

*Leftist governments with strong links to organized labor are expected to increase the number of people protected by job security rules. But do they? I explore whether the left in power at the local level in Brazil uses its influence on labor inspectors to crack down on enterprises that employ non-contract, informal-sector workers. With a close-election regression-discontinuity design, I show that mayors from the Workers' Party (PT) in fact increase the size of the informal sector, rather than encouraging a shift from unprotected (informal) to protected (formal) jobs. This result reflects PT's strategy of slowing down labor enforcement specially in small firms and improving work conditions for informal-sector employees by incorporating them into worker-run informal sector enterprises. The PT's labor-market policies reflect its need to build a broad lower-class electoral coalition, one that includes both informal- and formal-sector workers, whose preferences are in some ways at odds*