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UNEMPLOYMENT RATE IN BRAZIL

Abstract: the article addresses the recent evolution of unemployment in Brazil. It shows how the financial crisis in Brazil affected the population in order, causing cyclical unemployment in the country, including retrospective of the Brazilian labor market from 2012 to the present day. Nowadays, the unemployment rate is around 11,8 %, which results in almost 12 million unemployed people. Also, consequences of such a high rate in the country and in the international scenario.

Key words: Brazil, unemployment rate, labor market

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УРОВЕНЬ БЕЗРАБОТИЦЫ В БРАЗИЛИИ

Аннотация: в статье рассматривается динамика безработицы в Бразилии. Показано влияние финансового кризиса в Бразилии на население страны и рост циклической безработицы, а также исследование бразильского рынка труда с 2012 года по сегодняшний день. В настоящее время уровень безработицы достиг 11,8%, что составляет почти 12 миллионов безработных. Исследованы последствия такого высокого уровня безработицы для экономики страны и в международном масштабе.

Ключевые слова: Бразилия, уровень безработицы, рынок труда

The Federative Republic of Brazil is the 5th largest country in the world, and the biggest in south America occupying 48% of the total area with 8.511.000 km² and a population of almost 217 million people [3]. Since 2014, the political crisis began to affect the economic sector. Brazil was beginning to lose its credibility and foreign investors felt insecure to invest in the country's companies. The economic crisis in Brazil was showing signs. In order not to have an increase in inflation and to avoid the economic crisis in Brazil, public tariffs were frozen. But some companies in the electricity sector broke the contract and the population ended up paying more. The technical recession started in 2014. The Growth Domestic Product (GDP) decreased by 3.8%, as well as industrial production and real wage. As one of the major consequences of the crisis, we have high unemployment rate [5].

Unemployment occurs when a person who is actively searching for employment is unable to find work [4]. At the end of 2019 the Brazilian Institute of Geography and Statistics (IBGE), said the unemployment rate was 11,8% reaching 12.5 million people [6]. This kind of unemployment economically speaking is called cyclical unemployment, that is, it occurs when there is a recession in the economy, which means a retraction in production. Companies are forced to lay off their employees to cut expenses. Therefore, being unemployed means being in a situation in which you have no official link with any employing institution, having no other sources of income, but the factors that can condition this situation, may vary [3].

As a result of such a high unemployment rate, many Brazilians started to enter in informal works. Informal work, regardless of the criteria used to measure it, has always been historically high in Brazil. As a general rule, it always represents between 40% and 50% of the employed population in Brazil [5]. There are several reasons for this, ranging from the scarcity of opportunities in the formal market, to the wide possibility of entering this sector, due to the facilities to combine labor and social security benefits, thus financing its entry into informality. Informal work is always associated with the precariousness of this type of occupation. Nowadays, countless other forms of work have appeared in the occupational spectrum of the

labor market, with no record, for example, applications such as Uber, 99, iFood, Rappi, among others, have seen rapid growth in recent times, being a source of income for about 4 million self-employed workers [5].

Compared to other Mercosul countries, Brazil has the lowest unemployment rate occupying the 4th position. It establishes an integration, initially economic, currently configured in a customs union, in which there is free intra-area trade and common commercial policy among member countries. It was founded after the Treaty of Asunción, in 1991, by Argentina, Brazil, Paraguay and Uruguay [2].

Table 1- Unemployment rate in countries - members of Mercosul [1,8,9].

Members of Mercosul	Unemployment rate (%)
Paraguay	6,2
Uruguay	9,8
Argentina	10,6
Brazil	11,8

The number of unemployed people in the world is expected to increase to 190.5 million this year, showed a report by the International Labor Organization (ILO). In its annual report on employment in the world, an ILO indicates that, after "relatively stable in the past nine years", unemployment worldwide is expected to increase again due to the slowdown in economic growth.

The number of unemployed is expected to increase by 2.5 million in 2020 because, while the labor force increases, not enough jobs are being created to absorb newcomers into the labor market. The global unemployment rate was 5.4% in 2019 and is expected to remain around that value for the next two years

In regards of final considerations, it would be beneficial for the government to create a link, facilitating the formalization of informal jobs. With that measure, GDP would increase, consequently, industries would grow to create more vacancy for workers, decreasing the unemployment rate.

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