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Generating formal employment in a context of implementation of the Decent Work Agenda: A review over territories Bahian identity

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# Generating formal employement in a context of implantation of the Decent Work Agenda: A review over territories of Bahian identity<sup>1</sup>

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**Abstract**: The positive dynamic of the national economy regarding the creation of new employment has been an issue that arouse interest in the Brazilian society and, consequently, it earned considerable importance in the big media during the past decade. During this period, it was more interesting for us to discover the volume of increasing of number of new formal jobs than obtaining information about the quality of these new jobs arousing at record levels: for example the salary, the way they are sectorally and nationally distributed. This process has been studied by researchers from several areas, but surveys fundamentally prioritized the state and metropolitan scale. Only few attempted to study this phenomenon in an intrastate point of view. The existence of this interpretative challenge is what motivated us in creating this work, whose main objective is to describe some specific features of the formal labor market in the period covering the years 2001 to 2010, prioritizing a form of analysis that emphasizes the uniqueness of development of formal employment in the Territories of Bahian identity. Indeed, we tried to design a profile of formal employment in the State, evaluating its evolution over the time, identifying primarily the profile of the worker who has inserted in the market in the previous decade, the level of salary offered, education level, which sectors generated more jobs and the State identity territories that has been benefited most from new these new jobs. To undertake this activity, we applied to the General Register of Employed and Unemployed (CAGED), the Ministry

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<sup>1</sup> Work produced in the context of discussions on the Group of Regional Economy and Urban studies (GERURB/CNPq), which brings together teachers, researchers and students of the Postgraduate Program in Regional and Urban Development (PPDRU) of the Salvador University (UNIFACS).

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of Labor and Employment (MTE), which records formal employment balances (the result of worker admissions and dismissals with a formal job contract). In geographical terms, a large part of the quotas of new jobs occurred in a small number of municipalities, according to the information obtained, only 27 of a total of 417 municipalities in Bahia gathered 62.6% of jobs, and Identity Territories accounted for 60 2% of jobs were the Metropolitan Region of Salvador and the Portal do Sertão, in which the cities of Salvador and Feira de Santana, the two largest cities of Bahia, highlighted. The existence of a set of investments implemented in Bahia State that led to increase labor demand did not reached most of the territories. Excessive concentration of jobs in specific areas reflects the great inequality of job placement opportunities of Bahian worker in higher quality relationships. Generally, the largest volume of entrants in new jobs was 18 to 24 years old, with high school educational level, earning wages between 0.51 and 1.5 minimum salary and working in companies located in Metropolitan Identity Territory of Salvador. Workers who are not this parameters, either for his personal attributes of residence or expected income (salary range), are eligible only to precarious job relations. In many cases precarious jobs represent for them the gateway to the labor market. For this reason, according to censuses, in 2010 there were more than half of labor relations characterized as informal in the Bahia State. Therefore it is intended that there must be an agenda of the Bahia State to ease regional and personal inequality opportunities of Bahian worker, a proposal that identifies itself with the premises of the Decent Work Agenda for Bahia. This research offers elements that allow public policy makers to have a less conjunctural and more structural vision.

**Key-Words**: Bahian economy, Formal employment, Labour market, Identity territories, Wage labor.

**JEL**: J23, J31, J38

### Introduction

The positive dynamics of the national economy concerning the generation of formal jobs was, undoubtedly, an issue woke up great interest in the Brazilian society and, consequently, it gained a importance in the most different communication vehicles, in elapsing of last decade. In that period, considering the "enchantment" caused by that

phenomenon, we were interested much more to know the volume of creation of those jobs than investigating the quality of the jobs that were appearing in record levels, in terms, for instance, of the income that they were able to offer, as well as on the way as if they were distributed sectorally and geographically.

With regard to the State of Bahia, it became indispensable to assume a different posture from the point of view of the analysis of the data of that expansion of the formal job, in national terms, in the peculiar context of its economy. This is because, in 2007, not to escape to its pioneering tradition, Bahia started to be the first subnational state, all over the world, committing with the creation and promotion of a Calendar of Decent Job, in which is considered that that this kind of job is appropriately paid, exercised in conditions of individual freedom, equity and safety, capable to guarantee a dignified life (MTE, 2006).

Notice that such Calendar was structured based in eight axes or action lines: I domestic work; safety and health in the work; youth; eradication of the infantile work; public service; promotion of the equality; elimination of slave work and implantation of green jobs (BAHIA, 2007). It was assumed that the effectiveness of the terms contained in such guidelines was an essential condition in order to the state reduce its social debt, walking, like this, in the direction of a less excluding development, in which the economical growth could not just result in generating new jobs and income, but that those occupations could grow in such a way to guarantee decent living standard (BAHIA, 2007).

In that point, it should be taken into account that when doing reference to the theme of the Decent Work, we cannot forget to mention that it hovers a lot of controversy about it, being, consequently, a significant field of debates still unconcluded, especially concerning which indicators should be used to assess it. For this reason, the positioning in the debate that tries to define a precise concept over Decent Work can result in great "traps" and conceptual dimness.

Souza (2010), reminds, for instance, the situation in which, under the inspiration of the idea that it is the one socially protected, the Decent Work is taken as a synonym of formal work, harmonizing it, therefore, with the idea that it is that one featured by a workers' group that integrate the so called "die hard" of the job market. That interpretation, as explained by the author, no matter how much it is very deliberate and approach of the sense of decent, it doesn't reveal the true meaning that the decent term tries to manifest.

That is a very frequent obstacle in the national job market, in general, and bahian, in particular, although apparently certain situations can be perfectly aligned with that conception - once they are bearers of the mark of the formality - they also bring, in its DNA, some vicissitudes that limits and sometimes eliminate any possibility of full exercise of a work that can be qualified as decent.

In function of the "trap" that can result of the direct and instantaneous association of the concept of Decent Work to the notion of formalization of the work, we opted, in this article, for seeking in the statistics about the evolution of the formal job in Bahia State, among the years of 2001 and 2010, evidences that allow us to evaluate the quality of the jobs created in that temporary horizon.

We try to reach this goal by prioritizing a form of approaching to the information that valorize the intrastate dimension, this means printing an analysis that emphasizes the singularities of the evolution of formal job in the identity territories in Bahia, observing how such process harmonized itself with the guidelines of the mentioned Agenda.

The adoption of this analytical proposal is founded in the fact that Bahia State passed, in the previous decade, for deep changes in its productive structure, flowed and/or stimulated by a "wave" of investments, sponsored by the private capital as well by the government, that opened and/consolidated new dynamic areas in generating new jobs and income (PESSOTI, 2008). The making of a survey with this bias, therefore, seems to be a priority task, especially if considering future growth possibilities of the Bahian economy and its commitments assumed in the context of the Decent Work Agenda.

After making these considerations, we have to consider that the text is divided into five parts, of which the first one is the introduction. In the second part we discuss about the causes of the growth of the bahian economy. In the third one we try to comment the behavior of the job market from Bahia and of the expansion of the formal job. In the fourth part, we are investing in systematizing information about the creation of formal jobs in the identity territories. Finally, in the fifth part, final considerations of the study are sketched.

#### 2. Determinants of recent growth of the Bahian economy

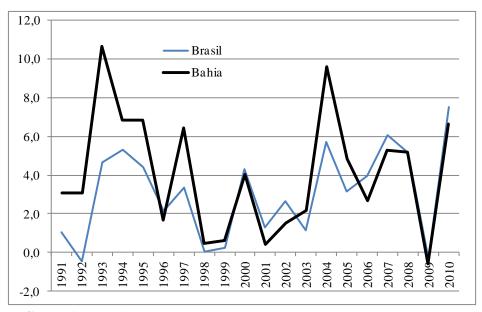
Bahian economy, in spite of presenting discordant behavior in terms of taxes of annual economical growth, it has been accompanying the dynamics of the national economical activity since the last decade of last century (Graph 1). As a result of this alignment, the medium annual growth tax of the Bahian Gross Domestic Product (GDP) in the period between the years of 2000 and 2010 was practically the same in the national economy (3,7% and 3,6%, respectively), in spite the economical structure expressed different participation of the economical activities in the Gross Added Value (GAV). Due to the economical growth being slightly superior, Bahia's GDP participation in national GDP rose up 3,9% to 4,1% between the years of 2000 and 2010 and in regional terms, Bahia was in 2010 the most important State of the Northeast Area in terms of wealth generation (30,4% of GDP), followed by Pernambuco (18,8%) and Ceará (15,3%).

The stability in the participation of Bahian GDP in relation to the national was not expected, considering that along these years we mentioned were implemented important investments in the territory of Bahia. We can mention, for example, the effects of the duplication of the Landulfo Alves Refinary (LAR) in San Francisco do Conde finished in 1998 and the Projeto Amazon, sponsored by Ford, related to the installation of a compound of automobiles production in the city of Camaçari, set into operation in 2002, according to Carvalho Júnior, Pessoti and Pereira (2002) it would be capable to elevate the participation of GDP of Bahia up to, approximately, 6%, starting from 2003. Still according to these authors, this investment brought the hope that manufacturers of car spare-parts would come settling his premises in this area, generating productive chains that would be boosting the economical growth. Besides these inversions located in the Metropolitan Area of Salvador (RMS), the authors mention that:

outros importantes investimentos estão em curso, com destaque para os setores calçadista, papel e celulose, informática e agroindústria, principalmente no interior do Estado. Outro destaque fica por conta do incremento da produção química baiana, com a implantação da fábrica de fertilizantes e herbicidas da Monsanto na região de Camaçari. Tais investimentos, além de se constituírem em contínuo apoio à indústria de transformação, são fundamentais para a competitividade - inclusive internacional - do Estado. (Carvalho Junior; Pessoti; Pereira, 2002, p. 22).

How much the fact of the optimism with the result of the programmed inversions in the metropolitan area and also in the interior they did not led to the elevation of the participation of Bahia GDP in the national economy, it was also expected that the group

of interventions would led to a wide diversification of the industrial structure and of the Bahian economy, stimulating the sector of Services supporting industrial activities, the generation of jobs, income and consumption.



Graph 1 - Tax of growth of GDP, Brazil and Bahia, 1991-2010

Concerning the changes in the participation of the economical sections in VAB in the considered years (Table 1), increases were observed in the secondary section (+1,4 percentile point, p.p.) due, mainly, to increments in the extractive Industry (1,0 p.p.) and in the Process industry (0,7 p.p.), but the relative stability in the tertiary section is illusory, since some of the activities that compose it presented identical variations or even superior to the ones of the industrial activity. It is the case of the Trade (1,0 p.p.) and of the Administration, health and public education and social welfare (1,6 p.p.), complemented by the financial intermediation, insurances, complementary pensions and related services (0,8 p.p.). Therefore, considering the alterations in the participation of the economical activities in Bahian VAB, there were relevant modifications in the period 2000-2010, that certainly altered the work demand and the opening of formal vacancies.

Concerning the change of the economical structure of the Bahian economy, it is not possible to evaluate its dimension simply considering the individual alteration in the participation of the activities. For this reason, and based in the proposition of United Industrial Nations Development Organization - UNIDO, the index of structural

changes<sup>5</sup> is more appropriate, allowing, besides, to observe in which activity sections there was more alteration. According to information related to the participation of the economical activities in VAB in the years 2000 and 2010, in spite of the Industry have presented earnings in the participation, its structural change was smaller (M = 1,2) than the one of the Services (M = 3,4), practically maintaining the same percentile. This result may suggest that the opportunities of job insertion in Services might have been superiors to the Industry, as we are going to evaluate in the following sessions<sup>6</sup>.

**Table 1 -** Participation of economic activities in the gross added value at basic prices and index of structural change of economic structure of Bahia-2000/2010

Activities	Years	Years (%)			
Activities	2000	2010	structural change (1)		
Total	100,0 100,				
Agriculture, Forestry and Fishing	8,8	7,2	0,8		
Industry	28,9	30,3	1,2		
Mining	0,7	1,7	-		
Manufacturing	14,9	15,6	-		
Utilities	5,1	4,6	-		
Construction	8,2	8,4	-		
Services	62,4	62,5	3,4		
Wholesale and retail trade	11,3	12,3	-		
Financial intermediation	3,6	4,4	-		
Public administration, health, education	15,7	17,3	-		
Other services	31,8	28,5	-		

Source: IBGE, Regional acconts.

In regional terms, and due to the location of the activities receiving investments in the territory of Bahia, it is expected that a larger work demand, and, consequently, larger opportunities of job insertion could be observed in RMS.

<sup>(1)</sup> Value made calculations by the sum of the difference, in module, of the participations of the segments in the value added in 2000 and 2010.

<sup>&</sup>lt;sup>5</sup> In agreement with the methodology of the UNITED, elaborated in 1997, the structural change is captured among the periods (t) and (t-n) for an index M for all of the activities of the structure, as it proceeds:  $M_t = \frac{i m_t - m_{t-n}}{2}$ , where i = each considered activity;  $m_t$  = participation of the added value of the activity i in the period t;  $m_{t-n}$  = participation of the activity i in the period t-n. The index  $M_t$  can assume zero values to 100; the value zero means that there was not any structural change, while 100 indicate completes structural change.

<sup>&</sup>lt;sup>6</sup> It should be had in mind that loss of percentile participation doesn't mean, necessarily, fall in absolute terms among two periods of time (t and t+1). An activity can present smaller participation in total VAB in t+1 and to have presented nominal growth when compared to his situation in it.

## 3. Job market in Bahia and expansion of the formal job

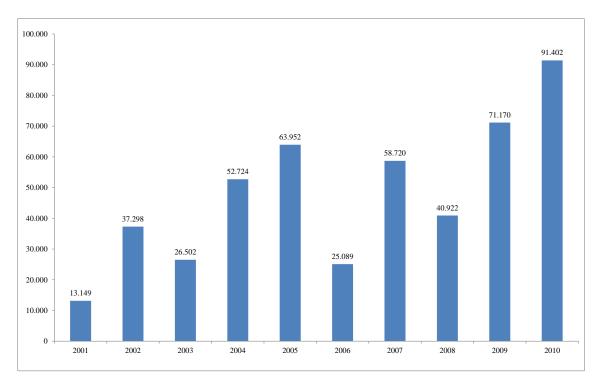
The national job market, during the last decade, was marked by a diametrically opposite reality than the one which prevailed in the years 1990, above all concerning the behavior of the unemployment tax, that began to present a movement of retreat. Such a movement was caused, fundamentally, by the process of economical growth appearing and enabling consequently, to an enlargement of the generation of formal job, that, obligatorily, led to contraction of the indexes of informal job and also contributed to lower the unemployment level. As largely described in the literature, that new scenery that configured, in the years 2000, was due to the use of the exceptional operation conditions of the international economical conjuncture, conjugated to an internal context of stimulation of the investment, credit, consumption, among other factors, they allowed the growth of Brazilian and Bahian Gross Internal Product (DIEESE, 2012).

Mirroring this kind of virtuous cycle that was forged, with larger emphasis starting from 2004, the formal job market in Bahia left a level of 13.149 formal jobs, in 2001, for 91.402, in 2010. Although in this comparison the job created has practically increased seven times, there was, during that period, moments in which the creation of formal job vacancies of the following year was smaller than registered in the previous year (Graph 2).

Notice that, on the other hand, the job market in Bahia still had, in 2010, a considerable number of informal job relationships. To prove that reality, it is enough to investigate the distribution of the employed according to the position in the occupation, resulting from the Demographic Census 2010, to attest that the workers that were working informally, the ones who were not paid in it helps to member of the home, the ones that worked in the production for the own consumption and on their own they represented for 61,8% of the total of the occupation in the State of Bahia. Concerning this matter, the comparison with the national picture is unfavorable to Bahia, since in the group of the country those workers represented 47,4% of the employed.

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**Graph 2** - Formal Jobs generated in Bahia - 2001-2010

In Bahia, the highest balances, in absolute terms, happened in the years of 2007, 2009 and 2010, and its representativeness before the group of the country reached the most expressive values in the years of 2009 (7,15%) and 2005 (5,10%). Opposite to this the years in which this State presented less representative balances in relation to the balances obtained nationally were 2001 (2,22%); 2006 (2,04%) and 2008 (2,82%). Even considering the difficulties faced, no way to deny that the final result was very positive in terms of the expansion of the formal job opportunities.

This interpretation, however, if done in an isolated and precipitate way, it can drive the boldest analysts concluding that the problem of the unemployment in the job market in Bahia was overcome and/or stopped being important. Definitively, this cannot be the glance that should prevail, therefore, in 2010, it was possible to identify, in agreement with the Demographic Census 2010, an expressive contingent of workers (714.319) that were unemployed and that they represented 10,6% of State Economically Active Population (PEA) (estimated in 6,56 million workers), a percentile located far above than national context (7,6%). Evaluating more peculiarly this informality propagating in Bahia, it must draw the attention to the fact that it cooled down among

between 2000 and 2010. When we make the same effort to realize the level of informality that hovered in the beginning of the previous decade in the job market, we stare at impressive figure of 68%. In other words, a little bit more than 2/3 of the workers from Bahia were dealing with informal work relationships.

Surprisingly, that decrease of the representativeness of the so called informal work relationships in the context of Bahia, observed recently, it cannot be fully commemorated, therefore it brings, in its implied sense, an element that it should cause concern, considering that it was not from mold to reduce the effective asymmetry in the comparison with the picture that prevailed in the national dimension. In other terms, what we are trying to affirm it is that the distance was deepened, in percentile points, that was separating the informality levels that were counted in the country and in Bahia. While, in 2000, in this State the percentile of workers enrolled in the informal context, according to the mentioned cutting, it was 13 points percentile higher than the one measured nationally, in 2010 that difference raised up to 14,4 percentile points.

In face of these numbers, it is possible to infer that there was a more pronounced fall of the informality in the first decade of the century XXI in Brazil than in Bahia. Considered the mentioned values, is evident that in Brazil the informality decreased from 55% to 47,4%, between 2000 and 2010, this corresponds to a negative percentile variation of 13,2%. In Bahia, the informality moved back from 68% to 61,8%, which means a negative percentile variation of 9,2%. Excepting Pernambuco, all of the northeast states experimented larger falls in their respective informality patterns than it registered in the scenery of Bahia.

Returning the lean over, specifically, on the information that reveal the behavior of the generation of formal job in Bahia, it is good to mention that between the years of 2001 and 2004, the interior of the state stood out more than RMS in the creation of formal vacancies. Between the years 2005 up to 2010, that situation was inverted and RMS started dominating this issue (Table 2).

**Table 2** - Formal jobs generated in Bahia, in the Metropolitan Area of Salvador and Interior - 2001-2010

Year	Bahia	Metropolitan Area of Salvador (RMS)	Interior	RMS/Bahia (%)	Interior/Bahia (%)
2001	13.149	4.704	8.445	35,77	64,23
2002	37.298	16.401	20.897	43,97	56,03
2003	26.502	5.746	20.756	21,68	78,32
2004	52.724	23.824	28.900	45,19	54,81
2005	63.952	36.057	27.895	56,38	43,62
2006	25.089	14.967	10.122	59,66	40,34
2007	58.720	30.255	28.465	51,52	48,48
2008	40.922	22.035	18.887	53,85	46,15
2009	71.170	39.965	31.205	56,15	43,85
2010	91.402	49.262	42.140	53,90	46,10

**Source:** MTE—CAGED, 2001-2010.

To understand those movements, it is necessary to look in the "rear-view mirror of the history" and to observe some elements that dictated the politics of attraction of investment in Bahia State since the decade of 1990. This is because, in that last decade, a part of the States of the Federation didn't hesitate in applying for concession of fiscal incentives, in order to attract the interest of the private capital, bringing, consequently, to their respective territories, new projects of investments (Andrade, 2009). Doubtless, the state of Bahia was one of the most active actors in that true fiscal war locked among portion of the Brazilian states, in which, as we already referenced, each one of the participant states had the aim to be more attractive to the private capital, especially for those whose origin extrapolated the national borders. A given prove about larger participation of Bahia it can be found, for instance, in the fact that several specific programs of incentive were created to enable the installation of new enterprises as BahiaPlast, Procobre, the one related to the I.T. science created in Ilhéus, Agroinvest, and the relative to the process of attraction of the assembler of automobiles Ford<sup>7</sup>.

With effect, as suggested Souza (2007), the foregoing politics of attraction of investments obtained success, because, in the period comprising the years from 1994 to

<sup>7</sup> That intense performance was not enough, two other elements competed so that Bahia got to still print more visibility and effectiveness to his politics of investment attraction. The first concerns the additional incentive of federal stamp for the enterprises that establish roots in areas of performance of SUDENE. The second, for his/her shift, it flows of the process of Reform of the State, annulled starting from 1991, of which it resulted a deep adjustment administrative, fiscal and financial.

2005 they accomplished a group of industrial investments in different complex, some already existent and others being implanted, that totaled, in monetary terms, an amount of approximately R\$ 28 billion, with a forecast of creating about 128.566 direct jobs.

It is crucial to point out that a very expressive part of that whole group of investments (46,5%), a little bit less than the half, went for that area that historically was always constituted in the "natural way" for the industrial inversions in the state of Bahia, in this case RMS. That, evidently, ended up still reinforcing more the weight and the importance of such area in the context of the Bahian economical activity. Another part also quite significant of those resources (38,5%) went to the area Extremo Sul, consolidating, in that way, the timber industry there existent.

In spite of it has had that unquestionable concentration of resources in RMS and in Extremo Sul, other areas of the state passed, also, even if in scale proportionally smaller, to be a goal of industrial investments. Surprisingly, those other areas, in spite they received volumes of much more modest investments, they got to implant industrial compounds that, given the intrinsic nature they possess, they demanded bulky sums of financial resources, but this, however, were responsible for most of direct jobs of the group foreseen in function of the whole range of investments accomplished in the state during the years from 1994 to 2005. Undoubtedly, with the confirmation of these jobs, very probably the savings of those economical axes started to have much more dynamic outlines, a situation that reflected in their respective job markets.

That supremacy of RMS in the expansion of formal work opportunities in the second half of the years 2000, has, for certain, a lot to deal with the dynamics that configured in terms of distribution of the industrial investments. Probably, those inversions brought very wholesome reflexes for the economy in Bahia, in general, and of that area, because it favored the growth of the businesses in the services sector, as a consequence, increasing the opening of new formal jobs. We can easily observe in the Table 3, the evolution of the formal according to his activity sector. As observed, in the period between the years 2001 and 2010 the sector of services was the one that presented the largest balance of formal jobs (195.303 vacancies).

The sector of Buildings, on the other hand, experimented in the elapsing time a dynamic which was completely different from the one that thee service sector had. This is because, after registering balances of negative formal jobs in the first four years of the period in analysis, the sign of that balance reverted in the following two years, and starts to present an expansion never seen before, recording in the biennium 2009/2010 an

extraordinary balance of jobs of the amount of 43.168 vacancies (representing about 26,6% of the total of formal job generated in that period).

**Table 3 -** Formal jobs generated by activity sector in Bahia - 2001-2010

Setor de atividade	2001-2002	2003-2004	2005-2006	2007-2008	2009-2010
Mining	228	2.131	949	915	1.700
Manufacturing	10.949	21.563	17.525	14.526	22.000
Utilities	-56	-92	1.279	189	1.278
Construction	-10.186	-2.880	7.184	13.391	43.168
Wholesale and retail trade	16.501	22.134	30.269	28.342	32.504
Services	28.945	29.615	37.574	38.872	60.297
Public administration	-1.092	-1.850	-1.664	1.718	165
Agriculture, Forestry and Fishing	4.920	8.590	-4.075	1.689	1.460
Others	238	15	0	0	0

Source: MTE—CAGED, 2001-2010.

Such an impressive performance of the Building sector resulted in a group of measures adopted by the federal government in order to minimizing the side effects that the international financial crisis provoked (SEI, 2009). By detailing the balance of job in the Building sector in that considered period, it was stimulated by the activities related to the works of construction of buildings and infrastructure. In the case of the construction of buildings we can mention several construction of shopping centers and big residential and commercial buildings, that were facilitated by the politics of expansion of the credit that started to be in force. In the case of the infrastructure, there were the perspective of conclusion of the subway and the execution of the construction of systems of sewerage in function of the works of the Program of Acceleration of the Growth (PAC), especially in Salvador. In that matter, we can also mention the works construction of the Via Expressa Bahia de Todos os Santos (Freeway).

## 4. The job generation in the identity territories

The first thing to say in this section, the part that deepens into an objective point of view in the analysis of the information about the job generation in the identity territories, is that such territories are constituted in a new regional division that it passed to be used by the State of Bahia starting from 2007. That regionalization was "adapted" based on the model of the "Rural Territories", adopted by the Ministry of the Agrarian

Development (MDA), and its implantation follows a guideline of the federal government, aiming to a larger articulation in the relationship between the state and the federation.

After that, We must observe the distribution of the balance of jobs, in the period 2001-2010, in the identity territories from Bahia. The most evident information is that the Metropolitan territory of Salvador<sup>8</sup> concentrated, in accumulated terms, half of the balance that it was determined for Bahia (50,3%). The domination of this territory, from the point of view of its importance in generating formal job vacancies, is due fundamentally to the performance of Salvador, representing 35,5% of the formal jobs created in whole the state. The structure of that picture is really preoccupying, not just because it exposes, in a categorical way, the phenomenal concentration of formal job (Illustration 1), but also for revealing a situation highly asymmetric inside this territory, concerning to the opening of new formal job.

The municipality of Feira de Santana (located in the territory Portal do Sertão), on the other hand, it reached the second placement in that ranking, with the creation of 37.740 jobs. The concentration of the formal job in the identity territories in which are located the two larger cities of the State (Salvador and Feira de Santana) it is even more evidenced if we consider that in these two cities is concentrated 43,3% of whole formal that was generated in Bahia, in the considered period.

Still considering the concentration of the jobs in the Metropolitan territory of Salvador, a better understanding of the scenery can be obtained by evaluating the distribution of the balance of jobs for activity sector. As already demonstrated, the Services sector presented a great prominence in terms of jobs generated in the State in the considered period. This situation is also repeated for the Metropolitan territory of Salvador, that presented a participation of 54% in the balance of jobs generated for this sector, followed by the trade (19%), building sector (15%), industry (11%) and, last, agricultural.

In the Portal do Sertão, the second identity territory with larger representativeness in the jobs generated in the State, the industry ranked the first place among the several activity sectors with larger balance of jobs in the period, followed by the trade, services, building sector and farming.

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<sup>&</sup>lt;sup>8</sup> The territory of Metropolitan identity of Salvador is composed by the municipal districts of Camaçari, Candeias, Dias D'Ávila, Itaparica, Lauro de Freitas, Madre de Deus, Salinas da Margarida, Salvador, Simões Filho e Vera Cruz.

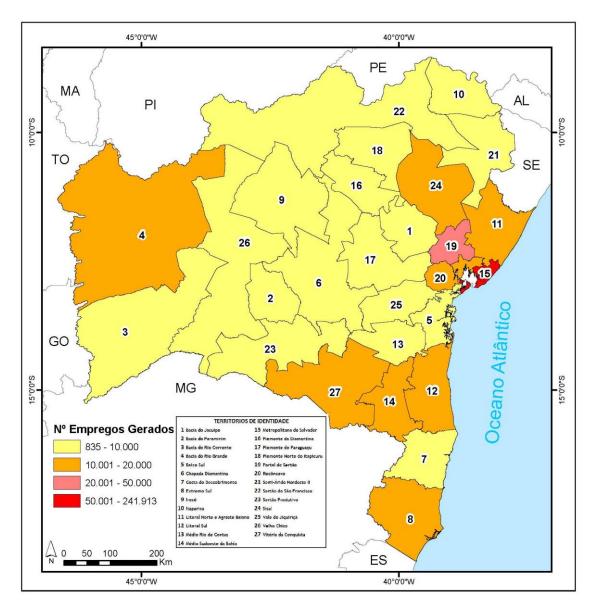


Illustration 1 - Formal jobs generated by Territory of Identity of Bahia, 2001-2010

A different distribution happened for the industry sector. In spite of the Metropolitan territory of Salvador to have had the largest participation in the balance of jobs generated by this sector, the second territory with larger representativeness was the Mid-Southwest of Bahia, followed by the Portal do Sertão in third, Reconcavo region, in fourth place, and Médio Rio de Contas, in fifth (Illustration 2). In case of the agricultural section, the territories that obtained larger prominence in the generation of formal jobs in absolute terms were, in decreasing order: Chapada Diamantina, Bacia do Rio Corrente, Litoral Norte and Agreste Baiano.

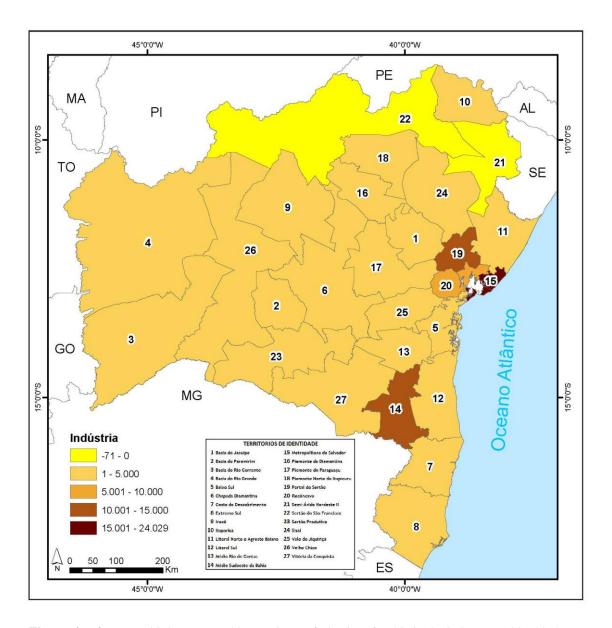


Illustration 2 - Formal jobs generated by Territory of Identity of Bahia in the industry - 2001-2010

## 4.1 The profile of the generated job

The analysis of the profile of the opened vacancies in the identity territories from Bahia in the period in subject will demonstrate, on one side, the preferences of the employer in sight of absorbing the best resources at the lowest cost, and on the other hand, the pressing need of positioning the entities that lean over on the minimum presuppositions of a decent work Agenda. In this session, the age and remunerative point of view will bring elements for this aim.

**Table 4** - Jobs generated by Territory of Identity of Bahia according to the age group - 2001-2010

T (11	T:11 17	From 18 to	From 25 to	From 30 to	From 40 to	From 50 to	65 and	T-4-1	
Territory of Identity	Till 17	24	29	39	49	54	more	Total	
Total	26.565	385.525	83.299	32.885	-11.580	-30.297	-5.526	480.779	
Irecê	158	2.071	652	243	-182	-111	-14	2.816	
Velho Chico	178	2.049	571	441	3	-176	-28	3.043	
Chapada Diamantina	142	3.483	1.049	667	16	-153	-21	5.174	
Sisal	321	7.054	2.625	2.190	433	-21	-66	12.532	
Litoral Sul	1.263	15.310	809	-1.134	-1.996	-2.260	-344	11.671	
Baixo Sul	303	4.655	647	-429	-333	-393	-41	4.413	
Extremo Sul	1.908	11.374	935	9	-852	-1.355	-358	11.608	
Médio Sudoeste da Bahia	220	12.945	1.580	1.573	595	-102	-86	16.714	
Vale do Jiquiriçá	91	1.686	176	-383	-403	-272	-45	843	
Sertão do São Francisco	1.042	8.553	373	-1.086	-1.314	-1.174	-154	6.238	
Bacia do Rio Grande	1.800	10.759	1.329	-325	-558	-660	-59	12.313	
Bacia do Paramirim	26	677	225	111	-38	-26	-5	970	
Sertão Produtivo	701	6.995	1.447	912	-126	-541	-112	9.310	
Piemonte do Paraguaçu	126	2.696	386	34	-155	-212	-33	2.855	
Bacia do Jacuípe	124	2.188	221	156	68	-50	-10	2.700	
Piemonte da Diamantina	248	3.114	1.038	581	89	-194	-34	4.836	
Semi-Árido Nordeste II	100	2.065	448	181	8	-99	-18	2.682	
Litoral Norte e Agreste Baiano	452	14.321	2.890	1.320	-334	-768	-132	17.734	
Portal do Sertão	1.869	35.772	6.993	3.616	832	-1.048	-369	47.696	
Vitória da Conquista	1.989	14.094	2.739	1.439	137	-648	-207	19.536	
Recôncavo	644	13.267	3.410	2.271	181	-618	-149	19.024	
Médio Rio de Contas	334	6.694	1.077	126	-255	-513	-110	7.358	
Bacia do Rio Corrente	167	2.170	829	282	16	-141	-10	3.309	
Itaparica	266	2.050	-141	-382	-375	-474	-114	835	
Piemonte Norte do Itapicuru	132	3.058	876	469	-281	-284	-51	3.922	
Metropolitano de Salvador	10.495	187.259	49.029	20.915	-5.809	-17.058	-2.755	241.913	
Costa do Descobrimento	1.466	9.166	1.086	-912	-947	-946	-201	8.734	

**Source:** MTE—CAGED, 2001-2010.

Regarding the age of the workers in the period (Table 4), it is evident that the age group from 18 to 24 years was the one that presented the largest participation, representing 80% of the total, followed by the group from 25 to 29 years (17%) and 30 to 39 years (7%). In the following age group it is noticed the occurrence negative balances, in other words, there was more dismissal than recruiting for people with superior age to 40 years in the period. In this particular matter, stands out the age group from 50 to 64 years, in which is present the largest incidence of negative values. This scenery point out for a renewal of the market with the admission of new professionals and the dismissal of the most experienced professionals, in more advanced ages of the formal jobs. These professionals, on the other hand, can be exercising informal activities, composing the contingent belonging to the informal sector of the economy.

This age standard, is perfectly compatible with the workers' educational standard that fulfill the referred vacancies with formal job contract. This is because, most of them (68,7%) has reached, at the best cases, an high school degree. Unequivocally, that was a signal of the highest degree of selectivity of the formal job market, materialized in the greater educational demands that began to be demanded to the applicants in order to be hired for formal job. Concerning that result, it is necessary to keep in mind that the this was not just conditioned by some strictly technique nature issues, related to the increasing complexity of the exercise of certain activities, but also resulted of the existence of an excessive labor offer, context that stimulated the companies to turn themselves more exigent as for the workers' qualification.

If on one side the work demand of the companies was benefitted by the availability of the workforce when absorbing workers of younger age group and with better educational level, the recruiting costs were also thoroughly favorable if we consider the formal jobs that were generated according to the salary group. The majority of the vacancies opened during the considered period corresponded to the group from 0,51 to 1 minimum wage (Table 5), which larger incidence felt in the identity territory of the interior, overcoming the result presented in the subsequent group (from 1,01 to 2 minimum wages). However, being excepted specific situations covered by agreement among the parts in the worker's case with reduced working hours, the insert in the group from 0,51 to 1 minimum wage lacks of legal regulations, considering that the employee is not allowed to recruit with inferior remuneration to a minimum wage. Thus, flexibilizing to the limit the hypothesis that potential absence of labor inspections in interior areas can be causing losses to the workers, to the employer that appropriates himself of the differential of his own power favor caused by the larger work offer. The cost incurred with the admission of young and more educated workers was fully advantageous. We must consider, besides, that these conditions allowed the employer to dismiss workers with superior remuneration, once the space distribution of the generation of jobs for salary group (Table 5) demonstrates reduction in the number of formal jobs generated within the group of income above 2 minimum wages in most of the identity territories. Thus, it is evident that the income gained by the admitted workers or newly admitted with low remunerative levels cannot maintain the dynamism of the economy in the identity territories in which they were admitted, considering the loss of income of those who were dismissed, generating a reduction of the expenses and of general standard of living.

Table 5 - Jobs generated by Territory of Identity of Bahia according to the wage strip - 2001-2010

Territory of Identity	Till 0,5 minimum wage						From 4,01 to 5,0 minimum wages	
Total	9.335	389.799	195.081	25.150	-36.332	-28.426	-21.338	-53.780
Irecê	74	3.889	-687	-35	-280	-1	-56	-116
Velho Chico	14	2.902	1.482	44	-398	-371	-284	-353
Chapada Diamantina	50	3.308	1.696	11	29	54	-12	-76
Sisal	7	12.973	-1.374	198	384	401	37	6
Litoral Sul	409	24.834	-9.506	-1.484	-1.064	-250	-380	-1.174
Baixo Sul	286	4.774	1.891	-247	-650	-861	-424	-515
Extremo Sul	177	11.868	12.373	-1.598	-4.088	-2.574	-1.505	-2.527
Médio Sudoeste da Bahia	43	32.806	-15.302	-287	-272	-89	-18	-168
Vale do Jiquiriçá	-234	600	1.267	-158	-207	-67	-43	-153
Sertão do São Francisco	138	15.113	1.515	-6.666	-2.277	-475	-334	-893
Bacia do Rio Grande	851	16.724	10.245	-1.219	-5.973	-3.069	-2.126	-3.469
Bacia do Paramirim	1	893	35	-13	73	-2	13	-32
Sertão Produtivo	190	8.981	917	-154	-300	-49	-24	-190
Piemonte do Paraguaçu	133	4.477	-1.395	-68	-146	-36	-20	-97
Bacia do Jacuípe	-7	4.111	-1.195	-83	-99	11	-7	-31
Piemonte da Diamantina	82	5.215	996	272	-408	-526	-352	-485
Semi-Árido Nordeste II	59	4.079	-1.346	-19	-41	11	-14	-62
Litoral Norte e Agreste Baiano	186	13.263	5.834	3.345	68	-557	-392	-4.059
Portal do Sertão	479	28.761	23.642	987	-3.447	-1.006	-713	-1.274
Vitória da Conquista	736	35.766	-2.678	-1.449	-5.802	-3.477	-1.794	-1.759
Recôncavo	206	18.063	1.591	4.329	2.266	-1.501	-1.628	-4.438
Médio Rio de Contas	24	8.916	-487	-783	-80	43	-113	-187
Bacia do Rio Corrente	44	3.418	2.896	12	-1.864	-729	-284	-278
Itaparica	189	2.820	-1.101	-391	-381	-3	-67	-261
Piemonte Norte do Itapicuru	145	4.826	-523	231	31	-144	-76	-574
Metropolitano de Salvador	5.068	109.244	156.254	32.282	-10.066	-11.872	-9.788	-29.451
Costa do Descobrimento	-15	7.175	8.041	-1.907	-1.340	-1.287	-934	-1.164

**Source:** MTE—CAGED, 2001-2010.

#### **Final considerations**

Further to an analysis of the behavior of the formal job in Bahia into the Metropolitan Area of Salvador, or extended to the whole State, this work tried to demonstrate how developed the generation of jobs in the Territories of Identity of Bahia, enabling to evaluate the performance of each area considered, according to the age group, the education, activity section and the workers' salary group.

The transformations happened in the Bahian economical structure, along the period 2000-2010, they suggested that the section that presented the largest structural change (tertiary) it would be the one that which would show better opportunities of absorption of labor force. In this particular matter, and according to the typology adopted by CAGED/MTE, it would be considered the activities of the Trade, of Services and of the Public Administration. According to the evolution of the job generation for activity sector in the territories, 67,0% happened in the tertiary and

30,3% in the secondary, the same ones that presented the largest indexes of structural change.

In space terms, a considerable part of the contingent of generated jobs happened in a reduced number of municipal districts. According to the information obtained, only 27 of a total of 417 municipal districts from Bahia congregated 62,6% of the jobs, and the Identity Territories, responsible for 60,2% of vacancies were the Metropolitan Region of Salvador and the Portal do Sertão, where the municipal districts of Salvador and Feira de Santana, the two larger cities of Bahia, were prominent. Altough a group of investments has been implemented in Bahia, and for this reason the work demand increased, nor all of the territories were benefited.

This excessive concentration of generated jobs reflects the great inequality of opportunities of laboral inserting for the Bahian worker for higher quality work relationships. In general, the increasing volume of entering workers in the belongs to the age group of 18 to 24 years, completed high school, receiving wages between 0,51 and 1,5 minimum wage and working in companies located in the Metropolitan Territory of Identity of Salvador. In view of these characteristics, the workers that are not aligned with this group, for personal attributes, residence or for expected return (salary group), are eligible just to the precarious relationships, having in the informality their gateway to the job market. It is not for other reason that, according to census, in 2010 more of the half of the work relationships were characterized as informal in Bahia.

Therefore, if there is, or if it is intended that there must be a State Agenda aiming to ease regional and personal inequality weakening job opportunities for the Bahian worker, proposal this that identifies itself with the presuppositions of the Decent Work Agenda that it was proposed to Bahia, this investigation offers elements that allow public politics creators to have a less conjunctural and more structural vision, even if its goal was just to observe the evolution in the first decade of the present century.

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