BRAZIL
the state of a nation
IPEA is a public foundation linked to the Brazilian Ministry of Planning, Budget and Management. It provides technical and institutional support to governmental actions for public policy making and development programs in Brazil. IPEA makes available to society the researches and studies carried out by its experts.

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The Consolidation of Labor Laws (CLT), the code governing the labor market in Brazil–though not applicable to public jobs–was promulgated by President Getúlio Vargas on May 1st, 1943. CLT could be seen as an accomplishment of the Brazilian workers at the time because it instituted rules for the capital-labor relationship and established guarantees in labor relations. Over the last 64 years, the law has been changed, adjusted and updated.

But along this period, the labor market has developed even faster, with deep changes in its dynamics and relations. The emergence of the knowledge society and of the economic globalization has brought new issues and conflicts which require new solutions and expanded system flexibility.

Considering the many and recurring challenges posed, it seems clear that it is imperative to know, discuss and redesign the many aspects of labor relations in Brazil. In addition, it is necessary to identify institutional and market factors that pose risks but also offer opportunities for the country’s development. Unemployment, informal jobs, and unequal income distribution are national ills Brazil must democratically and persistently address. It is necessary to ensure that our labor market provides the productive sector with opportunities for increased competitiveness, efficiency, and agility to cope with greater expansion of the economy and compete in the world market. But it is equally vital that the labor market takes in increasing numbers of workers, and provides them with guarantees which are compatible with our economic reality and social development. These are basic requirements for increasing wealth and equity.

In this context, marked by the strong influence of technology and globalization, which directly and invariably affects the labor world, the Institute for Applied Economic Research [Instituto de Pesquisa Econômica Aplicada (IPEA)], following the successful 2005 launch of the first edition of the series Brazil: The State of a Nation, carried on in 2006 the debate on the multiple aspects of Brazilian economic reality. This time with a focus on the labor market, which is the subject matter of this book.

Along the eight chapters of this book, the analyses will focus on the linkages between the labor market and the macroeconomic environment, demographic dynamics, educational policies and practices, technological advances, Brazil’s relations with the rest of the world, as well as our public policies and institutions, including social security, which is so important to all workers at the end of their work life.
The book also presents a careful evaluation of the current performance of the Brazilian labor market, which addresses among other topics, employment, employment rates, and one of the main contemporary concerns: informality. The interaction among these chapters makes this book a reference for all who need information about one of Brazil’s greatest challenges: the working conditions of its people. We hope to contribute to the exchange of ideas and insights on the demanding art of making decisions about the paths our country should take. We also hope that readers find this contribution not only reliable, but also stimulating and attractive, so that we can feel that the mission of this series, which is discussing Brazil and its paths to progress, is fulfilled.

IPEA is immensely proud to deliver to our society the results of the best efforts of its team of professionals and valuable collaborators: the 2006 edition of Brazil: The State of a Nation.

Luiz Henrique Proença Soares
President of IPEA