

## Structural trends in the world of work in Brazil

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**Abstract** *Through a brief historical recovery, the article seeks to describe the main trends in the world of work in Brazil. The emphasis of the article focuses on the current early transition to the service society, whose significant change can be observed in the operation of the labor market itself. Also, it considers the predominance of massive open unemployment, the expansion of the underutilization of the labor force and the generalization of precariousness in professions due to the absence of economic growth and the return of the neoliberal reforms. The result has been the increasing polarization within the world of work.*

**Key words** *Work, Politics, Society*

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## Introduction

The world of work, as a perception of the distinct involvement of human beings with the labor content and relationships, is not stable over time. Overall, it tends to suffer direct and indirect impacts from the possible trajectories of productive systems, as well as from the format by which regulation is established on the operation of the labor market.

In this sense, the traditional classification of productive activities helps to understand the differentiated dynamisms between the three main economic sectors (primary, secondary and tertiary). The primary sector comprises the activities of agriculture and the secondary sector comprises the manufacturing and construction industry, while the tertiary sector is responsible for service activities, as in the case of health and education complexes and others.

Until recently, the tertiary sector was poorly studied, as it encompassed the set of economic activities that were not part of the primary and secondary sectors. But in the face of the outsourcing tendency of production systems, especially after the second half of the last century, services have emerged as a growing prominent role.

In the past of agrarian and urban and industrial societies, services were generally considered stable, as they were responsible for negligible productivity gains, considering the intense worker aggregation. More recently, however, the tertiary sector has taken on an unprecedented role in studies that sought to analyze the incorporation of technological progress, the expansion of jobs and the relative growing importance of the product in the countries, given the constitution of the new service society.

In order to address the different temporalities in the evolution of the Brazilian occupational composition, the present article analyzes the general structural trends of the world of work, in addition to the specificities related to the different sectors that comprise it, as in the case of the health complex. It considers the official data set from the first Demographic Census carried out in the country in the year 1872 up to the present day, based on research carried out by IBGE to support the main transformations that occurred in the labor market.

The first part, in this sense, shows a brief historical recovery about the temporalities identified in the Brazilian world of work. Subsequently, we aim to describe the main effects of the current early transition to the service society in the world

of work. In the third and last part, we consider the most recent behavior of the labor market in the presence of neoliberal reforms that have been implemented since 2016.

### The world of work in three moments

Over the last two hundred years, the world of work in Brazil has gone through three completely different but complementary and articulated temporalities. Its brief historical recovery makes it possible to identify the overall meaning of the changes to which the working class has been submitted since the consolidation of the capitalist system in a peripheral country and, consequently, dependent on the world dynamic center.

The first temporality responded to the long-lived agrarian society, which ultimately laid the foundations on which the labor market was established, characterized by important specificities in relation to other countries. The late transition and consolidation of the capitalist mode of production in Brazil, only in the late nineteenth century established prominent features of the formation and development of the regionally dispersed labor market in a country of continental size, led by authoritarian elites and strong and long-lived slave heritage.

The second temporality of the world of work met the requirements of the transition to urban and industrial society, characterized by the rapid and intense capitalist process of conservative modernization between the 1930s and 1980s. Without having experienced any possibility of the classic reforms of contemporary capitalism, such as the land, tax and social reforms, the structure of the national labor market ended up replicating a profound occupational heterogeneity and broad social exclusion, traditional features of peripheral underdevelopment in the world capitalism.

Finally, the third temporality of the world of work, which is currently under way at the beginning of the 21<sup>st</sup> century, with the early transition from incomplete urban and industrial society to a service one. Due to the early process of deindustrialization that has followed the country since the passive and subordinate insertion triggered in the 1990s by neoliberal governments, the operation of the labor market has converged towards the generalization of extremely regressive conditions, associated with the relative decline of intermediate jobs and the generalization of labor at the base of the social pyramid, which favors the expansion of social polarization.

### **The world of work in the agrarian society**

The entry into the capitalist mode of production in Brazil dates back to the set of decisions of the imperial period (1822-1889), such as the definition of the right to private property established in 1850, with the Land Law<sup>1</sup>, and the several gradualist transition measures from slave labor to the free labor market from as of 1830s, with the regulation of labor contracts to foreigners. Because of this, the creation of the labor market contemplated fundamental specificities that made it more complex and regionally differentiated.

Starting with the constitution of the world of work based on three distinct social components. On the one hand, the mass of black Africans brought by the slave trade, whose conservatism imposed by the slave-owner elite towards the change to free labor resulted from the late nineteenth-century 'blanching' project, able to postpone the inclusion of former slaves into the national work market.

On the other hand, the social force represented by white immigration that initially constituted an important part of the labor market, especially in the most dynamic activities of the time in the country (coffee plantations in the southeastern region). It also counts on the presence of the free remaining segments of poor mixed-race, and escaped and freed black individuals, almost as an accessory to slavery, as they had restricted access to jobs, almost always in residual activities and limited income within the labor market.

From this configuration of the world of work resulting from the transition to capitalism during the agrarian society, is the employer's concern with the discipline for the exercise of free labor, presupposing expropriation as a mechanism of transformation of individuals into proletarians. In this sense, the labor legislation since the XIX century has shown to be fundamental to the establishment of the founding mechanisms of employer discipline to the exercise of regular employment of labor.

Despite the emergence of the liberal government in the Old Republic (1889-1930), minimal in terms of possible actions inside the nascent labor market, the legislation aimed at the repression and imposition of penalties for situations considered as vagrancy and panhandling stand out. A variety of laws associated with the hiring of services led to the imposition of labor discipline (coercion to work in any regular occupation) to guarantee the transformation of individuals

(former slave, foreign immigrant and free national worker) into proletarians available to the demand of the capital.

Such an example can be already observed in 1830 with the implementation of the Criminal Code on the repression of vagrancy and begging<sup>2</sup>, as well as in 1837, with the law about the hiring of foreign labor<sup>3</sup> and, in 1850, with the rules for the provision of services established by the Commercial Code<sup>4</sup>. It also refers to employers' interests in establishing labor discipline, the 1879 legislation that dealt with subsidized immigration as the basis of the settlement system.

With the establishment of the Republic (1889), the arsenal of previous laws on the hiring of agricultural services was repealed due to the dominance of the liberal logic and the understanding that it was contrary to individual freedom, undermining the attraction of immigration flows of white labor. As a result, the almost absence of labor legislation would be justified by the risk of public regulation of labor relations preventing private control and the exercise of labor discipline (Table 1).

Therefore, the omission of the liberal government allowed, during the Old Republic, the savage operation of the labor market to be largely favorable to the interests of employers in Brazil. With the predominance of the agrarian society, the conditions of use and remuneration of the labor force, immediately after the abolition of slavery, remained close to a quasi-slavery regime.

According to available official information, the evolution of the world of work was strongly dependent on jobs in agriculture, scattered throughout the national territory. Although between 1872 and 1940, the agrarian society showed signs of decline, agriculture remained responsible for absorbing about two-thirds of the total open jobs in the country, while urban jobs showed a higher growth rate in the secondary and tertiary sectors, which allowed going from 22.5% to 31.2% of the Economically Active Population (EAP).

### **The world of work in the urban and industrial society**

The transition to the urban and industrial society was significantly advanced by the 1930 Revolution, capable of aborting the course of the liberal government installed in the Old Republic and laying the foundations for the national development based on the consolidation and expansion of the country's internal market. For that, the constitution of the modern government, ca-

**Table 1.** Brazil – Evolution of total, employed and unemployed population in 1872 and 1940.

Items	1872 (in thousands)	1940 (in thousands)	Absolute Annual Variation (in thousands)	Relative Annual Variation (in %)
Total Population	10.112	41,165	457	2.1
EAP	6,198 (100%)	15,751 (100%)	140	1.4
Employed EAP	5,908 (95.3%)	14,759 (93.7%)	130	1.4
Primary	4,506 (72.7%)	9,844 (62.5%)	78	1.1
Secondary	282 (4.5%)	1,880 (11.9%)	23	2.8
Tertiary	1,120 (18.1%)	3,035 (19.3%)	29	1.5
Unemployed EAP	290 (4.7%)	992 (6.3%)	10	1.8

Source: IBGE<sup>56</sup> (the author).

pable of guiding the project of urbanization and industrialization, even included the implementation of the public system of labor relations, founded on the corporate organization of society as a structuring element of the national labor market itself.

Until then, the economic cycles experienced by the old and long-lived agrarian society had defined in the national territory a type of archipelago of productive enclaves, responsible for the existence of scarce regional labor markets. Despite its concentration in the south-central regions and the coastal regions of some northeastern capital cities, the urban and industrial development comprised around five decades to structure the labor market based on the centrality of salaried employment, especially with a formal labor contract.

The movement of national labor market regulation triggered as of the 1930s, with the implementation of the Consolidation of Labor Laws (CLT, *Consolidação das Leis do Trabalho*)<sup>7</sup> in 1943, during the ‘*Estado Novo*’ government (1937-1943), showed to be fundamental for the propagation of the salaried regime, especially through formal employment (with a signed work register booklet). As a result, the world of work has profoundly changed in Brazil in just five decades.

Through the urbanization and industrialization pathways, employment in the cities was the fastest growing one, accounting for almost 70% of total job openings between the years 1940 and 1980. The rhythm of expansion of all job openings was equivalent to the growth of the EAP itself, which made it possible for the labor market operation to be close to full manpower use, with low open unemployment (Table 2).

But this did not mean an absence of precariousness and other ills of underdevelopment,

such as low income, informality, and the widespread presence of self-employed occupations, of which precariousness rate (sum of informal salaried occupations, self-employed and no remuneration occupations in relation to total employed EAP) decreased significantly over the considered period (from 85% to 45% of the EAP). The expansion of the salaried rate (salaried employment in relation to the total number of the employed persons), which went from 45% to 65% between 1940 and 1980, was significant (75% of the job openings in the period were salaried), although 1/3 of the employed persons remained distant from the submission to the salaried regime in 1980.

The formalization of salaried employment was another important aspect of the labor market structuring movement. In 1980, for instance, formal salaried employment accounted for almost 51% of all employed persons, while in 1940 it did not even reach 13% of total jobs in the country.

Even though it was significantly reduced, it is observed that by 1980, over 35% of wage-earners had no formal employment contract. In 1940, almost 72% of wage-earners were informal ones (Table 3).

Considering that, it is clear how the implementation of social and labor legislation, with strong support of the corporate standard of labor relations, contributed to the structuring of the labor market during the creation of the urban and industrial society. In this sense, the definition of the concept of professional category was essential to establish the organization and financing of unions, the collective negotiations and accords and the performance of labor justice.

In the 1930s and 1950s, for instance, social and labor legislation, centered on the important role of the government (Ministry of Labor and Labor Justice) focused primarily on the world

**Table 2.** Brazil – Evolution of the total, employed and unemployed population in 1940 and 1980.

Items	1940 (in thousands)	1980 (in thousands)	Absolute Annual Variation (in thousands)	Relative Annual Variation (em %)
Total Population	41,165	119,002	1,946	2.7
EAP	15,751 (100%)	43,236 (100%)	689	2.6
Employed EAP	14,759 (93.7%)	42,026 (97.2%)	683	2.6
Primary	9,844 (62.5%)	12,997 (30.1%)	79	0.7
Secondary	1,880 (11.9%)	12,042 (27.8%)	254	4.7
Tertiary	3,035 (19.3%)	16,987 (39.3%)	350	4.4
Unemployed EAP	992 (6.3%)	1,210 (2.8%)	6	0.5

Source: IBGE<sup>6-8</sup> (the author).**Table 3.** Brazil – Population evolution by type of occupation and precariousness rate in 1940 and 1980.

Items	1940 (in thousands)	1980 (in thousands)	Absolute Annual Variation (in thousands)	Relative Annual Variation (in %)
Employed EAP	14,759 (100%)	42,026 (100%)	683	2.6
Employer	362 (2.4%)	1,340 (3.2%)	25	3.3
Wage-earners	6,615 (44.8%)	27,152 (64.6%)	513	3.6
Formal	1,906 (12.9%)	21,272 (50.6%)	484	6.2
Informal	4,709 (31.9%)	5,880 (14.0%)	29	0.6
Self-employed	4,694 (31.8%)	9,555 (22.7%)	122	1.8
No remuneration	3,088 (20.9%)	3,978 (9.5%)	23	0.6
Precariousness*	12,491 (84.6%)	19,413 (46.2%)	174	1.1

Source: IBGE<sup>6-8</sup> (the author) \*Sum of informal salaried occupations, self-employed and No remuneration occupations in relation to total employed EAP).

of urban labor in view of the repeated resistance of rural employers to any form of public regulation of work. It was only after the approval of the Workers' Statute<sup>9</sup> in the 1960s, when the agrarian population ceased to be dominant in the national population, that slowly and gradually rural occupations were incorporated into the national public system of labor relations.

### The world of work in the service society

The relative decrease in agrarian occupations while expanding urban jobs (industry and services) pointed to the creation of a large working class and significant social middle class between the 1930s and 1940s. The class and social class fractions structure established due to the intense national economic expansion that allowed the establishment of the urban and industrial society started to be greatly modified as of the 1980s, with the external debt crisis and the adoption – for the first time since the 1930s – of recessive po-

licies in the last government of the civil-military dictatorship (1964-1985).

As a result, the urbanization and industrialization project that had been underway since the 1930s started to lose its centrality in the developmentalist government. The inheritance of foreign debt, hyperinflation, public debt, rentism, poverty and inequality bestowed by authoritarianism significantly compromised an important part of the economic and social policies of the democratic period, leading to the loss of several years to overcome some of them (hyperinflation in 1994 and external debt in 2008), start solving others (poverty and inequality in the 2000s) and the ones that remain unresolved (public debt and rentism).

Moreover, the use of neoliberal prescriptions in the 1990s coincided with Brazil's passive and subordinate entry into globalization led by large transnational corporations. Since then, the country has entered the process of deindustrialization early on, since without universalizing the con-

sumption standard for all Brazilians, especially at the bottom of the social pyramid, its manufacturing production capacity has been declining.

In countries with a mature deindustrialization process, the relative decline in manufacturing participation in the production cycle occurred after the entire population was included in the consumption standard of the urban and industrial society, coinciding with the greater expansion of the tertiary sector in the economy. In this sense, the most dynamic services tended to be those linked to production and logistics, among others, more associated with the employment of labor with higher training and remuneration requirements.

When necessary, the importation of industrial goods may occasionally complement domestic consumption requirements, as these are generally the replacement of products by the population or some novelty. This seems to be unfeasible in countries with early deindustrialization, such as Brazil, because of the significant population size excluded from the access to industrial goods, of which scale of manufactured goods importation is difficult to compensate by non-industrial goods.

Moreover, the relative decline of industrial goods production was not so much due to the higher growth rate of the tertiary sector, but to the decline of manufacturing production, with the shrinking of some branches and the disappearance of others. Because of that, the anticipation of going to the service society stems more from the swelling of the tertiary sector of the economy due to the vacuum left by the early deindustrialization.

Thus, the tertiarization process of the Brazilian economy has been characterized by the specificity of the continuity in the absolute drop in occupations in agriculture and the recent relative decline in jobs in manufacturing. In almost forty years, the participation of the tertiary sector in the total EAP increased by 59.5%, as it jumped from less than 40% in 1980 to 62.7% in 2018. Within the same period of time, the primary sector registered a 73.4% drop in the relative participation of the total EAP, with a decrease from around 13 million to 8.5 million employed individuals (Table 4).

The secondary sector recorded a decrease in its relative participation of the total EAP of 36.2%, as it decreased from 27.8% to 17.7% between 1980 and 2018. During this period, however, the number of employed persons in the secondary sector grew 1.1% on average per year,

while the annual average was 2.1% for the expansion of employed EAP and 3.6% for tertiary sector jobs.

At the same time, the national unemployment rate significantly increased. Between 1980 and 2018, the number of unemployed individuals was multiplied by 10, raising the unemployment rate from less than 3% to almost 12% of the EAP.

Coinciding with the increase in national unemployment rates, there was an increase in precariousness among the employed individuals. Of the 19.4 million workers exposed to precarious working conditions in 1980, in 2018 Brazil recorded 44.5 million workers in precarious jobs, whose average annual expansion was slightly higher (2.2%) than the generation of jobs itself in Brazil (2.1%). Still in relation to the employed individuals, there has been a relative stabilization in the salaried rate, since its expansion occurred at the same rhythm as job openings (Table 5).

Additionally, it can be observed that the fastest-growing salaried jobs were informal positions, whose relative participation in the employed EAP went from 14% in 1980 to almost 20% in 2018. The counterpart of this fact was the decrease in the relative weight of formal employment, from 78.3% of total wage earners to 70.4% in the same time period.

With the relative stabilization in the salaried rate, the occupations that grew the most in relation to the total number of jobs opened in the country during the period were those of employer (52.1%) and self-employed (12.8%) occupations.

Because of that, the recent and early transition to the service society in Brazil has been characterized by the disruption of the labor market, with significant presence of open unemployment, underutilization of workers and precariousness of the generated jobs.

In the urban and industrial society, with the decline in the relative participation of the primary sector and the rise of the secondary and tertiary sectors, services were, in 1980, the main employer of the workforce in Brazil. In comparison with 1940, for instance, the structure of the service sector had undergone significant changes observed in 1980 and even greater ones in 2018.

On the one hand, there was a decrease in the relative importance of total jobs in the segment of Distribution Services (commerce, communication, transportation and others) by 5.6% and in Personal Services (domestic, security, caregivers and others) by 22.2% between 1940 and

**Table 4.** Brazil – Evolution of the total, employed and unemployed population in 1980 and 2018.

Items	1980 (in thousands)	2018 (in thousands)	Absolute annual variation (in thousands)	Relative annual variation (in thousands)
Total Population	119,002	208,495	2,355	1.5
EAP	43,236 (100%)	105,197 (100%)	1,631	2.4
Employed EAP	42,026 (97.2%)	93,002 (88.4%)	1,342	2.1
Primary	12,997 (30.1%)	8,455 (8.0%)	-119	-0.8
Secondary	12,042 (27.8%)	18,622 (17.7%)	173	1.1
Tertiary	16,987 (39.3%)	65,925 (62.7%)	1,288	3.6
Unemployed EAP	1,210 (2.8%),	12,195 (11.6%)	289	6.3

Source: IBGE<sup>8-10</sup> (the author).**Table 5.** Brazil –Evolution of the population by type of occupation and precariousness rate in 1980 and 2018.

Items	1980 (in thousands)	2018 (in thousands)	Absolute annual variation (in thousands)	Relative annual variation (in thousands)
Total population	119,002	208,495	2,355	1.5
EAP	43,236 (100%)	105,197(100%)	1,631	2.4
Unemployed EAP	1,210 (2.8%)	12,195 (11.6%)	289	6.3
Employed EAP	42,026 (100%)	93,002 (100%)	1,342	2.1
Employer	1,340 (3.2%)	4,532 (4.9%)	84	3.3
Wage-earner	27,152 (64.6%)	62,447 (67.1%)	929	2.2
Formal	21,272 (50.6%)	43,940 (47.2%)	596	1.9
Informal	5,880 (14.0%)	18,507 (19.9%)	332	3.1
Self-employed	9,555 (22.7%)	23,848 (25.6%)	376	2.5
No remuneration	3,978 (9.5%)	2,175 (2.4%)	-47	-0.5
Precariousness	19,413 (46.2%)	44,530 (47.9%)	661	2.2

Source: IBGE<sup>8-10</sup> (the author).

1980. On the other hand, there was an increase in the relative participation in total number of jobs in Social Services (health, education, care and others) by 29.7% and in Production Services (engineering, technology, advertising and others) by 56.1% over the same period of time.

Overall, the cycle of industrialization and national urbanization represented the transformation of the allocated workforce in sectors of lower productivity and remuneration to those of higher productivity and labor income. This occurred because there was a shift of workers from the rural area working for their own subsistence to urban activities in construction, manufacturing, commerce and services. Within the service sector, there was a shift from simpler, low-productivity occupations such as personal services (domestic work and others) to social and production services.

In the current transition to the service society, however, one observes that there does not

seem to be accurate evidence that the same change in activities from lower to higher productivity and income is occurring in urban and industrial society. On the contrary, the existing official information points to the opposite direction, that is, the destruction of activities and occupations situated in the higher productivity and remuneration segments and the expansion of the lower productivity and income jobs.

In the comparison between the years 1980 and 2018, it can be observed, for example, that the segment that lost a relative position in the total employment was the Production Service by 46.9%, while the Social Services remained relatively stabilized (0.7%). At the same time, the segments that managed to increase the relative participation in the total employment were Distribution Services (6.2%) and Personal Services (1.3%).

All these structural alterations in the operation of the national labor market continued to be

made without substantial changes in the public labor relations system. With the transition from authoritarianism to the democratic regime and the implementation of the Federal Constitution of 1988<sup>11</sup>, the corporate standard of organization of the world of work prevailed, with the reinforcement of the adoption of public policies for formal salaried work and the loosening of certain repressive mechanisms established under the CLT.

In the 1990s, however, the experience of flexibilization in social and labor legislation allowed some diversification in the hiring of salaried labor, with the legitimation and diffusion of outsourcing in the intermediate activities of positions in companies. In this sense, positions such as security, food, maintenance, transportation, cleaning and others, generally low-paid, were shifted to outsourced employment in both the public and private sectors.

At the same time, government approval of a tax measure aimed at tax exemption for profits and dividends in the mid-1990s favored the expansion of labor as a self-employed (PJ) regime to the detriment of salaried employees with high paid jobs in companies. Subsequently, in the 2000s, a diversity of public policies aimed at micro- and small companies allowed the creation of the Individual Micro Entrepreneur (MEI, *Micro Empreendedor Individual*) in the perspective of the formalization of self-employment, as well as the hiring of domestic workers.

It was only from 2016 onwards that, in the face of the most severe economic recession of Brazilian capitalism, a set of substantial changes in social and labor legislation was introduced with the governmental objective of breaking with the public system of labor relations. Measures such as the legislation that universalized the outsourcing of labor contracts, in addition to labor reform, the Constitutional Amendment 95<sup>12</sup> and the proposals for reformulation of the current public retirement and pension system, point to the expansion of the operation disruption of the Brazilian labor market, and the rise of the private system of relations between capital and labor (individual contractualism).

In the middle of the early transition to the service society, movements of labor market disruption and breaking with the corporate standard of social organization imply increasing the polarization within the world of work. This is because the destruction of middle-class occupations has been accompanied by the massification of structural unemployment and the precariou-

ness of occupations based on contractual instability, scarcity of social and labor rights and restricted remuneration.

### Outsourcing in the world of work

The long-term operation of the labor market has shown two distinct trajectories in Brazil<sup>13</sup>. The first concerns both the continuous relative decline in primary sector labor in the national economy since the 1870s and the relative and the absolute expansion of secondary and tertiary employment in 1872 and 1980.

The second trajectory of the labor market operation is characterized by the relative decrease of jobs in the secondary sector from the 1980s onwards, simultaneously with the absolute decrease in occupations in the primary sector and the relative and absolute increase in employment in the tertiary sector. Thus, in 2018, for instance, one can observe that the relative participation of the tertiary sector in the total employment was close to that verified for the primary sector in 1872, when slavery still predominated in the country.

Therefore, it is worth considering how the changes in the world of work during the last three decades have led the tertiary sector to predominate in the set of occupations<sup>14</sup>. With occupational outsourcing, there is a tendency to concentrate jobs at the bottom of the social pyramid and a relative reduction in middle-class salaried employment.

In 2016, for instance, almost 71% of jobs in Brazil received up to 2 minimum wages a month, while in 1986 they were 68.1%. That is, there was a 3.8% increase in the proportion of jobs receiving up to 2 minimum wages among the total number of Brazilian workers.

In contrast, the segment of intermediate-income jobs, ranging from 2.1 to 5 minimum monthly wages, decreased by 3.6% in relation to the total number of workers, as it decreased from 22% to 21.2% between 1986 and 2018. Also, the highest earning segment, with more than five monthly minimum wages, decreased its relative participation in total employment by 19.2%, from 9.9% to 8% over the same period.

One can understand the flattening of income distribution among the employed as a result of the expansion of the tertiary sector and the decline of the primary and secondary sectors. While the relative participation of employed individuals in services increased 40.6% between 1986 and 2018, the proportion of jobs in both the primary



(36.8%) and secondary (26.5%) sectors decreased in the total number of workers.

The shift of occupations in the primary and secondary sectors to the service sector also discloses the advancement of the hiring modality less associated with salaried employment, of which salaried rate has remained stable in 67% of employed individuals in the last three decades. Between 1986 and 2018, for example, formalization of the salaried employee increased 5%, while the self-employed increased 11.2%.

Conversely, the relative participation of unpaid jobs, and informal employment would have been reduced between 1986 and 2016. The most significant decline in the relative participation was in unpaid jobs (-49.8%), followed by informal employment (-13.1%) and employer (-5.15).

Faced with the tertiarization predominance movement of the world of work, with the concentration of jobs increasingly generated at the base of the social pyramid, young people ended up being negatively affected by the decrease in their relative participation in the total of workers. In 1986, for example, the 16-24 age group decreased the relative weight in total jobs by 41.8.

On the other hand, the 25-59 age group increased its relative position in the total jobs by 9.2%. The share of the Economically Active Population aged 60 and over also increased its relative presence in the total jobs by 82%.

In 1986, for instance, for each position occupied by a worker aged 60 years and over, there was a group of five young individuals working. Thirty years later, in 2018, for each position occupied by a worker aged 60 years and over, there was only 1.5 young individuals working.

#### **Recent neoliberal reforms and labor market behavior**

In the presence of the most serious crisis of the Brazilian capitalism that has been concurrently undermining the democratic regime since the end of 2014, when part of the defeated opposition party no longer accepted the outcome of the presidential election, an important set of deregulatory labor market measures was rapidly being implemented. The result has been the deepening of the general sense of labor market disruption that was already under way through early deindustrialization and early transition to the service society.

Despite the employer's discourse encouraging the reduction of labor costs and contractual

flexibility, as a decisive argument for the generation of new jobs, the overall level of salaried employment has not returned. Nor was the formalization of employment contracts guaranteed, and the opposite was true in recent times.

Comparing the average labor cost in the Brazilian industry with that of the United States and China, one observes a recent accentuated downward trend. In 2014, for instance, the cost of labor in the Brazilian industry was 2.6 times higher than in China and almost 30% of that in the US.

With the recent economic recession and labor market deregulatory measures adopted by Brazilian governments, the cost of labor in the Chinese industry was 16% higher than that of Brazil in 2016 and 26% lower than that in the United States in 2015.

Similarly, one can observe how the labor reform introduced since late 2017 has favored the shift from formal salaried employment to informal employment and self-employment. All of these forms of work go on outside regulation, without social and labor protection, in addition to the declining contribution to the public retirement and pension system.

Following the recent evolution of informal salaried employment, an increase of almost 12% was observed between 2014 and 2018. In the same period of time, formal salaried employment decreased by 9.5%.

Similarly, the increase in self-employment can be observed. Between 2014 and 2018, for instance, the total of self-employed workers increased by 9.6%, with contracts without the identification of registered companies (CNPJ) showing a higher expansion, of 10.8%, than self-employed jobs with CNPJ (4.8%).

Regarding the general sense of advances in self-employment and informal salaried employment, lacking access to social and labor rights, there is also a recent expansion of unemployment rates and underutilization of labor available in the Brazilian labor market. Both the absence of economic dynamism and the deregulation of the labor market have been responsible for registering the largest portions of the labor force far from the access to the public social and labor protection system.

Only in relation to the advance of unemployment and the dissemination of underutilized labor in its working situation, Brazil has set recent records, without comparison with the distant past. Considering that, the balance of the neoliberal reforms in progress since 2016 has been

even more detrimental to the behavior of the Brazilian labor market.

### **Final considerations**

The brief historical recovery presented earlier sought to situate the main changes currently underway in the operation of the Brazilian labor market with an intrinsic part of the early transition to the service society. The substantial changes in the world of work reflect both the early process of deindustrialization, disclosed by the way Brazil has entered capitalist globalization since the 1990s and the most recent deconstruction in the labor market regulatory framework imposed by neoliberal reforms.

The result of all this has been the predominance of massive open unemployment, accompanied by increased underutilization of the workforce and widespread precariousness in jobs. The growing polarization within society reveals not only the destruction of middle-class jobs, but the expansion of higher paid non-salaried jobs, without access to social and labor protection.

The early transition to the service society has been accompanied by substantial changes in the operation of the labor market. As a result, the current temporality in the Brazilian world of work greatly differs from that observed in previous periods of predominance of both agrarian and urban and industrial societies.

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