SEGMENTATION BY GENDER AND REGION IN THE BRAZILIAN LABOR MARKET: 2002-2014

Christian DUARTE
Carlos SALAS

ABSTRACT

The neoliberal macroeconomic agenda applied in Brazil during the 1990s aimed to reach currency stability through a fixed exchange rate, which was supported by a pernicious policy of attraction of foreign currency by increasing interest rates and the privatization, which also served the purpose of reducing the state's role. Finally, social policy included in this agenda was restricted to the most vulnerable groups. Despite taming inflation, the consequences of this set of policies were slow output growth, rising public debt, imbalances in the external accounts, loss of the role of the industrial sector and climbing unemployment (Manzano, Salas and Santos, 2015).

The rise of a center-left government in 2003 represented a slow but clear reorientation of the Brazilian economy. Slowly, because the government opted for continuity of contractionary fiscal and monetary policies - bulky primary surpluses and inflation targeting regime - and the free-floating exchange rate, the so-called "macroeconomic tripod." Clear, because the government was able to translate its popular support for policies aimed at generating employment and income for the whole of society, such as formalization of employment relationships, increased wages and salaries and active income transfer policies and recovery of the minimum wage purchasing power.

Thus, the period 2003-2010 was marked by substantial improvement in Brazilian labor market indicators, with declining trends in unemployment and wage inequality and wage real gains, that had great impact changes in the base of the country´s social pyramid. Recent research shows that 94.8% of jobs generated in 2000 had reduced income, mainly in the service sector, trade, construction and the textile and clothing industry. Moreover, almost 60% of these jobs were held by women, 80% by non-whites and half of the jobs were created in the Northeast, North and Midwest regions of Brazil relatively backward relative to the South and Southeast regions.

This paper investigates the impact of changes occurring in the Brazilian labor market in the last decade on the profile of low-income working in the country. We seek to understand how employment generation policies and income and reducing inequality contributed to change

the composition of low-income workers in the indentations by gender, region and degree of job insecurity. We define "precarious work" in opposition to "standard" work, and thus it includes atypical forms of employment such as fixed-term contracts, lack of labor rights, low wages and others where working conditions are systematically worse than the “standard” employment relation". Here we follow Rodgers (1989), which defines a precarious employment as the presence of different characteristics that interact with each other leaving the worker in a fragile situation. Thus, not all instability implies a precarious labor: self-employed providing specialized services, with good yields and has great autonomy in defining their work can not be considered precarious despite the instability of their working relations.

The hypothesis is that the changes occurred in this period meant, in general terms, a reduction of regional income inequality and precarious work, without, however, significantly change the low-income worker profile, that is those changes partially preserved a historically exclusionary feature of the Brazilian labor market.

One possible explanation for this phenomenon is the spatial and gender segmentation present in the country's labor market. The primary sector - characterized by stable working conditions, large-scale production processes and capital-intensive and skilled workers with good wages - is usually associated with the South and Southeast regions of Brazil, with a male predominance. On the other hand, the secondary sector - with unstable jobs, low wages, with low skilled labor allocated to small-scale production with low capital intensity - has increased female participation and it is located in relatively backward regions.

In other words, throughout the country, labor markets conditions are worse for women than for men, while for both genders, participation in regional labor markets outside the South-Southeast means greater difficulties to get good quality jobs. In this sense, while the wage gap was reduced in Brazil over the years 2000, the segmentation of the labor market ended up not being mitigated, which meant maintaining a structure, albeit, with a more equitable wage distribution, that reproduces inequalities by gender and region.

Christian Duarte - Instituto de Economia/Cesit UNICAMP | chris.duartec@gmail.com

Carlos Salas - Instituto de Economia/Cesit UNICAMP | csalasp51@gmail.com