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DOSSIER

New pattern of regional division of labor in Brazil in the first quarter of the 21st century

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Abstract

This study deals with the main characteristics of the new pattern of regional division of labor underway in Brazil in the first quarter of the 21st century. To this aim, it considers the occupational structure in the major geographic regions from a brief panoramic viewpoint, combining a historical perspective with the analysis of recent changes in the productive structure. In the new configuration of the national labor market, in the context of capitalism 4.0, the oversupply of labor in the peripheral states has been greater than the employed population with remuneration.

Keywords: Labor market; Regional inequality – Brazil.

JEL: E20, J21, J46, J70, J82.

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Novo padrão de divisão regional do trabalho no Brasil no primeiro quarto do século XXI

Resumo

O presente estudo trata das principais características do novo padrão de divisão regional do trabalho em curso no Brasil no primeiro quarto do século XXI. Para isso, considera a estrutura ocupacional nas grandes regiões geográficas a partir de uma breve visão panorâmica, combinando uma perspectiva histórica com a análise de mudanças recentes na estrutura produtiva. Na nova configuração do mercado de trabalho nacional, no contexto do capitalismo 4.0, o excedente de mão de obra nos estados periféricos tem sido maior do que a população ocupada com remuneração.

Palavras-chave: Mercado de trabalho; Desigualdade regional – Brasil.

Nuevo patrón de división regional del trabajo en Brasil en el primer cuarto del siglo XXI

Resumen

Este estudio aborda las principales características del nuevo patrón de división regional del trabajo en curso en Brasil en el primer cuarto del siglo XXI. Para ello, considera la estructura ocupacional en las principales regiones geográficas a partir de una breve panorámica, combinando una perspectiva histórica con un análisis de los cambios recientes en la estructura productiva. En la nueva configuración del mercado de trabajo nacional, en el contexto del capitalismo 4.0, el excedente de mano de obra en los estados periféricos ha sido superior a la población ocupada con remuneración.

Palabras clave: Mercado laboral; Desigualdad regional – Brasil.

Nouveau modèle de division régionale du travail au Brésil dans le premier quart du XXI^e siècle

Résumé

Cette étude aborde les principales caractéristiques du nouveau modèle de division régionale du travail en cours au Brésil au cours du premier quart du XXI^e siècle. À cette fin, elle examine la structure professionnelle dans les principales régions géographiques à partir d'une brève vue d'ensemble, en combinant une perspective historique avec une analyse des changements récents dans la structure productive. Dans la nouvelle configuration du marché du travail national, dans le contexte du capitalisme 4.0, l'excédent de main-d'œuvre dans les États périphériques a été supérieur à la population employée rémunérée.

Mots-clés: Marché du travail; Inégalité régionale – Brésil.

Introduction

Preliminary information from the 2022 Demographic Census seems to confirm the unprecedented demographic transition underway in Brazil since the end of the last century. In addition to the slowdown in population growth accompanied by changes in the age, sexual and educational composition of Brazilians, one can also see the impacts resulting from the change of trajectory in the national economy.

In this first quarter of the 21st century, for example, Brazil presents a set of signs that point to the lowering of its participation in the International Division of Labor. To a large extent, this is a direct result of the shift from the condition of an industrialized, complex, integrated and articulated economy until the 1980s to the growing productive specialization anchored in the association of financial rent-seeking with the primary-export model today.

Its multiple effects on the labor situation in Brazil have not ceased to manifest themselves. With the displacement of the economic axis based on the domestic market to the financialized integration in global production chains as a commodity provider, another pattern of regional division of labor has emerged in the country.

Because of this, this paper seeks to present a brief panoramic view of the labor situation in the large geographic regions during the second decade of the 21st century. Before doing so, however, we will briefly discuss the main characteristics of the new pattern of regional division of labor in Brazil.

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1. Patterns of regional division of labor in Brazil

From before the end of the Cold War (1947-1991) until the global financial crisis of 2008, the conditions under which the Global North ruled the world gradually changed. The reactions taken by the United States since the end of the convertibility of the dollar to gold (1973), the military defeat in the Vietnam War (1975), and the energy (oil) political instability generated by the Iranian revolution (1979) sought, in general, to soften the movement set in motion of relative global hegemonic decadence.

The advance of globalization driven by the dictates of the Washington Consensus (1989) questioned the policies of national states, concomitantly with the opening of the imposing path of the economic interests of large transnational corporations, especially American ones. Once again, the direction of capitalist monopolization favored the consolidation of global value chains dominated by the dynamics of financial capital.

All this ended up interrupting the period of deglobalization (1914-1979) that had made possible almost three golden decades of organized capitalism in the second post-World War II period (1939-1945). Even so, it did not prove sufficient to stop the advance of the displacement of the world dynamic center from the West to the East.

The productive restructuring put into accelerated motion inside the world dynamic center had quick and profound repercussions in the peripheral regions and countries that started to reposition themselves in the International Division of Labor. In Latin America and the Caribbean, more specifically in Brazil, the loss of dynamism of the domestic market was occupied by a growing dependence on foreign exchange to be obtained through foreign trade.

In this international context, the former condition of Latin American and Caribbean periphery of the United States was transmuted into a growing dependence on the Chinese economy. From being the first trading partner to the great driver of investments in infrastructure and in the acquisition of national companies, China assumed positions that, in the distant past, Latin American and Caribbean countries held from England since the national independence movements in the early nineteenth century and, more recently, from the United States throughout the twentieth century.

Thus, the historical trajectory of underdevelopment in the region linked to external financial, technological and production dependence and trade of goods with higher added value ended up worsening with globalization. According to the way each country entered the second wave of capitalist globalization that began in the 1980s, different from the first wave led by England between 1815 and 1914, the sovereignty of national states in the region was more or less eroded.

This is because the process of capital accumulation increasingly conducted by the large transnational corporation came under the command of the financial sphere, which directly and indirectly impacted the spatial division of labor. With the ownership structure centralized by the financial capital, the decentralized economic performance of activities, functions, and places has become a valuable mechanism for global competition and absorption of surplus by the large transnational corporation.

In this way, an important part of the region and peripheral countries submitted themselves to the internal efforts of competitive promotion of conditions more favorable to the attraction of foreign capital. The Brazilian economy, in this sense, seems to have conformed to this trajectory since 1990, with the government's option of passively and subordinately entering globalization.

The process of economic, productive, financial, and commercial opening decisively affected the path of conformation of social and labor citizenship regulated and founded on the

society of wage labor initiated by the Revolution of 1930. Faced with the competitive attraction of foreign capital based on financial bonuses provided by high interest rates, domestic production and labor conditions became increasingly unbearable.

The solutions found by the national business community came down to the metamorphosis of the industrial bourgeoisie itself. On one hand, the demobilization of productive capital followed the conversion into financial assets stimulated by real interest rates above any pretension of productive gains, which allowed the operation of the fictitious cycle of updating the stock of old wealth deposited in the banks.

On the other hand, the transition from the old industrial patronage to the commercial import patronage. Thus, the maintenance of part of the factories still operating in Brazil proved possible through the substitution of domestic production by imports.

The gains proved to be extraordinary since they resulted from the cheap acquisition abroad and the expensive domestic sale of the assembled goods in the form of maquiladoras. But for this, the artificial valuation of the national currency became fundamental, materializing the substitution of the production of domestic manufactured goods by imported ones, especially those of higher added value and technologically advanced.

In summary, Brazil faces the emptying of its sovereignty, having regressed in its participation in the International Division of Labor, by depending on the specialization of local production of commodities, with less added value, technological content, and occupation. Without this, however, it can no longer import the goods and services it needs, precisely those of higher added value, technological content, and the creation of good jobs.

The general movement of financialization of wealth and its unfoldings associated with the exchange of national production for imported goods led to deindustrialization and the return of the primary-exporter model. The productive specialization that resulted from the reprimarization of the export roster significantly affected the national economy, especially the North and Central-West regions.

The transition from the old complex, integrated and articulated productive system in force until the 1980s to an economy predominantly producing and exporting commodities nowadays has led to the lowering of Brazil's relative position in the International Division of Labor. In the same way, the internal division of labor in the national territory has had unfavorable repercussions, with the expansion of the presence of the surplus and underutilized population, increasingly subjected to the swelling of very low productivity activities in the popular and subsistence economy.

Faced with the weakening of the centrality of the wage-regulated labor relationship, several governmental attempts in the last three decades pointed to the moral management of the process of relative impoverishment of the population. The process of guaranteeing budgetary income to the growing social mass left over from the rentier and primary-exporter capitalism model allowed the share of Brazilians living off public resources to jump from less than 3% of the total population in 1985 to about 40% in 2020.

In these conditions of deepening underdevelopment, with the undeniable inability of the current capitalist mode of operation to generate quality jobs for all, the working class has been profoundly transformed. In the midst of the advance towards the Digital Age, the monetization of social networks by large transnational corporations stimulated by the process of “datification” of the economy has opened new occupational horizons contaminated by the presence of religious fanaticism and social banditry.

The emergence of a new urban jagunço system, distinct from the past of the nascent capitalism in Brazil, as described by Euclides da Cunha (*Os sertões*, 1902) and Guimarães Rosa (*Grande sertão: veredas*, 1956), finds favorable conditions for its reproduction in the current population surplus, especially located in the coastal regions. Once a modern productive base, constituted by the industrial economic system, the coastal regions have more recently been exposed to the stagnant economic rhythm of per capita income, with relative impoverishment of their populations and the strong presence of open unemployment and under-utilization of the labor force.

On the other hand, the most dynamic economic axis that has been interiorized in the country through the production and exportation of primary goods has prevailed the restrained absorption of labor, with strong concentration of income and low connection with the national economy. Thus, what is economically modern in the national geographic space assumes the form of an enclave, characteristic of a neocolonialism on the prowl.

In the current march to reconfigure the condition of periphery of the West into periphery of the East, Brazil seems to consolidate another pattern of regional division of labor. The following synthetically recovers the salient features of labor in the previous regional patterns as a way to better highlight the current reality of the world of labor in Brazil.

1.1. The archipelago of enclaves and the labor market in formation

Until the 1920s, when the primary-export economic model prevailed throughout the primitive agrarian society, there was no national labor market. The gradual transition to capitalism in Brazil began in the mid-19th century with the end of the slave trade (1850) and

the institutionalization of property rights (Land Law, 1850), of the State as regulator of contracts between parties in the markets (Commercial Code, 1850) and of the Stock Exchange created in Rio de Janeiro (1849) to organize the big private and stock market businesses.

But it was only after two decades of significant social struggle for the abolition of slavery (1868-1888) that forced labor gave way to the beginning of the central functionality of the free labor market to nascent capitalism. After half a century of existence, the employment of free labor in typically capitalist activities in Brazil was not yet in the majority, as revealed by the 1940 Demographic Census.

Besides this, each geographic region had very specific realities that differed from the national convergence. So much so that the national minimum wage, when it was created in 1940, had, for example, 14 distinct levels of values ranging from 240,000 "Réis" to 90,000 "Réis", depending on the situation of each region. That is, the difference of up to 2.7 times between the highest and the lowest value of the minimum wage imposed on employers by the public authorities for formal salaried employment.

To a country with a slaveholding past, the colonial heritage of the old hereditary captaincies demarcated the unification and constitution of a nation of continental territorial dimensions originally operated in the form of a geographic archipelago of trading posts – later transformed into economic enclaves – to mobilize regional labor markets at the end of the 19th century. In more than three centuries of Portuguese colonization, the political and economic unity that was geographically configured was fragile.

Even under the widespread use of slave labor, colonial administration was not unique. The south-central captaincies followed the guidance of the viceroy located in Salvador until 1763 and later in Rio de Janeiro, while the other captaincies in the north and northeast were more directly linked to Lisbon.

The separation by long distances over land, without adequate roads and safety risks of the time, made the interconnection between North and South dependent on maritime transport. It turned out that the grandiose Atlantic coast had more favorable sea currents for navigation between the captaincies of Maranhão and Grão Pará with Portugal than the other captaincies of the Portuguese colony.

So much so that the slave trade was concentrated in the ports of Salvador and Rio de Janeiro, because the sea currents were easier to flow to the African continent. Contrary to the slave trade conducted from Europe (England, France, Holland), which operated triangularly between the American and African continents, the slave trade conducted in the Portuguese colony and enchainned by the Empire of Brazil, was only bilateral with the African continent, indicating lower cost and greater profitability for the traffickers of the time.

So much so that the abundant supply of African slaves allowed the world unprecedented generalization of modern slavery to be adopted in practically all labor-demanding activities. From the clergy with priests and convents, in addition to the monarchic royalty and nobility and landowners, slavery extended from the farm to the big house.

In addition to forced labor in the countryside, the emergence of the cities saw the widespread use of slaves. Rio de Janeiro, in 1850, with about 250 thousand inhabitants, registered 110 thousand African slaves, which was equivalent to almost 45% of the total population.

Although there were already signs of slavery both among the Indians living on the Atlantic coast, as in the experience of the Tupinambás people, and in Africa, as in the case of the Malês people, the idea of work radiated as something inferior. Since the Portuguese colonization, the social and political discredit of those who work imposed its performance by others (indigenous, Africans and white immigrants after the abolition of slavery).

Strange cases such as slaves for hire or rent in the cities, former freed slaves with slave ownership, slave labor in quilombos, as in Palmares, among others, indicated how much the notion of labor in agrarian society was debased, considered a kind of punishment to the inferiors. Despite this, the settlement of the geographic regions occurred with some differentiation in labor identification as in the northern region with an important presence of indigenous miscegenation and in the Southern region motivated by the miscegenation of European immigration.

Even so, the foundation of the nation, demarcated by the conquest of political autonomy through the birth of the Empire of Brazil, the largest in land area at the beginning of the 19th century, continued to be based on monoculture and slavery. Under the prevalence of national unity, the country had its geographic extension increased with several treaties made with neighboring countries to fix the national territorial limits.

Even with the political and administrative centralization of the Empire, the fragmented territorial pattern prevailed with fragile and scarce territorial integration among the different provinces. In the 18th century, still during the colonial period, mining advanced in part of the Southeast (Minas Gerais) and Central-West (Goiás and Mato Grosso), which allowed a certain local loosening of slavery and a significant geographic mobility among the population attracted by the gold rush.

Also in the coffee economy that spread with the establishment of the Republic at the end of the 19th century, the end of slavery solidified the transition to a capitalist mode of production. With this, the interconnection of the regions with the Southeast was strengthened, although the predominance of the minimal liberal State in the Old Republic (1889-1930), combined with the decentralization of the government policies, kept the viability of a political project of national integration distant.

In this way, the national geographic archipelago remained subject to the dynamics of enclaves of an economic nature in connection with the exterior. Being more oriented to the dynamics outside the country, typical of the primary-exporter economic model, the domestic market grew little, relying on an enormous surplus population mass to meet the requirements of the nascent capitalism.

While the smaller portion of the labor force was organic to capital, employed as wage earners in commodity export enclaves, the larger portion of the population remained inorganic to the capitalism of the time. The very low productivity activities of the popular economy in the cities and of subsistence in the countryside, which sheltered the surplus population, underwent an important transformation with the Revolution of 1930, imposing another pattern of regional division of labor.

1.2. Regional integration articulated with the industrial economic system and the national labor market

A second pattern of regional division of labor in Brazil was established between the 1930s and 1980s, marked by the progressive reduction of the role of exports in determining domestic income, increasingly accelerated by the protagonism of national industrialization and urbanization. In overcoming the old notion of occupation of the geographic space in the form of a geographic archipelago of regions, regional integration emerged beyond commercial articulation, since it was committed to urbanization and diversity of productive activities in the national territory.

The sense of homogenization of the national economic space reflected the larger movement of capitalist modernization. Even though conservative most of the time, the process of capital accumulation assumed specificities constitutive of the geographic regions, proper to the concentration and centralization of capital.

In the middle of the dominance of the logic of the production of manufactured goods and their commercialization in the internal market occurred the conformation of the class structure, the social struggles and conflicts. Thus, the relationship between the coastal areas and the hinterland, originally conceived as the interior of the national territory composed of unpopulated areas and characterized by inertia and resistance to change over time, changed.

This is because the regional dynamics was submitted to the integration of the internal market constituted by the productive diversification and motivated by the economic leap resulting from the national industrialization and urbanization. But this did not fail to occur without a simultaneous strong economic and population concentration in the Southeast region.

In special, the state of São Paulo was the great beneficiary, assuming the position of national dynamic center in relation to the other regions considered peripheral. The viability of the national economic model of import substitution installed in the 1930s presupposed the interruption – initially – of the autonomy of foreign purchases made by the states of the federation, which had to increasingly acquire industrial goods and services produced from São Paulo.

In compensation, the state of São Paulo became the great importer of industrial inputs and foodstuffs from the other national geographic regions. In the same way, the foreign trade surplus from the export of commodities was used to finance the import of machinery and equipment for national industrialization.

As the years went by, the complex, integrated and regionally articulated industrial system advanced concomitantly with the investments in the improvement and expansion of the national infrastructure (transportation, energy, telecommunications, and others). The diffusion and diversification of the productive structure was significantly transformed, constituting the bases of the new urban and industrial society.

Furthermore, a certain economic deconcentration occurred regionally, motivated by government initiatives through specific public policies. The displacement of the capital from the coastal area (Rio de Janeiro) to the interior of the country (Brasília, in the Central-West region) continued with the adoption of regional stimulus policies, advances in infrastructure, extension of the agricultural and mineral frontier, urbanization and decentralization of public and private services.

The formation of the urban and metropolitan network in the country resulted in the diffusion of more and larger integrated productive spaces in the interior of the national territory, with economic diversification moving from the coastal areas to the great hinterlands. In less than half a century of accelerated capitalist modernization, the population went from being mostly agrarian to urban and contaminated by the new pattern of consumption.

Its effects on the working class were unprecedented and profound. In a short time, a substantial part of the agrarian population – a leftover of the nascent capitalism of the Old Republic (1889-1930) – was being converted into an urban proletariat.

The constitution of a citizenship based on the regulation of the supply of social and labor rights provided the basis of belonging and identity for the categories of occupied people such as industrial workers and the salaried middle class situated in intermediate positions in the public and private sectors. Besides the rights of regulated citizenship, unknown until then for almost four centuries of slave labor, access to a work card distinguished formal from informal work.

In summary, the class struggle between capital and labor shifted to the dispute between labor distinguished by employers with formal contracts and informal labor, without access to social and labor rights. Even without ever being able to surpass more than half of the labor force as a whole, the advance of formal wage employment matched the significant and widespread upward social mobility.

Although unequal, the social ascension was combined with the modernization of the consumption pattern, increasingly stimulated by economic and social policies supporting the spread of consumer credit, home ownership, and durable consumer goods (refrigerator, automobile, and others). For the peripheral urbanization process, however, the lack of access to public services, the dispute for land ownership, and self-construction, especially in the large metropolitan centers, corresponded to the conservatism of capitalist modernization.

With the postponement of the structural reforms, as protagonized by the social movement in the early 1960s (basic reform campaign) and 1980s (hope and change program), social, economic, regional, and other inequalities only ended up deepening. A society of wage labor advanced, but with incomplete structuring of the national labor market.

The institutions constituted from the installation of the Ministry of Labor, the Labor Court and the union structure still in the 1930s remained stable throughout the new pattern of regional division of workers. In spite of this, inequality in the form of use and remuneration of labor prevailed unequal, proper of the spatial differential imposed by the specificities of capital reproduction.

In the full domain of monopolist capitalism, Brazil would be considered, together with South Korea, both countries with a colonial past, the ones that would have been able to take industrialization further until the 1980s. When it was close to complete the internalization of the productive structure compatible with the stability of the second Industrial and Technological Revolution, the country was strongly hit by external and internal turbulences that substantially altered its participation in the International Division of Labor. Simultaneously, the pattern of the regional division of labor suffered immediate consequences, as treated below.

1.3. Fragmentation of the nation and the new pattern of regional division of labor

The current course of the new pattern of regional division of labor stems fundamentally from the economic downgrading imposed on Brazil's participation in the International Division of Labor, as well as from the model of national integration implanted in Brazil since the 1930s, designed in such a way as to concentrate industrial production in the state of São Paulo which, in 1985, was responsible for 51.6% of the Gross Value Added (GVA)

of the transformation industry (Instituto Brasileiro de Geografia e Estatística [IBGE], System of Regional Accounts), even though it was responsible for little more than 20% of the population. With signs of the disarticulation of the industrial economic system accompanied by productive specialization, the previous regional division of labor became more exposed to growing external integration.

Since Brazil's passive and subordinate entry into globalization in 1990, the conditions of production and organization of labor have been profoundly altered. From the process of productive conversion in the final activities and the outsourcing of labor, that industrialization was stagnated, going back considerably today to less than a third of what it was forty years ago.

Likewise, integration into global value chains has taken place in the secular activities of agricultural and mineral production. It turns out that the production and export of commodities was not a simple operation, demanding considerable support from the state (attractive exchange rates, fiscal and credit subsidies, public investments in road, rail and port infrastructure, among others).

Also in the realm of diplomatic policy, Brazilian negotiations have generally favored the production and export of commodities more than the domestic activity of generating inputs and industrial goods. Being more concentrated in the coastal areas of the country, the dismantling of the industrial production structure proved less negative to the inland areas.

Furthermore, the so-called Brazilian backlands ended up being positively affected by the commercial opening promoted by the entry into globalization. In view of the consolidation of the primary-exporter economic model, the country's interior, especially the areas with strong emphasis on agriculture, livestock, and mining.

As a result, one can see how in the years from 2002 to 2020, the new pattern of regional division of labor reproduces itself through geographic spaces compatible with prosperity and decadence. On the prosperity side, for example, it concentrated in the set of 66.9% of Brazilian municipalities that account for 53.2% of the total population in the year 2020.

In their majority, the small and medium-sized cities in population size registered an average annual economic growth above the national average (GDP growth of 2.3% aa). The consequence was a 40.1% increase in the share of the national GDP by this group of prosperous municipalities.

In 2020, almost 67% of Brazilian municipalities will be responsible for 49.5% of the country's Gross Domestic Product, while in 2002 it was only 35.3%. Similarly, the relative weight of this group of fortunate municipalities in the total population grew by 4.5%, from 50.9% of the total population in 2002 to 53.2% in 2020.

In the group of 3,724 municipalities with greater economic dynamism than the national average, the subgroup of cities that present a Chinese rhythm of expansion of production stands out. Between the years 2002 and 2020, for example, 11.1% of the total Brazilian municipalities registered an average GDP growth above 6% per year, which was almost three times higher than that verified for Brazil as a whole.

Because of this, the 615 municipalities located at the most dynamic end of the national prosperity accounted for 11% of the national GDP in 2020, while 18 years ago they accounted for only 3.9% of the Brazilian GDP. Just as there was robust economic growth in this subgroup of successful municipalities in production, there was also a relative increase in the resident population, which went from 6% of the national total in 2002 to 7.2% in 2020.

Therefore, it can be seen how the economic prosperity seen in the last two decades was more present in the cities of the interior of the country, especially those with productive export activities, strongly associated with mineral, vegetal and agricultural exploration. The municipalities linked to tourism and to the receipt of royalties (privileges) from the extraction of natural resources (oil, gas, and others) also stood out, whose pace of GDP expansion reached up to 30% of annual average.

On the other side, the horizon of national decadence opened to 1,846 municipalities that registered significant losses in economic vitality, unable to keep up with the average annual variation of the national GDP (2.3%). The result of this during the last two decades was economic regression accompanied by a relative emptying of the population.

In the year 2020, for example, 33.1% of all Brazilian municipalities with the worst economic performance accounted for 50.5% of the national GDP, when in 2002 they were responsible for 64.7% of the Brazilian GDP. That is, in eighteen years, the accumulated decline of the municipalities with the worst economic performance was 21.9% in terms of relative participation in the total national GDP.

For the same period, the population residing in this set of cities with less economic dynamism regressed 4.7%. In 2020 it accounted for 46.5% of the total national population, while in 2002 it was 49.1%.

Besides this declining trend, it is also worth mentioning that 8.4% of Brazilian municipalities had a real value of the GDP in 2020 lower than the GDP recorded for 2002. Among the 468 municipalities in the group with a serious situation of national decline, the relative drop in GDP participation was 38.2% (from 19.5% in 2002 to 12% in 2020).

In the same period, the total number of residents remained stable in relation to the national population as a whole, as it went from 10.8% of the total number of Brazilians in 2002 to 10.5% in 2020. To a large extent, the municipalities with a loss of relative participation

in the national GDP are found in large urban centers, especially those that once corresponded to the productive affluence, especially industrial and associated with the development of the domestic national market. In this context, the labor situation expressed realities that need to be better analyzed. This is the subject discussed below.

2. Labor panorama in the country's large geographic regions in the second decade of the 21st century

The brief historical review presented above was intended to better highlight the main characteristics of the current regional division of labor in Brazil. Subsequently, and in a panoramic manner, the labor situation is presented in the major geographic regions of the country, especially for the period between the years 2012 and 2021.

2.1. Northeast region

The Northeast region, dynamic center of the national economy until the seventeenth century, lost not only the economic protagonism but also the political power, first with the transition from the sugar cycle to the gold cycle and, in 1763, the transfer of the state capital from Bahia to Rio de Janeiro. In the middle of the sugar cycle, in the 17th century, the Northeast region accounted for about 80% of the national income (Pochmann, 2015). The region is composed of nine states (MA, PI, CE, RN, PB, PE, AL, BA, SE), with an estimated population of 57 million. Economic dehydration added to the loss of political power produced the shrinking of demographic representation caused by both emigration and demographic growth at higher rates in the region of greater economic density, causing the region that accommodated 51% of the population at the threshold of the 19th century, to account for only 27% in 2021 (IBGE - Pesquisa Nacional por Amostra de Domicílios Contínua [PNADC]).

The transition from the agro-export model to the urban-industrial model, in the first half of the 20th century, accentuated regional inequalities by concentrating the industrial infrastructure necessary to boost the Brazilian economy in the state of São Paulo, subordinating the rest of the country to what was projected to be the dynamic center of the national economy. Even after the beginning of the process of deindustrialization followed by deconcentration of national production, the state of São Paulo concentrated in 1985 almost 52% of the Gross Value Added (GVA) of the manufacturing industry while the nine states of the Northeast region together were responsible for only 9.7% (IBGE, System of Regional Accounts). It is worth mentioning that, according to the same database, the Northeast had 29% of the Brazilian population (38.3 million inhabitants) and São Paulo, 21% (28 million), in the same year.

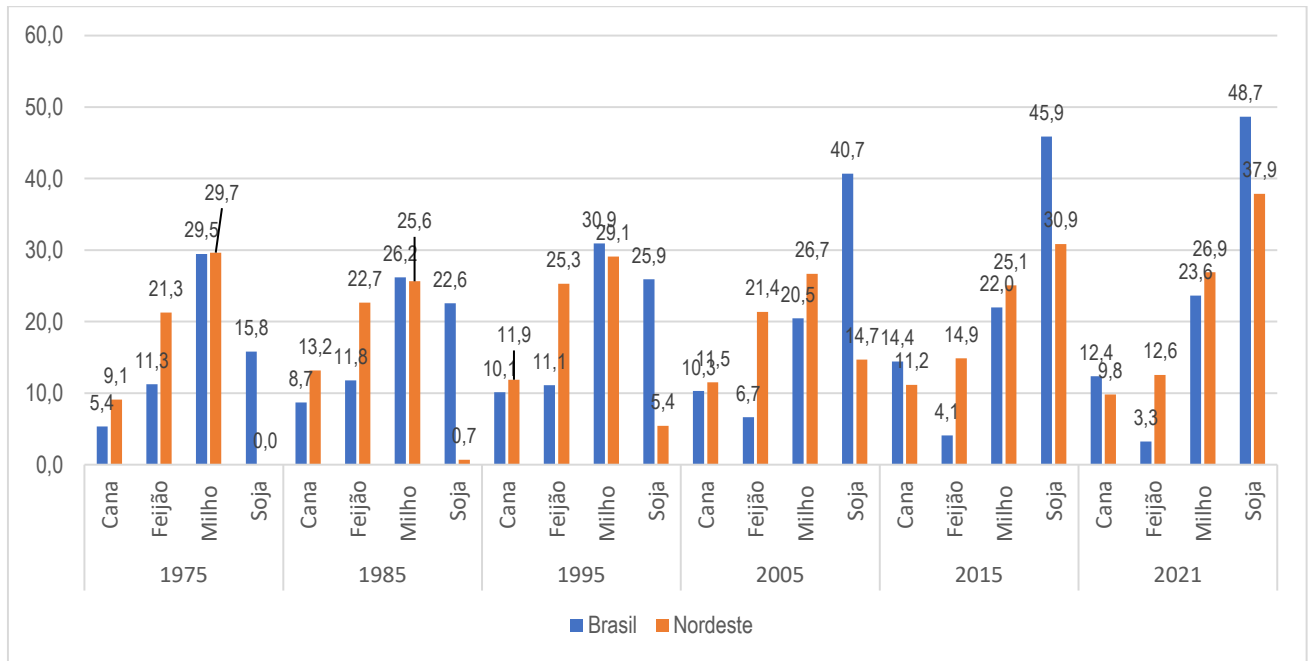
The accumulation of capital derived from industrial activity, since the beginning of the process of economic integration, enabled the Southeast to concentrate the GVA of the sector that has grown most in the country, since the beginning of deindustrialization in the 1980s. Although the services sector is the most representative in any state, the dynamic center of the national economy accounts for the largest slice of this cake, with a participation much higher than its demographic representation. In 2020, with 22% demographic representation, the state of São Paulo accounted for 44% of the gross revenue of the services sector (excluding financial activities), while the Northeast region held only 9% (IBGE, Annual Service Survey). These numbers reveal the strength of capital accumulation associated with the market dimension as an instrument to enhance the effects of the social division of labor with a view to increasing productivity and capital accumulation on a growing scale, continuously feeding economic and social inequalities in the dynamics of the capitalist system of production.

In relation to agriculture, it has once again taken on a major role in some states, substituting crops for supplying the domestic market with exportable crops, such as soybean (*soja*) throughout the country and sugarcane (*cana*) in the Southeast. Even in the Northeast, soybean (which represented less than 1% of the harvested area of temporary crops in 1985) rose to 38% in 2021, while beans (*feijão*) fell from 21% to 12.6% (Graph 1). In a region marked by food insecurity and extreme poverty, this inversion demonstrates the strength of land concentration and the absence of the State in the conduction of a development project that prioritizes the population instead of capital. In the Central-West, soybean increased from 9% to 56% of the harvested area.

The participation of agriculture in the GVA of the Northeast region reveals a 35% drop in the period 2002-2019, falling from 10% to 6.5%. In 2020 it seems to have grown, but in fact, being more immune to the paralysis caused by COVID 19, its participation rose to (8.9%) with the fall of other sectors. The reprimarization thesis, therefore, does not fit in the Northeast, not even through the lenses of the foreign trade balance, despite the growth of soybean plantation and harvest in the region.

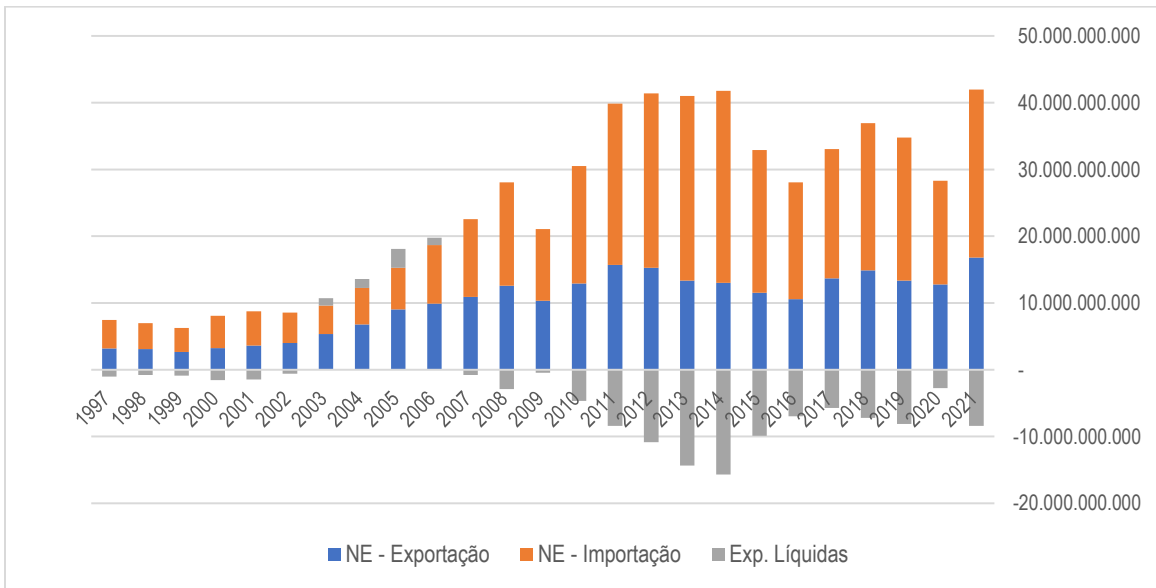
In 1997, the Northeast was responsible for 7.5% of Brazilian exports while the state of Mato Grosso, 1.8%. In 2021, the Northeast maintained the same 7.5% while the state of Mato Grosso exceeded it with 7.7%. The Northeastern imports jumped from 7% to 11.5% in the same period, resulting in a trade deficit since 2007 (Graph 2, gray bar). The condition of great importer of goods and services has put the Northeastern region in a fiscal disadvantage, with repercussions on the capacity of intervention from the state tax collection, leading the region to face great obstacles to the generation of employment and income.

Graph 1. Share (%) of temporary plantations in the total harvested área. Brazil and Northeast: 1975-2021.



Source: IBGE. Produção Agrícola Municipal. Authors' elaboration.

Graph 2. Exports and imports (US\$) from the Northeast: 1997-2021.



Source: Ministério da Economia, Secretaria de Relações Exteriores. Authors' elaboration.

The Northeastern transformation industry always followed behind the dynamic center of the national economy, despite the fact that (in rare moments) the regional GDP

registered a growth higher than the national average, as well as the gross formation of fixed capital registered an extraordinary annual variation between 1968 and 1978, as reported by Guimarães Neto (1989). However, with a participation in the national GDP always hovering around half of its demographic representation, the Northeastern region did not reposition itself in the last four decades, in spite of the Superintendence for the Development of the Northeast (SUDENE)¹ having assumed a very relevant role.

Considering the two decades of the 21st century, the Northeastern transformation industry reached its best result in 2003 with a participation of 11.6% in the region's GVA, declining gently until the 9% registered in 2020. Regarding the participation in the national GVA, its participation has oscillated between 9% and 11% over 18 years (2002-2020), closing 2020 with 10.5%, therefore, much below its demographic representation, which tends to reverberate on per capita GDP given the relevance of manufacturing industry as a dynamic vector of any economy.

Registering low competitiveness in agriculture (and cattle raising) and in the transformation industry, compared to the South and Southeast regions, the Northeast became a large importer of domestic and international products, judging by the data of the foreign trade balance and the interstate trade balance. By the data of the National Council of Finance Policy (CONFAZ), organized and made available online for the period 2017-2022, The Northeast presented negative balance for the whole period in 8 of the 9 states. Only Pernambuco showed a positive balance in three of the six years of the series (2017 to 2019).

With regard to the average production yield (kilo/hectare), for the four most important crops, the Southeast region presents the best yield for all of them in 2021, while the Northeast has the lowest productivity for corn, sugarcane and beans. In the case of beans, the productivity of the Northeast region corresponds to only 30% of the national productivity and 20.6% of the performance of the Southeast region. This explains, to a large extent, the redirection of land to soybeans where yields are similar to those in the Southeast.

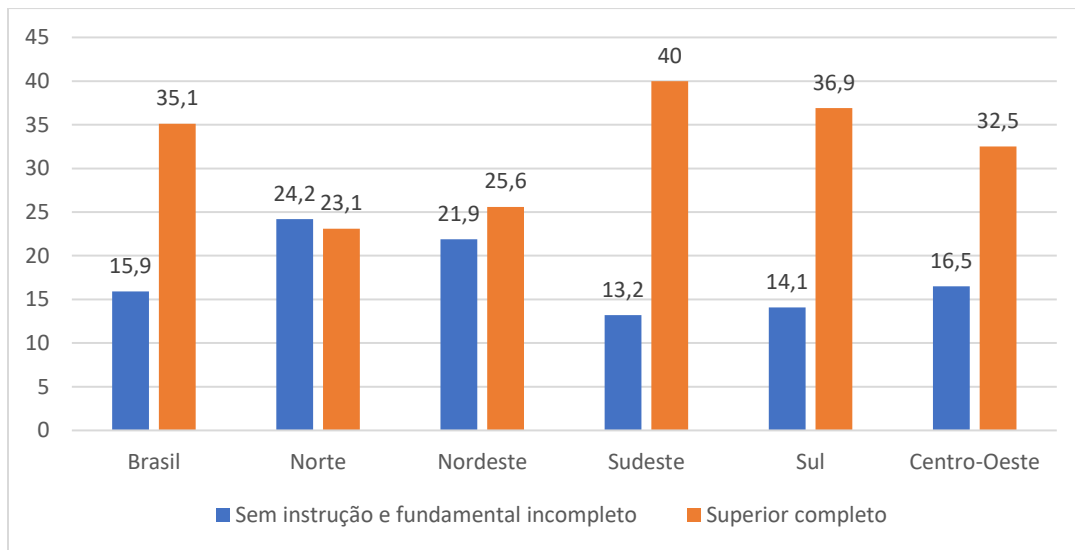
Besides the distribution of economic activity sectors among federal units and regions, the degree of competitiveness among them is based on the infrastructure of the educational system and on the model of public management in the respective territories aligned with the local development project, when it exists. Many municipalities in the interior of the Brazilian Northeast are completely isolated from the national economy, so that the main circulating income in these markets is derived from social programs, social security, and public administration.

¹ Created in 1959 by Federal Law No. 3692.

From 2012 to 2021, labor income as a composition of monthly household income per capita, was lowest in the Northeast for any given year, falling from 70% to 67.6% over the interval. For 2021, the Central-West region appeared with the highest percentage (80.6%). Among other sources, retirement and pension is the one with the highest weight, with 22.4% for the Northeast, 13.8% for the Central-West, and 18.2% for Brazil (IBGE-PNADC). This dependence on other sources of income shows the fragility of the region in generating employment and income.

The education indicators reveal the barriers faced or built up by the states of the North and Northeast regions. Even among employers, the percentage with a “complete university degree” (orange bar) in the Northeast corresponded to only 25.6% while in the Southeast 40%. On the other end, those with “incomplete basic education” (blue bar) corresponded to 22% in the Northeast and 13.2% in the Southeast (Graph 3). For the self-employed, the Northeast also has the lowest percentage with a “complete university degree” (21.6%), while the Southeast leads with 30.3%. It is very likely that this variable exerts a great influence on the management of private enterprises in all regions, which is potentiated by reproducing itself in the other three groups: public managers, workers, and employers.

Graph 3. Share (%) of employers for two levels of education. Brazil and large regions: 2019.



Source: IBGE. National Household Sample Survey (PNADC). Authors' elaboration.

The Northeast is responsible for 27% of the country's population (almost double the population of the South, 14%), but accounted for only 15% of total monthly labor income in Brazil in 2021, while the South accounted for 18%. This disparity continues throughout the

2012-2021 series, revealing the Northeast's structural problems, not only because of its inability to generate employment, but also because of its low-skill occupations, largely associated with the predominance of informality in labor relations. The region has the second highest rate of informality, second only to the North. In the 3rd quarter/2022, the Northeast recorded an informality rate of 74%, much higher than that recorded in the South (30%).

This pattern of inequality becomes worse when we compare the average income of the capital cities to the average income of the metropolitan region, excluding the capital and the municipalities outside the metropolitan region. While the average income from all jobs in the Northeast corresponds to 69% of the national average income, the average income of the municipalities outside of the metropolitan regions corresponds to only 54% of the average income of the capital. This demonstrates the various layers of social inequality within the national territory (IBGE-PNADC). Within each municipality, another layer that deepens social inequalities are the material conditions of survival between urban and rural areas, not only in terms of income, but of access to equipment that define the infrastructure of health, education, and spaces for culture and leisure.

With three quarters of the population made up of black and brown people (2021), the Northeast faces another challenge in terms of average income from work. According to official data, black and brown people earn less income than whites in all territorial clusters. The Southern region, in turn, has a demographic composition with 75% whites. In order to problematize the issue of income inequalities, the question remains if the variable race can influence the flattening of income in the Northeast or if it only potentiates the effects of the level of education and type of occupation generated in a productive structure of low complexity, subordinated to the dynamic center of national capitalism. The answer to this question would demand a qualitative research involving employers.

To the structural problems faced by the working class living in the Northeast, we can add the recent changes engendered by the neoliberal prescription that, under the pressure of flexible accumulation, has bet no longer on the specialization of the workforce, but on polyvalence, so that this workforce can, indistinctly, be allocated to any area and discarded without charge to the company. In this sense, the risks are transferred to the worker who, faced with a large contingent of unemployed, submits to any working condition, renouncing labor rights in agreements established within the traditional asymmetry of power between capital and labor.

In recent years, in the face of profound changes in the mode of production and in new contractual arrangements, the union movement has been diluted, year by year, throughout the national territory. In Brazil, from 2012 to 2019, the percentage of the unionized population went from 16% to 11% and, in the Northeast, from 16.5% to 12.5%,

with a more accentuated reduction after the approval of the Labor Reform, in 2017 (IBGE-PNADC). The dehydration of the union movement has been manifesting itself for a long time. In the period 2012-2019, the Northeast lost 871,000 union members and Brazil, 3.95 million. It is possible that this class organization has lost political strength by losing its ability to reinvent itself in accordance with the changes that have occurred in the production system, where the substitution

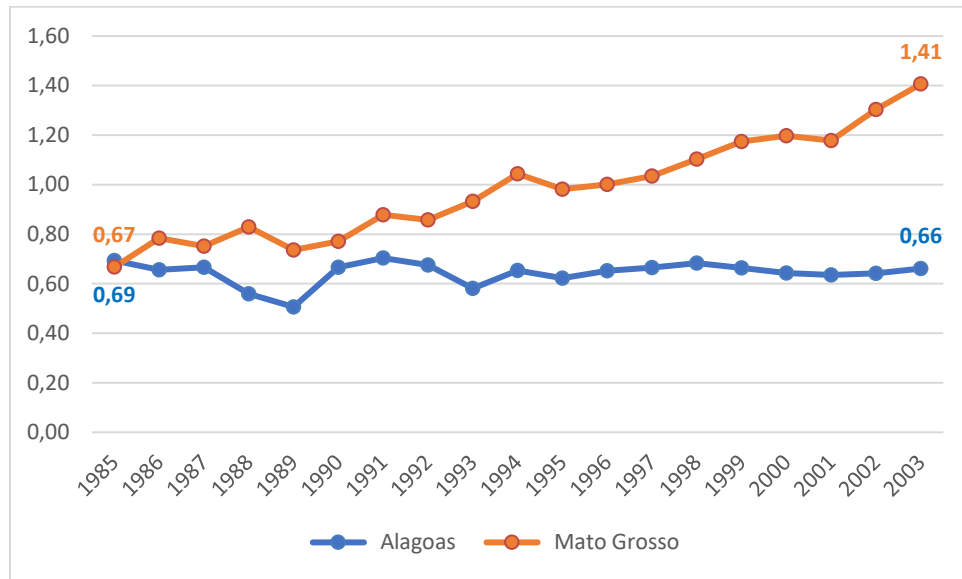
The Labor Reform combined with the Social Security Reform imposed on the Northeastern working class (marked by lower life expectancy and a higher percentage of the unemployed) a much higher toll in comparison to the South and Southeast regions. A significant part of the northeastern population does not reach 65 years of age, which is reflected in an age stratification for the population over 65 that is lower than the national average (BR: 10.2%, NE: 9.3%). With average income well below that of regions with greater economic density, beneficiaries of death pensions, halved by the 2019 Social Security Reform, are more affected than workers in richer regions, which compromises access to services whose prices do not vary between federative units, such as health insurance or telephone service.

2.2. Central-West region

The Central-West region, whether by population size or production volume, since the beginning of the attempt to integrate the national economy, revealed itself as a territory of little significance, even after the transfer of the capital to the Federal District. From 1996 to 2021, the Central-West continues to have the smallest population, but it was the region that registered the second highest population growth rate in the same period, second only to the North. The other three regions registered a drop in participation (NE: -5.1%, SE: -1.2%, and S: -4.6%). Most probably, a good part of the 6 million people who swelled that region were in search of new job opportunities, seduced by the promises of agribusiness. From 1996 to 2021, the population of the Midwest region will increase from 10.5 million to 16.6 million.

The evolution of GVA in the Central-West region is strongly influenced by the Federal District, whose participation oscillates between 34% and 42% in the 2002-2020 period. For the last year of the interval, 95% of DF's GVA was concentrated in the services sector, with 46.3% in public administration. To a large extent, the DF corrupts the aggregate data, making it necessary to analyze the singularities of each state. Due to this influence, the services sector appears with a 70% participation in the region in 2020, when in Mato Grosso, Mato Grosso do Sul and Goiás it represents, respectively, 54%, 55% and 62%.

Graph 4. Share (%) of Alagoas and Mato Grosso in national GVA: 1985-2003.



Source: IBGE, Regional Accounts System, 1985-2003. Authors' elaboration.

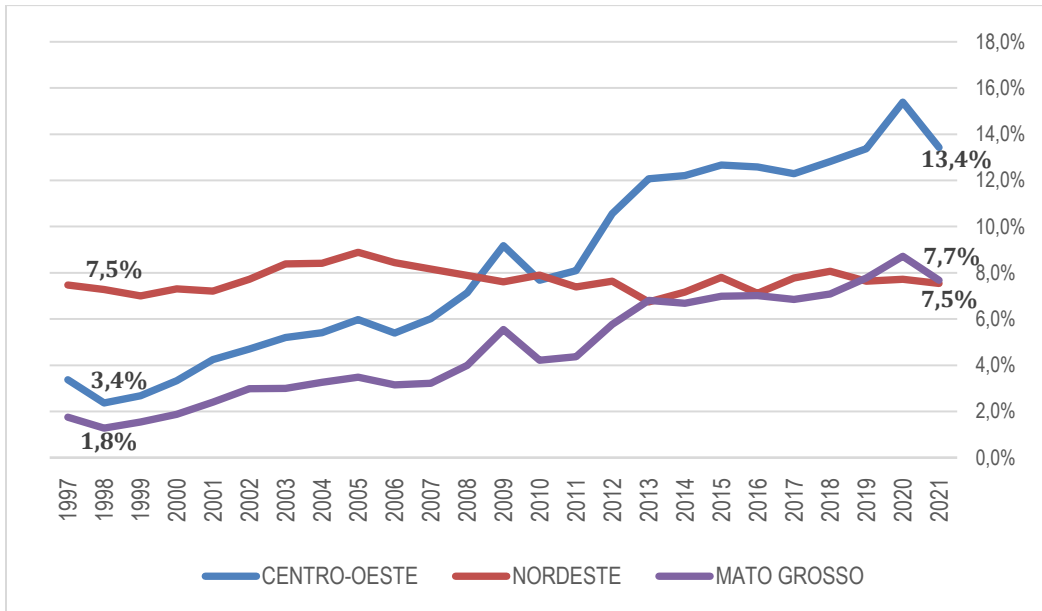
In 1985, the Central-West region had a 6% participation in GVA. For a comparison, that year, and Mato Grosso (CW) and Alagoas (NE) were tied with only 0.67% and 0.69%, respectively. In 2003, Alagoas kept its participation almost stable at 0.7%, while Mato Grosso had increased its share to 1,41% (Graph 4). From 2003 to 2020, the region continued to increase its participation (10%), as did Mato Grosso, Mato Grosso do Sul and Goiás. The state of Alagoas, on the other hand, remained stuck at 0.75% and the Northeast at the same 13.8%.²

The strength of the Central-West impresses when compared to the Northeast (stuck in the same position for more than 4 decades), whether through the lens of GVA or net exports (Graph 5). Comparing the Northeast region (57 million inhabitants) with the state of Mato Grosso (16.5 million inhabitants), it is hard to believe that in 24 years the Northeast has maintained the same participation (7.5%) in Brazilian exports with 9 federative units while the state of Mato Grosso jumped from 1.8% to 7.7%.

Going against the rest of the country in the first two decades of the 21st century, the states of Mato Grosso do Sul (112.5%) and Goiás (17.5%) increased their participation in the manufacturing industry between 2002 and 2020 (Graph 6), although the best period for the region was between 2005 and 2010. The strength of industry in the Central-West is linked to agribusiness, concentrated in the semi-manufacturing of meat and grains. The dynamic vector of the region's economy is in agribusiness with a production chain articulated between industry and the agriculture and livestock sector.

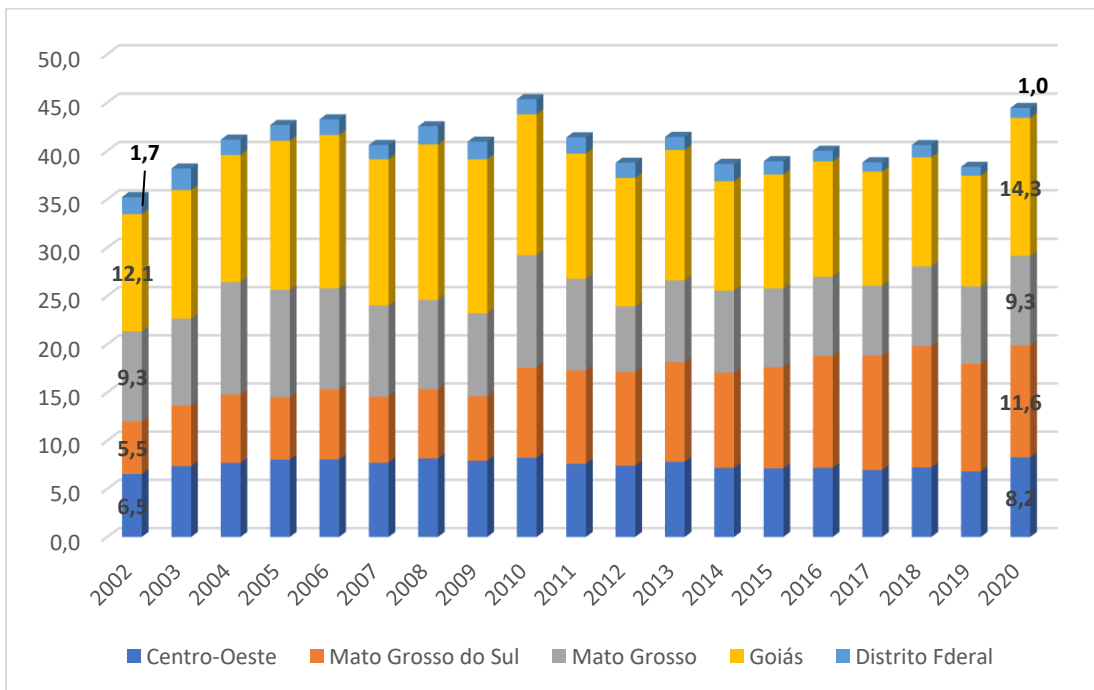
² There was a change in the methodology of the System of National Accounts database in 2002, which makes it difficult to compare the 1985-2003 series with the 2002-2020 series.

Graph 5. Share (%) of the Central-West, Northeast, and Mato Grosso in national exports: 1997 to 2021.



Source: Ministry of Economy, Secretariat of External Relations. Authors' elaboration.

Graph 6. Share (%) of the transformation industry in the GVA. Central-West region and its federative units: 2002-2020.



Source: IBGE, Regional Accounts System. Authors' elaboration.

As for the participation of agriculture and livestock sector in the GVA, it grew 25% in the region and maintains a very high participation in Mato Grosso do Sul (23.7%), Mato Grosso (28.8%) and Goiás (14.5%), in 2020, much above the national average (4.9%). The advance of agriculture and livestock with sectorial linkage with the transformation industry has allowed the Central-West region to reposition itself in the foreign trade balance, despite the high environmental impacts, a theme not adequately addressed in this article.

Through the lenses of the foreign trade balance, from 2002 to 2020, the sum of animal production, vegetable production, animal and vegetable fats and oils, and products from the food and beverage industry account for more than 80% of the aggregate exports of the three states (Mato Grosso do Sul, Mato Grosso, Goiás). The share of agricultural production has exceeded 50% since 2013. The item "wood and other derived materials" is surprising not because of the weight of its share, but because of its evolution over the same period, reaching almost US\$ 2 billion in 2020 when, in 2004, exports of this product stood at a modest US\$ 31 thousand. In 2008 it had already risen to US\$ 1.4 million and the following year to US\$ 250 million, reaching almost US\$ 2 billion in 2019.

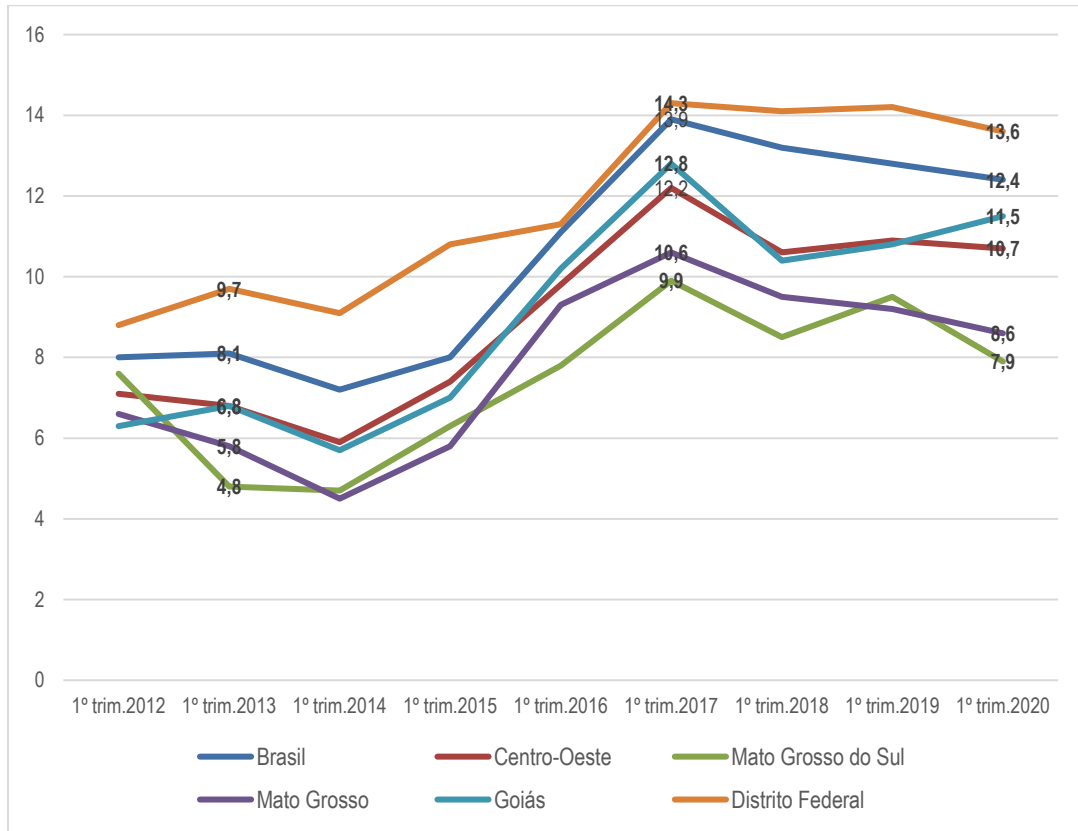
With regard to labor indicators, the Central-West region has advanced a lot, even excluding the Federal District, with an advantage over the North region (which, although it has increased its participation in GVA, maintains the second lowest average income, ahead only of the Northeast). Some labor indicators will be analyzed, emphasizing that it is the region with the least influence from the service sector, except for the weight of the Federal District. It is also surprising for its low unionization rate. From 2012 to 2019, the unionization rate fell from 14.4% to 8.5%, with the biggest drop between 2017 and 2018, when it went from 13.1% to 10.2%, probably due to the effects of the Labor Reform. In six years, 313,000 workers declined from union membership in the region.

With a demographic representation of 7.8% and a 10.4% share in the national GDP (2020), the Central-West manages the feat of maintaining a low informality rate, a low rate of discouraged workers, income above the national average and one of the lowest unemployment rates (Graph 7). In Q1/2014, when the national average was 7.2%, the region registered 5.9%, but if the Federal District were excluded, this rate would have been around 5%, close to the rate of Mato Grosso and Mato Grosso do Sul.

In relation to the discouraged workforce, the Central-West region exhibits the second lowest rate for any quarter of the 2012-2020 period, behind only the South. In Q3/2022, while the Northeast region had a 9% rate of discouraged workers, the Center-West had the second lowest rate: 1.5% (Brazil: 3.8%). The discouraged workers correspond to the population aged 14 years+ that has stopped looking for a job, although it would like to be

employed. Their frustration stems from insufficient job openings or the inadequacy of available vacancies to the profile of those who want to be employed.

Graph 7. Unemployment rate (%). Brazil and Central-West region: 2012-2020 (1st quarter).



Source: IBGE. National Household Sample Survey (PNADC), quarterly data. Authors' elaboration.

With regard to the informality rate, for any quarter of the 2015-2020 period, the Central-West is closer to the South and Southeast regions, staying below the national average and far from the North and Northeast regions. For the 3rd quarter of 2020, the informality rate was 39.4% in Brazil, 55.4% in the North, 52.2% in the Northeast, 34% in the Southeast, 30.4% in the South and 35.8% in the Central-West (IBGE-PNADC).

It is possible that this environment dominated by the primary sector is more labor-intensive and, thanks to the volume of production proportionally higher than its demographic representation, raises the average income of the employed population and keeps a large part of the population inserted in the production system. It is worth remembering that, from 2002 to 2020, the Central-West region registered the second highest rate of population growth, possibly due to the strength of agribusiness, attracting the unemployed with low occupation expectations from other regions.

The average income of the workforce as a whole in the Central-West region, for any year in the period 2012-2021, was above the national average, contrasting with the Northeast region (that for the same period is always well below). Excluding the Federal District, the average values per state are sometimes above and sometimes below the national average. In 2021, the monthly income habitually received corresponded to R\$ 2,476 in Brazil, R\$ 2,547 in Mato Grosso do Sul, R\$ 2,486 in Mato Grosso and R\$ 2,270 in Goiás. These values show that although the Federal District throws the region's average up, the other federative units are very close to the national average, over the 2012-2020 period (IBGE-PNADC).

In 2021, the region's average income was 10% above the national average while that of the Northeast region was 31% below. Surprisingly, for the workers without basic education the difference is even greater. In the same year, the average income in the Central-West region was 37% above the national average among those without basic education, and only 4% above the national average among those with complete higher education.

In some years, the earnings of workers without basic education were higher than the average earnings of these workers in the South and Southeast regions, possibly due to demand from agricultural sector. In 2018, the average income of workers without basic education was 59% above the national average, and only 3% for those with higher education. This explains why the South and Central-West regions have the smallest percentage difference between the income of workers without basic education and that of professionals with completed higher education. While in Brazil, in 2021, the income of higher education was 395% higher than that of workers without basic education, in the South and Central-West this percentage was lower (236% and 276% respectively). It seems that, in these regions, agribusiness pays workers without basic education better than the service sector.

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2.3. Southeast region

In the search for a better understanding of the recent evolution of the labor market in the Southeastern region, the challenge of identifying the differences in the economic structure of the states that make up the region stands out. To a large extent, the different trajectory generated during the Brazilian industrialization process and the changes since the 1990s, with the adoption of the Washington Consensus prescriptions.

With this, the national repositioning within the international division of labor, whose results produced the destructuring of local production chains, low economic dynamism, and a continuous process of deindustrialization *pari passu* with the growth of the services sector. This first stage is fundamental to determine the evolution of the labor market within this context, where the forms of State action in regulating the economy and labor relations in the

directions of development are essential elements to understand this trajectory, which has in the Labor Reform of 2017 and Social Security Reform of 2019, the most recent milestones.

It should be noted that the Southeast region currently accounts for more than 50% of Brazilian GDP. This concentration of economic activity in the region finds its origins in the development of the coffee economy, the main product of the agroexport model in the 19th century until the mid-20th century, which was the dynamic center of capital accumulation in Brazil. Besides the scale of coffee activity itself representing great economic importance, it also demanded investments in railroad transportation infrastructure, ports, communication, energy, urbanization, in addition to the development of a consumer goods industry, creating in its surroundings a relatively diversified economy (Cano, 2007).

In the 1930s with the crisis of the coffee economy and the displacement of the dynamic center of capital accumulation for the industry, the southeast region concentrated, mainly in São Paulo, the investments and the industrial development of the following decades, since the region already had the development of industrial productive forces more consolidated and mainly to possess, among other factors, the conditions of generation and accumulation of capital growing and necessary for industrial investment (Cano, 2007). The result is a process of reorganization of the national economy, starting from the dynamic pole concentrated in São Paulo's industry and the consolidation of an integration of the national market and the constitution of a periphery (Cano, 1998, chapter 5).

From the 1950s on, the durable consumer goods industry and heavy industry began to play a central role in industrial development, further increasing the concentration in São Paulo, considered excessive, which brought to the fore the important debate on the large regional imbalances resulting from industrial concentration, which resulted in changes in state action to reduce these imbalances, but without success. In the beginning of the 1970s, the state of São Paulo reached a record participation of 58% of the total transformation industry.

At this time, the process of industrial deconcentration began in favor of the interior of the state of São Paulo and towards other regions of the country. The deconcentration in the 1970s was considered positive, because it was the result of the higher industrial growth rate of the other regions in comparison with São Paulo (Cano, 1998).

But in the 1980s, the economic crisis with growing inflation, a strong unbalance in the external accounts and a reduction in growth brought about a new scenario. The deconcentration started to result from the decline rates of several industrial segments that were greater in São Paulo, or even when there was a small growth, it was lower in São Paulo. For this reason, Cano (1998) has since called "spurious deconcentration" because its causes were the result of the more accentuated impact of the crisis in São Paulo, and not of a virtuous dynamism in the other regions.

Since the 1990s, the adoption of the neoliberal economic agenda, following the dictates of the Washington Consensus, expanded and accelerated the process of deconcentration. This was due to different aspects, especially the opening of trade, privatizations, exchange rate appreciation, low economic growth, the reorientation of the state's role in the economy (it abandoned the role of organizer and inducer of growth), and the tax conflict (Funari, 2009).

Thus, in the last decade of the twentieth century it became apparent the process of deindustrialization in Brazil that strongly impacts the southeast region, especially São Paulo. Besides not being a uniform and continuous process over time, deindustrialization led to the dismantling of the complex, integrated and articulated national economic system, even if there were several specificities among the states and industry segments (Pereira & Cario, 2018).

Given the relevance of manufacturing production in the Southeast region, Silva (2017) argues that Brazilian deindustrialization can be explained by the strong productive change in the richest region of the country. Between the years 2002 to 2014, the drop in industrial participation can be explained by the high weight of the state of São Paulo.

In the same sense, Sampaio and Eutulain (2020) argue that São Paulo has a central role in explaining Brazilian deindustrialization, given its size, diversification and level of articulation with the other regions. Despite the process of deconcentration the manufacturing industry, the Southeast region continues with its largest share in the country.

In 2019, for example, the participation of the Southeast's manufacturing industry in the Brazilian industry was 54.6%. The region with the highest growth was the South region, which went from 21.1% to 24.4%, next comes the Northeast, which went from 9% in 2010 to 11.4% in 2017, in 2019 there was a reduction to 10.8%, but throughout the period the growth of 1.8 p.p (Table 1).

Table 1. Distribution (%) of Gross Value Added (GVA) in the manufacturing industry by large region. Brazil: 2010-2019.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
North	4.7	4.8	4.3	4.4	4.4	4.6	4.8	4.5	4.2	4.4
Northeast	9.0	8.3	8.4	8.8	9.1	10.7	11.3	11.4	11.1	10.8
Southeast	60.2	59.2	58.8	56.4	56.4	55.5	55.4	55.1	55.3	54.6
South	21.1	22.6	22.9	24.5	24.3	23.4	22.6	23.3	23.3	24.4
Central-West	5.1	5.1	5.6	5.9	5.7	5.8	6.0	5.8	6.1	5.8
Brazil	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: IBGE. System of National Accounts. Authors' elaboration.

In the period from 2010 to 2019, the industry participation in the Southeast region's GDP decreased 6.5 p.p. from 29.1% to 22.6%. In the state of São Paulo, the reduction was 6.8 p.p. The state also has the lowest industrial participation in the state GDP, with 20.3%, however, among the industrial subsectors, the largest participation, together with Minas Gerais, is in the transformation industry (14.4%), even with a retraction of 4.1 p.p. (Table 2).

Table 2. Share (%) of the three sectors in the region's GDP and in the state's GDP. Southeast region: 2010 and 2019.

	Agricultural sector		Industry		Services sector	
	2010	2019	2010	2019	2010	2019
Minas Gerais	5.6	4.6	33.2	27.1	61.2	68.3
Espírito Santo	3.2	3.6	38.6	26.5	58.2	69.8
Rio de Janeiro	0.4	0.5	29.8	25.1	69.8	74.5
São Paulo	2.1	1.7	27.1	20.3	70.8	78.0
Southeast	2.4	2.0	29.1	22.6	68.5	75.4

Source: IBGE. System of National Accounts. Authors' elaboration.

In Minas Gerais the reduction of industrial participation was 6.1 p.p., but the state still had the largest participation of industry in the state GDP (27.1%), a result of the combination of the largest participation of the transformation industry (14.4%) and the extractive and construction industries in significant levels, 4.5% and 4.8% respectively. In Rio de Janeiro, the industrial participation is 25.1%, a decrease of 4.5 p.p. in the period. More than half of the industrial GDP (13.1%) is concentrated in the extractive industry, which grew 0.2 p.p. in the period, which shows the importance of the oil and gas production chain for the state's economy, on the other hand, the participation of the transformation industry is the smallest in the Southeast, with only 5.8%.

The services sector increased considerably its participation in the GDP of the region, from 68.5% to 75.4%. In all the states of the Southeast, the increase was also significant, evidencing, together with the industrial retraction, an expressive change in a short period. Among the segments that make up this sector, the real estate activities (2.1 p.p.), private health and education (1.5 p.p.) and trade and repair of motor vehicles and motorcycles (1.2 p.p.) stand out with the largest growth.

In São Paulo the services segments with the most expressive growth were: real estate activities (2.4 p.p.), private health and education (1.6 p.p.) and trade and repair of

motor vehicles and motorcycles (1.4 p.p.), which also holds the position of greatest percentage weight (13.9%) followed by financial activities, insurance and related services (12.3%). The other states have as a common characteristic in the services segments the growth of administration, defense, public education and health and social security, which grew 1.8 p.p. in Minas Gerais and 4.7% in Rio de Janeiro (Table 2).

The result of these economic transformations in terms of participation in the Brazilian GDP was the reduction from 56.1% to 53% in the period from 2010 to 2019. In all states there was also a retraction, in São Paulo the participation went from 33.3% to 31.8%, in Rio de Janeiro the participation reduced from 11.6% to 10.6%, in Minas Gerais from 9% to 8.8% and in Espírito Santo from 2.2% to 1.9% (Table 3).

**Table 3. Share (%) of the Southeastern states in the national GDP.
Southeast region: 2010-2019.**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Minas Gerais	9.0	9.1	9.2	9.2	8.9	8.7	8.7	8.8	8.8	8.8
Espírito Santo	2.2	2.4	2.4	2.2	2.2	2.0	1.7	1.7	2.0	1.9
Rio de Janeiro	11.6	11.7	11.9	11.8	11.6	11.0	10.2	10.2	10.8	10.6
São Paulo	33.3	32.8	32.4	32.2	32.2	32.4	32.5	32.2	31.6	31.8
Southeast	56.1	56.1	55.9	55.3	54.9	54.0	53.2	52.9	53.1	53.0

Source: IBGE. System of National Accounts. Authors' elaboration.

The changes in the economic structure are reflected in the dynamics of the labor market. In the period from 2012 to 2020, employment in industry was reduced from 16.4% to 14.4%, representing a decrease of 1 million vacancies. On the other hand, employment in the services sector grew considerably, with the share of services provided mainly to companies increasing from 13.6% to 14.9%, and the share of other services increasing from 4.6% to 5.5%. Public administration now has the largest share, rising from 15.7% to 18.2% in 2020, and has overtaken trade and repair of motor vehicles and motorcycles, which fell from 18.2% to 17.5%.

The majority of the states in the Southeastern region presented a similar behavior of a drop in the participation of industrial employment and an increase in services, but at different levels. In São Paulo, in 2020, industrial employment had a share of 16.4% (a fall of 2.6 p.p.). In Rio de Janeiro, only 10%, a drop of 1.9 percentage points. In Minas Gerais,

14.1%, a decrease of 1.4 percentage points. In Espírito Santo, industrial employment remained relatively stable. On the other hand, the increase in employment in the services sector was common to all the states at different levels, with services provided to companies having the largest shares in São Paulo (17.4%), an increase of 1.5 p.p., and in Rio de Janeiro (15.9%), an increase of 0.6 p.p., and the smallest in Espírito Santo (11.1%), an increase of 1.7 p.p., and in Minas Gerais (9.9%), an increase of 1.5 p.p. (Table 4).

Employment in public administration grew in all states, but Rio de Janeiro showed the highest level (23.8%) and highest growth (6.3 p.p.), Espírito Santo comes next with a 17.2% share, a 1.8 p.p. growth compared to 2012. A relevant difference between the states is in the employment in the agriculture, livestock, forestry, fishing and aquaculture sector, in Espírito Santo and Minas Gerais the participation is high (15.2% and 12.5%) in 2020, but both showed a reduction in participation in the analyzed period, in 2012 the participation was 16.9% and 13.1%, respectively.

It is important to note that the employment scenario is largely influenced by the recession of 2015/16, the labor reforms of 2017 and pension reforms of 2019, as well as the pandemic of 2020. Thus, the result was an expressive increase in the vacancy rate in all states. Rio de Janeiro and São Paulo had the highest rates in 2020 (17.6% and 14.1%), and also the most expressive increases (10 p.p. and 6.8 p.p.). Minas Gerais and Espírito Santo showed very similar behavior in the level of the unemployment rate (12.9% and 12.8%) and in the variation (5.8 p.p. for both). In Minas Gerais, the rate was 8.6%, well above the other states (São Paulo 6.6%, Espírito Santo 6.5%, and Rio de Janeiro 5.9%).

Employment in public administration grew in all the states, but Rio de Janeiro showed the highest level (23.8%) and the greatest growth (6.3 p.p.). Espírito Santo comes next with a 17.2% share, a 1.8 p.p. growth compared to 2012. A relevant difference between the states is in employment in the agriculture, livestock, forestry, fishing, and aquaculture sector, in Espírito Santo and Minas Gerais the participation is high (15.2% and 12.5%) in 2020, but both showed a reduction in participation in the analyzed period, in 2012 the participation was 16.9% and 13.1%, respectively.

The recession and the changes in the production structure also impacted the proportion among the forms of occupation, which meant two main changes in the employment structure. In the Southeast region, there was a drop of 4.4 p.p. in registered jobs in the private sector (with a signed contract), which still has the largest share of the total number of employed people (42.5% in 2020). The second relevant change is the 5.1 p.p. increase in self-employment, which reached 23.6% of the total. Other types of occupation only presented variations equal to or less than 1.0 p.p. in this period.

The informality in the Southeastern region, according to the IBGE criteria,³ reached the level of 32.2% in 2020. Among the states, Espírito Santo had the highest level (38.7%), followed by Minas Gerais (37%), Rio de Janeiro (34.4%), and only São Paulo (28.7%) was below the average for the sector (Table 4).

Table 4. Workers in informal jobs. Southeast region: 2020.

	Unregistered domestic workers	Unregistered private sector employee	Employer without legal registration	Self-employment without legal registration	Unpaid family workers	Total number of informal workers	Informality rate
Minas Gerais	419,130	1,088,930	83,448	1,669,409	234,625	9,456,295	37.0%
Espírito Santo	62,304	205,954	15,239	346,627	73,907	1,818,332	38.7%
Rio de Janeiro	268,403	600,019	31,981	1,430,019	18,113	6,831,082	34.4%
São Paulo	720,602	2,177,766	94,626	2,866,597	148,969	20,944,410	28.7%
Southeast	1,470,439	4,072,669	225,293	6,312,651	475,613	39,050,119	32.2%

Source: IBGE. National Household Sample Survey (PNADC). Authors' elaboration. Note: (1) People aged 14 years or older.

The average real income in the region is higher than the Brazilian average. In the fourth quarter of 2020, the values were R\$ 3,229 and R\$ 2,818, respectively [Translator's note: US\$ 1.00 was worth approximately R\$ 5.40 in the fourth quarter of 2020]. The differences among the states are significant. In Minas Gerais and Espírito Santo, the remuneration is lower than the national and the Southeastern average, R\$ 2,401 and R\$ 2,561, respectively. In Rio de Janeiro and São Paulo, compensation is higher than the Brazilian and the Southeastern region average, R\$ 3,549 and R\$ 3,553, respectively.

2.4. South region

The South region of Brazil is the smallest in land area, but it is the third most populous in the country. Historically, its insertion in the inter-regional division of labor in Brazil was as a supplier of foodstuffs for the other regions, and the regional industry was based on traditional sectors such as textiles, leather and food, and linked to the extractive sector (wood, yerba mate, coal). Until the first half of the 20th century, it is a technologically outdated industry, remaining complementary to the São Paulo economy (Silva, 2019).

³ Employees in the private sector without a formal contract, domestic workers without a formal contract, employers without legal registration, self-employed without legal registration, and unpaid auxiliary family workers.

The most important structural changes in the region are observed from the advance of the import substitution process. In this period, the creation of development banks such as the BRDE (Banco Regional de Desenvolvimento do Extremo Sul) and the expansion of the region's infrastructure, in the wake of national and regional development plans, allowed the diversification of its industrial park, with the inclusion of more dynamic sectors such as transport material, chemical and metal-mechanic, in addition to the installation of large agro-industrial complexes (Rizzi & Germer, 1993, Silva, 2019).

The advance of regional industrialization was reflected in the region's growing share in the country's industrial GDP. Between 1970 and 1985 the region emerges as the second most industrialized region with about 15% of Brazil's industrial GDP. This status will also give it social indicators above the country's average, as the region has for many decades registered a higher share in national GDP (17.2% in 2020) than its share of the Brazilian population (14.3% in 2020), according to IBGE.

With the emergence of neoliberal policies starting in the 1990s, there was a reduction in the national and regional prominence of industry in the composition of GDP and employment. Notwithstanding, the region's participation in Brazil's industrial GDP increased from 22.9% in 2012 to 24.4% in 2019, the participation of industry in the GDP of the Southern states had dissonant behaviors. The drop in the participation of industry in the GDP of Rio Grande do Sul and Santa Catarina in the period (2.4 p.p. and 3.1 p.p. respectively) was partially offset by the increase of 1.7 p.p. in Paraná (IBGE, Regional Accounts System).

This can be explained by the relatively late industrialization of Paraná, which meant a greater "protection" to the impacts of the productive restructuring and the trade opening, while the other state industries (in Rio Grande do Sul and Santa Catarina) suffered more from the global competition, which had a strong impact on the textile and clothing subsectors, as well as on the ceramics and leather subsectors.

Despite the process of deindustrialization of the region observed in the most recent period, this can be characterized as "progressive and positive", according to Silva (2019), since despite the losses in participation of the transformation industry in employment and regional production, they present deconcentration of production among the states of the region and concomitant increase in participation at the national level.

These transformations in the productive structure of the region had reflexes in its foreign trade. In Rio Grande Sul, the reprimarization process of the exportation agenda is more evident. While the participation of agricultural products increases between 2012 and 2020 (15.8% to 25.3%), the share of manufactured products decreases from 82.1% of total exports in 2012 to 74% of the total in 2020. In Paraná, in the same way, agricultural products

increase from 26.5% in 2012 to 31.3% in 2020. On the other hand, manufactured products decrease their participation from 71.3% in 2012 to 68.4% of total exports in 2020 (Ministério do Desenvolvimento, Indústria, Comércio e Serviços [MIDC], Comex Stat).

Santa Catarina showed a similar trend, although less marked, with growth in the share of agricultural products from 4.7% in 2012 to 9.4% in 2020. However, manufactured products predominate in the export agenda, despite having reduced their share from 94.2% in 2012 to 89.7% in 2020 (MIDC, Comex Stat).

Importantly, the Southern states are second only to São Paulo in the ranking of exporting states of manufactured goods. Furthermore, in 2020 the South region held just over 28% of the country's industrial establishments, only behind São Paulo and Minas Gerais. These data show clearly how industrial activity remains concentrated in the Southeast and South regions, despite the fact that the deindustrialization movement has affected these two regions more (Confederação Nacional da Indústria [CNI], Profile of industry in the states).

To a large extent, state governments aligned with neoliberal agendas, from the 1990s on, deepen transformations of trade opening and widen social and economic inequalities between mesoregions federative units, reinforcing the productive specialization and geographical concentration of production. Thus, the development of the region is not homogeneous, since we observe parts of the territory that are integrated to the dynamic centers of the national and international economy, such as three industrial centers: Cidade Industrial de Curitiba (CIC), Vale do Itajaí, and the Porto Alegre-Caxias do Sul axis.

The composition of employment by sector of activity varies somewhat among the states of the region. In the state of Santa Catarina, while agriculture and livestock sector holds a little more than 10% of the jobs, three other sectors concentrate, in 2020, more than half of the jobs: transformation industry (22.4%), commerce and repair (17.4%), and public administration (15%). Differently, in Paraná and Rio Grande do Sul the percentage of employment in industry is a little lower (15.2% and 13.5% respectively), while public administration (17.4% and 18.3%) and commerce and repair (20.3% and 18.5%) have larger shares in these states, as well as agriculture in Rio Grande do Sul (12.3%).

The changes in the demographic structure are a phenomenon that affects the country as a whole; however, it presents itself differently among the regions of the country. Santa Catarina is the only state in the South region that presents positive (internal) migration balances between 2012 and 2020, according to IBGE projections. In addition, the process of demographic transition that is reflected in the reduction of the percentage of the young population as well as the increase in the proportion of the elderly in the total population occurs more intensely in the South and Southeast (IBGE, 2018).

On the other hand, the data brought by PNAD Continuous indicates a reduction in the productive use of the working-age population, whose percentage of occupied is just over 60% in Santa Catarina, 57.3% in Paraná, and 56.4% in Rio Grande do Sul. In other words, the low dynamism of the Brazilian economy from 2014 and the worsening conditions in the labor market meant that the country did not take advantage of the change in the composition of the working-age population, wasting the so-called “demographic bonus”.

The dynamics of the labor market in the period 2012-2020 reflects the declining cycle of growth from 2014, which is added to the changes brought about by the Labor Reform of 2017 and the economic-health crisis of 2020 motivated by the Covid-19 pandemic. Throughout this period, the underutilization of the labor force (measured by the combined rate of unemployment and underemployment due to insufficient hours worked) grew, notably starting in the 4th quarter of 2014, reaching 20.9% in Brazil and 12.9% in the South region in 2020.

In Santa Catarina it goes from 4.7% of the population aged 14 years or more in 2012 to 7.5% in 2020. On the other hand, the levels of underutilization recorded between 2012 and 2020 are even higher in Paraná (9.1% and 14.9%) and in Rio Grande do Sul (9.3% and 14.34%) in the same period.

This labor market deterioration can also be observed through the employment data by position in occupation over the same period. Starting in 2015, reductions in employment with a signed labor contract are recorded, with simultaneous expansion in employment without a labor contract and self-employment.

Between 2018 and 2020, labor market conditions become even more unfavorable in the South region, with decreases in the percentage of employed people with a formal employment contract and an increase in the number of self-employed workers, since even the number of jobs without a formal employment contract shrinks throughout the region. These data reinforce what several studies have shown during the pandemic in the country, that is, a strong retraction in employment and the search for survival strategies by the population.

This panorama is also seen among workers with high formal education (15 or more years of schooling). The percentage of these workers in informality increases in the Southern states, but in greater proportion in Paraná (19.8% to 24.3%) and in Rio Grande do Sul (19.7% to 24.6%). In Santa Catarina the increase was smaller (18.4% to 20.8%), but consistent with the same general trend. However, despite revealing some fragility in their insertion, the employed with 15 or more years of schooling are less in informality than the average of workers in the same states in 2020 (Paraná 39.8%, Rio Grande do Sul 38.8%, and Santa Catarina 33.3%).

Considering the average real income of all jobs in Brazil and in the South, we see that, despite tending to be higher in the South, the difference decreased from 10.5% to 8.8% between 2012 and 2020, further reflecting the low dynamism of the labor market in the period.

As seen previously, the national dynamic of retraction in industrial activities is also observed in this region, but in a different way among the three states. Industry in Paraná is the one that suffers least from the opening up and restructuring of production, ensuring a certain stability in the proportion of the state GDP.

At the same time, the dynamics of the region's economy is very much tied to the national context, as well as dependent on the exchange rate conditions and the demand for its export products in the international commodity markets. Rio Grande do Sul, the largest exporter in the region, is the one that has lost the most economic prominence with the decline of the industrial sector.

On the other hand, Santa Catarina is the one with the highest share of the manufacturing production in the Gross Added Value (19.6%), above the regional average (17%), and the one that least decreased formal employment in most of the manufacturing subsectors, surpassing the general trend of the region itself.

Finally, it is important to emphasize that the regional industry does not stand out for companies with high technological content, showing low potential for competitiveness in the international market, although it does have a relative competitive superiority in relation to the North, Northeast, and Central-West regions, which is reflected very clearly in the indicators on the labor market.

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2.5. North region

It is necessary to recognize that the present globalization of capital represents a qualitative stage in capitalist development. Social fragmentation, decentralization, functional regional integration, and distribution of production are elements that characterize this new market and its circuits of global accumulation.

The national and local capitalist fractions, as well as the one that represents the hegemonic fraction, the transnational capitalist class, have been pushing a diverse set of political institutions in order to institutionalize the forces and class relations linked to capitalist globalization. This set of issues reflects a realignment with the global dynamic center, decisively compromising national sovereignty.

The regional patterns of accumulation instituted in the Northern region of Brazil, covered by the Amazon biome and the “*cerrado*” (savannah), have been integrated into the globalized circuits through the expansion of the agricultural frontier and neoextractivism in territories such as the Legal Amazon and MATOPIBA (an acronym for Maranhão, Tocantins, Piauí and Bahia), but not without expressing impacts, conflicts and destruction, the result of cumulative processes of land control by economic elites and violence in the countryside. An unequal and combined capitalism whose sum total of historical and modernizing elements realize, in the current context, an even more potentialized subordination commanded by the Transnational Capitalist Class and by an activist State that increasingly reforms and flexibilizes laws in order to serve these interests.

Capitalist sociability and the corrective and rectifying role of the state have drawn a heterogeneous and complex picture of the world of labor in the region. The historical processes and the network of contradictions that emerged and structure the social whole also offer us conditions to understand the current scenario of the labor market in this region and its dynamics, fruit of the new organic composition of transnational capital. Investments in Research, Development, and Innovation (RD&I) projects and the development of new production techniques (Agriculture 4.0) collaborate to a rapid growth of capital in the form of the means of production: increase of constant capital and decline of variable capital, where the labor force is found.

In this region, the dependence on the primary-export model is increasingly evident, which, through neoliberal governance, pressures the legal regime on environmental issues, on the demarcation of indigenous lands and on the use of pesticides, for example. Outsourcing is also advancing in the agricultural value chain, with the predominance of the service sector in the most diverse forms of contracting work, such as converting employees into legal entities providing services or “individual micro-entrepreneurs”, a type of “precarious entrepreneurship”. Informality is the general trend that makes the forces of labor fragmentary and dispersed, and the contemporary productive world has been a great laboratory for the corrosion of contracted and regulated labor. In the digital age and in Agriculture 4.0, the International Division of Labor establishes new social divisions and class relations.

Permanent productive restructuring, the result of investments and advances in the computer-digital-informational area, has potentiated new social divisions and social reproduction, repositioning the dominant class through a new regime of capitalist expropriation with transnational investments that has been directly reflected in countries whose subordinate integration is a historical mark, as is the case of those that make up Latin America and the Caribbean. The class relations established internationally and nationally have polarized and made the labor market more precarious, consolidating strategies of super-

exploitation of the workforce due to the heterogeneous and flexible condition of employment and the productive world. Given its structural condition, labor precarization can also be understood as a process of “subproletarianization”.

Despite all the problems of deindustrialization and reprimarization of the Brazilian economy and the emerging dynamics of agribusiness and neoextractivism, it is necessary to consider the changes and destabilization of labor regimes and the reconfiguration of rural economies for a more complete panorama focused on the particularities of the northern region of Brazil and the sectors and trends that have prevailed in this territory.

The Northern region of Brazil is composed of seven federative units (Amazonas, Pará, Acre, Rondônia, Roraima, Amapá, and Tocantins) and shares international borders with Bolivia, Peru, Colombia, Venezuela, Guyana, Suriname, and French Guiana (Pan-Amazon). Domestically, it borders Maranhão, Piauí, Bahia, Goiás and Mato Grosso. Although physical borders are fundamental to demarcate territories, the expansion of agriculture, cattle breeding, and neo-extractivism have shown that beyond them, new productive zones and new global productive spaces have been formed and forged Special Zones of Intense Accumulation (ZEIA), which make up the productive specialization in the countryside that, associated with rent-seeking, form the current exporting agrarian model. We can also mention the Legal Amazon, which is a political definition for this region and also covers part of the states of Mato Grosso and Maranhão. The globalization of production has produced regional patterns of accumulation that complete and drive global circuits. The Legal Amazon and MATOPIBA have fulfilled this territorial function.

According to an update made by the IBGE (Brazilian Institute of Geography and Statistics) in 2021, whose results are available in the publication “*Limites da Amazônia Legal*”, the Legal Amazon is an area that corresponds to 58.9% of the national territory, formed by nine states and 772 municipalities. In this territory 56% of the Brazilian indigenous population resides. It is composed of two important hydrographic basins: the Amazon and the Tocantins-Araguaia.

According to EMBRAPA (Brazilian Agricultural Research Center), the region also has the largest biodiversity on the planet, with extensive flora and fauna. Beyond this diversity and its biomes, what we need to highlight here are the populations that live over this territory, with disparities between the states in terms of population concentration. More succinctly, the demographic density of all the states in the North Region is small and most are concentrated in urban centers. There is an interesting particularity about the concentration of people along the rivers, especially in six cities: Manaus, Belém, Porto Velho, Santarém, Marabá, and Altamira.

These need to be understood as a functional territory that fulfills a list of tasks, becoming a specialized space in a productive circuit (Moore, 2020). Certainly, the multiscales that define the territories of the Legal Amazon and MATOPIBA are reflections of these new territorial and productive dynamics that meet the expansionism of agribusiness, the links that make up its value chain and that exercise predominance in the economy through the production and export of commodities. Socio-territorialized productive circuits are expressions of a diversity of work modalities. In this sense, we perceive the market trends and the fluctuation of the labor force for the sectors that make up the value chain in the North region. Furthermore, part of the surplus and underutilized population runs the risk of being super-exploited in the form of contemporary slavery (Suzuki & Plassat, 2020).

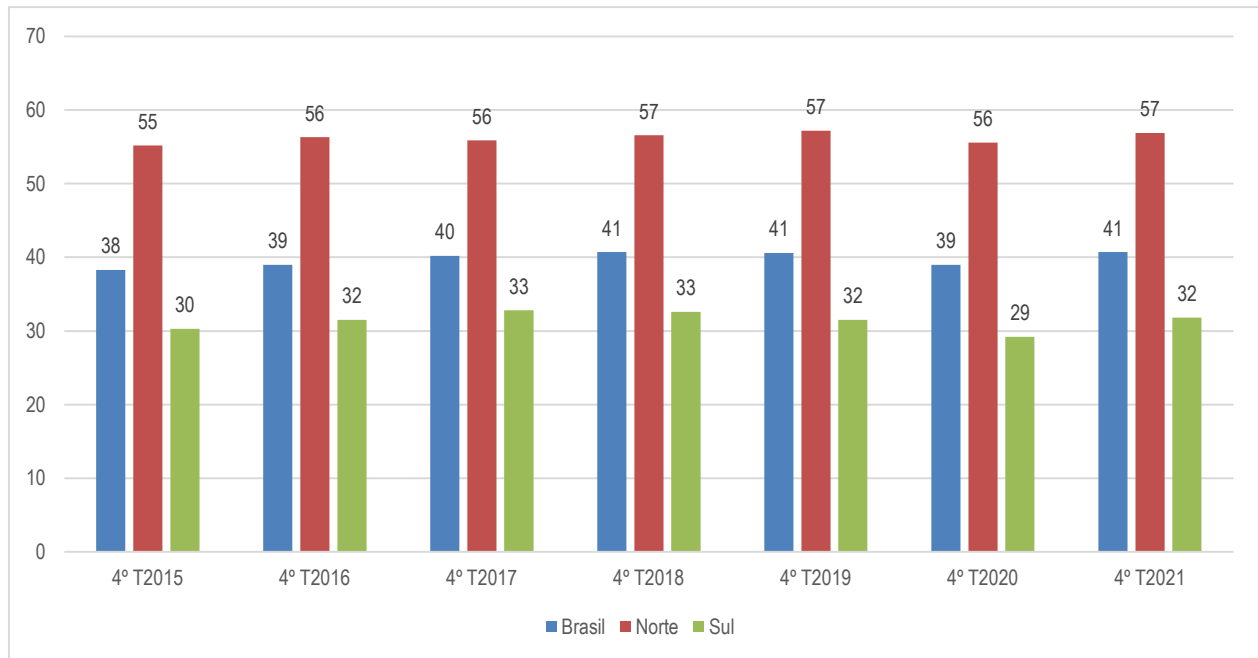
According to the IBGE, currently the population of this region is composed of 15.9 million inhabitants, which corresponds to 8% of the Brazilian population, and its HDI (Human Development Index) is 0.683. The population of the North region according to color/race is divided into browns (69.2%), whites (23.9%), blacks (6.2%), yellows (0.7%) – descendants of Indigenous people, Portuguese, and migrants from other Brazilian regions, mainly from the Southeast and South. The region is inhabited by indigenous communities, rural people, fishing communities, and “*quilombola*” communities (those descended from former slaves). Unsustainability, destruction, and violation of human rights have also been the hallmarks of the expansion of the agricultural frontier in the Legal Amazon, particularly in the “*cerrado*”.

The region is known for its mineral and vegetal extractivism, especially the exploration of iron ore, gold, and copper in Serra dos Carajás, in the state of Pará, and the exploration of manganese in Serra do Navio, in the state of Amapá. In Manaus, the Free Trade Zone continues to play an important role. Not surprisingly, this is also historically the scene of intense social struggles. However, the process of expansion of the agricultural frontier of soybean and neoextractivism has been rapid, determining a new mode of production called Agriculture 4.0, which reintroduces a new subordination to the logic of socio-territorial domination of capital, promoting inequalities in access to land, water, and territories, in addition to many other forms of violence that can be recognized in social reproduction and in the dimensions of gender, race, and class, expressions of the irreducible antagonism of the capital system, a “neocolonialism on the prowl” as already treated by Pochmann (2021).

The analytical framework on the labor market in the North region of Brazil, based on the multiscalar methodology that considers the Legal Amazon and MATOPIBA as productive territories of transnational capital and whose analysis helps to understand the particular elements that collaborate with the structuring of the labor market in the region.

The updates of these exploitation processes in the region also need to be recognized as factors that stimulate the reprimarization process of the Brazilian economy, especially with regard to the production of hard and soft commodities and the vigor of transnational agri-food corporations that have shaped the broader context of global food policy.

Graph 8. Informality rate (%). Brazil, North and South regions: 2015 to 2021 (4th quarter).



Source: IBGE. National Household Sample Survey (quarterly data). Authors' elaboration.

The volume of activities outside the radar of labor regulation draws attention in the North region, subjecting the working class to precarious conditions and a high level of insecurity. In contrast to the South region that shows the lowest informality rate, the North region reveals an informality rate up to 78% higher than the South region (Graph 8). It is worth remembering that the occupations with legal registration have higher incomes than the informal economy, which is aggravated by non-compliance with labor legislation in terms of working hours and other aspects of social and labor protection.

With the support of the parliamentary representation of agribusiness and mining, the transnational corporations have been able to raise the level of exploitation of the labor force in Latin America without organized opposition, taking advantage of the weakness of inspection in the peripheral regions, such as the North region, whose informality rate is the highest in the country for any historical period, oscillating between 55% and 58% (IBGE-PNADC). Farming and neo-extractivism, besides environmental impacts, accentuate socio-

territorial conflicts, with direct implications on the world of work and subsistence conditions. Agricultural sector, in turn, is the sector with the 3rd highest concentration of labor force in the North region, registering a variation of 16.4% to 18.8% in the 2012-2019 period, behind only public administration and commerce, which reflects the expansion of the agricultural frontier, while deepening labor precariousness.

Among the regions that make up the country, the North region has the highest informality rate (55.4%), followed by the Northeast region (52.2%) and above the national average (39.4%). The state of Pará, in turn, appears with the highest informality rate in the country (60.5%), followed by Maranhão with (59.1%) and Amazonas (57.1%).

Following a national pattern, in the North region, agricultural sector is the third largest activity in the sectoral distribution of the workforce and represents the second worst work income, with an average monthly income of R\$ 1,340. In turn, industry as a whole ranks 4th in terms of the number of people employed and 3rd in terms of average monthly income (R\$ 1,791).

The rate of unemployment in the North Region is almost always above the national average, ranking second or third among the five regions, according to the IBGE-PNADC. The leader in unemployment, for any period, is the Northeast region. Since 2016, the composite rate of underutilization of the labor force in the North region has been above 20%, always assuming the second position and staying above the national average. This indicator corresponds to the sum of underemployed due to insufficient hours worked, unemployed, and potential labor force divided by the total extended labor force.⁴

According to IBGE data, the demographic share of the North region grew 47% in the 2002-2020 period, from 5.8% to 8.7%, while its participation in the national GDP increased only 34%, from 4.7% to 6.3%. This means a lowering of the GDP per capita, which is explained by the region's GDP recomposition in the same period. From 2002 to 2020, the sector that grew the most in the composition of the GDP was the extractive industry (357%), while the manufacturing industry shrank 34%.

Based on investments to encourage the expansion of the number of higher education enrollments throughout the country, the percentage of workers in the private sector with a work card and more than 15 years of schooling doubled between 2012 and 2020, going from 8% to 16.5%, after having already achieved significant progress between 2003 and 2011. On the other end, workers in the same sector with no education or with few years of schooling fell from 8.5% to 3.3%. Despite being below the national average, it is a fact that the North region has taken advantage of the good winds of the expansion of social spending.

⁴ See IBGE Technical Note on measures of underutilization of the workforce (IBGE, 2016).

It is even possible that, as in the Central-West region, the expansion in the demographic share of the region is derived from the economic growth in some states, driven by agribusiness and mining.

The evolution of the educational level of the employed population has not repositioned the region in terms of average labor income for two reasons: all the regions have advanced in education and the condition of peripheral region subordinated to the dynamic center of the national economy has kept the North and Northeast regions in the same position in the regional division of labor. In other words, they are major consumers of manufactured goods and exporters of raw materials, which results in a relative trade disadvantage in relation to the dynamic center of the national economy.

The logic of capitalist accumulation adopted by agribusiness and neoextractivism has guided political decisions in the three spheres of government and compromised the survival conditions of poor communities and those who depend on the sale of labor force in demeaning conditions in the region. The success of the exploiters is based on the political failure of the exploited.

Conclusion

As discussed in the previous pages, Brazil's repositioning in the International Division of Labor was accompanied by the displacement of the condition of industrialized, complex, integrated, and articulated economy that prevailed until the 1980s. The advance of productive specialization anchored in the association of financial rent-taking with the primary-export model, in the first quarter of the 21st century, had deep and wide repercussions on the national labor situation.

The emptying of the economic axis based on the domestic market was succeeded by the financialized integration into global production chains through the majority supply of commodities. Brazil has lost position even among the BRICS (Brazil, Russia, India, China, and South Africa) and, in this repositioning, the regional division of labor becomes even more evident, since the peripheral states – inserted in the national integration system as consumers of the manufactured goods offered by the dynamic center of the national economy – are now also importers of goods produced in other nations.

The result is that, in this new configuration of the national market under the command of “capitalism 4.0”, the surplus of labor in the peripheral states has been greater than the number of the employed population with pay. In Alagoas, according to IBGE-PNADC, for any quarter of the series 2012-2022, the number of people out of the labor force is greater

than the number of occupied people, exceeding 54% of the working-age population in the 2nd quarter/2018 (1,450,000 people 14 years+ out of the labor force and 941,000 economically employed people, including employers and unpaid family workers).

In the Northeast, the percentage of the population aged 14 and over out of the labor force has represented more than 90% of the employed population since the 3rd quarter/2016. In the South, on the other hand, this ratio has been between 53% and 57%, reaffirming the abyss that separates the country into two polarized worlds marked by inequalities that are reproduced within each region. Caring for Brazil requires understanding these singularities and the structural problems to be overcome.

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