

**MINISTRY OF LABOR AND EMPLOYMENT (MTE)  
SECRETARIAT OF PUBLIC POLICIES FOR EMPLOYMENT (SPPE)**

# **The Brazilian National Employment System (SINE) and its link with the private sector**

Workshop “Decentralized Public Employment Services and their Linkage with  
the Business World”

*Mexico City*

*March 16, 2011*



# Creation and objectives of the National Employment System (SINE)

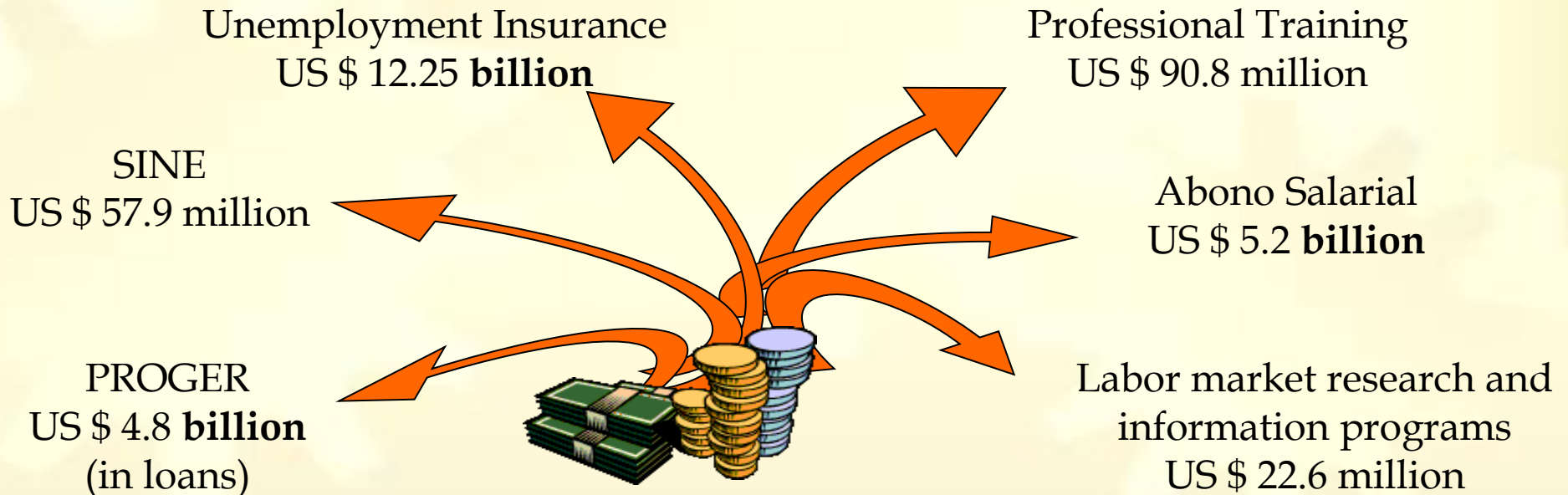
- SINE was created by presidential decree in 1975, under the coordination and supervision of the Ministry of Labor and Employment. It follows ILO Convention 88. Its main objectives are:
  - ✓ To maintain employment services and offices throughout the country
  - ✓ To establish conditions to balance supply and demand in the labor market
  - ✓ To organize a labor market research and information system

Today the SINE network is present in all 27 states,  
and is comprised of nearly 1,400 offices.

- As of 1990, SINE was incorporated into the Unemployment Insurance Program, which provided for:
  - ✓ Greater emphasis on integration between job placement, professional training and unemployment insurance
  - ✓ Financing stability, through the creation of the Worker's Support Fund (FAT)

# The Worker's Support Fund (FAT)

- The Fund is geared at financing the Unemployment Insurance Program (which includes SINE, professional training, and labor market research and information programs) and an income credit program for low-income workers (Abono Salarial). As well as sponsoring economic development initiatives through loans to businesses at special interest rates (PROGER).
- The FAT is managed by a deliberative council, CODEFAT, with representations of workers employers and federal government.
- In 2010, main investments were (US Dollars – rate on March 11, 2011):



# SINE Guidelines, Coordination and Execution

- **Codefat:** establishes guidelines and general rules.
- **Ministry of Labor and Employment:** establishes norms complementary to Codefat rules. Is responsible for planning, monitoring, orienting and controlling policy execution.
- **State and Municipal Employment Committees:** debate and approve action plans which are a mandatory part of agreements with the Federal Government; and are responsible for policy execution follow-up.
- **The execution is decentralized** – partial federal funding with FAT resources, through formal agreements with:
  - ✓ the states and the Federal District;
  - ✓ municipalities over 200 thousand inhabitants; and
  - ✓ non-profit private organizations, selected through public selection processes.

# SINE Services Provided to Employers

- Referral of vacancies to SINE:
  - By telephone;
  - By employer's visit to the local Sine office;
  - As a result of a local Sine agent's visit to a business;
  - By internet, through the new "*Portal MTE Mais Emprego*" (More Jobs website).
- Small auditoriums are available to businesses at some local SINE offices, for recruitment and selection processes by the company's human resources personnel.
- Pre-selection processes conducted according to company's definitions by SINE personnel, at some local offices;
- Orientation about labor laws and non-discrimination;
- Vacancy and worker referral follow-up;
- Professional training courses funded with federal resources for particular sectors of the economy, according to demands presented at concertation commissions;
- Referral of workers to participate in professional training courses offered by companies;
- A few mobile SINE units, working especially in rural areas.

# Involvement of the Private Sector

- There is a lot of involvement at national level, through business representations:
  - participation in Codefat, where general policy guidelines are defined; and
  - participation in concertation commissions which define professional training demands for sectoral plans.
- Participation of business representations at State and Municipal Employment Committees varies greatly from place to place. State Committees tend to be more active than Municipal Committees. (Total of 26 State Committees, 1 District Committee and 3,110 Municipal Committees throughout the country.)
- Direct involvement of individual businesses is greater:
  - in industry and commerce; and
  - amongst small businesses.

Over time, SINE has become stigmatized as dealing only in low qualification jobs. A vicious circle is formed, in which better-paying vacancies are not referred to SINE, and more qualified workers do not apply for jobs using SINE.



# External Evaluation of the Unemployment Insurance Program

- From 2007 to 2010 there was an external evaluation of the Unemployment Insurance Program, including SINE.
- All interested parties were heard, in all 27 states.
- Employers' representations participated in regional workshops and in a national seminar.
- 2000 telephone interviews were conducted, in a national survey with employers.

# Employers Survey Main Results

- ✓ Mostly small or very small businesses use SINE services.
- ✓ Half of employers registered at SINE by telephone, and one third at a local office. But most employers said they prefer face to face contact.
- ✓ The initial treatment received is crucial to the employer's general satisfaction with the service. 97% evaluated attention during employer registration as good or very good.
- ✓ 86% of employers considered the time for vacancy filling to be good or very good.
- ✓ The physical infrastructure available at SINE offices was considered to be good by 76% of employers.
- ✓ 90% said the amount of information requested about vacancies is sufficient.
- ✓ 54% of employers said that workers referred by SINE were only partially adequate to vacancy requirements. This indicates problems in matching processes.
- ✓ Only 29% of employers use SINE as main channel for recruitment.
- ✓ Telephone and internet services must be improved.



# How to Bring Businesses Closer to Sine?

- In 2010 a new computer system was launched, “*Portal MTE Mais Emprego*” (More Jobs website), which is expected to bring businesses closer to SINE. Among others, it will provide internet access to:
  - worker’s résumés;
  - vacancy publishing and follow-up;
  - application for online submittal of unemployment insurance forms (companies are required to fill out specific forms when dismissing workers, so that these may access unemployment insurance benefits);
  - inform the federal government of professional training needs;
  - access the Brazilian Occupation Classification, used in all official labor-related documents (contracts, unemployment insurance forms, etc.).
- Besides providing internet access to SINE services and new vacancy follow-up resources, it is expected that this new tool will improve the matching process between worker and vacancy.

# Services geared at more vulnerable workers – The handicapped

- There are isolated initiatives, together with local executors. The SINE Annual Work Plans require actions of accessibility and inclusion of this public.
- The computer system allows the registrar to inform the subtype of disability.
- During the registration of a vacancy, the employer informs if it is open to people with disabilities, or even specific to handicapped persons, including information of what subtype of disability may be accepted for that particular vacancy.

# Services geared at more vulnerable workers – Rural job placement

- A pilot project is currently being executed in 5 states, to develop a specific methodology for **rural job placement services**.
  - The main objective is to eliminate the intermediary between the worker and the employer, who is considered to be one of the main links in promoting precarious job placements.
  - The methodology includes involvement of local rural workers' and employers' representations, Sine officers, and labor inspectors of the Ministry of Labor and Employment.
  - The project occurs in 12 municipalities identified as frequent providers of workers who end up in modern slavery work relations.

# Study of Good Practices of Public Employment Services in Brazil

- In 2009 a study of good practices of public employment services in Brazil was developed in partnership with the IDB.
- One of the good practices identified, in the state of Paraná, was the Program for the Inclusion of Persons with Disabilities in the Labor Market. It includes:
  - ✓ collaboration with the Public Prosecutor's Office, to educate businesses to hire handicapped people, following legislation quota (2 to 5 %, by number of employees over 100);
  - ✓ professional qualification with the support of companies and institutions for people with disabilities.
  - ✓ But a few challenges are presented:
    - ✓ prejudice against people with disabilities;
    - ✓ lower formal education of people with disabilities; and
    - ✓ higher cost of professional qualification.

# Study of Good Practices of Public Employment Services in Brazil

- Another good practice identified, in the state of Minas Gerais, was an income generation program in the poorer municipalities (Usina do Trabalho):
  - ✓ Sine identifies businesses, formal or self-managed, and verifies their human resources needs.
  - ✓ A diagnosis for intervention is prepared, in cooperation with Unesco, which allows for the preparation of more adequate teaching materials.
  - ✓ Professional training courses are tailored to meet the companies' needs, for workers identified by Sine as more vulnerable.

The image features a background of several interlocking gears in a light beige color, set against a pale yellow backdrop. At the top left corner, a portion of the Brazilian national flag is visible, showing its characteristic green, yellow, and blue colors with a white star and a white band.

**Thank you.**

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