enterprises 2010-2011*.

<sup>183</sup> It is necessary to relativize this information insofar as the adopted concept of *inland* is very broad; in other words, except for the capital cities, business establishments located in large municipalities with high economic density and comprised in metropolitan areas are classified as part of the inland area.

In the South Region, this proportion was even more significant, since the *inland* area housed 82.8% of formal jobs at micro and small enterprises, especially in Santa Catarina (92.2%) and Rio Grande do Sul (81.5%), according to Table 127.

In addition to Paraná (76.5%), the *inland* participation took on significant proportions in Espírito Santo (81.0%) and Minas Gerais (77.3%).

On the other hand, the largest representativeness percentage of capital cities in total jobs created by micro and small enterprises was found in some states in the North Region: Roraima (92.3%), Amazonas (89.2%), Amapá (79.8%), and Acre (76.3%). It is worth noting that the high employment concentration in these Federation Units capital cities holds a close relationship with the equally significant state GDP concentration in the same Federation Units. Indeed, according to the latest information provided by IBGE's Regional Accounts System, in all these Federation Units the capital city accounted for more than half of their GDP in 2009, and in Manaus (83.6%) and Boa Vista (73.1%), this figure reached steep levels.

TABLE 127

AMOUNT AND DISTRIBUTION OF FORMAL JOBS IN MICRO AND SMALL COMPANIES BY PLACE - CAPITAL CITIES AND INLAND BRAZIL, REGIONS AND FEDERATION UNITS, 2010

| Geographical Area         | Total Employee Number |                  |                  | Distribution in % |             |             |
|---------------------------|-----------------------|------------------|------------------|-------------------|-------------|-------------|
|                           | Total (A+B)           | Capital (A)      | Inland (B)       | Total             | Capital     | Inland      |
| <b>Brazil</b>             | <b>14,710,631</b>     | <b>5,089,878</b> | <b>9,620,753</b> | <b>100.0</b>      | <b>34.6</b> | <b>65.4</b> |
| <b>North Region</b>       | <b>594,707</b>        | <b>306,869</b>   | <b>287,838</b>   | <b>100.0</b>      | <b>51.6</b> | <b>48.4</b> |
| Rondônia                  | 107,189               | 36,230           | 70,959           | 100.0             | 33.8        | 66.2        |
| Acre                      | 29,055                | 22,169           | 6,886            | 100.0             | 76.3        | 23.7        |
| Amazonas                  | 115,229               | 102,784          | 12,445           | 100.0             | 89.2        | 10.8        |
| Roraima                   | 18,828                | 17,378           | 1,450            | 100.0             | 92.3        | 7.7         |
| Pará                      | 236,198               | 85,504           | 150,694          | 100.0             | 36.2        | 63.8        |
| Amapá                     | 24,818                | 19,805           | 5,013            | 100.0             | 79.8        | 20.2        |
| Tocantins                 | 63,390                | 22,630           | 40,760           | 100.0             | 35.7        | 64.3        |
| <b>Northeast Region</b>   | <b>2,223,637</b>      | <b>1,054,004</b> | <b>1,169,633</b> | <b>100.0</b>      | <b>47.4</b> | <b>52.6</b> |
| Maranhão                  | 150,639               | 69,896           | 80,743           | 100.0             | 46.4        | 53.6        |
| Piauí                     | 99,438                | 61,950           | 37,488           | 100.0             | 62.3        | 37.7        |
| Ceará                     | 378,821               | 237,900          | 140,921          | 100.0             | 62.8        | 37.2        |
| Rio Grande do Norte       | 176,834               | 87,886           | 88,948           | 100.0             | 49.7        | 50.3        |
| Paráíba                   | 147,437               | 66,199           | 81,238           | 100.0             | 44.9        | 55.1        |
| Pernambuco                | 439,608               | 189,911          | 249,697          | 100.0             | 43.2        | 56.8        |
| Alagoas                   | 109,373               | 67,264           | 42,109           | 100.0             | 61.5        | 38.5        |
| Sergipe                   | 98,890                | 60,125           | 38,765           | 100.0             | 60.8        | 39.2        |
| Bahia                     | 622,597               | 382,897          | 239,700          | 100.0             | 61.5        | 38.5        |
| <b>Southeast Region</b>   | <b>7,670,329</b>      | <b>2,607,912</b> | <b>5,062,417</b> | <b>100.0</b>      | <b>34.0</b> | <b>66.0</b> |
| Minas Gerais              | 1,655,380             | 375,771          | 1,279,609        | 100.0             | 22.7        | 77.3        |
| Espírito Santo            | 332,738               | 63,220           | 269,518          | 100.0             | 19.0        | 81.0        |
| Rio de Janeiro            | 1,277,105             | 667,926          | 609,179          | 100.0             | 52.3        | 47.7        |
| São Paulo                 | 4,405,106             | 1,497,736        | 2,907,370        | 100.0             | 34.0        | 66.0        |
| <b>South Region</b>       | <b>3,099,059</b>      | <b>533,038</b>   | <b>2,566,021</b> | <b>100.0</b>      | <b>17.2</b> | <b>82.8</b> |
| Paraná                    | 1,111,786             | 261,270          | 850,516          | 100.0             | 23.5        | 76.5        |
| Santa Catarina            | 881,708               | 68,773           | 812,935          | 100.0             | 7.8         | 92.2        |
| Rio Grande do Sul         | 1,105,565             | 204,530          | 901,035          | 100.0             | 18.5        | 81.5        |
| <b>Center-West Region</b> | <b>1,122,899</b>      | <b>591,768</b>   | <b>531,131</b>   | <b>100.0</b>      | <b>52.7</b> | <b>47.3</b> |
| Mato Grosso do Sul        | 173,733               | 75,053           | 98,680           | 100.0             | 43.2        | 56.8        |
| Mato Grosso               | 248,741               | 71,637           | 177,104          | 100.0             | 28.8        | 71.2        |
| Goiás                     | 443,032               | 188,289          | 254,743          | 100.0             | 42.5        | 57.5        |
| Federal District          | 257,393               | 257,393          | -                | 100.0             | 100.0       | 0.0         |

Data Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

## Main workforce characteristics

Worker distribution in companies according to sex is in accordance with the structure still in force in the work market – that of predominant male workers and strong segmentation in some sectors of economic activity<sup>184</sup>.

As can be seen in Table 128, the proportion of women in the structure of formal employment was more expressive among MSEs (37.5%) than among MLEs (30.8%).

In *industry*, women occupied one third of job posts (33.5%) in MSEs, being that the proportion in MLEs was even lower (27.3%). In the *construction* sector, men accounted for more than 90.0% of posts: 93.1% in MSEs and 91.8 in MLEs.

| Sex   | Percentage Distribution (%) / Size of Establishment |          |              |       |          |                                    |          |              |       |          |
|-------|---|----------|--------------|-------|----------|------------------------------------|----------|--------------|-------|----------|
|       | Micro and Small Enterprises (MSE)                   |          |              |       |          | Medium and Large Enterprises (MLE) |          |              |       |          |
|       | Total   | Industry | Construction | Trade | Services | Total                              | Industry | Construction | Trade | Services |
| Men   | 62.5  | 66.5     | 93.1         | 56.7  | 58.8     | 69.2                               | 72.7     | 91.8         | 60.9  | 64.1     |
| Women | 37.5  | 33.5     | 6.9          | 43.3  | 41.2     | 30.8                               | 27.3     | 8.2          | 39.1  | 35.9     |

Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

Women reached greater participation in the *trade* sector, even though men representation predominated. Among MSE commercial establishments, 43.3% of job posts were occupied by women. Among MLEs, this proportion was slightly lower (39.1% of the total).

In services, women took up 41.2% of jobs created by MSEs and 35.9% in the case of MLEs.

In regard to worker age group, the data in Table 129 shows us that 47.4% of the formal work opportunities created by MSEs were occupied by youths aged 18 to 29 in 2010, being that this percentage was about 7.0 percentage points lower than among MLEs (40.6%). In other words, regardless of size, companies carry out an important role in absorbing the youth workforce, especially in the case of MSEs.

Among MLEs, the proportion of workers aged over 50 was greater (9.8% of the total), when compared to MSEs (7.5%).

Concerning education level, the information provided indicate that more than half of employment created by MSEs (55.4% of the total) as well as by MLEs (58.4%) were occupied by persons who held at least a high school diploma, demonstrating that this education level is decisive in order to obtain a formal job post in private companies.

The proportion of high school graduates employed was expressively higher among MLEs (9.3%) than among MSEs (5.3%), due to the higher complexity of production processes in the former.

<sup>184</sup> See chapter on Equality of Treatment and Opportunities.

TABLE 129

PERCENTAGE DISTRIBUTION OF FORMAL JOBS BY SIZE OF ESTABLISHMENT  
ACCORDING TO AGE GROUP AND EMPLOYEES' EDUCATIONAL LEVEL  
BRAZIL, 2010

| Characteristics                           | Micro and Small Enterprises (MSE) | Medium and Large Enterprises (MLE) |
|---|-----------------------------------|------------------------------------|
| <b>Age Group (%)</b>                      |                                   |                                    |
| Up to 17 years                            | 1.9                               | 1.1                                |
| 18 to 24 anos                             | 28.0                              | 20.8                               |
| 25 to 29 years                            | 19.4                              | 19.8                               |
| 30 to 39 years                            | 27.7                              | 29.9                               |
| 40 to 49 years                            | 15.5                              | 18.7                               |
| 50 to 59 years                            | 6.0                               | 8.3                                |
| 60 years or over                          | 1.5                               | 1.5                                |
| <b>Educational Level (%)</b>              |                                   |                                    |
| Illiterate                                | 0.4                               | 0.5                                |
| Incomplete Primary                        | 16.0                              | 18.5                               |
| Complete Primary or Incomplete Secondary  | 28.2                              | 22.5                               |
| Complete Secondary or Incomplete Tertiary | 50.1                              | 49.1                               |
| Complete Tertiary                         | 5.3                               | 9.3                                |

Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

Regarding remuneration levels, in December 2010, average salaries for male workers were higher than that of female workers in MSEs (R\$ 1,187 *versus* R\$ 956) as well as in MLEs (R\$ 1,967 *versus* 1,376), according to Table 130. Women earn, on average, 80.5% of the average male salary in MSEs and about 70.0% in MLEs.

Among economic activity sectors, we observe that in *industry, trade* and *services*, the average male worker salary was systematically higher than that of female workers, regardless of company size. The greatest discrepancies prevailed in *industry*, being that women received R\$ 978 on average, which corresponds to 73.0% of the male worker salary (R\$ 1,352) in MSEs and 63.0% in MLEs (R\$ 1,543 for women and R\$ 2,431 for men).

Only in construction was the average female worker salary higher than that of male workers, regardless of the establishment size. Among MSEs of this sector, the average salary was R\$ 1,336 for women and R\$ 1,162 for men. In case of MLEs, these numbers were R\$ 1,839 and R\$ 1,628 for female and male workers, respectively.

Thus, the average salary for female workers was 15.0% higher in MSEs and 13.0% higher in MLEs. We must highlight that this difference in favour of female workers is largely influenced by the fact that a small percentage of women employed in *construction* (about 7.0%, as previously seen) usually occupy posts which require higher education levels and, consequently, earn higher remuneration levels. In turn, the lower average remuneration of male workers is strongly influenced by the significant representiveness of the *bricklayer* and *mason* occupations in this sector's occupational structure. Besides being hegemoniously male work posts, they present lower remuneration levels.

**TABLE 130**VALUE OF AVERAGE RENUMERATION\* OF WORKERS, BY SEX AND ESTABLISHMENT SIZE  
BRAZIL, 2010

| Sex   | Remuneration (In R\$) / Establishment Size |          |              |       |          |                                    |          |              |       |          |
|-------|--|----------|--------------|-------|----------|------------------------------------|----------|--------------|-------|----------|
|       | Micro and Small Enterprises (MSE)          |          |              |       |          | Medium and Large Enterprises (MLE) |          |              |       |          |
|       | Total                                      | Industry | Construction | Trade | Services | Total                              | Industry | Construction | Trade | Services |
| Men   | <b>1,187</b>                               | 1,352    | 1,162        | 1,070 | 1,210    | <b>1,967</b>                       | 2,431    | 1,628        | 1,657 | 1,739    |
| Women | <b>956</b>                                 | 978      | 1,336        | 925   | 970      | <b>1,376</b>                       | 1,543    | 1,839        | 1,257 | 1,376    |

Source: MTE - RAIS

Elaborated by: DIEESE - Annual Report on Work in Micro and Small Enterprises 2010-2011 (SEBRAE/DIEESE)

\*With reference to remuneration of active employment in December 31, excluding those with unknown income.

Note: Sectors being considered: industry, construction, trade and services.



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# ANNEX



# Legal Framework Indicators

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# Legal Framework Indicator 1

## Government commitment to full employment

**Law, policy or institutions:** A number of different initiatives on job creation and growth are referred to in the Committee of Experts on the Application of Conventions and Recommendations' comments. The Committee appears to accept that "the objectives of full productive employment and decent work, set forth in the Government's report, constitute fundamental objectives of government policy." The Experts' observation of 2008 (published 2009) requests information on measures of the National Decent Work Agenda to reduce the unemployment rate and the average duration of unemployment. 'In particular, the Committee asks for information on the measures that have been implemented to promote local development, strengthen micro and small enterprises and cooperatives, and social economy initiatives with a view to continuing the creation of productive employment.'

In 1990, legislation established the Deliberative Council of the FAT (CODEFAT) to manage the FAT (Worker Support Fund). CODEFAT is a collegiate, tripartite body in which workers, employers and government are equally represented. It appears to be a central body in managing promotion of employment, but is not the only one. For example, the Council of Economic and Social Development (CDES), based on quadripartite participation and founded in 2003, discusses and formulates proposals and policies aimed at the creation of jobs that are submitted for the evaluation of the Presidency of the Republic. In addition, the Tripartite Working Group (GTT) of the National Agenda of Decent Labor, based on a tripartite participation model and created in 2008, has discussed and considered policies concerning the generation of jobs.

The CODEFAT has approved several initiatives and important resolutions aimed at achieving the goal of full employment in terms of the qualification needed from the workforce. For example, Resolution n. 689, of April 25, 2012, approves the distribution of resources for the Territorial Qualification Plans.

**Evidence of implementation effectiveness:** Extracted from the Committee of Experts on the Application of Conventions and Recommendations' 2008 Observation (published 2009): "According to data published by the ILO in Labour Overview 2007, GDP growth, which was 5.3%, accelerated in 2007 by 1.6 p.p. in relation to the previous year (3.7%), which is associated with the high level of private investment and the public investment in infrastructure promoted by the Government through the PAC." In February 2009, the Federal Government announced R\$ 142 billion in funding for the PAC. In March 2010, with the goal of further expanding funding, especially for social and urban infra-structure actions, the Federal Government launched the PAC-2, which stipulates funding of the order of R\$ 1.59 billion for segments such as transportation, energy, culture, environment, health, social issues and housing. The investments will be channeled into 6 basic Programs: Cidade Melhor (urban infra-structure), Comunidade Cidadã (community and social programs), Minha Casa, Minha Vida (housing), Água e Luz para Todos (water and electricity infra-structure), Transportes (transportation) and Energia (energy). These additional resources are supposed to broaden infra-structure, generate more employments, reduce social problems, and mitigate the possible aftershocks of the international financial crisis in Brazil. Despite a brief dip in 2009, as a result of the

crisis, the economy resumed growth and achieved a significant annual growth rate of 7.5% in 2010. The Brazilian economy achieved an accumulated growth rate of 28.4% between 2005 and 2010. Labor market-related indicators also followed an upward trend. The unemployment rate in urban areas, which takes into account the six major metropolitan areas in the country, dropped from 10.0% in 2006 to 9.3% in 2007, and then to 7.9% in 2008. Due to the international financial crisis, the average annual rate increased slightly to 8.1% in 2009 but then drops to 6.7% in 2010 and then to 6.0% in 2011 – the lowest level in the historical series that begins in 2002. These positive results were also mirrored by the increase in formal labor rates. According to data from the Annual Social Information Report of the Ministry of Labor and Employment, 2.4 million formal jobs were created in 2007, the best result for this period since 1985. Between 2003 and 2010, 15.38 million formal job openings were created. In view of this performance, by the end of 2010, Brazil had a contingent of 44.07 million workers formally employed, an accumulated increase of 53.6% in a two-year period.

The Committee of Experts, in its Observation published in 2010, concluded that the Government, by means of the implementation of counter-cyclical measures, had invested 300 billion dollars in infra-structure projects in 2009 and also expanded the number of beneficiaries of the Bolsa Família Program. The Committee requested the government to report in its next memorandum a complete assessment of these policies in terms of their effect on the labor market. In its 2010 report, the Committee also asked the government to prepare an overall evaluation of labor market results of the following programs and systems: PROGER – Program of Employment and Income Generation; SPETR – Public System of Employment, Work and Income, including an evaluation of the actions taken to improve the integration of the 340 centers of the system; and PQSP – Program of Social and Professional Qualification especially in terms of the effective intermediation of supply and demand in the labor market.

**Ratification of ILO Conventions:** Employment Policy Convention (n. 122), 1964, ratified in 1969.

Sources: 1. Government reports on C122. 2. Committee of Experts on the Application of Conventions and Recommendations' comments on C.122.:

<http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>.

# Legal Framework Indicator 2

## Unemployment insurance

**Law, policy or institutions:** Unemployment Insurance Act (Law n. 8,036, with amendments approved in 1994 and 2002). The Ministry of Labor and Employment provides general supervision. The Deliberative Council of the Worker Support Fund (CODEFAT) administers the program. The benefit varies according to the specificities of insured persons and is paid out in no more than five installments, either consecutively or at intervals, for each 16-month acquisition period according to the following rules: three installments if the worker can prove a working contract of at least 6 months and up to 11 months in the previous 36 months; four installments if the worker can prove a working contract of at least 12 months and up to 24 months in the previous 36 months; five installments if the worker can prove a working contract of at least 24 months in the previous 36 months. Payment of the benefit is suspended if the worker starts a new job or if the worker has become eligible for other social security benefits, except for occupational injury benefits or survival pensions.

**Value of Benefits:** The value of the benefit is based upon the monthly wage of the last employment relationship, as follows: if the worker received three or more monthly wages from the previous formal job, received only two monthly wage payments, the appraisal shall take into account the average wage over the previous three months; if the worker, rather than receiving three or two monthly wages from his previous formal job, received only one monthly wage, this shall be the basis for appraisal. The value of the monthly benefit varies from one minimum wage to a ceiling of R\$ 870.00. In 2009, the average benefit amounted to R\$ 595.00, equivalent to 1.3 minimum wages. In response to the 2008 economic crisis, the Government, on an exceptional basis, extended benefits for an additional two months for workers in the sectors most directly affected by the economic crisis. With the increase of the minimum wage on January 1, 2012, the values of unemployment insurance were once again adjusted. The lowest value of the installment increased to R\$ 622.00 and the highest to R\$ 1,163.76. The adjustment was equivalent to a 14.12 % increase in the value of the benefit.

**Legal coverage of workers:** Employees with signed work contracts, domestic workers, professional fishermen during the spawning season when fishing is forbidden, and workers rescued from conditions analogous to slavery.

**Coverage of workers in practice:** No information was located by the ILO.

**Ratification of ILO Conventions:** Social Security (Minimum Standards) Convention (n. 102), 1952, ratified June 2009 (so far unexamined by Committee of Experts on the Application of Conventions and Recommendations). Employment Promotion and Protection against Unemployment Convention, 1988 (n. 168), ratified in 1993 (and so far not examined by Committee of Experts).

Sources:

1. ISSA country profile (<http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Americas/Brazil>).
2. Natlex ([http://www.ilo.org/dyn/natlex/natlex\\_browse.details?p\\_lang=en&p\\_country=BRA&p\\_classification=15.04&p\\_origin=COUNTRY&p\\_sortby=SORTBY\\_COUNTRY](http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=BRA&p_classification=15.04&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY))

# Legal Framework Indicator 3

## Statutory minimum wage

**Law, policies or institutions:** Regulated by the Consolidation of Labor Laws (CLT), it was included in the Federal Constitution (Article 7, IV) as a right of urban and rural workers. There is a national minimum wage which is at the same time the minimum legal wage in the private sector and the minimum level of pensions. The minimum wage is fixed by law or by a provisory measure (*medida provisória*, which has the status of a law). The last adjustment of the minimum wage was made through a government decree. Brazil has a complex system of minimum wage fixing. In addition to the national minimum wage, Brazilian states and the Federal District can set higher minimum wages, also stipulated in Article 7 of the Constitution. Collective agreements can establish a minimum wage for specific categories of workers, if higher than the general minimum wage.

In April 2005, a Quadripartite Commission on the review of the minimum wage was established to formulate a medium and long-term policy on the minimum wage. The Committee of Experts on the Application of Conventions and Recommendations expressed approval of the Commission's creation, and made the following comment in 2008: "The Committee has acknowledged the recent positive evolution with the establishment in April 2005 of the Quadripartite Commission on the Review of the Minimum Wage, which brings together members of the Federal Government, state governments as representatives of social sectors. In 2007, a permanent rule for the recovery of the minimum wage's purchasing power was put into effect, and subsequently institutionalized by Law n. 12,382 of February 25, 2011. This policy is based on readjustments that cover losses due to the inflation of the previous year, based on the National Index of Consumer Prices – INPC, with the addition of the GDP variation of the previous two years. The minimum wage has acted as an important growth inductor for work earnings, the reduction of income inequality and the stimulation of aggregate demand, given that the principal beneficiaries of this policy tend to increase marginal consumption, i.e. additional income increases are in their majority geared towards consumption. Between April 2002 and January 2012, the real increase of the minimum wage was 66.0%.

**Minimum wage value:** The value of the minimum wage for 2012 was established at R\$ 622.00, a nominal increase of 14.1% relative to the previous year (R\$ 545.00) and a 9.2% real increase, equal to approximately 248 euros or 326 dollars. The weekly minimum wage is equal to R\$ 155.50 (and daily minimum wage is R\$ 20.73). The adjustment injected around R\$ 47 billion into the Brazilian economy.

**Coverage of workers in practice:** Between 1992 and 2009, the percentage of employed people with earnings lower than the minimum wage decreased from 29.8% to 21.2%.

**Evidence of implementation effectiveness:** The Committee of Experts' latest review of Brazil and C.131 took place in 2008.

**Ratification of ILO Conventions:** Minimum Wage Fixing Convention (n. 131), 1970, ratified in 1983

# Legal Framework Indicator 4

## Maximum hours of work

**Law, policies or institutions:** Paragraph XIII, Article 7 of the Brazilian Federal Constitution, and Article 58 of the Consolidation of Labor Laws lay down the basic laws.

**Number of hours allowed:** Under the Constitution, urban and rural workers have a right to normal working hours not exceeding eight hours per day and forty-four hours per week. Compensation by working hours or shorter duration of the working day can be established by a collective agreement. The Constitution states that urban and rural workers have a right to a six-hour working day if working in continuous shifts, unless provided otherwise by a collective agreement. The CLT provides that the normal hours of work in private employment of any kind shall not exceed eight hours a day, unless another limit is expressly fixed. Article 59 provides that the normal hours of work may be increased by not more than 2 hours a day by an agreement in writing between the employer and the employee or by a collective contract of employment. A collective agreement or a collective employment contract shall specify the level of remuneration to be paid for overtime; the rate shall not be less than 50% in excess of the normal rate. The maximum duration of a working week for public employees is 40 hours.

A Constitutional Amendment Bill (PEC 231/95) is being processed by the Chamber of Deputies. The bill proposes a reduction of working-hours – from 44 to 40 weekly hours – with no prejudice to salaries and a 75% in excess of the normal rate increase for overtime hours. The PEC is supported by labor union centers.

**Legal coverage of workers:** Domestic workers are not covered by paragraphs XIII and XIV, Article 7, of the Constitution according to Part 2, Article 7 of the Constitution. The CLT covers any person who performs services other than casual services for an employer under the direction of the employer and in return for remuneration. Except where expressly provided otherwise, the following categories are excluded from coverage by the CLT: (a) domestic workers, (b) agricultural workers, (c) public officials in the service of the Union, a State or municipality or those employed in the various departments thereof; and (d) employees of autonomous administrative bodies provided that they are covered by provisions that guarantee them a status similar to that of public officials. Domestic workers are covered by special legislation: Law n. 11,324 of July 19, 2006, which modified provisions contained in Law n. 9,250 of December 26, 1995, Law n. 8,212 of July 24, 1991, Law n. 8,213 of July 24, 1991 and Law n. 5,859, of December 11, 1972, regulated by Decree n. 71,885, of March 9, 1973.

Constitutional Amendment n. 072/2013 was recently approved, altering the wording of the single paragraph of Article 7 of the Federal Constitution so as to establish equality of labor rights for domestic workers and other categories of urban and rural workers. Domestic workers as a result now have the rights provided for in paragraphs I, II, III, IV, VI, VII, VIII, IX, X, XII, XXV, XIII, XV, XVI, XVII, XVIII, XIX, XXI, XXII, XXIV, XXVI, XXVIII, XXX, XXXI and XXXIII of said article. Some of these rights had already been ensured (minimum wage, vacation, access to Social Security, Maternity Leave, among others) others will come into force after the promulgation of the amendment (such as the definition of working hours) and deliberation upon the proposal of remaining items (right to FGTS, unemployment insurance, access to family benefits and childcare benefits) is in the final stages.

**Evidence of implementation effectiveness:** Between 2004 and 2009, it was possible to observe a significant reduction of the proportion of people with week working time superior to 44 hours, which corresponds to the current limit established by Brazilian legislation – from 36.4% to 29.8%).

**Ratification of ILO Conventions:** Hours of Work (Industry) Convention (n. 1), 1919, not ratified.

Sources: 1. National Legislation in NATLEX.

# Legal Framework Indicator 5

## Paid annual leave

**Law, policies or institutions:** Paid annual leave in Brazil is regulated by the Constitution of Brazil (1988) and by the Consolidation of Labor Laws.

**Levels of leave:** According to Article 130 of the CLT, after every 12 months of employment, an employee shall be entitled to periods of leave of between 12 and 30 days, depending on how often s/he has been absent from work during the relevant period. The worker shall have 30 calendar days leave, (provided s/he has not been absent from work more than five times); 24 days, 18 days, or 12 days (in this last case if 24-32 days of leave of work were taken). Under the part-time work regime (Article 130-A), vacation periods vary from 8 to 18 days, depending upon duration of the work week, and this period may be reduced by half if the employee took more than seven days of unjustified leave during the course of the contract period in question.

**Evidence of implementation effectiveness:** No information located.

**Legal coverage of workers:** In a 2005 Direct Request under C.132, the Committee of Experts on the Application of Conventions and Recommendations stated that the CLT excludes several categories of workers from its scope of application, namely domestic workers, agricultural workers, public servants of the Union, the states, the municipalities and their respective officials who do not have tenure, as well as employees of autonomous parastatal administrative bodies governed by their own social protection scheme. It also noted that the minimum period of service under the law for a worker to be entitled to a paid annual leave is 12 months, while the Convention provides this should be a six-month period.

Also responding to a Direct Request concerning C. 132, the Committee of Experts stated it expected the government to conform to the Convention in terms of: 1) the provision of three weeks of leave (minimum) for each year of service, in view of Article 3, paragraph 3 of the Convention, even in case of unjustified leaves; 2) the requirement of only six months of work in order to obtain the right to annual remunerated leaves, instead of 12 months (which is still the minimum level); 3) an amendment of legislation granting vacation when the worker is receiving benefits due to occupational injuries; 4) the prohibition of annual and paid vacation renunciations (three weeks). The Committee noted that few concrete actions had been taken regarding these items.

**Ratification of ILO Conventions:** Holidays with Pay Convention (Revised) (n. 132), 1970, ratified in 1998.

Sources: 1. Committee of Experts on the Application of Conventions and Recommendations' comments on C132; <http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>;

2. National Legislation.



# Legal Framework Indicator 6

## Maternity leave

**Law, policy or institutions:** Article 7 of the Constitution of Brazil grants 120 days of maternity leave without prejudice to jobs or wages and Article 10 provides guarantees against arbitrary dismissal or without just cause in case of maternity in the five-month period after giving birth. According to Article 391 et seq. of the Consolidation of Labor Laws of Brazil the fact that a woman marries or becomes pregnant shall not be deemed to be a legitimate reason for the termination of her contract of employment. Every clause in a collective or individual contract of employment which restricts the right of a woman to retain her employment shall be null and void. Salary and other rights are guaranteed to employees during pregnancy. Article 131 of the CLT states that the compulsory absence of a woman for the reason of her maternity or abortion (other than criminal abortion) provides that she fulfills the qualifying requirements for maternity pay granted by the social insurance scheme, shall not be treated as unjustified absence from work. The CLT does not cover domestic servants, but Law n. 11,329, of June 19, 2006, extended the right of 120 days maternity leave to domestic servants (as is assured to urban workers). The law prohibits arbitrary dismissal or dismissal without just cause from the time of confirmation of pregnancy until five months after the birth of the child.

Public sector workers, or those who have a similar status, are covered by a specific statute, Law n. 8,112/90, which also guarantees the same rights. In 2008, the law extended the maternity license to 180 days for federal public servants or workers of private companies, including adoptive mothers, by Decree n. 6,990/2008, which instituted the Program Extending the Leave for Pregnant and Adoptive Mothers.

The Corporate Citizenship Program (Programa Empresa Cidadã) was created on September 9, 2008 stipulating that businesses that join the program can extend maternity leave for their workers by 60 days, thereby providing 180 total days of maternity leave. The 60 additional days are paid by the employees and these costs can be deducted from corporate income taxes.

**Benefits (level and duration):** According to Article 392 of the CLT, pregnant employee that has the right to maternity leave of 120 days, without prejudice to employment and salary, and that the benefit shall be applied as of the 28th day prior to delivery or upon delivery itself. Upon the provision of a medical certificate, the rest periods before and after delivery may be increased two weeks. In the case of a premature childbirth, the woman is entitled to 120 days of maternity leave. Decree n. 6,990/2008 provides the extension of maternity leave for an additional 60 days for public servants requesting the benefit within the first month after delivery. Extension days will be counted after the last day of the usual 120-day leave. Businesses that join the Corporate Citizenship Program can extend maternity leave for their workers by 60 days, given the request is made to the business within the first month after delivery.

**Legal coverage of workers:** The constitutional provisions on maternity leave cover “urban and rural workers.” Decree n. 6,990/2008 benefits public federal servants posted or active in bodies and entities that comprise the Public Administration and its several branches. Some states, municipalities and private sector businesses also extended maternity leaves to 60 days. In general, however, the CLT excludes domestic workers,

agricultural workers, public officials in the service of the Union, State or municipality or those employed in the various departments thereof; and employees of autonomous administrative bodies provided that they are covered by provisions that guarantee them a status similar to that of public servants. The Corporate Citizenship Program covers workers in the private sector.

Extension of coverage of maternity leave for all workers is currently being discussed in the National Congress. The Constitutional Amendment Bill (PEC 64/07) extending maternity leave to 180 days for all workers was approved in the Senate in August 2010. The PEC modifies the content of Article 7 of the Constitution, extending to all workers the benefit granted to employees of businesses joining the Corporate Citizenship Program. At the time being, the PEC awaits for approval by the Chamber of Deputies.

Coverage of workers in practice: The restriction of maternity leave to employees with a signed labor and to individual contributors to the social security system means that a large proportion of workers do not have access to this benefit. In 2009, about half of all women workers (53.3%) contributed to the social security system

Ratification of ILO Conventions: Maternity Protection Convention (Revised), 1952 (n. 103), ratified in 1965; Maternity Protection Convention, 2000 (n. 183), not ratified. Under C.103, the government excluded from the application of the Convention under Article 7 (1) (a) and (c): (a) certain categories of non-industrial occupations; and (c) domestic work for wages in private households

Sources: 1. National legislation; 2. Reports by the Government of Brazil on C.103.

# Legal Framework Indicator 7

## Paternity leave

**Law, policy and institutions:** The Transitional Provisions of the Federal Constitution make reference to paternity leave in Article 10, but no other legislation has been located relative to this issue.

In Brazil, the vast majority of clauses established in collective agreements dealing with parental leave stipulate a 5-day leave, as provided by the law. However, in some cases (few) longer leaves (up to 10 days) can be negotiated.

In late 2009, the Senate's Social Issues Commission approved the extension of paternal leaves for specific situations, such as in the death of the mother following delivery or, in the case of adoption, the father is chosen as the primary caretaker. A proposal draft was submitted for the assessment of the Chamber of Deputies, and can potentially become a bill. The Chamber of Deputies' Social Issues Commission approved parts of this proposal, such as those providing for the extension of paternity leave from 5 to 15 consecutive days – indistinctly for the biological father or adopted father – and guaranteeing protection against dismissal in the 30-day period after the end of parental leave. The proposal is in the final stages of analysis and will be submitted to the commissions of Labor, Administration and Public Service, Finances and Taxes, Constitution and Justice, and Citizenship of the Senate.

**Benefits (levels and duration):** According to the single paragraph, Article 10, of the Transitional Provision of the Federal Constitution, until new legislation is adopted, the period of paternity leave equals five days.

**Evidence of implementation effectiveness:** No information was located by the ILO.

**Coverage of workers in law:** In principle, all male employees, but actual coverage is unknown.

**Coverage of workers in practice:** See above.

**Ratification of ILO Conventions:** Workers with Family Responsibilities Convention, 1981 (n. 156), not ratified. The ratification of C.156 was one of the subjects discussed in the Tripartite Commission of Equal Opportunity and Treatment for Gender and Race at Work (CTIO) and the Tripartite Commission of International Relations (CTRI), both presided by the Ministry of Labor and Employment. As a result, the convention was submitted to the Ministry of Foreign Relations which, in turn, submitted it to the President's Office in order to have the convention submitted to the National Congress, which is responsible for deciding whether or not a convention should be ratified. Ratification by Congress is one of the listed goals of the National Plan of Employment and Decent Labor and the National Plan of Policies for Women 2013-2015, which defined it as a priority.

Source: Labor legislation in NATLEX  
([http://www.ilo.org/dyn/natlex/natlex\\_browse.details?p\\_lang=en&p\\_country=BRA&p\\_classification=05.02&p\\_origin=COUNTRY&p\\_sortby=SORTBY\\_COUNTRY](http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=BRA&p_classification=05.02&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY)).

# Legal Framework Indicator 8

## Child labor

**Law, policy or institutions:** The fundamental legislation forbidding child labor is provided by Constitutional Amendment n. 20, of December 15, 1998, which sets the minimum age for admission to work at the age of 16, except as an apprentice when the minimum age is 14, and at 18 when work is deemed dangerous, unhealthy or degrading, according to dispositions of Decree n. 6,181 of 2008, and Article 403 and subsequent articles of the Consolidation of Labor Laws. The most important body of law covering the issue is the Statute of the Child and Adolescent (ECA) (Law n. 8,609, of July 13, 1990), Articles 61 to 69, which provide protection for adolescent workers. This Statute also provides deployment of a System for Guaranteeing Rights (SGD). Rights Councils, at the federal, state and municipal levels, are responsible for formulation of policies for combating child labor, and for generally ensuring the rights of children and adolescents, in partnership with the Public Prosecutor's Office (Ministério Público) and the Children's and Adolescent's Court (Juizado da Infância e da Adolescência). Other important normative body, previously mentioned, is the CLT, which covers work relationships involving workers under the age of 18 in its Title III, Chapter IV, subsequently altered by Law n. 10,097/2000. Other infra-constitutional normative instruments in the fields of health, education, human rights, labor and employment, agrarian development, etc., also apply.

Such policies are under coordination of the Ministry of Social Development and the Fight Against Hunger, in direct cooperation with the Ministries of Labor and Employment, Education, and Health. Policy guidelines are determined by national sectorial plans, drawn up in a participatory manner by means of National Conferences, which, in turn, are preceded by state and municipal conferences. The Ten-Year Plan for Child and Adolescent Education and the National Plan for Employment and Decent Labor integrate other sectors and strategies.

In 2008, ILO's Committee of Experts on the Application of Conventions and Recommendations observed that during the process of bringing Brazilian National Legislation into conformity with Conventions n. 138 and 182, the National Committee for the Eradication of Child Labor (CONAEIT) established a special subcommittee to draft proposal for harmonization of Brazilian National Legislation with the precepts of the aforementioned conventions. The first outcome of the work of this subcommittee was the promulgation of Decree n. 6,481, of June 12, 2008, that brought into force Article 3, line "d" and Article 4 of ILO Convention n. 182, outlawing the worst forms of child labor and proposing immediate actions for their elimination. This was approved by Legislative Decree n. 178, of December 14, 1999 and promulgated by Decree n. 3,597, of September 12, 2000, which also makes other provisions.

As the result of an initiative of the Federal Government, sustained by broad tripartite support, the National Congress approved Constitutional Amendment n. 59, on November 11, 2009, which stipulates the elevation of school age to 17 years old and increases funding for the National Fund for the Development of Basic Education (FUNDEB), ensuring municipalities with funding to be channeled to full-time education, harmonizing national legislation with C.138 of the ILO on the subject.

**Evidence of effective implementation:** From 1992 to 2007 Brazil achieved a sustainable reduction in child labor. According to data from the PNAD data, of the Brazilian Institute of Geography and Statistics, there was a 50% reduction in the number of children and adolescents between ages 5 and 17 in child labor situations between 1992 (when the number was 8.4 million) and 2009 (4.2 million). Between 2006 and 2009, the proportion of children and adolescents working decreased in the entire country in all age brackets: for ages 5 to 13 the reduction was from 4.5 to 3.1%; for ages 14 to 15, from 19% to 16%; and from ages 16 to 17, from 34.7% to 32.0%.

Brazil has implemented universalistic policies ensuring the protection of children and adolescents, which have achieved significant results, among which providing educational access to 97% all children in school, coverage by income-transfer programs for 13 million families below the poverty line, 8 19,714 children and adolescents engaged in after-school socio-educational programs, convenience services, and broadened labor inspections carried out by the Ministry of Labor and Employment and the Federal Labor Prosecutor's Office (Ministério Público do Trabalho)

Labor Inspection has played a crucial role in the efforts being made since the 1990s for the reduction of child labor in Brazil, removing children from work and facilitating access to school in partnerships with governmental and non-governmental organizations. An achievement has been the labor inspection's success in removing children and adolescents below the permitted work age and enrolling them in Federal Government Income Transfer Programs. Between 2007 and 2010, 22,550 children and adolescents have been removed from work due to the efforts of labor inspection.

On the other hand, contemporary child labor in Brazil now tends to occur in the form of children pressed into domestic service, in family agriculture, and in informal sector urban activities in commerce and services, where child labor is highly resilient and in which it is most difficult to achieve interventions by means of public policies, due to their low visibility and diffusion within cities. In order to secure greater commitment on the part of civil society for deployment of such public policies, the DISK 100 hotline was set up and widely publicized to receive complaints of violence and exploitation against children and adolescents.

**Ratification of ILO Conventions:** Convention on Minimum Age, 1973 (n. 138), ratified in 2001; Convention on Worst Forms of Child Labor, 1999 (n. 182), ratified in 2000.

Sources: 1. Notes from Compared Legislation Book. ILO/MERCOSUR. 2007 and notes from IPEC/Brazil Progress Report.

# Legal Framework Indicator 9

## Forced Labor

**Law, policies, or institutions:** The legal framework for the criminal prosecution of forced labor and “slave labor” in Brazil is provided in section 149 of the Penal Code, as amended following the adoption of Law n. 10,803, of December 11, 2003. The amended section of Article 149 criminalizes the act of reducing someone to a condition analogous to slavery. The GEFM (Special Mobile Inspection Group), created by Presidential Decree on July 31, 2003, composed of labor inspectors from the Ministry of Labor and Employment, Labor Prosecutors and the Federal Police, is a crucial instrument in the strategy of combating forced labor. It acts in conjunction with the CONATRAE, that is composed of representatives of the Executive branch, employer and worker representatives. Its objective is to accompany all actions to be taken in the context of the Second National Plan of Action for the Eradication of Slave Labor. Furthermore, Decree n. 5,948 of 2006, which approved the National Policy to Confront Human Trafficking created an Inter-agency Working Committee, in the Ministry of Justice, with the purpose of elaborating A National Action Plan to Confront Human Trafficking (PNETP).

In 2013, the government plans to conclude the elaboration and launch the Second National Plan to Confront Human Trafficking and institute the Tripartite Coordination of the National Policy to Confront Human Trafficking and the National Commission for the Confrontation of Human Trafficking (CONATRAP). The Federal Highway Police, which is responsible for a substantial portion of Brazil’s anti-trafficking law enforcement activity, continues to provide training for its officers on detecting trafficking victims and investigating trafficking crimes.

**Evidence of implementation effectiveness:** The Government reports that, as a result of the GEFM’s activities, more than 41,000 enslaved workers had been freed by 2011. Between 2005 and 2011, 514 inquiries carried out by the Federal Police have been installed. Of this total, 344 concern forced labor and 13 human trafficking within domestic borders. During this same period, a total of 381 indictments were produced leading to 158 arrests. The ILO Committee of Experts on the Application of Conventions and Recommendations made the following observation in 2008: “However, despite all these measures, the phenomenon persists. Neither legislation, not the monitoring activities of the labor inspectorate, nor the rulings handed down by the court appear to be sufficiently dissuasive to put an end to a practice which evidently remains lucrative. The Committee therefore asks the government to continue doing everything within its power to remain at the front line in the battle against persons who impose forced labor on others, despite the obstacles and resistance which continue to exist in the country.” The Committee also believes that slave labor will continue for as long as it remains lucrative. The payment of fines and considerable compensations, combined with the impossibility of accessing public subsidies and financing and selling their merchandise, and expropriation measures, constitute the elements of economic pressure which must be applied to persons who exploit work carried out by others.”

**Ratification of ILO Conventions:** Forced Labor Convention, 1930 (n. 29), ratified in 1957; Abolition of Forced Labor Convention, 1957 (n. 105), ratified in 1965; Worst Forms of Child Labor Convention, 1999 (n. 182), ratified in 2000.

# Legal Framework Indicator 10

## Employment protection legislation

**Law, policies or institutions:** Chapter II of the Constitution is the primary source of labor law. The Consolidation of Labor Laws contains standards of substantive and procedural law on termination of employment. Additional sources of labor law dealing with compensatory indemnification for termination of employment by the employer are Law n. 5,107, of September 19, 1966, which was modified and amended by Laws: n. 12,058 of October 13, 2009, n. 11,491 of June 20, 2007, n. 9,711 of November 20, 1998, n. 8,922 of July 25, 1994, and n. 9,467 of July 10, 1997 and also Law n. 8,036 of 11 May 1990 establishing the Guarantee Fund for Time of Service.

**Notice periods and levels of indemnification:** In cases of arbitrary dismissal or for “no just cause, upon thirty days prior to notice of dismissal, the employee has a right to withdraw the balance, adjusted to compensate for inflation, of deposits effected by the company in his or her FGTS account during the period that the labor contract was in effect, and is entitled to compensation limited to 40.0% of the updated value of deposits in the FGTS account, plus interest (until the complementary law foreseen by Article 7, inset I of the Federal Constitution is enabled). In case which the employee incurs in one or more sorts of serious fault listed by the CLT, the employment contract can be terminated for just cause by the employer, in which case, if the occurrence of serious fault has been judicially acknowledged, the employee forfeits the right to the aforementioned compensation and to the immediate withdrawal of his or her FGTS deposits. Also foreseen under the CLT is the possibility of shared blame for rescission of the labor contracts, thus allowing withdrawal of FGTS deposits with reduction by half of the compensation foreseen. Workers’ representatives and pregnant workers are protected against dismissal except in cases of grave misconduct by workers’ representatives.

In 2011, Law n. 12,506 was approved by Congress and sanctioned by the Presidency of the Republic. Said law alters the 30-day period of notice of dismissals to up to 90 days if dismissal is without just cause. Before this change, when workers were dismissed without just cause, regardless of time of service, they had the right for a 30-day notice prior to dismissal, which could be fulfilled with work (upon a reduction of 2 hours per day or seven full days during the 30-day period, enabling the worker to seek for another job) or generating an indemnification, paid by the employer upon contract rescission or within 10 days thereafter (Article 477 of the CLT).

With the new law into force, the prior dismissal notice becomes proportional: a worker with a one year of time in service maintains the right for a notice 30 days prior to dismissal. The worker who reaches more than one year of time of service earns the right, for each additional year, an extra 3 days added to the 30-day notice, limited to a total of 90 days.

**Evidence of implementation effectiveness:** No information could be located.

**Legal coverage of workers:** Limited to the formal economy (those with signed labor cards) and does not apply to the large informal economy.

**Ratification of ILO Conventions:** Termination of Employment Convention (n. 158), 1982, ratified in 1995, but denounced in 1996.

# Legal Framework Indicator 11

## Equality of opportunity and treatment

**Law, policy or institutions:** Federal Constitution prohibits “any difference in wages” in the performance of duties and in hiring criteria by reason of sex, age, color or marital status (Article 7 [XXX and XXXI]). Among other legislative instruments, Law n. 9,799, of May 26, 1999, includes provisions prohibiting discrimination based on sex, age, color and family statuses, including pregnancy, with respect to access to employment and as a determinant factor in the definition of remuneration, training, and opportunities of professional advancement.

The National Plan of Policies for Women and the Program for the Promotion of Race Equality are major efforts to promote equality, and are the end result of a broad social consultation process in the scope of the National Conferences of Policies for Women and Racial Equality. Both plans contain crucial provisions and actions in terms of gender and race equality in the world of work. The approval of the Statute of Racial Equality in July 2012 was an important step from the perspective of legal benchmarks. Important public policy programs aimed at promoting gender and racial equality are being developed, as, for example, the Observatory of Equality of Gender and the Pro Gender-Equality Program.

The National Plan of Employment and Decent Labor in Brazil (2010) includes among its achievements increases of equality and treatment for women and black people in accordance with ILO Conventions n. 100 and n. 111. A host of other programs, policies and initiatives are mentioned in government reports about C.111.

Submitted to Congress on December 16, 2009 by the Secretariat of Policies for Women, Bill n. 6,653/09 creates mechanisms that guarantee the equality between women and men, prohibits discriminatory practices in urban and rural labor relations, as well as in the scope of external public entities, public companies, mixed capital societies and their subsidiaries. Upon submission to Congress, the Bill underwent modifications and since January 2010 awaits deliberation from the Congress floor. Among other aspects, the Law of Equality emphasizes the balance between family and professional responsibilities and creates measures that encourage companies to adopt plans promoting gender and race equality and proposes oversight, measures, and economic sanctions.

**Evidence of implementation effectiveness:** Discrimination based on race and sex persists, but the government is taking active measures to combat it. Wage gaps based on race, in particular remain broad. In 1992, blacks earned, on average 50.3% as much as whites. This proportion had increased to 58.3% in 2009.

**Ratification of ILO Conventions:** Equal Remuneration Convention, 1951 (n. 100), ratified in 1957; and Discrimination (Employment and Occupation) Convention, 1958 (n. 111), ratified in 1965.



# Legal Framework Indicator 12

## Equal remuneration of men and women for work of equal value

**Law, policy or institutions:** Federal Constitution prohibits “any difference in wages, in the performance of duties and in hiring criteria by reason of sex, age, color or marital status” (Article 7 [XXX]). Among other legislative instruments, Law n. 9,799, of May 26, 1999, includes provisions prohibiting discrimination based on sex, age, color and family status, including pregnancy, in respect of access to employment vocational training and prohibits its use as determining variable for purposes of remuneration, training and professional advancement.

The National Plan of Policies for Women and the Program for the Promotion of Race Equality are major efforts to promote equality, and are the end result of a broad social consultation process in the scope of the National Conferences of Policies for Women and Racial Equality. Both plans contain crucial provisions and actions in terms of gender and race equality in the world of work.

The National Plan of Employment and Decent Labor in Brazil (2010) includes among its achievements increases of equality and treatment for women and black people in accordance with ILO Conventions n. 100 and n. 111. A host of other programs, policies and initiatives are mentioned in government reports about C.111. Furthermore, there is a specific goal regarding the reduction of remuneration gaps between men and women, black and whites.

**Evidence of implementation effectiveness:** Detailed statistical information gathered indicates that the wage differential between men and women continues to be high, though it has decreased. In 1992, women earned, on average, approximately 61.5% of male wages, increasing to 70.7% in 2009.

There are information requests from the Committee of Experts on the Application of Conventions and Recommendations concerning the effectiveness of the adopted measure.

**Legal coverage of worker:** No exclusions from the constitutional provisions.

**Ratification of ILO Conventions:** Equal Remuneration Convention, 1951 (n. 100), ratified in 1957; and Discrimination (Employment and Occupation) Convention, 1958 (n. 111) ratified in 1965.

Source: 1. Government reports on C.100 and C.111. 2. Comments made by Committee of Experts on the Application of Conventions and Recommendations:  
<http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=En>.

# Legal Framework Indicator 13

## Temporary incapacity for work

**Law, policy or institutions:** Relevant laws: Federal Constitution, Articles 40 and 201; Law n. 8,212, of July 24, 1991 with provisions on the organization of Social Security and creates the Funding Plan; Law n. 8,213, of July 24 1991, on Benefit Plans; Law n. 9,717, of November 27, 1998, on the organization and operation of social security regimes for public servants at the service of the Union, States, the Federal District and Municipalities, the military of states and of the Federal District; Law n. 11,457, of March 16, 2007 which defined the attributions of the Secretariat of the Federal Revenue in collecting pension contributions to the General Social Pension Regime; Decree n. 3,048, of May 6, 1999, approving the Social Pension Regulation. The Ministry of Social Security outlines and supervises social security policies, both within the scope of the General Regime and the Specific Regime for Tenured Public Servants and Complementary Pension. The National Social Security Institute (INSS) administrates the concession of benefits for the general social security regime. Each Federation Unit is responsible for the administration of benefits for their tenured servants.

**Benefits (level of coverage and duration):** General Social Security Regime: For employed workers, the benefit for the 15 first days of absence is paid by the employer and Social Security pays for days absent after the 15-day waiting period. For other insured persons, the benefit is due on the first day of absence. The monthly value of the benefit is equal to 91.0% of the beneficiaries' salary, and cannot be lower than the minimum wage or higher than the upper limit of salary contributions. Disease-related benefits can also be granted as a result of an occupational injury. In special social security regimes, the disease-related benefit is granted as continuation of salary payment during the period of absence.

**Evidence of effective implementation:** According to Social Security Data, 1,438,236 normal sickness benefits and occupational injury benefits were in effect in June 2011.

**Legal coverage of workers:** Benefits will be due to insured persons after the legally established waiting period (in the cases it is required) who are incapacitated for usual work activities for more than 15 (fifteen) consecutive days. Benefits will not be due to those insured by the General Social Security Regime who are already carrying a disease or injury claimed as reason for benefit, except when the incapacity is caused due to worsening of disease or injury. The sickness or injury benefit covers injuries sustained during performance of professional activities at the service of the company (typical), occupational diseases, as well as injuries sustained on the route from home to work or from work to home.

**Coverage of workers in practice:** According to PNAD data, 56.6 million workers between 15 and 59 years old were covered by one of the social security regimes in Brazil, the equivalent to 67.0% of employed workers at the time of the survey.

**Ratification of ILO Conventions:** Social Security (Minimum Standards) Convention, 1952 (n. 102), ratified in June 2009 – not yet examined by the Committee of Experts on the Application of Conventions and Recommendations. Occupational Injury Benefits Convention, 1964 (n. 121), not ratified.

## Sources:

1. Brasil. Governo Federal. Presidência da República. Legislação Federal. Compilado no sítio internet da Presidência da República. <http://www4.planalto.gov.br/legislacao>.
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# Legal Framework Indicator 14

## Labor Inspection

**Law, policies or institutions:** The main norms concerning labor inspection deal with the procedure of administrative fines, which is the object of Articles 626 and 642 of the Consolidation of Labor Laws (Decree-Law n. 5,452, of 1943), recently altered by Provisional Measure n. 2,076-35/2001). Furthermore, Order n. 546, of March 11, 2010, regulates the activities of labor inspection and the elaboration of inspection planning, evaluation of performance of labor inspectors (*auditores fiscais do trabalho*) in addition to other provisions. This is the most recent and authoritative order and also revokes the following orders and normative instructions concerning labor inspection: Order n. 3,310 of November 29, 1989; Order n.3,311, of November 29, 1989; Ministry of Labor and Employment (MTE) Order n. 380, of June 1, 1999; MTE Order n. 993, of November 28, 2008; Labor Inspection Secretariat (SIT) Normative Instruction n. 29 of May 2002; SIT Normative Instruction n. 56, of March 23, 2005; SIT Normative Instruction n. 59, of October 20, 2005; SIT Normative Instruction n. 67, of November 30, 2006, and SIT Normative Instruction n. 78, of June 19, 2009. See NATLEX data on Brazil.

**Evidence of implementation effectiveness:** The Federal Labor Inspection System had, in 2010, 3,061 labor inspectors with the authority to carry out their work in all areas of the country, in both urban and rural areas, in ports and waterways, and covering all firms, establishments and places of work, public and private, independent professional and non-profit institutions, as well as foreigner ships docked in Brazilian Waters. The labor inspectorate also monitors the fulfilling of quotas for the insertion of apprentices and persons with disabilities in the labor market as well as inspection for the eradication of child labor and for the elimination of work in conditions analogous to slavery.

With regard to the elimination of forced labor, the MTE's Special Mobile Inspection Group (*Grupo Especial de Fiscalização Móvel - GEFM*) was created on June 27, 1995 and since its activities commenced it has conducted inspections of conditions analogous to slavery and as a result has freed more than 42 thousand workers in the last 17 years. Also in November 2011, the MTE published a Guidebook on Combatting Work in Conditions Analogous to Slavery, which includes: the administrative concept of work, the variables that must be analyzed (for example, the recruitment of workers from one place to another; violence; restrictions to freedom; and related penal crimes), all possible fiscal actions, all legally authorized notifications and how to prepare an inspection report.

In October 2001, 215 new labor inspectors approved in the public examination held in 2010 were appointed posts.

The Committee of Experts on the Application of Conventions and Recommendations' last observation on Convention n. 81 occurred in 2011. The committee took into consideration the comments made by Brazilian labor unions submitted in 2009 as well as the government's communications. The committee acknowledged that the comments turned in by workers indicate a shortage of labor inspectors in the SIT, especially AFTs, and the insufficiency of correction mechanisms. The Committee came to the following conclusions: 1- it observes with keen interest the creation of a tripartite commission on occupational health and safety and also of a project creating a cooperation program establishing information exchanges between the Ministry of Social Security (MPS) and the MTE in

relation to occupational diseases and injuries; the Committee expects to receive progress reports from the government; 2 – the number of labor inspectors remains insufficient compared to the number of workers in workplaces covered by the Labor Inspection System, and the Committee alerts the government that this situation must be corrected; 3 – it is observing with keen interest the promulgation of Decree n. 808, of March 20, 2009, which establishes the participation of superintendents in collective initiatives in order to accelerate criminal procedures against employers responsible for infractions and also requests the government to provide information on the effective implementation of the Decree; and 4 – expects that Government to take all measures necessary to guarantee personal security of labor inspectors.

(<http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>)

**Legal coverage of workers:** Applies to employed workers.

**Ratification of ILO Conventions:** Labor Inspection Convention (n. 81), 1947, ratified in 1989, but not its protocol. Labor Inspection Convention (Agriculture) (n.129), 1969, not ratified.

Source: 1. Government reports and comments of the Committee of Experts on the Application of Conventions and Recommendations on Convention n. 81. 2. National Legislation in NATLEX:  
[http://www.ilo.org/dyn/natlex/natlex\\_browse.details?p\\_lang=en&p\\_country=BRA&p\\_classification=07.01&p\\_origin=SUBJECT](http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=BRA&p_classification=07.01&p_origin=SUBJECT)

# Legal Framework Indicator 15

## Social security – Retirement and pensions

**Laws, policies or institutions:** Relevant laws: Articles 40 and 201 of the Federal Constitution; Law n. 8,212, of July 24, 1991 with provisions on the organization of Social Security and creates the Funding Plan; Law n. 8,213, of July 24 1991, on Benefit Plans; Law n. 9,717, of November 27, 1998, on the organization and operation of social security regimes for public servants at the service of the Union, States, the Federal District and Municipalities, the military of states and of the Federal District; Law n. 11,457, of March 16, 2007 which defined the attributions of the Secretariat of the Federal Revenue in collecting pension contributions to the General Social Pension Regime; Decree n. 3,048, of May 6, 1999, approving the Social Pension Regulation. The Ministry of Social Security outlines and supervises social security policies, both within the scope of the General Regime and the Specific Regime for Tenured Public Servants and Complementary Pension. The National Social Security Institute (INSS) administrates the concession of benefits for the general social security regime. Each Federation Unit is responsible for the administration of benefits for their tenured servants.

**Benefitted workers:** Social security: defined as lifelong monthly benefits paid to workers due to age, time of contribution, or work exercised in activities vulnerable to health-risk factors. Granted to people employed in industry, commerce, agriculture and public administration; domestic workers; rural workers and self-employed workers. Voluntary coverage for students; home keepers; unemployed persons and other categories. Special Social Security Regimes cover tenured public servants and military personnel

Retirement ages and eligibility: Under the General Social Security Regime: Old-age pension: for urban workers, age 65 for men and 60 for women); for rural workers, age 60 for men and 55 for women. Retirement for time of contribution: 35 years of contribution time for men, and 30 for women, with no minimum age limit. Teachers: 5 year reduction of requirements if demonstrated that exercised exclusively activities in child education, basic and mid-level education. Special retirement pension: depending of exposure to risk factors and time of contribution, can range from 15 to 20 or 25 years, provided real exposure to harmful chemical, physical or biological agents or association of agents harmful to health of physical integrity. In the Special Regime for Public Servants, voluntary retirement can be requested at the age of 65 (men) and 60 (women), provided 10 years of contribution. Retirement for time of contribution can be requested at age 60 (men) and 55 (women) with minimum time of contribution fixed at 35 years (men) and 30 years (women). Compulsory retirement occurs at the age of 70. There are several transition rules providing combinations of age and time of contribution for workers who were not in activity at the time of the promulgation of Constitutional Amendments n. 20/1998 and 41/2003.

**Waiting period:** Survival pensions: at least 12 months of contributions, except if death was due to occupational injury. For old-age retirement, the minimum time of contribution is 15 years.

Retirement benefits and pensions can take into account contributions made abroad, when made in countries for which there are bilateral or multilateral social security agreement with Brazil.

**Value of Benefits:** In the General Regime: Old-age pension (social insurance): 70.0% of the average considering 80.0% of the highest contribution paying salaries since July 1994, plus 1.0% for every set of 12 contributions, not exceeding 100.0%. Retirement for time of contribution: the value of the benefit paid corresponds to the average of 80.0% of the best contributing salaries since July 1994, necessarily multiplied by the “fator previdenciário” (a mathematical formula which takes into consideration age, life expectancy and time of contribution). The benefits have a lower minimum equal to the minimum wage and an upper limit established by the legislation of the General Regime. Under the Special Regime for Public Servants: the value of the amount paid is equal to 80.0% of the best contributing salaries since July 1994. There are several transition rules for servants active at the time of the promulgation of Constitutional Amendments n. 20 and 41, allowing, given pre-determined combinations of age and time of contribution, retirement with pension equivalent to the totality of the last received salary. The lower limit is the official minimum age. The upper limit is the last remuneration received by the servant during activity. The upper limit is expected to be adjusted according to the same rules of the General Regime for servants entering public service after the creation of a complementary regime (this bill still depends of Congressional approval).

Survival pensions are equal to the full amount of the retirement pension the insured deceased person was receiving or to the invalidity benefit the insured person would receive if requested at the time of death.

**Funding:** Several methods (partition under the General Regimes, collective capitalization under the Specific Regimes).

**Evidence of implementation effectiveness:** General Regimes: according to data made available by Social Security, as of June 2011, the system provided for 19,581,405 old-age retirees, time of contribution retirees (including special retirement pensions) and survival pensions. Special Federal Regime: as of December 2010, according to statistics of the Ministry of Planning, Budget and Management: 949,848 retirement pensions for civil servants and military personnel; Special State and Municipal Regimes: as of December 2009 2,045,697 retirement pensions.

**Ratification of ILO Conventions:** Social Security (Minimum Standards) Conventions, 1952 (n. 102) (parts II to X), 1952, ratified in June 2009 – yet to be examined by Committee of Experts on the Application of Conventions and Recommendations. Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (n. 128), not ratified.

Sources:

1. Brasil. Governo Federal. Presidência da República. Legislação Federal. Compiled at the website of the Presidency of the Republic. <http://www4.planalto.gov.br/legislacao>.
2. Brasil. Governo Federal. Ministério da Previdência Social. Boletim Estatístico da Previdência Social. Available at the Ministry of Social Security’s website. <http://www.previdencia.gov.br/conteudoDinamico.php?id=423>
3. Brasil. Governo Federal. Ministério da Previdência Social. Anuário Estatístico da Previdência Social. Available at the Ministry of Social Security’s website. <http://www.previdencia.gov.br/conteudoDinamico.php?id=423>
4. Brasil. Governo Federal. Ministério do Planejamento. Boletim Estatístico de Pessoal. Available at the Ministry of Social Security’s website. <http://www.planejamento.gov.br/secretaria.asp?cat=429&sec=11>

# Legal Framework Indicator 16

## Social security – Sickness benefit

**Law, policies or institutions:** Relevant Laws: Law n. 8,212 of July 24, 1991, on social security, with an amendment (Law n. 9,876 of November 26, 1999); Law n. 8,213, of July 24, 1991, on social insurance; Law n. 8,742, of December 7, 1993, on social assistance, to the benefit of needy elderly or disabled people; and Decree n. 3,048, which approves regulation on social insurance. Constitutional Amendment 41 (EC41) approved by both chambers in Congress in 2003, modifying the extant Social Security system, composed of the National Social Security Institute (INSS), responsible for the general social security regime, and by the specific social security system of tenured public servants. The Ministry of Social Insurance provides general supervision. The National Social Security Institute (INSS) administrates the concession of benefits for the general social security regime.

**Legal coverage of workers:** Social insurance: Employees in industry, commerce, and agriculture; domestic servants; some categories of casual workers; and civil servants and untenured civil servants; self-employed workers. Voluntary coverage for students, housewives, unemployed persons and other categories. Special system for public-sector employees and military personnel.

**Qualifying conditions:** The beneficiary must have made contributions in the previous 12-month period. No waiting period in case of occupational injury or serious disease. Sickness benefits will not be due to insured persons who at the time of insurance contraction is already carrier of disease or injury invoked as a cause of benefit, except in the case of the disease's progression or worsening.

**Benefits (level and duration):** The monthly benefit is equal to 91.0% of the salary of beneficiary; 100.0% of the minimum wage for rural workers. The benefit is paid after a 15-day waiting period (during which the employers is required to pay 100.0% of the earnings); there is no waiting period for self-employed workers and voluntarily covered persons.

**Maximum duration:** No established limit.

**Evidence of implementation effectiveness:** No information was located. .

Ratification of ILO Conventions Social Security (Minimum Standards) Convention (n. 102) (parts II to X), 1952, ratified in June 2009 – yet to be examined by Committee of Experts on the Application of Conventions and Recommendations. Medical Care and Sickness Benefits Convention (n. 130), 1969, not ratified.

Source:

1. ISSA database: <http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Americas/Brazil>.
2. National legislation in NATLEX.
3. Database of US Social Security Administration Administração da Seguridade Social dos EUA: <http://www.ssa.gov/policy/docs/progdesc/ssptw/2006-2007/americas/brazil.html>.



# Legal Framework Indicator 17

## Permanent incapacity for work

**Laws, policies or institutions:** Relevant laws: Articles 40 and 201 of the Federal Constitution; Law n. 8,212, of July 24, 1991 with provisions on the organization of Social Security and creates the Funding Plan; Law n. 8,213, of July 24 1991, on Benefit Plans; Law n. 9,717, of November 27, 1998, on the organization and operation of social security regimes for public servants at the service of the Union, States, the Federal District and Municipalities, the military of states and the Federal District; Law n. 11,457, of March 16, 2007 which defined the attributions of the Secretariat of the Federal Revenue in collecting pension contributions to the General Social Pension Regime; Decree n. 3,048, of May 6, 1999, approving the Social Pension Regulation. The Ministry of Social Security outlines and supervises social security policies, both within the scope of the General Regime and the Specific Regime for Tenured Public Servants and Complementary Pension. The National Social Security Institute (INSS) administrates the concession of benefits for the general social security regime. Each Federation Unit is responsible for the administration of benefits for their tenured servants.

**Benefits (level and duration):** General Regime: Disability pension: The benefit is granted to workers who, due to sickness or injury were deemed incapable of exercising activities or other services for subsistence by Social Security medical experts. Disability pension is equal to 100.0% of the insured person's salary, provided the worker is not receiving sickness benefits. The benefit for workers registered until November 28, 1999 will be equal to the average of 80.0% of the highest contribution-paying salaries, adjusted monetarily since July 1994. For those registered after November 29, 1999, the benefit level will be equal to the average of 80.0% highest contribution-paying salaries during the entirety of the period of contribution. The special insured person (rural workers) will have the right to a minimum salary, if he or she did not make optional contributions. If the worker requires permanent assistance from another person, determined by a medical examination, the value of the benefit will be increased in 25.0% starting on the date of the request.

If the worker is receiving a sickness benefit, disability pension will be paid starting on the day immediately after granting of the sickness benefit. If the worker is not receiving sickness benefit: for employees, upon the 16th day of absence from activity or upon filing of request, if between absence and request more than 30 days have expired; for other insured persons, starting at the date of incapacity or date request is filed, when requested after the 30th day of absence. If Social Security is officially informed of hospital check-in or walk-in treatment, pension can be paid after 16th day of absence, regardless of date of request, upon medical expert evaluation.

In Specific Regimes, the benefit equals the full amount if due to occupational disease of injury and proportional to time of contribution if due to regular injury or disease.

**Evidence of implementation effectiveness:** General Regime: according to social security numbers, 3,149,412 disability pensions were being paid as of June 2011. No specific information regarding Specific Regimes was located.

**Legal coverage of workers:** Employees, including domestic servants, miscellaneous individual contributors and special insured persons (rural workers).

Coverage of workers in practice: According to PNAD data, 56.6 million workers between 15 and 59 years old were covered by one of the social security regimes in Brazil, which accounts for 67.0% of employed workers at the time of the survey.

**Ratification of ILO Conventions:** Social Security (Minimum Standards) Conventions, 1952 (n. 102) (parts II to X), 1952, ratified in June 2009 – yet to be examined by Committee of Experts on the Application of Conventions and Recommendations. Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (n. 128), not ratified.

Sources:

1. Brasil. Governo Federal. Presidência da República. Legislação Federal. Compiled from the internet website of the Presidency of the Republic. <http://www4.planalto.gov.br/legislacao>.
2. Brasil. Governo Federal. Ministério da Previdência Social. Boletim Estatístico da Previdência Social. Available at the Ministry of Social Security's website. <http://www.previdencia.gov.br/conteudoDinamico.php?id=423>
3. Brasil. Governo Federal. Ministério da Previdência Social. Anuário Estatístico da Previdência Social Available at the Ministry of Social Security's website. <http://www.previdencia.gov.br/conteudoDinamico.php?id=423>
4. Brasil. Governo Federal. Ministério do Planejamento. Boletim Estatístico de Pessoal. Available at the Ministry of Social Security's website. <http://www.planejamento.gov.br/secretaria.asp?cat=429&sec=11>

# Legal Framework Indicator 18

## Freedom of association and the right to organize

**Law, policy or institutions:** The Federal Constitution guarantees freedom of association for all workers and employers (Article 8, paragraph II) and civil servants (Article 37, paragraph VI) (with the exception of military personnel), but provides that there can only be one trade union organization to represent an occupational or economic category in a given territorial area, to be defined by interested workers and employers, the lowest level category's union representation, regardless of the contribution stipulated by law. The creation of associations and, under the terms of law, of cooperatives is not subject to authorization, and State interference in their operation is forbidden; furthermore, associations may be compulsorily dissolved or have their activities suspended by a judicial decision.

The Consolidation of Labor Laws contains detailed legislation both on freedom of association and collective bargaining. The right to strike is guaranteed, with restrictions concerning essential services.

Law n. 7,783 of June 1989 (still in effect) defines the following activities as essential: water, electricity, natural gas and other fuels, medical and hospital, distribution of medication, funeral services, collective public transportation, solid waste collection and sanitation, telecommunications, nuclear energy, the processing of data for all essential activities, air traffic control and banking systems. The Union has the duty of notifying employers of non-essential sectors of a strike 48 hours prior to its beginning; for essential services a 72 hour prior notice is required.

The right to strike in essential activities is significantly restricted by Article 6, paragraph 1 of Law n. 7,783, which states that no economic action can "violate or restrict fundamental guarantees," including those specifically listed in the Constitution. This definition is considerably broader than the ILO jurisprudence. For the ILO, essential services are defined as those which can jeopardize: 1 – life, 2 – security, or 3 – the health of any portion of the population (See: ILO – Digest of Decisions and Principles of the Freedom of Association Committee, 1996, par. 585)

Articles 3 and 14 of Law n. 7,783 regulate workers' right to determine the moment to strike. Article states that, before initiating a strike, the parties must have negotiated to full extent before reaching stalemate. Furthermore, Article 14 declares that the continuation of strikes after the negotiation of an agreement or convention or after a compulsory judicial adjudication (*dissídio coletivo*) is abusive, and prohibits strikes during the period the agreement, convention or normative sentence is in effect. The sole exceptions to the rule are strikes to protest against the employer's non-compliance of any clause in effect or work stoppages motivated by novel, unforeseen circumstances which invalidate collective conventions or agreements.

Law n. 7,783 forbids employer-led lockouts and the dismissal or permanent substitution of striking workers.

The right to strike for civil servants is guaranteed by Article 37 of the Constitution, but so far a necessary enabling has not yet been approved. The Attorney General's Office (*Advocacia Geral da União – AGU*) drafted a bill on the subject in 2007, but it did not follow through other legislative stages.

**Coverage of employers and workers:** Article 5, XVII of the Constitution guarantees Brazilian and foreigners residing in Brazil full freedom of association for legal purposes (except paramilitary associations). However, in the Direct Request made to Brazil regarding Convention n. 98, the Committee of Experts on the Application of Conventions and Recommendations concluded in 2010 that “although union freedom is constitutionally protected, the national legal system does not define what are anti-unionist types of conduct and this prevents the Ministry of Labor and Employment from taking the effective preventive and repressive measures to control such conducts, as in the cases denounced.” (Cases n. 2.635, 2.636 and 2.646, examined by the ILO Committee on Freedom of Association). In the same Direct Request, the Committee of Experts encouraged the government to submit a legislative project to Congress in order to define types of anti-unionist conducts with effective sanctions against infractors.

**Evidence of effectiveness of implementation:** There are a few cases under examination by the Committee on Freedom of Association involving Brazil and two pending cases are highly important:

1. Case n. 2.739 was reviewed for the first time by the Committee in 2010 and is based on a complaint presented by six union centers in Brazil against the Labor Prosecutor’s Office (Ministério Público do Trabalho - MPT) in filing cases against the practice of assistance contribution which, unlike the compulsory union contribution, is defined at union assemblies, but is also applicable to all workers, whether or not affiliated to unions. The Committee: 1- requested more information (including the government’s own opinion) concerning this policy of the MPT; 2 – offered the technical assistance of the ILO concerning the subject and recommends reconsidering ratification of Convention n. 87; and 3 – waits for a definitive answer from the governments concerning the Committee’s recommendations.
2. Case n. 2,795, based on complaints made by the same union centrals against the practice of the so-called “interdito proibitório”, a writ of security (mandado de segurança) that can be used in the labor justice system against strikes deemed abusive.

Convention n. 151, ratified by Brazil in 2010, guarantees the rights of freedom of unionization and union organization for public servants and also stipulates that disputes related to the terms and conditions of employment of public servants were to be resolved by means of negotiation and other measures, including mediation, reconciliation and arbitration. The process of regulation of the Convention is being discussed in bipartite meetings between the Government and worker organizations (the union centers).

Convention n. 141, ratified by Brazil in 1994, incorporates all of the fundamental elements contained in Convention n. 87 (freedom of association) for rural workers. The last review of Brazil regarding C.141, was made by the Committee of Experts in 2003 by means of a Direct Request. The Committee concluded that: 1- regarding the prohibition to constitute more than one union organization to represent the same occupational or economic category in a geographical area, “the Committee recalls that trade union pluralism must be possible in all cases and that the law should not institutionalize de facto monopolies”; 2- regarding the compulsory funding of the confederative system, “the Committee once again recalls the Government that in general terms the issues related to the funding of union organizations must be regulated by the statutes of the respective organizations, being the result of agreed upon laws by means of collective conventions”; and 3 – that the requirement of a minimum of five trade unions to constitute a federation “is too high”.

Convention n. 135, ratified by Brazil in 1990, guarantees the effective protection to worker representative against acts of retaliation, including dismissals, and also stipulates that appropriate measures (including workers' access to the workplace) will be provided to representatives. The substantive review of Brazil regarding C.135 was made in 1995 by means of a Direct Request. The Committee acknowledged that "the detailed information provided by the Government in its memorandum and specifically the obligation of electing a representative in companies in those with more than 200 workers, as provided for in Article 11 of the Federal Constitution." The Committee "expressed hope that the specific provisions will be adopted in order to apply the articles of the Convention not only to cases with more than 200 workers, but also smaller companies." In 2003, the Committee made an observation acknowledging the information provided by the Central Única dos Trabalhadores (CUT) on questions concerning compliance to the Conventions, and requesting the government to submit more information in this regard. Since 2003, there have been no more observations or conclusion of the Committee on the subject.

The most recent and relevant legislative development concerning C.135 was Law n. 9,958/2000 on the Commissions of Prior Reconciliation, regulated by MTE Order n. 329/2002 subsequently altered by MTE Order n. 230/2004. According to this piece of legislation, the Commissions are combined on the basis of parity, with representatives of employers and employees, and has the attribution of attempting to reconcile individual labor conflicts. The Commissions can be convened by the company, a group of companies, trade unions, or a group of unions. The Commission, when convened within companies, will be composed of, at least two, and, at most, ten members and will deal exclusively with cases pertaining to workers belonging to the professional category and territorial scope of the union entities that instituted them. So far, no observations or conclusions have been made by the Committee of Experts or the normative supervision system of the ILO on the significance of these commissions regarding trade union representation guaranteed by C.135.

**Ratification of ILO Conventions:** Freedom of Association and Protection of the Right to Organize Convention (n. 87), 1948, not ratified. Right to Organise and Collective Bargaining Convention (n. 98), 1949, ratified in 1952. Labour Relations (Public Service) Convention (n. 151), 1978, ratified in 2010. Rural Workers' Organisations Convention (n. 141), 1975, ratified in 1994. Workers' Representatives Convention (n. 135), 1971, ratified in 1990.

Sources:

1. Country baseline on freedom of association under the 1998 Declaration on Fundamental Principles and Rights at Work ([http://www.ilo.org/declaration/follow-up/annualreview/countrybaselines/lang--en/docName--WCMS\\_091262/index.htm](http://www.ilo.org/declaration/follow-up/annualreview/countrybaselines/lang--en/docName--WCMS_091262/index.htm)).
2. National legislation.

# Legal Framework Indicator 19

## Collective bargaining

**Law, policy or institutions:** Article 8 of the Federal Constitution and Articles 611 to 625 of the Consolidation of Labor Laws.

**Coverage of employers and workers:** All workers, except public servants. The Committee of Experts on the Application of Conventions and Recommendations criticizes the exclusion of public servants not engaged in the administration of state affairs. Although Article 37 of the Constitution guarantees freedom of association and the right to strike (according to the terms yet to be defined by a specific law) for public servants, it does not provide the right of collective bargaining. In Brazil, unions represent all employees within a certain professional category and bargaining is carried out with employer unions. In the terms of Article 611 of the CLT, a Collective Labor Convention is established between trade unions representing professional categories (employees) and economic categories (employers). However, according to paragraph of the same Article, Brazilian labor legislation establishes a conceptual distinction between a Collective Convention, as bargain involving the trade union and employers' association, and the Collective Agreement, when it includes the same trade union representing the employees and one or more companies of the corresponding economic activity.

**Limits to the scope of collective bargaining:** The Committee of Experts has long called for the annulment of Article 623 of the CLT that allows the Government to declare void any provision of a convention or agreement found to be in conflict with guidelines of the Government's economic-financial policies or with its current wage policy.

**Evidence of implementation effectiveness:** In 2008, the Committee of Experts requested the Government to provide information concerning alleged acts of violence against unions, as reported by the International Confederation of Unions. It also requested the Government to provide information on the question of compulsory judicial adjudication ("dissídio coletivo") (a judicial sentence determining the final and substantive result of a collective bargain), on the measures taken to ensure the right of collective bargaining for public servants and the annulment of collective conventions and agreements that clash with the government's economic or wage policy.

On the issue of the *dissídios coletivos*, the Committee also noted that "due to Constitutional Amendment n. 45, of December 8, 2004", this form of judicial adjudication could only exist in the case of "an agreement between both parties, being that the Judicial system cannot be called upon to resolve unilaterally." The Committee requested the Government more information concerning the application and implementation of Constitutional Amendment n. 45.

In the Direct Request made to the Government in 2010 (concerning Convention n. 98), the Committee of Experts reiterated its previous request calling for the modification of Law n. 10,192, of February 2001 which forbids the inclusion of automatic wage recuperation clauses fixed according to price indexes in conventions, agreements, and judicial adjudications. The Committee noted that the parties involved in collective bargaining could freely and voluntarily decide whether or not to include automatic wage-adjustment mechanisms.

The Chamber of Deputies of the National Congress is reviewing (since May 2012) a draft for a bill called Collective Labor Agreement with Specific Purposes, also known as Special Collective Agreement (ACE). The draft is supported and promoted by the Metalworkers' Union of the ABC Region. While the CLT provides agreements among unions of professional or economic categories and one or more companies in the same category, the ACE creates the possibility of an agreement between the workers' union and just one enterprise, in order to deal with the specific conditions of an enterprise and its employees. In order to establish an ACE, the worker union would have to demonstrate a unionization rate of at least 50% plus one of the total number of employees in the enterprise.

**Ratification of ILO Conventions:** Right to Organise and Collective Bargaining Convention (n. 98), 1949, ratified in 1952. The Collective Bargaining Convention (n. 154), 1981, also ratified in 1992. Labour Relations (Public Service) Convention (n. 151), 1978, ratified in 2010 – its regulation is in the process of being discussed.

Source:

1. Comments of the Committee of Experts on the Application of Conventions and Recommendations on C. 98: <http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>.

# Legal Framework Indicator 20

## Tripartite consultations

**Law, policy or institutions:** Tripartite Commission on International Relations (CTRI) established by an Order of August 2004, in the Ministry of Labor and Employment. Includes representatives of several ministries, and employers' and workers' organizations. There are other instances of tripartite consultation and participation that are cited in the national Agenda for Decent Work. These include: the Economic and Social Development Council (CDES), the Tripartite Commission for Equal Opportunity and Treatment of Gender and Race at the Workplace (CTIO), the Quadripartite Commission for Strengthening the Minimum Wage, the Tripartite Commission of Permanent and Equal Representation (Safety and Health) (CTPP), the National Council on Immigration (CNIg), the National Council on Social Security, the National and Permanent Commission on Ports (CNPP), the National Commission for the Eradication of Slave Labor (CONATRAE), the National Commission for the Eradication of Child Labor (CONAETI), the Tripartite Commission of Occupation Health and Safety (CTSST), the Dialogue Table for the Improvement of Working Conditions in Sugar Cane Plantations, the Dialogue and Bargaining Table for the Improvement of Working Conditions in Civil and Heavy Construction, The Tripartite Working Group (GTT) of the National Agenda for Decent Labor (ANTD), the Tripartite Consultation Group of the Youth Subcommittee (GTT), and the Interministerial Committee of the ANTD. In addition, there are State, District and Municipal Commissions on Employment (with tripartite and equal representation), established and recognized by resolutions of the Deliberative Council of the Workers' Support Fund (CODEFAT).

**Evidence of implementation effectiveness:** The Government had referred in earlier reports on C.144 to tripartite consultations being held both in committees set up by the Ministry of Labor and Employment and in the framework of MERCOSUR. In more recent reports, it refers to tripartite consultations under the objectives of C.144. Committee of Experts on the Application of Conventions and Recommendations' comments (of 2006) cite reports of submission to the competent authorities, and possible denunciation of ILO Convention n. 21 on Inspection of Migrant Workers. The Committee also made the observation in 2006 (the most recent reviews of C.144 and Brazil) that the instances of tripartite consultation are developing proposals and "instruments for National Congress."

**Ratification of ILO Conventions:** Tripartite Consultation (International Labor Standards) Convention (n. 144), 1976, ratified in 1994.

Sources: Government Reports on Convention N. 144 and Committee of Experts on the Application of Conventions and Recommendations' comments: <http://webfusion.ilo.org/public/db/standards/normes/appl/index.cfm?lang=EN>.



# Legal Framework Indicator 21

## Administration of Labor

**Law, policy or institutions:** The Ministry of Labor and Employment is directly responsible for the management of the main fields of activity related to labor and employment. The indicators displayed in most of the following topics, considered as a whole, reveal the existence of an integrated system of labor administration.

**Legal coverage of workers:** Observed in several indicators. However, some categories are excluded from coverage in the scope of the Consolidation of Labor Laws: workers in the agricultural sector, public servants at the service of the Union, State, and Municipalities and other employees of autonomous administrative bodies that have some kind of coverage which ensures the rights similar to those of public servants. Domestic workers are covered by specific legislation.

**Ratification of ILO Conventions:** Labour Administration Convention (n. 150), 1978, not ratified. Labour Inspection Convention (n. 81), 1947, ratified in 1989, but not entered into protocol. Labour Inspection (Agriculture) Convention (n. 129), 1969, not ratified yet. Freedom of Association and Right to Organise Convention (n. 87), 1948, not ratified. Right to Organise and Collective Bargaining Convention (n. 98), 1949, ratified in 1952. Labour Statistics Convention (n. 160), 1985, ratified in 1990. Social Security (Minimum Standards) Convention (n. 102), 1952, ratified in 2009. Employment Policy Convention (n. 122), 1964, ratified in 1969. Occupational Safety and Health Convention (n. 155), 1981, ratified in 1992; Promotional Framework for Occupational and Health Convention (n. 187), 2006, not ratified. Human Resources Development Convention (n. 142), 1975, ratified in 1981.

Sources: See other Legal Framework Indicators.