

# Workers in Informal Employment in Brazil: A Statistical Snapshot of 2019 and 2020

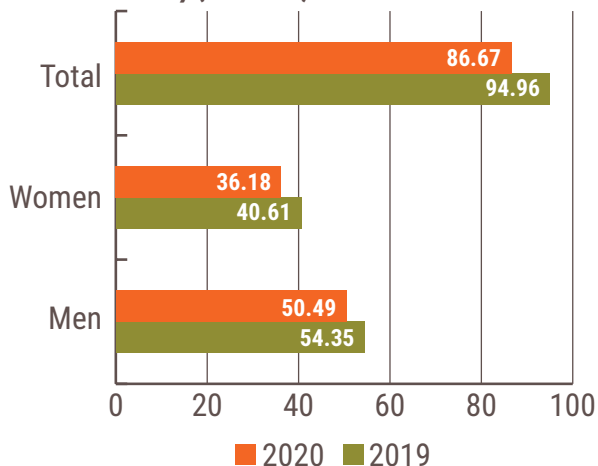
This snapshot examines data on informal employment in Brazil nationally in 2019 and 2020, with a focus on five groups of workers who are mainly informally employed.

## Employment in Brazil

The COVID-19 pandemic had a great impact on employment in Brazil.

In 2020, after the COVID-19 crisis began, the rate of employment dropped to 51 per cent and the number of people employed also declined sharply (**figure 1**): 8.3 million Brazilians lost their work nationally between 2019 and 2020. Women suffered greater losses than men: 4.4 million against 3.9 million (**figure 2**).

**Figure 1: Numbers of total employed in Brazil nationally (millions)**



## Informal Employment

70 per cent of those who lost work in 2020 were informally employed.

For many years leading up to 2020, 41 per cent of Brazil's employment was informal. Then COVID-19 struck.

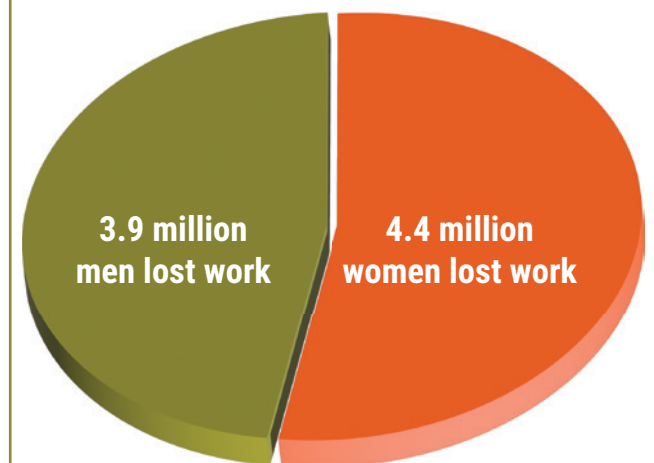
Workers in informal employment are often the poorest and most vulnerable of workers—in 2020, 5.8 million informally employed workers suffered the loss of work. This caused the rate of informal employment among the total employed to fall to under 39 per cent—not because the number of formal jobs increased, but because more informal jobs than formal jobs were lost during the pandemic.

About 15 per cent of the informal workforce lost work, compared to 5 per cent of the formal workforce.

### In Brazil informal employment includes:

- Employees without a working card (*carteira de trabalho assinada*)
- Employers and own-account persons not contributing to social security
- Contributing family members.

**Figure 2: In total, 8.3 million workers in Brazil lost employment**



## 5 Groups of Workers

**WIEGO focuses on five groups of workers that typically are informally employed. In 2019 they accounted for about one-quarter of all informal workers in Brazil and around 15 per cent of total employment—or 14 million workers. The following data are for Brazil, nationally, in 2019.**

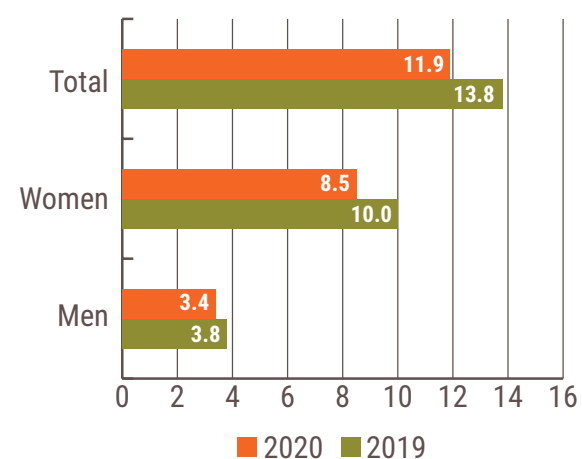
1. **Domestic workers** provide services in the homes of others. In 2019:
  - 6 million workers in Brazil
  - 6% of total employment
  - 73% are informally employed
2. **Home-based workers** produce goods or provide services from, in, or around their own home, including a structure attached to their home.
  - 4 million workers in Brazil
  - 4% of national employment
  - 77% are informally employed
3. **Market traders** sell goods and offer services in public markets. In 2019:
  - 650,000 market traders in Brazil
  - < 1% of national employment
  - 84% are informally employed
4. **Street vendors** sell products or offer services in public spaces (streets, alleys, avenues, parks, etc.). In 2019:
  - 3 million workers in Brazil
  - 3% of national employment
  - 75% are informally employed
5. **Catadores (waste pickers)** collect, sort, and sell recyclable material (paper, cardboard, glass, ferrous and non-ferrous and other reusable materials).
  - at least 250,000 workers in Brazil
  - 87% are informally employed

**Almost half of the workers in these groups are own-account workers, compared to only 22–25% of all workers.**

- In four of the groups, the majority are own-account workers: home-based workers (90%), market traders (64%), street vendors (89%) and waste pickers (71%).
- Almost all (99%) of domestic workers are employees.

*These groups were on the front lines of job loss in the COVID-19 crisis. Over 1.9 million nationally lost their work between 2019 and 2020.*

**Figure 3: Employment in the 5 Groups: Women and Men, 2019 vs 2020 (millions)**



### Women and Men in the 5 Groups

- These groups are a more important source of employment for women than men, comprising 25% of women’s employment in Brazil, compared to 7% of men’s in 2019.
- 1.55 million women in these groups lost their work - four times more than the 370,000 men who lost their work (**figure 3**).

## Earnings

These five groups are twice as likely as the total employed population to earn less than the minimum monthly wage in Brazil, and COVID-19 widened the gap.

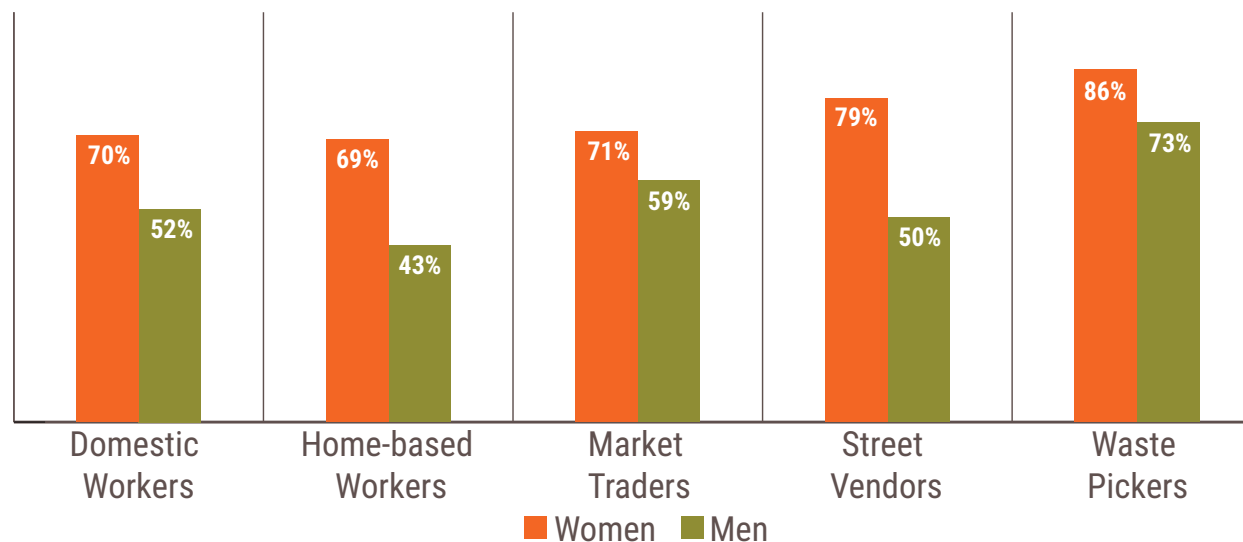
### 2019

- Almost 60% earned less than the minimum wage per month (gross earnings).
- Earnings tend to be much lower for women than for men across the five groups.
  - Women: 63–64% earn less than the minimum wage.
  - Men: 42–43% earn less than the minimum wage.
- Waste pickers tend to be the poorest, with 70% earning less than the minimum wage.

### 2020

- COVID-19 lowered earnings for almost all groups (**figure 4**).
- The gender gap remained relatively unchanged in 2020. The vast majority of women in these groups were already in a very precarious situation before the COVID-19 crisis.
- Street vendors as a group had the greatest decline in earnings: 65% earned less than the minimum wage (up from 55% in 2019).

Figure 4: Workers in the 5 Groups Earning Less than Minimum Wage: Women and Men in 2020



### About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit [www.wiego.org](http://www.wiego.org)

See [www.wiego.org/wiego-publication-series](http://www.wiego.org/wiego-publication-series).

### About this Data

Data in this document are derived from *Informal Workers in Brazil: A Statistical Profile* by Mathilde Bouvier, Joann Vanek and François Roubaud. 2022. WIEGO Statistical Brief No. 33. Available at: <https://www.wiego.org/publications/informal-workers-brazil-statistical-profile>



### These 5 groups provide an important source of employment nationally for:

#### OLDER WORKERS

Employment at ages 55 and older is 19% among the five groups taken together, compared to 13% among Brazil's total employed (2019).

**For women** in the five groups, 18% are 55 or older, compared to 21% of men.

**Waste pickers** have the highest share of older workers, at 25%

#### WORKERS WITH LIMITED FORMAL EDUCATION

In the five groups, 46% of workers have only a primary education in comparison to 31% among all employed (2019).

**For women**, the difference is much greater: 48% of women in these groups and 24% in total employment have only a primary education.

**Waste pickers** have the lowest levels of education.

#### BLACK OR MIXED-RACE WORKERS

A higher proportion of black or mixed-race individuals are employed in these 5 groups as compared to total employment (2019).

**Among women**, the difference is more pronounced: 63% are black or mixed-race in these groups compared to 53% of all employed women.

## The New Home-Based Workers – São Paulo

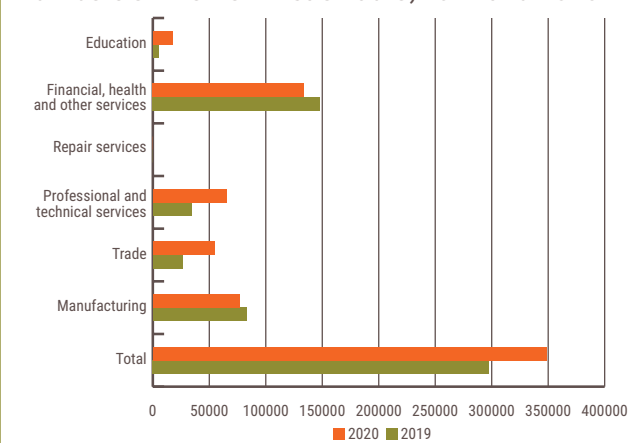
Traditionally, home-based workers have made products and provided repairs or other, largely non-professional, services from their homes. The increasing use of digital technology has allowed workers from offices, schools and other institutions to work at home. The COVID-19 pandemic accelerated this trend in Brazil, especially in São Paulo.

Between 2019 and 2020, the number of women home-based workers grew by around 50,000 in São Paulo. This changed the distribution of home-based work across industry sectors, with an increased share in categories that previously were less likely to be home-based. All industry categories increased except manufacturing and financial, health and other services; however, the latter category continued to be the largest, accounting for almost 40 per cent of women home-based workers in the city (figure 5).

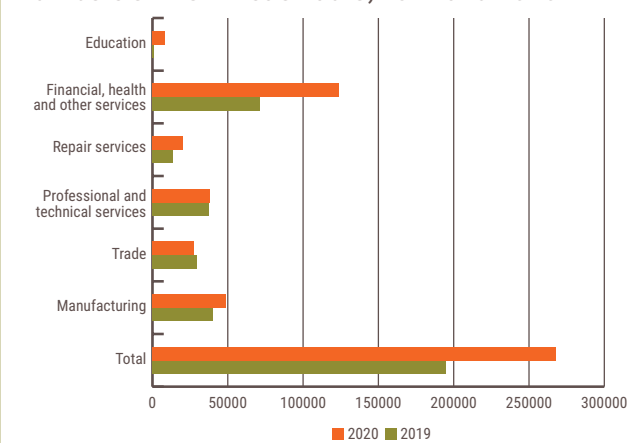
The number of men home-based workers increased by around 73,000 in São Paulo. Every industry except trade saw an increase, but the major increase for men was in financial, health and other services (figure 6).

The increase in the number of professionals, educators and office workers who began working from home in 2020 led to changes in the informality rate and the level of earnings in São Paulo.

**Figure 5: Home-based Workers by Industry: Numbers of Women in Sao Paulo, 2019 and 2020**



**Figure 6: Home-based Workers by Industry: Numbers of Men in Sao Paulo, 2019 and 2020**



### The rate of informality for home-based workers dropped:

- 2019: 73% of women and 68% of men were informal.
- 2020: 55% of women and 48% of men were informal.

### The percentage of those earning three times the minimum wage increased.

- In 2019: 26%
- In 2020: 31%