Brazil: Workforce profile

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BRAZIL WORKFORCE PROFILE NO.23 JULY 2010

BRAZIL

Workforce Profile

Camila Veneo Campos Fonseca, Luísa de Azevedo & Adriana Fontes



About this Statistical Profile

Organizations striving to be employers-of-choice in different countries around the world need access to current information about the economic, social, political, and demographic characteristics of the countries where their employees live and work.

The Country Profile Series focuses on statistics that can guide decisionmaking at the workplace: workforce highlights, economic highlights, and population highlights. This Country Profile is part of a set of resources about Brazil available on the website of the Global Perspectives Institute: www.bc.edu/agingandwork.

INTRODUCTION TO FEDERATIVE REPUBLIC OF BRAZIL

Brazil declared its independence from Portugal in 1822 and instituted the Empire of Brazil, a monarchy system. In 1889, Brazil became a republic and currently maintains this system of government. The Federative Republic of Brazil has a presidential system in which the president is elected directly every four years by universal suffrage. The Congress is divided into the National Assembly and the Senate, also elected directly every four years. Throughout its history, Brazil has had three capitals: Salvador, Rio de Janeiro and Brasilia, the current capital.

In 2009, the Brazilian population was estimated at 193,733,795.¹ Between 2005-2010 the population's growth rate was 0.98%.¹ According to the Brazilian Census for 2000,² 74.9% of the Brazilian population identify themselves as Catholic, 15.4% as Protestant, 7.4% as agnostic or atheist, and 3.3% as "other" or "no opinion." Despite the large number of Catholics, the Brazilian government does not recognize any national religion.

With a continental land area of 8,574,876 square kilometers, Brazil is the largest country in South America and the fifth largest in the world. Bordering 10 countries and the Atlantic Ocean, Brazil is also a country with a large variety of biomes, areas made-up of predominant vegetation and organisms specific to the environment, which includes the Rainforest, the Cerrado, and the Atlantic Forest.

Nowadays, Brazil ranks among the ten richest nations of the world by GDP. The Real (R\$), Brazil's official currency, was created in 1994 as part of a plan aimed at controlling inflation. In the last eight years, the Brazilian economic system has made progress toward achieving economic growth with social development and inequality reduction. The implementation of "Bolsa Família," a cash transfer program, demonstrates a new perspective of the welfare state.

Currently, Brazil is a member of MERCOSUL, the United Nations, the World Trade Organization and G20.

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LABOR FORCE HIGHLIGHTS

- Of the total Brazilian population, 74.2% is within working age, considered in Brazil to be aged 15 years and older.³
- In 2008, the labor force participation rate in Brazil was 68.5%. The participation rate consists of the economically active population (working or looking for a job) divided by the total population within working age.³
- The economically active population in Brazil in 2007 was 97.9 million. By 2020, this population is expected to increase to 117.1 million.⁴ According to the ILO, the "economically active population" comprises all persons of either sex who furnish the supply of labor for the production of goods and services during a specified time reference period.⁴
- (\$ In 2008, the unemployment rate in Brazil was 7.2%.³
- In 2007, the average hours worked in a main job by employees in Brazil was 41.3 hours per week. Brazilians and Chileans, work almost the same number of hours. In Chile, the average number of hours worked was 41.7 hours per week, and in Uruguay it was 39.3.4
- In 2007, 17.2% of Brazilian employees worked part-time. Most people working parttime in Brazil are underemployed.⁵
- In 2008, 12.7% of the population aged 15 and older in Brazil was self-employed. "Self-employed" comprises all persons who work in their own business, with a business partner or alone, and without any employees.³

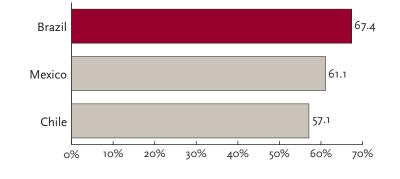


Figure 1a. Employed Persons as a Percent of the Total Population (Aged 15+) - Selected Regional Countries, 2007

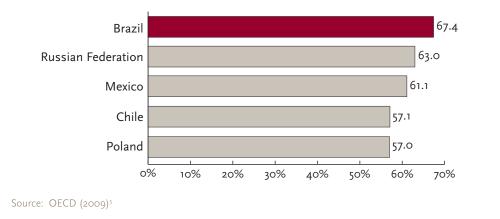
> According to Figure 1a, Brazil has the highest rate of employed persons as a percent of the population aged 15+ compared to Mexico and Chile.

Source: OECD (2009)5

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Figure 1b compares Brazil and other countries with similar gross domestic products per capita. Brazil and the Russian Federation have the highest rate of employed persons as a percent of their total population aged 15+.



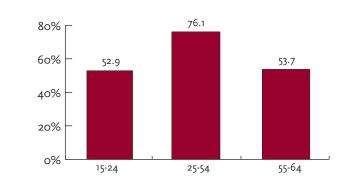




Men 100% Women 80.9 79.7 80% 72.6 60% 55.9 43.6 41.7 40% 20% 0% Brazil Mexico Chile Source: OECD (2009)5

In Brazil, the employment rate among persons aged 15-64 years is 79.7% for men and 55.9% for women. Brazil is more than 10.0% points ahead of the employment rates for women in Chile and Mexico.





In 2007, the 15-24 year-old age group in Brazil had the lowest employment rate, followed closely by the 55-64 year-old age group.

Source: OECD (2009)⁵

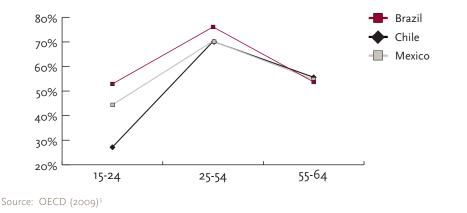


Figure 4. Employment Rates in Brazil Compared to Selected Regional Countries, within Age Groups, 2007

The employment rate of Brazil in 2007 was higher than that of both Chile and Mexico for the 15-24 and 25-54 age groups.



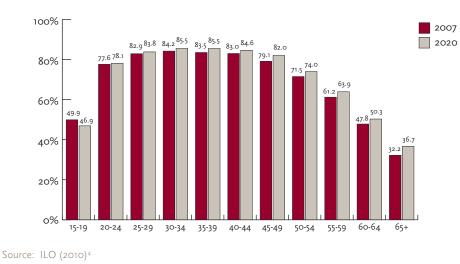
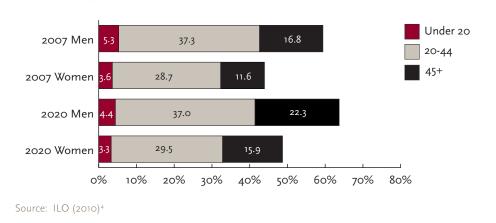


Figure 5a compares the current (2007) and projected (2020) economically active population rates. This figure indicates that the growth rate for the oldest economically active age groups tend to be higher, demonstrating the aging of the Brazilian population.

Figure 5b. Current and Projected Economically Active Population as Percent of Total Population in Brazil, by Gender, 2007 and 2020

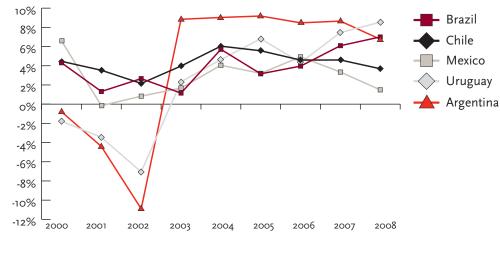


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ECONOMIC HIGHLIGHTS

- In 2008, the Gross Domestic Product per capita in Brazil was \$8,626, which was higher than Argentina (\$8,266) and lower than Chile (\$10,196), Uruguay (\$9,351) and Mexico (\$10,216).⁶
- The Gross Domestic Product grew by 6.09% in 2007, while this rate dipped to 5.14% in 2008. Nevertheless, compared to prior years (3.96% in 2006 and 3.16% in 2005), 2007 saw a larger rate of growth.⁶

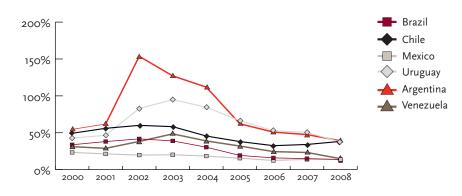




Due to the economic crisis, the GDP growth of all selected countries, except Uruguay and Brazil, decreased between 2007 and 2008.

Source: International Monetary Fund (2010)⁶



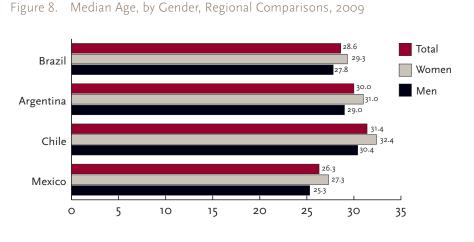


Source: Economic Commission for Latin America and the Caribbean (2009)7

In 2008, Brazil had the lowest external debt as a percentage of GDP, compared to other regional countries.

DEMOGRAPHIC HIGHLIGHTS

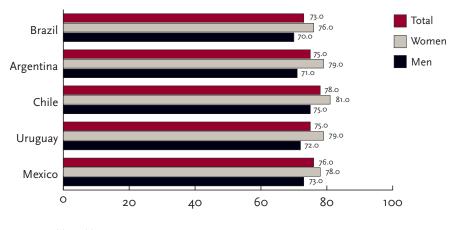
- (\$) In 2009, the population of Brazil was 193.7 million. In comparison, the population was 40.2 million in Argentina, 16.9 million in Chile, and 3.3 million in Uruguay.1
- (\$) According to the Brazilian National Sample Survey of Households (Pesquisa Nacional por Amostra de Domicílio), in 2008 the two most populous ethnic groups in Brazil were black people (50.6%), representing more than half of the population, and white people (48.4%). The other 0.9% consisted of Western Asians and Native Indians.³
- (1) In 2006, the total fertility rate in Brazil was 1.95 children per woman.⁸ According to United Nations statistics for 2005-2010, the fertility rate was 2.3 in Argentina, 1.9 in Chile, 2.1 in Uruguay and 2.2 in Mexico.1
- (1) In 2009, 6.6% of the Brazilian population was aged 65 or older, compared to 5.8% in Mexico and 9% in Chile. Globally, 7.6% of the population is more than 65 years old.5





Source: The Central Intelligence Agency (2009)9





Source: World Health Organization (2009)10

The life expectancy at birth for the Brazilian population in 2007 was

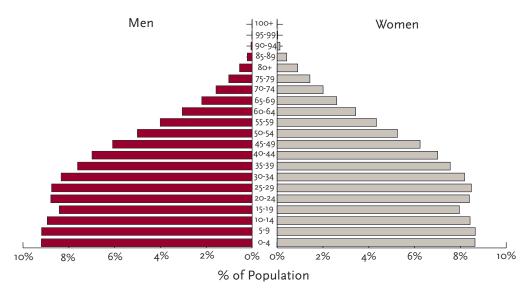
70 years for men and 76 years for

women.

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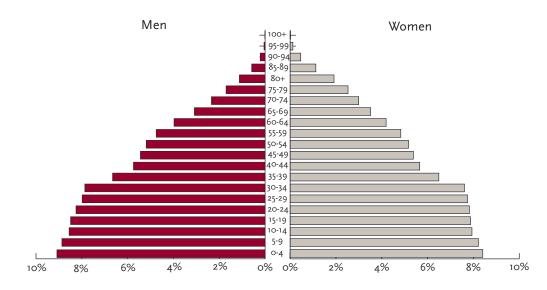
- In Brazil, 5.6% of men and 7.5% of women are aged 65 years of age or older." In comparison,
 - In Argentina, 9.1% of men and 12.7% of women are aged 65 or older.
 - In Chile, 7.9% of men and 10.7% of women are aged 65 or older.
 - In Uruguay, 11% men and 15.6% of women are aged 65 or older.

Figure 10a. Population Distribution of Brazil, 2010



Source: United States Census Bureau (2010)¹¹

Figure 10b. Population Distribution of Argentina, 2010



Source: United States Census Bureau (2010)¹¹

Figure 10c. Population Distribution of Chile, 2010

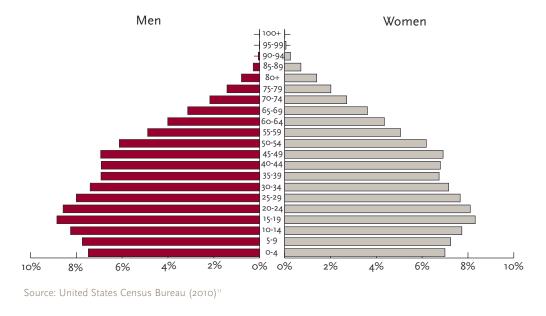
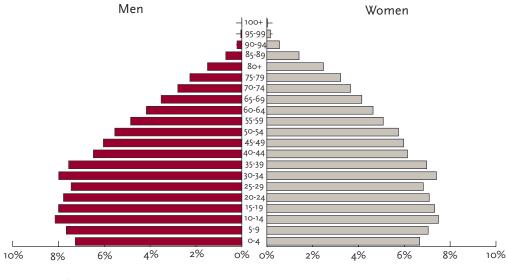


Figure 10d. Population Distribution of Uruguay, 2010



Source: United States Census Bureau (2010)¹¹

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ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work at Boston College, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- S a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- (\$) informed decision making by employers who want to be employers-of-choice in different countries; and
- (s) innovative thinking about private-public partnerships that promote sustainable, high-quality employment.

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

Camila Veneo is concluding her final year of study for a bachelor's degree in Economics at the Federal University of Rio de Janeiro. Camila has concluded a year of internship at the Institute for Studies on Labor and Society (IETS), including involvement in Brazilian development studies in the fields of education and labor markets. In addition, she was a member of the Group Studies of the Electric Sector (GESEL) at UFRJ for six months where she served as an assistant on projects concerning the Brazilian utilities sector.

Luísa de Azevedo has a bachelor's degree in Economics from the Federal University of Rio de Janeiro. She first started working with research in 2005, participating as an assistant in projects mainly with regards to the Brazilian labor market. She was part of the research team of Ricardo Paes de Barros at IPEA and is currently a junior researcher at IETS. Her latest work in the field of labor markets was a monthly bulletin on entrepreneurship in Rio de Janeiro, developed with other senior researchers from IETS.

Adriana Fontes holds a Ph.D. in Economics from the Federal University of Rio de Janeiro (2009) and has been a researcher at the Institute for Studies on Labor and Society (IETS) since 2001. Both her Master's degree in Industrial Engineering (2003) and her Bachelor's degree in Economics (1997) were received from the Federal University of Rio de Janeiro. She has participated in different types of projects for public and private institutions, working mainly on labor market, social policy and informality issues.

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