



International
Labour
Organization



LIVELIHOODS FOR MIGRANTS & REFUGEES

IN BRAZIL

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EXECUTIVE SUMMARY

This report presents the results of field research commissioned by the ILO in collaboration with UNCR and conducted over one month, from the 2nd of July to the 4th of August, 2018, in Brazil, by researchers Mr Edwin Johan Santana Gaarder and Ms Eth Ludmilla de Gois Vieira Nunes Rodrigues. The research aims to identify ways for migrants and refugees in Brazil (the “target group”) to secure employment and take advantage of market opportunities. Findings and recommendations are summarised below:

Findings

The target group is made up of migrants of different nationalities, including Venezuelans, Syrians, and Haitians, and is not limited to individuals with a specific migratory status. The majority of migrants are young, single males with a reasonably high level of education. Between 2015 and 2017, over 44,000 Venezuelans entered Brazil through the northern State of Roraima and are now in the capital city of Boa Vista. This population suffers from high rates of unemployment or low-quality employment and is forced to endure frequent labour rights violations and discrimination.

Migrants are prevented from finding work due to the loose labour market conditions that have resulted from the recent economic recession in Brazil, on the demand side, and due to the lack of information and support services, on the supply side. Information and support services are needed to inform migrants of their rights, to provide updates on labour market conditions in specific sectors, to connect job-seekers to suitable vacancies, to offer childcare services to female job-seekers and to adapt migrant workers’ skills to the Brazilian context. Qualified migrants, moreover, are unable to get their skills and qualifications recognised due to the cost and complexity of the Brazilian authentication process. Migrants are therefore prevented from finding decent work, even though most of them are in possession of the documents needed to take up formal employment.

Demand for migrant labour exists due to the positive qualities of migrant workers, including their loyalty and dedication, their good sense of customer service and their work ethic. Much of that demand is unrealized due to businesses’ lack of familiarity with the formalities that apply when hiring migrant workers and to fears of regulatory non-compliance. Demand is concentrated in the services sector and in agriculture, which suffered less from the recession than the industrial and manufacturing sectors. However, agricultural and manufacturing jobs tend to be high-risk and low quality. The sector with the highest potential to hire refugee and migrant workers is the hospitality

sector, in general, and this report focusses on business support services in São Paulo and on tourism in Manaus.

Demand for migrant labour is currently not met due to the absence of tailored recruitment services, which obliges migrants to resort to informal methods of searching for jobs. The recruitment services currently available to migrants are inadequate for a number of reasons: the public sector recruitment platform (SINE) is not a geographically unified system, and job searches are limited by the rigidities of its computerised system; NGOs provide a decent service but are hampered by their lack of resources and insufficient coordination; the private sector chooses to focus its efforts on Brazilian job-seekers, who are easier to place.

Migrant and refugee entrepreneurs face even greater challenges than job-seekers. Those who are not yet in possession of a “permanent resident visa” do not have access to finance and are unable to register a micro-enterprise or small business due to regulatory restrictions. They are therefore informal and face severe disruption in the event of an inspection by the authorities. The same set of circumstances prevent the migrant population from forming cooperatives, even though there could be considerable State-driven demand for goods and services produced by migrant-led cooperatives.

Recommendations

Recruitment services

- Establish a steering committee and a centralized platform to coordinate the activities of different actors in the market for recruitment services.
- Introduce a payment mechanism and encourage CSOs to learn the techniques used by private sector recruitment companies.
- Disseminate best practices and encourage innovation in the field of recruitment services for migrants and refugees.

Micro-finance and other support services

- Support micro-finance institutions in extending their services to migrant populations.
- Promote greater integration and better out-reach of the support services provided by microfinance institutions, recruitment services, and *Sistema S*.
- Campaign for the creation of a new cooperative model that allows for membership of ‘social members’ and advocate for greater migrant participation in the cooperative movement.
- Encourage female entrepreneurs to offer childcare services in refugee shelters and neighbourhoods with a large population of migrant job-seekers.

Advocacy

- Advocate for an urgent change in the regulations that prevent migrants from formalizing their businesses and accessing micro-finance.
- Campaign for a nationwide elimination of the fees charged for the authentication of diplomas / professional qualifications and push for further simplification of the process.
- Continue to conduct awareness-raising campaigns for the private sector, with a specific focus on employers and banks.

Sector-specific solutions

- Continue to establish and foster partnerships with companies in hospitality, business support services and recruitment in São Paulo.

- Launch pilot interventions in São Paulo, to take advantage of the city's greater level of economic development, its formal labour market and its commitment to diversity.
- Support the local government and the private sector in Manaus to develop a plan for the sustainable development of tourism in a way that favours socioeconomic integration of migrants.
- Design and implement a project to improve Amazon river tours by cleaning up the waterways and other attractions, upgrading infrastructure and organizing service providers.

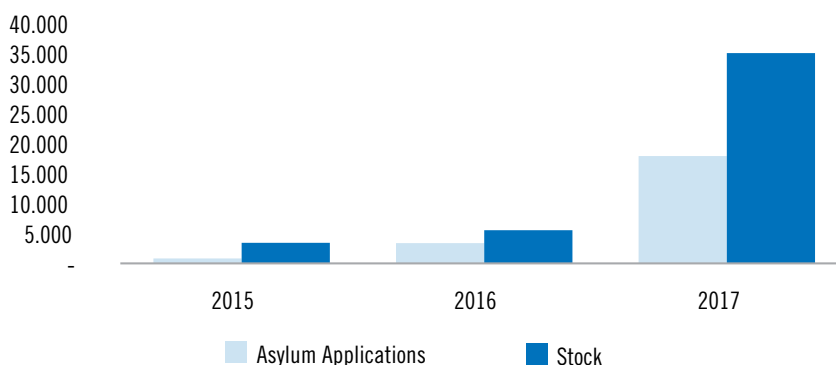
LIST OF ABBREVIATIONS AND ACRONYMS

AFEAM	Agência de Fomento do Estado do Amazonas
ANVISA	Agência Nacional de Vigilância Sanitária
CAGED	Cadastro de Empregados e Desempregados
CGIg	Coordenação Geral de Imigração
CLT	Consolidação das Leis do Trabalho
CNI	Confederação Nacional da Indústria
CNIg	Conselho Nacional de Imigração
CODACE	Comitê de Datação de Ciclos Econômicos
CPF	Cadastro de Pessoa Física
CTPS	Carteira de Trabalho e Previdência Social
CUT	Central Única dos Trabalhadores
DIEESE	Departamento Intersindical de Estatística e Estudos Socioeconômicos
FECOMÉRCIO	Federação do Comércio de Bens e de Serviços
FGTS	Fundo de Garantia do Tempo de Serviço
FIEAM	Federação das Indústrias do Estado do Amazonas
FIER	Federação das Indústrias do Estado de Roraima
FIESP	Federação das Indústrias do Estado de São Paulo
FUMIPEQ	Fundo Municipal de Fomento à Micro e Pequena Empresa
GMG	Global Migration Group
IBGE	Instituto Brasileiro de Geografia e Estatística
ILO	International Labour Organization
IMDH	Instituto de Migrações e Direitos Humanos
IOM	International Organization for Migration
MEI	Microempreendedor Individual
MPT	Ministério Público do Trabalho
MTE	Ministério do Trabalho e Emprego
NGO	Non-governmental Organisation
OBMigra	Observatório das Migrações Internacionais
OHCHR	Office of the High Commissioner for Human Rights
OIT	Organização Internacional do Trabalho
PARR	Programa de Apoio à Recolocação dos Refugiados
PED	Pesquisa de Emprego e Desemprego
PNAD	Pesquisa Nacional por Amostra de Domicílios
RAIS	Relação Anual de Informações Sociais
RNE	Registro Nacional do Estrangeiro
SEBRAE	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas
SENAC	Serviço Nacional de Aprendizagem Comercial
SENAI	Serviço Nacional de Aprendizagem Industrial
SESC	Serviço Social do Comércio
SESCOOP	Serviço Nacional de Aprendizagem do Cooperativismo
SINCRE	Sistema Nacional de Cadastro e Registro de Estrangeiros
SINE	Sistema Nacional de Emprego
SJMR	Serviço Jesuíta para Migrantes e Refugiados
TVET	Technical and vocational education and training
UFRR	Universidade Federal de Roraima
UNB	Universidade de Brasília
UNHCR	United Nations High Commissioner for Refugees

INTRODUCTION

The Brazilian government is collaborating with the UN to respond to the influx of Venezuelan migrants into the State of Roraima, in the north of Brazil. Estimates from the IOM (2018) indicate that up to 44,000 Venezuelans entered Brazil in the years 2015-2017, and figures from the Brazilian Ministry of Justice (2018) show that slightly over 22,000 of them have initiated the process of seeking asylum. The vast majority entered through the isolated northern State of Roraima and are living in Boa Vista, the State capital. The influx of migrants into the State of Roraima has caused a supply shock in the local labour market and has generated an unsustainable boost in demand for public services, given the resources currently available to the local government. UNHCR is, therefore, working with the Government of Brazil to relocate Venezuelans on a voluntary basis from Roraima to other parts of Brazil - including São Paulo, Manaus, and Cuiabá - where there is greater capacity to absorb the migrant population.

Figure 1 - Latest figures on the stock of Venezuelan migrants in Brazil (IOM, 2018) and the number of applications for asylum received by the Brazilian Ministry of Justice (GoB, 2018).



The International Labour Organization commissioned the current research to identify employment and livelihood opportunities for migrants in São Paulo and Manaus. This report presents the results of field research that was conducted over one month, from the 2nd of July to the 4th of August, in the Brazilian cities of São Paulo, Boa Vista, Manaus, and Brasília. The research was commissioned by the ILO and implemented in collaboration with the UNHCR in Brazil. The research aims to identify ways for the migrant population to secure employment and take advantage of market opportunities

while continuing to benefit from protection systems and support services including career counselling, entrepreneurship training, child care services, and grant assistance. The ultimate goal is to design interventions that help refugees gain greater self-reliance.

The research has delivered concrete outputs that will inform future interventions in the field of labour market integration. The immediate outputs of the research activities that were implemented over the specified period are as follows:

- a detailed and disaggregated target group profile, based on available data and focus group discussions;
- a sector selection exercise, based on agreed selection criteria and rapid market assessments conducted in the selected locations;
- detailed value-chain analysis;
- cross-cutting and sector-specific recommendations to address the market failures that lead to a lack of decent work for the migrant population in Brazil.

This report defines the relevant areas of intervention, recommends specific activities and identifies potential implementing partners. The first outcome of this research is the identification of employment and livelihood opportunities for migrants, based both on the needs, preferences and employment background of the target population and on the absorption capacity of the economic sectors that were considered. The second outcome of the research is a set of recommendations on how to strengthen the labour market in general and the specific sectors that were identified as having a high potential for the recruitment of the target population. Lastly, the research generated a list of potential implementing partners from civil society, the public and the private sectors, who are willing to be approached during the implementation phase of the identified activities.

Future market-oriented interventions will increase the capacity of the private sector in São Paulo and Manaus to provide decent work for the target population. The recommendations made in this report aim at strengthening the selected value chains, using a holistic “market systems” approach so that they can generate decent work and livelihood opportunities for Venezuelan migrants and other people of concern in Brazil. The interventions proposed in this report are designed with the overall objective of promoting self-reliance among the target population, generating employment through a greater understanding of labour market trends and incentivising entrepreneurship through the provision of business development services (BDS) and finance.

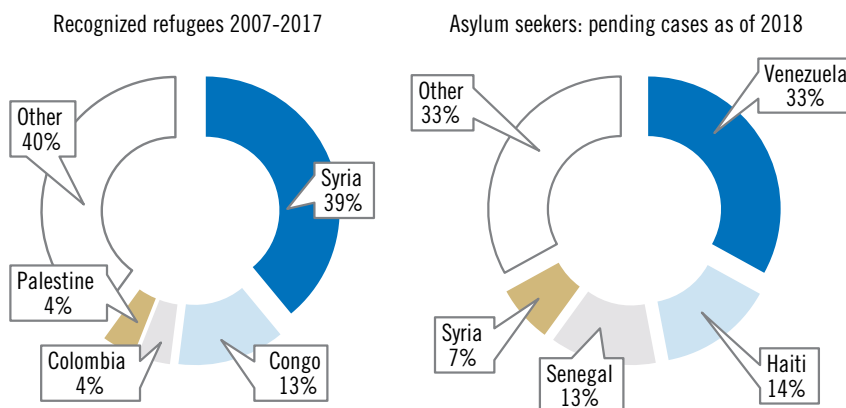
SECTION 2

TARGET GROUP PROFILE

2.1 Definition

The target group is made up of a diverse set of nationalities and is not limited to individuals with a specific migratory status. The current research was originally targeted at “refugees and people of concern in Brazil”, with specific reference to Venezuelans, Haitians, Angolans, and Cubans. In fact, Syrians and Congolese are the most common nationalities among recognized refugees in Brazil, making up 39% and 13% of the total respectively, and individuals from these countries were consulted extensively during one of the FGDs in São Paulo. Venezuelans and Haitians constitute 47% of asylum cases currently being considered by the Brazilian authorities and were the nationalities most commonly cited by stakeholders during the KIIs. However, individuals from Venezuela and Haiti benefit from alternative means of regularizing their migration status and have not historically been recognized as refugees. Haitians, for example, have the option of applying for the so-called “humanitarian visa”, while Venezuelans can apply for “temporary residence” as members of a neighbouring country. In practice, many of the individuals that fall into the above categories can be classified as “people of concern”, regardless of whether they end up being recognized as refugees. It, therefore, makes little sense to limit the target group to a predefined set of nationalities or a specific migratory status.

Figure 2 - Break-down of recognised refugees (LHS) and asylum seekers (RHS) by nationality. (Source: Ministry of Justice, 2018)

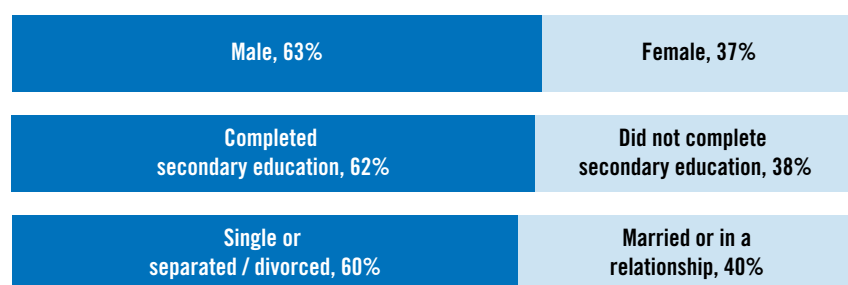


The present report uses the term migrant when referring to any person understood as being part of the target group, including refugees, asylum seekers, and economic migrants. The terms “refugee” and “migrant” carry different weights: while refugees are an internationally and legally recognized category and are thus entitled to particular rights and protection, migrant is a broader term, which includes refugees but is not restricted to them, and that finds no universal and legal definition. A person is characterized as a refugee after a judgment is made on whether he/she fulfils the requirements of the definition included in the Geneva Convention, which are as follows: 1) being outside his/her country of origin; 2) being in need of international protection because of a serious threat to his/her life, physical integrity or freedom in the country of origin, and; 3) that this threat be for the reasons of persecution, armed conflict, violence or serious public disorder against which the authorities in the home country cannot or will not protect him/her (OHCHR and GMG, 2018). Those who fall outside this definition, such as many of the Venezuelans arriving in Brazil for economic reasons since 2017, or those who possess a temporary residence visa, are not entitled to the same rights. The researchers have found that, regardless of their legal status in Brazil, most of the migrants face similar obstacles when attempting to access the Brazilian labour market or to launch a business. To avoid leaving anyone behind when developing the recommendations in this report, the research team chose to use the term “migrants”.

2.2 Data analysis

The most recent available data allows us to make some general observations about the profile of the target group, including demographics, degree of employability and current status within the broader workforce in Brazil. The most pertinent information has been summarized in this section, beginning with data on Venezuelan migrants specifically (Simões, 2018) followed by more general information about refugees and asylum seekers in the Brazilian labour market (OBMigra, 2017).

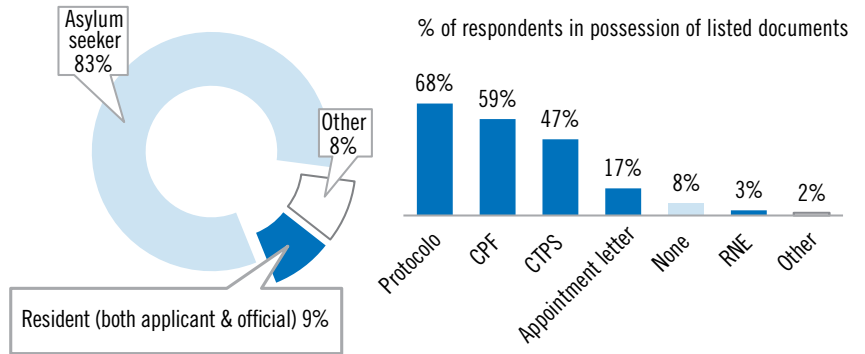
Figure 3 - Profile of Venezuelan migrants in Roraima. (Source: Simões, 2018)



The successful socioeconomic integration of Venezuelan migrants in Brazil is rendered more likely by their favourable demographic profile and their access to legal documents. A data collection exercise by Simões (2018) found that the Venezuelan migrant population in Roraima is largely made up of young, single males with a reasonably high level of education (**See Figure 3 above**). Less than 8% of the migrants are in the country illegally, with the vast majority (83%) having regularized their migration status by seeking asylum. Those who have sought asylum can obtain an asylum seeker’s receipt (*Protocolo de Solicitação de Refúgio*), which is supposed to function as a legally valid ID card for asylum seekers. With this *Protocolo*, asylum seekers are in theory able to obtain the

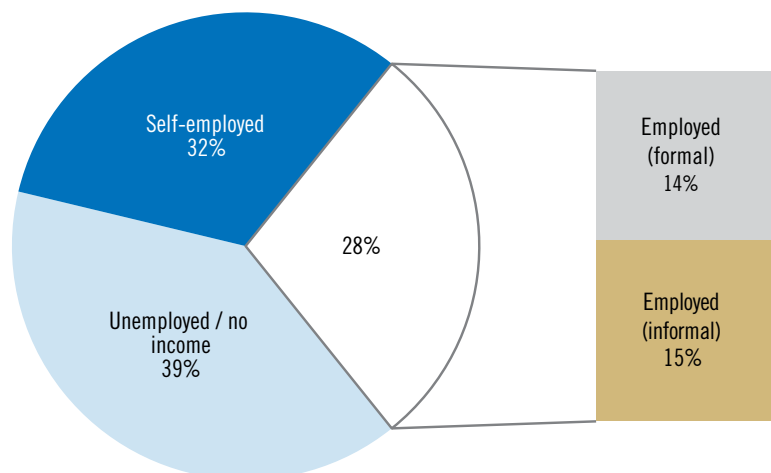
other documents required to take up formal employment in Brazil, including an employment record book (CTPS) and a tax registration number (CPF). In practice, asylum seekers are able to obtain both the CPF and the CTPS. However, most of them do not have an alien resident ID number (RNE), and this prevents them from opening a business or applying for a loan.

Figure 4 - Legal status of Venezuelans in Roraima. (Source: Simões, 2018)



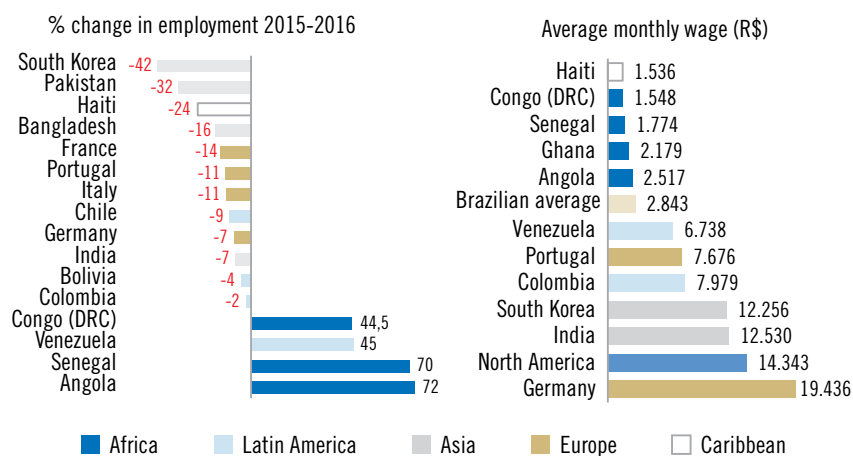
Venezuelans are nevertheless unable to secure high-quality employment in Roraima and are therefore migrating (or planning to migrate) to other locations in Brazil. The rate of unemployment among the migrant population in Roraima is high (35.4%) (Simões, 2018). Less than one-third of respondents (29%) are employed, and of those, less than half (48%) have secured formal employment with all associated benefits (See Figure 5 below). Incomes are relatively low: 45% of respondents reported an average income of between one and two minimum wages per month, and more than half (50%) reported an average income of less than one minimum wage (R\$937.00 per month in July/August 2017). The majority of respondents reported work schedules of more than 40 hours a week, and most complained of discrimination, such as having to accept longer working hours and lower wages than those which applied to Brazilian workers. Partly as a result of this, an overwhelming share of the migrant population in Roraima (77%) stated that they would be willing to move to another Brazilian city, and most (79.6%) cited employment opportunities as the main reason they would like to move (ibid).

Figure 5 - Employment status of Venezuelan Migrants in Roraima. (Source: Simões, 2018)



Migrant workers constitute a small fraction of overall employment (which is shrinking), but some nationalities may benefit from a substitution effect as the economy recovers. Data from the *Relação Anual de Informações Sociais* or RAIS (2016), a government database on employment, shows that migrant labour still constitutes an infinitesimal fraction of overall formal employment: 0.3% of the total in 2016. Migrant workers from Haiti account for the largest share of total migrant employment (21%) followed by Portuguese and other Latin Americans. There was a steep drop in employment across the country over the period 2015-2016, with over 2 million jobs lost, of which 15,583 belonged to migrant workers. Migrants suffered greater job losses in relative terms, registering a -11% drop in formal employment over 2015-2016 compared to a fall of -4% for Brazilian workers over the same period. However, it is interesting to note that the largest losses can be attributed to Koreans (-42%) and Europeans, who are generally considered to be highly skilled labour, whereas there were sizeable gains in employment among Angolans (+72%), Senegalese (+70%), Venezuelans (+46%), and Congolese (+45%) (see **Figure 6 below**). The fact that migrants of African origin tend to earn lower wages than the Brazilian average suggests that refugees and other people of concern might benefit from a substitution effect as the economy recovers.

Figure 6 - Migrant labour in the Brazilian economy. Percentage change in employment from 2015 to 2016, by nationality (LHS) and average monthly wage in 2016, by nationality (RHS). (Source: RAIS)



Migrant workers tend to work in the South of Brazil, in the labour-intensive construction and meatpacking industries and the hospitality sector. As in the case of the Venezuelans, migrant labour as a whole in Brazil is predominantly young and male (OBMigra, 2017). Figures from 2016 suggest that these workers are overwhelmingly concentrated in the south of Brazil, primarily in the State of São Paulo, and thereafter in the States of Rio de Janeiro, Paraná, Santa Catarina, and Rio Grande do Sul, although Roraima may have climbed up the ranking after the recent influx of Venezuelan migrants (see **Figure 7 below**). Data from CAGED also gives us some indications as to the economic sectors that hire the most migrant workers. In the case of Haitians, the industries that hired the greatest number workers in 2016 were the following: construction, hospitality (restaurants), meatpacking, cleaning services and retail (supermarkets) (OBMigra, 2017). In the case of Venezuelans, the sectors that hired the greatest number of workers in 2017 are listed in **Figure 8 below** (Simões, 2018).

Figure 7 - Concentration of Migrant Labour per State. (Source: OBMigra 2017)

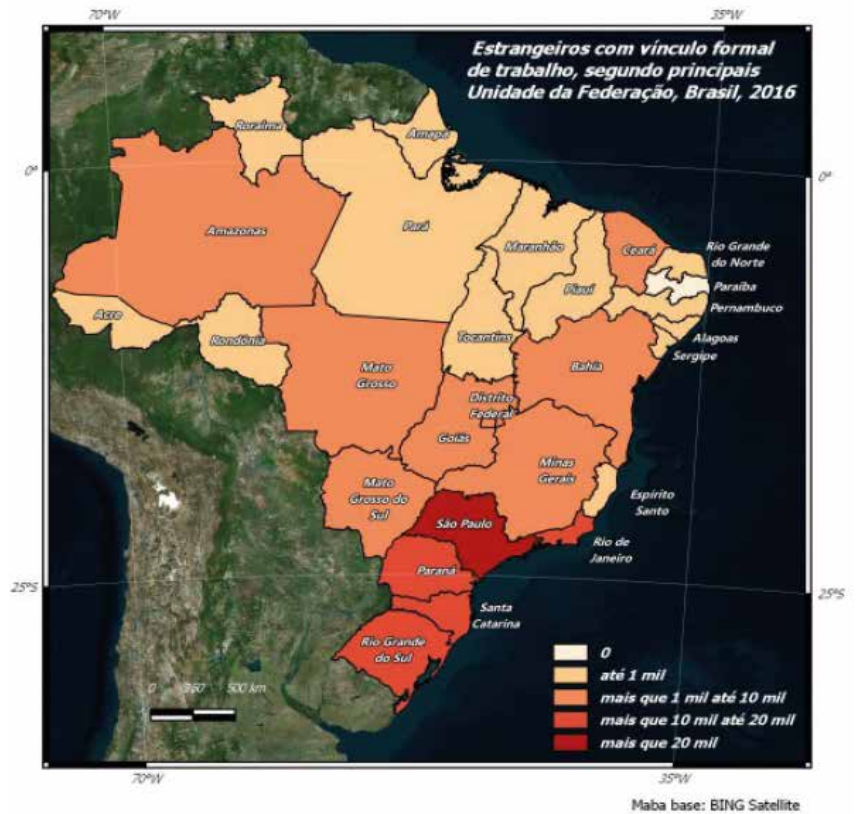
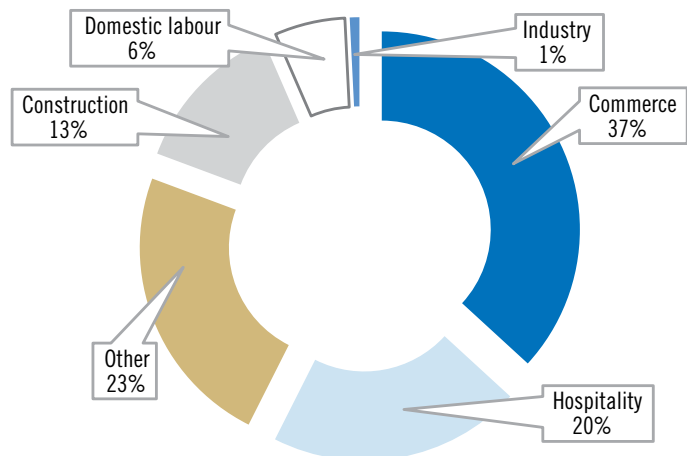


Figure 8 - Breakdown of Venezuelan workers in Roraima, by sector. (Source: Simões, 2018)

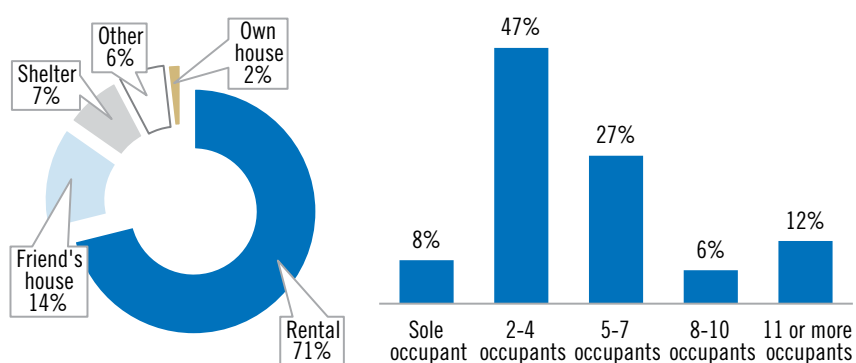


2.3 Observations from the field

Difficult living conditions constitute the first obstacle to labour market integration for migrants. Most of the target population lack the resources to meet their most basic needs, such as food and adequate housing. Many survive by begging on the streets, receiving donations and shelter from UNHCR, CSOs and the Catholic Church, who in turn struggle to meet the demand. The majority of Venezuelan migrants in Boa Vista live in overcrowded rented properties or shelters, which are shared between a large number of families

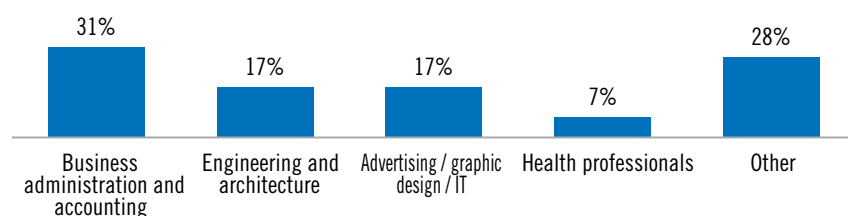
(Figure 9 below). Access to public services like healthcare, education, and childcare is also restricted, with 53% of respondents reporting that they had not accessed health, education or social services during their stay in Roraima (Simões, 2018). For these reasons, FGD participants reported that they would like to leave the overpopulated city of Boa Vista and travel to Manaus and São Paulo, to benefit from the stronger economies in those cities. Some migrants reportedly made the trip between Boa Vista and Manaus on foot, travelling over 780 km in extremely challenging conditions and arriving in Manaus with physical injuries and a severely compromised state of personal health. These difficult living conditions can make the labour integration process much harder, as employers may consciously or subconsciously judge migrants on their appearance, cleanliness, malnutrition or general state of health.

Figure 9 - Living conditions of Venezuelans in Roraima. (Simões, 2018)



There is a disconnect between the suitability/quality of employment opportunities in the local labour market and the economic potential of the migrant population. Migrants come from a diverse range of educational and professional backgrounds, and a sizeable proportion would have been classified as “skilled labour” in their countries of origin. Over the course of the FGDs, for example, the research team encountered engineers, doctors, and pharmacists. FGD participants expressed a desire to secure employment in their respective areas of expertise over the long term but were willing to work in any sector over the short and medium terms, to secure a decent livelihood for themselves and their families. Those FGD participants that are active in the local labour market reported that employment opportunities are limited to the informal sector, where there is some demand for domestic workers, construction workers, and restaurant/hotel staff, on an intermittent basis. Many reported that their work is remunerated on a daily basis (“diária”), at the end of the working day, and that some employers take advantage of the situation to unilaterally reduce or withhold payment. In other words, most migrants are only able to secure low-quality employment in the informal sector, regardless of their skills, professional background or level of education.

Figure 10 - Professional background of 29 migrants surveyed by FIER in Roraima. (Source, FIER, 2018)



Frequent labour rights violations hinder migrants' opportunities of finding decent work. Migrants very frequently earn less than Brazilians for doing the same job. In fact, they tend to make less than the national minimum wage of BRL 954 per month and are often offered a daily wage. In these cases, the progressive non-negotiated reduction of wages is common, and the non-payment of the agreed or decreased wage happens repeatedly. Migrants have reported been called for interviews or jobs and suffered theft and assault at the meeting point or the supposed workplace. Female migrants and domestic workers in particular have reported suffering from sexual harassment at the work-place and on the streets when looking for a job. Risks like these can render the job-seeking process risky and extremely unpleasant for migrant job-seekers.

Migrants are aware of the slack in the local labour market and view entrepreneurship as a viable solution. FGD participants were all aware of the general weakness in the local labour market and reported that Brazilian workers also face difficulties in securing employment due to high unemployment rates and sluggish economic growth. A majority view Brazilian employers' preference for Brazilian workers as an obstacle to greater labour market integration. Most FGD participants expressed considerable enthusiasm for small-scale entrepreneurship as a means of sidestepping local labour market conditions and securing a decent livelihood. Many also reported that they had already engaged in small-scale entrepreneurship, on an informal basis, through the sale of food and other snacks in public spaces. The main obstacle to small-scale entrepreneurship is the absence of microcredit and other financial solutions for prospective entrepreneurs, the lack of a suitable location in which to carry out such activities, and difficulties in complying with Brazilian legislation. Only one of the potential entrepreneurs, among the FGD participants, had heard of SEBRAE, the main source of information for prospective entrepreneurs and MSMEs in Brazil.

Migrants' limited access to information compromises the labour market integration process. Migrants have limited access to the following kinds of information:

1. Brazilian labour legislation and workers' rights.

Basic information on Brazilian labour legislation is provided by UNHCR and civil society actors, to ensure that migrants have some protection against exploitation and abuse. As a result, most migrants are able to obtain an employment record book (*Carteira de Trabalho e Previdência Social* - CTPS) relatively soon after their arrival in Brazil. However, a vast number of migrants are unaware of the specific rights associated with the CTPS, and how to submit a complaint if those rights are violated. Most information on the legal framework for labour relations is obtained through hearsay.

2. The Brazilian labour market, job vacancies, and requirements.

Information on employment opportunities is officially collected and made available through SINE, a public register of job-seekers and vacancies that is run by Municipal and State governments. Some migrants are aware of SINE and have sought it out, but complain that they are unable to find relevant job opportunities through the service. Civil society actors that are specialised in the field of labour market integration are also a good source of information, but the number of vacancies advertised through such services is limited. In general, migrants report that they are unable to find information through these sources or online recruitment platforms, and therefore find themselves resorting to informal

methods of job-seeking, knocking on doors or displaying posters announcing their availability.

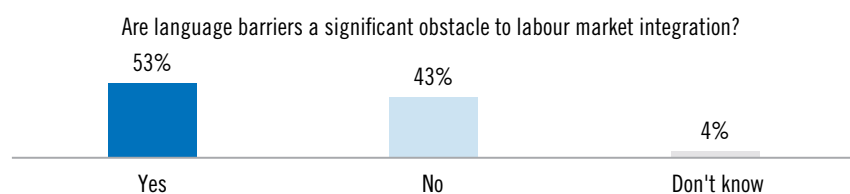
3. Supporting services for job-seekers and prospective entrepreneurs.

None of the FGD participants were aware of SENAC and SENAI, which provide technical and vocational education and training (TVET) for workers in Brazil. During a visit to SENAC in Manaus, the research team met four Venezuelans who had secured places on a course through Caritas, a CSO associated with the Catholic Church (which is in turn funded through UNHCR). This constitutes further evidence that civil society is the main source of information for migrant job-seekers. With one exception, FGD participants were also unaware of SEBRAE, a public institution that provides information and training for prospective entrepreneurs and small businesses.

The absence of childcare services is the main obstacle to the effective integration of female job-seekers into the labour market.

When asked about the specific obstacles faced by female job-seekers, FGD participants were unanimous: women are hampered by the absence of childcare services. In Boa Vista and Manaus, several Venezuelan mothers reported that they take their children with them on the job hunt, knocking on doors or displaying notices in public spaces. Others leave their children with family members at the shelter. In general, female job-seekers reported feeling unsafe and discriminated against when accompanied by children on the job hunt or at work, with several mothers reporting that their children had been cited by employers as a reason for refusing to hire the female candidate. Only in Manaus did the research team encounter a female migrant offering childcare services as entrepreneurial activity, charging mothers up to R\$20 per child per day. More research is required to understand the constraints that prevent or hamper the development of such services in refugee shelters and other areas with a sizeable migrant population.

Figure 11 - View of Venezuelan migrants in Roraima on language barriers as an obstacle to labour market integration. (Source: Simões, 2018)



Language barriers are not a significant obstacle to labour market integration, especially for Venezuelan migrants.

Most of the stakeholders and the migrants that were consulted throughout the field work cited lack of fluency in the Portuguese language as one of the main obstacles to greater integration of migrant workers into the local labour market. However, most of the migrants that participated in the FGDs were able to communicate well in Portuguese, regardless of their country of origin.

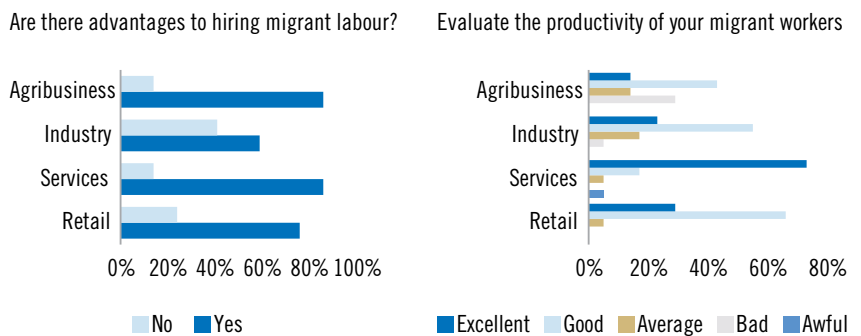
Furthermore, most of the migrants were seeking employment in sectors that do not require full professional fluency in written and spoken Portuguese, such as the hospitality sector. The research team, therefore, considers *inaccurate* the widespread perception, among both employers and the migrants themselves, that lack of fluency in Portuguese is a major barrier to labour market integration. On the contrary, there seems to be a need to train em-

ployers, public servants and the local population at large, to be patient with those who speak Portuguese as a second language and account for minor differences in pronunciation, rhythm, and cadence.

Foreign language skills are a major competitive advantage for the migrant population in the local labour market. Most of the stakeholders that were consulted throughout the field work reported that foreign language skills were a significant competitive advantage for the migrant population, in particular considering the general shortage of foreign language skills in the Brazilian labour market. For this reason, some of the sectors most frequently cited as potential recruiters of migrant labour were those with the greatest need for foreign language skills, such as the hospitality sector and the import/export sector. On at least one occasion, a major multinational company (Nestlé) has been known to implement targeted recruitment activities in the State of Roraima, to secure employees with Spanish language skills. In São Paulo, multinational companies like Sodexo and GRSA (Compass Group) emphasized successful placement of migrant candidates as a result of their language skills. Several migrants have also found employment as language teachers.

Employers have noted other positive qualities possessed by migrant workers that could boost their employability in the local labour market. Research conducted by the Federation of Industries of the State of Roraima (FIER) has gathered data from 218 companies active in all economic sectors, of which 78 already employ migrant labour, to understand the impact of the recent influx of migrants on the local economy (FIER, 2018). When asked about the productivity of migrant workers, most employers reported good or excellent levels of productivity (see Figure 12 below). When asked to list the qualities of migrant workers, the most frequent adjectives used were “punctual” (42% of companies surveyed), “dedicated” (25%), “service-oriented” (13%) and “hard-working” (11%). These assessments from companies that already work directly with migrants are in stark contrast to the characterisation of migrants in the media as well as the general reaction to migrant job-seekers described in the FGDs, in which the prevailing view is that migrant workers are dishonest and lazy. FIER is already actively attempting to disseminate the results of its research, but additional efforts need to be made to highlight migrant workers’ positive qualities and boost their overall employability throughout Brazil.

Figure 12 - The perception of Roraima-based businesses towards the migrant workers they have hired. (FIER, 2018)

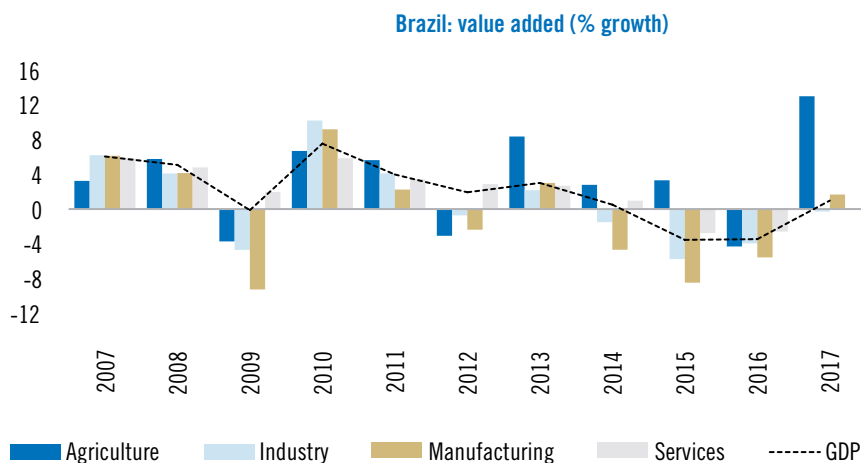


SECTION 3

LABOUR MARKET

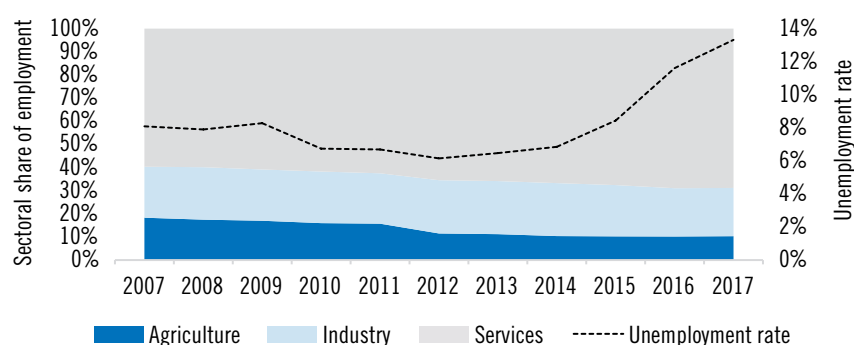
3.1 General Background

Figure 13 - Percentage growth in value added 2007-2017, by subsector. (Source: WB, 2018)



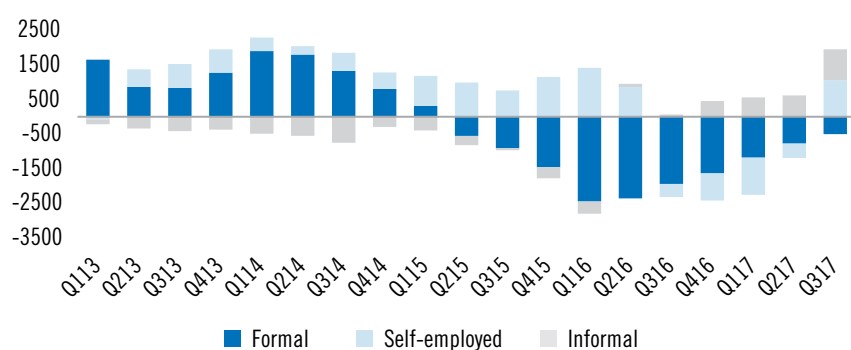
Brazil is re-emerging from several years of economic recession, and the private sector is pessimistic about growth and employment prospects According to Getúlio Vargas Foundation's *Comitê de Datação de Ciclos Econômicos* (IBRE, 2017), the recession started in the second quarter of 2014 and lasted for 11 quarters, until the fourth quarter of 2016. GDP figures for that period show a contraction of 3.2% between 2014 and 2016 (IBRE, 2017). The industrial sector and manufacturing subsector suffered the most from the recession (see Figure 13) and the current recovery in GDP growth rates is being led by the agricultural sector, which accounts for only 4.6% of Brazilian GDP and 10.3% of total employment (WB, 2018). Although the manufacturing industry grew at a relatively brisk 1.7% in 2017, this growth came from a low base and total value added is still 32% below its 2011 peak (in nominal terms), or 16% below its 2013 peak (in real terms). In general, private sector representatives from the industrial and manufacturing sectors who were consulted by the research team were extremely pessimistic about the growth and employment prospects within their respective industries. Stakeholders from the services sector, by contrast, were cautiously optimistic about their prospects.

Figure 14 - Brazil: Sectoral share of total employment (LHS) & unemployment rate (RHS), 2007-2017. (Source: WB, 2018)



Migrants are looking for work in a context of high unemployment and increasing rates of informality and self-employment. IBGE data indicates that there are 13.7 million jobseekers currently in Brazil, which represents an unemployment rate of 13.1% in the first quarter of 2018. This is the highest level of unemployment since the year 2000 (WB, 2018). The rise in unemployment has been accompanied by a sectoral shift in the share of total employment, from agricultural and industry towards services (see Figure 14 above). There has also been a shift from formal employment towards informal employment and self-employment (see Figure 15 below). When comparing the first quarter of 2018 to the same period in 2017, we can observe an increase of 533 000 in the number of informal labourers (+5.2%) and an increase of 839 000 in the number of self-employed labourers (+3.8%). By contrast, the number of formal jobs in the private sector fell by 493 000 posts (-1,5%) (PNAD/IBGE, 2018).

Figure 15 - Change in employment by category of work (formal, self-employed, informal). (Source: Credit Suisse, 2018)



The weak labour market is leading to some substitution of local labour by migrant workers and a general deterioration in working conditions. Migrants' willingness (especially in Roraima) to work on an informal basis and accept lower wages and poorer working conditions may be causing some employers to substitute local workers for migrant labour. This may be of short-term benefit to migrants, but it comes at the expense of the general quality of work in the broader labour market. FGD participants also expressed concern that this trend might cause resentment among local workers and perpetuate the misperception that migrants "steal jobs". The personal story of one Venezuelan FGD participant is particularly illustrative: he was formally hired after several months of informal work at a local pastry shop, in recognition of his high-quality work, but his employer revealed to him that she was going to dismiss his Brazilian colleague, whose services were no

longer required as a result of his higher cost-effectiveness. The gentleman in question told the research team that he intended to quit his job in order to prevent this from happening, and that he viewed entrepreneurship as a possible “escape valve” for the pressures of a competitive labour market.

3.2 Supporting Services

Given the loose labour market conditions and the disadvantages faced by migrant job-seekers, it is all the more important that relevant supporting services be put in place to facilitate labour market integration for migrant workers. This section seeks to document the means by which migrant job-seekers search for jobs, as well as the recruitment services and the technical and vocational education and training that are available to them in Brazil.

3.2.1 Recruitment services

Migrants resort to informal methods of searching for jobs, which is ineffective and severely reduces their chances of success. In general, migrant job-seekers do not use recruitment services to search for job vacancies, relying instead on word-of-mouth and spontaneous delivery of CVs. During the FGDs, migrants reported intense dissatisfaction with this state of affairs, which was considered inefficient and often humiliating. Most reported disproportionate ratios of CVs delivered to successful hires and complained of the treatment they receive at the hand of prospective employers. FGD participants also reported that the informal method of job-seeking is *particularly dangerous for female job-seekers*, as it carries a greater risk of being exposed to sexual harassment and gender-based violence on the streets or at employers’ premises. Migrants resort to the informal method due to the ineffectiveness of public/private recruitment agencies and the limited capacity of civil society to act as an intermediary. FGD participants suggested that resources be directed toward the development of a more formal and centralized system of recruitment.

Table 1 - CSOs offering recruitment services, by location. (Source: Spheres Consulting)

CSOs offering recruitment services	
Manaus	<ul style="list-style-type: none"> • Pastoral do Migrante • Caritas
São Paulo	<ul style="list-style-type: none"> • Instituto Adus • Missão Paz • Caritas (partnership with PARR) • Compassiva
Boa Vista	<ul style="list-style-type: none"> • Serviço Jesuíta para Migrantes e Refugiados • Instituto de Migrações e Direitos Humanos

The lack of coordination between public/private recruitment agencies and civil society compromises the effectiveness of the market for recruitment services. Migrants in Brazil have access to the national government-run recruitment platform, which is known as SINE at the national level but has different monikers at State and Municipal level. Several of the FGD participants have tried to use the public service provided by SINE (which is also in demand from Brazilian jobseekers), but none of them experienced any success. Private recruitment services / online platforms are also available, but success rates are equally disappointing. In general, neither public- nor

private-sector recruitment services provide the sort of bespoke support to candidates and recruiters that is required to place migrants into open job vacancies effectively. The only alternatives are the recruitment services offered by CSOs and civil society more broadly (see Table 1 above). These services are better tailored to the specific circumstances of refugees, but are offered independently of the public / private recruitment system, tend to be small-scale and *ad hoc*, and suffer from lack of coordination with the efforts of other CSOs. This leads to a general fragmentation of the market for recruitment services.

Text Box 1 - National Employment System (SINE).

Sistema Nacional de Empleo (SINE)

SINE is the public recruitment service coordinated and supervised by the Ministry of Labour. It was established in 1975 following the ratification by the Brazilian government of ILO Convention No. 88 (Employment Service Convention). The system was created to match labour supply and demand, performing an intermediary role between companies and workers throughout the country. SINE's main activities, such as labour intermediation, career guidance, managing unemployment insurance and conducting research / disseminating information on employment conditions, takes place through agreements with the units of the federation, municipalities with over 200 000 residents or non-profit organizations.



The main stages of the execution of the labour intermediation service are employee registration; employer registration; recruitment and registration of job vacancies; profile cross-referencing of registered workers with the profile of available vacancies; contacting candidates and referring them to job interviews; and recording the result of the selection process.

The recruitment services provided by SINE are not adapted to the needs of migrants and therefore do not serve to promote labour market integration for the target population. In a meeting with the Ministry of Labour in Brasília, the research team was provided with details on the functioning of the national employment system (SINE). Candidates are required to provide details on their personal profile in a computerised system, such as their profession (based on the official Brazilian classification, *Classificação Brasileira de Ocupações* or CBO) and their current address. The system will then “match” those candidates with suitable vacancies, using an algorithm. This procedure is unsuited to migrant job-seekers for two reasons. To begin with, migrants are unlikely to exercise their own profession in Brazil since their qualifications are not recognised (see Section 3.3 below). Most of them are in any case not interested in limiting their job search to one specific profession. Secondly, the SINE algorithm only returns vacancies posted by companies in the immediate vicinity of the candidate, which is not helpful at all to those migrant job-seekers that are currently located in Boa Vista. Companies are allowed to broaden their search to other regions but are unlikely to do so due to concerns that they will be held liable for relocation costs.

The most effective method to place migrants into open job vacancies is to provide both candidates and employers with comprehensive support services. The CSOs listed in Table 1 report higher rates of success in placing migrant job-seekers into open vacancies due to the comprehensive support services that they provide to both candidates and employers. For example, Adus provided recruitment services to over 5.000 migrants over the past five years and were able to place over 550 job-seekers into suitable vacancies since

2010, a 10% success rate that compares favourably with the 4% success rate achieved by the Municipality of São Paulo through SINE. The services provided by Adus include Portuguese language classes, CV and interview preparation, guidance on cultural norms, information about Brazilian labour legislation, and vocational training (**see Table 2 below**). In the case of employers, the support includes awareness-raising on the cultural background and (often) difficult circumstances of migrant job-seekers and training on the formalities and documents required to hire a migrant. By intervening on both sides of the recruiter-candidate relationship, civil society has been able to address cultural differences and bureaucratic obstacles in a more effective manner, allowing recruiters to concentrate on migrants' potential as a worker and, in many cases, proceed with recruitment.

Table 2 - Best practice recruitment support services provided by civil society.

Training for migrants	Training for employers
<ul style="list-style-type: none"> • Portuguese language; • training on Brazilian labour legislation and the relevant formalities and documentation requirements; • training on cultural norms and expectations, including guidelines on dress-codes and appropriate language/behaviour; • training on how to write a CV and prepare for an interview; • vocational training tailored to specific vacancies, often provided by recruiters. 	<ul style="list-style-type: none"> • Awareness-raising on the culture of migrant jobseekers and the (often difficult) circumstances that they have had to face before settling in Brazil. • Training on the legal status of migrants and the specific formalities and documents required to hire migrant workers.

There is considerable demand for migrant labour from employers, most of whom are driven by legitimate motives. Observations made during the field work suggest that there is considerable demand for migrant labour, especially in São Paulo, where companies proactively reach out to the CSOs above to fill vacancies. There are several drivers behind this demand, most of which are legitimate. Business associations reported that migrant workers have an excellent work ethic, are loyal and (in the case of Venezuelan migrants) highly service-oriented (FIER, 2018). In São Paulo, companies are also motivated by their CSR departments, which often take the initiative to reach out to CSOs. However, demand is also driven by illegitimate motivations, such as the intention to recruit migrants informally and thus avoid the costs associated with formal labour. Migrants are less likely to be aware of their labour rights and more likely to accept poor working conditions, due to their (often) desperate personal and financial situation upon arrival in Brazil. There is, therefore, a need to vet potential recruiters, to separate those with legitimate motives from those seeking profit from labour exploitation.

The absence of an employer vetting service undermines the further growth of CSO activity in the market for recruitment services. Of the stakeholders interviewed during the field research, only PARR¹ (in collaboration with UN-HCR) made a consistent effort to vet companies and eliminate those with illegitimate motives. Other CSOs frequently expressed apprehension at the possibility that they might unintentionally introduce migrants into jobs with poor working conditions or even into modern slavery. Similar concerns were expressed by the representative from the *Ministério Público do Trabalho*

1. PARR is a CSR initiative led by EMDOC, a company that provides relocation services to expats.

(MPT), who suggested that CSOs should not assume such responsibilities and risks, which are more appropriately managed by government authorities. A nationwide vetting service, run by MPT or another State actor could serve to sort companies and economic sectors into high-risk and low-risk categories. Such a vetting service would serve to guide CSOs and other providers of recruitment services, thus legitimising high-value intermediation activities in the domestic labour market.

The absence of a centralised platform and a generalised lack of resources undermine the effective functioning of the recruitment market. The good work that is being carried out by civil society in the field of recruitment is being undermined by a lack of financial resources. Most of the CSOs mentioned above do not have the financial and administrative capacity to approach companies to inquire about job vacancies. They, therefore, rely upon the initiative of the private sector, which occasionally reaches out to them, to build their job listings. Individual CSOs do not share information about candidates or vacancies with other CSOs, nor is information shared between CSOs and the public recruitment service (SINE). The provision of recruitment services for migrants is therefore based solely on the *ad hoc* initiatives of individual CSOs and the private sector, which limits the scope of the recruitment effort and fails to meet market demand. Other actors (such as SINE and private sector recruitment services) have not stepped in to meet this demand, as they are able to fill vacancies with Brazilian labour at a lower cost.

Recruitment services are also geographically fragmented and therefore fail to support the process of relocation from Boa Vista with information on destination labour markets. In addition to the fragmentation in the provision of recruitment services by different actors that was described above, the market for recruitment services is also *geographically* fragmented. SINE operates at the level of the State and the Municipality, but information is not shared *between* States and Municipalities, which prevents the public recruitment service from providing information about job vacancies in São Paulo and Manaus to migrant job-seekers in Boa Vista. Similarly, most CSOs and private recruitment services operate exclusively at the local level, and migrants are obliged to relocate from Boa Vista to Manaus or São Paulo before they can search for vacancies in these locations. In one FGD, a female job-seeker in Boa Vista reported that she had heard of 400 vacancies at a meat-packing factory in São Paulo, but was unable to apply because she did not have the details of the company or the means to send her CV electronically. Given the widespread availability of information technology, particularly cloud computing services and web-based apps like *WhatsApp*, there seem to be few obstacles to greater integration of recruitment efforts.

3.2.2 Skills recognition and TVET

This section discusses the challenges that migrants' face when asked to prove that they possess specific skills and qualifications, and the obstacles to acquiring new skills and qualifications through the Brazilian TVET system.

Migrants that possess the skills required to work in regulated industries are excluded from the market for skilled labour. The authentication of university degrees and diplomas in Brazil (*revalidação*) is a complicated, lengthy and costly process that most migrants (including doctors and engineers) are unable to understand or afford. Only the states of São Paulo and Rio de Janeiro exempt refugees from the fees for authentication of diplomas through the Brazilian university system, but the arduousness of the process is still off-putting for most qualified migrants. For example, one of the private sector stakeholders that was consulted during the field work - the managing

director of an accounting firm - reported that he had interviewed and hired a qualified Syrian accountant, who was perfectly capable of performing the duties required of a licensed account in Brazil. However, the company was obliged to hire the migrant worker as “support staff” and the person in question was unable to exercise his profession due to the lack of a diploma authenticated by the Brazilian authorities. On another occasion, the firm attempted to convince another Syrian accountant to enrol in an accounting course at university so that they could hire him as a trainee, but the candidate refused due to the compulsory class-room hours, which would have prevented him from spending time with his family.

Employers are generally unable to benefit from migrants’ pre-existing skills and qualifications as they are not recognised in the Brazilian labour market.

FGD participants reported a need to adapt their pre-existing skills to the local labour market by learning the specific vocabulary and standards used by their Brazilian counterparts. However, they are unable to do so due to the lack of on-the-job training opportunities and “fast-track” technical and vocational educational training. Most courses within the Brazilian TVET system are designed to build knowledge and skills from scratch, rather than adapt the pre-existing knowledge and skills possessed by migrants. Migrants are unaware of the service provided by SESI (*Serviço Social da Indústria*), which tests and certifies pre-existing skills through its youth and adult education programme. The problem is compounded by a general attitude, among most employers, of suspicion and dismissiveness when it comes to foreign qualifications.

The lack of on-the-job training opportunities in their fields of expertise inhibits greater labour market integration for qualified migrants.

Even though migrants were all willing to accept taking career paths that diverged from their previous professional experience, most of them expressed a preference for working in their chosen field of expertise. On-the-job technical and vocational education and training (often referred to as an internship, or *estágio*) was considered the best path towards reaching their long-term professional objectives, as it would provide them with the opportunity to showcase their skills to a prospective employer. Moreover, on-the-job training would allow migrants to meet the requirement for at least six months of formal professional experience in Brazil, which is quite commonly included in formal job advertisements. However, internships in Brazil are currently permitted only for students enrolled in a university degree course or vocational qualification programme, while all other labour is subject to the general labour law (CLT). The lack of a more flexible regime for migrants seeking on-the-job training opportunities, therefore, constitutes an important obstacle to greater labour market integration. One private sector stakeholder reported that she would like to offer on-the-job training opportunities to migrants, but feared the liabilities she might take on if the migrant were formally hired in accordance with the CLT.

Migrants are unaware and cannot afford public services offering technical and vocational education and training (TVET).

FGD participants reported that they are unaware of TVET services provided by institutions such as SENAC and SENAI. A limited number of migrants in Manaus have secured opportunities to attend technical and vocational courses at SENAC through Caritas (with UNHCR funding), but these opportunities are limited by the amount of funding available. SENAC and SENAI themselves also offer courses to low-income candidates, free of charge, but those programmes are in practice limited to Brazilian candidates through a series of criteria that migrants are unable to meet (such as residence in specific municipalities). In meetings

with the research team, representatives from SENAC and SENAI reported that, given the necessary time and resources, they saw no restrictions to increasing the number of courses they provide to accommodate demand from migrants. However, they warned that migrants might need additional financial support for living costs and travel, as some of the students who had attended the waiter's course in Manaus had dropped out due to insufficient funds for their own personal expenses. This was consistent with the report of one FGD participant, who claimed to have completed a course on manicure and pedicure “at a great personal sacrifice”.

Text Box 2 - Sistema S.

Sistema S

Sistema S refers to the set of quasi-autonomous non-governmental organisations focused on providing professional training, social assistance, consultancy, research, and technical assistance. Funding is collected on a compulsory basis through payrolls and distributed to the System S entities by the government. Some of the organisations are:



- **SENAI** (*Serviço Nacional de Aprendizagem Industrial*). National provider of TVET for the industrial sector.
- **SESC** (*Serviço Social do Comércio*). National provider of social services to the commercial and services sector.
- **SENAC** (*Serviço Nacional de Aprendizagem do Comércio*). National provider of TVET for the commercial and services sector.
- **SESCOOP** (*Serviço Nacional de Aprendizagem do Cooperativismo*). National provider of TVET for cooperatives.

3.3 Rules

3.3.1 Hiring formalities and documentation

The migratory status of asylum seekers and migrants with residence permits (Venezuelans) or humanitarian visas (Haitians) is not an obstacle to joining the formal labour market. Asylum seekers in Brazil are swiftly registered and furnished with a temporary document (*Protocolo de Solicitação de Refúgio*), which entitles them to the same set of rights enjoyed by Brazilian nationals, including access to public services and the right to join the formal labour market. Migrants from Venezuela are also able (and many choose) to obtain a temporary residence permit, while most migrants from Haiti have been issued “humanitarian visas”, both of which grant equivalent rights to those held by Brazilian nationals, including the right to join the formal labour market. During the FGDs, the research team observed that most participants were in possession of an employment record book (*Carteira de Trabalho e Previdência Social* or CTPS). This is the only legal document required a worker seeking to take up formal employment in Brazil, so the finding supports the hypothesis that there are few legal obstacles to labour market integration.

Text Box 3 - Employment Record Book (CTPS - Carteira de Trabalho e Previdência Social).

CTPS - Carteira de Trabalho e Previdência Social

The Social Security and Employment Record Book (CTPS) is a compulsory document for any person who provides any type of service, whether in agriculture, industry, commerce, and services or even domestic work. The document is equivalent to the employment record book that was historically used in Germany, USSR, Italy, and Slovenia, to cite a few examples.

The current CTPS was created by Decree (No. 926 of October 10, 1969). It records workers' employment history and grants them access to labour rights such as healthcare, pension benefits, and unemployment insurance (FGTS - *Fundo de Garantia por Tempo de Serviço*) (MTE, 2018).

The new CTPS is issued using a Computerized System that allows for the collection of employment data and prevents duplication. This database contains the following kind of information: address, CPF, voter registration number, driving license number, photograph, digitalized fingerprint and signature and NIS / PIS (social security number).



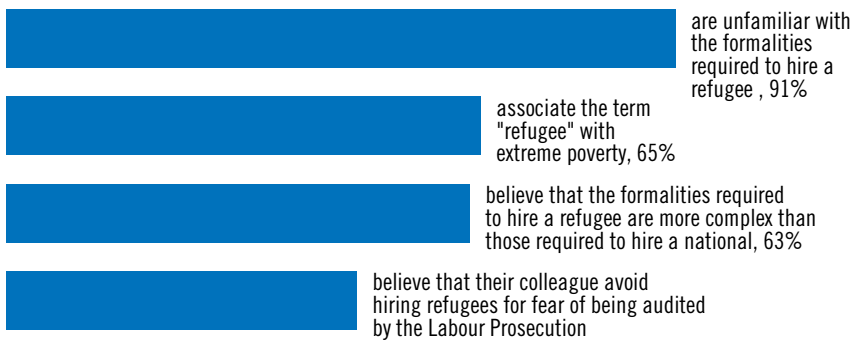
Migrants receive considerable help to regularise their migration status and obtain a CTPS, but this has hitherto *not* contributed to greater labour market integration. FGDs and KIIs revealed that migrants receive considerable guidance from various CSOs and the UNHCR when choosing which migratory status to apply for. In practice, the choice of migratory status often depends on practical concerns, such as the documents available to the migrants upon arrival at the border. Subsequently, migrants receive additional support from civil society to complete their application for a CTPS. However, migrants in Boa Vista and Manaus expressed frustration that the CTPS did not in practice facilitate the process of securing formal employment. In fact, FGD participants indicated that the presentation of the CTPS to prospective employers could, in fact, compromise the migrants' chances of securing

informal employment, as employers are put off by jobseekers who demand the full set of labour rights to which they are entitled. Formal employment is more common in São Paulo, and stakeholders there emphasised the importance of ensuring that workers arrived in the city in possession of their CTPS.

Employment opportunities for migrants fail to emerge due to widespread lack of information and awareness about the formalities required to hire foreign nationals. Stakeholders active in the placement of migrant workers into the formal labour market report widespread ignorance surrounding the formalities and documents required to hire foreign nationals (see Figure 16 below). In principle, a migrant in possession of an employment record book (*Carteira de Trabalho e Previdência Social*) is fully entitled to take up employment in Brazil, and only a few other formalities are required to complete the formal hiring process. In practice, Brazilian companies are accustomed to processing a range of other information and documents when hiring Brazilian nationals, including birth / marriage certificates, national identity cards (RG / RNE), tax registration numbers (CPF), proof of residence and bank details, many of which a migrant worker may not possess at the time of accepting employment. The difference in procedures that apply to nationals and migrant workers can confuse and deter companies from recruiting foreign nationals.

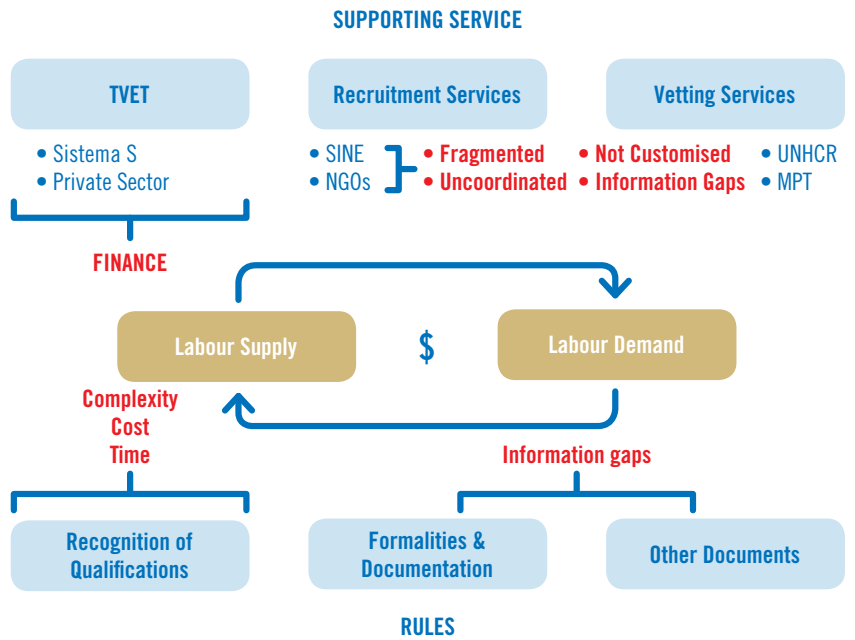
Brazilian employers are extremely cautious in their hiring decisions, to the detriment of migrant workers. Faced with the prospect of committing a mistake in the hiring process, private sector representatives reported that they would invariably err on the side of caution, choosing not to proceed with the recruitment for fear of violating Brazilian labour law and facing the onerous penalties associated with such violations. Interestingly, several CSOs cited caution on the part of employers as one of the main obstacles to the recruitment of migrant workers in Brazil. As a result, most CSOs active in the area of labour market integration now include awareness-raising for employers as one of their core activities and claim that preliminary guidance on recruitment formalities can significantly increase the chances of a successful hire. Awareness-raising is also being carried out by the Brazilian government.

Figure 16 - Attitudes of HR staff in São Paulo towards hiring refugees. (Source: Carvalho, n.d.)



Difficulties in procuring formal proof of residence and opening a bank account pose additional obstacles to the formal employment of migrants. Many migrants are unable to procure formal proof of address, as they live in shared accommodation or refugee camps run by CSOs and/or UNHCR. Moreover, several FGD participants reported difficulties in opening a bank account, due to bureaucratic obstacles and onerous document requirements. KIs revealed that many of the obstacles faced by migrants when trying to open a bank account are illegal, as the possession of an employment record book

(CTPS), a tax registration number (CPF) and an address is in principle sufficient. Bank staff are reportedly unaware that an asylum seeker's receipt (*Protocolo de Solicitação de Refúgio*) is a legal document and can be used instead of a Brazilian identity card (RG) or a migrant's identity card (RNE). The lack of formal proof of address can be an additional obstacle to jobseekers, as employers often ask for the bank account details of new hires, and are reluctant to pay wages in cash.



ENTREPRENEURSHIP

This section will explore the issues and challenges faced by migrant entrepreneurs.

4.1 Entrepreneurs and micro-enterprises

Most of the entrepreneurial activities carried out by migrants are informal and therefore do not promote socioeconomic inclusion of the target population.

Most of the migrants expressed a willingness, or even a personal ambition, to become entrepreneurs. According to FGD participants, the reasons behind this are the scarcity of formal jobs and a general desire for autonomy. Female FGD participants also offered an additional reason for their preference for entrepreneurship: as entrepreneurs, women have greater freedom to determine their own hours/days and are thus able to adopt a more flexible schedule that accounts for childcare responsibilities. Many FGD participants reported that they had already engaged in some form of entrepreneurship, which in most cases involved the sale of food and/or beverages on the street. However, most of these entrepreneurial activities are carried out on an informal basis and entrepreneurs are therefore excluded from the social safety net that covers most other Brazilian workers. When asked why they had not formalized their activities, the most common responses from FGD participants were: ignorance regarding the bureaucratic procedures to be fulfilled to register as a micro-entrepreneur (MEI) and the cost (~R\$50 in social security contributions per month).

Text Box 4 - Haitian ice-cream sellers in Manaus (Picolozeiros de Manaus).

Picolozeiros De Manaus

Supported by the Catholic Church's *Pastoral do Migrante* and charitable donations, a group of 70 Haitians work in the production and sale of ice-cream (picolé) in the streets of Manaus. This kind of ice-cream, sold for R\$ 1,00, is very common and widely consumed in the city. The informal cooperative is made up of producers and sellers. The salesmen and women buy the ice-cream from the cooperative's producers for R\$ 0,40, which is slightly above the average price of R\$ 0,35 because the product is made from fruit (as opposed to flavoring) and milk. Most of the milk and the equipment is donated by churchgoers and institutions, and each seller has his/her own trolley or Styrofoam box.



Pastoral do Migrante frequently establishes partnerships to offer language and technical courses to migrants and to train the *picoloeiros*. For example, sales training was provided through a recent partnership with FECOMERCIO. Some of the migrants have formalized their activity by registering as individual micro-entrepreneurs (MEI), but most of them have not done so either because they cannot afford the ~R\$50.00 monthly payments or because they were not aware of the importance of becoming formalized.

The lack of migrant associations and cooperatives prevents migrants from pooling resources and slows the growth of their economic activities.

In almost all of the FGDs, participants regretted the general absence of associations and cooperatives, led by migrants for migrant workers. Cooperatives were perceived as an instrument that would allow migrant entrepreneurs to pool resources and provide a competitive service in the Brazilian market. The rental of a suitable location for migrant entrepreneurs was cited as the main advantage that the establishment of cooperative could engender. Two examples were invoked by key informants: the “people’s markets” (*mercado popular*) that have been set up in the past to host Brazilian street vendors who were expelled from central squares and other congested locations; and the informal cooperative that has been established in Manaus, with the support of the CSO *Pastoral do Migrante*, for Haitian migrants to produce and sell ice-cream (“picoloeiros”) to the local population (see Text Box 4 above).

4.2 Supporting Services

This section will discuss microfinance services and other support services available to migrant entrepreneurs.

The main obstacle to entrepreneurship among the target population is a lack of access to finance. Migrant entrepreneurs rely mostly on their own resources to establish a business and generally do not have access to any other sources of finance. In most cases, the amount of finance required by migrant entrepreneurs is extremely low and would be classified as “microfinance” under Brazilian law (i.e., below R\$15,000 per loan). Finance is generally needed to invest in equipment such as food trolleys, coolers, cooking utensils, manicure kits, tools, and so on. When questioned, FGD participants demonstrated a considerable interest in micro-finance and were all confident that they would be able to return any funds that were lent to them, with interest. CrediPaz, a CSO that provides micro-finance services to vulnerable individuals in São Paulo, reported that migrants were consistently among their most reliable “customers” and required little support to develop and execute their business ideas. However, the CSO faces many

regulatory issues, including the costly legal requirement to issue “*boletos*” and the municipal authorities’ habit of seizing the goods of unauthorized street vendors (see Section 4.3 below).

Text Box 5 - CrediPaz

CrediPaz

CrediPaz is a São Paulo-based CSO that has provided micro-finance services to over 4000 vulnerable people, employing the techniques that were pioneered by Muhammad Yunus of Grameen Bank. CrediPaz has established a fund of ~R\$800,000 through annual fund-raising activities and has made loans worth a total of over R\$7 million.



Loans are made to groups of four (04) entrepreneurs, each of whom acts as a guarantor and provides support to the others. The most common activity carried out by CrediPaz entrepreneurs is the sale of food and handicrafts.

Support services are provided by CrediPaz staff, who give guidance on the formalities required to register as a micro-entrepreneur and on the legal requirements pertaining to the sale of food in public places (cf. Decree no. 55.085 of the 6th of May 2014 and Law no. 15.947 of the 26th of December 2013). CrediPaz staff are mostly former beneficiaries of the micro-finance institution and receive a salary.

CrediPaz’s total operating costs amount to a total of ~R\$500,000 which is covered by the income from interest payments. In addition to staffing costs, CrediPaz incurs costs to issue cards to its beneficiaries. It has avoided the cost of issuing *boletos* (a legally required loan document) by partnering with Bradesco, a large commercial bank.

As a CSO, CrediPaz is able to make loans on an informal basis and does not impose any document requirements as a prerequisite to making a loan. Its default rate is currently at ~10%, having risen from ~3% in its first year of operations. Its loan conditions are as follows:

- *Loan size:* R\$300 - R\$2000
- *Interest rate:* 2%
- *Instalments:* Weekly

Currently, micro-finance for the target population can only be provided by CSOs as Central Bank guidelines do not allow financial institutions to lend to asylum seekers. Several financial institutions in Brazil have already established micro-finance operations, including Santander and Banco do Brasil, as well as a number of regional banks that operate in Manaus and other locations in the North (see Table 3 below). However, these financial institutions are only able to lend to migrants who have obtained permanent leave to stay in Brazil (RNE, otherwise known as a “permanent visa”), due to the lack of Central Bank guidelines on lending to asylum seekers and migrants with temporary residence permits. This regulatory lacuna prevents asylum seekers, whose sole legal document is the *Protocolo de Solicitação de Refúgio*, and Venezuelans in possession of a “temporary residence” permit from accessing the formal financial system. Currently, the only option available to such candidates is micro-finance services provided by CSOs registered as OSCIPs (*organização da sociedade civil de interesse público*), who can provide loans on an informal basis.

Table 3 - Microfinance institutions in Manaus. (Source: Spheres Consulting)

	FUMIPEQ	AFEAM	Banco da Amazônia
Name	<i>Fundo Municipal de Fomento à Micro e Pequena Empresa</i>	<i>Agência de Fomento do Estado do Amazonas</i>	<i>Banco da Amazônia</i>
Institution	<i>Banco Popular</i>	<i>Banco do Povo</i>	<i>Amazônia Florescer</i>
Source of finance	Subsidised: 1% of municipal tax revenue	Subsidised: % of tax revenue from Manaus' industrial hub	Self-sufficient
Fund size	R\$ 6 million/year	<i>No data</i>	<i>No data</i>
Target group	Individual entrepreneurs	Individual entrepreneurs	Individual and groups of 3 to 10 entrepreneurs
Requirements	<ol style="list-style-type: none"> 1. Proof of income generating activity; 2. Passport with permanent visa in the case of migrants; 3. CPF; 4. Proof of residence²; 5. Payslip or guarantor with payslip; or joint guarantee between 2 people. 	<ol style="list-style-type: none"> 1. Proof of income generating activity; 2. Passport with permanent visa in the case of migrants; 3. CPF; 4. Proof of residence 5. No need for payslip or guarantor for loans up to R\$3000; amount up to R\$ 5000,00 with payslip or guarantor with payslip; or joint guarantee between a maximum of 4 people. 	<ol style="list-style-type: none"> 1. Proof of income generating activity for at least one year; 2. Passport with permanent visa in the case of migrants; 3. CPF; 4. Proof of residence; 5. Joint guarantee in groups from 3 to 10 people.
Av. no. of creditors	100 people in 2017	200 people/month	200 people/month
Average loan	R\$ 5.000,00	R\$ 3.000,00	R\$ 2.000,00
Interest rate	6%/year	<i>No data</i>	0,41% per month + 1% opening credit fee

Support services provided by micro-finance institutions can boost the resilience of individual entrepreneurs and improve the sustainability of their business. Financial institutions such as Banco da Amazônia have made micro-loans to migrants with an RNE or “permanent visa” (mainly Haitians, who have been in the country for a longer period) and faced no obstacles. Loans from financial institutions generally come with significant added value in the form of technical assistance and training courses. FUMIPEQ, for example, helps its customers to obtain permits and formalize their business. It provides mentoring and guidance, some of it through SEBRAE, and carries out technical visits to its customers’ premises at the beginning and the end of the lending period. Banco da Amazônia provides close assistance to entrepreneurs through its network of advisors, who make regular visits to the entrepreneurs, perform individual business training, check cash flows and provide other services. Banco da Amazônia also provides its microcredit customers with free current accounts through its retail bank-

2. Proof of residence can consist of a water or energy bill, a *Declaração de Vida e Residência* available at the police office (certifies a bill that is in the name of a host), or a document from an entity such as an association or the church confirming that the person belongs to that community or group).

ing service.³ That said, micro-finance services offered by CSOs may have better access to the target population due to their on-the-ground networks of credit officers and their extensive experience holistically dealing with vulnerable populations.

Micro-finance may be the best way to promote socioeconomic inclusion of female migrants. Micro-finance has historically had a strong gender component, as the original model was based almost entirely on lending to women. The micro-finance institutions that were interviewed by the research team in Brazil reported that women account for around 60% of their clients. Most borrowers have children, regardless of their marital status. This reinforces our hypothesis that micro-finance and entrepreneurship opportunities can offer women the chance to generate income while addressing their need for flexible working hours to take care of their dependents or perform other activities.

A secondary obstacle to entrepreneurship among the target population is inadequate access to information. FGD participants reported difficulties in accessing information on establishing a business, including support services, legal requirements and formalities, and sources of finance. Migrants are unaware of SEBRAE, a quasi-autonomous non-governmental organization that provides support services to entrepreneurs and small businesses⁴ in Brazil. SEBRAE's general mandate is to provide training and consulting services to entrepreneurs, to improve access to finance and stimulate innovation. To the knowledge of the research team, only one SEBRAE initiative has been targeted specifically at migrants during the first wave of immigration from Haiti in 2012-2014. This initiative was of limited use due to the legal/regulatory restrictions on migrant entrepreneurship (**see Section 4.3 below**). Local representatives of the organization in Manaus reported that they would be willing to develop more activities for the target population. However, in Brasília, SEBRAE's top-level management demonstrated a significant degree of indifference towards the target population and seemed unwilling to commit to any kind of activity prior to the election in October and the selection of a new President for the institution.

4.3 Rules

Migrant entrepreneurs are prevented from formalizing their businesses because of the specific regulations pertaining to micro-enterprise (MEI) registration. The formalities required to register as a micro-entrepreneur have been determined by CGSIM (*Comitê para a gestão da rede nacional para a simplificação do registro e da legalização de empresas e negócios*⁵ in Regulation no. 2 of the 1st of July 2008. This regulation specifies that foreign nationals have to present proof of **permanent residence** in order to register themselves as a micro-entrepreneur (**see Text Box 6**). However, the relevant document (RNE) can only be obtained after four years uninterrupted stay in the country. This effectively excludes asylum seekers, whose sole legal document is the *Protocolo de Solicitação de Refúgio*, and Venezuelans in possession of a “temporary residence” permit from registering as entrepreneurs. Some officials demonstrate flexibility with regards to the documents

3. Banco da Amazônia is a northern regional development bank of mixed-capital in which the Federal Government holds a 51% stake. Banco da Amazônia has branches throughout the Northern region, and microcredit units in Northern States except Roraima. It would therefore be unable to serve the large migrant population of Venezuelans currently residing in Boa Vista.

4. Turnover of up to R\$4.8 million.

5. Committee for the Management of the National Network for Simplification of the Registration and Legalization of Companies and Businesses

they are willing to accept, and several migrants have been able to complete the process, but most face considerable difficulties in doing so. It is important to note that experts at the Department of Immigration (DEMIG) at the Ministry of Justice believe this regulation to be legally incompatible with the new Migration Law (13.445/2017). In practical terms, however, migrants are unlikely to go through the process of securing state-provided legal representation to initiate the process of appealing a decision by an official and are therefore ultimately hampered by the secondary legislation.

Text Box 6 - CGSIM Regulation no. 2 of the 1st of July 2008.

Article 28 - To confirm the temporary registration of an entrepreneur [...] the following documents need to be presented for analysis and deliberation:

[...]

c) a copy of the applicant's ID on the front of the form;

1. Documents accepted as valid ID: national identity card, military document, professional identity card, an employment record book (CTPS) or driver's license.

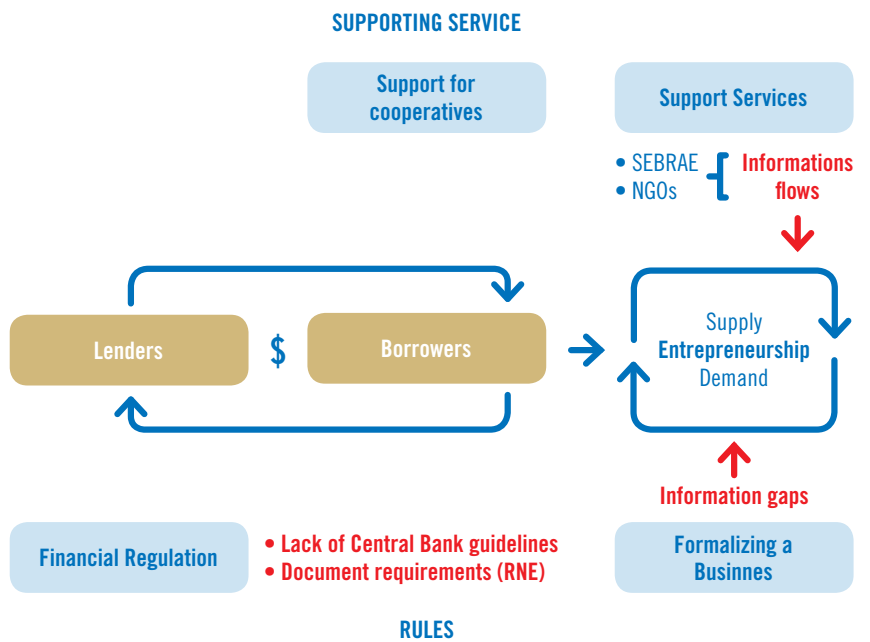
1.1. If the applicant is a foreign national, the ID card for foreign nationals (CIE) is required, including valid proof of permanent residence.

There is considerable confusion among migrants and other stakeholders regarding how to register as a sole trader or establish a micro-enterprise. The process of registering as an MEI is a simple one, requiring applicants to present a few documents and to fill out an online form. However, most prospective entrepreneurs amongst the migrant population are unaware of the process and have not been informed about the benefits of registering as an MEI, such as being covered by the public welfare system (including the pensions and unemployment systems). Moreover, certain economic activities may require entrepreneurs to obtain additional permits and licenses before they are able to begin their activities. In the case of those who want to set up a restaurant or to sell food in public places, for example, it is necessary to obtain the appropriate authorization from the Brazilian sanitary authorities (ANVISA), a notoriously complex and cumbersome process. Most of the entrepreneurs among the FGD participants complained that the inspection services shut down any operation that is not in possession of the necessary permits/licences, and that only “mobile” entrepreneurs have experienced any success in the sale of food and drink products to the public. This limits the scope of activities that can be carried out by migrants to the sale of a limited range of portable and ready-to-eat products.

Similar legal/regulatory obstacles also prevent migrants from establishing or joining cooperatives. A representative from UNISOL, one of the *Centrais Cooperativas* that represent the cooperative movement in Brazil, reported that asylum seekers and migrants who have not yet obtained permanent status face similar problems when seeking to establish or join a formalized cooperative. Brazilian legislation requires cooperative members to be registered, and the documents that have to be presented are similar to those needed to open a micro-enterprise: the lack of “permanent resident” status is a sticking point. The same representative discussed the possibility of introducing the concept of “social cooperative” status as a means of including vulnerable individuals without the necessary papers and mentioned that this model already exists in European countries like Italy. Social cooperatives are estab-

lished and represented legally by members who have already regularized their migratory status, but they are also able to accept “special members” who have not yet regularized their status but need to work in order to provide for themselves and their family. These members would eventually become regular members once they are able to obtain the necessary documents.

Cooperatives could benefit from State-driven demand for specific goods and services. The UNISOL representative identified several sources of demand that could serve to stimulate and grow migrant cooperatives. Food and recycling were the two most interesting areas, given the Brazilian legal framework surrounding those two sectors. In the case of food, he mentioned that Brazilian public institutions and schools are required to source at least 30% of the ingredients required for meals from smallholder cooperatives and family-owned farms. He reported that most public institutions are unable to meet that target due to the lack of adequate supply. In the case of recycling, he noted that Brazil fails to meet its own targets for the recycling of electronic goods. Recycling operations generate an immediate return through the sale of raw materials to the private sector, and capital investment is low. Some examples of successful initiatives that resulted from cooperation between private companies and cooperatives with sustainable development objectives include Pfizer (corporate gifts), C&A (organic cotton), Nespresso (handicrafts made from used capsules), Consul/BrasTemp and Kellogg’s healthy eating initiative.



SECTOR SELECTION AND DIAGNOSIS

Initial value-chain analysis, presented in Section 4 & Section 5, covers upstream obstacles to labour market integration and entrepreneurship. Over a period of one month, the research team conducted primary and secondary research by the methodology that was described in Section 7. During the fieldwork, the research team was able to identify the main challenges that migrants face when searching for decent work in Brazil, be it through formal employment in the local labour market or through small-scale entrepreneurship. The research team concluded that there are upstream failures in the market for recruitment services that pose a formidable challenge to effective labour market integration, regardless of the economic sector. Similarly, prospective entrepreneurs among the migrant population face obstacles that are not sector-specific, but which prevent them from engaging in entrepreneurial activities or launching a business. For these reasons, the research team chose to prioritize the diagnosis of upstream obstacles to labour market integration and entrepreneurship in this report. Sections 3 and 4 above deal with cross-cutting areas of relevance to migrant job-seekers and prospective entrepreneurs, respectively.

This section delves deeper, to present the result of the sector selection exercise and the diagnosis of the selected sector in each of the target locations: São Paulo and Manaus.

5.1 Sector Selection

Table 4 - Sector Selection Exercise

Criteria	Relevance: migrants	Relevance: women	Working conditions	Feasibility of interventions	Overall score	
Indicator	Growth Rate	Number of migrant workers	Number of female migrants	Qualitative	Qualitative	Average score
Hotels	2,7	2,4	1,5	1,0	1,0	1,7
Bars & restaurants	2,7	2,4	1,5	1,0	2,0	1,9
Repair services	2,7	2,4	1,5	2,0	1,0	1,9
Retail & Sales	2,7	2,4	1,5	3,0	3,0	2,5
Beauty services & hairdressing	2,7	2,4	1,5	3,0	3,0	2,5
Home appliances	2,4	1,7	2,6	2,0	4,0	2,5
Electronics	2,4	1,7	2,6	2,0	4,0	2,5
Garment manufacturing	2,4	1,7	2,6	4,0	2,0	2,5
Meatpacking	2,4	1,7	2,6	4,0	4,0	2,9
Agribusiness	0,0	3,9	3,9	4,0	4,0	3,2
Construction	4,0	1,7	2,6	4,0	4,0	3,3

The research team scored 11 economic sectors against a range of criteria and found the hospitality sector to be the best performer. The relevant criteria, and the indicators that were used to score the shortlisted sectors' performance on each criteria, are detailed in **Table 4 above**. The final ranking exercise found the *hospitality* sector (hotels, bars & restaurants) and the *repair services* sector to be the best performers, due mainly to their high scores on the following criteria: *relevance to women*; *working conditions*; *feasibility of interventions*. The performance of the industrial sector was mixed, with areas like *electronics* and *household appliances* employing a large number of migrants but scoring poorly on the feasibility of interventions, while other areas like *meatpacking* and *garment manufacturing* scored poorly on indicators related to *working conditions*. *Agribusiness* and *construction* came bottom of the list, with the former reporting excellent growth rates but with poor scores on all other criteria, and the latter suffering from poor scores on all criteria except *relevance to migrants*. The methodology that was used to carry out the sector selection exercise is described in **Section 7.3 below**.

The team was able to narrow down the selected sectors further, to account for regional differences between the economies of São Paulo and Manaus. Having selected the “hospitality sector” as the primary target, the team was then able to identify the specific sub-sectors that would benefit the most from a value-chain intervention. The relevant sub-sectors are not the same

in the two locations, for obvious reasons: São Paulo and Manaus are two extremely different economies, separated by a distance of over 2.700 kilometres and connected only by commercial flights (4 hours) and maritime transport links. São Paulo is a well-developed and diversified economy that acts as a business hub for the whole of South America, whereas Manaus is a regional capital that is cut off from the rest of the country, in logistical terms, by the Amazon rainforest that surrounds it. In both cases, sub-sectors were chosen as a function of their growth potential and the willingness of relevant stakeholders to collaborate on interventions. In São Paulo, the chosen sub-sector is **business support services**, whereas in Manaus, the chosen sub-sector is **tourism**.

Table 5 - Comparison of key figures for the States of Amazonas and São Paulo. (Source: IBGE, 2018)

	São Paulo	Amazonas
Population	45.0 million	4.1 million
Surface Area	248 thousand km ²	1,559 thousand km ²
Population Density	166.25 inhabitants per km ²	2.23 inhabitants per km ²
Income per capita	R\$ 1,712 per month	R\$ 850 per month
Human Development Index	0,783	0,674
Climate	Humid sub-tropical	Tropical rainforest

5.2 São Paulo: Sector Diagnosis

In São Paulo there is a demand for labour throughout the hospitality sector, most notably in the area of business support services. The city of São Paulo (*Município de São Paulo*) is the power-house of the Brazilian economy, accounting for a massive 10.9% of national value added in 2015 (IBGE, 2018). The hospitality sector in São Paulo is highly developed and accounted for 3% of value added in the State in 2015 (ibid.). Demand for hospitality services is driven in part by the large number visitors: 2.1 million tourists passed through the State in 2017, which at 33% accounted for the largest share of the 6.5 million people that Brazil welcomed in that year (PF & MT, 2018). However, there is also considerable demand for hospitality services from the local population: the city is renowned for its culinary scene, and there are several large companies that count on third-party providers of businesses support services to clean their premises and to staff and run their cantinas. Interviews with companies that provide business support services and support staff, such as Sodexo and GRSA, revealed that this particular sub-sector is growing rapidly and could benefit from migrant labour.

The hospitality sector suffers from low staff retention and appreciates the consistency and reliability of migrant workers. Despite the economic recession and the high rates of unemployment that are affecting the country as a whole, there is considerable demand for labour in the hospitality sector due to high rates of staff turnover and the need for specific skills such as languages and customer service. The hospitality sector in São Paulo tends to be formalized, and the quality of work is high, due to the client-facing nature of the activities. Several stakeholders mentioned the potential for preservation and promotion of migrant cultures through food, and indeed there are already several examples of successful Syrian and Haitian restaurants in São Paulo that have contributed to the greater acceptance of migrants. Working in a highly visible, customer service-oriented sector also provides

migrants with an opportunity to present a positive image of themselves as valuable members of society. Lastly, it was clear that migrants are also able to generate new demand in this sector, through the introduction of goods and services from their countries of origin. Venezuelans, for example, have introduced innovative foods (e.g., *arepa*) and beauty services (distinctive hair-styling and make-up artistry) which have acquired a positive reputation among the local population.

A large number of migrants have successfully secured jobs through regular channels within hospitality and business support services. Private sector stakeholders in these sectors reported that migrants are often able to secure employment in their sector due to their distinctive characteristics: they are more likely to remain in their posts for longer, they have a good sense of customer service, and they are multilingual. Two interviewees from the business support sector (Sodexo and GRSA, a Compass Group company) reported steady corporate growth rates and well-funded diversity and inclusion departments: in addition to the vulnerable people that they were able to hire through their Corporate Social Responsibility programmes, both companies have also recruited migrants through their regular hiring processes. In the case of Sodexo, the number of migrants hired through the regular hiring process (over 80) was several times larger than the number hired through their CSR programmes (about 17). When asked why the number of migrants was not, in fact, higher, given the competitive advantages that were listed by the interviewees, the answer was clear: not enough migrants are applying, due to lack of information about available vacancies. This reinforces the importance of recruitment services in connecting migrants to relevant job opportunities and promising sectors.

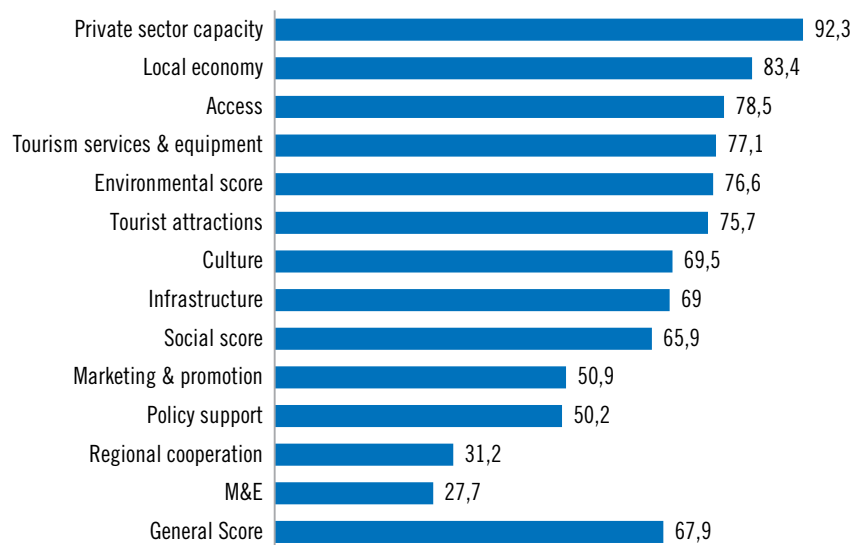
5.3 Manaus: Sector Diagnosis

The hospitality sector is much less developed in Manaus, and there is an urgent need for support for the tourism sub-sector. The State of Amazonas received 33,627 international visitors in 2017 (PF & MT, 2018) and generated up to 2.5% of value added from its local hospitality sector (GEA, 2017). Tourists are attracted to the natural beauty and biodiversity of the surrounding rainforest and to the cultural heritage of the city itself, which hosts the country's most distinctive opera house and other architectural gems that were built during the rubber boom from 1879 to 1912. Tourism is also boosted by business travellers who extend their stay after visiting Manaus's industrial zone (*Polo Industrial e Zona Franca*), thus generating a separate stream of business for the hospitality sector. Despite its obvious advantages, Manaus fails to live up to its potential. In the 2015 National Tourism Competitiveness Index, the city was found to underperform for the following reasons (FGV, SEBRAE & MT, 2015):

- lack of long-term planning and policy support for tourism, of the sort that would be provided through a Municipal Tourism Plan, a Tourism Marketing plan, a “city branding” campaign or a “Cultural Calendar” of events;
- absence of a regional governance mechanism and limited cooperation between Manaus and other cities in the region;
- inadequate infrastructure leading to frequent power outages and flooding;
- pollution, including plastic pollution in the waterways and visual pollution created by power cables;
- inadequate tourist information services at key points in the city (such as the bus terminal) and limited availability of signs and websites in foreign languages;

- lack of qualified tourism professionals and informality of the labour force;
- barriers to businesses in the tourism sector.

Figure 17 - National Tourism Competitiveness Index: Manaus. (Source: FGV, SEBRAE & MT, 2015)



The economic potential of Manaus’s main eco-tourism attraction is undermined by the poor quality of its tourism services. Manaus’s rivers are home to some impressive attractions - like the confluence of the Rio Negro and the Rio Amazonas (known in Portuguese as the *encontro das águas*), a floating village and an impressive array of flora and fauna. However, tours are generally provided by small, independent operators who depart from the port of Manaus, and these services are generally quite deficient. The port infrastructure is poor, and the operators are disorganized: there are no sign-posts detailing the operators’ service offering/prices and it is often difficult to distinguish one operator from another. Operators “bargain” among themselves for the custom of the tourists at the port, leading to market failures and the absence of upward pressure on the quality of tourism services. River vessels are old and badly maintained, impairing the experience of the tourists, and most of the attractions are marred by the plastic pollution that litters the waterways. Manaus, therefore, struggles to compete with its neighbours in Peru and Colombia when seeking to attract the custom of eco-tourists interested in the Amazon rainforest.

The negative impact of the economic recession on Manaus’s industrial hub has had knock-on effects on the hospitality sector. The 2015 National Tourism Competitiveness Index lists the industrial hub as one of Manaus’s main strengths, as “business tourism” tends to be less seasonal and offers greater predictability to the hospitality sector. However, Manaus has suffered from a significant fall in business tourism since the beginning of the economic recession, due to the decline of manufacturing in the industrial hub and the accompanying decrease in the number of business visitors. Interviewees from the hospitality sector (hotels and restaurants) reported that the sector is currently facing low growth and employment prospects due its overdependence on the industrial hub and demanded action from government to promote “leisure tourism” (*turismo de lazer*) invest in tourism-related infrastructure and services. This would help to attract tourists to the city through the merits of destination *per se* but would require political will and resources from the local government.

RECOMMENDATIONS

This section will present cross-cutting and sector-specific recommendations and propose solutions to the main constraints that have been identified in **Sections 2-4 above**. Recommendations were presented to national stakeholders at a Validation Workshop, which took place on November 8th, 2018, to present the study results, discuss recommendations, and obtain feedback to improve the chances of implementing market-based interventions.

6.1 Cross-cutting

Cross-cutting solutions should be the primary focus of future interventions.

As mentioned above, the research team consider cross-cutting challenges to labour market integration to be of greater urgency than sector-specific ones. As noted in **Section 2**, the target population comes from a wide variety of educational and professional backgrounds and have a diverse set of professional aspirations. Sector-specific solutions would necessarily exclude significant proportions of the target populations from the proposed interventions. Cross-cutting solutions would be more effective in addressing upstream obstacles to labour market integration and entrepreneurship that affect all migrant job-seekers and prospective entrepreneurs, and would, therefore, be more inclusive.

Cross-cutting recommendations have been divided into three types, namely: those that pertain to the market for recruitment services; those that deal specifically with micro-finance and other support services for entrepreneurs; and those which have to do with government regulation and therefore require efforts to be made in the field of public policy and advocacy.

6.1.1 Recruitment Services

Stakeholders highly approved the idea of disseminating best practices and fostering innovation (recommendation c) and, in general, were favorable of establishing a steering committee and a centralized platform (a), while the suggestion of introducing a payment mechanism (b) generated more debate and participants expressed some reservations (**Figure 1**). Comments and suggestions for each recommendation are detailed afterwards.

a) Establish a steering committee and a centralized platform to coordinate the activities of different actors in the market for recruitment services.

The steering committee would serve to coordinate the activities of all the CSOs that provide tailored recruitment services to migrants throughout

Brazil (see **Table 1 above**). It would seek to establish and promote best practices through the monitoring and evaluation of its member's performance, the sharing of information and the establishment of partnerships with the private sector. The creation of a centralized platform would aggregate data on candidates and vacancies that are collected by individual CSOs in different locations (as well as information from public and private sector partners) and would make these available to all of its members, generating "network effects" that should, in principle, boost placement rates. The organisation could also provide vetting services through a partnership with UNHCR or MPT. Its membership would be made up of CSOs, public sector recruitment initiatives (e.g., *Trabalho Novo* in São Paulo, SINE), private recruitment companies and international organisations (UNHCR, ILO). Its activities would include all of the best practices described in **Table 2 above**, although its members would be encouraged to innovate, to improve their placement rates and share their experiences with other members.

During the validation workshop participants suggested that the committee and platform are coordinated by UNHCR or IOM/ILO, and not by the government, due to its rigid structure and slow response. Some proposed the use of UNHCR's Help Platform for both migrant and refugee CV registration and others recommended using *Instituto de Pesquisa Econômica Aplicada's* (IPEA) "*Mapa das Organizações da Sociedade Civil*". Some participants also suggested promoting the Ministry of Labour's "*Emprega Brasil*" platform.

b) Introduce a payment mechanism and encourage CSOs to learn the techniques used by private sector recruitment companies. The sustainability of the recruitment services provided to migrants could be enhanced by introducing a payment mechanism into their operational model. On the one hand, payment for recruitment services would generate income for the CSOs and the other organizations providing the service, and would, therefore, ensure their financial sustainability over a longer period. On the other hand, CSOs would be incentivised to deliver results, as payment would be contingent on successful placement of candidates. Paying "customers" would feel entitled to demanding quality services and results, boosting accountability.

There are two possible sources of payment for recruitment services:

1. candidates that have been successfully placed into a vacancy
2. companies that have successfully hired a candidate through the service.

Depending on the "willingness-to-pay" of these two sources, the recruitment services could rely on one or the other, or both. In order to avoid burdening newly hired migrants with undue costs, candidates should only be asked to pay if they fulfil all of the following conditions:

- they have successfully secured a permanent job through the service;
- they are earning more than the minimum wage, and the fees are affordable.

Companies should in principle be willing to pay for recruitment services under the following conditions:

- the candidate that is hired has the necessary skills and qualifications;
- the candidate will remain for a reasonable period;
- the recruitment service provided is cheaper (in time and money) than carrying out the process in-house.

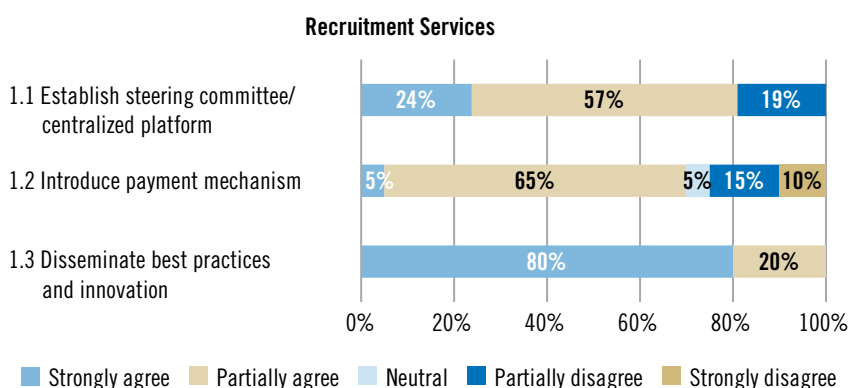
Should a payment model be introduced, it is highly recommended that private sector recruitment companies be approached to provide expertise on

how to effectively “sell” human resources to companies. Instead of focusing on the candidates “need” for a job, recruitment services should concentrate on the added value that the candidate could bring to the company. The evidence presented through this report suggests that migrants do have a lot to offer to employers. By focussing on their advantages rather than their disadvantages/needs, recruitment services could play an important role in empowering migrants before their arrival at their new work-place.

During the workshop, most participants informed that only companies should pay in case a payment mechanism is established, never the migrant of refugee candidate. Additionally, there should be transparent rules about how the revenue is collected and used by NGOs. Participants warned that NGOs might not be able to charge for the service depending on their statute. If they have the *Certificação de Entidades Benéficas de Assistência Social* (CEBAS) certification, for example, they are not allowed to charge for the service.

c) Disseminate best practices and encourage innovation in the field of recruitment services for migrants and refugees. Participants also suggested strengthening knowledge sharing through training and events.

Figure 18- Workshop participants’ opinion on recruitment services recommendations.



Source: Own elaboration.

6.1.2 Micro-finance and other support services

With regards to recommendations to micro-finance and other support services, **Figure 2** shows that participants have significantly endorsed the idea of extending microfinance services to the target group (recommendation a) and of higher integration between microfinance institutions, recruitment services and Sistema S (b). Both campaign for a new cooperative model (c) and female entrepreneurship in childcare services (d) generated debate and participants raised concerns and suggestions. Further details are available below

a) Support micro-finance institutions in extending their services to migrant populations. The micro-finance institutions that have been mentioned in this report do not explicitly target migrants but have all confirmed that they would be willing to lend to the target population (barring the regulatory problems that have been covered in **Sections 4.3** and **6.1.3**). Support to these institutions could consist of financial contributions, coordination and information sharing, and would be made contingent

on the provision of services to the target population. In particular, it is important that formal financial institutions be able to learn from and replicate the extension services of CSOs like CrediPaz, which are provided through an unrivalled network of on-the-ground credit officers. CSOs can themselves learn important skills from financial institutions, such as performing credit checks and providing support services to customers. Migrants have a proven record of taking out and successfully reimbursing micro-credit loans for entrepreneurship activities. One can conclude, therefore, that the main constraint to the extension of micro-credit services are:

- the limited branch networks of micro-finance institutions (few have a presence in Boa Vista, for example);
- the size of the funds currently reserved for micro-finance activities (most of which count with some form of public contribution);
- the bureaucratic restrictions described in **Sections 4.3** and **6.1.3**.

The future intervention should tackle all of the above constraints. Workshop participants mentioned that credit support should also be accompanied by entrepreneurship training for migrants and refugees. In overall, the operationalization of this intervention was deemed difficult.

b) Promote greater integration and better out-reach of the support services provided by microfinance institutions, recruitment services and *Sistema S*.

Migrants are clearly not benefitting enough from the services that are available to them through *Sistema S*. Several interviewees reported that SEBRAE's service offering is not appropriate for migrant entrepreneurs, who do not respond well to training sessions that are passive in nature and do not include concrete application of the skills that are being taught. SEBRAE should be encouraged to offer bespoke consulting services and training to migrant entrepreneurs on an ongoing basis and should be evaluated according to the results achieved through its interventions. Similarly, SENAC and SENAI could improve their service offering by using their professional training programmes to address the needs of businesses. Recruitment services *and* micro-finance institutions stand to gain if the *Sistema S*, which has massive resources at its disposal, is leveraged to provide valuable training and advisory services to the target population. Evidence from FGDs suggests that migrants are willing to pay for the training and advisory services from *Sistema S*, provided the courses are geared towards improving their livelihoods and that of their families. Given the lack of resources available to migrants to invest in professional training and consulting services up front, this report recommends that such training is made available through micro-finance institutions, on demand from migrant entrepreneurs themselves, and that the cost is covered in part through the interest payments on the loans made through those institutions.

c) Campaign for the creation of a new cooperative model that allows for membership of "social members" and advocate for greater migrant participation in the cooperative movement.

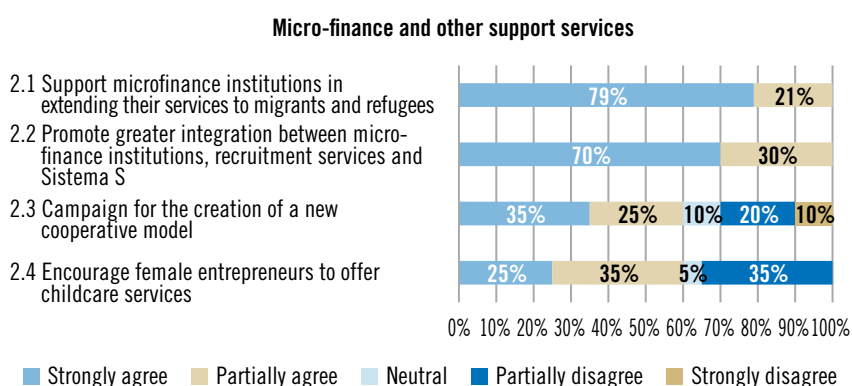
Another member of *Sistema S* that fails to reach out to migrants is SESCOOP. SESCOOP is a quasi-autonomous non-governmental organization that promotes cooperative culture and seeks to strengthen cooperatives' capacity to manage themselves. SESCOOP provides promotional services and professional qualifications to the members of cooperatives and their communities. Given the potential of cooperative-based interventions (as identified by the interviewee from UNISOL) it is important to mobilise SESCOOP and other key actors to help establish and run migrant-led cooperatives, which

would unfortunately remain informal until such a time as the migrants are able to regularize their status or until the Brazilian regulations begin to allow for the integration of members without a “permanent visa”. Such cooperatives could seek to take advantage of demand from the public sector for essential services like school meals, childcare services or recycling, or may choose to establish partnerships with multinationals that are already active in the cooperative sector, such as Pfizer, C&A, Nespresso, Nestlé, Kellogg’s and Consult / BrasTemp. Stakeholders emphasized, nevertheless, the need to advocate for greater refugee and migrant friendly legislation to enable the formation of cooperatives.

d) Encourage female entrepreneurs to offer childcare services in refugee shelters and neighbourhoods with a large population of migrant job-seekers.

Focus Group Discussions revealed an obvious demand for childcare services from female job-seekers in refugee shelters and neighbourhoods with a large migrant population. Those women who are willing to pay for childcare services decide to do so based on the likelihood of securing a job (in the case of interviews) or on the wages they are likely to receive for doing a specific job. It follows that the lack of childcare services may lead to foregone employment opportunities or wages, and therefore constitute a lost opportunity for female job-seekers among the target population. The establishment of child-care services can, therefore, be considered a *win-win-win* for the migrant job-seeker or employee, the employer, and the entrepreneur providing the services. Entrepreneurship in the field of childcare services is particularly likely to benefit women, as it is well-known that mothers tend to prefer childcare services offered by women to those offered by men. This intervention proposal was not widely favoured by stakeholders during the validation workshop. Participants warned that regulations for childcare services should be observed and that women offering these services should also receive adequate training. They suggested UNICEF or an NGO to intermediate the service. Lastly, they found it problematic to only target women in this recommendation and called for the inclusion of men.

Figure 19- Workshop participants’ opinion on microfinance and other support services recommendations.



Source: Own elaboration.

6.1.3 Advocacy

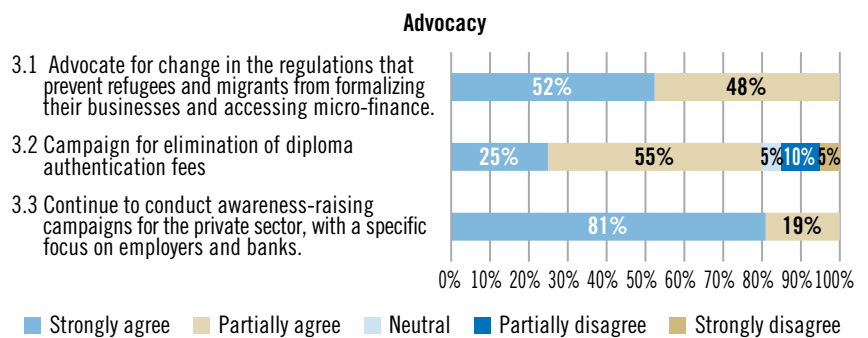
Regarding the advocacy recommendations, workshop participants supported those on conducting awareness-raising campaigns for the private sector (c) and on advocating for change in regulations so that the target group has access to microfinance and can have a formal business (a). About the elimination of diploma authentication fees, participants raised that other issues are at stake in this case and that they could also be addressed.

- a) Advocate for an urgent change in the regulations that prevent migrants from formalizing their businesses and accessing micro-finance.** ILO, UNHCR, civil society organizations, and business associations should pressure the Brazilian authorities to change the regulations that make it compulsory to provide evidence of “permanent residence” when seeking to open a business or to secure a loan through a micro-finance institution. These regulations only serve to push migrants towards the informal sector and restrict their access to finance, respectively. Eliminating regulatory obstacles to formal entrepreneurship would bring several benefits: migrant entrepreneurs would be able to register their businesses, comply with the law, and secure a social safety net for themselves through the national insurance system; the Brazilian government would be able to track the activities of entrepreneurs and would benefit from the tax intake that some of these companies would eventually generate; consumers would gain added protection from potential cases of non-compliance with consumer protection laws, etc. Providing access to finance and facilitating migrant entrepreneurship would also have the added benefit of reducing unemployment and softening the impact of the ongoing trend towards “substitution” of domestic workers by migrant labourers. Workshop participants suggested to include consulting services on entrepreneurship formalities for migrants and refugees.
- b) Campaign for a nationwide elimination of the fees charged for the authentication of diplomas / professional qualifications and push for further simplification of the process.** The recognition of foreign diplomas is likely to be opposed by the professional councils that govern the practice of regulated professions in Brazil, for protectionist reasons. The recognition of foreign diplomas is, moreover, a closely guarded privilege of Brazilian universities and other educational institutions, who have a vested interest in maintaining their monopoly on the authentication process. Although there are legitimate public policy reasons for performing checks on and re-validating foreign qualifications, the Brazilian process is undoubtedly more costly, time-consuming, complex and opaque than it needs to be. Considerable resources would need to be mobilised to campaign for reform, and even then, they might fail to yield concrete results. This report, therefore, recommends that advocacy efforts in this area be de-prioritized, in order to focus on other activities that might be more likely to deliver an immediate impact. Workshop participants highlighted that, apart from the fee elimination and process simplification, it is relevant to widen the type of institutions that can authenticate diplomas, since currently only public universities can do so. Furthermore, they added that the criterion for fee exemption should be the candidate’s socioeconomic vulnerability.
- c) Continue to conduct awareness-raising campaigns for the private sector, with a specific focus on employers and banks.** Awareness-raising activities are already being carried out by government bodies (e.g., CON-ARE), CSOs (e.g., Adus) and business associations (e.g., FIER) and have yielded tangible results, in particular by clarifying the legal status of

migrants and the formalities that have to be completed to hire a migrant worker. This work needs to continue, as most companies are still unaware of the issues associated with migrant labour. It is equally important to continue efforts to raise awareness in the financial sector on the legal status of migrants and their right to open bank accounts. In an interview with the Human Rights Department of the São Paulo Municipal authorities, it was revealed that the banks had been approached on several occasions, both at the management level and at the level of junior officers, but migrants continue to face difficulties in opening bank accounts. Sharing best practices and securing the participation of the authorities could help to overcome these problems.

Workshop participants mentioned that migration officers should join the awareness-raising team and that regional and sector-specific materials should be prepared and distributed for the campaigns. These campaigns should focus on human resources departments and associations. Additionally, they pointed out that awareness-raising campaigns should also target the public sector. About this, participants suggested adding another recommendation: campaigning for better dissemination of information to migrants and refugees on services available to them.

Figure 20 - Workshop participants' opinion on advocacy recommendations.



Source: Own elaboration.

6.2 Sector-specific

This section details the sector-specific interventions that the research team recommend for each of the target locations. Concerning these, stakeholders generally agreed with the selection of the hospitality sector. They were highly favorable to continuing with and establishing partnerships in hospitality, business support services and recruitment in São Paulo (recommendation a) and agreed with launching a pilot intervention in the city (b) while raising that other cities in the state could also be considered. Recommendations for Manaus (c and d) received a few observations. Further details are explained below.

6.2.1 São Paulo

a) Continue to establish and foster partnerships with companies in hospitality, business support services, and recruitment. UNHCR and other organizations are already collaborating with Brazilian corporations and major

multinationals to incorporate into their business models the specific issues surrounding migrant labour. Partners include Carrefour (supermarket), Pfizer (pharmaceuticals), Foxtime (recruitment), Sodexo (business support services), Renner and C&A (garments). However, these partnerships should not focus only on Corporate Social Responsibility, which tends to be separate from companies' main activities, but should also promote the greater integration of migrant labour into core business processes. Evidence gathered from the key informant interviews suggests that this can result in positive outcomes for migrants and the companies themselves, as greater diversity in teams can lead to higher levels of motivation and the creative exchange of ideas and experiences among staff. Partnerships should take two forms: recruitment companies would get involved in the implementation of the recommendations on recruitment services described in **Section 6.1.1 above**; other companies would be encouraged to advertise available vacancies through the new service, provide feedback on the placements made by the service, and make recommendations on any technical and vocational education and training that is required by the candidates for that specific sector.

- b) Pilot interventions should be carried out in São Paulo, to take advantage of the city's greater level of economic development, its formal labour market and its commitment to diversity.** As mentioned above, São Paulo is the most developed market in Brazil, enjoying a high degree of formalization and economic dynamism. It is the most favoured location for the headquarters of Brazilian and international corporations, and the lion's share of Brazilian innovation takes place in the city. São Paulo is also the most diverse State in Brazil: research conducted by UNICAMP shows that the State of São Paulo welcomed 367,436 of the 879,505 international migrants that arrived in Brazil between 2000 and 2015 (EXAME, 2018). The city's diversity makes socioeconomic integration easier, as migrants are more likely to be welcomed by the local population. The implementation of the above recommendations would benefit from the vast network of companies, business associations, and NGOs that are present in the city, as well as the local government's greater openness to market-based solutions. Lastly, it is important to note that average household income per person is on average much higher in São Paulo (R\$ 1,712 per month) than it is in other parts of the country, e.g., Manaus (R\$ 850). This report, therefore, recommends that pilot interventions be initiated in and managed out of São Paulo.

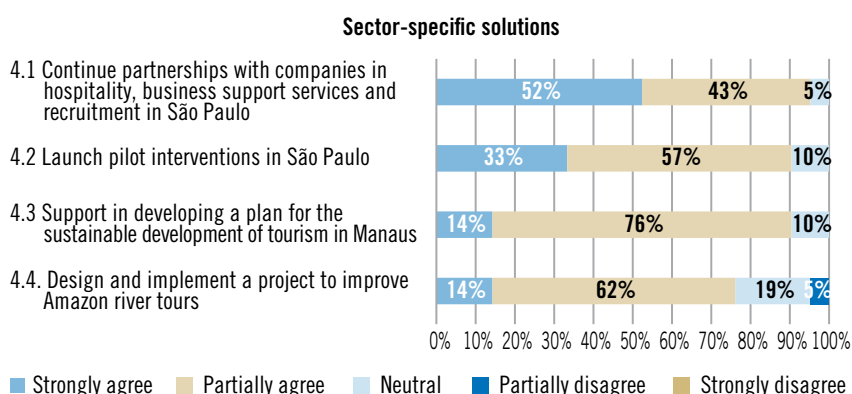
6.2.2 Manaus

- c) Support the local government and the private sector in Manaus to develop a plan for the sustainable development of tourism in a way that favours socioeconomic inclusion of migrants.** Initiatives to promote labour market integration for migrant workers could stimulate economic growth in Manaus by supporting private sector development more broadly. As mentioned above, the lack of coordination and policy support for tourism in Manaus is hampering the development of the sub-sector: sustainable development of business in this sector could be stimulated through public-private dialogue and the creation of a market-friendly plan for tourism development. Such a plan should focus on those areas that are currently preventing Manaus from achieving its potential, namely, promotion & marketing, policy support, and regional cooperation. Migrants are well placed to play an important role in the last component in particular, due to their foreign language skills and, in the case of Venezuelans, their familiarity with the broader region. Migrants are

also well-placed to fill the skills gap that currently prevents the tourism sector from meeting the demands of its customers. During the workshop, participants suggested researching whether tourism plans were already in place as part of the city’s master plan.

- d) **Design and implement a project to improve Amazon river tours by cleaning up the waterways and other attractions, upgrading infrastructure and organizing service providers.** If the local government can develop an ambitious plan for tourism in Manaus, it could leverage the migrant labour force to carry out the specific tasks required to implement the plan. In the case of the tourist attractions on the Amazon river, migrant workers could contribute towards efforts to remove plastic pollution, upgrade infrastructure, provide information in different languages and organise the informal market for tourism services that currently exists within the premises of the port. The initiative should seek to engage cooperatives to supply essential goods and services such as recycling, handicrafts, and food. Ideally, cooperatives would have a mixed membership of migrants and Brazilians, to encourage a sense of solidarity and foster cultural exchange. Should the initiative prove successful, there are reasons to believe that the increase in demand for tourism services in Manaus would boost demand for labour in general, including migrant labour. In this intervention, stakeholders suggested thinking of how the indigenous Warao people could be integrated.

Figure 21 - Workshop participants’ opinion on sector-specific recommendations.



Source: Own elaboration.

METHODOLOGY

7.1 Secondary Research

This section describes the secondary research that was conducted by the research team. It is divided into two sub-sections: (1) Literature Review and (2) Data Analysis.

7.1.1 Literature Review

Considerable literature already exists on the specific subject of the Venezuelan refugee crisis and the more general subject of migrant labour in Brazil.

The research team began the project by reviewing the literature on migration flows into Brazil, on the recent influx of Venezuelan asylum seekers into Brazil, on the integration of migrant labour into the Brazilian labour market and on the Brazilian economic context. The high degree of importance attributed to these topics by several key stakeholders, including local UN agencies, the Federal Universities of Roraima (UFRR) and Brasília (UNB), and government agencies such as the Federal Prosecution Office for Labour Affairs (*Ministério Público do Trabalho* or MPT) and the Brazilian immigration authorities (*Polícia Federal* or PF) have contributed to a relatively rich collection of up-to-date and relevant literature that is readily available online.

The best sources of information currently available are the reports published by OBMigra, Gustavo Simões (at the Federal University of Roraima) and MPT / ILO. The 2017 report by OBMigra discusses the most relevant data on migration and the Brazilian labour market. Research organized by Gustavo Simões, from the research institute *Cátedra Sérgio Vieira de Melo* at the Federal University of Roraima (UFRR) discusses the only quantitative data on non-indigenous Venezuelans in Boa Vista. The Federal Prosecution Office for Labour Affairs (*Ministério Público do Trabalho*) and the ILO have published a labour market assessment based on available secondary data - including the two sources above - and primary data collected through focus group discussions and direct observations in 2017. The research conducted by MPT / ILO sought to identify challenges and opportunities to Venezuelans well as violations of labour rights.

The secondary sources are complementary to each other and provided useful background for the current research. All of the sources above provide a socio-demographic/socioeconomic profile of the migrants, converging on the view that most of them are men, single and of working age, irrespective of nationality. On some of the challenges faced by migrants when trying to

access the labour market, the publications from UFRR and MPT/ILO highlighted the reported discrimination against Venezuelans, their vulnerability to labour rights violations and the importance of learning Portuguese for integrating into the local job market. The MPT/ILO's publication shares similar objectives with the current research and the team have taken its finding into account to avoid duplication.

Literature and guidelines on *Market Systems Analysis* and *M4P* were used in the design of the research methodology. The research team reviewed guidelines produced by the ILO, the UNHCR, and other organizations on the research method that has been employed throughout this research project, widely known as *Market Systems Analysis* or *M4P* (*"Making Markets Work for the Poor"*). The guidelines informed the methodology that was employed during the primary research phase, including the design of the research tools for the Key Informant Interviews and the Focus Group Discussions.

7.1.2 Data Analysis

Research conducted by researchers at UFRR has generated a useful set of quantitative data on the target population. Data on the target population has been collected by researchers at the Cátedra Sérgio Vieira de Mello of the Federal University of Roraima (UFRR), in collaboration with the International Migration Observatory (OBMigra), which is an initiative by the Ministry of Labour and the University of Brasília. The data was gathered through a survey of 650 interviews with Venezuelan migrants in Boa Vista between July and August 2017. The data include several useful observations on the target population, including demographics, level of education, professional background, employment status, access to public services, motives for migrating and willingness to relocate within Brazil. This data was used to inform the design of the research tools, and the accuracy of the information was confirmed during the Focus Group Discussions. Other updated data is reportedly being collected by Caritas and the Brazilian Armed Forces, but the research team were unable to access these data-sets.

Broader data on the integration of migrants into the Brazilian labour market is regularly collected by OBMigra. Databases compiled by OBMigra and based on RAIS and CAGED provide the absolute numbers of migrant workers and the balance of migrant workers hired and dismissed in 2016. RAIS data shows that the number of Venezuelans formally working in Brazil increased 32,13% between 2015 and 2016. However, the most recent available data is from 2016 and may not reflect the ongoing influx of Venezuelans entering Brazil. The RAIS data counts Haitians as the biggest group of foreigners in the Brazilian formal labour market, with an absolute number of 25.782 workers mostly concentrated in the industrial sector. The second most common nationality was Portuguese, with 8.844 workers. As there were only 1.270 workers registered through RAIS in 2016, the data-sets that were used for this research were somewhat biased towards the market trends that apply to Haitian workers and others, such as Chinese and Bangladeshi workers, who tend to take up employment in the industrial sector.

Available statistics and information gathered from interviews and FGDs supported the selection of sectors. Statistics on sector growth rates were collected from CNI (the National Industry Confederation). Statistics on subsector shares of total employment were collected from IBGE - Instituto Brasileiro de Geografia e Estatística (Brazilian Institute for Geography and Statistics). Limited data availability at the subnational level obliged the research team to use data at a national level to draw relevant conclusions. Specific data on sector growth rates in the States of Amazonas or São Paulo is lacking, for

example, even though other information on sectors, like their percentage share of State GDP, are available. Other relevant sources that were used by the research team include publications on migrants and the Brazilian labour market, information from interviews with relevant stakeholders, such as the industry federations (FIER, FIESP and FIEAM), SENAC and NGOs, as well as from the FGDs with migrants in São Paulo, Boa Vista and Manaus.

The most common sources of quantitative data on the labour market are described in **Table 6 below**:

Table 6 - Sources of quantitative data on the Brazilian labour market.

Name of Data-set	Description	Source
PNAD Contínua - National Home Sample Research (Brazilian Institute of Geography and Statistics)	Monitors the quarterly fluctuations and the evolution, in the short, medium and long term, of the labour force, and other necessary information for studying the country's socioeconomic development.	Online
RAIS - Annual Social Information Report (Ministry of Labour)	Collects data on labour activities for controlling, elaborating statistics and providing information on the labour market.	Online
CAGED - General Registry of Admitted and Laid-Off Workers (Ministry of Labour)	Permanent registry of admissions and dismissal of employees under the Consolidation of Labour Laws (CLT).	Online
CGIg - General Immigration Office / CNIg - National Immigration Council (Ministry of Labour)	Data on foreigners who have applied for a permanent or temporary work permit.	Online
SINCRE - National System on the Registry of Foreigners (Federal Police)	Data on foreigners who filed a request for registration for the issuance of RNE (National Registry of Foreigners).	Online
CNIg/ACNUR/OBMigra/UFRR	Data on the socio-demographic and labour profile of Venezuelan immigration.	OBMigra
PED - Employment and Unemployment Study - DIEESE (Inter-Union Department of Statistics and Socio-Economic Studies)	Continuous household survey, carried out monthly, in the Metropolitan Region of São Paulo.	Online

7.2 Primary Research

This section describes the primary research methodology and the logic that underpins it.

Quantitative data on the target population and on the Brazilian labour market is plentiful. Upon project inception, the research team noted that a considerable amount of quantitative data already exists, both on the characteristics of the target population and on the Brazilian labour market. These data sources have been described in **Section 7.1.2 above**.

The research team chose to focus on the collection of qualitative data, to better inform its value chain analysis and the resulting recommendations. Given the availability of quantitative data, the research team decided to focus its efforts on the collection of qualitative data from key stakeholders, including

representatives from the private sector, local government, civil society and the target population of migrants. The qualitative data that has been collected includes nuanced information on a range of issues faced by migrants who are seeking to secure decent work and livelihood opportunities in Brazil. This information forms the basis of the sector selection exercise and the value-chain analysis that were conducted, which in turn underpin the recommended interventions and the proposed partnerships.

Information was collected through Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). Two different methods were used to collect qualitative information from local key stakeholders: (1) Key Informant Interviews, or KIIs, with experts, government representatives, civil society and the private sector; and (2) Focus Group Discussions, or FGDs, with the target population of migrants. A summary of the KIIs and FGDs that were carried out are included in **Table 7** and **Table 8** below. A detailed list of the KIIs that were conducted is included in **Annex - List of Key Informants**.

Table 7 - Stakeholders by city and sector.

	São Paulo (SP)	Boa Vista (RR)	Manaus (AM)	Brasília (DF)	Total
<i>Government</i>	3	1	4	3	11
<i>Third sector (quango)</i>			2	1	3
<i>Third sector (NGO)</i>	5	1	3		9
<i>Third sector (trade union)</i>	1				1
<i>Third sector (cooperative)</i>	1				1
<i>Private</i>	5	1	5		11
<i>Academia</i>		2			2
Total	15	5	14	4	38

Table 8 - List of Focus Group Discussions.

City	Date	Place	Nationalities	Men	Women	Total
<i>São Paulo</i>	04/07/2018	Compassiva	4 Syrians 3 Congolese 1 Moroccan 1 Palestinian 1 Bissau-Guinean	8	1	9
<i>São Paulo</i>	06/07/2018	Terra Nova	Venezuelans	3	4	7
<i>Boa Vista</i>	10/07/2018	IMDH	Venezuelans	0	10	10
<i>Boa Vista</i>	11/07/2018	Abrigo Jardim Floresta	Venezuelans	3	8	11
<i>Manaus</i>	17/07/2018	Caritas	Venezuelans	5	6	11
<i>Manaus</i>	17/07/2018	Abrigo Santa Catarina	Venezuelans	12	17	29
Total interviewed						77

KIIs and FGDs were conducted in an unstructured manner, to optimise the use of time and resources and gather the most relevant information known to each stakeholder. The Key Informants that were consulted were extremely diverse in terms of the type of organisation that they represent, their geographical location, their domain of expertise and the precise area of the value chain in which they operate. Similarly, the migrants that participated in the FGDs were of different nationalities and had a diverse range of professional and educational backgrounds. In order to optimise the data collection exercise, the research team conducted the KIIs and FGDs in an unstructured manner, allowing the conversation to flow naturally to those topics that the respondents considered to be most important and about which they were most well informed.

Research tools were used to provide loose guidance to the research team and as information for prospective interviewees. Research tools were used by the research team to ensure that KIIs and FGDs remained pertinent to the study and that as much relevant information was collected as possible, given time constraints. The research team developed three different questionnaires, for general interviews with Key Informants, Focus Group Discussions with migrants, and Value Chain Analysis with private sector respondents respectively. Interviewees occasionally requested an advance copy of the questionnaire, and this was provided to them, with the caveat that not all of the questions would be covered during the interview.

Key Informants were identified during the literature review and through consultation with the research team's existing network of contacts. Neither the ILO nor the UNHCR provided a list of stakeholders to be interviewed during the fieldwork. Key Informants were identified by the research team in advance of the fieldwork, through the literature review and through consultation with the team's existing network of contacts. Several contacts were provided by Lídia Maria Nunes Matias, International Officer of the Federal Prosecution Office for Labour Affairs in Brazil. Others were provided by the interviewees themselves, during the KIIs, upon request of the research team.

7.3 Sector Selection Methodology

Five criteria were used by the research team in the sector selection exercise: market demand, relevance to migrants, relevance to women, working conditions and the feasibility of interventions. These were defined in accordance with the ILO's suggested criteria for refugee assessments as described in **Table 9 below**. The team then proceeded to search for available quantitative data to assess each criteria, except for *working conditions* and *feasibility of interventions* criteria, for which a qualitative assessment was made based on relevant information from KIIs and the FGDs.

Table 9 - Sector Selection Criteria.

Sector Selection Criteria	ILO research questions	Indicator and source
Market Demand	<ul style="list-style-type: none"> What is the previous and forecast growth of the sector? 	Sub-sector growth rate at national level (CNI, 2017)
Relevance to Migrants	<ul style="list-style-type: none"> What is the estimated number of refugees already engaged in the sector? 	Number of migrants engaged in the sector (OBMigra, 2017)
Relevance to Women	<ul style="list-style-type: none"> What is the estimated number of female refugees already engaged in the sector? 	Number of female migrants engaged in the sector (OBMigra, 2017)
Skills Match	<ul style="list-style-type: none"> Do skills needed in the sector correspond to the profile of refugees in the location? 	Not available.
Working Conditions	<ul style="list-style-type: none"> What are the main issues in relation to working conditions? Are there opportunities to improve them? 	Qualitative assessment by the research team (four-point scale)
Feasibility	<ul style="list-style-type: none"> What are the main market players (at the market system level) available in this sector with a role to improve the situation of refugees' livelihoods? What are their willingness and capacity to adopt new or improved business practices that could improve the situation of refugees? Which donor programmes with similar objectives are present in the sector? Is there possibility to collaborate or do their presence distort the market? Given the current market system scenario, what is the feasibility to address those barriers refugees face? 	Qualitative assessment by the research team (four-point scale)

Two of the indicators are qualitative and were determined based on the research team's own assessment of information gathered through FGDs and KIs. The factors that were taken into account when conducting this assessment are as follows:

Table 10 - Qualitative assessment criteria.

	Sub-sector	Working Conditions	Feasibility of Interventions
Agriculture	Agriculture	<ul style="list-style-type: none"> - vulnerability to modern slavery - exposure to pesticides - non-client facing 	<ul style="list-style-type: none"> • Geographical fragmentation • Hostility towards current labour regime
	Meat-packing	<ul style="list-style-type: none"> - unhealthy work environment - heavy workload - cold temperatures - non-client facing 	<ul style="list-style-type: none"> • Lack of interest from industry federations • Hostility towards current labour regime • Pessimistic outlook based on recent recession and general business environment • Lack of competitiveness
Industry	Electronics	+ high level of formality	<ul style="list-style-type: none"> • Interest in an intervention due to reputational concerns
	Domestic appliances	+ frequent labour inspections	
	Garments	- cost competitiveness	
Services	Construction	<ul style="list-style-type: none"> -> downward pressure on working conditions - non-client facing 	<ul style="list-style-type: none"> • Pessimistic outlook based on recent recession • Fragmentation of labour supply chain
	Retail	- high level of informality	<ul style="list-style-type: none"> • Small-scale and fragmented • Limited scope for adding value
	Beauty services	- labour safety issues	
	Repair Services	+ client-facing	
	Hospitality	<ul style="list-style-type: none"> + client-facing + high level of formality 	

Some of the research objectives presented by ILO were not used for the sector selection. The motives applicable to each research question is presented in **Table 11 below**:

Table 11 - Unused Research Questions.

<i>ILO research questions</i>	<i>Motives</i>
Skills match	Data not available.
How do refugees participate in the sector (as producers, wage workers, entrepreneurs, etc.)?	Data not available.
What is the overall size of the sector with respect to output volume and values, contribution to GDP, FDI, and employment (general)?	Most data not available at the sub-national level. Concerning the contribution to GDP, the team considered that the growth rate at the national level brings is a better indicator of employment opportunities for migrants.
What is the decent job creation potential based on the levels of innovation in the sector, such as value-added activities and enterprise growth?	Migrants face great obstacles to access the labour market at this level due to issues such as the complexity on having their education and/or qualification recognized and their impossibility of growing a business because it is currently illegal.
Do refugees face particular barriers to access the market in this sector? What are they?	Barriers faced by migrants in the present research are vast and not sector specific.

Selected sectors were scored on a 4-point scale, from 1 to 4, where 1 is the best possible score, and four is the worst. For those scores based on quantitative data, the following method was adopted. The absolute numbers of migrants and female migrants in each subsector (at the national level) were sourced from the OBMigra database and similar categories found for each subsector. Then, the number of migrants in each subsector was divided by the total number of employed migrants to obtain a percentage score, which was then transformed into the four-point scale used in the sector selection matrix. For the subsectors' growth rate, the team calculated a range from the worst to the best possible growth rate, then calculated the corresponding score on our four-point scale, based on the relative distance from the worst performer (construction). National data for these criteria were used due to the unavailability of data at the subnational level. The team concluded that building a matrix for each city was unnecessary because both the used sectors and the data are at the national level so that the results would be the same.

ANNEX

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