

INFORMAL EMPLOYMENT AMONG YOUTH IN BRAZIL

2015

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ABBREVIATIONS

Acessuas Trabalho	Programa Nacional de Promoção do Acesso ao Mundo do Trabalho (National Programme to Promote Access to the Labour Market)
AMB	Associação dos Magistrados Brasileiros (Brazilian Association of Magistrates)
ANPG	Associação Nacional de Pós-Graduandos (National Association of Postgraduate Students)
ANTD	Agenda Nacional do Trabalho Decente (National Decent Work Agenda)
NDWAY	Agenda Nacional do Trabalho Decente para a Juventude (National Decent Work Agenda for Youth)
ATC	Aletas pela Cidadania (Athletes for Citizenship)
BPC	Benefício de Prestação Continuada (Continued Provision Benefit)
BPC Schools	Benefício de Prestação Continuada na Escola (Continued Provision Benefit for Schools)
BPC Labour	Benefício de Prestação Continuada Trabalho (Continued Provision Benefit for Labour)
BVJ	Benefício Variável Jovem (Variable Benefit for Young People)
CEUs	Centros de Artes e Esportes Unificados (Unified Arts and Sports Centres)
CF	Constituição Federal (Federal Constitution)
CLT	Consolidação das Leis do Trabalho (Consolidation of Labour Laws)
CNA	Confederação Nacional da Agricultura e Pecuária (National Confederation of Agriculture and Livestock)
CNC	Confederação Nacional do Comércio de Bens, Serviços e Turismo (National Trade Confederation for Assets, Services, and Tourism)
CNETD	Conferência Nacional de Emprego e Trabalho Decente (National Conference on Employment and Decent Work)
CNI	Confederação Nacional da Indústria (National Confederation of Industry)
CNJ	Conferência Nacional da Juventude (National Conference on Youth)
CNPJ	Cadastro Nacional de Pessoa Jurídica (National Legal Entity Registration)
CNT	Confederação Nacional dos Transportes (National Confederation of Transport)
COFINS	Contribuição para Financiamento da Seguridade Social (Social Security Financing Contribution)
CONANDA	Conselho Nacional dos Direitos da Criança e do Adolescente (National Council for the Rights of Children and Adolescents)
Conjuve	Conselho Nacional da Juventude (National Council on Youth)
CONTAG	Confederação Nacional dos Trabalhadores na Agricultura (National Confederation of Agricultural Workers)
CRAS	Centro de Referência de Assistência Social (Reference Centre for Social Welfare)
CREAS	Centro de Referência Especializado de Assistência Social (Specialized Reference Centre for Social Welfare)
CSLL	Contribuição Social sobre o Lucro Líquido (Social Contributions over Net Profits)
CTB	Central de Trabalhadores do Brasil (Brazilian Workers Centre)
CUT	Central Única Dos Trabalhadores (Unified Workers Centre)
DAP	Declaração de Aptidão ao Pronaf (Statement of Qualification for Pronaf)
Dataprev	Empresa de Tecnologia e Informações da Previdência Social (Social Security Information and Technology Company)
DIEESE	Departamento Intersindical de Estatísticas e Estudos Socioeconômicos (Inter-Union Department of Statistics and Socioeconomic Studies)
Disoc	Diretoria de Estudos Sociais (Management of Social Studies)
EC	Emenda Constitucional (Constitutional Amendment)
EJA	Educação de Jovens e Adultos (Education of Young People and Adults)
Enem	Exame Nacional do Ensino Médio (National Secondary School Exam)
ESF	Estratégia Saúde da Família (Family Health Strategy)
FEBRABAN	Federação Brasileira dos Bancos (Brazilian Federation of Banks)
FGTS	Fundo de Garantia por Tempo de Serviço (Length of Employment Guarantee Fund)

FIES	Financiamento Estudantil (Student Financing Fund)
FS	Força Sindical (Union Power)
HIV	Human Immunodeficiency Virus
IBGE	Instituto Brasileiro de Geografia e Estatística (Brazilian Institute of Geography and Statistics)
ICMS	Imposto sobre Circulação de Mercadorias e Prestação de Serviços (Tax on Goods and Services)
Inep	Instituto Nacional de Estudos e Pesquisas Educacionais (National Institute of Educational Studies and Research)
INSS	Instituto Nacional do Seguro Social (National Institute of Social Security)
Ipea	Instituto de Pesquisa Econômica Aplicada (Institute for Applied Economic Research)
IPI	Imposto sobre Produtos Industrializados (Industrialized Products Tax)
ISJB	Inspetoria São João Bosco (São João Bosco Inspection)
ISS	Imposto Sobre Serviços (Service Tax)
LC	Lei Complementar (Complementary Law)
LGBT	Lesbian, Gay, Bisexual, and Transgender
MCTI	Ministério da Ciência e Tecnologia (Ministry of Science and Technology)
MDA	Ministério do Desenvolvimento Agrário (Ministry of Agricultural Development)
MDS	Ministério do Desenvolvimento Social (Ministry of Social Development)
MEC	Ministério da Educação (Ministry of Education)
MEI	Microempreendedor Individual (Individual Microentrepreneur)
MP	Ministério do Planejamento (Ministry of Planning)
MPS	Ministério da Previdência Social (Ministry of Social Security)
MTE	Ministério do Trabalho e Emprego (Ministry of Labour and Employment)
NASF	Núcleo de Apoio à Saúde da Família (Family Health Support Centre)
NCST	Nova Central Sindical de Trabalhadores (New Workers Union Centre)
ILO	International Labour Organization
NGOs	Non-Governmental Organizations
UN	United Nations
Pajur	Programa de Fortalecimento da Autonomia Econômica e Social (Programme for Strengthening Economic and Social Autonomy)
PBF	Programa Bolsa Família (Family Allowance Programme)
PBP	Programa de Bolsa Permanência (Stay-in-School Scholarship Programme)
PEC	Proposta de Emenda Constitucional (Constitutional Amendment Proposal)
PET	Programa de Educação Tutorial (Tutorial Education Programme)
PETI	Programa de Erradicação do Trabalho Infantil (Programme to Eradicate Child Labour)
PIS	Programa de Integração Social (Social Integration Program)
PLS	Projeto de Lei do Senado (Senate Bill of Law)
PNAD	Pesquisa Nacional por Amostra de Domicílios (National Household Sample Survey)
PNBE	Programa Nacional Biblioteca da Escola (National Programme of School Libraries)
PNDH	Programa Nacional de Direitos Humanos (National Programme of Human Rights)
PNLD	Programa Nacional do Livro Didático (National Programme for School Books)
ProJovem	Programa Nacional de Inclusão de Jovens (National Programme for Youth Inclusion)
PRONACAMPO	Programa Nacional de Educação do Campo (National Programme for Rural Education)
Pronaf	Programa Nacional de Fortalecimento da Agricultura Familiar (National Programme for Strengthening Family Farming)
Pronatec	Programa Nacional de Acesso ao Ensino Técnico e Emprego (National Programme for Access to Technical Education and Employment)
ProUni	Programa Universidade para Todos (University for All Programme)
PSIC	Plano Simplificado de Inclusão Previdenciária (Simplified Plan for Social Security Inclusion)

Reuni	Programa de Apoio a Planos de Reestruturação e Expansão das Universidades Federais (Programme to Support Federal University Restructuring and Expansion Plans)
SCFV	Serviço de Convivência e Fortalecimento de Vínculos (Co-existence and Stronger Connections Service)
Sebrae	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Brazilian Support Service for Micro and Small Businesses)
Senac	Serviço Nacional de Aprendizagem Comercial (National Service for Trade Apprenticeship)
SENAI	Serviço Nacional de Aprendizagem Industrial (National Service for Industrial Apprenticeship)
SENAR	Serviço Nacional de Aprendizagem Rural (National Service for Rural Apprenticeship)
SEPPIR	Secretaria de Políticas para Igualdade Racial (Secretariat of Policies for Racial Equality)
Sesc	Serviço Social do Comércio (Social Trade Service)
Sescoop	Serviço Nacional de Aprendizagem do Cooperativismo (National Service for Cooperative Apprenticeship)
SESI	Serviço Social da Indústria (Social Industry Service)
SEST	Serviço Social de Transporte (Social Transport Service)
SiMEC	Sistema Integrado de Monitoramento, Execução e Controle (Integrated System for Monitoring, Execution, and Control)
SisProUni	Sistema do Programa Universidade para Todos (Universities for All Programme System)
SNJ	Secretaria Nacional da Juventude (National Youth Secretariat)
SPM	Secretaria de Políticas para Mulheres (Secretariat of Policies on Women)
SRFB	Secretaria da Receita Federal do Brasil (Secretariat of the Federal Revenue Service of Brazil)
SUAS	Sistema Único de Assistência Social (Unified System of Social Assistance)
UBES	União Brasileira de Estudantes Secundaristas (Brazilian Union of Secondary School Students)
UERJ	Universidade Estadual do Rio de Janeiro (State University of Rio de Janeiro)
UGT	União Geral dos Trabalhadores (General Workers Union)
UNE	União Nacional dos Estudantes (National Student Union)

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1 - Introduction

In 2003 when the International Labour Organization (ILO) and the Brazilian government signed a Memorandum of Understanding to create a National Decent Work Agenda for Youth (NDWAY) in Brazil, it was impossible to predict the dimensions this commitment would take on. Three years later, in 2006, Brazil launched the National Decent Work Agenda (NDWA) that defined three priorities: to generate more and better jobs with equal opportunities and treatment; to eradicate slavery and child labour, particularly in its worst forms; and to strengthen tripartite constituents and social dialogue as instruments of democratic governability.

In June 2009, the Brazilian government made a concerted effort to promote decent work for young people by instituting a subcommittee for the National Decent Work Agenda for Youth (NDWAY) and charging it with developing a specific agenda for Brazilian young people. The work of the Subcommittee was concluded in 2010, and the results identified four main priorities for promoting decent work among young people: 1) more and better education; 2) a balance between study, work, and family life; 3) active and fair integration into the labour market; and 4) social dialogue.¹

Brazil's economic recovery that began in 2004 was marked by reduced inequality and poverty and more opportunities for entering the labour market, especially for young people. Despite this progress, the pattern of labour integration for young Brazilians still involves many challenges that need to be addressed in order to achieve the NDWAY objectives. Data published by the National Household Sample Survey (PNAD) in 2013 showed that 63% of young Brazilians are active in the world of work. Approximately 70% of 18- to 24-year-olds are economically active, as are 80% of 25- to 29-year-olds. The main characteristics of this labour integration pattern can be summarized as follows:

1. Unemployment. According to information from the Institute of Applied Economy and Research (Ipea) Labour Market Newsletter (2013), between

¹According to this agenda, any type of participation in the labour market before the age of 16 must be eliminated, except for those cases defined in the Apprenticeship Law (Law 10.097/2000) that refers to adolescents aged 14 and 15 years.

January 2003 and September 2010, 4.85% of individuals aged 25 to 65 were unemployed, compared to 17.21% of young people aged 18 to 24.

2. High turnover. According to Ipea researchers, younger workers lose their jobs more frequently than older workers. Their survey showed that the separation rate² for young people reached 72.4%, meaning seven out of ten younger workers left or lost their jobs in a one-year period. In comparison, the separation rate for older workers was about 41.3%.
3. High informality rate. In 2013, the informality rate for 15- to 29-year-olds was about 2 percentage points higher than for adults aged 30 to 65. However, the disparity was much greater when ethnicity/skin colour was taken into account. For white and Asian workers, the average proportion of informal workers was 41.2%, while for black, mixed-race, and indigenous workers, it increased 15 percentage points to 56.3%.
4. Over 44 working hours per week. According to International Labour Organization data (2009), one-third of young workers in Brazil worked more than 44 hours a week, making it difficult for them to combine work and study.
5. Gender inequality. Young women are responsible for family duties in addition to their work responsibilities, according to information presented in Brazil (2007).
6. Low remuneration. PNAD data (2013) shows that about 10% of the working population between 30 and 65 years of age received less than one minimum wage; this percentage for workers between 15 and 29 years of age was 16.2%. The disparities increase when age subgroups for young people were analysed. Half the working young people (50.9%) between 15 and 17 received less than one minimum wage in 2013, and the same was true for 23.1% of 18- to 19-year-olds.

Brazil has made progress in tackling the complex challenges involved in integrating young people into the labour market. Labour informality among 15- to 29-year-olds decreased from 55.2% to 31.2% between 2001 and 2013; illiteracy rates among young people aged 15 and older decreased from 12.4% to 8.3% in the same period; and child labour decreased 10.8%, among 10- to 15-year-olds and 15.7% among 16- to 17-year-olds.

² Total number of employment terminations by total number of employed workers.

This report identifies that the progress is, to a large extent, the result of nationwide social programmes that target young people such as the National Programme for Access to Technical Education and Employment (Pronatec), the National Programme for Youth Inclusion (ProJovem), the University for All Programme (ProUni), and the Programme to Eradicate Child Labour (PETI). It is important to highlight that both the private sector and national worker associations have played essential roles in these government programmes.

Now, more than four years after the National Decent Work Agenda for Youth was launched, it is important to monitor the actions and programmes that are currently credited with successfully reducing informality among young people. Additionally, it is necessary to consider which actions require added adjustments and efforts in order to continue achieving NDWAY priorities.

This report provides important information. First, it presents a diagnosis of job informality among young people in Brazil that takes into consideration education levels and socio-demographic characteristics. Second, it describes and gives a brief analysis of the main government programmes and actions that are geared toward training young people. Third, against a backdrop of high informality among young people, the report discusses the main initiatives of the Brazilian government to increase opportunities for formal employment, along with measures and strategies to expand worker formalisation, such as domestic work regulations. Fourth, it outlines the main mechanisms used to prevent informality from becoming an obstacle to social protection policies, such as social security coverage and cash transfer programmes like the Continued Provision Benefit (BPC) and the *Bolsa Família* Program (PBF).

The actions and policies presented here help, whether directly or indirectly, reduce job informality among young people and improve access to decent, fair, and safe work. Promoting decent work involves debating approaches to social integration and development, freedom of speech, organization, and participation. Therefore, this report concludes by emphasizing the importance of creating an environment for social dialogue in which the issues of the National Decent Work Agenda for Youth can be examined and agreed upon.

2 - Progress reducing informality among young people in Brazil

The purpose of this section is to present a panorama of how reducing informality in the Brazilian labour market evolved between 2001 and 2013, especially for young people. Brazil's Statute for Youth (2013) defines young people as individuals between 15 and 29 years of age. Public policy discussions usually categorize them into three age groups: 15 to 17, 18 to 24, and 25 to 29.

However, for the purposes of our diagnosis, 18- to 19-year-olds will be considered in a separate category because of their unique characteristics. In Brazil, turning 18 is a symbolic and legal milestone that grants individuals a different status. Besides reaching legal age, young people at this stage usually complete secondary school (an expected situation, if they followed a normal educational path). Thus, they are ready to start a new phase in their professional lives, either by continuing their training, starting higher education, or entering the labour market.

The data³ on Table 1 shows that informality⁴ decreased among young people and adults between 2001 and 2013. Percentages for adults fell 24.4%, going from 47.9% to 36.2%. It also indicates that more than one-third of working adults are informal. For young people in general (15–29), informality decreased more sharply at about 30.8%, causing the rates between young people and adults to converge from 7 percentage points in 2001 to less than 2 percentage points in 2013.

The two contributing factors were: a culture of social rights that was consolidated in the 1988 Federal Constitution, and an extended period of economic growth (2000 to 2013), which invigorated the market and allowed it to absorb new rules for employment formalisation.

Table 1. Informality rate among young people and adults (%)

	2001	2013	Difference
Adults (aged 30 to 65 years)	47.90	36.23	-24.4%
15 to 17	86.75	76.53	-11.8%
18 to 19	63.29	45.95	-27.4%
20 to 24	50.87	35.20	-30.8%
25 to 29	46.81	31.70	-32.3%
All young people (15 to 29 years)	55.17	38.16	-30.8%

Source: PNAD/IBGE. Developed by: Ipea.

³ These historical sequences are done by Ipea based on microdata from PNAD surveys conducted by IBGE.

⁴ Informality rate = (self-employed non-contributor to social security + no official employment card + not remunerated)/working population.

Young people aged 15 to 17 present very high informality rates when compared to other age groups. However, this information must be considered in a context where the legislation that regulates integrating these young people into the labour market is different from the legislation that applies to other groups. Brazilian law establishes that working is prohibited for people under the age of 14, though they can work as apprentices until they reach the age of 15. Adolescents between 16 and 17 can work, but not at night nor in conditions that might damage their health or affect their school attendance. The law intends for young people in this stage of life to be allowed more time for education, or to combine it with work, and understands that it is acceptable for 15- to 17-year-olds to either only study or perhaps have some kind of money-making activity.

Except for situations of poverty and hardship that force young people to work to help their families, young people between 15 and 17 are in a stage where they are “awakening to life,” which involves a strong desire for independence, freedom, emancipation, and a sense of urgency for new experiences. This phase also brings numerous temptations to these often still immature young people, such as experimenting or getting involved with illicit substances like drugs and alcohol in a context of increasing violence, as has been seen in Brazil in recent years. Therefore, in addition to being concerned with child labour, the Brazilian state and its society prioritize young people’s education⁵ and create alternatives to occupy their time and keep them away from these and other risks.

As mentioned earlier, the 18 to 19 age group is unique. It is the starting point for legally entering the formal labour market as an adult. Nonetheless, this age bracket experiences high levels of informality, which indicates they have trouble integrating into their first job. This issue requires more efforts from public authorities to improve early employment experiences.

Once they turn 20, young people seemingly overcome the challenges of labour integration. Their informality levels are similar to the general labour force, and sometime even better, as when compared to 30- to 65-year-old adults (Table 1).

⁵ The 2010 Brazilian Census showed that about 1 million out of 10 million 15- to 17-year-olds did not attend school and had not completed their elementary education, indicating a gap in public policy actions focused on this age group.

This is possibly due to relatively recent increases in education levels,⁶ which is often higher among young people than adults. However, despite their lower informality rate, approximately one-third of all Brazilian workers still do not have formal labour protection. This also applies to young people, especially those between 18 and 19, as stated above.

2.1 – Levels of education and informality

A clear correlation can be observed between informality and levels of education. People with higher levels of education show lower rates of informality. Table 2 shows that the higher the level of education for young people, the lower their rate of informality, regardless of their age. During the period being analysed, a generalized decrease in informality was observed, even for those who did not complete primary school.⁷ In this group, 64.3% worked informally in 2013, an 11.6% drop when compared to the rate in 2001. For young people who completed 8 to 10 years of school, the informality rate also dropped in this period. The group that completed secondary school not only had the lowest informality rate (26.6% in 2013), but also had an 18.9% drop, the biggest in the period.

⁶ Making basic education universal in Brazil occurred in the 1990s, and expanding secondary school and higher education occurred in the 2000s.

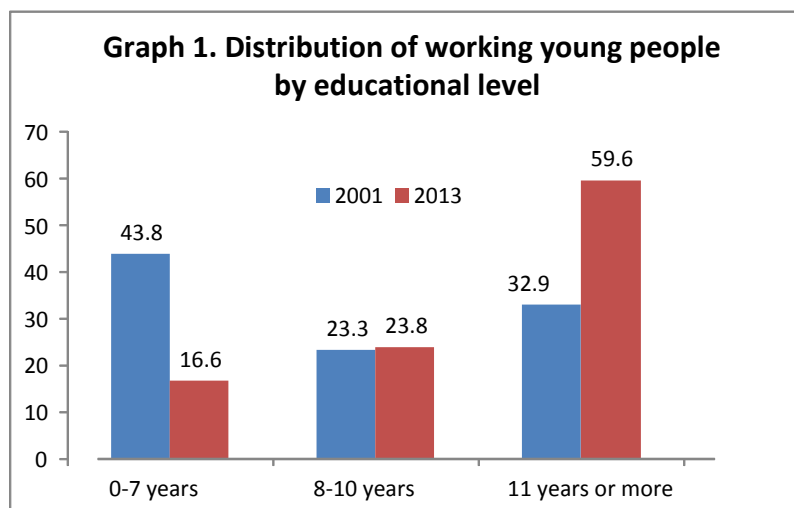
⁷ Primary School (grades 1-9) is mandatory in Brazil.

Table 2. Informality rate among young people by educational level (%)

0 to 7 years (primary school not completed)			
	2001	2013	Difference
15 to 17	93.39	90.88	-2.7%
18 to 19	81.30	69.78	-14.2%
20 to 24	68.78	58.36	-15.2%
25 to 29	64.64	57.85	-10.5%
All young people (15 to 29 years)	72.82	64.34	-11.6%
8 to 10 years (primary school completed/secondary school not completed)			
	2001	2013	Difference
15 to 17	76.31	72.58	-4.9%
18 to 19	58.12	50.33	-13.4%
20 to 24	48.09	41.52	-13.7%
25 to 29	42.70	40.34	-5.5%
All young people (15 to 29 years)	53.60	48.91	-8.8%
11 years (secondary school completed)			
	2001	2013	Difference
15 to 17	54.50	43.22	-20.7%
18 to 19	41.96	33.95	-19.1%
20 to 24	35.01	28.31	-19.1%
25 to 29	27.85	23.31	-16.3%
All young people (15 to 29 years)	32.77	26.56	-18.9%

Source: PNAD/IBGE. Developed by: Ipea.

Similar to the aforementioned increased levels of education among young people, the proportion of working youth that did not complete primary school (0 to 7 years of study) decreased significantly by 62% (from 43.8% in 2001 to 16.6% in 2013). At the same time, an 81% increase was observed in the number of young people who completed at least secondary school (11 years or more of school). In other words, the rate increased from 32.9% in 2001 to 59.6% in 2013 (Graph 1).



If higher education levels mean lower informality, then there is a dilemma when it comes to combining study and work for young people who both need an income and want to increase their level of education. Combining study and work increases the probability of young people demanding part-time jobs so they are able to divide their time. Table 3 shows that young people who only work present lower informality than those who combine study and work, except for 15- to 17-year-olds.

Table 3. Informality rate among young people by age group and work/study situation

Work only	2001	2013	Difference
15 to 17	87.91	76.82	-12.6%
18 to 19	61.61	42.71	-30.7%
20 to 24	50.58	34.58	-31.6%
25 to 29	47.61	32.16	-32.4%
All young people (15 to 29 years)	52.07	35.30	-32.2%
Combine study and work	2001	2013	Difference
15 to 17	86.30	76.42	-11.4%
18 to 19	65.54	52.06	-20.6%
20 to 24	51.87	37.49	-27.7%
25 to 29	40.98	27.79	-32.2%
All young people (15 to 29 years)	63.41	48.14	-24.1%

Source: PNAD/IBGE. Developed by: Ipea.

This happens because part-time jobs⁸ increase the likelihood of informality, as indicated in Table 4. This may be associated to the precarious regulations of part-time jobs, which more directly affect young people trying to balance study and work, as discussed above.

Table 4. Informality among young people by working hours

Part time	2001	2013	Difference
15 to 17	94.71	84.62	-10.7%
18 to 19	86.71	77.71	-10.4%
20 to 24	78.50	69.88	-11.0%
25 to 29	71.33	63.75	-10.6%
All young people (15 to 29 years)	81.56	71.78	-12.0%

Full time	2001	2013	Difference
15 to 17	80.92	68.45	-15.4%
18 to 19	56.99	37.19	-34.7%
20 to 24	45.46	28.06	-38.3%
25 to 29	42.23	25.92	-38.6%
All young people (15 to 29 years)	48.66	30.08	-38.2%

Source: PNAD/IBGE. Developed by: Ipea.

2.2 - Informality and socio-demographic characteristics: gender, ethnicity/skin colour and housing situation

Gender

The informality rates of young men and women are very similar and show the same 30% drop between 2001 and 2013. However, there are gender disparities among 18- to 19-year-olds, with the men having higher rates. This is probably because men are required to combine study and work more often than women. It is a well-known fact that although women have lower employment rates than men, they have higher levels of education.

Table 5. Informality among young people by gender

Men	2001	2013	Difference
15 to 17	87.89	78.39	%
18 and 19	65.05	47.68	%
20 to 24	50.73	34.96	%

⁸ Since self-employed workers do not have specific working hours, we consider a part-time job to be less than 30 hours a week, and a full-time job to be more than 30 hours a week.

25 to 29	45.84	31.73	%
All young people (aged 15 to 29 years)	55.40	38.78	-30.0%

Women	2001	2013	Difference
15 to 17	84.74	73.46	-13.3%
18 and 19	60.40	43.22	-28.4%
20 to 24	51.09	35.52	-30.5%
25 to 29	48.29	31.66	-34.4%
All young people (aged 15 to 29 years)	54.82	37.29	-32.0%

Source: PNAD/IBGE. Developed by: Ipea.

Ethnicity/Skin colour

Table 6 shows that white young people present a lower informality rate than black young people, in all age groups.⁹ Although both groups experienced drops in this period, it was higher among white young people (33.0% versus 31.5% for black young people), which increased the inequality that already existed in 2001.

The informality rate for the two groups showed more significant variations when comparing the different age brackets. The youngest (15 to 17) and the oldest (25 to 29) are the groups that increased the inequality. For the other two age groups (18-19 and 20-24), inequality had the opposite tendency, where black youth had greater informality drops than white youth.

Table 6. Informality among young people by ethnicity/skin colour

White & Asian young people	2001	2013	Difference
15 to 17	81.14	67.83	-16.4%
18 to 19	53.75	38.87	-27.7%
20 to 24	43.01	29.40	-31.6%
25 to 29	39.60	25.69	-35.1%
All young people (15 to 29 years)	47.05	31.51	-33.0%

Black, mixed-race & indigenous young people	2001	2013	Difference
15 to 17	91.82	82.81	-9.8%
18 to 19	73.37	51.73	-29.5%
20 to 24	60.05	40.48	-32.6%
25 to 29	55.39	37.16	-32.9%
All young people (15 to 29 years)	64.31	44.02	-31.5%

Source: PNAD/IBGE. Developed by: IPEA.

⁹ To analyse the issue of ethnicity/skin colour in PNAD, we defined two large groups: white young people and black (black + mixed-race) young people. As Asian and indigenous people are not representative groups in Brazil's general population, few cases appear in the samples. We placed Asian young people in the white group, and indigenous young people in the black group.

Housing situation

When looking at the different housing situations (urban or rural),¹⁰ it should be noted that Brazil has a category for the “specially insured”. These are rural workers on family farms. The category includes spouses, partners, and children above the age of 16 who work on family farms, in addition to small-scale fishermen and indigenous people that do any kind of rural activity. Workers in this category have the right to sickness benefits, retirement due to disability, retirement due to age, retirement due to time of contribution, maternity wages, survivor pensions, and prisoner benefits.¹¹

According to the law, workers living in rural areas who engage in farming activities under the family farming system are insured whether they are regular contributors to social security or not. Therefore, not all rural workers are in fact unprotected, which is typical of the informality criteria used so far. To determine informality among agricultural workers, those considered self-employed non-taxpayers, and unpaid workers were excluded and considered specially insured workers. This procedure was an attempt to measure the effects of the specially insured law in the rural and agricultural universe, based on PNAD data. Conversely, the same criteria applied to urban workers was used to estimate informality among people in non-agricultural activities.

The results based on these criteria are presented in Table 7. In 2001, young people living in rural areas had lower informality rates than young people living in urban areas. In 2013, the informality rate among rural young people remained virtually unchanged, with a small increase from 34.8% in 2001 to 36.3% in 2013. In comparison, informality rates among urban young people showed a significant reduction in the same period, going from 49.0% to 32.2%.

¹⁰ Urban and rural areas in Brazil are locally defined. Every municipality, through its Municipal Chamber, adjusts their own border lines according to occupational activities. IBGE adopts the current 10-year census definitions applies them to all PNADs of the next decade. Therefore, PNAD 2001 used the border lines that were in force in 2000, and PNAD 2013 used the lines that were in force in 2010.

¹¹ The specially insured category was incorporated into Brazilian legislation to balance the labour situations of the two main disputing categories in Brazilian agriculture: business farms, which have the same formal labour relationships as in the urban area; and family farms, whose activities are done by family members on small rural properties.

Table 7. Informality among young people by dwelling situation(%)

Urban	2001	2013	Difference
15 to 17	82.5%	71.1%	-13.9%
18 to 19	57.0%	40.9%	-28,2%
20 to 24	45.2%	29.2%	-35.4%
25 to 29	41.1%	25.8%	-37.2%
All young people (15 to 29 years)	49.0%	32.2%	-34.3%

Rural	2001	2013	Difference
15 to 17	31.9%	39.1%	22.6%
18 to 19	38.6%	40.6%	5.0%
20 to 24	36.9%	36.2%	-1.9%
25 to 29	32.5%	33.7%	3.7%
All young people (15 to 29 years)	34.8%	36.3%	4.5%

Source: PNAD/IBGE. Developed by: Ipea.

The effects of special insurance are seen particularly among young people between 15 and 17 years of age, where informality is much lower than among urban young people. This is because most rural young people work for their own consumption or as non-remunerated workers on family farms as specially insured workers.

Informality increased among rural young people between 2001 and 2013 because most of them began non-farming activities without formal employment documents. This may be a result of the significant increases in these activities during that period.

In general, the data discussed here shows a trend toward improved formalisation rates in labour relationships in Brazil. This is especially true for young people, despite the vulnerability experienced by some groups. This success is because it occurred in a period of economic growth. However, the growth rate of Brazil's economy was almost zero in 2014, making future scenarios look alarming. In light of this new reality, the very foundations of these recent achievements may be put in check. Thus, the challenge for Brazil is to go beyond specific initiatives to improve youth integration into the labour market, and provide the appropriate macroeconomic conditions that would allow these initiatives to produce long-term results.

3 - Government programmes and actions for training and qualifying young people

It could be said that the chances of integrating young people into the labour market under decent conditions and as full citizens increase when they have higher levels of education. However, a significant portion of young Brazilians have not even completed primary school, which is the first stage of basic education. According to the 2013 PNAD, 22% of the population aged 15 to 29 were in this situation. And 41% of young people aged 18 to 29 had not completed secondary school, which corresponds to the final stage of basic education.

In an attempt to change this situation, Law 12.796 was approved on 4 April 2013 to extend the compulsory age from 4 to 17, which allows children to receive free basic education. This allowed 15- to 17-year-olds, the first age category of what is called youth, to have the right to free education and to stay in school.

The education level of these adolescents was also analysed in the 2013 PNAD, which found that 15.7% of young people aged 15 to 17 were not attending school (around 1.7 million). This is an alarming statistic, since 83.6%, or 1.4 million of them had not yet completed primary school.

Therefore, it has become a national challenge to guarantee that children and young adolescents have access to preschool, primary school, and secondary school education, as well as to expand the offer of professional education. This means the states and municipalities must play stronger coordination roles in their territories by conducting active searches, creating integrated school registration systems, and incorporating instruments for monitoring and continuous assessment in collaboration with the federal government. The state and municipal authorities must also restructure their school systems to offer fulltime schooling, wherein it would be strategic to have schools collaborate with various public instruments as well as different educational, cultural, and sporting activities that could steer their pedagogical projects in that direction.

In 2005, the National Programme for Youth Inclusion was created to improve the education levels of young Brazilians, which was then reformulated in 2008 and renamed *ProJovem Urbano*. It focuses on young people aged 18 to 29 who know how to read and write but have not completed primary school. The programme offers education for young people and adults that includes professional training and financial support in the amount of BRL 100 per month for the duration of the

training (18 months), which is conditional upon maintaining a proven school attendance of 75%.

The reach of *ProJovem Urbano* can be measured by the 105,000 young people who registered from June 2012 to December 2013 in the different courses offered throughout 319 Brazilian municipalities in 16 states. Despite a slight drop in registration numbers the following year, 97,000 students registered for the programme.

Nonetheless, the target audience for *ProJovem Urbano* is potentially much larger. According to the 2013 PNAD, 14% of young people between 18 and 29 living in urban areas were not attending school and had not completed primary school, which in absolute numbers means around 4.6 million people.

There is no doubt that without a minimum basis of formal education, young people will have very limited opportunities to function as full citizens in their adult lives. Therefore, the challenge is to make sure they not only re-enter the education system, but also maintain school attendance and complete their basic education.

Young people attending school or that have already completed basic education have been given increased opportunities for professional education at secondary school levels (technical) by the National Programme for Access to Technical Education and Employment, which was established by Law 11.513 of 26 October 2011. Under this legislation, several streamlined professional secondary school training activities were created to offer better, far-reaching, and more accessible professional and technological training across the country. This was done initially through free courses offered by public institutions in the *Sistema S* (SENAI, SENAT, SENAC, and SENAR), and after 2013, through private institutions accredited by the Ministry of Education.

According to the Ministry of Education (MEC), between 2011 and 2014 Pronatec registered more than 8 million students for technical courses, as well as early and continued education.

Quantitative progress was made in higher education where the number of enrolments for on-site courses doubled from 3 to 6.2 million between 2001 and 2013, which was reflected in net school attendance rates that went from 8.9% to 16.5% in the same period. But most especially, greater access was given to historically marginalized population segments (low-income citizens, black people).

The cause of restricted access to higher education for young Brazilians begins with the admission process, especially the traditional entrance examination. It is the final exclusion mechanism faced by students who were already able to overcome numerous obstacles to complete their basic education.

Given that public higher education institutions have insufficient openings, and that private institutions are expensive, the government was required to intervene to equalize access opportunities.

This objective led to initiatives that have been implemented since the late 1990s, such as the Student Financing Fund (Fies), created in 1999, and the University for All Programme (ProUni), created in 2004 and implemented in 2005, which have helped provide more equal access to higher education.

Fies initially required applicants to have guarantors and a minimum income level, which restricted access. This meant that eventually this type of funding did not keep up with private sector growth, and in many ways was not adapted to the socioeconomic profile of the new users.

Thus, in March 2010 changes were made to the financing conditions for students, starting with lowering the interest rate to 3.4% per year for contracts signed from that date on. That same interest rate was applied to the balance due on previous contracts. In addition, debt amortization exemptions were introduced for students who opted for licentiateships. With these new rules, the number of Fies applications doubled in 2010 and 2011.

ProUni is a programme that grants full or partial (50% or 25%) scholarships to students pursuing an undergraduate or specific associate degree at private higher education institutions. The target audience is public secondary school students or private secondary school students with full scholarships from families with a maximum per capita monthly income of three minimum wages. It is also designated to employed public primary school teachers wanting to attain a licentiate degree. Academic institutions that grant scholarships are exempt from some federal taxes.

The first phase of selecting candidates for the programme is done through a computerized system (SisProUni) that combines candidates' National Secondary School Exam (Enem) scores and socioeconomic profiles. The final selection phase uses criteria established by the educational institutions.

It is important to highlight the joint actions of ProUni and Fies. The first incentivizes student continuity in educations through actions such as the Stay-In-School Scholarship (PBP) and the apprenticeship agreement formed by the Ministry of Education/Caixa Econômica Federal and the Brazilian Federation of Banks (FEBRABAN). The latter provides grants to students who cannot afford a higher education, and allows students who receive partial scholarships to finance the remaining amounts.

The Stay-In-School Scholarship is a federal government programme that provides financial support for students enrolled in federal higher education institutions that qualify as being socioeconomically vulnerable, indigenous, or *quilombolas*.¹² The scholarship is paid directly to the undergraduate students using a benefit card.

The amount of the scholarship is determined by the Ministry of Education and is equivalent to what is practiced by federal grant policies in conceding scholarships for undergraduate scientific research, which is currently BRL 400. A special amount is given to indigenous and *quilombola* students that is at least twice the amount paid to other students, due to the specificities of how their communities are organized, and their geographic locations, habits, languages, beliefs, and traditions, all of which are protected by the Federal Constitution.

Besides promoting education continuity for students in situations of socioeconomic vulnerability, the PBP also allows its beneficiaries to receive other types of scholarships, such as those offered by the Tutorial Education Programme (PET) that supports undergraduate scientific research.

2014 ended with ProUni granting the highest ever number of scholarships since it was created on 13 January 2005. Approximately 307,000 scholarships were granted in the two selection processes conducted in 2014, of which two-thirds were full scholarships for students from families whose monthly income per capita was 1.5 minimum wages or less.

Consolidated SisProUni data showed that students do in fact use their scholarships effectively. In the period between 2005 and 2013 the programme placed more than 1.3 million students in undergraduate programmes. Of these,

¹² *Quilombolas* are descendants of African escaped slaves who live in hinterland settlements called *Quilombos*.

873,600 students received full scholarships (69%) and 400,000 received partial scholarships (31%).

Data from the Ministry of Education showed that the proportion of students in 2012 receiving public aid for attaining a higher education degree corresponded to about 43% of all students enrolled in on-site undergraduate programmes. For comparison purposes, this proportions was only 17% of total students in ProUni's first year.

When adding students who received scholarships or Fies loans that enrolled in public institutions during that same period, the rate of students with some type of public support increased to about 57%. When considering the total number of enrolled students, this rate is 53%.

Another important issue is the admission of young black and low-income students to higher education. From 2005, the same year ProUni was initiated, to 2013, it can be observed that these young people were able to access higher education at much faster rates, as shown in Table 8.

Table 8 – Net attendance rate in higher education for young people between 18 and 24 by skin colour/ethnicity and income, Brazil, 2005-2013 (%)

	2005	2013	var. %
White	17.5	23.7	35.2
Black	5.5	10.8	95.2
Population with up to 1 min. wage	2.4	7.5	215.8

Source: PNAD/IBGE
Developed by: Disoc/Ipea

Racial and/or social quotas are also an important part of democratizing and providing equal opportunities for higher education for historically marginalized population segments. The first initiative of this kind was implemented in 2003, when the Federal University of Rio de Janeiro reserved places for black and indigenous candidates and students from public schools.

Later, similar initiatives were adopted by other public universities and in 2012 a federal law was approved that requires federal institutions to reserve 50% of their openings for public school students (that have complete all their secondary school years at public schools), as well as consider income and ethnicity/skin colour. This law is being implemented in a gradual process.

Studies have indicated that the performance of quota students does not differ from other students. According to data from the guidance and selection service of the Federal University of Bahia presented by Santos (2012), the academic performance of quota and non-quota students oscillates significantly, which impedes defining any single tendency. Therefore, the data cannot corroborate the assumption that the quality of teaching tends to decrease when adopting a quota system.

In general, the actions that have been implemented over the last two decades have been successful in providing greater access to higher education. Furthermore, as discussed above, the process has been able to reach black students as well as the population segment with the lowest incomes.

4 - The regulatory framework and the informal economy

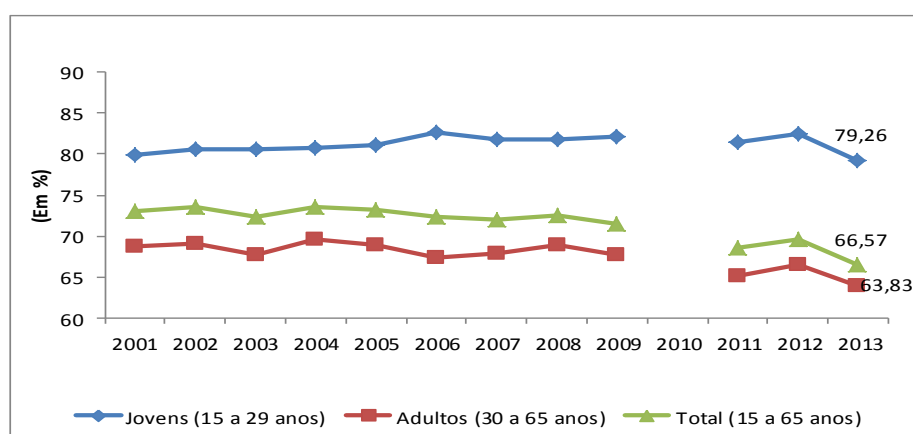
4.1 - Measures to expand the formalisation of domestic workers

Domestic work in Brazil is characterised by low wages, long, poorly calculated working hours, and high informality. Graph 2 illustrates that in 2013 66.57% of all domestic workers worked informally, meaning they had no employment records. This percentage rose to 79.26% for young people. Pnad data indicates that 93.53% of these young people were women and black 70.65%.¹³

Additionally, even though men represented less than 7% in this category, 47% of male domestic workers had formal labour records in contrast to around 32% of female domestic workers.

Graph 2 – Informality of young and adult domestic workers, 2001-2013

¹³ In this text, domestic workers are considered women, which according to Ipea (2013, 2014), is a way to give visibility to women, who represent the vast majority in this category.



Source: Disoc/Ipea, based on PNAD data.

For domestic workers, the lack of formal employment records is usually accompanied by low wages, long working hours, and in some cases, degrading working conditions. It also means they do not receive 13th salaries,¹⁴ paid vacations, or social security benefits such as sickness benefits and retirement.

Recent legal provisions have sought to promote decent work and reduce the informality that predominates in the employment relationships between employers and domestic workers. This section will present some of them, and determine whether their objectives are to promote decent work or labour formalisation, followed by achievements and challenges.

4.1.1 - Strategy: alter regulations for domestic work

The origin of domestic work in Brazil dates back to the time of slavery. However, it was only regulated in 1972 through Law 5.859, which defined the activity and guaranteed some rights to domestic workers. This first regulation established a vacation of 20 business days for every 12 months of work, along with retirement and social security benefits.

Article 7 of the 1988 Federal Constitution (CF 1988) granted new rights to domestic workers: 1) a minimum wage; 2) irreducible wages; 3) a 13th salary; 4) a weekly paid day off, preferably Sundays; 5) an extra one-third of a salary during vacations; 6) maternity and paternity leave; and 7) advanced notice of termination. Although this meant significant progress in comparison to Law 5.859 of 1972, it still kept domestic workers from having all the labour rights offered to other rural and

¹⁴ Translator's note: A 13th salary is a bonus equivalent to the monthly wage paid in two instalments in November and December.

urban workers in Brazil. This formal discrimination was the result of including a sole paragraph in the article that barred domestic workers from a number of rights guaranteed to all other workers in Brazil.

2006 marked additional progress to domestic work legislation. Law 11.324 ensured the right to 30 days of vacation and job security for pregnant women, and prohibited docking wages for expenses related to room and board and the occasional use of personal hygiene products. This law also recognized the serious lack of social protection for domestic workers, and thus created financial incentives to formalize their labour.

Along these same lines of ensuring rights for domestic workers, Constitutional Amendment (EC) 72 of 2013 was finally approved, after a 3-year delay. Its general purpose is to ensure that labour rights for domestic workers were equal to those of other professions in Brazil. Presented below are the most recent legal frameworks intended to both expand the formalisation of domestic workers and at least partially answer the long-standing demands of black and female workers for decent work. Although these regulations are not specific to young people, they are included in the target audience.

- Law 11.324 of 2006

As discussed above, this law ensured certain rights for domestic workers: a 30-day vacation and job security for pregnant women, and prohibited docking wages for expenses related to room and board and the occasional use of personal hygiene products. What was new about it is, it gave economic incentives to formalise domestic work by allowing employers to deduct their social security dues from their annual income tax declarations. However, there were some limitations: a) annual income tax returns have to be filed using the complete form; b) only one domestic worker allowed; c) employer income tax statement can only deduct one monthly minimum wage (including vacation pay and the 13th salary).¹⁵

- Constitutional Amendment 72 of 2013

¹⁵ Further on in the text we will show that the only result of the incentives to formalise promoted by Law 11.324/2006 was to provide tax relief for wealthier families and did nothing to help domestic workers.

The year 2013 can be considered a milestone in the history of domestic workers' rights in Brazil. Constitutional Amendment Proposal 72 (PEC 72/2013) – also known as the domestic workers' PEC – was approved. It altered Article 7 of the Federal Constitution and guaranteed domestic workers a number of rights that had not been previously granted.

However, the provisions listed in the sole paragraph of Article 7 are not automatically applied. Chart 1 shows domestic worker rights guaranteed by Article 7 of the 1988 Federal Constitution and indicates which ones depend on infra-constitutional laws for their application. The National Congress is responsible for fully regulating the new labour rights for domestic workers stated in this constitutional amendment, meaning domestic workers cannot exercise these rights until then.

Chart 1 – Domestic worker rights in Art. 7 of the 1988 Federal Constitution and the automatic applicability of Constitutional Amendment EC 72/2013

Rights guaranteed in Article 7	Legislative instrument that guarantees the right	Automatic applicability of EC 72/2013
I. Employment protected against arbitrary dismissal or dismissal without fair cause by complementary laws that foresee compensatory indemnification, among other rights.	EC 72/2013	No
II. Unemployment insurance, in the case of dismissal.	EC 72/2013	No
III. Length of employment guarantee fund (FGTS).	EC 72/2013	No
IV. Nationwide minimum wage established by law that can meet the basic needs of domestic workers and their families in terms of housing, food, education, healthcare, leisure, clothing, hygiene, transport, and social security, with periodic corrections to maintain their buying power, and its use is forbidden to be linked to any other purpose.	CF 1988	-
V. Base salary is proportional to the length and complexity of the work.	Not guaranteed	-
VI. Wages are irreducible, except as defined by conventions or collective agreements.	CF 1988	-
VII. Wage guarantee, never lower than the minimum, for workers receiving variable remuneration.	EC 72/2013	Yes
VIII. 13 th salary, based either on full remuneration or retirement amount.	CF 1988	-
IX. Remuneration for night work higher than for day work.	EC 72/2013	No
X. Protection of salary according to the law; improperly retaining a salary is a crime.	EC 72/2013	Yes

XI.	Sharing in profits or results not linked to remuneration, and, in exceptional cases, participation in business management, as defined by law.	Not applicable	-
XII.	Family wage in the case of low-income workers with dependents, as defined by law.	EC 72/2013	No
XIII.	Working hours not to exceed 8 hours a day and 44 hours a week; hours may be compensated or reduced by collective agreements or labour conventions.	EC 72/2013	Yes
XIV.	Six working hours for uninterrupted rotating shifts, or according to collective negotiations.	Not guaranteed	-
XV.	One paid day off per week, preferably on Sunday.	CF 1988	-
XVI.	Remuneration for overtime hours of at least 50% above normal remuneration;	EC 72/2013	Yes
XVII.	Paid annual vacation plus at least one-third more than the normal wage.	CF 1988	-
XVIII.	Maternity leave for 120 days without affecting employment or wages.	CF 1988	-
XIX.	Paternity leave according to the law.	CF 1988	-
XX.	Protection of the women's labour market with specific incentives, according to the law.	Not guaranteed	-
XXI.	Advanced notice of termination proportional to length of employment, being at least thirty days, according to the law.	CF 1988	-
XXII.	Reduction of labour-related risks through healthcare, hygiene, and safety standards.	EC 72/2013	Yes
XXIII.	Additional remuneration in cases of very difficult, unhealthy, or dangerous work, according to the law.	Not guaranteed	-
XXIV.	Retirement benefits.	CF 1988	-
XXV.	Free day-care centres and preschool institutions for children and dependents between the time of birth to the age of 5.	EC 72/2013	No
XXVI.	Recognition of collective labour conventions and agreements.	EC 72/2013	Yes
XXVII.	Protection in case of automation, according to the law.	Not guaranteed	-
XXVIII.	Insurance for workplace accidents, to be paid by the employer in addition to the compulsory indemnification, whether intentional or due to negligence.	EC 72/2013	No
XXIX.	The right to sue for employment compensations has a 5-year period of limitation for urban and rural workers, and a 2-year period after the termination of the employment agreement.	Not guaranteed	-
XXX.	Differences in salary, duties, and hiring criteria for any reason related to gender, age, skin colour or marital status is prohibited.	EC 72/2013	Yes
XXXI.	Any discrimination with regards to salary and hiring criteria for workers with disabilities is prohibited.	EC 72/2013	Yes
XXXII.	Distinctions between manual, technical, or intellectual work, or between their respective professionals is prohibited.	Not guaranteed.	-

XXXIII.	Night work, or dangerous or unhealthy work for people under the age of 18, or any work activity for people under the age of 16, except as apprenticeships for those over 14, is prohibited.	EC 72/2013	Yes
XXXIV.	Equal rights for both permanent and temporary employees.	Not guaranteed	-

Source: Adapted from Ipea (2014).

As indicated in Chart 1, only a few of the new rights are automatically applied, such as the maximum amount of 8 working hours per day and 44 per week, and overtime pay of at least 50% more per hour. Many benefits, such as unemployment insurance, the mandatory Length of Employment Guarantee Fund (FGTS), and night pay being higher than day pay still require specific legislation before they can be validated.

A congressional joint committee, created to consolidate and regulate the rights granted under the 1988 Federal Constitution, presented a Senate bill of law (PLS 224/2013) aimed at regulating EC 72/2013. The Senate discussed the bill in the first half of 2013 and approved it unanimously with 52 votes in favour and no opposing votes. It was then sent to the Chamber of Deputies in July 2013, as a complementary bill of law (PLP 302/2013) where over 50 amendments were added to the original text. The altered text was then submitted again for Senate approval, and in November 2014 the joint committee rejected all the amendments proposed by the Chamber of Deputies and returned it to its original text from July 2013. If the text is approved with no further alterations, it will be submitted to the President for approval; otherwise, it will return to the Senate for further discussion.

- Law 12.964 of 2014

Law 12.964 was approved in April 2014 and enacted in August of the same year. It established that a fine be imposed on employers that do not provide formal labour documents to their domestic workers. The baseline value for the fine is BRL 805.06, and may increase depending on length of service, age, number of workers, and infractions identified; or may be reduced if employers recognize their infractions and duly update their employees' labour documents and any overdue social security contributions. This is expected to help advance the formalisation of domestic workers.

4.1.2 - Progress

In recent years a series of legal and institutional innovations have been implemented for domestic workers, which has contributed to progress in promoting decent work and the formalisation of labour relations. Nonetheless, as shown below, there is still much to be done.

In July 2011, the ILO adopted Convention 189 and Recommendation 201 that address decent work for domestic workers. Additionally, any legal provisions that would prevent domestic workers from having the same rights as all other workers in countries that ratify the Convention are banned. This prerequisite required that Brazil alter its legislation, since the 1988 Federal Constitution still considered domestic workers as a sort of subcategory in the labour market.

As discussed earlier, in order to meet the longstanding demands of black people and women, and ILO Convention 189, Brazil made progress when it passed the domestic workers' constitutional amendment. It was a step forward in the promotion of decent work for a category of workers characterised by having fewer rights than all others. However, as will be shown, the lack of regulations on several points of the constitutional amendment is a real obstacle to attaining the much-desired equality of rights for domestic workers.

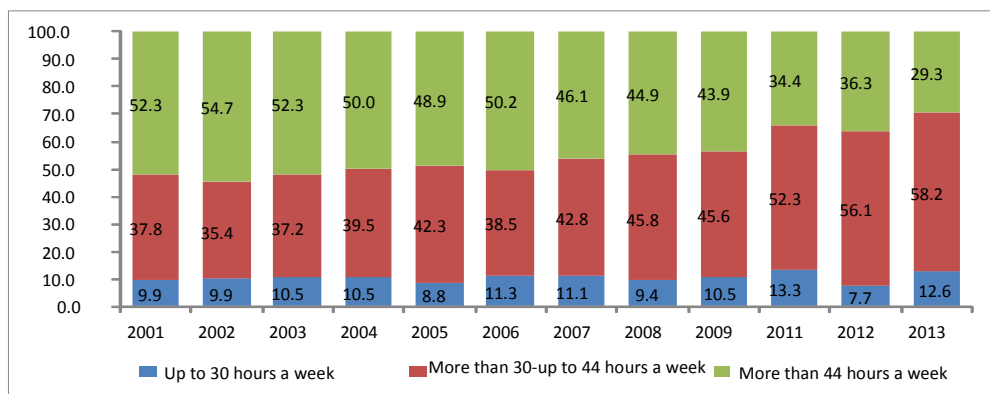
Because EC 72/2013 is fairly recent and several of its provisions lack regulation, its impact on domestic workers cannot be analysed. However, some reports suggest there are already some effects, especially in terms of the working hours for domestic workers. The graph below shows the percentage of young domestic workers working with official employment documents according to how many hours they work per week.

It can be seen that the percentage of domestic workers working more than 44 hours a week fell during the 2000s, except in 2006. This percentage significantly decreased in 2011, but then increased again in 2012. In 2013, when the EC 72¹⁶ came into effect, it fell to its lowest point for the entire period. This reduction is a sign that labour conditions improved for domestic workers after the amendment was implemented. However, it is too early to pinpoint actual effects, considering that

¹⁶ Constitutional Amendment 72 was approved on 2 April 2013. The PNAD interviews are always conducted in September, meaning they occurred after the approval of the amendment.

30% of formally employed domestic workers work long hours (more than 44 a week).

Graph 3 - Weekly working hours of young formal domestic workers (aged 15 to 29), 2001-2013



Source: Disoc/Ipea, based on data from PNAD.

Two laws related to promoting labour formalisation are worth highlighting. The first is Law 11.324/2006, which offers economic incentives for formally hiring domestic workers by allowing employers to deduct the payment of their dues to social security from their income tax statements. The second is Law 12.964/2014, which delineates inspections and fines to be imposed on employers caught informally hiring domestic workers.

Some studies have analysed the possible effects of Law 11.324/2006 on the formalisation of domestic workers. Rangel (2014) suggested that the incentive policy is not very effective, possibly because few people file full income tax returns, and recent wage increases for domestic workers causing formalisation costs to increase faster than the possible income tax deductions, especially for those receiving more than one minimum wage.¹⁷ Using a more sophisticated methodology, Theodoro and Scorzafave (2011) obtained inconclusive results about the effects of tax relief on formalisation, which led them to classify the policy as ineffective in meeting its objectives. Dantas et al. (2012) also consider the policy ineffective, since the tax advantages ended up going to employers who already had a formal labour relationship with their domestic workers.

¹⁷ Because the law guarantees income tax deductions on social security contributions for only up to a minimum wage, any remuneration domestic workers receive above that amount incurs additional costs to employers, which is not the case when they are informally hired. According to 2013 PNAD, 37% of domestic workers earn more than one minimum wage per month.

Law 12.964/2014 is still very recent and there is not yet any evaluation of its effects. Even so, it is possible to say that it has contributed to the formalisation of domestic work, particularly after the Ministry of Labour and Employment (MTE) published Normative Instruction 110 of 2014 (IN 110/2014), which details the inspection procedures for domestic work regulations. This new normative instruction allows labour relations to be inspected indirectly, in response to anonymous complaints from domestic workers or third parties.

It should be noted that before IN 110/2014, the challenges to inspecting employer compliance with formal labour relations were greater because of the principle of the inviolability of the home, which prevents labour inspectors from effectively auditing. This new norm was created to address this challenge. Complaints are made anonymously, after which labour inspectors notify the employers via correspondence, who are then required to provide the documents that prove they are following proper employment procedures to decentralized bureaus of the MTE.¹⁸

Despite the laws and constitutional amendments that promote decent work and employment formalisation for domestic workers, there are a number of obstacles preventing these norms from functioning smoothly, as well as many challenges that are particularly related to formalising domestic work.

4.1.3 - Challenges

The main challenges to implementing the most important strategies to reduce informality and promote decent work for domestic workers are presented below.

1. The need to regulate Constitutional Amendment (EC) 72

There is no denying that the approval of EC 72/2013 was a significant step forward in the promotion of decent work for domestic workers. However, as mentioned earlier, some of the new rights it entails still require regulation in order to actually be applied, such as overtime remuneration in the amount of 50% over the normal wage for each hour exceeding 44 hours a week, and the right to FGTS (now compulsory for employers).

¹⁸ This Normative Instruction also foresees a visit from the labour inspector, provided it is authorized in writing in advance by the employer (previous to this, a court order was required).

This situation stands in the way of making real changes to the labour conditions of domestic workers. Furthermore, it makes Brazil's behaviour dubious in the eyes of the ILO in that, although it played a crucial role in debating and approving Convention 189, it still has not regulated all the rights allowed for domestic workers that would eliminate their unfair treatment.

2. Problems with formalisation

Law 12.964/2014 certainly represents progress in formalising domestic workers in that it determines fines for employers who do not formally hire domestic workers. However, the problem lies in the principle of home inviolability that prevents inspectors from effectively inspecting employment registration documents. To address this problem, the MTE published IN 110 in 2014 to define procedures for domestic work inspection.

Notable progress was made in domestic work inspection after IN 110/2014 was enacted. However, the process of reporting complaints, even anonymously, still exposes workers and places them in an insecure situation with their employers (Ipea, 2015). It is altogether possible that the fear of being fired keeps domestic workers from reporting non-compliance to labour formalisation procedures.

3. Changes in the profile of domestic labour

Another recent growing challenge pertains to changes in the profile of domestic labour. As noted by Pinheiro, Gonzalez, and Fontoura (2012), the number of domestic workers providing service one or more days per week to more than one home (daily workers) has increased, and consequently, the number of monthly one-home-only domestic workers has decreased. The authors also reported it is very rare for daily domestic workers to be formally hired. In these cases, all social protection costs, especially social security, fall on the daily workers, not their employers.

4.2 – The Individual Microentrepreneur law and the question of the self-employed and small informal businesses

The Brazilian labour market is characterised by high rates of informality. This is clearly visible in quick visit to the centre of any Brazilian city: street vendors, open market vendors, popcorn sellers, horse-drawn cart drivers, and others. Informality is also seen in the service sector, which has gained more and more importance in the

national economy: painters, plumbers, electricians, and other such professionals can be easily hired without issuing fiscal documents or paying social security dues. These situations seemingly have short-term advantages, since self-employed workers do not need to subtract income taxes or social security contributions from the amount they charge for their goods or services. However, this advantage is not what it seems. Professionals that do not issue invoices or pay social security contributions find it difficult to prove their income and do not receive the benefits of the social security system.

According to data from the 2013 PNAD, 82.3% of self-employed workers (15 to 65 years old) have no National Legal Entity Registration (CNPJ) number and do not contribute to the social security system. Among young people (15 to 29 years old), 92% of self-employed workers have no CNPJ and are not directly covered by social security. The negative results of these indicators are alarming from the standpoint of public policies. Besides the high level of tax evasion, they create gaps in the social protection of the population.

4.2.1 - Strategy: economic incentives to reduce informality

In 2008, the federal government used Complementary Law 128 to introduce a new policy exclusively for entrepreneurs with a maximum of one employee, called individual microentrepreneurs (MEIs). This nationwide policy has considerably reduced formalisation costs for self-employed workers and employers with a maximum of one employee, both of which earn a maximum of BRL 60,000.00 a year. It should be noted that although this policy does not target young people, they also benefit because of its universal approach.

The purpose of this law is to promote the establishment of formal companies, formalise existing informal companies, and encourage the creation of formal jobs. Individual microentrepreneurs operate under the *Simples Nacional* tax category and are exempt from paying federal taxes (income taxes, the social integration program, social security financing contributions, taxes on industrialized products, and social contributions on net profits). They pay a fixed monthly tax fee of BRL 5.00 to the service sector or BRL 1.00 to commerce and industry, plus a monthly social security contribution of 5% of the minimum wage (equivalent to BRL 39.40 per month in 2015).

The regular payment of taxes allows businesses to legally register their entities with a CNPJ number, which makes it easier for them to open bank accounts, obtain loans, and issue invoices. MEIs are also covered by social security and all its benefits, except for length-of-service retirement, which is restricted to one minimum wage. As mentioned earlier, the law that introduced the MEI category was created in 2008, and it was officially enacted in July 2009.¹⁹

4.2.2 - Progress

Since the MEI Law came into effect, the number of people opting for the simplified tax system and social security inclusion has been increasing. More recent data from the Secretariat of the Federal Revenue Service of Brazil (SRFB) showed over 4.8 million active MEIs in March 2015. Table shows total active MEIs in December of every year in order to show the most accurate available information.

Table 9 – Active workers operating as MEIs ²⁰

Year	Number
2009	44,188
2010	771,715
2011	1,656,953
2012	2,664,605
2013	3,659,781
2014	4,653,080
2015	4,808,074

Source: SRFB

The table above shows substantial growth in the number of MEIs since 2009. Unfortunately, information according to age group is only available from the most recent yearly data collected.²¹ Table 10 shows the number of MEIs by age group, which allows the conclusion that about 24% of all MEIs are young people.²²

¹⁹ Because being an MEI also involves paying state taxes (ICMS) and municipal taxes (ISS), the states only gradually implemented it between July 2009 and February 2010, as municipal and state computer systems were adapted.

²⁰ Note: Data related to the last day of December of every year. For 2015, data is from 7 March.

²¹ For this study, data is from 22 March 2014.

²² The two first age groups (16-20 and 21-30) do not exactly match the definition of young people adopted by this paper (15-29 years old). Nevertheless, it is possible to state that about 24% of MEIs are young people.

Table 10 – Active MEIs by age group, March 2015

Age group	Number of MEIs	% MEIs
16-20	50,086	1.0
21-30	1,115,136	23.2
31-60	3,421,779	71.2
Above 60	221,073	4.6
Total	4,808,074	100

Source: SRFB, Simples Nacional.

There are certain studies that have analysed the possible effects of creating the MEI.²³ One conclusion points to its positive effects on social security contributions, but not on CNPJ registration. In other words, the authors detected signs of increasing social security coverage, but not in small business formalisation. Using an econometric analysis of panel data, Rocha, Ulyssea and Rachter (2014) concluded that reducing business registration costs is not enough to promote small business formalisation or encourage new formal businesses.

4.2.3 - Challenges

Although over 3.8 million workers have opted for the MEI system, analyses and assessments of the real impact of Complementary Law 128/2008 do not produce precise conclusions about its effects on increasing social security coverage and small business formalisation.

Self-employed workers and microentrepreneurs who meet the income criteria that allows them to participate in the MEI system are clearly engaged in low productivity. Perhaps these types of activities have little or nothing to gain from formalisation, thus the low impact on business formalisation (Ulyssea & Rachter, 2014).

The way the MEI was designed understands that the lack of social security coverage and small business informality walk hand-in-hand. Thus, because the small business formalisation policy also aims to increase social security coverage, a

23 Rangel (2014) compared data on MEIs to that of young people covered by social security benefits. The author suggests that growing social security coverage for self-employed young people may result from LC 128/2008. Corseuil, Neri, and Ulyssea (2014) conducted a broad exploratory analysis of the potential impacts of the MEI Law, but did not focus on youth age groups.

solution could be to separate the two objectives into distinct problems to be solved separately.

In a way, the purpose of LC 123/2006 – the law that created the Simplified Plan for Social Security Inclusion (PSIC) – was to enable popcorn sellers, street vendors, plumbers, etc. to get social security coverage without having to formalise their activities. However, the policy is flawed in that contributions to social security via MEI are 5% of the minimum wage²⁴ while those via PSIC are 11% of the minimum wage.

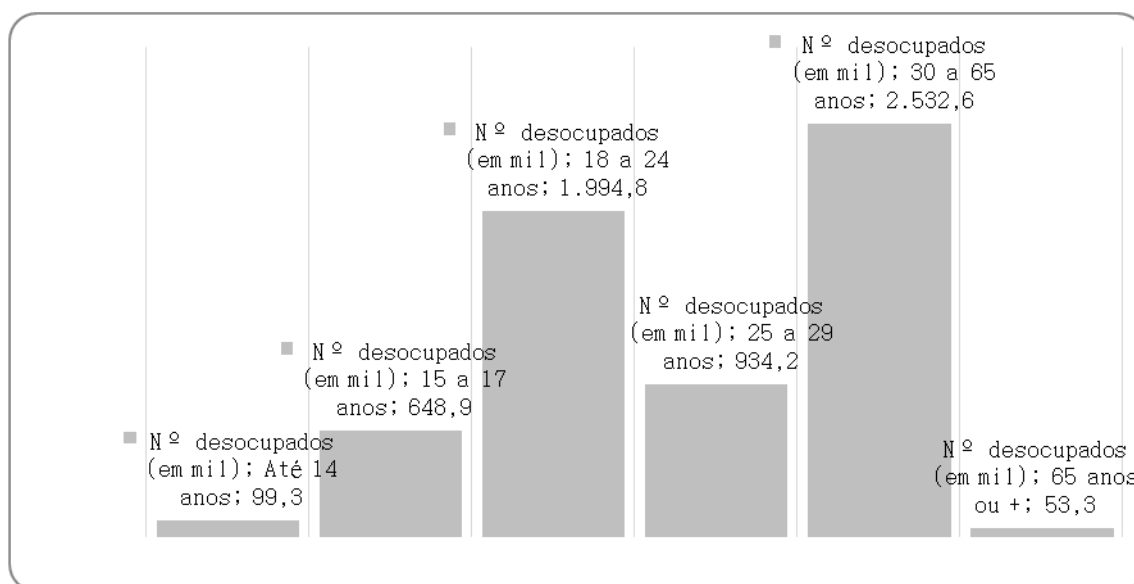
As shown above, the biggest remaining challenge continues to be expanding the formalisation of small businesses and the social security coverage for informal workers. One possible way to address the problem is to adjust the existing MEI and PSIC policies so that their costs (business registration and social security for MEI, and social security for PSIC) are not so different.

5 - Protection mechanisms against unemployment and for informal workers

Graph 4 shows the number of openly unemployed workers by age group in the urban regions of Brazil in 2013. All the age groups combined came to a total of 6.26 million workers. Of these, 3.58 million were young people between the ages of 15 and 29 (in other words, no less than 57.1%), the highest number being for the 18- to -24-year olds (1.99 million).

Graph 4 - Openly unemployed workers by age group in the urban regions of Brazil, 2013 (in thousands)

24 Plus BRL 1.00 or BRL 5.00, depending on the business.



Source: PNAD/IBGE-2013. Ipea/Disoc.

What types of protection against unemployment do these millions of unemployed workers (particularly young people) have under the Brazilian system of social security? There are six different types of protection available for those that were previously registered paid workers,²⁵ as summarized below in Chart 2.

CHART 2 Brazil: Protection mechanisms against unemployment

Mechanism	Nature	Description
Temporary stability	<i>Ex ante</i> protection	Refers to a period in which employers cannot terminate workers' paid employment (except in cases of justifiable reasons or unforeseen circumstances). Temporary stability is guaranteed by law in situations like: - pregnancy (from pregnancy confirmation until five months after birth) - workplace accidents (for 12 months after the end of the accident-sickness benefit) - cooperative leader (from time of candidature until one year after the end of the term) - trade union leaders (the same rule; also applies to substitutes) - members of the Internal Commission for Accident Prevention – CIPA (the same rule applies).²⁶
	Non-monetary protection	
Advanced notice of termination	<i>Ex ante</i> protection Monetary or non-monetary protection	Refers to a notice of employment termination sent in advance by one party to another to end a labour relationship where the employee has given no serious reason for being dismissed (without justifiable cause). Both parties may choose to determine that during the remaining period after the notification the employee will either work (until the end of the employment period, sometimes with different working hours), or be indemnified (is reimbursed for the period rather than works). The period of this advanced notice of termination is at least 30 days, but may reach up to 90 days (three days for every year of service added to the minimum period).

²⁵ A paid and registered work relationship for a previously undetermined period is the most important and frequent type in the Brazilian labour market. For more information, see Campos (2009).

²⁶ Besides these categories, other temporary stability mechanisms are implemented through collective negotiation rather than by law (e.g. for workers about to retire).

Length of Employment Guarantee Fund (FGTS)	<i>Ex post</i> protection Monetary protection	Refers to a monetary resource derived from monthly contributions collected by the employer (a percentage of the worker's remuneration, usually 8%). This resource is kept in an individual account that may be accessed by the employee in specific situations (e.g., employer terminates the employment without justifiable cause).
Fine – FGTS	<i>Ex post</i> protection Monetary protection	Refers to a monetary resource by way of a fine paid by an employer to a worker when the employer terminates a paid employment contract without justifiable cause. The fine is usually 40% of the accrued FGTS amount in the worker's individual account.
Fine – for dismissal to bar rights	<i>Ex post</i> protection Monetary protection	Refers to a monetary by way of a fine paid by an employer to a worker when the employer terminates a paid employment contract without justifiable cause in order to bar the employee from receiving a right (e.g., rights granted by collective employment negotiations, such as a pay raise).
Unemployment insurance	<i>Ex post</i> protection Monetary protection	In the "formal" category of the programme, this refers to a monetary resource by way of a monthly contribution collected by the employer (PIS/Pasep – deducted from gross operational revenue at different rates). To access unemployment insurance, workers must be severed without justifiable cause from a employment contract (registered and paid) that lasted at least six months (of the previous 36 months). Unemployment insurance is paid in three to five payments, depending on the length of employment. ²⁷ The acquisition period for unemployment insurance (interval that defines the waiting period for attaining the benefit) is 16 months. ²⁸

Source: CLT-1943, CF-1988, Individual Laws.

Developed by: IPEA/DISOC.

Although for workers in general the FGTS has higher numbers in terms of protected workers and available resources, this article focuses on unemployment insurance as it most likely is more important to young workers.²⁹ This is explained by the fact that labour market integration for young people is often characterised by low-paying jobs and high turnover rates.³⁰

Unemployment insurance as a protection mechanism is a recent achievement in Brazil. Although discussed since the 1930s, it was only created in 1986 to support workers dismissed without justifiable cause by employers. Even then, it offered little coverage, whether because of restrictive access rules or because of insufficient resources.

Coverage began expanding in 1990 when changes were made to Law 7.998, which regulated provisions of the 1988 Federal Constitution related to

²⁷ For 6 to 11 months in the last 36 months: three payments; for 12 to 23 months: four payments; for 24 months or more: five payments. The minimum amount of each payment is equal to the minimum wage in effect, but may increase depending on the worker's average remuneration in the three months before being dismissed, and may reach almost 1.8 times the amount of the minimum wage.

²⁸ Categories of this programme that are not formal (paid domestic workers, small-scale fishermen, workers rescued from forced labour or slave-like conditions, etc.) have different rules.

²⁹ In 2013 the FGTS covered 20.8 million workers of all ages (only those dismissed without justifiable cause) and disbursed BRL 48.7 billion. In the same year, unemployment insurance covered 8.9 million workers (of various types: paid, domestic, fishermen, rescued from forced labour) and distributed BRL 31.9 billion.

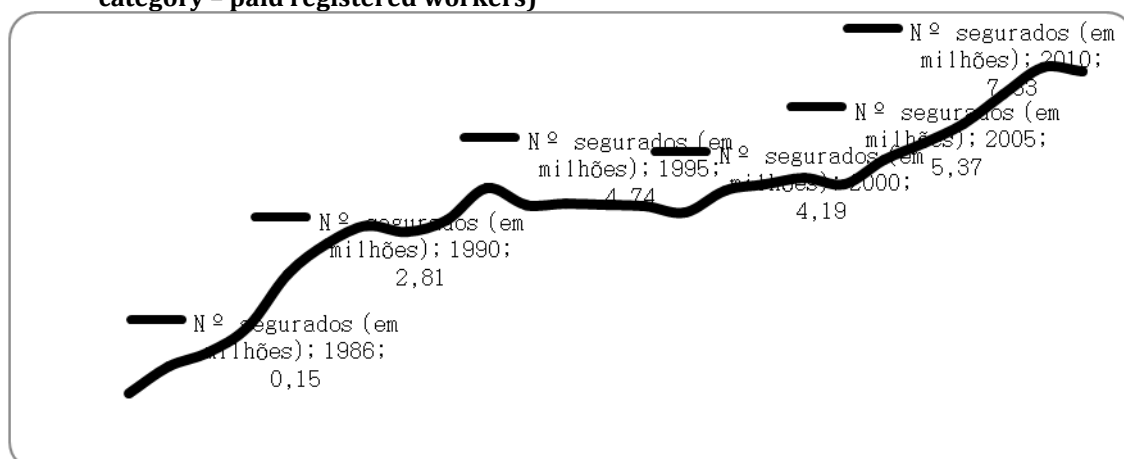
³⁰ These two characteristics tend to make the FGTS coverage amount lower than unemployment insurance, particularly for young workers.

unemployment insurance and other initiatives for social security. This law facilitated access to the benefit and created new funding resources that were consolidated in the Worker Support Fund (FAT).³¹

Since then, unemployment insurance coverage has increased considerably and gives effective protection for all unemployed workers, whether young or adult.³² These workers can fall into four categories: 1) paid registered workers; 2) paid domestic workers; 3) small-scale fishermen in family businesses; and 4) workers rescued from slave-like conditions.³³

Paid registered workers are the largest protected group in terms of workers and resources. Graph 5 shows that their numbers have increased substantially from only 0.15 million workers in 1986 to 7.33 million in 2010.

Graph 5 - Number of unemployment insurance beneficiaries, 1986-2010 ('formal' category – paid registered workers)



Note: in millions. Source: MTE. Ipea/Disoc.

In comparison to the beginning period of this graph, the number of beneficiaries was 48.7 times greater by the end. To a certain extent, this was because of changes made to the structure of the programme (e.g., less restrictive access

³¹ To some extent, the FAT allowed security programmes associated to labour and income (such as unemployment insurance and salary bonuses) to function independent of federal government resources by allocating a significant portion of the PIS/Pasep contributions to them (another portion is allocated to employment and income generation programmes controlled by the Brazilian Development Bank – BNDES). Furthermore, FAT is managed by the FAT Deliberative (Codefat) that has tripartite equally represented members from three sectors (workers, employers, and the federal government). For further information see Azeredo, 1998; Barbosa & Moretto, 1998; Moretto, 2007.

³² The growth of unemployment insurance after 1990 occurred simultaneously with other initiatives that also impacted unemployed workers, such as training and intermediation services (also known as labour active labour policies). Such services are important in helping workers find new occupations, acquire new skills, and get information about other occupations in the market. For further information, see Azeredo, 1998; Barbosa & Moretto, 1998; Moretto, 2007.

³³ Paid registered workers began receiving unemployment insurance in 1986; domestic workers, in 2001; small-scale fishermen, in 1992; and rescued workers, in 2003.

rules), and changes in the labour market (such as increased registered wages concomitant with sustained high labour turnover).³⁴

Unemployment insurance increased between 1986 and 2010, thus protecting more young and adult workers. This tendency was only reversed in 2015, albeit still depends on discussions taking place in the National Congress on the new rules for attaining unemployment insurance proposed by the current administration.

According to the rules that preceded Provisional Measure 665, proposed by the federal government in late 2014, in order to receive the benefits workers had to prove only six months of work (as paid registered workers) in the 36-month period before the date of dismissal without justifiable cause.

However, under the new measure, workers requesting unemployment insurance for the first time must prove 18 months of work (as paid registered workers) in the 24-month period before the date of dismissal without justifiable cause in order to receive the benefit.³⁵ In order to request it a second time, they must prove 12 months of work in the 16-month period before the dismissal. The rules for making a third request have not changed: prove six months of work in the 36-month period before the dismissal.

In other words, the rules for attaining the benefit become more restrictive, to the contrary of unemployment insurance regulation tendencies that had been observed since 1986. Provisional Measure 665/2014 required more months of work (as paid registered workers. This will almost certainly have two outcomes: 1) less workers protected by the programme, and 2) young people will be affected differently than adults.

Regarding the first point and using 2014 as a point of reference, 26.6% of workers who requested unemployment insurance protection would not have received it if the rules of this provisional measure had already been in force. In other words, 2.27 million workers (26.6% of the 8.55 million applicants for the programme in 2014)(MTE, 2015).

³⁴ These two aspects of the labour market (increased registered wages and sustained high labour turnover) were particularly relevant in increasing the number of unemployment insurance beneficiaries between 2005 and 2010. For more information, see Filho, Cabanas & Komatsu, 2014.

³⁵ The number of requests is counted in the previous 120 months (ten years).

Regarding the second point and also using 2014 as a point of reference, 51.9% of young workers up to the age of 28 would not have been able to attain unemployment insurance for the first time if the rules of this provisional measure had already been in force (among adult workers, the percentage falls to 32.6%). Furthermore, 32.2% of workers up to the age of 29 would not have been able to attain unemployment insurance for the second time (among adult workers, this percentage falls to 23.1%). Table 11 shows this information and data from MTE, 2015.

**Table 11 – Proportion of workers who would be affected
by changes in MP 665/2014, by age group (%)**

	up to 29 years of age	30 years old or above	TOTAL
1st request	51.9	32.6	44.1
2nd request	32.2	23.1	27.0

Source: MTE. Developed by: Ipea/Disoc.

In other words, the rules for attaining unemployment insurance have become stricter, contrary to the tendency triggered in 1986. The labour effort required (as paid registered workers) in order to be protected by the programme is now considerably higher. And this is magnified for young workers.

In any case, it is still necessary to wait and see whether the National Congress will actually carry out these rules that deter workers from unemployment protection, (although currently in effect, the rules come from a Provisional Measure).

5.1 - Strategy: incentives to expand social security coverage for informal employees³⁶

According to the law, hiring an employee should always involve proper employment registration. However, the reality of the Brazilian labour market is very different and informal labour relationships are an old habit. According to the 2013 PNAD, informal workers totalled 14.8% of the working population between the ages of 15 and 65 - the third largest working group. Informal young workers between 15 and 29 make up 22.7% of the working population.

³⁶ Including unregistered domestic workers and self-employed workers who do not want to formalise their businesses.

Employees without proper labour registration have no guaranteed labour rights (e.g., FGTS, 13th salary, and indemnification in case of termination without justifiable cause). However, this does not necessarily mean they are not protected by social security, because they can contribute as individual taxpayers and get access to those benefits (e.g., retirement pension, sick pay, maternity allowance, etc.). Nevertheless, the 2013 PNAD showed that 78% of informal employees between 15 and 65 did not contribute to social security and were thus not covered. The percentage for young people between 15 and 29 was even higher: 85% have no direct coverage from the social security programme.

The limited reach of social security for informal workers involves two serious problems in terms of their protection. In the short term, in addition to not being guaranteed any labour rights, they are not covered by social security, which may make it hard for them to generate income in the case of an accident, illness, or pregnancy. In the long term, informal workers run the risk of not to retire, thus not having a pension in a phase of life when their working abilities are limited, causing them to depend on welfare.

To fill these serious gaps in the social security system, in 2006 the LC 123 was used to create the Simplified Plan for Social Security Inclusion (PSIC) as a cheaper option for informal workers to contribute to social security.

Before the PSIC was created, social security payments from individual and discretionary³⁷ contributors was calculated based on a rate of 20% of monthly wages, or any amount up maximum social security contribution. After PSIC, workers have the option of contributing a lower rate established at 11% of the minimum wage. The trade-off for making reduced social security contributions is that insured workers no longer can retire based on time of employment, albeit having rights to the same benefits as workers who contribute the 20% rate. Additionally, the benefit for PSIC contributors is limited to the social security minimum (one minimum wage).³⁸

5.1.1 - Progress

³⁷ Discretionary contributors do not receive wages, such as students, homemakers, and unemployed people.

³⁸ The same policy observation made earlier applies here as well: although the PSIC does not target young workers, they feel the effects of the policy since it is directed at informal workers in all age groups.

After the PSIC entered into force, contributing to social security became a real possibility for informal workers, especially those with low monthly incomes. According to the 2013 PNAD, 82.5% of the over 13 million informal workers had a monthly income of up to two minimum wages, while almost 35% received less than one minimum wage. Among young people, 90.49% received up to 2 minimum wages, and 42.3% received less than one minimum wage.

Considering this information, it was obviously nearly impossible for low-income workers to make social security contributions before the PSIC. Dantas, Barbosa, and Ferreira (2012) show that the number of PSIC contributors increased considerably in the first years. Rangel (2014) suggested the PSIC had little effect in increasing social security coverage for young informal workers. Corseuil et al. (2011), used the difference in differences method to investigate the impacts of the policy on the likelihood of informal workers contributing to social security. The results showed that it in fact increased the probability that workers receiving around one minimum wage would contribute to the social security system.

5.1.2 - Challenges

The Simplified Plan for Social Security Inclusion that enables social security coverage at reduced rates has been a success. Besides targeting informal workers, it also includes other categories like unregistered domestic workers (including daily domestic workers) and self-employed workers, for whom the PSIC may be a better alternative than the MEI.

Ideally, employers would establish formal employment contracts with all their employees, and all monthly domestic workers would be properly registered. However, that is unrealistic. Although PSIC has been successful in stimulating social security inclusion, the fact that it exists acknowledges two different problems: lack of labour rights, and lack of social security coverage. While it tackles the lack of social security coverage, it leaves labour rights to be addressed by other policies.

Despite the progress fostered by PSIC, there are still high numbers of unregistered workers (including domestic and self-employed workers) that are not covered by social security. Therefore, one of the challenges is to understand the reasons why workers are not contributing to social security, which can include: 1) They focus excessively on the present; 2) They are not aware of the benefits offered

by social security; and 3) the high cost of contributions. Another challenge is to understand if there is a lack of MTE inspections.³⁹

These conclusions show that the leading challenge is to increase social security coverage for the working population. The MEI law and the PSIC are symbols of progress in this sense. However, further investigation should be made to understand why the percentage of individual payers is low, and contribution rates should be reduced even further for these groups, if necessary.

6 - Expansion of social protection

The Brazilian social security system started in the 1930s with policies that addressed labour risks, retirement and pension funds, sick pay, maternity allowances, and other protection policies for formal workers. However, between the 1930s and the 1980s, social security benefits were generally limited to formal workers who contributed to the social security system. The characteristics of that period in Brazil led Santos (1979) to coin the term “regulated citizenship,” because only workers with union-recognized occupations could benefit from the available social rights – and even the unions had to be recognized by the government in order to operate (Santos, 1979). According to the author, regulated citizenship was an acquired personal condition dependent on being integrated into the world of formal employment.

It was only after the 1988 Federal Constitution that Brazil established a new legal framework for its social protection system, which focused on expansion and universalising social rights. The trajectory of the social movements in Brazil during the 1970s and 1980s had an important influence on tearing down the idea of regulated citizenship that had predominated since the 1930s. They were also influential in developing a new protection model that would incorporate the social dimension of universal collective rights, regardless of professional and connection to the labour market.

³⁹ Regarding the high cost of contributions even at 11% of the minimum wage, it should be noted that the law that enacted MEI initially foresaw that along with a fixed payment of BRL 1.00 or BRL 5.0, depending on the type of business, INSS contributions would be 11% of one minimum wage. In 2011, Provisional Measure 529 reduced the MEI's social security contribution to 5% of a minimum wage to further encourage small business formalisation. Similarly, additional incentives could be implemented for the PSIC by reducing its contribution rate to 5% of one minimum wage, like the MEI.

The changes brought by the Constitution included the definition and creation of a Brazilian social security system, which integrates public policies of social security, health, and social assistance. Except for social security, which presupposes prior contributions, the other two – health and social assistance – are universal and can be accessed regardless of employment bonds or contributions. Today, the Brazilian social protection system consists of a number of public policies in the areas of labour, employment and income, education, social security, healthcare, and social assistance that provide goods and services, as well as income transfers to cover basic social needs.

6.1 - Policies and programmes to increase social protection for workers without employment contracts

6.1.1 - *Bolsa Família* programme (PBF)

The *Bolsa Família* Programme (PBF) is a direct cash transfer programme that benefits Brazilian families in conditions of poverty and extreme poverty. It is part of the Brazil Without Extreme Poverty Plan that targets Brazilians with a household per capita income of under BRL 77.00 a month.⁴⁰ The programme covers about 14.2 million families and offers four types of benefits that vary according to the family composition: 1) basic benefit; 2) variable benefit; 3) variable youth benefit; and 4) benefit to overcome extreme poverty. Chart 3 shows the details of the different PBF benefits.

Chart 3 – *Bolsa Família* Programme: Types and amounts of benefits

Basic Benefit	BRL 77.00 paid exclusively to families with a monthly per capita income of up to BRL 77.00.
Variable Benefit (VB) (family with per capita monthly income between BRL 77.01 and BRL 154.00)	BRL 35.00 , paid to families with children and adolescents up to 15 years of age. (Each family may receive up to 5 times this amount, totalling BRL 175.00 .)
Variable Youth Benefit (BVJ) (PBF family with a per capita monthly income up to BRL 154.00)	BRL 42.00 , paid to families with adolescents between 16 and 17. (Each family may receive up to 2 times this amount, totalling BRL 84.00 .)

Source: MDS.

The variable youth benefit was first established in March 2008 to increase PBF distributions and further reduce poverty, especially in situations passed down from generation to generation. The diagnosis that led to creating this new benefit recognized the low education levels among young people and adults as one of the

⁴⁰ About US\$ 25, based on 28 February 2015 exchange rate of BRL 2.88 per US\$1.00.

main causes of poverty. It also recognized that the problem of school dropout rates and age-grade disproportions among poor children and adolescents grew worse as they approached the age of 15, and increased significantly after that. Additionally, previous assessments had shown that *Bolsa Família* helped reduce dropout rates and increased school attendance. But although the programme was designed to pay benefits to incentivise adolescents up to the age of 15 to attend school, many of them stopped receiving the benefit even before they completed primary school because of age-grade disproportions.

Thus, the variable youth benefit was created especially to solve this problem and incentivize poor adolescents between 16 and 17 to continue studying by making the grant conditional upon them maintaining a 75% rate of school attendance.⁴¹

It should be noted that the variable youth benefit encourages the integration of young people with families, as families receive the benefit on their behalf. On the other hand, this benefit is not consolidated as an instrument of autonomy, as it was not created specifically for young people.

6.1.2 - Continued Provision Benefit (BPC)

The Continued Provision Benefit is another cash transfer programme that is similar to the PBF in that young people are also part of its target. The programme came into being as the result of people with disabilities mobilizing to participate the creation of the 1988 Federal Constitution. They were able to successfully include the subject on the agenda. It became a constitutional benefit that transfers a monthly income equal to one minimum wage to elderly persons of 65 years or older, or to people with disabilities that cannot live independently or work, provided they prove they do not have the resources to support themselves or any family that can do so (Brazil, 2007).⁴²

By guaranteeing one minimum wage for individuals in vulnerable situations (old age, illness, exclusion, and disability) that had previously excluded from the main social protections mechanisms, the BPC provides benefits of exceptional social

⁴¹ In 2013, a follow-up report on the conditionalities of the PBF programme showed that 16.1 million children and adolescents (ages 6 to 17) attended school, meaning 92.2% of PBF beneficiaries and 38% of all public school students in Brazil, according to data from the 2012 Census.

⁴² The BPC benefit is individual, not for life, and non-transferrable under the Unified System of Social Assistance (SUAS). It is a citizen right that guarantees non-contributive social protection. The BPC transfers income (one minimum wage) to elderly people and people with disabilities (PwDs) in situations of extreme poverty.

value that meets the basic needs of its beneficiaries and fosters their autonomy, independence, and citizen rights. In 2013, it benefitted 3.96 million Brazilians: 1.82 million elderly people and 2.14 million people with disabilities of all ages.

In 2011 the federal government, in response to social movement demands, specifically addressed people with disabilities by launching the Living Without Limits plan. The plan foresees investments of BRL 7.7 billion by 2014 and is organized into four main areas: 1) access to education; 2) accessibility; 3) healthcare; and 4) social inclusion. The federal, state, and municipal governments must be in agreement about adopting any public policies adopted for these four areas. Chart 4 shows the main actions for each area.

Chart 4- Living Without Limits

Access to Education	Social Inclusion	Accessibility	Healthcare
Classrooms with special education resources	BPC Employment	Home financing program	National Programme for Neonatal Screening
Accessible schools	Inclusive homes	Guide dog technological centres	Therapeutic guidelines
Technical training programme	Day centres	National Programme for Assistive Technology Innovation	Specialized rehabilitation centres
Bilingual education		Easy credit for assistive technology products	Adapted transportation for accessing healthcare
BPC at School		Home Financing Program	Orthopaedic workshops and increase the supply of orthotics, prostheses and auxiliary locomotion
Classrooms with special education resources		Guide dog technological centres	Orthopaedic care

Source: Casa Civil-PR – Plano Viver Sem Limite

Below is a description of the programmes managed by the social assistance department of Living Without Limits, which include all those listed in the Social Inclusion column above, as well as the BPC at School programme. The latter, albeit in the Access to Education column, is also responsible for sharing implementation with the areas of Education, Healthcare, Social Assistance, and Human Rights.

6.1.3 - BPC at School

This is an inter-ministerial programme that involves the Ministry of Education, the Ministry of Health, the Ministry of Social Development and the Fight Against Hunger, and the Special Secretariat of Human Rights, and functions in

partnership with municipalities, states, and the Federal District. The purpose of the initiative is to follow up on and monitor access to schools and school attendance for children and adolescents with disabilities that are BPC beneficiaries.

In 2007, BPC registration database (Dataprev/MPS, base year 2007) was paired with the school census database (Inep/MEC, base year 2006) for the first time. The result was that of the 340,500 BPC (people with disabilities) beneficiaries from 0 to 18 years of age, 100,500 (29.53%) were attending school and 239,900 (70.47%) were not. In 2010, the same database pairing showed that of the 435,300 BPC (people with disabilities) beneficiaries from 0 to 18 years of age, 229,000 (52.61%) were attending school and 206,300 (47.38%) were not. In late 2013, according to the Secretariat of Human Rights, the programme had 393,400 beneficiaries, and all the states, the Federal District, and 67.3% of the Brazilian municipalities⁴³ were participating.

6.1.4 - BPC Employment

Brazilian legislation, supported by international treaties and conventions — especially the UN Convention on the Rights of Persons with Disabilities (UN, 2006) that was incorporated into the Federal Constitution — defends the right of people with disabilities to work and seeks to increase and improve their opportunities for remunerated labour activities. These initiatives are critical to helping change the incorrect general consensus of Brazilian society that people with disabilities are dependent and incapable (MDS, 2013, p.4).⁴⁴

BPC Employment is intended to strengthen the autonomy of people with disabilities by encouraging them to enter the labour market. One of the most important recent incentives is an amendment added to BPC legislation in September 2011 through Law 12.470. Before the amendment, BPF beneficiaries with disabilities that decided to enter the job market had their benefits cancelled. Today, disabled BPC recipients who want to engage in remunerated activities or become individual microentrepreneurs have their benefits suspended, not cancelled. This means the benefits may be resumed after an employment contract or entrepreneurial venture ends, or after a period of receiving unemployment insurance period, without having to re-open a new solicitation procedure and await INSS approval. Professional Apprenticeship contracts, on the other hand, permit

⁴³ BPC at School annually data from the school census (Inep/MEC) and the BPC/MDS to identify school inclusion and exclusion indexes for BPC beneficiaries.

⁴⁴ MDS, 2013. Technical Guidelines - BPC Trabalho.

combining apprentice salaries with BPC benefits for up to two years, and disabled young people from the age of 14 years or older may be hired as an apprentice without losing their BPC.⁴⁵

The objectives of BPC Employment target disabled BPC beneficiaries from ages 14 to 45 and include: overcoming barriers by promoting social participation and leadership roles; strengthening autonomy; and providing access to social assistance networks, professional training, and the world of work. The programme works with the National Programme to Promote Access to the Labour Market (ACCESSUAS) to mobilize people in situations of vulnerability and/or social risk and refer them to training and professional education courses and other labour inclusion activities.

According to data from the Ministry of Social Security, in June 2013 there were one million BPC beneficiaries with disabilities between the ages of 14 and 45 (the age group covered by the programme), of which 53% were male and 47% female. As indicated in Table 12, more than half of the programme's target population (53%) was of working age – between 14 and 30 years old – which reinforces the importance of this initiative to provide professional preparation in order to have better chances in the labour market.

Table 12 – BPC beneficiaries by age group, 2013

Age group	Total BPC beneficiaries	%
14-15 years	70,119	6.61
16-18 years	107,644	10.15
19-24 years	191,597	18.06
25-30 years	195,575	18.43
31-35 years	168,301	15.86
36-40 years	166,798	15.72
41-45 years	160,946	15.17
Total	1,060,980	100.00

Source: MPS- Dataprev - BPC base June 2013

BPF Employment faces some structural problems in achieving its goals and objectives, such as the low education levels of beneficiaries with disabilities that makes it more difficult for them to acquire the skills to improve their professional qualifications and integration into the labour market. MPS data shows that in 2014,

⁴⁵ According to Law 11.180, of 23 September 2005, which amends the Consolidation of Labour Laws (CLT) (Law 10.097/2000, Art. 428, Par. 5), the Learning Agreement allows hiring people with disabilities aged 14 years and older, with no age limit.

76.1% of all BPC beneficiaries with disabilities were either illiterate or had not completed primary education.

6.1.5 - Inclusive Homes and Day Centres

Inclusive Homes is a modality of the SUAS intake service associated to the High Complexity Special Social Protection as defined by the National Classification of Social Assistance Services. The Inclusive Homes programme is for disabled young people and adults, especially those covered by the BPC, that are dependent on others, have no means to support themselves or any family backup, and/or are in the process of leaving long-term care institutions.

As part of the Rights for People with Disabilities National Plan – Living without Limits, the Ministry of Social Development (MDS) began supporting the reorganization of intake services for the disabled, which eliminated large shelters and provided better-qualified service through adapted intake units that are integrated within communities. Inclusive Homes are adapted and placed in residential areas, are limited to 10 people each, and prioritize small group care. Their purpose is to foster safe spaces, co-existence experiences, and the development of skills that can be adapted to daily life according to the principles of autonomy and social participation.

The goal of Living Without Limits was to complete 200 inclusive homes by 2014. In 2013, the Ministry of Social Development informed that 138 municipalities in six states had received co-financing for installing 204 inclusive residences, and that it had granted pre-financing for 80 units more that were planned for 2014. However, by 2014 only 73 inclusive homes were in operation, showing enormous discontinuity between financing, implementation, and effective operation.

Day Centres for people with disabilities are service units associated to the Specialized Reference Centre for Social Welfare (CREAS). They offer personal care services to dependent young people and adults with disabilities as a way to supplement the work of family caregivers. They also offer various community life and home activities to expand their social relationships and prevent isolation, as well as provide free time for family caregivers. In 2012, the MDS started a co-financing process to help install Day Centres. Living without Limits, the goal was to

install 27 Day Centres, one in each state. By the end of 2014, 12 of them were already operational.

The installation of Inclusive Homes and Day Centres places substantial responsibilities on the municipalities, which is possibly the source of the discontinuity between co-financing approval and having effectively operating units. To participate in the programme, the municipalities must have a fully operational Reference Centre for Social Welfare (CRAS) and a Specialized Reference Centres for Social Welfare (CREAS). They also must offer one of the following healthcare services: Family Health Strategy (ESF), Family Health Support Centre (NASF), Home Healthcare, or a Better at Home programme. Inclusive Homes and Day Centres also require specialized staff such as social workers, psychologists, occupational therapists, and caregivers.

6.1.6 - Programme to Eradicate Child Labour (PETI)

PETI is an inter-governmental and inter-sectoral programme aimed at integrating actions to eradicate child labour. It is the Brazilian government's main strategy for ensuring compliance with International Labour Organization Conventions 138 (concerning the minimum age for admission to employment) and 182 (concerning the prohibition and immediate action for eliminating the worst forms of child labour).

Created in 1996, PETI was developed as a pilot government action to protect about 1,500 children working in coal production and on *mate* plantations in the state of Mato Grosso Sul. It was later extended to other states across the country that used child labour especially for activities on sugarcane plantations in the state of Pernambuco and the coast of Rio de Janeiro, on sisal plantations in Bahia, and in prospecting activities in Rondônia.⁴⁶

In 2006 PETI was incorporated into the *Bolsa Família* Programme (PBF) as a way to streamline and improve the management of federal income transfer programmes. Since then, PETI's income transfer component has become the PBF

⁴⁶ PETI has gone through a number of changes since it began. Until 2003, its main activities were: 1) provide Child Citizen Scholarships to children in fulltime school activities – BRL 25.00 per rural child and BRL 40.00 per urban child; 2) care for children and adolescents in fulltime school activities; 3) generate productive occupations for families with children and adolescents involved in PETI; 4) inspect for child labour; and 5) map out child labour focal points in each municipality (Rua, 2007).

benefit itself, and socio-educational and co-existence activities are no longer its exclusive responsibility. Instead, the programme takes in children and adolescents from PBF beneficiary families that are in situations of child labour. Furthermore, with PETI incorporation into *Bolsa Família*, the families in both programmes that the unified registry identifies as having child labour indications are subject to the conditionalities of healthcare, education, and social assistance to remain in the programme. While PETI required a 75% attendance rate at socio-educational services, the new system required a minimum of 85% per month, which is controlled and monitored by municipal managers.

In summary, as a social assistance policy PETI conducts the following actions: 1) cash transfers to families; 2) family monitoring by professionals from social assistance reference centres (CRAS and CREAS); 3) active searches for children in labour conditions through a specialized social approach service; and 4) offers co-existence services and strengthen the ties of families and children covered by the programme. In 2012, PETI provided services to 853,000 children and adolescents in more than 3,500 municipalities, with expenditures of about BRL 277.6 million.

The IBGE 2010 Census indicated a significant reduction in child labour rates in Brazil, when compared to prior censuses. Between 2000 and 2010, the number of working people aged 10 to 15 decreased from 1.79 million in 2000 to 1.60 million in 2010, meaning 198,000 (10.8%) less people. The number of adolescents 16 or 17 years old during the same period dropped 336,000, from 2.144 million to 1.807 million (15.7%) people. These changes were the result of a broad set of public policies that expanded things such as social assistance networks, full-time schools, cash transfer programmes, and stronger inspections and control by the responsible Brazilian agencies.

The following characteristics were identified for children and adolescents found in situation of child labour in 2010: 60% were boys; 59% lived in urban areas; 88% attended school; 45% worked at home; 31% worked more than 25 hours a week; 48% worked without remuneration; and their average remuneration was approximately BRL 185.00 a month. Also identified was the persistence of labour within families (45%). According to MDS data 40% of the children and adolescents in this age bracket who worked were from families that did not have a *Bolsa Família*

income profile, meaning their household monthly income per capita was not above BRL 255.01).

The main occupations that used child labour include plantations and livestock with 41%, sales and repairs (vehicles, household appliances) with 17%, manufacturing (food, apparel, footwear, etc.) with 7%, domestic work with 8%, and landfills with 0.44%.

According to MDS, the scenario presented by the 2010 Census confirms other analyses that believe Brazil has reached the “hard core” of child labour. In other words, it occurs in productive activities that are part of informal businesses and family businesses in urban and rural territories. The main problem is that these activities are conducted in places that are out of the reach of inspection agencies, which requires new strategies and cross-sector actions for eliminating child labour.

This new child labour scenario led the MDS to redesign PETI in 2013. In order to get the most leverage from the programme, goals and coverage areas were defined and the many social policy activities were better integrated. According to the MDS, restructuring PETI strengthened the management role of articulating the protection network because it established organized strategic actions for social assistance policies.

Additionally, the new PETI structure sought to better articulate income transfers and social work with children and adolescents and their families. Socio-educational services were also reorganized to give leverage to services for children and adolescents in situation of child labour and more municipalities will be prepared to offer the Co-existence and Stronger Connections Service (SCFV). This service conducts social interventions coordinated with the Full Attention to Families Service (PAIF) and the Specialized Assistance and Protection for Families and Individuals (PAEFI), that complement the social services provided to families, prevent situations of social risk, and strengthen family and community bonds through social co-existence.⁴⁷

The complexity of addressing child labour requires the intersectoral articulation of several public policies in the territories, which is PETI’s core principle. Recognizing this complexity is what drove the recent restructuring of PETI. Its strategies and activities will be developed by the SUAS social assistance

⁴⁷ MDS, Perguntas e respostas: O Redesenho do Programa de Erradicação do Trabalho Infantil (2014).

network, and articulated to the other public policies using an intersectoral approach. They are organized into five main priorities: 1) information and mobilization in territories with greater incidences of child labour, aiming at enhancing prevention and elimination practices; 2) identification of children and adolescents in situations of child labour; 3) social protection for children and adolescents in situations of child labour and their families; 4) support and follow-up for defence and accountability actions; and 5) monitor PETI actions.

7 - Social dialogue and young people

7.1 - Participation of young people in designing Brazilian public policies

In terms of the social participation of young people, Brazil has been experiencing a significant episode in its history marked by intense social mobilization with several sectors staging new demands and reiterating old issues from the youth movements. In June 2013, powerful and extraordinary social movement protests gripped the country, led primarily by young people taking to the streets of Brazil's largest cities to demand more and better rights.

Their agenda was not limited to wanting better services. Protesters were also questioning the quality of public policies and their effective right to intervene in how they are carried out. They demanded to participate in more than just formal and institutional political spaces. These young protesters demanded new listening channels connected directly to society, including segments that are not traditionally organized, but that equally manifest their opinions through social media and others. Nevertheless, one of the subjects that this process reopened was the *reinforcement of participative institutional arrangements in public policy cycles*. These arrangements were established because of pressure from organized civil society before and after the 1988 Federal Constitution was enacted, which is addressed in the next section.

7.2 - Historical aspects in Brazil

In Brazil, the fight for greater citizen participation in public issues started during the period of resistance against the military dictatorship, particularly in the

1970s when popular movements organized to demand education, healthcare, housing, water, energy, and transport.

The people wanted mechanisms through which organized civil society could channel their needs and influence decisions about public policies. This significantly influenced the 1988 Constitution, which became known as the “Citizen Constitution” because it included mechanisms that allowed the direct participation of society in local and national decision-making processes, and institutionalized participative approaches for public policies.⁴⁸

In order to include the direct participation of society, the Brazilian Constitution provides for referendums, plebiscites, and popular initiatives. In terms of participative democracy, the Constitution created the *managing councils for public policies* at municipal, state, and federal levels, with equal representation from the federal government and civil society to develop policies related to public healthcare, full protection for children and adolescents, and social assistance. This mechanism makes participation one of the core elements of public policies in Brazil, in that these councils act as institutionalized spaces for social manifestations. Their general function is to propose and/or deliberate specific policies or programmes.

Over time, many of these councils began holding *national conferences* that provided more participation space where representatives from government and society could discuss and submit proposals to strengthen and adapt specific public policies. In all this institutional construction, social participation acted to influence the definitions and paths of development and to guarantee public oversight in the implementation of government programmes and activities.

When one of the political forces that had origins in the trade unions and social movements of the 1970s and 1980s came into power, social participation gained new strength. The public administration conducted numerous initiatives to foment dialogue with society, and in 2003 the federal government implemented a strategy to support national conferences and create new national councils on public rights and policies.

⁴⁸ According to Avritzer (2002), public participation gains in Brazil in the 1970s was related to several factors that included: the growth of civil associations, particularly community associations; the reassessment of the idea of rights by some segments of society; the stance to defend organizational autonomy in relation to the State; the practice of publicly submitting claims; and the attempts to dialogue with the State.

Despite this, many young people either are uniformed or discredit the formal channels and often prefer to act using alternative options. Therefore it is important to highlight, even if briefly, the format of public participation spaces for young people that are currently available in youth public policies in Brazil.

7.3 - Institutional spaces for the social participation of young people in designing Brazilian public policies

Although public policies for young people already existed in Brazil, creating a youth agenda at the federal level only began in 2003 when civil society, non-governmental and governmental organisations, and international entities initiated a broad dialogue process on the need to create a youth policy for Brazil. The challenge was to think policies that, on one hand would ensure protection for young people in different situations of vulnerability and social risk, and on the other hand, offered multiple opportunities for experimentation and social integration that would give young people access to various social dimensions (Sposito, 2005). This dialogue process took the subject of youth to the national level, after which a national agenda was defined.

A special commission of the legislative branch called Cejuvent,⁴⁹ charged with monitoring and studying youth public policy proposals, began working on a new legal framework and formulated three related proposals for youth policy: 1) add the word “youth” to the text of the constitutional, in the chapter on fundamental rights and guarantees; 2) create a youth statute to regulate rights guaranteed by law; and 3) create a national youth plan to place these new subjects of rights on the agenda of a national policy. The first two proposals are already in effect. However, the 1st National Youth Plan is still working its way through Congress.⁵⁰

The activities of this interministerial commission, combined with suggestions from social groups involved in establishing a youth agenda at the federal level led to: 1) the creation of a National Youth Secretariat (SNJ), under the General Secretariat of the Presidency of the Republic, to coordinate and supervise youth programmes and activities; 2) the creation of the National Youth Council, an

⁴⁹ The work of this commission also included organising regional meetings with youth leaders and public hearings (33 in total), which finally produced the National Conference on Youth in June 2004.

⁵⁰ This refers to Bill **4530/04**, which created several public policies and goals for the next 10 years for young Brazilians between 15 and 29 years old. The National Youth Council held many public hearings to learn about the needs of Brazilian youth listening directly to young people and involved organizations.

advisory group with the main purpose of promoting studies and proposing guidelines for the aforementioned policy; and 3) the creation of the National Programme for Youth Inclusion (ProJovem), an emergency programme that initially targeted young people between 18 and 24 years of age who were excluded from school and the labour market.

Since then, two national conferences on youth policies have been held.⁵¹ The first⁵² was held in Brasília in April 2008, with the theme *“Raise your flag.”* The conference involved a preparatory phase and, according to the National Youth Secretariat, mobilized more than 400,000 people including young people, technicians, teachers, and public administrators. Around 2,000 people participated at the national level, including representatives and guests.

The 2nd National Youth Conference was held in 2011, also in Brasília, with 1,350 elected representatives and 2,200 participants at the national level. Its theme, *“Win rights, develop Brazil,”* linked gaining rights to the country’s development and made youth a strategic factor in this process.

The preparatory process for the 3rd National Youth Conference on Youths is currently in progress under the theme *“The Many Ways to Change Brazil”*,⁵³ and it will be held in Brasília in 2015. According to the organizers, digital environments will play a larger role in this conference. Gabriel Medina, the National Youth Secretary stated:

*“This is also an important environment for youth, a political space where they can claim rights and fight against prejudice. Young people make politics on the street and on the networks. We want to incorporate these two dimensions into our dialogue with youth.”*⁵⁴

Along with the national conferences, the National Youth Council (CONJUVE) is also one of the main spaces where young people can participate in making public policy proposals and exercise public oversight. The council is responsible for creating the national youth policy, based on information acquired from national

⁵¹ The conferences are public spaces of social participation where the participants are, in general, representatives of government agencies and civil society organizations, and movements that present their demands and deliberate public problems related to the subject being discussed. The resolutions of these conferences are submitted to the governments to be used in developing government policies and programmes.

⁵² Held after the presidential decree of 5 September 2007 and coordinated by SNJ and Conjuve.

⁵³ Launched in Brasília on 26 February 2015.

⁵⁴ Taken from the Portal da Juventude website on 28 February 2015:

SNJ: <http://juventude.gov.br/juventude/audios/3a-conferencia-nacional-de-juventude-quer-ampliar-espacos-de-participacao-social>

conferences, as well as from meetings and seminars that articulate the joint debate on youth policies for researchers, youth activist groups, and members of government institutions. According to an evaluation conducted by Conjuve (2010), this council has become a space for fundamental reflections that allows all the councillors to come together and find solutions to challenges, such as the lack of structure and training, the difficulties in monitoring policies, and the dialogue between civil society and the government.

In 2011, during the 4th National Dialogue on Youth Movements and Organizations, representatives from social youth movements published an open letter to the President of Brazil presenting, among other claims, several issues that require improvements in the existing institutional framework for national youth policies. However, before introducing their demands, the signatories stated that they recognized the progress that had been made to date, but felt the lack of stronger participation and engagement of partisan youth and other entities:

We understand, however, that all the efforts made so far are part of a first cycle that has played an important role, but that is not enough for consolidating and sustaining youth policies in a true national policy. The strong presence and engagement of partisan youth, youth entities and movements, intellectuals, and social organizations committed to this theme is essential for youth emancipation and the consolidation of public youth policies.” (Open letter, 2011)⁵⁵

In terms of the social participation of young people in designing public policies, it is important to note that documents produced by youth leaders show a need of creating participation spaces for monitoring and managing government programs and project users. The comments of a young participant at a Thematic Youth Forum (2012)⁵⁶ is significant in this regard:

Few programmes feature institutional mechanisms that allow young people to make criticisms, suggestions, and contributions to improve the work being done. Besides the young people that are reached by the programmes, I would also point out the problems institutional participation spaces have in establishing dialogues with young people that are not organized by movements, institutions, or forums. The information and debates should also reach these young people, and ways must be found

⁵⁵ Rio de Janeiro, 21 January 2011 - 4^o Diálogo Nacional de Movimentos e Organizações Juvenis, available at: http://portal.mte.gov.br/fisca_trab/estatisticas.htm

⁵⁶ Contributed by Áurea Carolina, representative of AIC at the Thematic Youth Forum, 2012, available at: http://portal.mte.gov.br/fisca_trab/estatisticas.htm

to ensure horizontal participation in public policies. (Áurea Carolina, representative of AIC in the Thematic Youth Forum, Belo Horizonte, 2007.)

Therefore, one of the challenges is to eliminate limits on participative institutions in all social sectors. For young people, the councils, and conferences are some of the most relevant participation spaces that have been consolidated in the recent history of Brazilian democracy. Whereas youth rights have become stronger and progressed as never before in the last decade as the result of a national youth policy, the effectiveness of these spaces in transforming resolutions into government policies and programmes has been highly criticized by youth movements as being more talk than action.

7.4 - Participative mechanisms for designing public policies that reduce informal employment among youth

In Brazil, the National Decent Work Agenda for Youth (NDWAY) was created in a tripartite social dialogue space called the NDWAY Subcommittee.⁵⁷ This space is the result of efforts invested by the ILO, the Ministry of Labour and Employment, the National Youth Secretariat, and the National Youth Council (CONJUBE). It also required articulation and dialogue efforts from the government, trade unions, and business confederations. Chart 5 shows the sequence of important events that paved the way for the NDWAY Subcommittee and identifies the main milestones in terms of the results it obtained from the time of its implementation to the present (February 2015).

Chart 5 – Sequence of events in the process of creating the NDWAY Subcommittee, Agenda, and Plan

Events	Period
1. Began first articulations and dialogues with unions and worker associations about a Decent Work Agenda for Youth (NDWAY).	2007
2. Held tripartite workshop to discuss the general outline of the proposal for an NDWAY.	2008
3. Elaborated report on decent work for youth in Brazil.	2009
4. Held meetings and created consensus between the subcommittee and the executive committee to develop proposals for the NDWAY.	2009 / 2010
5. Created the Interministerial Executive Committee for the National Decent Work Agenda and Youth Subcommittee, coordinated by the MTE and SNJ of the General Secretariat of the Presidency of the Republic.	Presidential Decree of 4th June, 2009
6. Created the Tripartite Advisory Group	2010

⁵⁷ Members of the NDWAY Subcommittee represent 32 institutions, including the ILO; 13 are government agencies that belong to the public administration of the federal government; 4 are employers associations; 5 are trade unions; and 1 is a research and study agency linked with the union movement. The other 7 members represent institutions other than those listed above, such as NGOs, universities, and social movements.

7. Established a process for formulating, debating, and approving the NDWAY	
8. Distributed and debated the Agenda in different spaces, especially at state conferences on decent work and employment.	2011
9. Discussed the theme at the National Conference on Decent Work and Employment.	2012
10. Held tripartite discussions with the subcommittee on the development of the National Plan of Decent Work for Youth.	2013 and 2014

Source: MTE and ILO, Brazil

Developed by: Ipea/Disoc

As can be seen in the sequence of events listed in Chart 5 above, the process of creating both the Subcommittee and the NDWAY entailed building a consensus between representatives from trade unions, worker confederations, and the federal government. When considering the diversity of interests and the different places occupied by the Subcommittee members in the world of capital and labour, it is possible to assert that the challenges that were addressed in order to achieve these results were not small, and required disconnecting from class interests and agreeing with the higher interest of providing decent work for young people in Brazil.

7.4.1 – 1st National Conference on Employment and Decent Work (CNETD)

The Subcommittee's strategy for promoting and discussing the NDWAY in different environments, especially at conferences on decent work and employment held at the state and national levels in 2011 and 2012, is seen as an appropriate decision by experts in the field. It fulfilled its purpose of making people think about the precarious conditions of youth employment in relation to adult workers, as well as the need to develop ways of addressing the problem.

The 1st CNETD was held in August 2012 with the purpose of promoting a broad debate in Brazil about public policies related to labour, employment, and social protection. It provided space for extended tripartite participation to discuss and submit proposals related to the content of the NDWA.

7.4.2 – Preparations for the 1st CNETD

The preparations involved more than 250 conferences at the municipal, inter-municipal, and state levels, and one district level. The subnational conferences aimed to promote debates on the problem of decent work and employment, and to collect demands and proposals that would later support subsequent discussions in

the plenary of the nationwide phase of the conference. Around 20,000 people participated in the nationwide phase, including workers, employers, and representatives from the government and other civil society organizations.

A NDWAY Subcommittee evaluation of the demands and proposals collected at state conferences on decent work and employment⁵⁸ concluded that although proposals related to illegal aspects of child labour predominated, the theme of work for young people of legal age was also present in the debates. This made it possible to organize the proposals and demands around the four priorities of the NDWAY, which are: 1) more and better education; 2) a balanced combination of studies, work, and family life; 3) active and fair integration into the labour market; and 4) social dialogue. However, the results of this evaluation also showed that the fourth priority, promoting social dialogue, was still addressed infrequently in the proposals:

The qualification and management of the NDWAY was addressed by only one proposal made by one state, and there were no proposals for expanding social dialogue on the situation of youth in the labour market.” (NDWAY Subcommittee, 2012 – Evaluation Report)

The reports also stated that:

[there were] several proposals to guarantee the role of unions in defending the rights of various social segments such as including people with disabilities (Pernambuco) and encouraging debate on sexual diversity and the rights of the LGBT population through collective negotiation (São Paulo), but there are almost no proposals for tripartite dialogues on the rights of young people in the labour market.” (NDWAY Subcommittee, 2012)

The evaluation results of the preparations for the 1st CNETD also pointed out that at the subnational conferences, none of the interviewees wanted to analyse the NDWAY proposals, saying they did not know enough about them. Therefore, the Subcommittee’s strategy to develop actions focused giving visibility to the agenda must be recognized as important.

⁵⁸ NDWAY Subcommittee: Decent work for youth: demands and proposals of state conferences on decent work and employment (results presented in PPT 2012). Data was collected through interviews (managers, representatives of business, unions, and youth associations) and the observations of six conferences (held in São Paulo, the ABC region in São Paulo, Mato Grosso, Pará, Pernambuco, and Rio Grande do Sul) and on an analysis of reports from 18 state conferences on decent work and employment (held in Amapá, Bahia, Espírito Santo, Goiás, Mato Grosso do Sul, Minas Gerais, Pará, Paraíba, Paraná, Pernambuco, Piauí, Rio Grande do Norte, Santa Catarina, Sergipe, Tocantins, Ceará, and São Paulo, and the ABC region in São Paulo).

7.4.3 - Results of the 1st CNETD

According to the 1st CNETD report, the participation of employer, worker, and government representatives was guaranteed throughout the entire conference. The national conference gathered 2,007 registered participants, of which about 1,000 were voting representatives. The state conferences approved 3,966 proposals, which were then systemised and filtered so that only 639 proposals were sent to representatives at the national conference for analyse. The national conference approved 214 of these proposals, either by consensus or qualified majority (more than 80% of the representatives), together with the participation of employers.⁵⁹

The national conference was more promising than the state conferences in terms of promoting decent work for youth. Nevertheless, of 214 proposals approved at the national conference, only 7 were directly related to young people, while hundreds of other resolutions were indirectly related to improving the quality of youth labour.

Chart 6 shows the resolutions approved at the 1st CNETD that directly addressed improving the quality of youth integration in the labour market.

Chart 6 – 1st CNETD: Approved resolutions addressing the problem of youth employment

Area: Equal opportunities and treatment, especially for young people, women, and black people. Proposal 1: Strengthen the participation of young people as political subjects in conducting public oversight of public policies that are of interest to their segment.
Area: Integrating young people into the labour market Proposal 2: Expand public education policies for technical and professional training for young people and adolescents. Proposal 3: Expand the services offered by Urban <i>Projovem</i> and Rural <i>Projovem</i> to young people in secondary school, and encourage partnerships involving the Ministry of Labour and Employment (MTE), the National Youth Secretariat (SNJ), and the National Secretariat of Social Assistance (SNAS) to expand actions that target young people. Proposal 4: Ensure compliance to the quotas established by the Professional Apprenticeship law (Law 10.097/2000, regulated by Decree 5.598/2005). Proposal 5: Ensure public financing at municipal, state, and federal levels for training 14- to 16-year-olds adolescents. Proposal 6: Establish institutional mechanisms to monitor the implementation of the NDWAY that includes the participation of young workers and employers.

⁵⁹ The group of employers decided to file a motion to dismiss the proposals because they understood that the proposals did not comply with the internal regulations of the Conference; that the new proposals did not match the essence of the original texts; and that there were excessive discussions. The employer representatives then met in an assembly and unanimously decided to suspend their participation in the 1st CNETD and wait at the event venue until their understanding of the minimum conditions were met so they could resume their work.

Area: Inclusion of people in vulnerable situations

Proposal 7: Guarantee scholarships linked to student attendance and progress for 15- to 17-year-old adolescents from families with a per capita family income of up to ½ a minimum wage, until their schooling is concluded.

Source: Final report of the 1st CNETD. Brasília: MTE.

Developed by: Ipea/Disoc.

7.6 - General considerations regarding social dialogue with young people

In Brazil, there are numerous institutionalized participative arrangements that can increase the possibility of the government meeting the demands of society in creating public policies for youth, specifically public actions that are intended to reduce informality among young people, which can include councils, conferences, workgroups, and the NDWAY Subcommittee.

During the last decade, Brazil has created numerous new participation mechanisms such as councils, conferences, roundtables, ombudsmen, public hearings, workshops for participating in the development of the Multi-Year Plan, and new secretariats to meet the demands of social movements. Even so, the protests that took place in Brazil in June and July 2013 clearly showed that young people are enormously dissatisfied with the traditional mechanisms of political participation. It was clear that a significant portion of the population, especially from youth segments, wants better government services and to have their voices heard in political issues.⁶⁰

Therefore, how to explain the fact that the discontent and protests that boiled over onto the streets in June 2013 had not previously reached the federal government through any of the available various social participation channels? This and other unanswered questions that arose from those unexpected powerful protests can be explained in many ways. Here we will risk blaming the lack of participation in developing an agenda for public policies, and the limitations of the participation arrangements offered by the federal government.

Despite the numerous spaces for social participation, building an agenda for public policies still carries the flaws and principles of a representative democracy that amplifies the role of institutional actors in selecting the themes to be addressed by the government. Actions related to legislation, regulation, inspection, and

⁶⁰ See: Silva, Enid Rocha A. Em <http://www.ipea.gov.br/participacao/noticias-do-ipea/813-artigo-questiona-ausencia-de-participacao-na-construcao-de-agenda-de-politicas-e-os-limites-dos-arranjos-participativos-federais>.

fomenting and formulating public policies are assigned to the agencies that form the strategic core of the government, which is made up of high-level public policy-formulating secretariats and regulatory agencies. Non-institutional actors such as social movements, NGOs, and civil associations have little influence on this process. In other words, their demands do not produce tangible results, since other factors prevail in the policy implementation process. Although the social movements are included in the participative phases of the policy cycle (e.g. conferences), their demands are not actually considered in the subsequent phases of the cycle.

It is understood that although the new participation arrangements that have been created and reinforced in the last few years contribute to increasing public oversight and to making the government more open to public interests, many of these new spaces lack the proper tools to actually enforce their proposals and deliberations with public administrators. A study that analysed the national conferences held between 2003 and 2006 (Ipea/SG-PR, 2008) showed that the federal government had no institutional management method for processing the conference deliberations. Instead, each council or ministry processed the deliberations on its own. It should also be noted that there was no institutional procedure to ensure that deliberations from specific participation arrangements would have any influence on the decision-making process conducted by the executive and legislative branches, and or would have any impact on the cycle of creating, controlling and managing public policies.

The causes of the problems faced by the councils and national conferences include: 1) no strategy for horizontally coordinating the various national conferences, making it difficult to solve numerous cases of recurring, overlapping, and often opposing deliberations; 2) conferences on the same or similar themes with short intervals between them, allowing very little time for councils and ministries to process the results; 3) no follow-up on submitted deliberations, making it difficult to be properly accountable to society regarding the effective results of their social participation; 4) no connection between the decisions made by the national councils based on the deliberations submitted by the conferences, and the decisions made at the National Congress. This often results in Congressional decisions that disrespect the deliberations of society at the national conferences.

Increasing social participation in federal issues has produced contradictions and limitations that must be addressed if it is to become successful democratic instrument. The main challenge is translating council and conference proposals and resolutions into political decisions that can then be sent through the proper channels of public administration and be transformed into concrete public measures and policies.

7.7 – Social dialogue, trade unions, and young people in Brazil

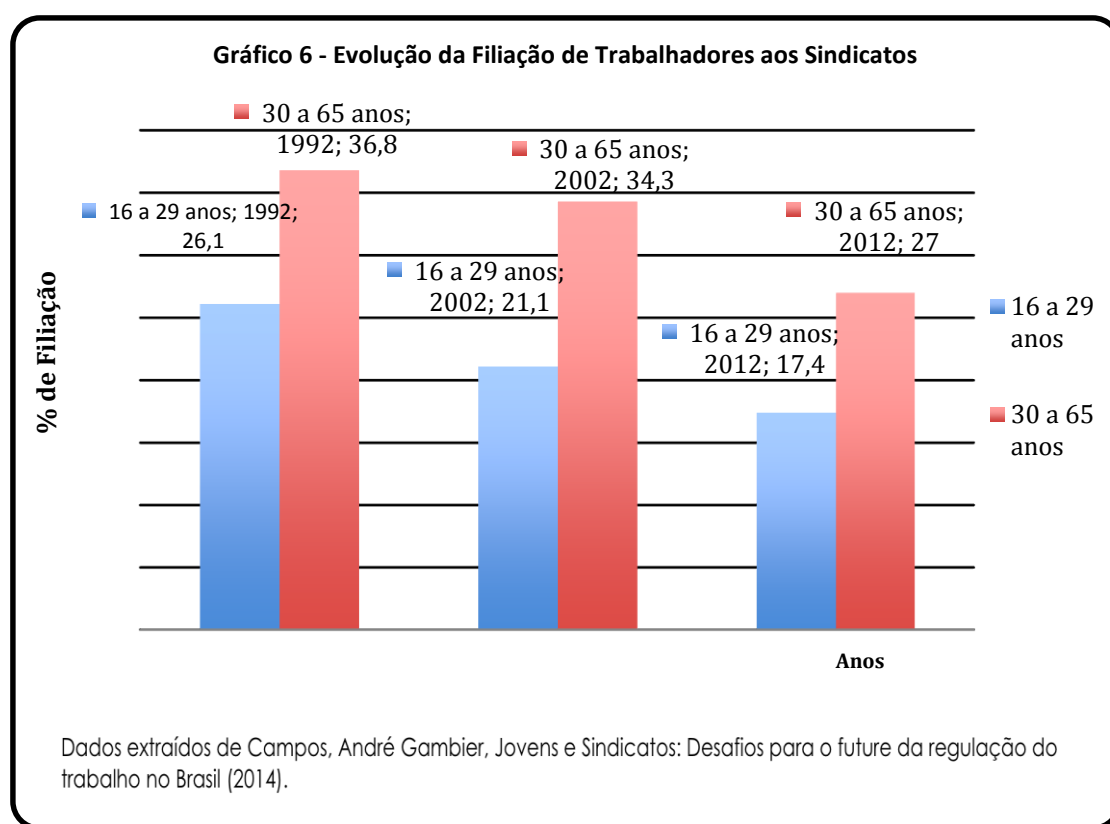
The dimension of social dialogue as it relates to trade unions and young people in Brazil remains a difficult challenge to solve. On one hand there are still very few young people in these areas. On the other hand, labour agendas and collective negotiations conducted by trade unions hold little interest for young people. The reality in Brazil is that young people are still poorly represented by worker and employer organizations. The reasons for this can be grouped into three sets of problems. The first refers to how young people enter the labour market in Brazil. The second is related to the legal setting of trade unions in Brazil, which ends up restricting membership growth, especially workers in the informal economy where a significant number of young people work in Brazil. The third involves the political culture of both contemporary young people, who do not feel represented by current institutions, and trade union structures, which are seen as unable to understand and attract young workers.

7.7.1 - Young people becoming members of trade unions in Brazil

Trade union membership in general has decreased considerably in Brazil. According to André Campos (2014),⁶¹ between 1992 and 2002 the proportion of workers affiliated to unions decreased 3% (from 32.4% to 29.4%). Between 2002 and 2012, the drop reached 6% (from 29.4% to 23.7%). Campos (2013, 2014) believes that a weakened Brazilian economy was the cause of the 1990s reduction. In spite of the economic growth of the 2000s, trade union affiliations could not keep pace with the increasing employment rates.

⁶¹ Campos, André Gambier. Jovens e Sindicatos: Desafios para o future da regulação do trabalho no Brasil In Corseuil, Carlos Henrique e Botelho, Rosana – Desafios à trajetória profissional dos jovens brasileiros. Rio de Janeiro, 2014.

Information about the differences in trade union affiliation between young and adult workers in 1992-2012, as shown in Graph 6, illustrates the increasing separation between young workers and trade unions. Youth affiliations remained far below that of adult workers throughout the entire the period that was analysed. However, the drop in affiliations between 1992 and 2002 was more significant for young people than adults; workers between 16 and 29 experienced a 5.7% drop, while workers between 30 and 65 fell only 2.5%. But between 2002 and 2012, adult affiliation presented a much more significant reduction (7.3%) than youth affiliation (3.6%).



The analysis conducted by Campos (2013) showed that when trade union bases became smaller in the 1990s, they distanced themselves from young workers. Later in the 2000s, even with larger bases, the trade unions made no effort to establish links with young workers:

“The evidence of aging in this age structure indicates that, instead of young people coming closer to trade unions, a certain distance is observed. In other words, in comparison to previous generations, young people seem to be less interested in trade unions (in every sense of the so-called ‘union life’: membership, mobilization, etc.)” (Campos, André. 2014:197 am)

Another author, Anderson Campos (2010),⁶² in an attempt to understand the drop in youth memberships, said labour market disorganization accompanied by situations of greater vulnerability for young Brazilian workers also impacts trade union affiliation, even in periods of membership recovery in Brazil.

Unemployment broke the backbone of solidarity. Competition grows among workers in an increasingly flexible labour market. Add to this the fact that instability and the fear of unemployment have become the established drivers of demobilization.

7.7.2 - Characteristics of the labour integration pattern for young people in Brazil

Data from the 2013 PNAD showed that 63% of young Brazilians are part of the labour market. About 70% of 18- to 24-year-olds were part of the economically active population (EAP), which reached 80% among 25- to 29-year-olds. The main characteristics of the pattern of labour integration for young people were summarized in the introduction of this report: 1) high unemployment rates; 2) high labour turnover; 3) high informality rate; 4) over 44 working hours a week; 5) gender inequality; and 6) low remuneration.

These characteristics of the occupational patterns of young Brazilians make it possible to understand the obstacles unions must face in approaching young workers. Most working young people work informally in precarious situations with high unemployment and turnover rates. Many trade unions and worker centres have been trying to restructure their practices to include the main demands of young people in their general agendas, for example, by reducing working hours. Meeting this specific demand would directly improve the quality of life and work of young people. With more free time, young people would have more time for leisure and for engaging in union activities.

(...) precarious work conditions in all sectors and their various impacts on young workers should also be considered. How can young people participate in the social life or political activities of their communities after a brutal day of work in civil construction or telemarketing centres? Between downhill working conditions, the strangulation of unions and the fight for rights, amidst outsourcing and re-outsourcing and other

⁶² Campos, Anderson de S., Juventude e ação sindical: crítica ao trabalho indecente / Anderson Campos. –Rio de Janeiro: Letra e Imagem.

dramas...what are the prospects for popular participation that most young workers can expect? (Áurea Carolina, AIC representative at the Thematic Forum of Youth, Belo Horizonte, 2007)

7.7.3 - Legal setting for union organizations in Brazil

The history of Brazilian trade unions is similar to that of other Latin American unions in that they originated as a resistance to successive periods of authoritarian governments and economic crises. In not-so-distant contexts of scant democracy, professionalization and qualification policies maintained the tradition of seeing young workers as objects rather than subjects of policies, and gave no space for the participation of organized young people or worker representations.

Furthermore, regulatory frameworks for trade unions in Brazil were created to fight communism, and were thus structured in a corporatist approach that is still very strong in the country today (Lopes; Lima, 2005). Freedom and autonomy for trade unions was only guaranteed by law in 1988. But although the Federal Constitution guaranteed the right to free association, it set limits on participation by maintaining the single unions and mandatory contributions.⁶³

Additionally, the government does not grant legitimacy to coalitions of union entities that include workers from different categories. Thus, trade unions are not allowed to join freely; only federations and confederations of workers from the same category are recognized. Union centres that combine unions from different categories are not allowed to formally represent their workers (Brazil, Chamber of Deputies, 2010).⁶⁴

This is one of the reasons that Brazil is not a signatory of ILO Convention 87, which is signed by neighbouring countries like Argentina, Uruguay, and Paraguay. As an alternative to the corporatism that is still predominant in Brazil, organizations have adopted the idea of “citizen unions” and have focused on acquiring specific professional training and education, which must be recognized and encouraged.

In Brazil, the best way to modify the employer-employee relationship is to apply institutional pressure to change general labour laws. Opportunities for social

⁶³ A single union, one of the most important aspects of the Brazilian trade union system, means the existence of only one union per category of workers within one district, which belongs to at least one municipality.

⁶⁴ SNJ: <http://www2.camara.leg.br/camaranoticias/noticias/trabalho-e-previdencia/150327-saiba-mais-sobre-o-modelo-sindical-brasileiro.html>

dialogue like the NDWAY Subcommittee are still recent efforts. Worker associations and confederations have also participated in conferences, councils, and youth initiatives that have been created at the federal level and in many states across the country.

Collective negotiations with young workers conducted by worker organizations is a double challenge that has only recently gained legitimacy. Worker centres are attempting to train youth leaders in order to conduct more legitimate dialogues. The main themes of interest for young people that are discussed in these organizations refer to expanding education and labour rights, such as the need to create public policies that expand and improve education in general and ensure that young people can complete their schooling before entering the labour market. The most common proposals include increasing student aid in universities and giving students access to food, transportation, and low-cost housing; and the creation of secondary school scholarships. For young people already in the labour market, worker organizations intend to move forward in creating better conditions for decent work, and in making sure employment contracts with young workers are properly inspected.

7.7.4 - Youth and trade unions and the difference in political culture

Finally, these organizations have an on-going internal discussion on the need to change the old trade union system and prioritize young people. They believe that their main challenge today is to reach young people that are not affiliated, whether because they lack political engagement and information or because they are informal workers without representation, which is even more challenging.

Reaching non-affiliated or informal young workers is an even more recent discussion. It should be noted that the policies on decent work that have been developed to date encourage formalisation and seek to expand labour rights, but there has been little progress in achieving better work conditions and greater autonomy for informal workers.

The need to change union practices in Brazil became even more evident after the June and July 2013 protests that occupied the streets of the country's most important cities. The main demands of these protests were for more and better social policies (health, education, transportation, housing), and to put an end to

corruption and “old politics”. They opposed political parties, politicians, and other organizations, which they claimed represented old-style institutionalism.

A number of young workers believe that today there are other ways of protesting and organizing outside trade unions that are often more effective and interesting:

“Today, young workers are not really interested in unions, in many cases because they do not know the history of workers. There should be more investment in training and in bringing young workers into trade unions” (a trade union manager, 25 years old).⁶⁵

For Aquiles (2011),⁶⁶ the nature of the problems faced by the union association today makes it impossible to predict which direction should be taken in order to implement the necessary changes. However, the author recognizes that:

The persistent bureaucratic and legal structure that substantially limits the freedom and autonomy of workers plays an important role in increasing the dilemmas packed into a crisis of political representation for union members. (Aquiles, 2011)

Therefore, reflections on why young workers avoid trade unions should be studied, discussed, and analysed in more detail. This can serve as important mechanisms for participation and social dialogue between young workers and organizations. This is a tough task, considering all the factors that have caused the distance between young workers and trade unions, such as economic aspects and the political representation of unions.

Nevertheless, it is possible to already catch glimpses of organisational responses and structural changes that attempt to encourage the participation of young workers, such as the instalment of youth secretariats in trade union centres. But first there must be an effective dialogue between young workers and unions, and changes must be seen as aspects of more democracy, less bureaucracy, vitality, and as getting better at attracting ethnic minorities and marginalized, non-organized workers (Rodrigues, 1999).

⁶⁵Available at: <http://www.fetecsp.org.br/index..>

⁶⁶ Estrutura sindical e mundo do trabalho: alguns dilemas contemporâneos do sindicalismo brasileiro, Affonso Cardoso . Available from: <http://periodicos.ufpel.edu.br/>.

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