**Chapter Proposal: International Handbook of Occupational Licensing**

1. **Which country do you propose to provide a chapter on?**

Brazil

1. **What does occupational licensing look like as an institution within that country? At what level of government are occupations regulated? Provide a broad overview of the current state of affairs.**

Occupational licensing started in Brazil with the regulation of the occupation of auctioneer in 1932. It imposed restrictions on the basis of Brazilian citizenship, a minimum age of 25 years, being a resident of the locality in which one intended to exercise the occupation for at least five years, and proof of no criminal records.

Interestingly, there was no constitutional clause that allowed the federal government to regulate occupations then. This changed in 1934 when a new constitution established that although free to exercise any occupation, one should observe the “technical capabilities and other conditions that the law should establish, dictated by public interest.”

Currently, there are 79 regulated occupations in Brazil. These are occupations for which the law establishes specific norms about (e.g.) employment contract duration, labor safety standards, and working day length, that differ from the general regulations that should apply to all workers. In most cases, the law also establishes minimum qualifications, educational requirements, or registration under professional boards, but not all regulated occupations have occupational licensing. While Brazil is a federalist country, the regulation of all occupations is implemented at the federal level, except for wage agreements.

After the introduction of the minimum wage legislation in the 1940s, four categories of workers were able to approve federal legislation fixing “professional wages” – an occupation-specific minimum wage. These were journalists (1944), copy-editors (1945), medical doctors, medical assistants, and dental surgeons (1945), and radio presenter/announcer (1945).

Most of these ended up losing their benefit because the fixed value for the wages was set to be in force for three years, subject to extension for the same period, but they were never updated. The exceptions were medical doctors, medical assistants, and dental surgeons, who guaranteed updates in 1955, and 1961. Then, in 1966, graduates from schools of engineering, chemistry, architecture, veterinary, and agronomy were able to approve professional minimum wages as well. Finally, in 1985, radiology technicians obtained the same privilege. These were the only three categories that enjoyed professional minimum wages established by law at the federal level until 2000, when a federal law authorized the federal government to fix other professional wages. Primary and secondary school teachers and nurses are two categories that were able to approve “professional wage” legislation since then.

Alternatively, most occupations rely upon collective wage agreements pushed by their labor unions either at state or local level. However, the same aforementioned 2000 federal law authorized states and municipalities to establish “wage floors” for those occupations not covered by federal “professional wages,” or collective wage agreements. Nonetheless, only five states currently have a state wage floor; these are among those with the highest per capita incomes in Brazil, for which the federal minimum wage is mostly not binding.

Occupational licensing regulations are implemented exclusively at the federal level but can vary substantially, especially as to who has oversight authority. Currently, 15 occupations are licensed directly by the Ministry of Labor and Employment, requiring workers to register under the ministry. Between 2015 and 2023, 408,322 registrations were issued. Another 27 occupations are regulated by external agencies not related to the Ministry. For example, flight crew must have licenses issued by the National Agency of Civil Aviation, and financial advisers are licensed by the Brazilian Financial and Capital Markets Association.

The remaining 37 occupations are regulated by 32 councils (i.e. professional boards), implying that a single council can oversee more than one occupation. For instance, engineers, agronomists, and architects were regulated by the same council until 2010, when architects had their own council established. All occupations regulated by councils require a license to practice, such as lawyers, medical doctors, accountants, and engineers.

Councils must be established by federal legislation. Apart from the federal council, each council is subdivided into state chapters. As chapters, they lack independence and thus they do *not* vary in terms of requirements for licensing or licensing fees, which are all established at the federal level. Variation is mostly constrained to different club goods offered to their associates. Some councils offer discounts for professional courses or even for some consumer brands.

Licensing requirements are mostly similar across different councils. These entail: (i) a bachelor’s degree in the area; (ii) a certificate that the individual has voted in previous elections and a certificate of military conscription (for males), as both are mandatory in Brazil; and (iii) some evidence of “moral integrity” ­­– in practice, usually proof of no criminal records. There are no restrictions for foreigners with valid visas or permanent residency cards, although one’s foreign degree would have to be validated by a federal public university, which can be a burdensome process.

Legally, councils are considered an autarky that is part of the public administration and receives extensive privileges (e.g. tax exemption). They are responsible for general oversight and enforcing codes of ethics and conduct. However, they do not receive public funds. Instead, they rely on mandatory fees from license holders.

Failure to obtain a license may lead to civil and criminal prosecution, though enforcement can often be weak. For instance, for occupations like economists, statisticians, or business administrators, licensing becomes mostly relevant when these professionals are issuing technical reports, dossiers, appraisals, or other documents that are intended to have external legal validity. Alternatively, an economist who works doing market research only intended for a private company’s internal use will very seldomly suffer any consequences, even though she is technically required to be licensed. In contrast, job posts in public administration will not hire unless the candidate is licensed by their occupation’s council.

1. **What licensing and other workforce data will you use to complete the chapter? Provide a source for the data set(s) in your proposal. If you plan to work with an agency to obtain data, please include a letter from the agency confirming your access to the data. Will you be able to include estimates of workforce characteristics and wages? Describe the categories of licensing data you have access to in your proposal.**

The Ministry of Labor and Employment provides a list of all regulated occupations and the laws establishing them as such. With this, I intend to plot the number of licensed occupations over time. The list of occupations will be also matched to standardized occupational codes from the *Cadastro Brasileiro de Ocupações* (CBO, Brazilian Occupation Registry).

These can be used to observe wages, hours worked, experience, and other labor force characteristics in two important datasets, the *Cadastro Geral de Empregados e Desempregados* (CAGED, General Registry of the Employed and Unemployed) and the *Pesquisa Nacional por Amostra de Domicílios* (PNAD, National Household Sample Survey), both published by the Brazilian Institute of Geography and Statistics (IBGE).

CAGED covers the universe of formal employment in Brazil. All formal companies must report monthly on any admissions or layoffs, including employee and job post characteristics. It is generally considered the most reliable source of trends in formal employment statistics. However, it omits two important metrics, which is why PNAD comes as a useful complement.

First, PNAD covers informal employment, which represents 39.7% of the Brazilian workforce. Second, PNAD covers people who are unemployed but would like to work but couldn’t find a job, and people who are currently working and are willing to work additional hours. Because professional licensing is mostly attached to a bachelor’s degree in the respective area, I can also use this data to identify the share of individuals who obtained a degree in a regulated activity but are not currently working in that area (e.g. someone with a Bachelor’s in economics not working as an economist).

1. **What is your previous work or expertise on occupational licensing, and what other relevant expertise do you have? Please provide a summary (200-500 words). Have you ever contributed to a book before? If so, please provide the citation and contact for the editor(s).**

While I do not have previous experience in occupational licensing, I do have experience as a policy analyst in both the Legislative and Executive branches of public administration in Brazil, and extensive familiarity with the relevant datasets used for the identification of workforce characteristics and wages, such as the ones mentioned above.

As a policy analyst and legislative staff, I have worked in efforts to consolidate, update, and reform business regulation at the local level, and drafted many bills that went into law. Thus, I have direct experience with technical legal jargon, the legislative process, and the available tools for surveying existing legislation and court proceedings.

I have recently used data from CAGED and the national Census in two working papers covering the entirety of Brazilian municipalities, for which I relied on microdata to identify the number of workers and establishments in specific sectors of the economy, and the prevalence of lawyers and engineers in each municipality, which directly translates to part of the data collection that would be necessary for this project.

I have not contributed to an academic book chapter previously, but I have recently received requests to revise and resubmit manuscripts for the *Review of Development Economics*, and the *Journal of Development Studies.* I have also edited a non-academic book published by a Brazilian think tank in the past.[[1]](#footnote-1)

1. Moraes, Gustavo, and Bastos, J.P. *Conhecimento e Coordenação Social*. Série Fundamentos da Liberdade, vol. 1. Porto Alegre: Instituto Atlantos, 2018. [↑](#footnote-ref-1)