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## Statistics on Informal Employment in Brazil

This fact sheet summarizes statistics on poverty and employment – and, in particular, on urban informal employment – in Brazil. The statistics are based on analysis of the Pesquisa Nacional por Amostra de Domicílios (PNAD) survey of 2007, conducted by Instituto Brasileiro de Geografia e Estatística.

### The Size and Shape of Employment

The survey estimates the total population of Brazil to be 189 million. One quarter (75 per cent) of the population is aged 15 years and above. This is the age group that labour statisticians refer to as the “working age population”. Because women tend to live longer than men, more women than men are of working age. Thus women and girls account for 51 per cent of the total population, while women account for 52 per cent of the working age population.

About 64 per cent of the working age population is employed, i.e. doing work that is counted when calculating gross domestic product (GDP). A further 6 per cent is unemployed and want to work, while 31 per cent are economically inactive. The latter category includes, among others, full-time homemakers, full-time students, and those who are too old to work. Only 2 per cent of people recorded as employed are under 15 years of age, with boys more likely than girls to be employed.

Women are more likely than men to be economically inactive. One of the main reasons for this is the unpaid care work that women do in the home caring for children and other family members and doing housework. Overall, 41 per cent of women of working age are economically inactive, compared to 19 per cent of men. In contrast, just over half (51 per cent) of women are employed compared to more than three-quarters (76 per cent) of men. Expressed differently, 41 per cent of the employed are women.



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## **Informal Work**

WIEGO is especially interested in informal workers. We define self-employed workers as informal if they work in an enterprise with fewer than five employees. We define wage employees as informal if they do not have a *carteira de trabalho*, which registers their contract as one that is covered by fair labour relations in respect of working hours, minimum wages and other rights. All unpaid family workers are classified as informal. Some analysts also classify all domestic workers as informal. But analysis of the PNAD shows that more than a quarter (27 per cent) of domestic workers have a *carteira de trabalho*. In this pamphlet we therefore make it clear when we are referring to all domestic workers and when we are referring only to informal domestic workers – those without a *carteira de trabalho*.

About 17 per cent of all employed people work in agriculture, with more formal (44 per cent) than informal (39 per cent) workers among those who are not in agriculture. If we exclude agriculture and look only at urban areas, 47 per cent of workers are informal. There is, however, a difference in the situation of women and men, in that 48 per cent of the women workers are informal, compared to 45 per cent of the men workers.

Among informal urban non-agricultural workers, 46 per cent are self-employed (employers or own-account workers), 50 per cent are employees (including domestic workers), and the remaining 4 per cent are unpaid family workers. Again there are gender differences, in that 58 per cent of the women are employees, compared to 42 per cent of the men.

There are also differences in the type of jobs that women and men urban workers outside of agriculture do. If we include all domestic workers and all other non-agricultural informal workers, over a third (35 per cent) of the women workers are domestic workers, compared to only 2 per cent of men workers. In contrast, 23 per cent of men are in construction, but less than 1 per cent of women. The percentages of women and men in trade are similar (23 per cent and 20 per cent respectively, and also the percentages in private non-domestic services (27 per cent and 25 per cent respectively) and manufacturing (11 per cent and 12 per cent respectively).

## **Domestic Workers, Home-based Workers, informal Traders and Waste Pickers**

WIEGO and the organisations with which it works are especially interested in the situation of four categories of urban informal workers – domestic workers, home-based workers, informal traders and waste pickers.

For Brazil, we use the occupational category “collector of recyclables” to get an estimate that we can compare with waste pickers in other countries. The survey finds about 240,000 collectors of recyclables, which is less than half a percent of informal urban workers. About a third of these workers are women.

Domestic workers are defined in the survey as a separate employment status. More than six million domestic workers are recorded in urban areas, of whom 95 per cent are women. These workers account for 9 per cent of all urban informal workers, but less than 1 per cent of the men compared to 19 per cent of the

women workers. As noted above, more than a quarter of these workers have a *carteira de trabalho*.

Home-based workers are those who say that their residence is their place of work. It is a very diverse group of workers – 3.6 million in total, of whom 70 per cent are women.

Informal traders are identified in the survey by occupation codes 5441-5243, which include home-based vendors, kiosk vendors, and mobile vendors. The survey finds nearly 2 million informal traders, who make up nearly 3 per cent of all informal urban workers. Just over half (54 per cent) of the informal traders are women, with women especially likely to trade from their homes.

## Poverty and the Working Poor

We can calculate poverty rates by classifying as poor any household whose total reported monthly income is less than 190 reais per person, which is equivalent to the level of the minimum wage in 2007. Employed people are classified as among the “working poor” if they live in a household that is classified as poor.

Overall we find that 17 per cent of all employed people are poor. The poverty rate is slightly lower for women workers (16 per cent) than for men workers (18 per cent).

Among the four categories in which WIEGO is especially interested, the poverty rate is highest among waste pickers, of whom over half (56 per cent) are poor. For this category of workers, the poverty rate is much higher for women (66 per cent) than men workers (51 per cent).

Next worst off are domestic workers, of whom 30 per cent are poor, with no real difference between women and men workers.

Traders do only slightly better than domestic workers, with 28 per cent overall being poor – 25 per cent of the women and 31 per cent of the men. There are, however, some differences between categories of traders. Between 29 per cent and 30 per cent of mobile traders and those who sell from a kiosk are poor, compared to 20 per cent of those who trade from their homes.

Home-based workers are best off of the four categories of workers, but even among this group 21 per cent are poor.

We can also compare poverty rates for urban workers in different parts of the country. This comparison shows that the poverty rate is lowest in Sao Paulo, at 9 per cent, and highest in Bahia, at 32 per cent. In other urban areas the poverty rate is 19 per cent.

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