

BRAZIL

The social security that women want



The social protection system is in need of urgent changes. Despite the ongoing debate on social security reform, injustices persist. When it comes to women, and especially black women, domestic workers and rural dwellers, the discrimination they face is even greater, since they must work more to receive fewer benefits.

Guacira Oliveira¹

Social security reform is currently a central theme of political debate. In January 2007, President Luis Ignacio Lula da Silva's government created the National Social Security Forum to discuss proposals for changes in the social security system. The Forum is tripartite, composed of representatives of the government, trade unions and private sector business associations, who only account for 50.6% of the economically active population. The sectors excluded from the present social security system and women's organizations are not represented.

The decision to exclude those segments from the discussion is indicative of the refusal to seek alternatives which would make the system universal, as well as to come to an agreement regarding specific inclusion strategies. Since the 19th century, the social security system has only provided coverage for workers within the formal labour market – that is, mainly white men from privileged social sectors. The formal work model, and therefore the possibility of gaining access to the benefits of social security, has historically been linked to a 'white-skinned' and masculine model. Decent and valuable work, which generates rights for the worker, was and remains far from the reach of most women and black people. This is even more true for black women, who are subject to a double division of labour: racial and gender-based.

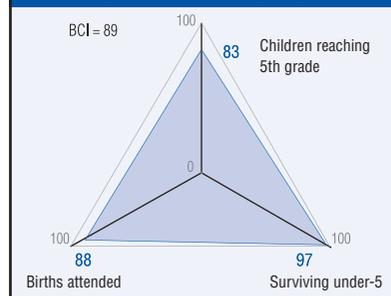
Parallel and Itinerant Social Security Forum

In 2005, there were 44.2 million people contributing to the social security system (35.3 million of whom were in possession of an official work card), whereas a contingent of 32 million people, 70% of whom were women, were excluded from the system. This led a group of women's organizations² to create the Parallel and Itinerant Social Security Forum, which will discuss alternatives to the social security system, taking into account all of the Brazilians who have

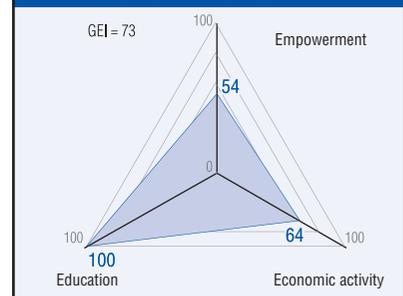
¹ Guacira César de Oliveira is a sociologist and co-director of the Centro Feminista de Estudos e Assessoria (Feminist Centre for Studies and Advisory Services, CFEMEA) and a member of the Social Watch Brazil reference group.

² Articulação de Mulheres Brasileiras, Articulação de ONG's de Mulheres Negras, Campanha Nacional das Donas de Casa pelo Direito à Aposentadoria, Federação Nacional de Trabalhadoras Domésticas, Marcha Mundial das Mulheres, Movimento Interestadual de Quebradeiras de Coco de Babaçu, Movimento de Mulheres Camponesas, Movimento de Mulheres Trabalhadoras Rurais do Nordeste.

Basic Capabilities Index (BCI)



Gender Equity Index (GEI)



been excluded from the Forum set up by the federal government. This initiative has the support of Social Watch Brazil, the National Union of Federal Revenue Auditors (UNAFISCO) and the Federation of Federal Revenue Auditors (FENAFISP).

From the point of view of the Parallel Forum, the main problem to be confronted is the exclusion of the greater part of the population from effective social security coverage. In 2004, over half of economically active women (50.5%) and 39.5% of economically active men (PNAD, 2004) were not covered by the social security system. If their dependents were taken into account, the number of Brazilians totally deprived of social security coverage would rise to a total of approximately 100 million people (Melo and Considera, 2005). In our view, it is this lack of social protection that justifies the reform of the social security system which, as a matter of principle, should be public, solidarity-based and universal.

However, in the view of the business community, a significant part of the federal government and the mainstream media, all of whom carry great weight in the moulding of public opinion, the key issue is not this widespread lack of protection, but rather the search for solutions to the medium-term financing of the social security system, taking demographic transition (the ageing population) into consideration as well as the need to free up resources for economic growth.

Debunking the myths

Among other factors, the social security system has faced difficulties as a result of the non-implementation of the budget assigned to the system as stipulated by the Federal Constitution of 1988. From the beginning of the 1990s, rhetoric regarding the social

security deficit has gained strength, despite the fact that all sources of evidence (including official ones) show the opposite, even when using different methods of analysis. Individual contributions continue to be the only consideration, although the system has several additional sources of income which allow it to produce a surplus year after year.

Contributions to social security established by the Constitution and later set up in order to finance the system include the Social Security Financing Tax (COFINS), the Legal Entity Net Profit Social Tax (CSLL) and the Provisional Financial Movements Tax (CPMF), as well as the net social security contribution, which basically refers to the payroll contributions made by employers and employees and contributions from the Simplified System (Special Unified System for the Collection of Taxes and Contributions of Micro and Small Enterprises). As regards expenses, the following items are taken into account: payment of urban and rural social security benefits, welfare benefits, and the actions of the Single Health System (SUS), as well as actions related to the financing of the Ministry of Health and its return to sound administration and accountability. According to the ANFIP (2005), the primary surplus of the social security budget in 2004 amounted to BRL 42.5 billion (USD 21.5 billion) (Boschetti and Salvador, 2006).

If there is a surplus, the argument that it is necessary to reduce government spending on social security in order to redirect resources towards investment so that the economy can grow is clearly absurd. At the end of the day, social security has not harmed the progress of the economy; on the contrary, the economic policy which is being implemented affects social security, undermining both its principles and its budget.

The problem is that part of the resources of social security are diverted in order to make up the primary surplus (to pay interest on foreign and internal debt), by means of the Dissociation of Union Contributions mechanism. Not content with that, the government places limits on additional resources throughout the year, which does indeed cause a deficit in the social security system.

The lack of recognition for domestic work

There is also talk about the need to reform the social security system because of the increase in the number of elderly people in the country, which could make the system unviable in the near future. To those who support this thesis, the rights achieved by women up to the present represent a threat to the sustainability of the social security system. It is argued that women retire five years before men and live an average of eight years longer, and therefore cost the Treasury 13 years in extra expenses.

As regards the ageing of the population, it is worth noting that the issue of care for the elderly is completely absent in discussions about the future of the system. This omission is directly related to the lack of recognition and consequent undervaluation of the unpaid domestic work carried out by women. Social reproduction activities (domestic tasks, child care, care of the sick and of the older adults in the family group) make a significant contribution to the social and economic development of the country, but continue to be relegated to the kind of tasks which are carried out as part of 'women's vocation' and are consequently absent from the agenda of the debate on labour rights.

If domestic tasks were taken into account, they would represent a 13% growth of Brazil's GDP (Melo and Considera, 2005). However, reproductive labour does not generate rights, but rather an extremely heavy load on women who, as well as that burden, must face the prejudices that result from insertion in the labour market under absolutely unfair and unequal conditions. As a result, women are often obliged to interrupt their working lives, turn to the informal sector, or even be fully excluded from the labour market. The higher proportion of women in more vulnerable and poorly paid jobs is a reflection of this fact.

Data collected by CEDEPLAR/UFMG (Development and Regional Planning Centre/Federal University of Minas Gerais) in 1997 show that women make a higher number of transitions between activity and 'inactivity' throughout their lives. While men remain in each occupation for an average of 15.2 years, the average length of stay for women is 8.9 years. This is one of the results of the sexual division of labour. And in this area, reality is hard to change.

This information shows that the proposal to put an end to the differentiated retirement age for women (five years before men) in compensation for their double work load is untenable. The difference between the length of stay in an occupation for men and women is 6.3 years (CEDEPLAR/UFMG). However, a comparison between the number of working hours devoted to domestic tasks shows that women work at this type of activity at least double the amount of time as men. In fact, for there to be real compensation, a difference in retirement ages of over five

years would be required. As we understand it, this should be a transitory measure. What women's and feminists' movements want is not compensation, but the equal division of productive and reproductive tasks, as well as equal conditions of participation in the labour market.

In 2005, according to the Ministry of Social Security, 30.7% of women's retirements were due to age and only 6.8% due to length of contribution. Consequently, if the issue of informality is considered, women work for longer than men in order to ensure their retirement pension, but receive a lower pension due to their diminished capacity to contribute and their dependent condition.

Women face double discrimination

Many people who have spent most of their economically active lives in the informal labour market, particularly in urban activities, are at a double disadvantage due to the demands of individual taxation, since they have contributed to the wealth of the country at a low cost, without having received the benefits of the National Social Insurance Institute (INSS) or the Guarantee Fund for Length of Service (FGTS), nor paid unemployment insurance (and therefore were unable to exercise their labour rights). In old age, these persons will be affected once again, since they will not be able to enjoy their rights to social security.

Rural working women have been struggling for years to obtain recognition as small agricultural producers. The cultivation of vegetable gardens and medicinal plants, and the raising of small animals, is absolutely vital for the survival and support of their families, but it is rendered invisible and is undervalued. In consequence, their rights as workers are not acknowledged. Meanwhile, the most serious situation is that of almost six million women, mostly in the rural areas, who do not possess any kind of documentation and are therefore denied all the rights of citizenship.

When the racial dimension is brought into consideration, the situation becomes even more unjust. Black and racially mixed women, subject to multiple forms of discrimination, end up concentrated in the most precarious occupations and in informal labour. The high concentration of black women in domestic employment (22%) should be noted, as well as in the categories related to production for personal consumption, construction for personal use and in unpaid labour. On the other hand, white men most often appear in the position of employers (7.5% against 1.3% of black women) and as employees with an official work card (38.4% vis-à-vis 20% of black women).

The case of domestic workers in particular deserves special attention, and an urgent solution should be provided by the social security system. Immediately guaranteeing the right to retirement of domestic workers who are currently 60 years of age or older would constitute a measure of reparation. This is a significant contingent of women who are subject to sexual and racial division of labour and have achieved a quotient which as a general rule is the lowest in the socioeconomic scale in terms of recognition,

performance, quality of life and labour rights, but on the other hand is the highest in terms of duties and limitations as regards reproductive tasks.

Ensuring the sustainability of social security

Ensuring the sustainable increase in the number of beneficiaries and the transformation of the demographic profile, from the actuarial point of view, depends on several factors, including the broadening of the sources of financing for social security. In our view, the fact that the labour market does not offer adequate conditions which enable each female worker to make her individual contribution to social security does not mean that she has no right to be a part of the social security system. Other mechanisms are required to safeguard the life and citizenship of women. This implies dissociating social rights from the traditional employment model, and in particular, dissociating the right to a retirement pension from formal employment.

In this sense, the actuarial sustainability of social security could be constructed on the basis of a re-evaluation of employer exemption criteria and amnesty for debtors; combating evasion; the creation of new rates and taxes consistent with the principle of solidarity and the redistributive nature of social security; the imposition of taxation on great wealth, international financial transactions and agribusiness; the creation of a solidarity fund based on a specific contribution; broadening the contributive capacity of workers by increasing employment and other work opportunities; the creation of different tax models compatible with the multiple productive arrangements that workers have established for their survival; and the creation of the appropriate conditions for young workers to be able to join the system early and thus contribute for many years to its sustainability.

The reorientation of the developmental model is evidently a basic premise in the construction of alternatives for inclusion in the social security system. Economic policies should be devoted to guaranteeing the rights of the population, and not the other way around. ■

References

- ANFIP (2005). "Análise da Seguridade Social 2005", <www.anfip.org.br/publicacoes/livros/index.php>.
- Boschetti, I. and Salvador, E. (2006). "Orçamento da seguridade social e política econômica: perversa alquimia". *Serviço Social & Sociedade* No. 87, São Paulo: Cortez.
- CEDEPLAR/UFMG (Development and Regional Planning Centre/Federal University of Minas Gerais), <www.cedeplar.ufmg.br>.
- IPEA (Institute of Applied Economic Research), <www.ipea.gov.br>.
- Melo, H. and Considera, C. (2005). "Os afazeres domésticos contam". *Economia. Textos para discussão* 177. Universidade Federal Fluminense. Rio de Janeiro. <www.uff.br/econ/download/tds/UFF_TD177.pdf>.
- Ministry of Social Security, <www.mps.gov.br/aeps2005/14_01_04.asp>.
- PNAD (National Household Survey) (2004). Brazilian Institute of Geography and Statistics, <www.ibge.gov.br/home/estatistica/populacao/trabalhoerendimento/pnad2004/default.shtm>.