

## **Call for contributions to report contemporary forms of slavery in the informal economy**

### **1. What is your understanding of the term “informal economy”?**

The term “informal economy” regards activities that are outside formality, those that are not recognized by the government, for instance: activities that do not issue invoices and do not register their workers, and consequently do not contribute to taxes and government charges. Such an economy is characterized by the mitigation of labor rights and a low or nonexistent social protection; its emergence stems from numerous causes, amongst them: excessive State bureaucracy, the country's economic crisis, the high number of taxes and the high number of unemployed, who, due to lack of opportunities, look for other solutions.

### **2. What are the examples of informal employment in your country?**

Unfortunately, the informal economy is very much present in underdeveloped countries. In Brazil, many are the situations that can serve as examples, from the simplest, such as street vendors, pedlars, manicurists and neighborhood markets, to the most complex, such as drug trafficking and prostitution.

### **3. In which sectors (eg domestic work, agriculture, the manufacturing industry, street vending, garbage collection, among others) is labor exploitation linked/happens? Please provide details about the nature and extent of this exploitation, including forced labor, domestic servitude and child labor?**

According to the Labor Inspection Subsecretariat (SIT), in the Report issued in 2021, there were 443 tax actions, which rescued about 1937 workers in a situation of contemporary slavery - an increase of 106% compared to 2020. It appears that 47.7% of those rescued were in an agricultural activity (among this percentage, there are about 33.55% in coffee cultivation; 23.27% in garlic planting; 16.34% in land preparation or pasture; 15.37% in sugarcane plantations; and 11.47% in cattle raising) and 11.10% of the workers were in the manufacture of charcoal.

In fact, amidst all rescued workers, circa 89% (1727 victims) were in rural areas; only about 11% (210 victims) were in urban areas; among the percentage there are only 27 victims who performed domestic slave labor. In relation to child slave labor, about 1800 rescued children and adolescents, around 48% of victims, performed work as classified according to the Convention 182 of the International Labor Organization (ILO) - ratified by Decree n° 6481 of 2008.

### **4. What is the percentage of informal labor in your country's economy?**

According to the Brazilian Institute of Geography and Statistics (IBGE), through the National Household Sample Survey (PNAD), in the third trimester of 2021, it is known that about 40.6% of the working population (86.7 million people) is in informal work, this corresponds to near 38 million people.

### **5. Who is employed in the informal sector in your country? Please provide details regarding gender, sexual orientation, race, ethnicity, age, nationality, as well as social and/or economic status. Were some categories of workers affected by contemporary forms of slavery more than others? If yes, please explain why.**

The people who are most employed in the informal sector in Brazil, according to the IBGE (Brazilian Institute of Geography and Statistics), are workers employed in the private sector without a formal contract, domestic workers without a formal contract, employers without registration in the National Registry of Legal Entities (CNPJ), self-employed without registration with the CNPJ and auxiliary family worker.

According to the 2020 Synthesis of Social Indicators, carried out by the IBGE, it was recorded that, in 2019, 39.3 million people were working in the aforementioned five modalities (employed without a formal contract, domestic worker without a formal contract, non-contributing self-employed, non-registered employer taxpayer and auxiliary family worker), which represented 41.6% of the working population, the highest percentage in the series. Furthermore, the category that most employs in the informal sector is services, commerce and agriculture.

Moreover, the informal sector in Brazil is predominantly characterized by male and white people. Finally, with regard to the education of these workers, it appears that there is a predominant participation of workers with high school or higher education, complete or not.

In addition, according to the Labor Inspection Department (SIT), the social profile of those rescued is characterized by being male workers, originally from the Northeast region of Brazil, self-declared as black or brown, illiterate or with low formal education. Thus, it appears that the victims of contemporary slave labor in Brazil are, for the most part, belonging to vulnerable and socially excluded social groups; people who go to other regions of the country in search of better opportunities and, therefore, end up surrendering to the false promises of the recruiters, accepting any job offer.

As for the rescue, it can be seen that there are rescued workers either in the rural area (agriculture) or in the urban area (civil construction, textile industry and domestic work, for example).

**6. What are the main factors that, in the informal economy, force/drive workers to resort to these practices (for example: absence of employment contracts, access to employment benefits and protections, complaints mechanisms and greater protection/regulation by part of the States)?**

Firstly, informality can be analyzed from the context of unemployment, the absence of policies to support workers and the precariousness of work. Unemployed people, faced with a lack of income, are forced to perform “bicos” (temporary and improvised jobs) or start their own business informally.

From the perspective of the precariousness of work, it is noted that jobs with low wages, precarious working conditions (phenomenon of “uberization” of work – originated from the Uber app –and creation of the freelancer role), lack of stimulus to the worker, but also the occurrence of violence and harassment are factors which gradually push workers away from formal employment.

Furthermore, according to the IBGE's (Brazilian Institute of Geography and Statistics) 2020 Synthesis of Social Indicators, since 2015 there has been a continuous reduction in the participation of employees with a formal employment relationship, which reached the lowest

level (47.3%), in 2019. On the other hand, the portions of the employed population without a formal contract and, mainly, of self-employed workers recorded continuous increases from 2015. Also, according to the IBGE, in the 3rd trimester of 2021, individuals between 25 and 39 years of age were the largest group of unemployed people in Brazil; by sex, it is clear that women were the ones who suffered the most with unemployment.

In this scenario, the insurgency of entrepreneurship principles by workers, the non-subordination to a boss, independence, the possibility of their own organization of work (as a mode of production and working day) and the immediate income gradually boost workers to resort to informality. Therefore, an aversion to formal employment is created, which is judged as something rigid, controlling and insufficient to meet immediate personal demands.

In line with this, according to the Continuous National Household Sample Survey – IBGE (PNAD Contínua), it can be seen that from 2012 to 2019, the proportion of self-employed workers went from 22.8% to 25.8% and that of employees in the private sector with a formal contract dropped from 38, 4% to 35.8%. At the same time as this increase, it is inferred that informality entails numerous consequences for the worker, such as the absence of contribution to social security, paid leaves and other social protection mechanisms linked to formalization, which is still an option chosen by Brazilians.

## **7. Are contemporary forms of slavery in the informal economy more frequent in urban or rural areas? Please provide details.**

According to data from the Inspection Division for the Eradication of Slave Labor (Detrae), it can be concluded that when analyzing the profile of those rescued, about 45% of the rescued workers are over 18 years old and have never had a formal job; 57% had no or only one admission to the formal job market; and 72% had a maximum of three admissions recorded in their work history. In view of this, the Labor Inspection Secretariat (SIT), which is linked to the Ministry of Labor, explained that, in 2021, the Labor Tax Auditors rescued 1937 workers who were in a situation of modern slavery. Of this number, 1727 (89%) were rural workers and the remaining 210 (11%) were urban workers. It is also worth noting that, in that year, 27 victims of domestic slave labor were rescued in urban areas.

The SIT also details the economic activities in rural areas with the highest incidence of rescues carried out by Labor Tax Auditors. According to the secretariat, in 2021, the highest numbers of rescued people were in: coffee cultivation, garlic cultivation, charcoal production, land preparation, sugarcane cultivation and cattle breeding. In these six rural economic activities alone, 1397 workers were rescued in a situation similar to slavery.

## **8. What are the legislative and other measures that have been put in place to fight the informal nature of work in your country?**

In 2017, the National Congress approved the labor reform that changed several provisions of the Consolidation of Labor Laws (CLT). The initial idea of such a reform was a supposed modernization of the employment relationship with the intention of reducing the high unemployment rate in the country. However, what is observed as a consequence of this reform is the increase in the rate of informal jobs, that is, those that do not afford workers their basic rights as determined in the CLT. These workers without registration in the Work and Social Security Card, in addition to the self-employed who are not present in the National Register of Legal Entities, reached 41% of the working population, according to the Brazilian Institute of

Geography and Statistics (IBGE). This phenomenon is studied by researchers as an event of the “uberization” of work – originated from the Uber app.

Added to this, in the period of the COVID-19 pandemic, the amount destined for the fight against slave labor shrank by more than 40% which, in the words of the representative of the Union of tax auditors, had a strong impact on combat actions.

However, the Labor Tax Auditors, the Public Ministry of Labor (MPT) and other civil society entities continue in the tireless struggle for the dignity of Brazilian workers. In view of this, in 2021, Ordinance number 3484 of the Ministry of Women, Family and Human Rights (MDH) was published, which established the so-called Fluxo Nacional de Atendimento às Vítimas de Trabalho Escravo (National Flow for Assistance to Victims of Slave Labor), which aims to promote specialized and systematized care for victims of slave labor, which mostly come from informal work, through the integrated and organized action of its protection network.

The Flow System is based on three pillars: from Complaint to Planning, in which the Labor Inspection Department will act; the Rescue, where the Labor Tax Auditors and other public bodies will act and the Post Rescue, in which the appropriate public bodies and civil society entities, such as the Clínica de Enfrentamento ao Trabalho Escravo (Clinic for Combating Slave Labor – CETE), will act in the monitoring of victims and their families, so that their situation of social vulnerability can be overcome.

#### **9. What types of complaint/denunciation mechanisms exist for workers to address violations of their human rights, including contemporary forms of slavery?**

In Brazil, there are three forms of reporting violations of labor rights: firstly on the internet where the worker can report it through the Federal Government website through the Ipê System, and also through Dial 158 and 100, in which the service works from Monday to Saturday from 7 am. at 7 pm (Brasilia time), which serves the entire national territory. Secondly, there is the possibility of being on the Federal Police and Federal Highway Police channel (Dial 191) as well. And finally, complaints can be made directly to the Public Ministry of Labor (MPT) physically or through the website; to the Public Defender's Office of the Union; and, to the Clínica de Enfrentamento ao Trabalho Escravo (Clinic for Combating Slave Labor – CETE).

#### **10. Is your country's labor inspection required to inspect the informal sector and take action if labor abuse/exploitation is detected?**

In Brazil, all labor sectors can be investigated when there is a complaint, and mainly the informal sectors are the most exploited, where people are placed in situations of modern slavery. After the complaint, which is an affirmation that there is some type of exploitation/abuse of workers, the Public Ministry of Labor (MPT) begins its investigative procedure to collect evidence and necessary elements. During this investigation, an inspection by tax auditors, prosecutors and the federal police might locate workers that are being exploited. If such exploitation is verified, these workers are rescued.

#### **11. What kind of financial, legal or other assistance is there for victims/survivors of contemporary forms of slavery in the informal economy?**

In Brazil, victims of contemporary slave labor are entitled to receive their labor credits - severance pay and indemnities -, to collect their working time and service guarantee fund (FGTS), to union contributions and to receive unemployment insurance for up to 3 months. Workers can also receive free legal assistance from the Public Defender's Office and from Legal Practice Centers of Law Schools. Finally, they can receive assistance from the Public Labor Ministry.

But it is important to recall that victims of slave labor can receive all forms of social assistance through the actions of the Fluxo Nacional de Atendimento às Vítimas de Trabalho Escravo (National Flow for Assistance to Victims of Slave Labor).

**12. What role, if any, do civil society organizations and trade unions play in preventing informal workers from being subjected to contemporary forms of slavery in your country? Please give examples.**

Firstly, unions and civil society organizations can, according to the Fluxo Nacional de Atendimento às Vítimas de Trabalho Escravo (National Flow for Assistance to Victims of Slave Labor), welcome and accompany victims of slave labor – they are also authorized to accompany the regularization of immigrants' documents. All post-rescue assistance prevents the worker from returning to slave labor.

Another important role of these organizations is explaining to workers their rights and the crime of reducing someone to the condition of a slave. As an example we have the dissemination of booklets to fight slave labor carried out by the Clínica de Enfrentamento ao Trabalho Escravo (Clinic for Combating Slave Labor – CETE) and the Pastoral Land Commission.