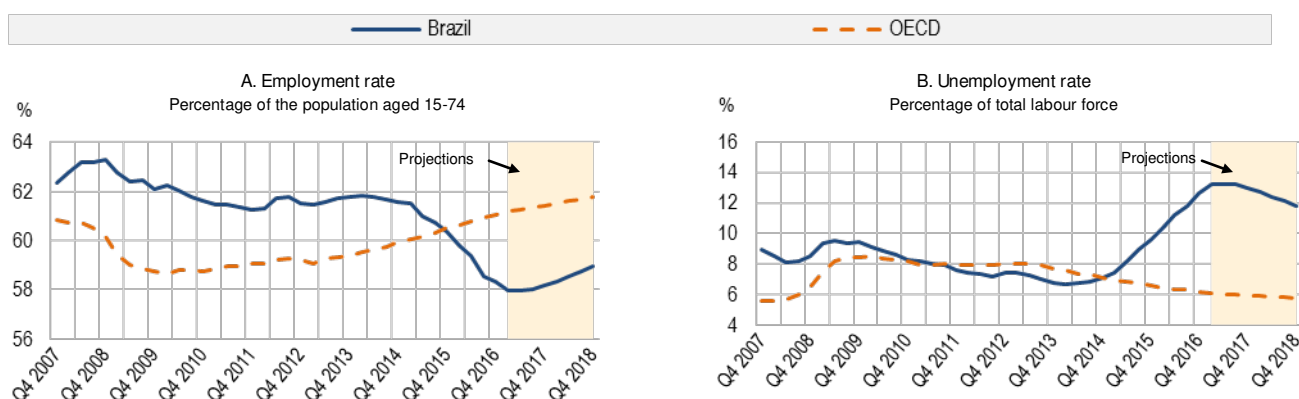




The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Brazil



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Between 2007 and 2014 Brazil sustained high employment rates, well above the OECD average. The country has historically high participation rates for men and women, as well a relatively low unemployment rate.

- However, the percentage of Brazilian population employed started falling in the second quarter of 2014 in a context of economic and political crisis that started in the beginning of that year. As a result, the employment rate fell from 61% at the start of 2014 to an all-time low of 58% at the end of 2016.
- After years of steady decline starting in 2009, unemployment began to rise in early 2014. It increased substantially from 6.8% before the crisis to 12.6% at the end of 2016.
- The OECD projections point to a small additional fall in employment and rise in unemployment during 2017. However, forecasts for 2018 draw a more hopeful picture, with employment rising again and unemployment retracting. These projections corroborate the predicted closure of the crisis and regaining of economic confidence.

Scoreboard of labour market performance for Brazil



Note: An upward ↑ (downward ↓) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in USD adjusted for inequality. *Labour market insecurity*: Expected monetary loss associated with the risk becoming unemployed as a share of previous earnings. *Very long hours of work*: Percentage of workers usually working 60 or more hours in their main job. *Low income rate*: Share of working-age persons living with less than 50% of median equivalised household disposable income. *Gender labour income gap*: Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. *Employment gap for disadvantaged groups*: Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF BRAZIL'S LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, employment security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Despite the economic and political crisis, Brazil still has a higher employment and a lower unemployment rate than the OECD average in 2015. The country also has a larger share of working adults in full-time equivalent than most OECD countries.

- Inclusiveness is one of the areas in need of substantial improvement. Brazilian male workers are paid 50% more than female ones, ten percentage points above OECD average. Moreover, prime-age male workers earn on average 37% more than disadvantaged people, a group including, for example, working-age persons with partial disabilities or mothers with children.
- The quality of work is another area where more action is needed, particularly in relation to income. Earnings in Brazil are lower than those of all members of the OECD and the gross hourly earning adjusted for inequality is of 2.3 USD, ten times inferior to the OECD average.
- Nevertheless, job security in Brazil is relatively good and the level of labour market insecurity is on par with the OECD average. Moreover, fewer Brazilian workers work for more than 60 hours a week than on average across the OECD.

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EDUCATION AT A GLANCE 2013

BRAZIL

15-29 year-olds: where are they?

In Brazil, unlike in the vast majority of OECD countries, the percentage of those neither employed nor in education or training (NEETs) remained unaffected by the economic crisis. The proportion of NEETs among 15-29 year-olds remained at 19% between 2008 and 2011 compared with an increase of 2 percentage points on average across OECD countries to 16% in 2011.

Rates, however, vary significantly depending on the level of education. In 2011, 43% of young Brazilians continued their studies after completing below upper secondary education, compared with the average for OECD countries of 67%. This represents a decrease of almost 2 percentage points since 2008. Similarly, the share of those who were employed increased by 2 percentage points during the same period; in 2011 39% were employed and another 18% were NEET.

At the same time, young adults holding a university degree found themselves in a significantly better situation. In 2011, among this age group and level of education, 66% had a job, 16% were continuing in education and only 19% of them were NEET, the lowest ratio among all levels of education.

Making progress in attainment rates at all levels of education

Educational attainment rates in Brazil have been rising over the past decade, but are still lagging far behind the average for OECD countries. The proportion of people with an upper secondary qualification has risen from 26% among 55-64 year-olds to 53% among 25-34 year-olds. In 2011, 43% of 25-64 year-olds had attained this level of education, whereas across OECD countries 75% had.

Tertiary attainment rates have also increased, but at a slower pace. They now stand at 9% among 55-64 year-olds and 13% among 25-34 year-olds. At 12%, Brazil's tertiary educational attainment rate for 25-64 year-olds remains below the average of 32% for OECD countries and 26% for G20 ones.

Tertiary education: an asset in the labour market

Employment rates for people who have achieved tertiary levels of education are higher in Brazil than for OECD countries on average: 85% compared with 83%. At the same time, they are significantly higher than for those who have only attained upper secondary education (70%) as well as for those with no upper secondary education (67%). Having a tertiary education in Brazil increases the likelihood of being employed more than in many other countries. The employment rate among 25-64 year-olds with a tertiary qualification was 14 percentage points higher than for those with an upper

secondary education, compared with an average difference of 9 percentage points across OECD countries.

A tertiary education also makes a significant difference to an individual's wages. Adults aged 25-64 with a tertiary education earn 157% more than their counterparts with only upper secondary and post-secondary non-tertiary education. That represents the second highest earnings premium among OECD and G20 countries (after Chile), where the average is 57%. At the same time, Brazilians without upper secondary education incur a high earnings penalty compared to those with an upper secondary or post-secondary non-tertiary qualification, earning 42% less against an average for OECD countries of 24% less.

Other findings:

- Brazil's public investment in education increased steadily during the last decade. Between 2000 and 2010, public expenditure on education as a percentage of GDP increased by 2.1 percentage points, from 3.5% in 2000 to 5.6% in 2010 but still below the average for OECD countries of 6.3%. In real terms, that represents USD 3 067 per student during that year. At the tertiary level, public expenditure on education increased 0.2 percentage points between 2000 and 2010, from 0.7% to 0.9%. Public annual expenditure per tertiary student (USD 13 137) is similar to the average across OECD countries for the same level of education, and more than five times higher than for primary (USD 2 778) and secondary (USD 2 571) students.
- While enrolment rates in early childhood education have increased between 2005 and 2011, pre-primary education is still rare in Brazil. Only 36% of 3-year-olds and 57% of 4-year-olds were enrolled in early childhood programmes in 2011, compared with an average for OECD countries of 67% and 85% respectively.
- In 2011, 95% of children between the ages of 5 and 14 were enrolled in education in Brazil. The enrolment rate of 15-19 year-olds has increased from 75% in 2007 to 77% in 2011 but is still well below the average for OECD countries of 84%.

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Key Facts for Brazil in Education at a Glance 2013

Table	Indicator	Brazil		OECD average		Rank among OECD countries and other G20 countries*
Educational Access and Output						
Enrolment rates		2011	2005	2011	2005	
C2.1	3-year-olds (in early childhood education)	36%	21%	67%	64%	32 of 36
	4-year-olds (in early childhood and primary education)	57%	37%	84%	79%	33 of 36
C1.1a	5-14 year-olds (all levels)	95%		99%		35 of 38
Percentage of population that has attained below upper secondary education		2011	2000	2011	2000	
A1.4a	25-64 year-olds	57%	m	26%	34%	4 of 35
Percentage of population that has attained upper secondary education		2011	2000	2011	2000	
A1.4a	25-64 year-olds	32%	m	44%	44%	32 of 36
Percentage of population that has attained tertiary education		2011	2000	2011	2000	
A1.3a A1.4a	25-64 year-olds	12%	m	31%	22%	36 of 36
	30-34 year-olds	13%		39%		34 of 34
	25-34 year-olds	13%	m	39%	26%	36 of 36
	55-64 year-olds	9%	m	24%	15%	36 of 36
Entry rates into tertiary education		2011	2000	2011	2000	
C3.1a	Vocational programmes (Tertiary-type B)	m	m	19%	16%	m
	University programmes (Tertiary-type A)	m	m	60%	48%	m
Graduation rates		2011	2000	2011	2000	
A2.1a	Percentage of today's young people expected to complete upper secondary education in their lifetime	m	m	83%	76%	m
A3.1a	Percentage of today's young people expected to complete university education (tertiary-type A) in their lifetime	m	10%	39%	28%	m
Economic and Labour Market Outcomes						
Unemployment rate of 25-64 year-olds - Men and Women		2011	2008	2011	2008	
A5.4b	Below upper secondary	4.6%	4.7%	12.6%	8.8%	32 of 35
	Upper secondary and post-secondary non-tertiary	6.1%	6.1%	7.3%	4.9%	16 of 36
	Tertiary	2.9%	3.3%	4.8%	3.3%	29 of 36
Unemployment rate of 25-64 year-olds - Women		2011	2008	2011	2008	
A5.4d	Below upper secondary	6.8%	6.8%	12.2%	9.5%	26 of 35
	Upper secondary and post-secondary non-tertiary	9.6%	8.5%	8.0%	5.7%	10 of 35
	Tertiary	3.7%	3.9%	5.1%	3.6%	24 of 36
Average earnings premium for 25-64 year-olds with tertiary education**		2011 or latest year available		2011		
A6.1	Men and women	257		157		2 of 33
	Men	273		162		1 of 33
	Women	269		161		1 of 33
Average earnings penalty for 25-64 year-olds who have not attained upper secondary education**		2011 or latest year available		2011		
A6.1	Men and women	58		76		33 of 33
	Men	57		77		33 of 33
	Women	50		74		31 of 33
Percentage of people not in employment, education or training for 15-29 year-olds, by level of education attained		2011	2008	2011	2008	
C5.4d	Below upper secondary	18.3%	19.2%	15.8%	14.4%	12 of 34
	Upper secondary	21.1%	18.8%	16.2%	13.6%	8 of 34
	Tertiary	17.8%	m	13.3%	10.6%	8 of 34

Key Facts for Brazil in Education at a Glance 2013

Table	Indicator	Brazil		OECD average		Rank among OECD countries and other G20 countries*
Financial Investment in Education						
	Annual expenditure per student (in equivalent USD, using PPPs)	2010		2010		
B1.1a	Pre-primary education	2111 USD		6762 USD		32 of 32
	Primary education	2778 USD		7974 USD		32 of 34
	Secondary education	2571 USD		9014 USD		33 of 34
	Tertiary education	13137 USD		13528 USD		17 of 33
	Total expenditure on educational institutions as a percentage of GDP	2010	2000	2010	2000	
B2.1	As a percentage of GDP	5.6%	3.5%	6.3%	5.4%	25 of 33
	Total public expenditure on education	2010	2000	2010	2000	
B4.1	As a percentage of total public expenditure	18.1%	10.5%	13.0%	12.6%	3 of 32
	Share of private expenditure on educational institutions	2010	2000	2010	2000	
B3.2a	Pre-primary education	m		17.9%		m
B3.2a	Primary, secondary and post-secondary non-tertiary education	m	m	8.5%	7.1%	m
B3.2b	Tertiary education	m	m	31.6%	22.6%	m
B3.1	All levels of education	m	m	16.4%	12.1%	m
Schools and Teachers						
	Ratio of students to teaching staff	2011		2011		
D2.2	Pre-primary education	17 students per teacher		14 students per teacher		9 of 31
	Primary education	23 students per teacher		15 students per teacher		3 of 35
	Secondary education	19 students per teacher		14 students per teacher		4 of 36
	Total intended instruction time for students (hours)	2011		2011		
D1.1	Primary education	m		4717 hours		m
	Lower secondary education	m		3034 hours		m
	Number of hours of teaching time per year (for teachers in public institutions)	2011	2000	2011	2000	
D4.2	Pre-primary education	m		994 hours		m
	Primary education	m	m	790 hours	780 hours	m
	Lower secondary education	m	m	709 hours	697 hours	m
	Upper secondary education	m	m	664 hours	628 hours	m
	Index of change in statutory teachers' salaries for teachers with 15 years of experience/minimum training (2000 = 100)	2011	2008	2011	2008	
D3.4	Primary school teachers	m	m	120	120	m
	Lower secondary school teachers	m	m	116	116	m
	Upper secondary school teachers	m	m	117	118	m
	Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education	2011		2011		
D3.2	Pre-primary school teachers	m		0.80		m
	Primary school teachers	m		0.82		m
	Lower secondary school teachers	m		0.85		m
	Upper secondary school teachers	m		0.89		m

* Countries are ranked in descending order of values.

** Compared to people with upper secondary education; upper secondary = 100.

'm': data is not available.