Towards a State Policy to Combat Youth Unemployment and the Precarious Labour Market in Brazil

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- Despite the current advancements in economic growth, social development, and job creation, Brazil still has the problem of precarious employment.

- Brazilian youth enter the labour market at a young age, amplifying aspects of this structural problem.

- Youth unemployment hits harder those with lower incomes, less education, women, Afro-Brazilians and people living in urban areas.

- The strategic challenge in fighting youth unemployment is not solved by creating more jobs for young people, given the fact that most of them are working. However, working conditions are precarious. We must talk about a right inherent to youth: the right to choose when they want to enter the labour market.

- Only a government policy geared towards strengthening universal social protection and towards public regulation of the labour market can reverse the negative pattern of Brazilian youth being placed in the workforce.
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Recent Social Development in Brazil

The Brazilian development path from 2003-2010 was beneficial for the country’s labour market. Among the main indicators are: growth in jobs, falling unemployment, increased formalization, and a significant increase in salaries, albeit with the average salary recovering at a slower pace (DIEESE-CUT 2011).

Since 2003, there have been recoveries in job employment rates, occupational incomes, and the role of the state in economic development and in providing social policies. An anti-neoliberal agenda has gained ground in Brazil and in several Latin American countries. Brazil is experiencing important advancements in quality of life conditions among enormous swaths of the population.

Macroeconomic strategies have connected social development with economic growth, creation of jobs and income, an increased minimum wage, social expenditures, and the advancement of policies aimed at fighting poverty. Indeed, the Brazilian government’s social development strategy has lowered the poverty rate for more than one-third of the population (Pochmann 2010).

More Jobs in a Precarious Labour Market

Even with increased employment in Brazil, there are still gaps in the current development model, especially regarding the value of work: the rate of informal labour contracts is still quite high; occupational turnover is above the international average; and the indiscriminate use of outsourcing weakens rights as well as lowers income generated from work, all while increasing the negative effects of work on workers’ health. To this can be added the continued inequality in opportunities inside the labour market when it comes to afro-brazilians, women, and young workers.

One of the key legacies from the neoliberal period was stronger private regulations of labour relations (Oliveira 2002; Pochmann 2001; Krein 1999). The flexible approach to the neoliberal project led to changes in the government’s role in labour legislation. Resolution of conflicts between capital and labour was furthermore left to the will of the employer, whose power was expanded too broadly.

»In the 1990s, there is an important change in the role of the government as a promoter of conditions for the market to function; de-regulating or re-regulating economy, finances, and labour. In other words, it is given a smaller role of mitigating the natural asymmetry in the relationship between capital and labour, in its participation in producing goods and services, and in its power to intervene in order to guide the country’s economic and social development« (Krein 2007).

In this scenario, where the recovery of jobs and precarious labour relations are combined, we find Brazil’s youth.

Brazilian Youth Are Hard-working and Enter the Workforce Very Early

Brazilian youth are mostly workers. Most young people in Brazil are engaged with the workforce either as employees or job seekers.

Figure 1 | 16 to 29 years old, according to their work and study situation, 2009

Source: IPEA 2009

Social background is a determining factor for the conditions of young people in the labour market. Around one-third of young people in Brazil can be considered as poor, since they live in families whose per capita
household incomes are up to half of one monthly mini-
mum wage.1 When considering families with per capi-
tal household incomes of between one-half and two
monthly minimum wage salaries, the share rises to 60
per cent of the country’s youth. These social conditions
place limits on their choices when starting out.

Graph 2 | Distribution of Workers by Age of When
They Start Work – Brazil 2006 (in %)

![Graph showing distribution of workers by age](image)

Campos (2010).

More than half of Brazilian workers began working be-
fore they were old enough to do so by law. A total of
55 per cent of current workers say that they entered the
workforce prior to turning 14.

An analysis by Corrochano et al. (2008) shows revealing
data on how youth are forced to enter into the work-
force early. Among young people that work, the young-
est are also the poorest. That means that the poorer the
family, the earlier the young person needs to enter the
workforce. These young people become a source of extra
income for their families, contributing to their collective
survival. An analysis by the ILO (2009) on the situation of
youth in the Brazilian labour market concluded that the
earlier the entry into the labour market, the more precari-
ous the nature of the work and the more it has an effect
on educations, which contributes to continued poverty.

Young people from families with lower incomes leave
school earlier compared with children from families with
higher incomes. Because of their families’ economic situ-
ations, they are required to work full-time. According to
the Ministry of Labour and Employment (MTE 2010), a
considerable number of young people belonging to
low-income families enter the labour market at 14 years
of age without finishing primary school and find them-
theselves in illegal labour situations. Whereas young people
with higher family incomes enter the labour market at
18 years of age, mostly in protected labour situations
and having already finished high school.

A higher income is a fundamental factor for lessening
the pressures early on in employment situations that
are created due to the need for collective survival. If,
on the one hand, it is a fact that youth from higher-
income families enter the labour market later, the poli-
cies for increasing family incomes, for raising levels of
adult employment, and for fighting poverty have helped
in influencing lower rates of teenage participation, albeit
moderately, in recent years. The drop in the participation
rate was brought about by fewer teens (15- to 17-year-
olds) entering the labour market. According to the IPEA
(2009), it fell from 45 per cent in 1998 to 37 per cent
in 2008.

Youth Unemployment in Brazil

Youth unemployment has specific features and, even
in situations of economic growth, it remains higher in
relation to adult unemployment. ILO analyses on youth
unemployment in Latin American countries show that,
although necessary, economic growth does not in itself
resolve the problem of unemployment among young
people (ILO 2007). In the case of Brazil, the phenom-
enon of youth unemployment hits harder those with
lower incomes, less education, women, afro-brazilians,
and those living in urban areas.

The unemployment rate among the youngest age
groups shot up during the 1990s. And despite a moder-
ate recovery in jobs in Brazil in recent years, youth unem-
ployment has risen. Of all youth from 16 to 29 years old,
50.5 per cent were unemployed in 2009, compared to
an overall unemployment average of 8.3 per cent (Graph
3). The main characteristic of youth entry into the labour
market is their classification as unemployed.

According to data on unemployment in metropolitan regions (DIEESE 2008), teens, women, and afro-brazilians are the ones most exposed to this situation. A process of feminisation took place in youth unemployment from 1998 to 2007: most young unemployed people in metropolitan regions were women (56 per cent). Young afro-brazilians, in turn, accounted for a large majority of unemployed youth (56 per cent).2

In an analysis of the literature on the reasons behind the elevated rate of youth unemployment, Corrochano (2011) found explanations in the productive sphere itself, both in the supply and demand for labour. From the supply side, says the author, the cost is lower when young people leave jobs because of low salaries and the unlikelihood of having to maintain a family, as compared to adults. This argument is used when they are terminated: during cutbacks, the reasons many employers give for letting go young people are related to the perception that they have fewer responsibilities in relation to their families. The author also notes the economic factor for the employer: the costs of terminating youth are lower than for terminating adults. It is cheaper to fire a young person during economic downturns because there is: 

»(...) less investment made in training and education for youth, youth are less subject to labour laws, and there are fewer expenditures with indemnities, given that they have spent less time working« (Corrochano 2011).

The impacts that the international crisis of October 2008 had on the Brazilian economy were a significant turning point in the cycle of production growth that the country had been experiencing since the start of the decade. The labour market began to see three meaningful consequences: unemployment, precarious occupations, and turnover (Pochmann 2009). This is a corporate reaction – using redundancies and instability in labour contracts as adjustment mechanisms.

Negative indicators for the labour market are significantly multiplied when we look at younger age groups. One major example can be found by comparing the effects that the international economic crisis have had on unemployment in 1995 and 2009, respectively (Figure 3).

2. The DIEESE used the 16- to 24-year-old age group. Metro regions studied were: São Paulo, Belo Horizonte, Porto Alegre, Recife, Salvador, and the Distrito Federal.
Given the great leeway it has for mass redundancies, Brazil’s business community has increased job turnover rates as a way to adjust its costs for using the labour force. They make workers with higher compensation redundant in order to hire new ones at lower compensation. This recurring practice has become more prominent during the years of economic growth. According to DIEESE, workforce turnover increased from 45 per cent in 2001 to 53.8 per cent in 2010.

Despite high rates of turnover, which remain among the highest in an international comparison, there are practically no limits on making workers redundant in Brazil. The restriction is merely economic (DIEESE-CUT 2011). ILO Convention 158, which seeks to prevent termination without cause, is currently being considered by the Federal Congress, where it has been rejected due to the great strength of Brazil’s business lobby.

The Pattern of Job Entry for Brazilian Youth

For those that obtain an occupation, there are characteristics of job entry patterns for Brazilian youth that show how unfavourable their presence in the labour market is. Campos (2010) summarised some central aspects of this pattern: more unstable work ties, long shifts, the weight of housework, impacts on health, and payment below all averages.

Work ties are more fragile when hiring youth. The flexible nature of labour contracts favours establishment of disguised employment relationships. Although the hiring is not done using a regular work contract, the relationships are disguised because there is subordination in labour relations – with less social protection – thereby allowing for circumvention of the country’s current employment regulations (Krein 2007).

An example of labour fraud to expand exploitation of youth labour is the unregulated use of internships. With the absence of effective mechanisms for the oversight of labour relations and the high number of youth in search of jobs, there has been an intensification of the exploitation of youth labour. Hiring interns was an important means of using the youth workforce in a fraudulent manner, insofar as labour relations are concerned (Campos 2010).

Intermediation of internship contracts became a big business starting in the 1990s with the creation of private firms offering this service (Campos 2010). There is a disconnection between the internship and the goals of the education institutions. And given the features of internships (full-time; no educational concern whatsoever on the part of the company; disconnect between tasks carried out and educational content learnt), this is an illegal act by the company, since all of the requirements for establishment of an employment relationship are there: habitual attendance, compensation, personal encumbrance and subordination (DIEESE-CUT 2008).

Young people are subjected to long work days. The percentage of young workers whose work week is longer than 44 hours is already 33 per cent (ILO 2009). In other words, one out of three young workers works longer hours than is allowed by law. The most immediate result is not reconciling work and school obligations. Only 15 per cent of young people who work are able to reconcile this obligation with school. Those who do end up dedicating practically all of their time to work and studies, with little free time (CARDOSO 2009).

The division of the sexes in work has significant weight on youth experience. Paid housework is one of the main jobs of young women in the labour market (ILO 2007), whereas unpaid housework is the main job for young women who do not go to school and who are not in the labour market (working or looking for work). They are trained for reproductive work – family and care-taking work. Despite the growing share of women in the workforce, this has not reduced the time they spend on housework, with 94 per cent of them doing unpaid housework (IBGE 2007).

So-called youth «inactivity» – young people who do not go to school, do not work, and do not seek jobs – is prevalent especially among young women, who make up the majority of this group (ILO 2009). Once again, racial inequality must be highlighted. This group contains a substantial amount of young afro-brazilians women, who comprise 44 per cent of this majority.

Work-related protection of youth workers is alarmingly low. In 2007, around 40 per cent of occupational accidents on record with Social Security involved people under 29 years of age. Because they are subjected to worse labour conditions – and given the absence of mechanisms for social protection – working youth are in-
creasingly subject to work-related accidents and illnesses (CAMPOS 2010).

Youth pay is low due to the unstable jobs they hold. Youth accept the pay that is offered them because the main reason they enter the labour market is to add to their families’ incomes. These young people are in no condition to firmly negotiate, nor do they have enough information to do so.

Rural youth, in turn, account for a contingent of more than eight million people. The rate of labour participation for rural youth of 15 to 19 years old has reached the 60 per cent level, while for urban youth in the same age group, it is 48 per cent. Starting in their twenties, the rate of participation for rural and urban youth evens out at around 77 per cent (IPEA 2009). Jobholders between the ages 15 and 29 constituted 32 per cent of the total number of people employed in rural activities in 2007 (Ferreira/Alves 2009).

The social condition of Brazil’s rural youth represents a real risk to perpetuating family farming. Young women in particular have sought alternatives to working in the fields to build their professional and personal lives (Ferreira/Alves 2009 Castro et al. 2009; ILO 2009).

The absence of educational infrastructures in housing areas and limits on access to land create real barriers to rural youth to be able to remain working in the fields. Great inequalities can be seen in the access given to and continuity practices in the process of educating rural youth compared to urban youth. According to the National Study on Education in Agrarian Reform in 2005, for 57 per cent of students, the main means of transport used to go to school was walking, while only 27 per cent had access to school transport. With a lack of land, the options for fieldwork are reduced (Ferreira/Alves 2009). On the other hand, they experience the hardship of working in a shared manner on their parents’ land (Castro et al. 2009).

The standards for job entry for Brazil’s youth are, therefore, unfavourable. An impacting consequence on their road to work is the clear absence of social protection by the state. Moreover, the unions, which serve as social protection agents regarding the predatory trends of labour exploitation, have not organised the majority of the economically active youth.

Policies for Youth Regarding Labour

Gonzales (2009) systematised youth policies into three types: 1) preparing for transition, facilitating hiring, and offering better job opportunities; 2) prolonging academic studies, discouraging entry into the labour market; 3) regulating youth participation in the labour market and reconciling it with continued schooling.

According to a Ministry of Labour and Employment assessment, there are many policies from the federal government geared towards offering professional training and more schooling: »Considering the set of federal government programmes, focussed on or interfacing with the labour market, it is possible to see that we are far from a structural employment policy for young people. (...) In the labour area, a dominance of programmes of a focalised nature can be seen which, although important, do not regard the problem of work for youth as a whole, having a certain time and public (MTE 2010, emphasis added).«

Work policies for youth that focus on professional qualification end up maintaining the fallacious discourse on employability. According to this reasoning, unemployment is an individual problem and youth should become qualified to better compete against other workers. The problem of youth unemployment, from this standpoint, is the discrepancy between education and the profile demanded by the market.

According to Gonzales (2009), initiatives (already discarded by the government) that seek to offer economic support as an incentive to hire youth actually pose a serious risk: namely, replacing adult workers with young workers.

Regarding rural youth, two programmes were developed in the last decade by the federal government: the first is aimed at providing financing to purchase land (Nossa Primeira Terra) and the second is a line of credit aimed at the children of family farmers (Pronaf Jovem). In 2012 the National Program for Education in Rural Areas (Pronacampo) was launched to increase the levels of basic and higher education for rural populations. Investments will be made in infrastructure, transport, development of schools, and qualifying educators.3

As for union activities, guarantees for youth jobs are still mostly absent in the collective bargaining process. In Brazil, collective bargaining is of utmost importance for determining the rules and conditions in labour relations. Several legal devices have their origins in rights that were acquired by means of collective bargaining.

One of the most promising developments in Brazil has been the National Agenda on Decent Work for Youth (ANTDJ), formulated with the participation of governmental representatives, workers, business owners, and the National Youth Council as well as the technical support of the ILO office in Brazil. The ANTDJ, launched in 2010, is organised along four main axes: a) increased amounts and better levels of education; b) guidance on reconciling studies, work, and family life; c) active and dignified entry into the labour world; d) promotion of social dialogue (MTE 2010).

The ILO performed a major role in the 2000s, which was a moment of crisis for the neoliberal project in Latin America and a time for recovering economic growth. Its importance is based in the guidelines regarding international labour standards, which set the parameters for avoiding predatory competition in this field (Campos 2010). International conventions and recommendations were used by the union movement as instruments for denouncing and embarrassing politicians who do not contribute towards their compliance and enforcement. The international recommendation for the promotion of decent work is tied to the condition that economic growth be a driver for the creation of quality jobs, with social support and respect for core labour rights.

The union movement also plays a major role in the policymaking for this agenda in Brazil. CUT Brazil has defined the core of its strategy around the sustainable development model, which values labour and income distribution. Thus, CUT has sought to connect this dispute with the ILO concept, which aims to consolidate the notion of quality jobs with rights guarantees, that is, the people who live from the fruits of their work are entitled to rights, social protection, a voice, and representation (DIESSE-CUT 2011). CUT advocacy for decent work for youth was a direct result of these guidelines.

ANTDJ proposes important recommendations that, once fulfilled, can lead to substantial changes in the labour market and have a positive impact in patterns of youth employment. These are good practices that should be reproduced elsewhere in the world by all governments concerned with the development of their youth by using sustainable development models.

Structuring Policies to Combat Unemployment and Unstable Jobs for Youth

State policies that aim to change the patterns of entry into the labour market by youth should be organised in two ways. First, public labour regulations must be strengthened in order to build a labour market framework. The second way concerns the irreplaceable role of the state as a provider of social welfare. Only the state can provide strong guarantees for social welfare, either by promoting decent labour conditions or helping workers to avoid starting work in the labour market at a young age. These are the two core dimensions of a state policy aimed at youth (Campos 2010).

Based on that, we can systematise some possible recommendations to build structures to help combat unemployment and unstable jobs for youth.

**Social Protection**

- Implement student aid policies that are aimed at guaranteeing their positions in school – from elementary to higher education – with conditional income transfers and public initiatives that relieve the cost burdens for students (transport, food, sports, and digital inclusion).

- Strengthen public financing of universal social policies – this is a way to possibly de-commoditise rights. De-commoditising social welfare policies allows welfare to be decoupled from monetary concerns.

**Public Labour Regulation**

- Strengthen public enforcement to fight discrimination and promote equal opportunities and treatment in the
labour market. Fraud in labour agreements with young people and differences in pay according to age should be fought through strong surveillance by the state and unions.

- Improve labour laws in order to allow for paid leave for educational purposes (according to ILO Convention 140).

- Reduce working hours for all workers without salary reductions. In the case of youth, a legal prohibition against working extra hours is necessary in order to reconcile work and studies.

- Create limits on employers’ abilities to make workers redundant, as per ILO Convention 158.

- Promote broad freedom of union organisation by guaranteeing the right to collective bargaining and freedom of association at the workplace. These are basic instruments to fight the precarious conditions of jobs for youth as well as the impacts on the health of young workers.

Taking Part in Political Decisions

- Strengthen youth participation in policymaking for those policies that will be implemented by the state. Create national conferences with the participation of organised youth from cities and states. Create councils open to the public and organise national and regional forums. Allow for a collective and democratic creation of a progressive model for youth emancipation.

International bodies have a leading role in globalising rights. It is possible to draft international agreements based on the premises mentioned above. The core of a policy with this objective is the accountability of the state in fighting social inequality.

The great challenge is to provide a model of development with economic and social policies, creating a strategy to fight the precariousness of youth work. The strategic challenge in fighting youth unemployment is not solved by creating more jobs for youth. Nevertheless, the types of jobs created are mostly precarious. Thus, reducing the level of participation by youth in the labour market has more impacts in the labour market as a whole.

We must talk about a right inherent to youth: the right to choose when they want to enter the labour market.


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About us

Trade unions, works councils and other forms of workplace representation of interests are fundamental as an expression of democratic freedoms in a society. They enable a significant segment of the population to articulate its interests and contribute to the social and equitable development of societies in so doing.

To strengthen the representation of interests of wage and salary earners is therefore an integral part of efforts undertaken by the Friedrich-Ebert-Stiftung towards the promotion of social democracy across the globe.

The Friedrich-Ebert-Stiftung therefore seeks to ensure that trade union positions are included in political and economic decision-making at the workplace, at the national level, in regional as well as in international contexts.

Yet trade unions, works councils and other forms of workplace representation of interests can only achieve this if they are representative, democratic, autonomous, competent and efficient. To promote and advise trade union organisations in this manner constitutes an important part of the international support provided by the Friedrich-Ebert-Stiftung.

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