Brazil modernizes its labour legislation

The International Organization of Employers (IOE) stresses the importance of reforming labour legislation in order to strengthen the competitiveness of businesses, while safeguarding the basic rights of employees. Such reforms are not always easy, and require determination and commitment to succeed. Only then can reform lead to the kind of positive results that workers, employers and society as a whole are calling for.

In this context, the labour reform passed by the Chamber of Deputies and of Senators of the Federal Republic of Brazil, which will come into force on 11 November 2017, aims to provide greater legal certainty and to foster a climate of cooperation in the workplace, thereby promoting an improved environment for business growth, contributing to economic growth and benefiting both workers and companies in order to advance the social and economic development of Brazilian society.

This labour reform, if successfully implemented, may be the vital step which enables Brazil to emerge from its crisis. The strengthening and modernization of collective bargaining may result in a return to growth, because of the stronger legal guarantees and greater flexibility in industrial relations it offers, introducing clear measures to establish a positive business environment that can be adapted to different social and productive contexts, encouraging investment and generating new jobs as a result.

The modernization of Brazil's labour legislation has been the subject of debate for some time, owing to the fact that this legislation, which dates back to 1943, makes no allowance for the new types of work and production that have emerged from the development experienced by the Federal Republic of Brazil and its labour market in recent decades. The issue of strengthening and appreciating the value of collective bargaining in particular, has been discussed in many forums, including tripartite working groups. It is important, therefore, that the step taken by the Government of Brazil be subject to international scrutiny and receive the widest possible backing.

According to the CNI, this labour reform is the outcome of a process that entailed over 20 public hearings in order to hear all the parties involved, guaranteeing all relevant social sectors the right to contribute, including workers and employers. It has passed through both the Chamber of Deputies and of Senators, being approved with a sizeable majority of votes.
Some of the points that have been changed under the reform:

1. Employee representation committee
2. The contribution of trade unions
3. Employment contracts
4. Non-pecuniary losses
5. The working day
6. Justice and work procedure
7. Collective bargaining
8. Individual negotiation
9. Termination and liquidation of contracts
10. Outsourcing
11. Employment of women
12. Company liability

You can find further information here.

Yours sincerely,

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