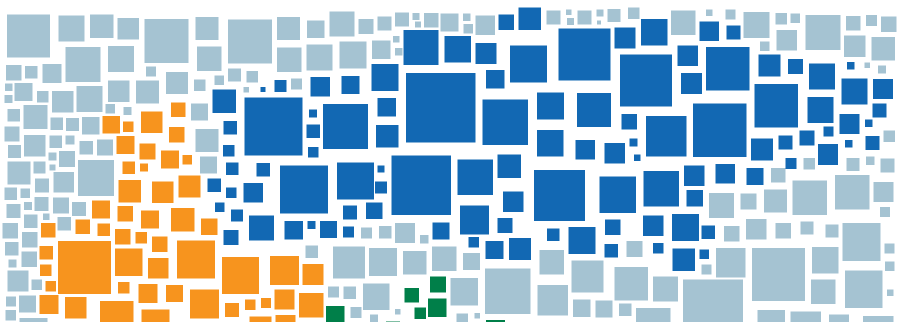
THE BRICS AND TRADE UNION ACTION

ISSUES FOR DISCUSSION



CUT BRASIL

CENTRAL ÚNICA DOS TRABALHADORES

THE BRICS AND TRADE UNION ACTION

ISSUES FOR DISCUSSION

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SUMMARY

PRESENTATION

The 6th Summit of Heads of State and Government of BRICS (Brazil, Russia, India, China, and South Africa), held in Brazil, launches the second cycle of high level meetings of this bloc of countries. Since it appeared in 2001, as a concept linked to the financial market, which at that time underscored the growing weight of the so-called emerging economies of the BRIC (then still without the inclusion of South Africa), a steady process of coordination between these countries was established. According to the market view that gave rise to the term, BRIC was solely an economic, and not political, group because of the great heterogeneity of its members.

At the governmental level, however, the development of new diplomatic concepts and strategies was already being envisaged by some of these governments translated into intergovernmental mechanisms like the IBSA (India, Brazil, and South Africa) and the BASIC (Brazil, South Africa, India, and China). We may say that, at least in the case of Brazil, since 2002 the Brazilian government was already trying to step up its relations with several countries in Africa (through the opening of new embassies), and with China and Russia, with the aim of building new trade and development strategies that did not rely so much on the United States-European Union-Japan axis.

The adhesion of South Africa to the bloc in 2011 was the turning point for the financial market's economically-biased perspective, since from a strictly economic point of view South Africa is not at the same level as the other BRIC countries. South Africa's adhesion signaled a clear political position toward the creation of a new South-South counter-power axis, boosting the BRICS political and geoGraph ic representation before the other countries of the Global South, as the BRICS established a much closer relation with the African Continent.

While the political coordination between the member countries increased somewhat rapidly, intra-BRICS trade flows are still relatively low today, with a clear prevalence of each of its member's trade with China. The fact that this flow is low is one of the main arguments used, especially by the big media, to criticize the BRICS. Yet, it is worth highlighting that, as trade financing and science and technology exchange, direct cooperation, mechanisms are set in place, this setting is bound to change.

Even though relations between its members is often analyzed through a lens that magnifies the group's heterogeneity and just as it casts a doubt over its capacity to keep political cohesion over and beyond piecemeal shared economic interests, the five governments have been steadily moving ahead on several fronts since 2009. The key arenas of BRICS intergovernmental coordination have been the Bretton Woods multilateral organizations (IMF, World Bank, UN), the G20 and the WTO. On the climate change issue there is some degree of coordinated action between BASIC countries.

The drivers of this coordinated action are, in the first place, the fact that to-date in institutions like the International Monetary Fund (IMF) eleven developed countries alone have more voting power than the 100-plus other member countries, the BRICS included, thus managing to keep frozen a port-World War II global order into the 21st century. Secondly, there is the perception that these economies are too big to keep on being dismissed in the world-economy policy-making.

It is worth noting that in important negotiation arenas and multilateral discussions the BRICS countries, as leaders in their regions, are also likely to represent some of the interests and points of view of their regional neighbors, at the G20, for example, even if not officially vested with any mandate. In this regard, the BRICS represent an important political counterpoint and a strategic reference for countries with less geopolitical weight.

Still, if multilaterally the present correlation of forces prompts these countries to coordinate their actions, as we shall see in this study, the productive structure of the BRICS is very different from country to country. Russia stands out mainly for its energy, oil, and gas production; Brazil, for the strength of its agriculture and natural resources; China, for the power of its industrial park and huge labor force; India, for the quality of its IT and telecommunications services; and South Africa, for its mineral reserves. Many analysts view this diversity as a weakness; yet, counter to such analyses, increasing intra-BRICS cooperation has become one of the bloc's most striking features.

In this regard, several negotiations are under way at different stages. Among these four economic projects are worthy of special consideration by the workers:

1 In an early stage is dialogue concerning risk assessment and insurance for complex financing of infrastructure projects, aiming at the establishment of large-scale, intra-BRICS guarantee schemes.

2 The BRICS countries' internal revenue services' exchange and cooperation process, aimed at fighting against tax evasion, frauds, and other issues, is presently in the information network-building stage.

3 To face recurrent balance of payments crises a Contingency Reserve Arrangement is being introduced. Against the ongoing international crisis background, the BRICS have decided to set in place a reserve cooperation scheme following the example set by the Chiang Mai Model. While the countries will continue to manage their own reserves, they also sign a binding agreement whereby they are mandated to lend reserves in case of economic necessity to each other. Negotiation on this issue is well advanced and a 100-billion-dollar annual contribution was set in 2013 at the Durban Summit. Now the parties are negotiating aspects concerning the actual functioning of this mechanism, while a deal is expected to be announced at the Fortaleza Summit in 2014.

4 One of the most advanced intra-BRICS cooperation areas is the creation of a new development bank. The idea is to attract funds from both developed and BRICS countries to finance infrastructure and sustainability projects in developing countries (whether BRICS or not). The blueprints for this bank, which is estimated to have an initial capital worth US$ 50 billion, are being studied. This agreement is presently discussing its Constitutive Agreement, and is expected to be signed at the Fortaleza Summit.

These strictly economic measures mirror the post-2008 crisis moment, which opened up new political spaces and underscored the need for new arrangements. The BRICS, in the context of the crisis, introduces in the political setting a discussion about a new international political/economic institutionality. If up to the present moment the G20 has failed in promoting significant changes with regard to financial instability, this does not change the core of the political struggle, which is still about the roadmap to be adopted that will lead us out of the crisis. The austerity policies presently being implemented in Europe, for example, do not resonate with the BRICS.

When we focus on the labor movement within the BRICS, it is worth recalling that their workers were hard hit by the productive restructuring and the neoliberal policies of the 1980s and 1990s, except for China, just like the workers in the developed and developing countries that embraced the Washington Consensus. The appearance of new technologies that could have led to improved quality of life for the workers was, on the contrary, used to intensify labor productivity, causing more unemployment and often promoting the dismantling of the State, public services, and social protection systems, especially via WTO services agreements. Privatization and outsourcing/subcontracting policies, plus curtailment of labor rights, measures often imposed through conditionalities embedded in the IMF and World Bank loans, characterized this period.

Especially in the case of Brazil and South Africa, if compared with the other BRICS members, there is yet another key issue: the great power of the developed countries' transnational corporations within these national economies, implying that many strategic decisions on investments, technology, trade, and on how to organize production chains, among others, are taken abroad and respond to political and economic interests without any concern for the local working class.

With regard to participation and social dialogue, doubts still linger as to what the relation between the BRICS and civil society and the workers will be. Historically, there is no doubt that the Bretton Woods organizations are extremely hostile to this kind of dialogue. If the BRICS are intended as a bloc that is politically diverse from the arrangements we have witnessed so far, more transparency and social participation are critical elements to be pursued. The already consolidated opening up for participation of academic and business sectors must, from now on, be deepened with the creation of an official space for embedding the BRICS workers, thus furthering the bloc's internal democracy.

We, workers of the BRICS countries, through our national trade union centers, are posed with at least four challenges in this process:

- To deepen mutual knowledge of our national realities, especially regarding each country's labor movement's challenges with a view to sharing solidarity experiences and push forward our common struggles;
- To work together toward identifying minimum labor relations criteria for the five BRICS countries (and for countries to receive finance from the future BRICS BANK, for instance);
- To work toward disseminating the best labor and social policy practices being implemented by each one of these countries and learn how to benefit from this exchange, and;

- To develop consistent analysis of the presence and operation of multinational companies in each of the BRICS countries and assess whether if they are complying with ILO's fundamental labor norms.

The progress we have made so far cannot be underrated. Now we have arrived at the 3rd BRICS Trade Union Forum with unity-driven actions and a document, plus a better mutual understanding of our trade union centers than we had a couple of years ago. Still, we can advance much more. The demand for an official labor participation space in the BRICS will surely provide us with a common platform of understanding, which, once consolidated, will open up new prospects for the deepening of our relations in the near future.

We must work together so that the BRICS does not become yet another international initiative that fails to listen to the workers. On the contrary, we are fully convinced that that with our active participation in and specialized contribution to the debate regarding the development of the BRICS countries we will be able to help build a bloc that does actually represent a sustainable development model, socially just, and a counter-hegemonic alternative to the problematic international order in place since the post-war period.

With the support of Friedrich Ebert Stiftung (FES), we submit this study as a contribution by CUT Brazil to the process of rapprochement involving the BRICS national trade union centers and in the understanding that the better we know each other, the better our joint political action will be.

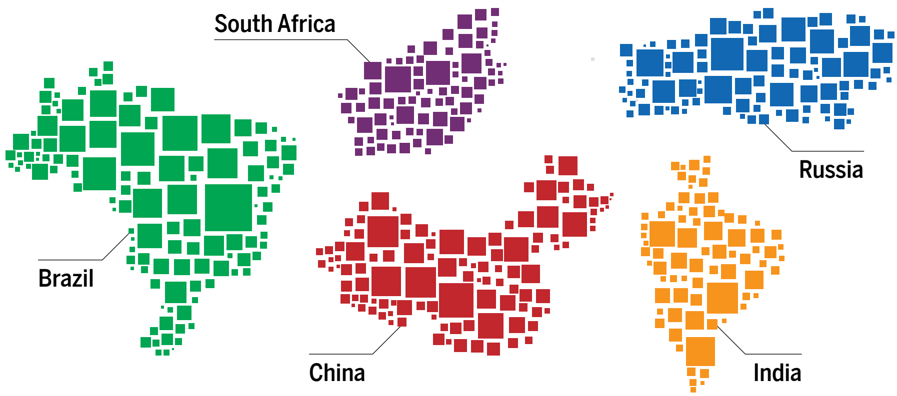
Enjoy your reading!

CUT greetings!

João Antônio Felício - International Relations Secretary - CUT Brazil

June 2014

THE BRICS COUNTRIES



BRAZIL

Name	**Federative Republic of Brazil**
Political leader	**Dilma Rousseff** (President)
Population	**198.2 million** (2011)
Currency	**Real**
Continent	**South America**

Possessing a highly diversified economic structure, one of the world's largest farming and livestock outputs, a highly sophisticated services industry, and a considerably diversified manufacturing industry, the Brazilian economy is presently facing a twofold challenge: while seeking to get back on the road to economic growth with social inclusion, Brazil is simultaneously trying to halt the deterioration of its industrial park, one of the most developed of the emerging economies. The recent social inclusion and improved income distribution, through the labor market and social policies, has made it possible for Brazil to grow via domestic market with inflationary stability. However, in the post-2010 period, the country has found it difficult to keep on its economic growth path, which might jeopardize the social and labor market breakthroughs accomplished so far, especially real-wage gains through collective bargaining, the reduction of casual work, and the minimum wage appreciation policy, all won through the struggle of the labor movement. Against a backdrop of economic and political uncertainty, upholding and pushing forward the country's social and labor accomplishments has been the main goal driving the labor movement.

*The image above does not represent the real size ratio between the contries

RUSSIA

Name	**Russian Federation**
Political leader	**Vladimir Putin** (President)
Population	**142.8 million** (2011)
Currency	**Russian ruble**
Continent	**Part in Europe and part in Asia**

Strong transformation and mineral extraction industries, plus a diversified services sector, are the underpinnings of the Russian economy. Leveraging its wealth of natural resources, as well as its highly-schooled labor force, Russia has succeeded in its growth strategy, bringing together monetary stability with an exchange rate that favors foreign trade and is instrumental in keeping the base rate at low levels by BRICS standards. Today, Russia is seeking to restructure its industry and endow it with greater technological content, especially airspace and IT know-how. Moreover, it is seeking to provide greater stability to its foreign accounts, partly affected by the international crisis (given its high trade liberalization level) and by the recent capital flight the country is experiencing.

INDIA

Name	**Republic of India**
Political leader	**Narendra Modi** (Prime Minister)
Population	**1.241 billion** (2011)
Currency	**Indian rupee**
Continent	**Ásia**

In addition to India's salient farming industry, over the last decades its industrial and services sectors – especially, the textile, IT, steel, and extractive mining industries– have grown dramatically, promoting greater diversification, a result of the country's Five-Year Plans' growth-driven policies. Its huge domestic market, in turn, has afforded greater stability to its economic cycle precisely because it reduces dependence on foreign trade, which is also very important for the country. Despite its high growth rates, the country's greatest challenge is to align economic growth with, especially, social growth. Fostering development in various other, quite disparate, parts of the country, associating competition and growth, has been instrumental in accelerating growth, yet has also deepened asymmetry across country regions.

CHINA

Name	**People's Republic of China**
Political leader	**Xi Jinping** (President)
Population	1.324 billion (2011)
Currency	**Renminbi** (Yuan)
Continent	**Asia**

After undergoing deep transformations over the last quarter of the 20th century, the Chinese economy is hinged on a highly diversified transformation industry that is focused both on foreign trade and on its ever-increasing local consumer market, while it is also growing its share in the more technological markets, driven by huge investments. The setting up and modernization of the national production infrastructure is also a key factor in accounting for the country's high investment and growth rates, particularly after the 2007/2008 crisis. The services industry, in turn, has had dramatic growth due to the country's increased urbanization and the demand from manufacturing companies. Although market-driven, the Chinese economy is still centrally planned and pursues politically defined goals, while the State's intervention capacity allows the country to, among other things, combine a competitive foreign exchange rate with controlled inflation, which further boosts the country's economic performance.

SOUTH AFRICA

Name	**Republic of South Africa**
Political leader	**Jacob Zuma** (President)
Population	**50,5 million** (2011)
Currency	**Rand**
Continent	**Africa**

A dynamic services industry, especially its financial, telecommunications, and tourism and culture sectors, in addition to important mineral extraction and manufacturing industries, are the cornerstones of the South-African economy. The most important and diversified economy of the African continent, South Africa's farming and transformation industry also stands out. From a strictly economic standpoint, India has endeavored to reduce the country's high unemployment rates, while the labor movement is struggling toward the establishment of a national minimum wage that may reduce the existing social inequalities and infrastructure shortcomings (access to water, housing, land, and so on).

ECONOMY AND ECONOMIC STRUCTURE OF THE BRICS COUNTRIES

What all the BRICS countries share in common is the fact that theirs are economies with significant productive diversification, considerable regional influence, and international relevance, yet despite their importance to the rest of the world, somehow still insufficient to place them on an equal footing with the central countries. With the exception of South Africa, the South Africa, the Gross Domestic Product (GDP) in dollar terms of the BRICS countries in 2012 placed them with the largest economies of the world: among the first eleven, four were BRICS countries.

A first aspect to be analyzed is related to the economic performance of the BRICS as measured by annual GDP variation. Admittedly constituted by a group of countries that are growing at a higher level than the rest of the world, its members, however, exhibit rather different performances when compared to each other.

If we consider the period spanning from 1991 to 2012/13 (latest available data on all countries), China and India outperformed the other countries, with India structuring itself in the new technologies' field and China focused on industrial development broadly. Russia and Brazil, after the instability of the 1990s (when they were actually "victims" of the crises triggered by the international financial system), had a strong recovery in the first decade of the 21st century, at least until the outset of the international financial crisis in 2008/09 and its later developments. While Russia, in particular, experienced the volatility of the 1990s in terms of economic performance (several years posting decreasing GDP rates), on account of the choices made after the end of the former USSR, Brazil also suffered with its choice in terms of economic policy, clearly inspired by neoliberal tenets, with both economies moving forward in the first decade of the 21st century precisely because these policies were relaxed. South Africa, in turn, has arguably had a more stable economic performance than Russia and Brazil, even though at lower rates than those of China and India **(Table 1)**.

Considering specifically the evolution of GDP per capita for the BRICS countries, while Brazil and Russia had the highest values in absolute terms (in US$) in 2011 (the latest available with the same deflation-adjusted basis), from 1991 to 2011 China had the biggest growth, at a pace four times faster than the BRICS average. In second in terms of GDP per capita change comes Brazil, which unlike China (which grew continuously from 1991 to 2011) had two characteristics: economic growth that only gained traction after 2003 and, with the currency appreciation, increased GDP in dollar terms **(Table 2)**.

When we analyze the economic structure of the countries that make up the BRICS, as well as their investment, inflation, public accounts, and trade balance indicators, the differences mentioned earlier become even more striking.

On the BRICs countries economic structure, considering the distribution of the Value Added (VA) of these economies by economic activity, some facts are shared by the BRICS economies: all five of them experienced a VA drop from 1991 to 2011, in agriculture, hunting, fishing, and forestry activities (previously known as "Primary Industry"), as well as a significant rise in services, though with some differences across sectors. In relation to the industrial sector, however, there are dramatic differences: while in China there is industrial growth, as the country scaled up its industrialization process, in the other four countries there is a fall in the share of manufacturing-related activities in the economy, especially the transformation industry. This is where the greatest difference between economic structures in BRICS countries lies. Farming and livestock-related activities feel in all BRICS countries but, while China drives its economy toward industrialization and grows its services sector (especially ancillary services to manufacturing industry), the other countries see an expansion in services, yet with a sharp drop in the manufacturing industry's share (especially the transformation industry) in the economy. In 2012 (the last year available, yet without the disaggregations used herein), data on economic activity do not show any significant changes between agriculture, commerce and services, and manufacturing industry **(Table 3)**.

Table 1 GDP change for BRICS countries and bloc's average, in yearly %, 1990/ 2013.

Year	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA	BRICS
1990	-4,4%	3,8%	5,7%	n/a	-0,3%	n/a
1991	1,0%	9,2%	0,4%	-5,0%	-1,0%	0,9%
1992	-0,5%	14,2%	5,4%	-14,5%	-2,1%	0,5%
1993	4,8%	14,0%	5,0%	-8,7%	1,2%	3,3%
1994	5,9%	13,1%	7,5%	-12,7%	3,2%	3,4%
1995	4,2%	10,9%	7,6%	-4,1%	3,1%	4,4%
1996	2,2%	10,0%	7,4%	-3,6%	4,3%	4,1%
1997	3,4%	9,3%	4,5%	1,4%	2,6%	4,2%
1998	0,0%	7,8%	6,0%	-5,3%	0,5%	1,8%
1999	0,3%	7,6%	7,1%	6,4%	2,4%	4,7%
2000	4,3%	8,4%	4,0%	10,0%	4,2%	6,2%
2001	1,3%	8,3%	5,2%	5,1%	2,7%	4,5%
2002	2,7%	9,1%	3,8%	4,7%	3,7%	4,8%
2003	1,1%	10,0%	8,4%	7,3%	2,9%	6,0%
2004	5,7%	10,1%	8,3%	7,2%	4,6%	7,2%
2005	3,2%	11,3%	9,3%	6,4%	5,3%	7,1%
2006	4,0%	12,7%	9,3%	8,2%	5,6%	7,9%
2007	6,1%	14,2%	9,8%	8,5%	5,5%	8,8%
2008	5,2%	9,6%	3,9%	5,2%	3,6%	5,5%
2009	-0,3%	9,2%	8,2%	-7,8%	-1,5%	1,5%
2010	7,5%	10,3%	9,6%	4,3%	2,9%	6,9%
2011	2,7%	9,2%	6,9%	4,3%	3,1%	5,2%
2012	1,0%	7,8%	3,2%	3,4%	2,5%	3,6%
2013	2,3%	7,7%	n/a	n/a	1,9%	n/a

*n/a: Not available. Source: UN Statistical Database, National Accounts, IMF, OECD, and Brazil's national statistics office IBGE. Table by DIEESE - CUT Nacional.

Table 2 **BRICS GDP per capita change and bloc's average, in 2005 US dollars, 1991/ 2011.**

Year	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA	BRICS
1991	2.252	372	325	3.764	3.190	1.981
1992	2.123	433	320	3.290	3.378	1.909
1993	2.346	549	306	3.068	3.292	1.912
1994	3.296	494	344	2.736	3.349	2.044
1995	4.751	635	383	2.681	3.650	2.420
1996	5.109	741	396	2.638	3.408	2.458
1997	5.221	810	422	2.731	3.471	2.531
1998	4.981	852	418	1.832	3.086	2.234
1999	3.415	890	438	1.329	3.017	1.818
2000	3.696	957	444	1.768	2.969	1.967
2001	3.133	1.049	451	2.096	2.610	1.868
2002	2.822	1.152	464	2.372	2.414	1.845
2003	3.041	1.299	535	2.970	3.607	2.290
2004	3.610	1.520	637	4.095	4.639	2.900
2005	4.743	1.777	735	5.311	5.169	3.547
2006	5.795	2.158	819	6.898	5.400	4.214
2007	7.202	2.691	1.027	9.070	5.859	5.170
2008	8.633	3.472	1.087	11.601	5.553	6.069
2009	8.384	3.865	1.105	8.546	5.689	5.518
2010	10.993	4.515	1.370	10.405	7.251	6.907
2011	12.594	5.439	1.528	13.006	8.090	8.131

Source: UN Statistical Database and IBGE. Table by DIEESE - CUT Nacional.

By analyzing the percentage distribution of VA to GDP by expenditure, it is clear that, while the Chinese and Indian economies grew driven by a sharp increase in investments, especially in gross fixed capital formation, the other BRICS countries' economies based their economic dynamism on upholding or expanding domestic consumption, with relative investment stability.

Specifically with regard to investments in gross fixed capital formation, this might help us better understand the evolution of the BRICS economies and the disparate rates of growth: all the BRICS countries experienced a sharp fluctuation in investment rates during the 1990s, just as they experienced a recovery in the following decade, which ultimately meant a recovery for the whole period. Yet, when we analyze the 1991/2011 period, the difference between the Chinese and Indian investment levels, above 30% of GDP, and the other countries, about 20% of GDP, is clear-cut. Between the 1990s and 2000s, while the investment rates in China and India recovered their losses and lifted these countries to the upper level, in the other countries the evolution of investments in the first decade of the 21st century sufficed only to recover previous losses **(Graph 1)**.

Another key element with a view to better understanding the economic dynamics of the BRICS countries is its international trade, especially their trade balances. In this regard, while China (due to its industrial exports), Russia (especially based on its natural resource), and Brazil had significant trade surpluses, India experienced falling trade balances and South Africa, despite its trade deficits, improved over 2012 and 2013 **(Graph 2)**.

With regard to the BRICS foreign trade, it is worth deepening the analysis. A first feature is that, with the exception of China, the bloc's countries are not great trade partners with one another. And a second feature is related to differences in imports and exports.

Among the 10 top Chinese trade partners (in exports and imports in US dollars), only considering the BRICS countries, Russia is China's main partner, followed by Brazil. While Russia is on the list of main importers and exporters, Brazil is an important exporting market to China.

Table 3 **GDP Value added (VA) distribution by economic activity in BRICS countries, in VA %, 1991/ 2011.**

VA by economic activity	BRAZIL		CHINA		INDIA		RUSSIA		SOUTH AFRICA		BRICS	
	1991	2011	1991	2011	1991	2011	1991	2011	1991	2011	1991	2011
Agriculture, hunting, forestry, and fishing	11	5	24	10	30	17	15	4	5	2	17	8
Mining and transformation industry (A+B)	29	22	37	40	21	18	39	30	35	26	32	27
Mining (A)	5	7	n/a	8	5	4	12	14	12	13	n/a	9
Transformation industry (B)	24	15	n/a	32	16	14	27	16	23	13	n/a	18
Construction	6	6	4	7	5	8	10	7	3	5	6	7
Wholesale/retail, restaurants, and hotels	7	21	11	11	12	18	13	20	14	14	11	17
Transport, storage, and communication	5	8	7	5	7	7	8	9	8	8	7	7
Other activities	42	38	16	27	25	31	15	30	35	44	27	34

Source: UN Statistical Database and IBGE. Table by DIEESE - CUT Nacional.

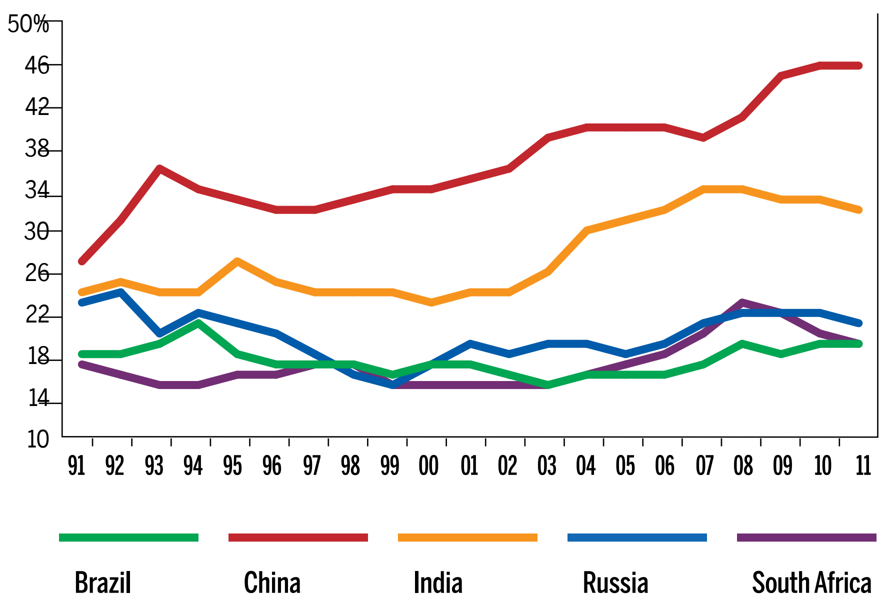
*n/a: Not available.

The other BRICS countries are also big trade partners with China, both in terms of imports and exports. However, when we consider the BRICS, without China, foreign trade dynamics, there is reduced bilateral trade. In the case of South Africa, India appears as a somewhat important partner in both exports and imports, while Brazil, in addition to China, appears among India's top ten markets of destination. Yet, with regard to the other BRICS countries, except for China, trade flows are not significant.

In relation to the main imported and exported goods, in face of the trade balances mentioned earlier, it becomes evident that the BRICS countries' trade is quite diverse, comprising countries with a strong industrial goods'

Graph 1 **Gross fixed capital formation of BRICS countries, in yearly %, 1991/ 2011.**

GROSS FIXED CAPITAL FORMATION AS A PERCENTAGE OF GDP



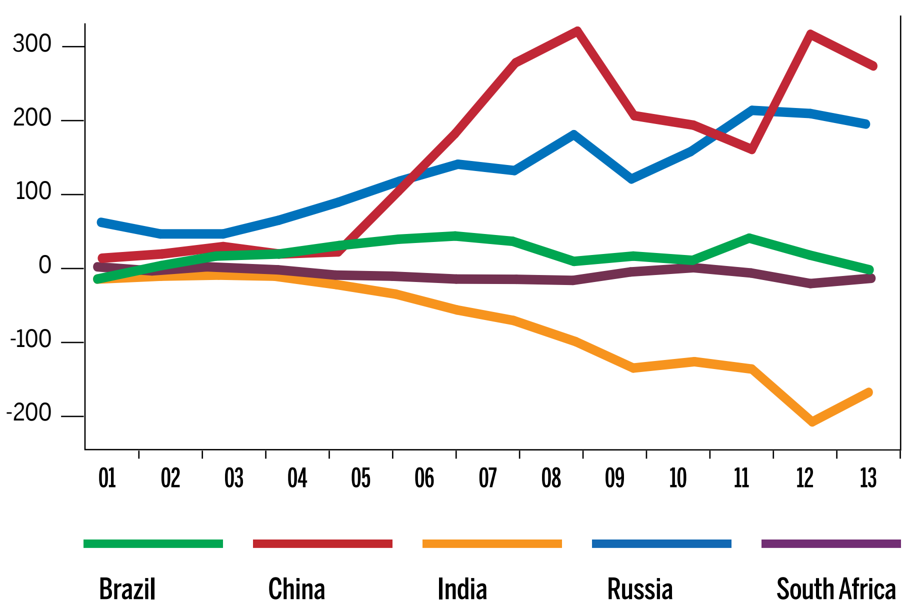
Source: UN Statistical Database. Graph by DIEESE - CUT Nacional.

exporting base, like China (which also demands a significant volume of imports to meet this dynamic), countries with a more diversified industry yet with goods segmented by market, as is the Brazilian case (exports of natural resources and finished goods partly made in Brazil), more concentrated in certain products, like Russia (natural resources) and demanding imported consumption goods, and countries with a consolidating industrial sector and demanding more diversified imports, as is the case of India and South Africa **(Chart 1)**.

On each country's monetary policy and inflation rates, overall the BRICS can be characterized as having followed a path from high inflation rates

Graph 2 BRICS trade balance, in US dollars, FOB, by year, 2000/ 2013.

TRADE BALANCE - U.S. $ Billion



Source: UN Trade Service, national statistics, MDIC, WTO, and IMF. Graph by DIEESE - CUT Nacional

Chart 1 Main exported and imported goods by BRICS countries, 2012/2013.

COUNTRY	EXPORTS	IMPORTS
Brazil	Soybeans, ores, food, autos, auto parts, mechanical and electric appliances, fuels, aircraft, cereals, chemical products, grains, pulp and paper, shoes, tobacco.	Autos, fertilizers, chemicals, pharmaceuticals, fuels, grains, auto parts, precision instruments, mechanical and electric appliances, plastic, aircraft and parts, textiles, and rubber.
China	Mechanical and electric appliances, clothing, furniture, precision instruments, minerals, auto, furniture, shoes	Mechanical and electric appliances, precision instruments, minerals, seeds, grains, plastics, chemicals, fuels, copper.
India	Fuels, precious stones, chemicals, auto, furniture, mechanical and electric appliances, cotton, cereals, minerals, pharmaceutical products	Fuels, precision instruments, stones, chemicals, minerals, fertilizers
Russia	Fuels, minerals, fertilizers, chemicals, mechanical machines, wood, cereals, and copper.	Mechanical and electric appliances, autos, pharmaceuticals, plastics, furniture, pharmaceutical products, plastics, precision instruments, minerals, fruit.
South Africa	Precious stones, minerals, fuels, mechanical machines, minerals, fruit.	Fuels, mechanical and electric machines, auto, furniture, plastics, precision instruments, pharmaceutical products, chemicals, minerals.

Source: Brazil Global Net (http://www.brasilglobalnet.gov.br), national statistics, MDIC, WTO, and IMF. Chart by DIEESE - CUT Nacional.

Table 4 Annual BRICS countries' inflation rates, in %, 1990/2012.

Year	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA
1990	1,621.0	3.1	9.0	n/a	14.3
1991	472.7	3.5	13.9	n/a	15.3
1992	1,119.1	6.3	11.8	n/a	13.9
1993	2,477.1	14.6	6.4	874.6	9.7
1994	916.5	24.2	10.2	307.6	8.9
1995	22.4	16.9	10.2	197.5	8.7
1996	9.6	8.3	9.0	47.7	7.4
1997	5.2	2.8	7.2	14.8	8.6
1998	1.7	-0.8	13.2	27.7	6.9
1999	8.9	-1.4	4.7	85.7	5.2
2000	6.0	0.3	4.0	20.8	5.3
2001	7.7	0.7	3.7	21.5	5.7
2002	12.5	-0.8	4.4	15.8	9.2
2003	9.3	1.2	3.8	13.7	5.9
2004	7.6	3.9	3.8	10.9	1.4
2005	5.7	1.8	4.2	12.7	3.4
2006	3.1	1.5	6.1	9.7	4.6
2007	4.5	4.8	6.4	9.0	7.1
2008	5.9	5.9	8.4	14.1	11.5
2009	4.3	-0.7	10.9	11.7	7.1
2010	5.9	3.3	12.0	6.9	4.3
2011	6.5	5.4	8.9	8.4	5.3
2012	5.8	2.5	11.4	6.6	5.4
2013*	5.9	2.5	9.1	6.5	5.3

Source: International Monetary Fund, OECD, national statistics, and IBGE. Table by DIEESE - CUT Nacional.

*Preliminary data.

(in the 1990s) to lower rates, with some countries presenting less volatility. The Brazilian case, in particular (and to a lesser degree, the Russian case), is marked by a background in which inflation rose to nearly 2,500% a year to a one-digit rate after 1995. The only country with a more unstable record over the last years is India, with inflation rising to two digits from 2011 to 2012, falling back to one digit in 2013, yet still the highest in the bloc. South Africa, after a period of instability ended in 2008, has had a more well-behaved inflation rate since then, a situation that is similar to that of Russia **(Table 4)**.

Possibly one of the main reasons for the fact that Brazil's inflation rate is more "well-behaved" than the other four BRICS is that Brazil has the highest real interest rate (nominal base rate minus inflation), especially after 1996. With that the country promotes greater exchange appreciation and manages to keep inflation under control. However, this is done at the expense of the industrial sector's growth and higher investment rates in the country. More than in the other countries, inflationary control in Brazil has been at the expense of a greater expansion of the economy, thus reducing the country's prospects of medium-term sustainable growth in relation to China, another country with greater inflationary stability and economic dynamism.. As expected, over the last years countries with the lowest economic growth are precisely those with the highest real interest rates, in this case Brazil and South Africa **(Table 5)**.

Table 5 Annualized real interest rates, BRICS countries, in %, 1991/ 2012.

Ano	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA
1991	71,2	1,7	3,6	n/a	4,0
1992	41,3	0,4	9,1	n/a	3,8
1993	36,2	-3,6	5,8	n/a	2,7
1994	n/a	-8,0	4,3	n/a	5,5
1995	26,3	-1,5	5,9	72,3	6,9
1996	16,3	3,4	7,8	69,3	10,6
1997	18,8	7,0	6,9	14,8	11,0
1998	27,3	7,3	5,1	19,6	13,1
1999	15,8	7,2	9,4	-19,0	10,2
2000	11,0	3,7	8,3	-9,6	5,2
2001	9,1	3,7	8,6	1,2	5,7
2002	5,8	4,7	7,9	0,2	4,5
2003	12,8	2,6	7,3	-0,7	8,9
2004	8,0	-1,2	4,7	-7,3	4,6
2005	12,7	1,6	6,2	-7,2	4,9
2006	11,8	2,2	4,5	-4,1	4,4
2007	7,2	-0,1	6,9	-3,3	4,7
2008	6,1	-2,3	4,3	-4,9	6,6
2009	5,5	5,9	5,8	13,1	3,2
2010	3,7	-1,1	-0,5	-3,0	2,5
2011	4,9	-0,7	1,7	-6,1	2,8
2012	2,6	2,4	2,3	0,6	3,1

Source: International Monetary Fund and IBGE. Table by DIEESE - CUT Nacional.
Note: Brazilian interest rates based on OVER/SELIC base rate; n/a: Not available.

HDI AND SOCIAL INDICATORS

The importance of analysis into social indicators lies in the fact that it is through these indicators that one can observe if the BRICS economic growth has translated into improved living conditions for the people. In the case of the BRICS, these indicators are even more important as we are dealing with countries with huge demographics, including the two most populated countries in the world: China and India. Overall, when referring to the BRICS, we are talking about 40% of all the inhabitants of the world.

Just as there are significant economic differences across countries, social indicators show a wide diversity of social conditions, even though these differences have fallen over the last years.

Considering the Human Development Index (HDI)[1] as a core indicator of socioeconomic conditions of a given country, analyzing its evolution in the BRICS countries is important because it is focused on health and education, which are not included in merely economic indicators, as in the previous item.

Analyzing the evolution of the BRICS HDIs, comparing the 1990 findings with data for 2012 (last available data), the highest HDIs are those of Russia and Brazil, which, by 2010, were the only countries in the bloc to have higher than world average HDIs (starting in 2011 China also achieved an HDI that was higher than the world's average); the lowest are those of India and South Africa. Furthermore, the greatest HDI progress was made in China, India, and Brazil, with Russia having slightly improved its HDI and South Africa achieving relative indicator stability. While in China, the improved HDI made it possible for the country to outperform the world average, in the case of India progress made surely helped bridge the gap with the other countries. As can be seen in Graph 4, the decreasing order of the BRICS countries as regards the HDI for the year of 2012 is Russia, Brazil, China, South Africa, and India **(Graph 3)**.

1 According to the United Nations (UN), the HDI "is a summary measure for assessing long-term progress in three basic dimensions of human development: income, education, and health. The purpose for the creation of the HDI was to provide a counterpoint to another often used indicator, Gross Domestic Product (GDP) per capita, which only considers the economic dimension of development". For more information, log on to http://www.pnud.org.br/IDH/DH.aspx

It is worth analyzing the health and education indicators separately to be able to see asymmetries between the BRICS countries. By doing so, we can see, for example, that Russia's overall HDI gets substantial support from education, with relatively stable health indicators.

First, the 2012 HDI disaggregated data on health shows Brazil stands out[2], with the highest public health expenditure to GDP ratio, one of the lowest child mortality rates, and the highest life expectancy of all BRICS countries.

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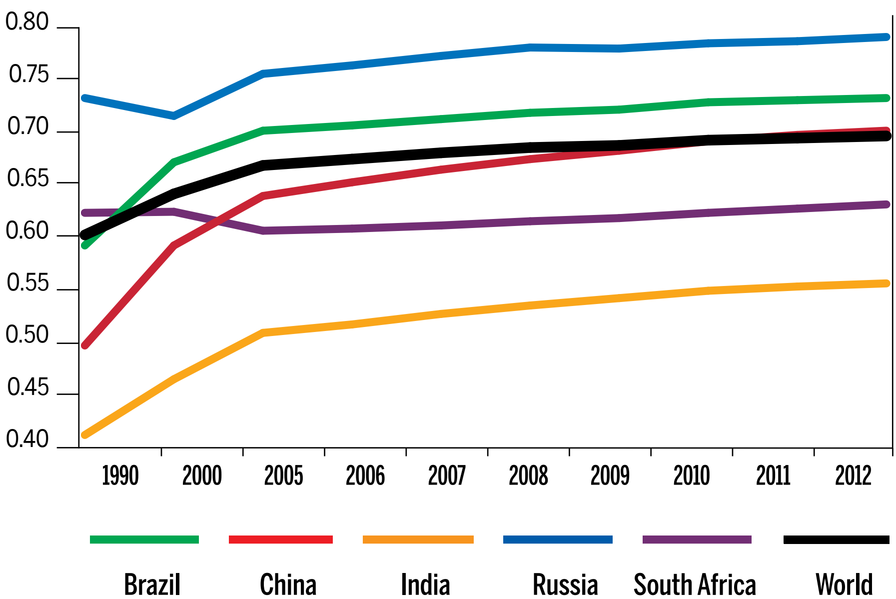
2 In this topic, BRICS countries health and education indicators are only analyzed quantitatively.

Graph 3 **Human Development Index (HDI): BRICS evolution and world average, selected years.**

HDI - values 0-1 (the higher the better)



Source: Human Development Index - UN. Graph by DIEESE - CUT Nacional

Table 6 **Health Indicators, HDI, 2012/13.**

Country	Public expenditure on public health (% GDP)	Child mortality (5 years) per thousand births	Life expectancy	Health Index
BRAZIL	4,2	19	73,8	0,849
CHINA	2,7	18	73,7	0,846
INDIA	1,2	63	65,8	0,722
RUSSIA	3,2	12	69,1	0,774
SOUTH AFRICA	3,9	57	53,4	0,526

Source: International Human Development Indicators - UN. Table by DIEESE - CUT Nacional.

In 2012, China also had figures close to the Brazilian, with lower expenditure on public health. Next, in order, came Russia, South Africa, and India **(Table 6)**.

Surely one of the main reasons for Brazil's higher health indicators was an increase in (public and private) expenditure as a percentage of the GDP, from 6.65% of GDP in 1990 to 8.90%. Other impressive increases in total expenditure on health occurred in China and South Africa, while India had a slight decrease in total health expenditure **(Table 7).**

When comparing 2000 and 2011/12 data, this distribution of health expenditure (as a percentage of GDP) analyzed in terms of private and public spending shows a higher total public expenditure on health than all other BRICS countries. With the exception of India, all other BRICS increased public health expenditure, even Russia, where private health spending is higher than public expenditure. India had a slight decrease in total health expenditure, mainly due to a reduction in public health expenditure, with private spending remaining flat **(Table 8)**.

Considering per capita expenditure on health in 2012, Brazil is the only country to meet the world average (in US dollars), with the remaining BRICS below world average, in spite of the advances in all countries, but especially in China and Russia. Health expenditure in the BRICS grew mainly due to a significant increase in public expenditure, even though in the Russian and

Table 7 Total health-to-GDP expenditure, BRICS countries, selected years.

Country	SOUTH AFRICA	BRAZIL	RUSSIA	INDIA	CHINA
1995	7,42	6,65	5,36	4,01	3,54
1996	7,96	6,85	5,55	3,89	3,81
1997	8,26	6,81	7,10	4,24	4,05
1998	8,58	6,74	6,62	4,29	4,36
1999	8,89	7,09	5,80	4,04	4,51
2000	8,29	7,16	5,42	4,27	4,62
2001	8,58	7,27	5,67	4,50	4,58
2002	8,50	7,19	5,99	4,40	4,81
2003	8,63	7,03	5,61	4,29	4,85
2004	8,91	7,13	5,19	4,50	4,75
2005	8,80	8,17	5,21	4,25	4,68
2006	8,53	8,48	5,30	4,03	4,55
2007	7,79	8,47	5,38	3,88	4,35
2008	8,04	8,28	5,14	3,93	4,63
2009	8,68	8,75	6,17	3,93	5,15
2010	8,71	9,01	6,48	3,69	4,98
11/12	8,50	8,90	6,20	3,85	5,15

Source: Global Health Expenditure Database, UN. Table by DIEESE - CUT Nacional.

Table 8 **Health expenditure as a percentage of GDP, BRICS countries, 2000/ 2011-12.**

Country	Private expenditure (% GDP)		Public expenditure (% GDP)		Total expenditure (% GDP)	
	2000	2011/12	2000	2011/12	2000	2011/12
BRAZIL	2,9	3,1	4,3	5,8	7,2	8,9
CHINA	1,8	1,6	2,9	3,5	4,6	5,2
INDIA	1,1	1,1	3,2	2,8	4,3	3,9
RUSSIA	3,2	3,3	2,2	2,9	5,4	6,2
SOUTH AFRICA	3,4	3,5	4,9	5,1	8,3	8,5

Source: Global Health Expenditure Database–United Nations (UN) and OECD Factbook 2014.
Table by DIEESE - CUT Nacional.

Brazilian cases the private sector also grew and is still relevant. Still, the BRICS per capita health expenditure is still far from that of most members of the Organization for Economic Co-operation and Development (OECD) **(Table 9)**.

As for the education indicators, the data show that South Africa and Brazil spend the most as a percentage of GDP. However, in analyzing the evolution of the indicators from 1999/2000 to 2010/2011 (or latest data available), we can see a steady growth of this type of expenditure in the BRICS countries, except for India (fall) and South Africa (flat). There is little data on public and private expenditures on education, yet Brazil spent 1.3% of its GDP on private education in 2007, the same as Russia, and above the 0.9% average of

Table 9 Per capita health expenditure (public and private), BRICS, world and OECD average, 2001/ 2012, in current US dollars.

Year	SOUTH AFRICA	BRAZIL	RUSSIA	INDIA	CHINA	WORD	OCDE
2001	47	228	223	119	21	n/a	n/a
2002	54	203	205	142	21	n/a	n/a
2003	61	214	310	167	24	604	2.914
2004	70	257	410	212	29	664	3.202
2005	80	387	450	277	32	709	3.390
2006	93	491	455	365	33	751	3.562
2007	113	609	449	487	40	825	3.867
2008	155	714	437	594	43	894	4.148
2009	189	733	484	525	44	905	4.190
2010	216	989	615	669	52	949	4.334
2011	274	1.119	670	803	62	1.013	4.566
2012	322	1.056	645	887	61	1.031	4.608

Source: World Development Indicators (WDI), April 2014. Table by DIEESE - CUT Nacional.

the OECD member countries[3] **(Graph 4)**.

Considering the Education Index, a component of the United Nations HDI, the BRICS with the highest indices are Russia and South Africa. While in the South-African case what is noteworthy is its public spending on education, Russia stands out for the group's best indicators, such as the population's average years in school. The Russians study for approximately 12 years and

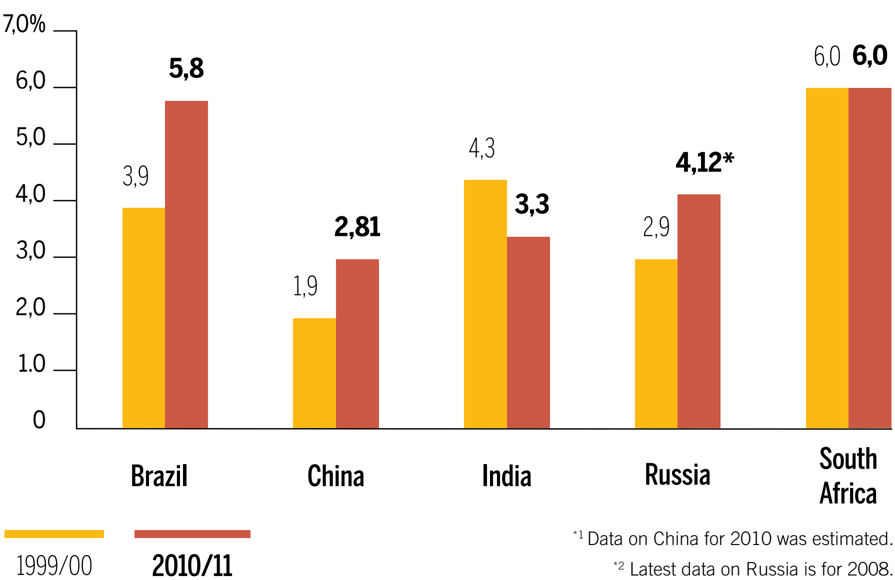
3 Data on private expenditure on education extracted from the 2012 article "Estimando os gastos privados com educação no Brasil" [Estimating private expenses on education in Brazil], released by the Center for Public Policies, Institute for Teaching and Research (INSPER, from the Portuguese acronym), Brazil. Available at http://www.insper.edu.br/wp-content/uploads/2013/01/Estimando-os-gastos-privados-com-educa%C3%A7%C3%A3o-no-Brasil.pdf

almost everyone over 15 years of age is literate, indicators that are clearly higher than those of the other BRICS countries, despite the latter's advances. **(Table 10)**.

An aspect that helps us better understand Russia's positive education indicators, as Russia's expenditure on education is not the highest among the BRICS, is per capita expenditure, which, although still trailing behind the average expenditure of OECD member countries, is clearly higher than that of the other BRICS. India had the lowest Education Index, and the lowest per capita expenditure **(Graph 5)**.

Graph 4 **Public expenditure on education as a percentage of GDP, BRICS countries, 1999/2000 and 2010/11** (or latest available data)*.

PUBLIC EXPENDITURE ON EDUCATION (as % GDP)



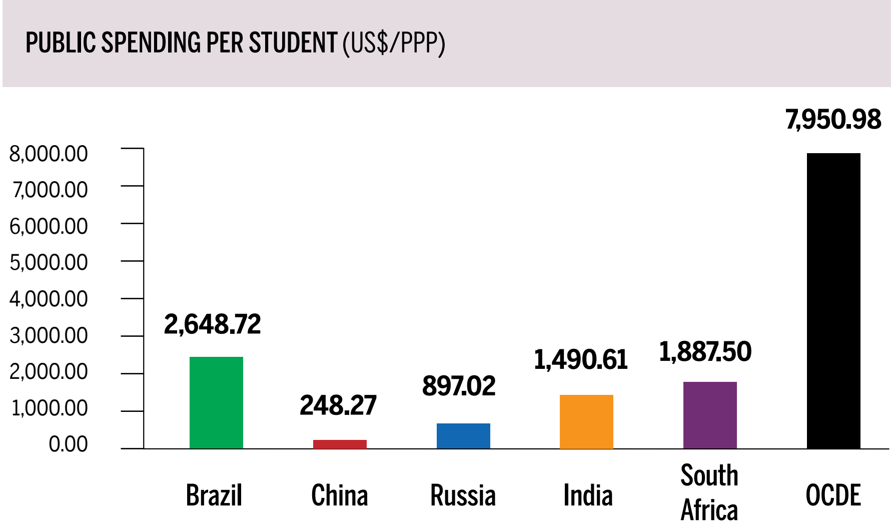
*1 Data on China for 2010 was estimated.
*2 Latest data on Russia is for 2008.
Source: World Development Indicators – World Bank, OECD Factbook 2014, and China By Numbers - 2012. Graph by DIEESE - CUT Nacional.

Table 10 Education Indicators, BRICS, HDI 2012/13.

Country	Public expenditure on education (% GDP)	Adult average years of study*	Adult literacy rate (15 years or more)	Education Index
BRAZIL	5,7	7,2	90,3	0,674
CHINA	2,8*	7,5	94,3	0,627
INDIA	3,1	4,4	62,8	0,459
RUSSIA	4,1	11,7	99,6	0,862
SOUTH AFRICA	6,0	8,5	88,7	0,705

Source: International Human Development Indicators – UN and China by Numbers (China Economic Review – 2012). Table by DIEESE - CUT Nacional. *2010 estimate

Graph 5 Estimated public expenditure per person in school age, BRICS and OECD, 2011, in PPP/US$.



Source: Based on data from the article A educação superior no Brasil: insumos, indicadores e comparações com os países da OECD e do BRICS [Higher Education in Brazil: Indicators and Comparisons with OECD countries and BRICS members]. Available at http://www.revistas.ufg.br/index.php/interacao/article/view/26104/15047

LABOR MARKET

As regards the BRICS labor markets, there are also striking differences between them, particularly the unemployment, participation, informality levels. The BRICS also differ in connection with labor regulations and enforcement of ILO Conventions. Actually, the BRICS share little in common when it comes to labor market and relations. From 1990 to 2011, the BRICS labor force grew fastest in South Africa, Brazil, and India. China, which already had a big labor market, grew at a slower pace than the countries mentioned, while Russia's labor force remained relatively stable **(Table 11)**.

Concerning more general characteristics of the BRICS labor markets from 1991 to 2011, the participation rate (persons aged 10 years-plus, employed or unemployed, but looking for a job) in Brazil rose, especially in the last decade, while it remained stable in Russia and South Africa, and dropped slightly in China and India, which helps stabilize unemployment indicators. When we focus specifically on the unemployment rate, the differences between the BRICS become even more evident. While in South Africa, and regardless of a low participation rate, the unemployment rate is over 24.0%, in Brazil, and to a lesser degree in Russia, it is declining, whereas in India and China it is relatively stable. While economic growth has been important to reduce the Brazilian, despite last year's increase, and the Russian unemployment rates, and hold unemployment at relatively low rates in China and India, this driver has not had the same effect in South Africa **(Table 12).**

With regard to labor income, there is some difficulty in equalizing information from the five BRICS countries in order to make it comparable. Still, we can use a GDP per capita, in purchasing power parity, which theoretically adjusts data to the same monetary basis of comparison. Although this is not actual wage data, it enables us to observe the evolution of a proxy of the productivity and income afforded by the labor market in relation to the BRICS GDPs.

Data on the BRICS show two trends. One, that GDP per person employed in the BRICS is still below the world average, except for Russia (since 2006); and the other, that this indicator rose sharply in China (BRICS second largest

Table 11 **Labor force, BRICS, 1990/ 2011.**

Year	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA
1990	62.562.139	631.631.730	331.263.154	77.348.711	10.403.438
1991	66.368.771	643.953.447	338.668.430	76.764.014	10.796.375
1992	70.325.863	653.675.291	346.802.576	75.543.545	11.216.416
1993	71.837.719	660.634.685	355.116.385	73.119.743	11.685.028
1994	73.706.776	668.937.147	363.597.387	70.741.731	12.153.096
1995	75.627.147	676.210.445	370.400.450	70.844.917	12.641.673
1996	75.137.893	685.076.584	377.891.523	69.851.158	13.130.608
1997	77.784.539	693.870.607	385.467.901	68.291.686	13.645.612
1998	79.657.612	702.443.359	392.465.819	67.472.269	14.213.476
1999	82.345.827	712.535.034	400.171.458	72.510.939	14.806.684
2000	83.666.056	723.386.298	407.932.606	73.240.895	15.394.283
2001	84.902.927	734.235.279	418.547.036	72.239.849	15.924.725
2002	87.724.102	746.752.820	430.035.129	73.003.947	16.351.860
2003	89.360.032	758.309.220	441.677.474	72.006.864	16.760.367
2004	92.007.145	770.026.742	453.431.049	72.718.260	17.087.224
2005	94.513.294	780.376.470	464.498.005	73.342.715	17.434.143
2006	95.633.011	789.991.161	465.456.461	74.108.817	17.807.595
2007	96.555.671	797.902.626	466.828.612	75.125.214	18.173.233
2008	98.286.173	802.219.828	467.044.531	75.798.980	18.877.614
2009	100.031.799	808.458.607	467.722.363	75.835.667	18.543.222
2010	101.667.872	812.497.658	468.074.233	75.956.966	18.271.901
2011	103.193.816	816.584.623	476.663.507	76.420.864	18.624.602
Change	64,9%	29,3%	43,9%	-1,2%	79,0%

Source: UN Statistical Database. Table by DIEESE - CUT Nacionall

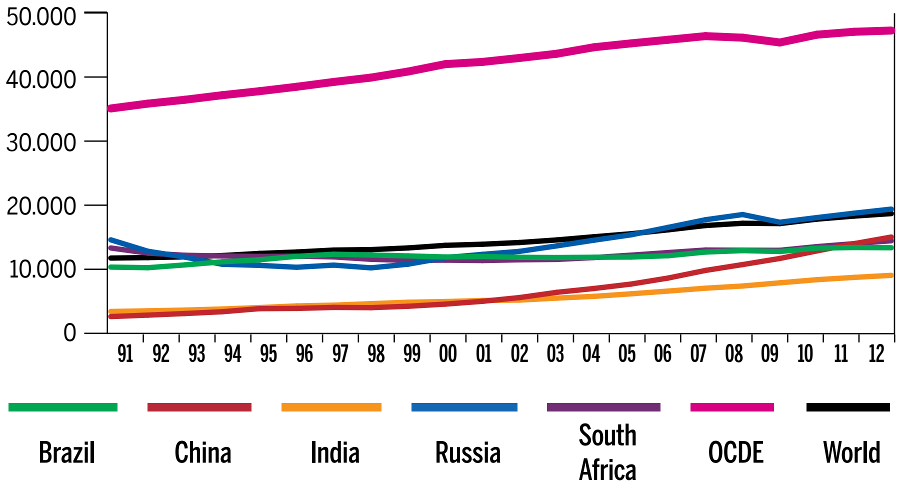
Table 12 **Unemployment rate, BRICS, in %, 1991/ 2011.**

Year	BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA
1991	n/a	2,3	n/a	n/a	n/a
1992	6,4	2,3	n/a	5,2	n/a
1993	6,0	2,6	n/a	5,9	n/a
1994	n/a	2,8	3,7	8,1	20
1995	6,0	2,9	2,2	9,4	16,9
1996	6,8	3,0	2,1	9,7	21,0
1997	7,7	3,1	2,6	11,8	22,9
1998	8,9	3,1	3,6	13,3	25,0
1999	9,6	3,1	n/a	13	25,4
2000	n/a	3,1	4,3	10,6	26,7
2001	9,3	3,6	n/a	9,0	25,4
2002	9,1	4,0	n/a	7,9	27,2
2003	9,7	4,3	n/a	8,2	27,1
2004	8,9	4,2	n/a	7,8	24,7
2005	9,3	4,2	4,4	7,2	23,8
2006	8,4	4,1	n/a	7,2	22,6
2007	8,1	4,0	n/a	6,1	22,3
2008	7,1	n/a	n/a	6,3	22,7
2009	8,3	n/a	n/a	8,4	23,7
2010	6,7	4,1	3,5	7,5	24,7
2011	6,0	4,0	3,8	6,6	24,7
2012*	6,7	4,1	3,8	5,5	25,1
Variação	64,9%	29,3%	43,9%	-1,2%	79,0%

Source: UN Statistical Database, IBGE e BRICS: Joint Statistical Publication – 2013.
Table by DIEESE - CUT Nacional.
*Preliminary data provided by BRICS: Joint Statistical Publication – 2013.

Graph 6 GDP per person employed, purchasing power parity (PPP), in 1990 US dollars, BRICS and world average

In 1990 US dollars



Source: World Development Indicators – World Bank. Graph by DIEESE - CUT Nacional.

growth since 2011) and India, in connection with a strong expansion of productivity. GDP per capita had a slight increase in Russia, and remained stable in Brazil and South Africa **(Graph 6)**.

As for informality in labor relations, given the fact that the BRICS have generated more jobs than the rest of the world, decreasing informality levels have been a BRICS characteristic. Still, that is not enough to keep them from concentrating good part of the world's informal jobs, especially Brazil (despite a significant decline in the number of informal workers since 2003) and India.

ILO data[4] released in the "Statistical update on employment in the informal economy", of June 2012, despite the time lag, clearly informality, though declining in the bloc, is still relevant. In India, it was 83.6%, that is, only

4 http://laborsta.ilo.org/informal_economy_E.html

16.7% of the country's total labor force was composed of regular workers. In Brazil, this contingent, which at one moment was more than half of those employed, informality fell to a level close to 40%. Therefore, even as formalization advances in the BRICS countries, informality continues to condemn a significant portion of the workers to accept precarious jobs, unprotected by the law and with no rights **(Table 13)**.

One salient theme for the BRICS is related to the worker's protection, the scope of the labor law, and the regulation of labor. The assumption is that this set of rules, from the labor movement standpoint, protects workers against considerably precarious labor relations, and whose absence further worsens

Table 13 Informality rate, BRICS, in %.

Country	Persons in informal employment	Persons employed in the informal sector	Persons in informal employment in the informal sector	Persons in informal employment outside the informal sector	Year of reference
BRAZIL	42,2	24,3	0,1	18,0	2009
CHINA	32,6	21,9	1,9	12,5	2010
INDIA	83,6	67,5	0,7	16,8	2009/10
RUSSIA	n/a	12,1	n/a	n.d	2010
SOUTH AFRICA	32,7	17,8	0,0	14,9	2010

Source: Table based on data from the Statistical update on employment in the informal economy (June 2012), International Labour Organization (ILO), available at http://laborsta.ilo.org/applv8/data/INFORMAL_ECONOMY/2012-06-Statistical%20update%20-%20v2.pdf the picture. Hence, it is important to analyze the BRICS behavior toward ILO Conventions.

An ILO Convention is an instrument that is subject to ratification by ILO member countries. Once they are ratified, they become binding international agreements, that is, it obliges a given signatory State to comply with and enforce its provisions at the country level.

As can be seen in Chart 1 below, Brazil and Russia have ratified the most Conventions, while China is at the other end. At least in theory, Brazil and Russia should have a better protected and regulated labor market. Still, practice has been different. This might not be a general rule, but the BRICS countries are evidence that from signing an ILO Convention to enforcing it there is a considerable distance **(Quadro 2).**

An example of the distance separating intention from practice in the labor market can be observed in the variable related to the protection against individual and/or collective dismissals (of formal workers). This variable shows a somewhat diverse reality across BRICS countries, but Brazil and South Africa display poorer dismissal regulations, below the OECD average (that is, it is easier to fire workers in these two countries), whereas the other BRICS are in a more favorable situation in comparison with the average of the OECD countries. Yet, unlike South Africa, Brazil is a signatory to ILO Convention 158, which, in theory, would increase protection against dismissals **(Table 14).**

The BRICS indicators show us that there have been breakthroughs in their labor markets, particularly a decrease in unemployment rates and greater stability in the labor force's growth rate. However, it is clear that, as far as labor relations are concerned, the BRICS are not a homogeneous bloc. This is made clear by comparing informality rates or whether the BRICS countries have ratified ILO Conventions. In this regard it is worth noting that the fact that a country has ratified an ILO Convention is no guarantee that there will be greater employment protection, which shows the great distance to be covered by the BRICS with regard to the labor market.

Chart 2 ILO Conventions and the BRICS

ILO Convention	Subject	Ratification					No. of ratifying countries
		BRAZIL	CHINA	INDIA	RUSSIA	SOUTH AFRICA	
29	Suppression of forced or compulsory labor	Yes	No	Yes	Yes	Yes	177
87	Freedom of association and protection of the right to organize	No	No	No	Yes	Yes	152
98	Right to organize and collective bargaining	Yes	No	No	Yes	Yes	163
100	Equal remuneration between men and women workers	Yes	Yes	Yes	Yes	Yes	171
105	Abolition of forced labor	Yes	No	Yes	Yes	Yes	174
111	Discrimination (employment and occupation)	Yes	Yes	Yes	Yes	Yes	172
122	Employment policy	Yes	Yes	Yes	Yes	No	108
135	Workers' representatives at the workplace	Yes	No	No	Yes	No	85
138	Minimum age	Yes	Yes	No	Yes	Yes	166
141	Rural workers organization	Yes	No	Yes	No	No	40
148	Working environment (Air pollution, noise, and vibration)	Yes	No	No	Yes	No	45
151	Labor relations (Public service)	Yes	No	No	No	No	50
154	Collective bargaining	Yes	No	No	Yes	No	44
158	Termination of employment	Yes	No	No	No	No	36
168	Employment promotion and protection against unemployment	Yes	No	No	No	No	8

Source: International Labour Organization. Status as at 2 December 2013. Chart by DIEESE - CUT Nacional.

Table 14 Protection of workers against dismissals in the BRICS and OECD average.

Country	Year	Individual Dismissal	Collective Dismissal	TOTAL	OECD average	Finding
BRAZIL	2012	1,32	0,43	1,75	2,29	Less protected than OECD average
SOUTH AFRICA	2012	1,47	0,54	2,01	2,29	Less protected than OECD average
RUSSIA	2012	2,05	0,43	2,47	2,29	More protected than OECD average
INDIA	2012	2,49	0,13	2,61	2,29	More protected than OECD average
CHINA	2012	2,36	0,86	3,22	2,29	More protected than OECD average

Source: Based on OECD data available at www.oecd.org/employment/protection

BRICS CHALLENGES AND OUTLOOK

When the economic, productive, and labor market dimensions of the BRICS countries are compared, it becomes clear that the BRICS countries have more differences than similarities with one another. However, this is not, nor should it be, a reason for not increasing synergy across the BRICS labor movements

For one, the fact that the BRICS have had impressive economic growth should be seen as an advantage in seeking better social and working conditions. Economic growth must translate into a better life for working men and women, in an on-going basis, upholding the current advances.

Another important potential source of synergy regards the BRICS economic relations, as its member countries, with the exception of China, have little or no bilateral economic relations. The development of economic complementarities, in addition to reducing the likelihood of "predatory competition" between the BRICS, may even foster a more balanced development for all because it promotes productive integration and the exchange of know-how. And surely this greater integration would help the BRICS become less dependent on the so-called "central countries" and their economic instability and international crisis, thus affording greater stability to the BRICS economic cycle. Exchanges in local currencies are not to be dismissed. On the contrary, they constitute an opportunity to explore a potential source of economic independence.

Greater economic integration of the BRICS should also include a growth in BRICS companies' participation in each other's countries, including by becoming important sources for increasing investments and generating jobs. This relation cannot take place, however, in disrespect of workers' rights and decent work principles. In preparing this study, we found extremely difficult to find information regarding this issue. A recent survey conducted by trade union watch Instituto Observatório Social (IOS) showed that, even at ILO's national points of contact it is hard to find denunciations of labor rights violations by BRICS multinational companies. Linguistic hurdles also affect our understanding of each other's labor laws and collective bargaining schemes.

These are areas in which the CUT surely hopes to step up the exchange of information with the other national trade union centers and their labor research departments.

Specifically with regard to social aspects, there is considerable asymmetry between the BRICS. A discussion among BRICS members is imperative to reduce such asymmetries, even though, overall, their evolution has been significant. Moreover, tripartite discussions at the national level focusing on these issues would be extremely important, as they would engage all these countries' social actors.

Last but not least, in relation to the labor market and labor relations indicators, in spite of differences in size and countless specificities, the BRICS countries need to debate how to create greater convergence both concerning ILO standards and conventions (including effectively setting them in place) and the need to deepen decent work as strategic goals in these countries public policy-making. Participation of the BRICS national trade union centers in intergovernmental debates may be a step in that direction.

This paper presents social and economic analysis to inform trade union action, as a contribution so that the BRICS does not become yet another international initiative that fails to listen to the workers. On the contrary, we are fully convinced that that with our active participation in and specialized contribution to the debate regarding the development of the BRICS countries we will be able to help build a bloc that does actually represent a sustainable development model, socially just, and a counter-hegemonic alternative to the problematic international order in place since the post-war period.

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