ECONSTOR
Make Your Publications Visible.

A Service of
ZBW
Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

de Andrade Baltar, Paulo Eduardo et al.

Working Paper

Moving towards Decent Work. Labour in the Lula government: reflections on recent Brazilian experience

Global Labour University Working Paper, No. 9

Provided in Cooperation with:
The Global Labour University (GLU)

Suggested Citation: de Andrade Baltar, Paulo Eduardo et al. (2010) : Moving towards Decent Work. Labour in the Lula government: reflections on recent Brazilian experience, Global Labour University Working Paper, No. 9, International Labour Organization (ILO), Geneva

This Version is available at:
https://hdl.handle.net/10419/96389

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WWW.ECONSTOR.EU

Mitglied der Leibniz-Gemeinschaft

GLOBAL LABOUR UNIVERSITY WORKING PAPERS

PAPER NO. 9, May 2010

Moving towards Decent Work. Labour in the Lula government: reflections on recent Brazilian experience

Paulo Eduardo de Andrade Baltar
Anselmo Luís dos Santos
José Dari Krein
Eugenia Leone
Marcelo Weishaupt Proni
Amilton Moretto
Alexandre Gori Maia
Carlos Salas

ISSN 1866-0541

www.global-labour-university.org

The authors are researchers at the Centre for Labour Economics and Trade Unionism - CESIT – in the Institute of Economics of the State University of Campinas – UNICAMP – Campinas, São Paulo, Brazil

Editorial Board
Sharit K. Bhowmik (Tata Institute of Social Sciences, India)
Hansjörg Herr (Berlin School of Economics and Law, Germany)
Frank Hoffer (International Labour Organisation)
Mariano Laplane (University of Campinas, Brazil)
Seeraj Mohamed (University of the Witwatersrand, South Africa)
Helen Schwenken (University of Kassel, Germany)

Contact Address
Hochschule für Wirtschaft und Recht Berlin
IMB - Prof. Hansjörg Herr
Badensche Str. 50-51
D-10825 Berlin

Contact: glu.workingpapers@global-labour-university.org
Layout: Harald Kröck

Global Labour University Working Papers
ISSN: 1866-0541

© Global Labour University e.V. All rights reserved.
The material in this publication may not be reproduced, stored or transmitted without the prior permission of the copyright holder. Short extracts may be quoted, provided the source is fully acknowledged. The views expressed in this publication are not necessarily the ones of the Global Labour University or of the organisation for which the author works.

First published 05/2010

ABSTRACT

In recent years, Brazil has seen an increase in formal employment, the raising of the minimum wage, a recovery in the purchasing power of the average wage, a drop in open unemployment and curbs on unprotected subcontracting. Average household incomes have risen and poverty has declined. How was this achieved? This paper argues that a minimum wage revaluation policy, broader social security coverage, income transfers and improved wage bargaining have all contributed to a reduction in inequality. The shift in labour market indicators is, they believe, conditioned by Brazil's economic dynamics, public policy on the raising of incomes, and a legal and institutional framework in which the public institutions and the trade unions play a prominent role. The authors advocate the creation of a development model that distributes income and dignifies citizens.

Moving towards Decent Work. Labour in the Lula government: reflections on recent Brazilian experience

Paulo Eduardo de Andrade Baltar
Anselmo Luís dos Santos
José Dari Krein
Eugenia Leone
Marcelo Weishaupt Proni
Amilton Moretto
Alexandre Gori Maia
Carlos Salas

Translated from the Portuguese original version by Camila Gripp and Steven Toff

TABLE OF CONTENTS

PREFACE 1

INTRODUCTION 2

1. BRAZILIAN MACROECONOMIC DYNAMICS IN THE 2000s DECADE 3

2. IMPROVEMENTS IN THE BRAZILIAN LABOUR MARKET DURING THE PERIOD 2004-2008 8

3. SOCIAL REGULATION AND PUBLIC POLICIES 17
   - 3.1. Labour regulation and the advancement of job formalization 17
   - 3.2. Public policies and income distribution improvements 24
   - 3.3. The role of trade unions and collective bargaining 30

FINAL REMARKS 32

REFERENCES 34

PREFACE

The first decade of the twenty-first century has been one of significant victories for workers in Brazil. The establishment of a minimum wage revaluation policy, the updating of income tax brackets, a reduction in interest rates on loans repaid by wage check-off, the expansion of investment in family agriculture, the achievement of a national minimum wage for the public education sector, the maintenance of a more inclusive social security policy – these are some of the results of the proposals and campaigns in which the Central Única dos Trabalhadores (CUT) played a decisive role.

Despite the great heterogeneity of the labour market, the results for the beginning of this century show that the market is moving forward to expand the number of formal jobs and raise average incomes. The higher number of workers brought into formal employment is contributing to the improvement of income for many families, and is promoting the integration of these workers into the Social Security system, which covers health care and retirement. In addition, data on collective bargaining reveal that a significant number of categories achieved real wages growth, contributing to the increase in labour income.

It may be that the timeline of the analysis covers too short a historical period to be considered relevant to an understanding of the impact on economic and social indicators, but the importance of this period for any reflection on the Brazilian experience lies in the changes undergone by the curves representing some of the main social indicators. For instance, there was a continuous fall in unemployment rates in the years under review, reversing a previous long upward trend. And as the authors point out, the indicators of income inequality and poverty, as measured by the Gini index, show a clear positive trend, even though the income gap is still large in Brazil.

Statistical evidence presented throughout the study shows that the country has improved in this new century. So it deserves to be a focus of research of the kind undertaken by the authors. This period is unusual, but it does show that it is possible to achieve a different pattern of development that is sustainable and inclusive.

The improvement in the social indicators shows a path of sustained economic growth, underpinned by active public policies that contribute to reducing the country's social inequalities. The strengthening and expansion of these policies is a field in which the trade union movement can and should play an important role.

Deepening out the changes aimed at eliminating social inequalities, valorizing labour and expanding rights – these are the challenges facing Brazilian society, and achieving them requires the maintenance of a democratic, publicly oriented State, and the active participation of society, by expanding the spaces available for social dialogue.

Artur Henrique
National President, Central Única dos Trabalhadores (CUT-Brazil)

INTRODUCTION

The objective of this paper is to analyze the set of changes in the Brazilian labour market, especially during the period 2004-2008. This is a period characterized by a significant increase in the pace of the economic growth (around 5% per year). It contrasts with the previous period, marked by the introduction of neoliberal economic policies in Brazil, when low annual average rates of economic growth (slightly above 2% per year), together with the impacts of the resulting abrupt structural changes, led to a strong deterioration in several aspects of the Brazilian labour market. Therefore, the higher growth rate was one of the most relevant aspects for the improvement of the national labour market observed during the period prior to the recent international financial crisis. For this reason, Section 1 of this study is devoted to an analysis of Brazilian macroeconomic dynamics, focusing on a discussion of the main determinants and the consequences of greater dynamism in the Brazilian economy.

The increase in the pace of economic growth had a positive impact on the Brazilian labour market in several respects: job creation, decreased unemployment, improvements to occupational structures, a rise in the proportion of occupations covered by labour legislation and a reduction in the enormous earnings inequalities within the country. The main characteristics of this process and its relations with the broader dynamics, as well as an assessment of other aspects that are important for understanding the recent evolution of the Brazilian labour market, are themes covered throughout Section 2.

In addition to economic growth, the Brazilian labour market has benefited from a policy of revaluing the minimum wage, greater monitoring of compliance with labour legislation, and the results of trade union negotiations and pressure, as well as a set of important changes that were not immediate consequences of economic growth, but stemmed from the political relations established between workers, employers and government in various institutional bodies, as expressed in various relevant policies and actions. Thus, for example, the major expansion of income transfer programmes – either directly through the new "*Bolsa-Família*" programmes or through improvements in the wage floor and the coverage of the pensions system (old-age and other continuous benefits guaranteed by the Federal Constitution of 1988) – should not be regarded as a policy targeted at, and impacting directly on, the labour market. However, we do need to be aware that, together with the minimum wage policy, these improvements were indirectly very important for the expansion of employment, including formalized jobs in the small towns of the poorest regions and municipalities in the country. They galvanized demand, thus stimulating local commerce and production activities. These issues are examined in Section 3.

Section 4, devoted to final remarks, aims to highlight the more general outcomes and the significance of the changes, both macroeconomically and in Brazilian working life, while considering the enormous challenges for the future in a country still marked by a major set of social and economic problems.

1. BRAZILIAN MACROECONOMIC DYNAMICS IN THE 2000s DECADE

Important elements of continuity can be identified in Brazilian macroeconomic policy between the second government of FHC (Fernando Henrique Cardoso) in 2006 and the first Lula government, but also important differences, such as the loss of momentum in the process of privatizing State companies and the strengthening of the National Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social* - BNDES). As important elements of continuity, we may point to the policies of inflation targeting and flexible exchange rates – adopted by the Central Bank after the devaluation of the Real in January 1999 – and the primary surplus policy implemented by the Ministry of Finance.

Furthermore, this devaluation significantly changed the functioning of the Brazilian economy and its relationship with the labour market (Baltar, Leone & Borghi, 2009). One noteworthy aspect of this change was the effect of the rising value of the dollar. This caused a strong increase in the public debt, as a substantial portion of that debt was pegged to the exchange rate and was being used as a protection for investment capital portfolios built throughout the 1990s with resources borrowed from international financial market.

The devaluation of the Real, besides increasing the public debt in relation to GDP, brought back the inflation problem. The increase in the value of the dollar, resulting from the flight of capital, dramatically increased domestic production costs, as the opening up of trade had expanded the range of marketable products with prices set at the international level. Additionally, the privatization of public services entailed linking their prices (in national currency) to the general price index, which is very sensitive to international commodity prices (Carneiro, 2006). Thus, inflation would increase as a result of a broad rise in costs, which could become a new and widespread price-wage spiral, if workers – in order not to lose purchasing power – managed to get nominal wages readjusted in line with the price increases, and if companies were in a position to pass the increased costs on in their prices.

The IMF's support paved the way for the re-election of President Fernando Henrique Cardoso in 1998. This helped to set a policy which, while avoiding accelerated inflation, set out to maintain the recent opening up of trade and finance. So a macroeconomic policy was adopted that combined inflation targets, primary surplus in the government's budget and a floating exchange rate. The policy of a floating exchange rate represented continuity in exchange rate policy: the country continued to refrain from using the exchange rate as an instrument for guiding development, exporting more manufactured goods and depending less on imports of these products.

To attenuate the flight of capital, the interest rate had been set very high before the devaluation of the Real. After the devaluation, given the inflation target policy,

interest rates were maintained at a very high level. The devaluation of the Real tended to have a positive impact on Brazilian economic activity, enabling greater exports and creating better conditions for domestic producers to compete with imported products. Nevertheless, the containment of public spending and the high interest rates were specifically aimed at maintaining a low level of economic activity, as a way of preventing a speed-up in inflation.

Due to the high interest rates, the trend was for the public debt to grow faster than GDP. The primary surplus on the public accounts was aimed at avoiding a disproportionate increase in the debt. To make this possible, there was a dramatic increase in taxes, especially social contributions. This increase in the tax burden had been occurring throughout the 1990s, as a result of the implementation of a social contribution scheme, provided for in the Brazilian Federal Constitution of 1988, which created a comprehensive social security system in the country. The total amount of taxes and social contributions increased from 25% to 35% of GDP. In addition, through measures adopted by the National Congress, the Brazilian Federal Government detached a significant part of its revenue (20%) from specific expenditures, and implemented the Fiscal Responsibility Law, facilitating action by the Treasury to contain expenditure (and even investment) and gain the capacity to pay a portion of the interest on the debt. The Brazilian government also used public funds and public banks to absorb a portion of the public debt, and the restrictive monetary policy meant continued use of the banking system to keep rolling over the huge debt, to the detriment of the loans needed to finance the economy.

From 1999 to 2003, the macroeconomic policy adopted only managed, at best, to contain inflation, leading to modest growth in GDP achieved primarily through the positive impacts of international trade. The currency was kept devalued over these five years and the performance of the international economy worsened in 2001, but it was possible to make up for the poor performance of the domestic market with an increase in exports and a reduction in imports, so that there was a reversal of the trade balance deficit of the 1990s, reaching an impressive surplus in 2002. In any case, beginning in 2003, the world economic situation improved for emerging countries. So the continuity of the basic lines of the macroeconomic policy implemented from 1999 onwards led to lower inflation rates and stronger GDP growth, from 2004 until the international crisis in September 2008 (Baltar, Santos, Garrido & Proni, 2009).

The resumption of GDP growth began with exports and was later consolidated by the increase in consumption and investment, in a context where there was also a major increase in imports. The Brazilian economy benefited from the favourable international market, since it is a major exporter of commodities together with manufactured products, mainly to commodity-exporting countries and the USA (Hiratuka, Baltar and Almeida 2007).

However, this recent experience of abrupt devaluation of the Real prompted the repayment of a not inconsiderable part of the foreign debt (public and private), and external loans were focused on financing exporters. The expansion of the

domestic financial market, fostered by the inflow of foreign capital and the increase in international loans, opened up space for big companies to place debt securities and property titles, with financing in national currency, as an alternative to taking resources from the international financial market in foreign currency.

Capital inflow (direct investments, financial market applications and external loans) compensated for the decline in the current account balance, and it was therefore possible to maintain the accumulation of international reserves. The increase in the international reserves, however, did not prevent the process of appreciation of the Real that intensified in 2004 and was only interrupted by the effects of the recent international crisis. With the appreciation of the Real, inflation finally decreased and GDP growth was accelerated, bringing positive impacts in terms both of increased consumption and of increased investment.

This growth was boosted by a substantial increase in jobs, formal employment, labour earnings, income transfers and the real minimum wage, which together resulted in a significant increase in family income, particularly for those in the intermediate and lower strata of family income. This process of increasing consumption and investment was also favoured by a combination of family income increases and the expansion of consumer credit - driven by longer repayment periods, falling nominal interest rates and institutional changes that began to allow the direct deduction of repayments from wages (check-off loans). As a percentage of GDP, loans by the banking system – which decreased steadily from 33.7% in 1995 to 24.2% in 2002 - have been increasing since then and reached 41.8% of GDP in 2008. In a scenario characterized by higher GDP growth, lower inflation, significant availability of international reserves and lower external debt stock (public and private), companies and banks expected continued growth in sales, production, employment and income. In fact, before the international crisis hit the country, GDP growth had accelerated, reaching an annual rate of 6.5% in mid-2008, through a process in which the volume of investment had been rising at significantly higher rates (Baltar, Leone and Borghi, 2009). With that came an expansion in consumption of consumer durables, companies increased their investments in production capacity expansion, and the state resumed investment in infrastructure. Thus, even though the actions of the Central Bank of Brazil, aimed at containing inflation, had hampered the provision of loans in national currency and maintained a high level of interest rates (with negative impacts on the pace of economic growth), the average growth rate of the Brazilian economy rose significantly.

At the heart of the difficulties the country currently faces if it is to return to a more intense and continuous pace of GDP growth is the challenge of restoring the engine of growth, in other words, boosting the expansion of the process industries. Throughout the industrialization process, the country built a diversified and integrated industrial sector, mainly geared to domestic demand. Since 1980, industrial output has grown very little, with its share of GDP decreasing from 34% to 16% in the context of nearly a quarter century (1980-2005) of semi-stagnation in the Brazilian economy, during which per capita

output has barely increased. This loss of momentum in the industrial sector is related to the decline of investment in the country, with gross fixed capital formation currently ranging between 14% and 18% of GDP, while in the previous period of industrialization and sustainable growth (the late 1960s and the 1970s) it had reached much higher levels (between 20% and 25%).

The opening up of trade and finance during the 1990s did not substantially alter this picture of low industrial dynamism and GDP growth - with average rates of growth even lower than those of the 1980s. The coefficients of exports and imports in the industrial sector increased, and this sector certainly became more efficient, but there was also a significant loss of density in manufacturing production chains, which reduced the possibilities of increasing aggregate value and therefore the power to carry other sectors of activity.

The firmer and continued resumption of growth in industry, and also in the GDP, currently requires expansion of investment rates with infrastructure creation and a restructuring (densification) of production chains for manufactured goods. This would increase industry's capacity to create aggregate value in industry and its power to stimulate other activities, besides helping to increase the share of industrial exports and reduce the country's dependence on imported manufactured goods. Increasing the investment rate, however, entails going beyond the amount of investment induced by sales growth. It requires a more active government role in its relationship with the private sector and in the expansion of economic and social infrastructure.

From the second government of President Lula onward, following his re-election in 2006, the government has clearly taken a different position on economic growth, despite the continuity in the macroeconomic policy based on inflation targets, primary surplus in the government's budget and the policy of floating exchange rates (Barbosa and Pereira de Souza, 2010). One symptom of this change was the refusal to deepen out fiscal adjustment, which was a refusal to implement a policy suggested by (some) economists and conservative segments in Brazilian society. The implementation of a more restrictive fiscal policy, which aimed at a higher nominal primary surplus in the public accounts, was suggested as a way of taking advantage of the possibility of increasing the primary surplus brought by the higher rates of GDP growth and tax collection. From this perspective, the nominal surplus would help to cover the full payment of interest on the public debt, accelerating the decline of this debt in relation to GDP - an absolute priority for those interested in developing a more sophisticated financial sector, even though this could hinder more robust development of manufacturing in the country.

Thus, the government opted to launch the Growth Acceleration Plan (*Plano de Aceleração do Crescimento* - PAC), in order to restore public service staffing and pay levels, both of which had been sacrificed significantly during the earlier effort to contain public spending; maintain the pace of increase of the legal minimum wage and take on the increasing cost of social security, whose minimum benefit levels are linked to the minimum wage; and restore public investment, especially

in infrastructure. Another symptom of this change in the government's position was the funding by the National Treasury of the BNDES (National Bank for Economic and Social Development), and the intensification of its activities such as forming national business groups and supporting investment by public enterprises.

Finally, the government's response to the international crisis at the end of 2008 also expressed this change of position. Although it acted late, due to fear of an increase in inflation caused by the devaluation of the Real, the Central Bank lowered the basic interest rate in Brazil (the Selic); loosened bank reserve requirements; used the international reserves to guarantee export financing; temporarily reduced the tax (IPI) on consumer durables (cars, domestic appliances, building materials, furniture and other products); launched a programme to build affordable housing (*My House, My Life*); reduced income tax for the middle class; used the public banks to ensure that demand for credit was met and to incorporate financial institutions weakened by the crisis; and ensured bank lending to the micro and small enterprise sectors.

These changes, which reflected the new attitude of the Brazilian government to the conduct of economic policy and to managing the impacts of the international crisis, along with new oil discoveries in the pre-salt layer along the Brazilian coast, have set a new context marked by optimism - or at least hope - that the country can achieve a sustained process of economic development, on which can be built the material foundations for a progressive improvement in the welfare of the population as a whole. The new posture of the Brazilian government - especially its reaction to the threats posed by the international crisis, but also the way in which it conducted the debate on the institutional construction necessary for the country to benefit more from the new oil extraction opportunities - has led to a rapprochement between the state and private enterprise. This has contributed to more concrete thinking on the possibilities for reconstructing the instruments of government action, necessary for strategic investment projects that are fundamental to a substantive development of the Brazilian economy.

2. IMPROVEMENTS IN THE BRAZILIAN LABOUR MARKET DURING THE PERIOD 2004-2008

In this period characterized by an increase in the average rate of growth of the Brazilian economy, the labour market showed significant changes which, all in all, have led to significant improvements: a decrease in average unemployment rates, an increase in formal[1] waged jobs (covered by Brazilian labour laws and the social security system), employment growth in the most organized sectors of the economy (including large companies and the public sector), a reduction in the proportion of unprotected waged jobs and self-employment on the labour market, a substantive increase in the real value of the minimum wage, the recovery of the real value of wages negotiated in collective bargaining agreements and conventions, a large decrease in unpaid work, the intensification of the fight against forced labour and a substantial reduction in child labour.[2] However, before examining the main changes observed in occupational and income structures over this period, it is important to point out the major changes observed in the evolution of the economically active population (EAP) and the recent changes in its gender and age composition.

In Brazil, the economic participation rate for young people aged 15-19 decreased during the 1990s, but it is still very high compared with countries at similar levels of development, such as Chile, Argentina and Mexico. The differences between these countries are significant. For example, in 2005 the activity rate for young people (15 to 19 years old) was 52% in Brazil, 36% in Mexico, 25% in Argentina and 17% in Chile (ILO, 2007 in Welters, 2009). Currently in Brazil, half of the teenagers are looking for work, whereas 20 years ago this proportion had reached 75%. At that time, the first attempts to enter the labour market occurred before 15 years of age, so young people aged 15-19 had already been fully inserted into the labour market. This fact was, amongst others, one of the symptoms of the disintegration of the Brazilian labour market, and it has been changing in the meantime, but even today half of the population in this age group participates

1 To be considered as a formal worker, one needs the Carteira de Trabalho e Previdência Social (CTPS, Work and Social Security Card) which records a worker's employment history, qualifications and social security entitlements. The card is, in theory, required for any provision of work by one person to another. Throughout the English version of this paper, the phrase "emprego sem carteira de trabalho" has been translated as "informal employment" or "unprotected employment" – Editor's note.

2 Despite the effort to eradicate child labour (for children under 16 years of age), the Survey "Pesquisa Nacional por Amostra de Domicílios" (PNAD/IBGE), conducted annually, shows that 1.5 million adolescents aged between 10 and 14 years participated in some economic activity in 2008, accounting for 8.4% of all people in that age group. Furthermore, 10.5% of the economically active minors had not performed any work activity during the reference week of the survey, but had taken initiatives to find a job. Among those minors who had had an occupation during the reference week, two-thirds were working without payment, in most cases for a family member, and almost all the rest were unprotected employees.

fully in economic activity, although increasingly, this population also attends school.[3]

The changes observed for those older than 15, according to age groups, reflect modifications that have been occurring in birth and mortality rates as well as in the pattern of Brazilian population growth since the late 1960s: the number of people in the 15-24 age group was less in 2008 than it was in 2004; for older age groups, it can be observed that the number of people aged between 25 and 54 and those aged 55 years and over grew at annual rates of 2.3% and 4.7% respectively (Table 1). The strong increase in the population aged 15 and older is a result of the rise in the adult and senior population. The growth of the adult population, between 2004 and 2008, reflects the significant growth of the Brazilian population in the 1970s, while the increase in the senior population reflects not only the more intense growth in the Brazilian population before the 1970s, but also the increase in life expectancy that has been occurring in Brazil since then, which has led both to an increase in the number of people who reach old age and to a lengthening of this stage of people's lives.

Thus, over the period 2004-2008, there was an increase in the participation rate within the working age group, mainly explained by an increased participation rate among adult women.[4]

Table 1: Total working age population and economically active population (EAP) Brazil: 2004 and 2008

Age Groups	Total working age population (15 years old and over)			EAP		
	2004	2008	Annual Growth Rate	2004	2008	Annual Growth Rate
15 to 24	26.3	23.4	-0.9	24.5	21.6	-1.2
25 to 54	55.3	56.1	2.3	65.1	66.5	2.5
55 and over	18.4	20.5	4.7	10.4	11.9	5.4
15 and over	100.0	100.0	1.9	100.0	100.0	1.9
Source: IBGE-PNAD, 2004 and 2008.						

Despite the resumption of economic growth, unemployment reached 7.1% in 2008. Moreover, of the total economically active population, 31.2% were still occupied as self-employed workers, employers or non-remunerated workers or engaged in subsistence farming or building their own homes. Thus, wage employment did not cover more than 61.7% of the economically active population, of whom 33.7% were informally employed (a form of illegal use of the

3 In this analysis of the economically active Brazilian population, we will concentrate on the population aged 15 years old and above, divided into three major age groups: 15 to 24 (youth), 25 to 54 (adults) and 55 and above (seniors).

4 The participation rate for men fell from 81.2% to 80.5% and for women increased from 57% to 57.6%. For people aged between 15 and 24 years old there was a decrease in the participation rate of men, while the participation rate of women remained constant. For adults (25 to 54 years) and seniors (55 and over) the participation rate remained constant for men and increased for women. For the whole group of 15 years and older, the participation rate remained constant (68% in 2004 and 2008).

wage labour force in Brazil) and 10.9% were employed in paid domestic work. Therefore, when assessing the impact of Brazilian economic growth on the absorption of the economically active population, it is very important to differentiate the wage labour market (formal and informal commercial establishment employees and formal and informal paid domestic workers) from the rest of the occupational positions (self-employed, employers, subsistence farmers and unpaid home construction and other unpaid workers). Also, the boundaries between paid work and unpaid work in Brazil are difficult to establish because the flexibility of wage labour has led to an increase in self-employed work that is just a disguised form of wage labour. That is, an important part of what is recorded in the statistics as self-employed work is actually disguised wage labour, and this leads to an underestimation of the part played by the wage labour market in absorbing the economically active population (Leone and Baltar, 2008).

In Brazil, there are important differences in the labour market participation rate according to age and gender. The higher the age, the lower the participation rate as employees (formal and informal commercial establishment employees and formal and informal paid domestic workers). So the adult and especially the senior population account for a larger percentage of the self-employed and the employers (usually in small businesses).[5]

Despite the substantial fall in the economically active proportion of those aged 15 to 24, the considerable reduction in unemployment during the period 2004-2008[6] failed to significantly alter the unemployment situation among young people - who were mainly seeking wage employment – as in 2008, this group was still marked by a very high unemployment rate (Table 2). In contrast, among adults and especially among the elderly population, besides the unemployment reduction, the situation in 2008 reflected the fact that not only unemployment rates were lower, but also a more substantial number defined themselves as self-employed or employers – that is, they were not seeking an occupation as a waged employee.[7] Unemployment amongst women has remained much higher than amongst men, especially in the youth and adult groups. Women also continued to have a greater presence in the most precarious types of occupation: informal wage labour, unpaid work, unpaid domestic work and subsistence agriculture (Table 3).

5 Within the youth group, the proportion of unemployed, employed and paid domestic workers reached 79% of economically active young people in 2004, rising to 88% in 2008.

6 Still for the youth group, the major improvements in the Brazilian labour market during this period were the decrease in unemployment and increase in formal employment. Moreover, the proportion of domestic work absorption of young workers has decreased and so has the proportion of unpaid labour.

7 In the case of self-employment, small businesses were taken together with disguised wage labour. On the other hand, the great prevalence of the employers' category in absorbing the active adult and senior population reflects the narrowing of the labour market caused by 25 years of economic stagnation, along with the relative importance of small businesses run by the adult and senior population, in a country where the regulation of economic activity is very weak. The decrease in self-employment for adults and seniors in the absorption of the EAP was also very important.

Table 2: EAP absorption according to age groups. Brazil: 2004 and 2008

Occupational status	15 to 24		25 to 54		55 and over		15 and over	
	2004	2008	2004	2008	2004	2008	2004	2008
Unemployment	18.0	15.5	6.4	5.2	2.7	2.1	8.9	7.1
Formal employment	29.1	35.2	39.0	43.7	17.1	20.2	34.3	39.1
Informal employment	25.6	26.6	14.3	13.5	10.7	10.3	16.7	15.9
Formal domestic work	0.8	0.6	2.3	2.3	1.1	1.4	1.8	1.8
Informal domestic work	5.4	4.3	5.3	5.2	3.6	4.3	5.2	4.9
Employer	0.6	0.7	4.5	4.8	7.0	7.1	3.8	4.2
Self-employed	7.9	7.4	22.1	19.7	38.7	36.2	20.3	19.0
Unpaid	10.4	7.1	3.6	2.9	4.8	4.3	5.4	4.0
Subsistence farming	2.1	2.5	2.4	2.6	14.0	13.8	3.5	3.9
Own home construction	0.1	0.1	0.1	0.1	0.3	0.3	0.1	0.1
EAP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Source: IBGE-PNAD, 2004 and 2008.								

The increase in the average growth rate of GDP over the period 2004-2008 resulted in significant positive impacts on the Brazilian labour market. Not only did the labour market absorption of working age people increase and unemployment go down, there were also improvements and important qualitative changes in the occupational structure: the relative importance of informal employment, self-employment and unpaid work within the occupational structure declined.[8] Thus, changes in the composition of occupations by sector, reflecting the resumption of economic growth and its positive impacts on the expansion of formal employment, reduced the weight, within total employment, of sectors that attract workers who are generally seeking survival strategies and have no alternatives at times of high unemployment. That is, sectors marked by precarious employment and non-wage labour, not covered by the labour legislation and associated with very low work income were reduced. Thus, there was a reduction in the rate of increase of non-wage labour (self-employed workers or employers) and unprotected employees. These figures rose much less than those for formal employment. From 2007 on, there was even a reduction in the absolute number of workers in these two occupational groupings, coupled with higher growth of GDP and of formal employment (Baltar et al., 2009). The share of informal employment in the occupational structure was reduced from 27% in 2004 to 25.4% in 2007, while that of non-wage workers fell from 29% to 27.6% in the same period.

8 Nevertheless, agriculture, domestic work and other services still accounted for 24% of total employment in 2007.

Table 3: EAP absorption according to age group and gender. Brazil: 2008

Occupational Status	15 to 24		25 to 54		55 and over		15 and over	
	Men	Women	Men	Women	Men	Women	Men	Women
Unemployment	11.9	20.5	3.5	7.4	1.9	2.4	5.2	9.6
Formal employment	37.0	32.6	47.8	38.7	21.5	18.1	42.1	35.2
Informal employment	30.9	20.8	15.6	10.8	13.0	6.1	18.7	12.4
Formal domestic work	0.1	1.2	0.4	4.6	0.3	2.9	0.3	3.7
Informal domestic work	0.4	9.6	0.4	11.0	0.9	9.6	0.4	10.6
Employer	0.9	0.4	6.3	3.1	9.2	3.9	5.4	2.7
Self-employed	8.3	6.3	23.6	14.9	42.0	27.4	22.5	14.4
Unpaid	8.1	5.7	1.0	5.2	1.3	9.0	2.6	5.7
Subsistence	2.2	2.9	1.3	4.3	9.5	20.5	2.6	5.7
Own home construction	0.2	0.0	0.1	0.0	0.4	0.1	0.2	0.0
EAP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Source: IBGE-PNAD, 2008.								

On the other hand, it may be noted that just over half of the working population in Brazil are still non-wage workers and/or in situations that do not comply with the country's labour legislation. Together with the reduction in informal employment and self-employment in the occupational structure, there was a significant rate of increase of formal wage employment and of the weight of this category within the occupational structure. This significant expansion of formal employment - which began after the devaluation of the Brazilian currency and was intensified by the increased pace of economic growth in the period 2004-2008 – was a result of two different effects: on the one hand, a tendency towards formalization of businesses and labour contracts; on the other, an increase in the number of formal jobs generated by every percentage point of GDP growth. Thus, the process of increase in formal employment was very strong, due to modifications and expansion of the Brazilian productive structure, but also due to the formalization of contracts through the supervision conducted by the Ministry of Labour and Employment.

The good jobs associated with higher income (managers, graduated professionals, and technicians) increased at a particularly significant pace. The worst occupations, usually present to a greater extent in agricultural activities and the provision of services, also showed progressive formalization of contracts, which was accompanied by other qualitative improvements with respect to the occupational positions, and by an increase in average income and a decrease in inequality of earnings. Furthermore, the segment characterized by the worst occupations expanded at a lower growth rate than that observed for the segment with the best occupations (Baltar et al., 2009). So overall, this process meant a significant reversal of several negative trends, ongoing since the early 1990s and which had advanced along with the implementation of neoliberal economic

policies and related measures that aimed to make the labour market even more flexible.

Determined by the higher rate and the characteristics of economic growth, in a context of high employment elasticity in relation to the economic product (average of 0.4, similar to the elasticity observed in the 1970s), the growth in the number of employees hired in accordance with the labour regulations (CLT) or the Statute for Civil Servants - the so-called "formal wage employment" - grew from 44% in 2004 to 47% in 2007 of the total working population with an income (Baltar et al. 2009). Moreover, as may be seen from Table 2, the proportion of formal employment in the whole economically active population aged 15 and above (a universe that also includes the unemployed) increased from 36.1% in 2004 to 40.9% in 2008.

This increase in formal employment occurred in all age groups, but there was an especially significant increase in the formalization of youth jobs.[9] This expansion of formal employment was also widespread in all sectors of economic activity, with annual growth rates of over 3%, except in some services and public administration, where the formal employment growth was slightly less than 2% per year.[10]

The increase in formal employment also occurred in almost all occupational groups, particularly in management positions, sales occupations, highly skilled professions and technical posts. However, even in manual occupations in agriculture, for example, formal employment grew at a rate of 3.5% per year (Baltar et al., 2009). While formal employment in all the five types of occupation with a relatively high average income (managers, graduate professionals, technicians, administrative support services and armed forces personnel) increased their share of the total employed population, the occupations with lower average incomes continued to show lower participation, but the four types of occupation with the lowest average income (services, sales, agricultural and non-agricultural manual labour) reduced their share of total formal employment. Moreover, during this period, formal employment also showed high growth rates in large firms - particularly significant in view of the reduction it had suffered during the 1990s (Santos, 2006).

This overall increase (by age, industry, type of occupation, size of company) in the relative importance of formal employment occurred from 2004 on, simultaneously with an increase in the total employed population with an income, significant recovery of the average labour income, a strong increase in the total labour income, and a slight recovery of the share of the national income

9 Still, the highest rate of formal wage labour is for those between 25 and 54 years of age (71.1% in 2008 compared to 53.7% for young people and 59.7% for seniors).

10 The degree of formalization continued to vary widely across the sectors and types of occupation. In five sectors with low average incomes (agriculture, construction, hotel services and food, domestic and personal services), the proportion of formal employment in the generation of new occupational opportunities was very low. In trade and repair and transport and communication, the average income is not so low, but the proportion of formal employment in total job creation was also relatively low.

appropriated by the workers. The average work income in Brazil had been reduced during the 1997-2003 period, hampered by rising inflation and decreasing economic activity, especially after the exchange rate devaluation of 1999. Since 2004, the fall in inflation, together with the reactivation of the economy, has given rise to a recovery in the purchasing power of the workers' average income, a trend that has been strengthened by increases in the minimum wage and the wages of the better organized occupational categories. At the end of the period, however, the average income of workers was at a level very close to that of 1998. The resumption of economic growth from 2004 on has just begun to change this picture, enabling the average work income and the workers' share of the total national income to recover losses suffered since the devaluation of the Real in 1999.

Total labour income (between 2004 and 2007) benefited more from the recovery of the average income than from the growth of occupations. Furthermore, the increase in the recovery of the average income was generally higher in industry sectors where the average work income is lower than in the overall economy, reflecting the importance of the minimum wage increase policy for the recovery of the average work income. By contrast, as regards the increase in the total mass of labour income in the formal sector, the growth of formal employment was more significant than that of average income.

Thus, as the resumption of economic growth during 2004-2008 occurred in the midst of greater monetary stability and a reduced level of inflation, one of the more notable consequences was that economic growth not only contributed to a process marked by significant formalization of labour contracts, but also helped to create the momentum for an increase in the real value of the minimum wage and a rise in real wages, through the gains made by the more organized workers and their unions in the course of wage bargaining. All this led to a significant improvement in average labour income, indicating a trend towards decreasing inequality of labour earnings.

Despite the increase in the proportion of occupations with higher income, the average labour income increase showed even more significant impacts in the worst occupations, helping to reduce income inequalities. Moreover, the increasing proportion of formal jobs in the occupational structure was decisive for the changes in the composition of the total labour income, by occupational status, further reflecting the positive development of employment rather than average income. And in that sense, the greater relative increase in the average income from informal jobs and non-wage labour only prevented a further decline in their share of the total mass of labour income (Baltar et al., 2009).[11] The reduction in the income differences of employed people was also expressed in the reduction of differences in average income by occupational status, which

11Even in 2007, formal jobs accounted for only 47% of the total number of paid jobs and 53.5% of the total weight of earned income. Informal employees represented 25.4% of paid jobs and accounted for 13.5% of labour income, while self-employment accounted for 27.6% of paid jobs and 33% of labour income.

occurred for both formal employment and the total occupational positions. However, income differences in the total employment picture remained very high by industry sector and, especially, by type of occupation. The effects of the policy of increasing the value of the minimum wage, thus providing for stronger increases in low wages in the lower income sectors, were not enough to decrease the disparities in average sectoral incomes - not even in formal employment. Sectors and types of occupation with lower incomes are also those that have lower proportions of formal employment within the total occupation rate. This greatly exacerbates the differences in the socioeconomic situation of the workers, since compliance with labour laws entails guaranteeing various advantages to formally employed workers, such as paid weekly rest, holidays (with one-third of the wage as an extra payment), coverage by the severance payment fund (FGTS), assistance with transportation and food, and social security, among other labour rights.

However, the increase in wage employment, the formalization of labour contracts, the rise in incomes (particularly the lower ones, impacted by the raising of the purchasing power of the minimum wage), the trade unions' struggles and their collective bargaining achievements, resulting in real wage increases and falling unemployment, have all contributed to the increase in family income, especially for the lower income groups. Those categories that are better organized and have a higher average income also showed an increase in incomes, but greater significance should be attributed to the policy of progressive increases in the real value of the minimum wage, within a context of economic growth and increasing public revenue and work income. This has particularly benefited the workforce segments on lower incomes, helping to reduce the high existing inequalities not only in the labour earnings structure but also in the family income structure (Baltar et al., 2009).

Thus, the positive employment developments and the already cited recovery in labour income affected family income and - along with the credit expansion – they had positive effects on the level and structure of household consumption, contributing to the significant expansion of Grade C (intermediate consumption pattern), or the lower middle class, which became increasingly important as the basis of the enormous prestige and popularity of President Lula's second government.

However, we must contextualize this process of significant advances in the occupational and income structure from a historical-structural perspective of the economy and the labour market in Brazil. Thus, it is very important to note that even in a particularly favourable world economic situation, Brazilian economic growth over this relatively short period has not been extraordinary, and its positive impacts on the labour market may be seen as the beginning of a more extensive and time-consuming process, required in order to (i) reverse the negative changes in the labour market and income structures caused by the neoliberal economic and labour policies implemented since the early 1990s, and the resulting production restructuring, low economic dynamism and

precarization of the labour market and labour relations, (ii) reduce the adverse effects that 25 years of stagnation in GDP have had on the labour market of an underdeveloped country, (iii) reduce the problems resulting from an occupational structure historically and structurally marked by informality, precarity and low wages.

3. SOCIAL REGULATION AND PUBLIC POLICIES

As explained, the positive evolution of some of the Brazilian labour market indicators (in particular, the increase in the formalization of employment relationships and the rise in the average income of those at the bottom of the remuneration structure) is fundamentally related to the economic dynamics and the change of political environment. However, it is also necessary to highlight the contribution of public policy, the social regulation of labour, the role of public institutions and trade union action. Economic growth certainly has contributed to the virtuous character presented by these institutional factors, in the sense of a greater structuring of the labour market. In parallel, the need to respond to social demands related to employment and income, in a context of strong political tension, has led the government to adopt policies that would indicate concern for the poorest sectors of the population. That is, the explanation for the recovery of formal employment and wages over the decade must also include the importance of the legal framework, government policies and the trade union movement, as will be discussed below.

3.1. Labour regulation and the advancement of job formalization

In Brazil, "formal (or protected) employment" is the term used to describe jobs validated by a work card.[12] An employee with a formal contract has access to the social security system and the labour rights included in the legal framework. Unregistered employment is illegal, but is very widespread in the Brazilian labour market. Therefore, the growth of formalization means that a larger number of workers are theoretically protected, being assured access to the social security system which offers old-age pensions and protection in case of sickness, workplace accident or unemployment. Moreover, a great number of the labour rights recognized by Brazilian legislation - amongst which we may mention the "thirteenth salary" (year-end bonus), paid holidays, maternity and paternity leave, paid weekly rest and the minimum wage – are guaranteed only to those who are formally hired.

A further element to be considered is the curbing of the work flexibilization process. Brazil has followed the employment relations flexibilization agenda, albeit in a tardy and idiosyncratic way. In comparison with the main developed countries, flexibilization was late in coming, but it put in a strong appearance in the 1990s, in the context of an economic crisis, trade and financial liberalization with exchange rate appreciation and redefinition of the state's role in the economy. It is idiosyncratic because the specificities of capitalism in Brazil are such that the country has always had a flexible labour market, especially after the military dictatorship, allowing the employer to adjust the quantity and price of labour to different economic scenarios. Therefore, unlike in the main developed

12 See note 2 above.

countries, the social regulation of labour in Brazil has not achieved the same degree of protection.

Despite the chronic weakness of the social regulation of labour, the flexibilization agenda grew in Brazil during the 1990s, providing a set of *ad hoc* measures that increased the degree of flexibility, especially in the forms of labour recruitment, conditions of use and payment. Among the reforms, in this paper we highlight those introduced under the justification of incentivizing the maintenance or creation of jobs and reducing informality. The main changes introduced were: temporary work contracts, part-time contracts,[13] suspension of contracts for periods of up to 5 months,[14] adjustments to annual work time, first jobs and temporary contracts in the public sector.[15] In addition to these recently created forms of contract, there are other forms of contract, including temporary forms, for the most vulnerable workers in the Brazilian legal framework.

Compared with the experience of developed countries,[16] the modalities of atypical employment contracts are negligible in Brazil, as the prevalent arrangement in the formal labour market is the open-ended employment contract. As may be seen from Table 4, it is noteworthy that formal employment was stagnant during the 1990s and has grown strongly in the first decade of the 21st century. In the private sector, in 1999, the number of workers with open-ended contracts was lower than in 1989. In the public sector, during this period, employment under the statutory regime increased, due to the effectiveness of the social policies laid down in the 1988 Constitution. Between 1999 and 2008, protected employment grew by 57.8%, jumping from 25 million to 39.4 million people employed under contract. Employment growth took place mainly through open-ended contracts, but temporary employment has grown by 60% in the last 10 years.

13 These permit a working week of up to 25 hours. Labour rights are in accordance with the weekly hours worked.

14 The main measures that accompany the suspension of the employment contract are: a) the employee is to receive a "training allowance", which follows practically the same rules as the unemployment insurance during the period of suspension of the contract, b) the employer may give a monthly allowance, not considered salary, during the period of suspension of the contract, c) the company is committed to offering a qualification course to the worker during this period, d) the employee will continue to receive food stamps through the Worker Food Programme (Programa de Alimentação do Trabalhador), e) if the employee is dismissed after the end of the suspension of the contract, he/she is entitled to receive severance pay plus one month's salary, f) in case of dismissal, the employee can apply to the unemployment insurance and receive at least one month's benefit, g) the employee must receive retraining during the period of suspension, but upon returning to work, he/she comes back to the same position with the same pay.

15 There is no available statistical information for all the new modalities introduced.

16 Freyssinet (2006) shows that, in 2004, 13.6% of the contracts in the European Union had temporary status. In his data, the part-time contracts are excluded. See also CESIT/MTE (2006).

Table 4: Evolution of employment relationships, Brazil: 1989-2008

	1989	1995	1999	2003	2008
Open-ended contract	20,729,491	18,284,300	19,182,600	22,361,112	30,547,223
Statutory	2,638,781	4,545,992	4,537,091	5,439,922	6,818,849
Non-effective statutory	-	446,226	719,761	1,124,094	1,146,023
Independent	109,577	90,549	124,636	115,731	90,767
Temporary/fixed-term	84,656	307,198	409,307	461,050	684,177
Minor apprentice	-	-	7,429	27,643	133,973
Other/unknown	924,063	81,471	12,441	15,375	20,554
Total protected jobs	24,486,568	23,755,736	24,993,265	29,544,927	39,441,566

Source: MTE-RAIS

Although the forms of employment that can be verified through the RAIS (*Annual Social Information Report*) increased from 1 in 1989, to 9 in 2008, temporary contracts have a low incidence, representing only 1.4% of total employment in the private sector. In the public sector, especially at the municipal level, there was an increase in temporary contracts, particularly between 1995 and 2003. However after 2003, in relative terms, there was a decrease in hiring of temporary and dismissible staff, especially at the federal level, due to the Terms of Adjustment of Conduct between the Ministry of Labour and the Central Government for the replacement of these workers (including outsourced workers) by workers hired through public competitions.

Except in the public sector, there was no increase in atypical contracting in Brazil. In a context of better economic performance, public institutions and trade unions contributed to fraud prevention and pushed companies to hire according to the law. However, despite the increasing formalization, it is important to emphasize that the labour market still features some characteristics that are very unfavourable to the employees, such as the structural manpower surplus, informality, self-employment and subsistence work. Alongside the expansion of open-ended contracts with social security coverage, the employer still has the freedom to break the employment contract without justification.

For example, in 2009, in the midst of the crisis, 995,000 formal jobs were created (15.2 million dismissals and 16.2 million new hires) among a total of 33 million employees registered by the RAIS. So the turnover of dismissals and contracts remained very high throughout the period under consideration. This freedom of the employer to break the contract unilaterally and unjustifiably was reaffirmed by the denunciation of ILO Convention No. 158, which was in effect in Brazil for only 10 months in 1996. It is currently being examined by the Federal Supreme Court, which is reviewing the constitutionality of the denunciation. The lack of growth of temporary contracts has not eliminated the possibility of expanding other forms of contracting that are not captured by the RAIS: outsourcing, hiring of independent contractors, internships and labour cooperatives.

The fundamental issue is that the recent evolution of employment has been overwhelmingly characterized by the expansion of open-ended contracts, encompassing 95% of all formally employed workers.

Besides the explanation based on economic dynamics, as discussed above, other important factors need to be taken into account in order to understand the recent process of the significant expansion of protected (formal) jobs. Among them, the following should be highlighted: a) the need to improve the state's revenue collection in order to tackle the growing public debt (as explained, to produce a fiscal surplus as a way of guaranteeing the conditions for honouring debt repayments), b) the role of public institutions, especially those responsible for monitoring and ensuring compliance with the social and labour regulations, c) the formalization of micro and small enterprises (where much of the unprotected labour is concentrated) allowing access to credit and tax incentive programmes, and d) union activity, channelling a social aspiration to access the social security system.

The role of public institutions

The public institutions in the field of labour protection have taken on the task of resisting a flexibilization process based on disregard for labour laws. Three of these institutions deserve to be singled out: the public system of inspection and monitoring which includes the Ministry of Labour and Employment (in the exercise of its supervisory powers), the Public Ministry of Labour (in the management of public civil actions in defence of collective interests) and Labour Justice, which is a body that guarantees labour rights.

The labour inspectorate has the role of verifying compliance with legal provisions on working conditions and the protection of workers while they are engaged in their activities. The Constitution of 1988 enshrines a federal competence for organizing, maintaining and carrying out labour inspections. These inspections are performed by the Ministry of Labour and Employment (MTE) through Labour Inspection Auditors (Nobre, Jr., Krein and Biavaschi, 2008).

In the 1990s, the tendency was to strengthen the direct negotiation mechanisms and foster the private settlement of labour disputes. In this spirit, an ordinance was enacted discouraging the official monitoring of collective agreements, the declared aim being to add value to direct negotiations. In parallel, the labour monitoring system fell into neglect.

But from 1999, with the need to improve the state's revenue collection, new ways to enhance the surveillance system, especially through monetary incentives tied to the payment of dues and the collection of FGTS fees,[17] began to be implemented, and monitoring teams have gradually been reassembled, although they are still inadequate in terms both of numbers and of working conditions. But some progress was achieved from the point of view of reaffirming the ILO's

17 The FGTS (Employment Duration Guarantee Fund) provides for the payment of 8% of the monthly salary to compensate the employee in case of unjustified dismissal. This fund finances housing and basic sanitation construction projects.

principles on labour inspection, including increased independence for inspectors in the exercise of their public duties.

The contribution of the inspection system can be seen in the significant increase in formal jobs each year, rising from 250,000 in 1999 to 746,000 in 2007. Considering the size of the labour market, those numbers are not so high, but the exemplary effect should also be taken into account - when there are signs of increased surveillance, companies preemptively adjust to the law in order to avoid being fined.

In addition, two other factors need to be highlighted: 1) the creation of "Super Receita" (Super Revenue), unifying the social security and tax revenue auditing systems, providing the possibility of sharing information and thus improving the whole system of supervision, from 2004 onwards; and 2) the creation of mobile inspection groups to facilitate the Child Labour Eradication Programme (PETI) and the National Plan for Slave Labour Eradication[18] in partnership with the ILO as part of the National Agenda for Decent Work.

To sum up, after 1999 there was an improvement, though an insufficient one, in the monitoring system, which helps to explain the expansion of protected employment, the fight against child labour and slave labour, and the increase in companies' payment of payroll-linked social contributions (Nobre Jr, Krein and Biavaschi, 2008).

The second public institution that must be mentioned is the Public Ministry of Labour (MPT), which can be regarded as a relatively recent institution, as its powers were redefined in the Federal Constitution of 1988 and its structuring process started during the early 1990s. This institution is vital to the judicial role of the state. With its permanent, autonomous and independent character and its task of preserving the legal order, the democratic regime and basic collective and individual interests, the MPT has become a key agent for the defence of social interests. As it is not subordinated to any other power or institution in the country, it has great autonomy in its role of monitoring compliance with laws. At the same time, it has full powers of action and intervention, imbued as it is with the role of defending society and of protecting the various collective and homogeneous individual interests. Moreover, it can act as an arbitrator or mediator in the resolution of collective labour disputes (Nobre Jr; Biavaschi and Krein, 2008).

The MPT's action focuses primarily on collective labour issues that have impacts on social relations (such as the eradication of child labour and forced labour, the fight against all forms of discrimination, monitoring of fraudulent cooperatives and assurance of fundamental labour rights, notably formalization of employment). Its members (the MPT's prosecutors) are entitled to take the initiative in launching investigations into denunciations and to refer to the legal

18 These are two programmes that have had a high level of activity, contributing to social awareness of two great ills still plaguing the Brazilian labour market. The programmes have been successful in reducing the number of working children and freeing people who were working in conditions akin to slavery.

system any issue involving disregard for the social legislation affecting a collective of workers or society in general.

The work of many labour prosecutors (often coordinated with the judiciary and trade unions) has shown positive results in reining in fraudulent practices. For example, in the state of São Paulo, the action of the Public Ministry of Labour was crucial to the fight against fraudulent labour cooperatives. It required that fake cooperative members be hired directly – i.e. with work card registration.

In short, the MPT plays an important role in monitoring compliance with the social legislation, helping to fight fraud and build respect for labour law across the regions.

The third public institution is Labour Justice - a specialized branch of the judiciary composed of over three thousand judges - which is structured and present throughout the national territory. Each year, it receives more than two million labour complaints. When examining the dossiers, its role is to ensure compliance with acquired rights through application of the labour legislation. Labour Justice verdicts contribute to the understanding of certain issues related to labour law. And its case law also has a standard-setting role.

Its contribution to the growth of formal employment can be identified particularly in two movements that have been consolidated during recent years, influenced by the current debates in society and the dynamics of the labour market. First, the recognition of the employee status (protected employment relationship) of "informal" workers, "trainees", "cooperators", "juridical persons" and "autonomous workers" when all the characteristics of a employment relationship are present: the existence of human work that is personal, on behalf of others, non-casual, dependent and paid. Therefore, the predominant jurisprudence has become one of condemning any evidence of fraud in the employment relationship. Thus, through individual actions of the Public Ministry or the unions, a vision of repairing people's rights within a disguised employment relationship has come to prevail. Although it is not possible to measure its effects, this approach has stimulated formal employment growth, since condemnation of fraud has prevailed (Nobre Jr, Krein e Biavaschi, 2008).

Second, companies that outsource services have been held accountable when the contractor does not comply with labour laws. The recognition of accountability, or at least subsidiary accountability, induced many companies to adopt preventive measures in order to avoid the accumulation of future labour liabilities. That is, contractor firms became subject to monitoring by the outsourcing company. For example, formalization in sectors with highly outsourced services, such as private security, cleaning and maintenance, rose above the average level of formalization of the labour market.

The two abovementioned trends were more visible in the current decade, as the concepts of flexibility and deregulation of rights were on the wane in Brazil. Therefore, although insufficient to meet demands, the strengthening of the labour judiciary's capacity to act has helped to make possible the growth of

protected labour contracts, in a context of continual improvements in labour market indicators and the recovery of trade union power.

Company regularization and State actions

Not only has employment undergone formalization, the same is true of companies. Some initiatives in this direction have contributed to the advancement of formal labour contracts, although it is not possible to measure their effects with precision. They are basically of two types: 1) legislation to give tax incentives for the formalization of small businesses (in particular the "Super Simples", which has reduced taxation and simplified bureaucratic procedures), 2) the requirement that companies regularize their tax and social security situation as a condition of access to credit and of participation in bids for public contracts.

As in the recent period there has been a strong expansion of credit offers and of public spending, an additional stimulus was created for the regularization of micro and small companies, which had already received tax incentives. Certainly, this has also contributed to the formalization of employees contracted by small businesses.

Secondly, although very fragmented and scattered, the trade union movement has sought the application of the rights enshrined in law, thus helping to bring a greater of proportion of workers within the scope of social protection.

The trade unions have legal advice services, tasked with advising on collective bargaining and, mainly, bringing labour complaints before Labour Justice. Most of the unions, given their low representativity and their weakness, opt to go to court in order to resolve workplace disputes, especially those related to compliance with the labour legislation. It must also be said that in unfavourable times (as happened in the 1990s) many unions, in the name of allegedly maintaining employment, took a somewhat lax approach to the application of rights, and this implied less social protection for their members.

Although union fragmentation has increased recently,[19] it may be surmised that many unions, in a more favourable economic context, will help to press the public institutions and the companies for greater formalization of employment contracts.

Under the Lula government, a certain strengthening of many union bodies may be noted, particularly due to two phenomena: 1) there have been improvements in collective bargaining outcomes (as will be discussed below); and 2) unionization rates have increased, but only slightly, rising from 16.7% of all those employed in 2001 to 18.2% in 2008. For formal employees alone, the rate reached 26% in 2008, according to the PNAD (National Continuous Household Sampling Research Programme). Within this new context, worker pressure for access to basic social protection also grew, a pressure that was considerably reinforced by

19 Organizing rates are fairly low, but trade unionism did manage to maintain its representativity in a context of the deep fragmentation of the working class and changes in its composition. According to the most recent census, taken in 2001, there were about 16,000 trade unions in Brazil. In the meantime, that number is likely to have increased.

the trade union position of seeking support within the public institutions for the fight against fraud.

Finally, it is important to remember that the type of employment created in the public sector plays an important role in the dissemination of an employment pattern that serves as a reference point for the economy as a whole.

Despite the growth of public employment in the 1990s (due to the implementation of provisions in the 1988 Constitution, which has significantly expanded social policies), a downsizing trend in Federal Government and privatization of public enterprises prevailed during this period. On the other hand, public employment increased at the municipal level (e.g. in public schools and municipal health centres), but the jobs created in these spheres were of a pattern inferior to the one predominating at the Federal Government level.

In recent years, there has been a shift in the Federal Government's strategy, moving toward the reshaping of some civil service career structures through the holding of public competitions. In this sense, despite inadequacies and persisting problems of efficiency and quality, there has been an increase in public hiring. According to the RAIS, the civil service establishment (the actual complement of public servants) grew by 25% between 2003 and 2008, i.e. the public administration, at the three levels of the federal structure, was responsible for the hiring of 1.4 million people.

3.2. Public policies and income distribution improvements

A key aspect, when examining the nature of the policies adopted by a government, is related to the changes they cause in the distribution of income. In recent years, parallel to a better structuring of the national labour market, income inequality showed a small decrease, as measured by the Gini index (from 0.58 in 2003 to 0.55 in 2008). Certainly, income inequality in Brazilian society is still very high, but there is a clear trend towards improvement, which can also be measured by the ratio between the income of the richest 10% and the poorest 40% (Table 5). The improvement in the labour market configuration, which was more pronounced, had a very positive impact on the reduction of the numbers living in poverty: from 61.4 million people in 2003 to 41.5 million in 2008 (in relative terms, from 34.3% to 21.9% of the total population) and on the decrease in absolute poverty: from 26.1 million people in 2003 to 13.9 million in 2008 (from 14.6% to 7.3% of the total population).

Table 5: Income inequality and poverty indicators. Brazil: 1999-2008

Year	Income inequality: Gini Index	Income ratio between the wealthiest 10% and the poorest 40%	People living in absolutely poor households (thousands)	People living in poor households (thousands)	Household income *per capita* (R$ 2008)
1999	0.59	22.95	23,955	56,183	540.21
2001	0.60	23.34	25,406	58,489	547.70
2003	0.58	21.42	26,069	61,386	515.97
2004	0.57	19.91	23,326	59,542	528.08
2008	0.55	17.13	13,889	41,461	661.11

Source: IBGE-PNAD. Indicators elaborated by IPEADATA.

The improvement in income distribution, the reduction of poverty and the increase in the average family income were all made possible by the resumption of economic dynamism and its impact on raising the level of wage employment, as explained above. But if the employment increase was important to bringing a greater number of workers into paid occupations - which meant, in many cases, achieving the income needed to get the family out of absolute poverty conditions (or even to reach Grade C) - the effects of other public policies cannot be disregarded. Thus, it is necessary to highlight the importance of the minimum wage revaluation policy, the social security policies, the conditional income transfer policies and labour market policies.

Minimum wage revaluation policy

The adoption of a policy to ensure real increases in the minimum wage is central to an understanding of the reduction of income inequality among waged workers in recent years. The legal minimum wage, since the implementation of the Real Plan in 1994, had been recovering its purchasing power. However, the real recovery gained momentum from 2005 on, when the Federal Government made an explicit commitment to promoting the growth of the real value of the minimum wage. The value increase that took place between 2003 and 2008 exceeded the inflation rate, providing workers at the base of the income pyramid with real significant gains (38.3%). The government established a policy of annual adjustment that takes account of past inflation and adds up the average GDP growth of the two previous years, so ensuring that the minimum wage is increased as the economy keeps growing.

It is important to note that in the period prior to 2004, GDP stagnation and rising inflation caused a severe decline (estimated at 17%) in the average work income level, between 1998 and 2003 (Lopes, 2009; Brito, 2008). The minimum wage in 2003 was 9.7% higher than in 1998, but the average income of 50% of workers with lower incomes fell by 8.5% between these two years. The protection of the purchasing power of the lower labour incomes through increases in the minimum wage, higher than the inflation rate, did not prevent total labour income from decreasing after the devaluation of the Real, despite the observed

increase in employment elasticity of GDP growth and the tendency to formalize labour contracts.

Graph 1

Source: IPEADATA

This scenario has changed significantly since 2005. It should be noted that in parallel to the more pronounced increase in the minimum wage, there was a significant increase in the median wage.[20] Inflation eased after 2003 and the GDP growth and job creation helped the professional categories, from 2004 onwards, to obtain wage increases higher than inflation. However, the minimum wage increased more than the median wage, shifting the relationship between them from 0.50 in 2004 to 0.55 in 2008. The purchasing power of the minimum wage increased by 31.4% and that of the median wage by 23.5%, but the median value was very low in 2004, so the increase between these two years only made the purchasing power of the median formal wage return to its 1998 level. Furthermore, the increases in average income, occupation rates and total wages have meant that labour's share of national income has begun to recover in recent years.

It should be stressed that in orthodox economic literature, it is commonly argued that increasing the minimum wage always leads to some job losses and some inflationary pressure (Neumark et al., 2006; Firpo & Reis, 2006). Moreover, in the aforementioned study, Neumark affirms that the effects of raising the minimum wage are adverse to the poorest families. Undoubtedly, the recent Brazilian experience contradicts this assumption and indicates a very different path, emphasizing the importance of public regulation of the national labour market.[21]

20 Wages of employees of a commercial establishment, excluding domestic workers and considering only the job contracts formalized in accordance with the law.
21 As well as the increase in the minimum wage in a context of economic growth, the increase in the median wage also had the effect of boosting the decrease in income inequality. Previous studies

The importance of the minimum wage in the Brazilian case is due to the large proportion of workers earning wages close to this level. Employees who are formally hired cannot receive less than the established legal value. Moreover, most of the employees hired informally - unregistered - and some of the self-employed workers have the minimum wage as a reference point for their remuneration. Thus, the minimum wage is an important legal instrument that allows the state to contribute to a better structuring of the Brazilian labour market.

The positive impact of the policy of increasing the minimum wage is probably higher for the group of workers whose union organization is weak or rather inactive. In the worker categories for which the wage floor is equal or close to the minimum wage, raising the benchmark meant an increase that would not have been reached through collective bargaining. Therefore it contributed to the reduction of wage dispersion, or at least to reducing the pay differential amongst employees. As the minimum wage functions as a beacon or a benchmark for labour market remuneration, the increase in the real value had a positive influence on wage negotiations, especially on setting normative floors for some occupational categories (Dieese, 2008).

As mentioned, in addition to increasing the average income of the lower-paid employed workers, thus helping to improve income distribution, this policy contributed to reducing poverty and expanding household consumption. The minimum wage increase also had an indirect effect on the living conditions of poor families, especially those composed of seniors and children, due to the existence of welfare policies and income transfer programmes whose benefits are linked to the value of the minimum wage.

Social security

The Federal Constitution (FC), enacted in 1988, established a national system of social security based on income redistribution mechanisms. In particular, the FC settled a historic debt, equalizing the rights of urban and rural workers. The latter had an inferior status upon retirement. So a non-contributory scheme was brought in for rural workers. Also, a welfare benefit was provided for people aged over 64 who were in households with a per capita income of less than one quarter of the minimum wage, whose occupational activity had been concentrated in the informal market and who were unable to prove how long they had worked. For these workers and for impoverished people with disabilities that prevent them from living independently, the Continuous Money Benefit (BPC – *Benefício de Prestação Continuada*) was created. In both cases, the benefit cannot be below the value of the minimum wage (in line with the general Social Security guidelines for retirement or survival benefits).

The explicit policy of revaluing the minimum wage, as implemented since 2005, did not worsen the deficit of the social security system (most pensioners receive

(Soares et al., 2007) showed that the money transfer programmes (Bolsa Família and others) also helped to decrease inequality, but the effect of the income increase was greater.

the minimum benefit), as the good economic performance and the expansion of formal jobs have boosted the system's revenues, pushing down the current deficit. On the other hand, the increased purchasing power of the rural pensioners and other poor beneficiaries, besides improving the living conditions of these families, has resulted in increased disposable income in smaller communities, especially in the North-East region of Brazil, boosting commercial activities and making the economies of these locations more dynamic.

Additionally, the greater effectiveness of the social security system has contributed, even though indirectly, to improving the labour market, insofar as a guaranteed income for seniors enables them to stop seeking work. In some cases, it also allows minors (dependents) to avoid premature entry into the labour market.

Income transfer policies

Policies of conditional income transfer were another important factor in improving the living conditions of the poor population as a whole. Implemented during the 1990s under the responsibility of various ministries, in Lula's government they were expanded and grouped in a single programme, the "Bolsa Família" (*Family Grant Programme or PBF*), coordinated by the Ministry of Social Development and the Fight Against Hunger, which incorporated the whole area of social assistance that previously was under the responsibility of the social security system. Although the institutional rearrangement and the new management were relevant to the implementation of the programme, the most important impact came from the expansion of coverage, which now extends to more than 11 million families.

The programme transfers a monetary supplement to families with an insufficient income per capita to avoid situations of extreme deprivation. In return, the families agree to maintain their children's and teenagers' school attendance, seek medical care for expectant mothers and newborn babies and withdraw their children from child labour.

It should be noted that the intention of this policy is for the benefit to work as a temporary support - that is, it should allow the family members some time to seek better insertion into the labour market and, once the financial difficulties have passed, the family is supposed to leave the programme. Some measures have been tried out aimed at creating the conditions for families to become independent of the programme, through an increase in household income. For example, if the heads of households are unemployed, they are individually referred to the Public Employment Service in order to be assisted and reinserted into a paid occupation. In cases when the work income is insufficient to maintain the family, those of working age are encouraged to join the labour market, even in self-employed occupations. Yet, even in the favourable circumstances of economic growth and employment expansion in the period 2004-2008, the vast majority of the families were unable to meet the conditions for leaving the programme.

Besides being an assistance programme to mitigate conditions of deprivation for the poorest families, the programme has contributed to reducing absolute poverty and has functioned as a mechanism for income redistribution. By removing children and adolescents from child labour and requiring their school attendance, it can help to prepare a better future for this generation of young people, and a better-qualified vocational insertion. However, this would require the Brazilian economy to remain impressively dynamic during the next decade, and the labour market to continue being restructured on new bases.

Labour market policies

Policies aimed at improving the functioning of the Brazilian labour market – particularly unemployment insurance, manpower services and vocational training – have always had little impact on income distribution and the occupational structure. Although a more dynamic economy combined with formal employment expansion could open up opportunities for a more important role to be played by these policies as instruments of labour market structuring and the promotion of decent work, few advances have been made on this in recent years.

Here, we will focus on the unemployment insurance programme, as it is a mechanism of income transfer. In the period 2004-2008, despite the economic dynamism and employment expansion, the number of beneficiaries of the unemployment insurance grew, contrary to what can be observed in other countries. This occurred because the greater formalization of jobs was not accompanied by a reduction in employee turnover rates (a result of the great flexibility that companies have to hire and fire, adjusting the quantity of work to their production or sales, which explains the high rate of hires and lay-offs over the years).

Thus, with the large number of jobs created in recent years, there was also an increase in the number of workers who met the minimum requirements for receiving the unemployment insurance benefit upon dismissal. The result was an expansion of the programme's coverage and increased spending on these benefits. The increased expenditure on unemployment insurance pay-outs stemmed partly from the larger number of workers in benefit and partly from the real increase in the minimum wage. This is because the minimum benefit is equal to the statutory minimum wage.

Unemployment insurance played an important role during the worst period of the economic crisis, between the end of 2008 and the beginning of 2009, providing income to workers who lost their jobs due to the sharp downturn in industrial production and the slowing of commercial activity. It should also be noted that the duration of the unemployment insurance benefit was extended to 7 weeks for workers in the sectors most affected by the crisis, thus avoiding a further worsening of the living conditions of a significant portion of the population.

Finally, it should be mentioned that the unemployment insurance has also been contributing to the promotion of decent work in Brazil. This is because workers

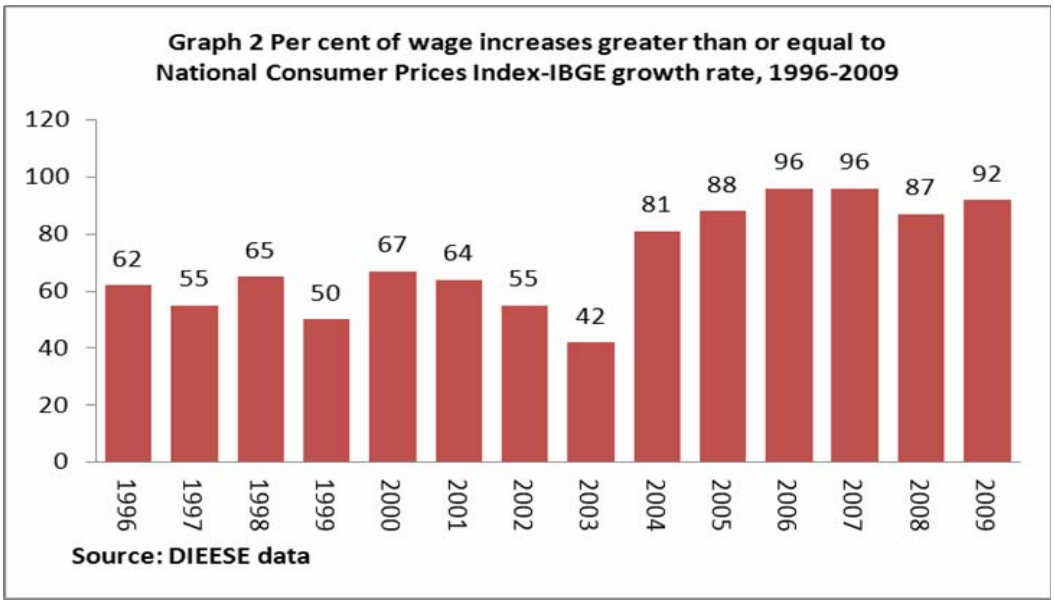
rescued from slavelike labour are entitled to the benefit, guaranteeing them an income during the time it takes to reinsert them into the labour market. In this respect, the unemployment insurance plays a role that goes beyond what was originally conceived.

3.3. The role of trade unions and collective bargaining

Despite the existence of seven recognized trade union centres, the Brazilian trade union movement has been demonstrating unity in action in recent years. However, there are also countervailing pressures. On the one hand, its ability to mobilize the workers around the great issues on the national agenda does have limits. On the other, the growing strength of this player is apparent in the collective bargaining outcomes and in its capacity to dialogue with the Federal Government.

Despite some tensions, the relationship with the government has moved forward, especially since 2005, towards meeting various labour demands, prominent among which are: the minimum wage revaluation policy, recognition of the trade union centres and adoption of measures to tackle the recent crisis in 2008-2009. So the trade union movement, through the trade union centres, is an important interlocutor for the Federal Government, and is given the space to take part in the formulation of public policies. This relationship has been facilitated by the social origins of the President of the Republic and the institutional channels created by the 1988 Constitution, which broadened the participation of the social actors in the elaboration and implementation of public policies.

From 2004, as Graph 2 shows, collective bargaining outcomes improved, contributing to the recovery of purchasing power. Even during the crisis of 2008-2009, a large proportion of the occupational categories managed to regain the purchasing power of their wages. What happened was that the negotiating climate changed, reversing the trend that had prevailed up to 2003. Rights are no longer being bargained away in exchange for the maintenance of employment.



So the trend towards a better-organized labour market was strengthened. And, even though this trend was predicated on economic growth, it may be seen that the Brazilian judicial and institutional framework contributed to the fight against the most destructive forms of labour exploitation and in favour of more formalization of employment.

The times the country has gone through recently, with the relaunch of the development agenda, have increasingly shifted the trade union movement's focus from the simply defending jobs to winning back lost rights and broadening out its demands. Among the main issues around which the unions and the trade union centres are currently mobilizing are: i) reducing weekly working hours to 40; ii) regulation of subcontracting; iii) the minimum wage revaluation policy; and iv) defending a development model that distributes income and valorizes work.

One distinctive feature of the past few years had been the adoption of a joint agenda by the main Brazilian trade union organizations. In 2010, apart from the issues outlined above, the main action point will be to discuss a sustainable development model for the country, including income distribution and the valorization of work, and one of the events envisaged is the holding of a unity conference. So the union centres aim to take an active part in the national debate and influence the guidelines to be drawn up for the development model that the country will adopt. It should be emphasized that many of the issues cited have more to do with the trade union movement's relations with the present government than with the capacity to mobilize workers and society. The crucial point is that the prospects exist for putting a new, much more constructive, agenda up for discussion, deriving to a great extent from the recent changes in the Brazilian socio-political and economic context.

FINAL REMARKS

Workers' conditions in Brazil have undergone systematic improvement, notably since 2004. This is reflected in the increase in protected work, mainly on open-ended contracts, the raising of the minimum wage, the recovery of the average wage, a drop in open unemployment and curbs on unprotected subcontracting. Families have seen a rise in average income, and a considerable reduction of poverty and need. The minimum wage revaluation policy, social security, income transfers and improved wage bargaining have contributed to a reduction in inequality. All of these elements point to a better incorporation of workers into the objectives of Decent Work (ILO, 2009). Despite these improvements, a number of structural problems remain, such as high labour turnover, informal employment, structural unemployment and the strongly heterogeneous nature of the occupational structures.

The reasons for the shift in labour market indicators have to do with the economic dynamics, public policy on the raising of incomes, and a legal and institutional framework in which the public institutions and the trade unions play a prominent role.

Currently, as discussed, opportunities exist for sustained development in the coming years. After 25 years of stagnating GDP and 15 years of commercial and financial opening, the most recent feature of the Brazilian economy has been its interrelatedness with the labour market. The country now has the possibility of moving towards a form of development which, if properly utilized, could possibly enable a better structuring of the economy and the labour market, increasing the well-being of the population as a whole. The characteristics of this development should include a policy of economic growth, an active industrial policy, coordination of efforts to solve the infrastructural problems, respect for the environment, expansion of the public services, linking up of production chains, investment in science and technology, and restructuring of the State.

Providing that employment can be generated, there is also the possibility of extending public labour regulation and social protection. So to guarantee a development that distributes incomes and valorizes work, there is a need to: strengthen public institutions as a way of fighting labour market fraud; introduce ILO Convention 158 in order to counter unjustified exemption mechanisms; implement a trade union reform so as to increase the representativeness of the class-based organizations and ensure trade union organizing rights in the workplace. It is also crucial that there should be continuity in the policy of revaluing wages, particularly the legal minimum wage.

Thus, the structuring of the labour market combines the creation of jobs, especially high-quality ones, with policies for the social regulation of work. In other words, a continuing improvement in the absorption of the economically active population requires economic growth and efforts to achieve better regulation of economic activity and wage employment.

In a society whose labour market is notoriously heterogeneous in structure, emphasizing the role of the State is essential. But that fact obviously does not detract from the need for a society in which workers have their say and for a truly representative trade unionism, with the strength to attain higher standards of social regulation of work. This is certainly one of the great political tasks of our time, implying as it does the creation of a development model that distributes income and dignifies citizens.

REFERENCES

BALTAR, P.; SANTOS, A.; GARRIDO, F. & PRONI, M. Estrutura do emprego e da renda. In: LAPLANE, M. & HIRATUKA, C. (orgs.) *Perspectivas do Investimento no Brasil*. Rio de Janeiro: BNDES; Campinas: IE-Unicamp, 2009.

BALTAR, P; LEONE, E. & BORGHI, R. Diferenças de renda do trabalho no Brasil: 2004 e 2007. *Collection of the 11th ABET Annual Meeting*, Campinas, Unicamp, September 2009.

BARBOSA, N. & PEREIRA, S. J. A. A inflexão do governo Lula: política econômica, crescimento e distribuição de renda. In: SADER, E. & GARCIA, M. A. (orgs.) *Brasil entre o passado e o futuro*. São Paulo: Boitempo and Ed. Fundação Perseu Abramo, 2010.

BRITO, A. S. *Formalização do trabalho e política de valorização do salário mínimo*: efeitos sobre os rendimentos metropolitanos (2002-2007). Campinas: Unicamp.IE, 2008. (Graduation in Economic Sciences' Final Paperwork).

CARNEIRO, R. (org.) *A supremacia dos mercados e a política econômica do Governo Lula*. São Paulo: Ed. UNESP, 2006.

CESIT/MTE. *Relações de Trabalho: Brasil e experiências internacionais*. Research Report presented by Cesit as a product of the partnership CESIT/MTE. Campinas e Brasília, (mimeo), 2006.

DIEESE. *Balanço das negociações 2008*. Sistema de Acompanhamento de Salários – SAS. São Paulo, Sep., 2008.
http://www.dieese.org.br/areaAssinante/esp/estudos_remuneracao.xml

FIRPO, S. & REIS, M. C. Minimum wage effects on labor earnings inequality: some evidence from Brazil. *Collection of the 38th Brazilian Econometrics Encounter*, Salvador, June, 2006.

FREYSSINET, J. *Les trajectoires nationales vers la flexibilité du rapport salarial : le cas de la France dans le contexte de l'Union européenne*. In: INTERNATIONAL COLLOQUIUM: NEW FORMS OF WORK AND UNEMPLOYMENT: Brazil, Japan and France in a compared perspective. *Collection of the International Colloquium...*. São Paulo: Cebrap and Sociology Department/USP, 11th and 12th of September, 2006.

ILO: *Perfil do trabalho decente no Brasil*, Escritório da Organização Internacional do Trabalho. – Brasília e Genebra: OIT, 2009.

ILO: *Trabalho decente e juventude*: América Latina. Brasília: Organização Internacional do Trabalho, 2007.

HIRATUKA, C.; BALTAR, C. & ALMEIDA, R. Inserção brasileira no comércio mundial no período 1995-2005. *Bulletin NEIT*, IE-Unicamp, n. 9, Campinas, 2007.

LEONE, E & BALTAR, P. A mulher na recuperação recente do mercado de trabalho brasileiro. *Revista Brasileira de Estudos de População*, v. 25, 2008. pp. 233-249.

LOPES, E. S. *Desigualdade e polarização da distribuição de renda no Brasil e no Estado de São Paulo*, 1992-2007. Campinas: IE-Unicamp, 2009. (Master Thesis in Economic Development).

NEUMARK, D.; CUNNINGHAM, W. & SIGA, L. The effects of the minimum wage in Brazil on the distribution of family incomes: 1996–2001. *Journal of Development Economics*, n. 80, 2006. pp 136-159.

NOBRE JUNIOR, Hildeberto; KREIN, José Dari; BIAVASCHI, Magda Barros. A formalização dos contratos e as instituições públicas. In: FAGNANI, Eduardo; HENRIQUE, Wilnês; GANZ LÚCIO, Clemente [Org.]. Previdência Social: Como Incluir os Excluídos? São Paulo: LTR, 2008, p. 119-135.

SANTOS, A. L. *Trabalho em pequenos negócios no Brasil*: impactos da crise do final do século XX. Campinas: UNICAMP.IE, 2006. (Doctorate Dissertation in Economics)

SOARES, S, R.; GUERRERO, F.; SOARES, M.; MEDEIROS, M. & ZEPEDA, E. Conditional cash transfers in Brazil, Chile and Mexico: impacts upon inequality, *Working Paper* 35, International Poverty Center, 2007.

WELTERS, A. *Os filhos adolescentes e o mercado de trabalho*: uma análise do perfil socioeconômico, familiar e de gênero dos jovens entre 15 e 19 anos no Brasil em 2006. Campinas: Unicamp.IE, 2009. (Doctorate Dissertation in Developmental Economics)

Published GLU Working Papers

No.1 Seeraj Mohamed; Economic Policy, Globalization and the Labour Movement: Changes in the Global Economy from the Golden Age to the Neoliberal Era, February 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.1.pdf

No.2 Birgit Mahnkopf; EU Multi-Level Trade Policy: Neither coherent nor development-friendly, February 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.2.pdf

No.3 Edward Webster, Christine Bischoff, Edlira Xhafa, Juçara Portilho Lins, Doreen D. Deane, Dan Hawkins, Sharit K. Bhowmik, Nitin More, Naoko Otani, Sunghee Park, Eustace I. James, Melisa Serrano, Verna D. Viajar, Ramon A. Certeza, Gaye Yilmaz, Bülend Karadağ, Tolga Toren, Elif Sinirlioğlu and Lyudmyla Volynets; Closing the Representation Gap in Micro and Small Enterprises, November 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.3.pdf

No.4 Max J. Zenglein; Marketization of the Chinese Labor Market and the Role of Unions, November 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.4.pdf

No.5 Wilfried Schwetz and Donna McGuire; FIFA World Cup 2006 Germany: An opportunity for union revitalisation? November 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.5.pdf

No.6 Hansjörg Herr, Milka Kazandziska, Silke Mahnkopf-Praprotnik; The Theoretical Debate about Minimum Wages, February 2009
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.6.pdf

No.7 Patricia Chong; Servitude with a Smile: An Anti-Oppression Analysis of Emotional Labour, March 2009
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.7.pdf

No.8 Donna McGuire and Christoph Scherrer with: Svetlana Boincean, Ramon Certeza, Doreen Deane, Eustace James, Luciana Hachmann, Kim Mijeoung, Maike Niggemann, Joel Odigie, Rajeswari, Clair Siobhan Ruppert, Melisa Serrano, Verna Dinah Q. Viajar and Mina Vukojicic; Developing a Labour Voice in Trade Policy at the National Level, February 2010
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.8.pdf

No.9 Paulo Eduardo de Andrade Baltar, Anselmo Luís dos Santos, José Dari Krein, Eugenia Leone, Marcelo Weishaupt Proni, Amilton Moretto, Alexandre Gori Maia and Carlos Salas;
Moving towards Decent Work. Labour in the Lula government: reflections on recent Brazilian experience, May 2010
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.9.pdf

The Global Labour University (GLU) (www.global-labour-university.org) is a network of universities, trade unions, research institutes, NGOs and foundations in order to

- develop and implement university post graduate programmes on labour and globalization for trade unionists and other labour experts;
- undertake joint research and organize international discussion fora on global labour issues;
- publish textbooks, research and discussion papers on labour and globalization issues.

Members of the GLU network:

British Trade Union Congress (TUC), U.K.
Cardiff University, U.K.
Central Única dos Trabalhadores (CUT) / Observatorio Social, Brazil
Congress of South African Trade Unions (COSATU), South Africa
Deutscher Gewerkschaftsbund (DGB) / DGB Bildungswerk, Germany
European Trade Union Institute (ETUI)
Hochschule für Wirtschaft und Recht Berlin (HWR), Germany
Friedrich-Ebert-Stiftung (FES), Germany
Global Union Research Network (GURN)
Global Unions (GU)
Hans-Böckler-Stiftung (HBS), Germany
Industriegewerkschaft Metall (IG Metall), Germany
International Federation of Workers' Education Associations (IFWEA)
International Institute for Labour Studies (IILS), ILO
International Labour Organisation (ILO) / Bureau for Workers' Activities (ACTRAV)
National Labour and Economic Development Institute (Naledi), South Africa
Ruskin College, Oxford, U.K.
Tata Institute of Social Sciences, India
Universidade Estadual de Campinas, Brazil
Universität Kassel, Germany
University of the Witwatersrand, South Africa