

# BRAZIL WORKS

*Ciett Brazil demonstrates potential for well-functioning labour markets argues Denis Pennel, managing director of Ciett.*



The board of Ciett, representing the global employment and recruitment industry, took a week-long fact-finding mission to Brazil at the start of March to explore the status and future of the private employment services sector. Taking in both Brasilia and Sao Paulo the trip provided us with the chance to explore the opportunities and challenges faced by the industry.

Brazil accounts for seven per cent of the global recruitment and employment industry market with 1.9 per cent of those seven per cent attributed to agency work. A large part of the Brazilian market is made up of HR services such as Recruitment Process Outsourcing which accounted for over 1.6 million people in Brazil in 2014. While there are over 600,000 agency workers in Brazil, a market penetration rate of just 0.6 per cent shows that with more adequate regulation on agency work Brazil is an area ripe for expansion given the right market and regulatory conditions.

Our host throughout the week was the trade organisation of Temporary, Outsourced and Consulting Human Resources Service Provision for the Sao Paulo area, Sindeprestem. A services sector trade organisation, Sindeprestem represents some 5,000 companies and employs 800,000 specialised workers per month on a formal basis and 300,000 temporary workers each day. We kicked off our trip with a series of face to face meetings in Brasilia. Our Ciett Board delegation which included president Annemarie Muntz, vice-president Hans Leentjes, and myself, met with the Brazilian secretary of labour and members of the senate and chamber of

deputies, and exchanged views on the trends and challenges facing the industry. We also learned more about the specifics of the Brazilian market. The primary objective of our discussions was to drive better understanding of our industry and convince policy makers that appropriate legislation on agency work is needed in order to better combine flexibility with security and meet the requirements of today's businesses. Currently the temporary agency work sector faces significant restrictions in Brazil. Regulation governing our sector dates back to 1974 and provides only two instances in which temporary agency work can be used. It also restricts the maximum assignment length to just three months and provides limited options for renewal. As a result employers have no option than to turn to other forms of flexible work which may offer less protection to workers. The ILO Convention 181 on private employment agencies provides an excellent basis for appropriate legislation and we were delighted when, during our visit, deputy Laércio Oliveira submitted a motion to the chamber of deputies urging the government to promote its ratification.

### **Better labour markets**

In addition to a series of bi-lateral meetings, Ciett took part in a day-long forum entitled The Contribution of Private Employment Services to a better functioning labour market in Brazil, held in Sao Paulo on the penultimate day of our visit.

The session gathered some 70 people working in the employment field, in addition to the full Ciett board, and featured presentations and panel sessions exploring key labour market challenges. The event was officially opened by Sindeprestem president, Vander Moraes, and Ciett president Annemarie Muntz spoke on the subject of job creation, inclusiveness and adaptation to change and how the private employment sector contributes to all three. She emphasised how regulation needed to be adjusted to allow the industry to play a positive role in the labour market.

Several Ciett Board members took part in a panel debate on international benchmarks, and discussed what could be learned from agency work regulation and organisation practices in other parts of the world. The session sought to identify some best-in-class strategies that could be adopted in Brazil. I had the honour of bringing the forum to a close with my presentation on Regulation, image and decent work. In it I outlined the ingredients needed to unleash the positive role played by private employment services in the delivery of growth and jobs. Ciett promotes the contribution of millions of agency workers to the economy and works hand in hand with governments, the ILO, OECD and EU institutions to fight illegal work and social dumping and promote decent jobs and inclusive labour markets. I am convinced that Brazil, along with many other emerging markets around the world, can benefit from a better regulated employment and recruitment industry and I look forward to working closely with them in realising their full potential. ■