

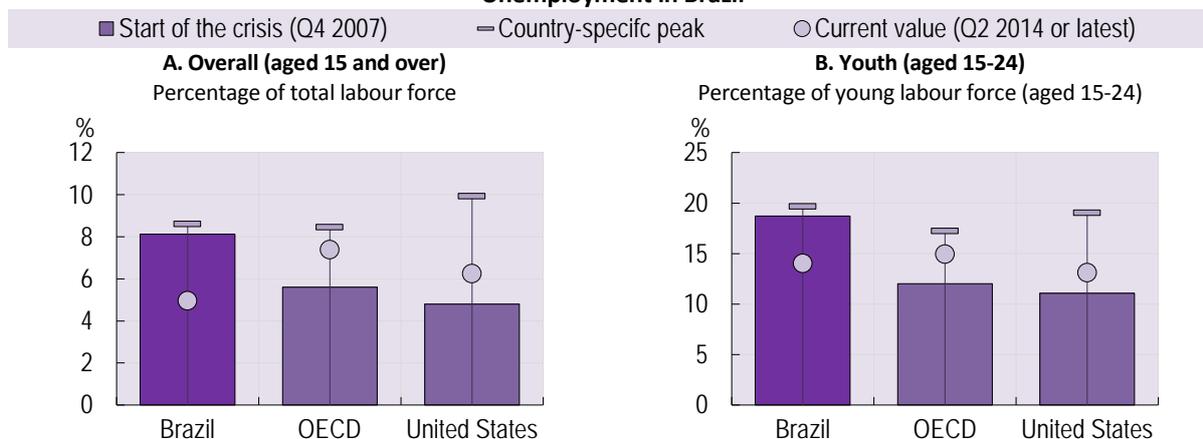
OECD Employment Outlook 2014

The 2014 edition of the OECD Employment Outlook reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes.

For further information: www.oecd.org/employment/outlook

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Unemployment in Brazil



Note: Data based on selected urban areas for Brazil.

Source: OECD calculations based on quarterly national Labour Force Surveys and *OECD Short-Term Labour Market Statistics* (database), (<http://dx.doi.org/10.1787/data-00046-en>).

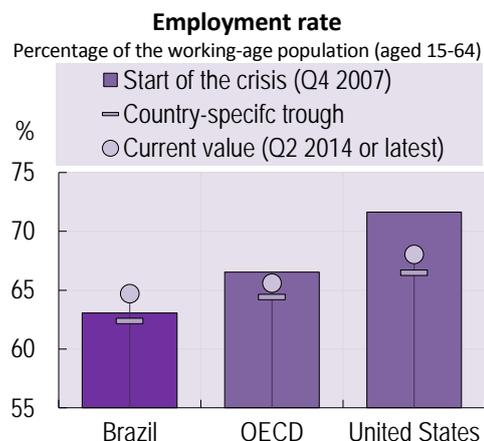
Brazil's labour market performance continues to be strong

The unemployment rate in Brazil continues its downward trend, despite a slowdown in GDP growth. At 4.9% (for urban areas), Brazil's unemployment rate is considerably below the OECD average of 7.4%. The youth unemployment rate in urban areas has also been falling, and is now below the OECD average (13.5% vs. 15.4%).

However, labour force participation rates could be improved

Despite lower unemployment, the employment rate in Brazil (64.7%) is marginally below the OECD average (65.6%) and well below the rate in the United States (68%). This is the result of low participation in the labour market for some groups such as women. Therefore, Brazil is promoting female participation by prioritising universal access to

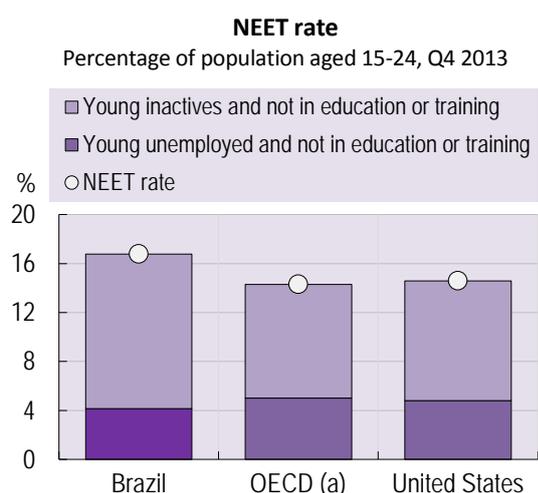
public day cares and children centres. While the proportion of youth who are Neither in Employment nor in Education or Training (NEET) has fallen to 16.8% in Brazil, it remains above the OECD average of 14.3%.



Note: Data based on selected urban areas for Brazil.

Source: OECD calculations based on quarterly national Labour Force Surveys and *OECD Short-Term Labour Market Statistics* (database).

(<http://dx.doi.org/10.1787/data-00046-en>).



Note: Data based on selected urban areas for Brazil.

a) OECD is the weighted average of 31 countries (excluding Chile, Israel and Korea).

Source: OECD calculations based on quarterly national Labour Force Surveys.

Informality is on a downward trend, but remains high

Improving job quality is another challenge facing Brazil that is also a major issue for advanced and emerging economies. The 2014 *Employment Outlook* puts forward a new framework for measuring job quality along three dimensions: earnings quality (level of earnings and degree of inequality); labour market security (risk of job loss and income support available); and quality of the working environment (work demands and conditions, and resources and support available to cope with work demands).

In Brazil, reducing informal work could contribute substantially to improving job quality. Although progress has been made, informality in Brazil remains high, with one third of urban workers working informally (without a signed workers' card – *carteira assinada*) and very little or no social protection and/or job security (Ipea, 2014). The recently launched National Plan for Combatting Informality is therefore a welcome development in this respect.

However, high non-wage costs may explain why some youth and low-skilled workers may encounter difficulties finding work in the

formal sector or holding on to their jobs (OECD, 2014).

Poor skills are a major explanatory factor behind poor labour market outcomes

As shown in the 2014 *Employment Outlook*, education and skills are crucial for improving employment outcomes of youth. The quality of education in Brazil is a cause for concern, reflected in the fact that Brazilian 15-year-olds continue to trail their peers in many other countries in the OECD PISA tests of reading, mathematics and science, despite significant improvement in these scores over the past decade. Poor quality education, combined with large regional and racial inequalities, result in difficult school-to-work transitions for many disadvantaged youth. Brazil's attempts to equalise public funding across regions (FUNDEB) and its commitment to increasing educational funding overall will go a great way in addressing these issues. Equally, its ambitious programme (PRONATEC) for tackling a low share of youth in vocational education and training will address another key barrier to successful labour market integration of youth.

References

Ipea (2014), *Boletim Mercado de Trabalho - Conjuntura e Análise n°56, Fevereiro de 2014*, Ipea, Rio de Janeiro.

OECD (2014), *Investing in Youth: Brazil*, OECD Publishing, DOI: [10.1787/9789264208988-en](https://doi.org/10.1787/9789264208988-en).

OECD Employment Outlook 2014 is available to journalists on the **password-protected** website or on request from the Media Relations Division. For further comment on Brazil, journalists are invited to contact Mark Keese (+33 1 45 24 87 94; mark.keese@oecd.org) or Stijn Broecke (+33 1 45 24 82 48; stijn.broecke@oecd.org) from the OECD Employment Analysis and Policy Division.