

WHO IS UNABLE TO FIND EMPLOYMENT IN BRAZIL IN 2025?

AN ANALYSIS BY RACE, GENDER, AND REGION

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EXECUTIVE SUMMARY

- In the third quarter of 2025, the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística - IBGE, in Portuguese) recorded a national unemployment rate of 5.6%, the lowest in the historical series that began in 2012. With this result, the debate over whether the Brazilian economy is at full employment gained momentum;
- Full employment, in general and with certain differences across schools of economic thought, refers to the full utilization of the economy's productive capacities, especially labor. In other words, those who want to work are able to find employment;
- Labor underutilization reveals that Brazil has still not achieved full employment in qualitative terms: the rate (composed of unemployed individuals, the potential labor force, and time-related underemployed workers) reaches 13.9%. This indicator also reinforces inequalities, standing at 20.6% for Black women compared to 9.8% for white men.
- Even with the recent decline, informality affects 47% of workers nationally, while Black men and women have maintained rates close to 50% since 2012. Regional inequality is also significant: Pernambuco records a 10% unemployment rate (4.1 million people in the labor force) compared to 2.3% in Mato Grosso (2 million people in the labor force), and states such as Maranhão present a 67% informality rate versus 36% in Santa Catarina;
- The economy reflects the structural inequalities of Brazilian society: Black people, women, and residents of the North and Northeast regions generally experience higher rates of unemployment, labor underutilization, and informality than white men in the South and Southeast regions;
- Considering people “without employment” (unemployed individuals, the potential labor force, and discouraged workers), the Black population represented 67.1% of the total. Black women are the most affected group, totaling 4.3 million people (38.9% of the total), of whom 50.6% are in the potential labor force — that is, available to work but not actively seeking employment. In contrast, white men represent 1.5 million people, with the majority (50.3%) classified as unemployed individuals;
- The sexual division of labor is evident: among women in the potential labor force, 53.3% of white women and 50.3% of Black women are not seeking employment due to domestic and care responsibilities, while among white men, 24.9% are not seeking employment because they are studying (followed by 21.2% due to health problems), and among Black men, 29.6% are not seeking employment because of studies (and 28.4% due to health issues). Discouragement affects 27.4% of Black men and 24.3% of Black women without employment, concentrated in the North (19.3%) and Northeast (26.2%) regions.

INTRODUCTION

The third quarter of 2025 recorded an unemployment rate of 5.6%, the lowest in the historical series of the Continuous National Household Sample Survey (Pesquisa Nacional por Amostra de Domicílios Contínua - PNAD, in Portuguese). As a result, the economic media continued to consider that the Brazilian labor market is in a position of full employment, with hiring difficulties especially in the services sector (Lopes, Pilar, 2025; Martins, 2025). This analysis has been present in the economic debate since 2024, accompanied by concern from the Central Bank regarding possible inflationary impacts — since, given the Central Bank's view of economic dynamics, a possible overheating of the labor market would put pressure on average wages, resulting in the pass-through of these costs to prices and an increase in consumption. This position has been considered a “surprise,” as it contradicts market agents' expectations that the Brazilian economy would not be so overheated (Tauhata, 2024). The debate is similar to what occurred in 2012, when unemployment was at a comparable level (Prони, 2012).

The unemployment level that characterizes full employment varies across different analyses: the International Labour Organization (ILO) estimates it between 2% and 5%, according to the country's economic structure (Prони, 2012). In the Brazilian public debate, taking into account analyses inspired by marginalist and/or market-oriented approaches, Borges (2022) points out that the consensus estimate for the equilibrium or inflation-neutral unemployment rate would be close to the average unemployment rate over the last 25 years, around 9.5% of the economically active population (EAP, also known as the labour force).

For orthodox economic theory, full employment is a tendency of the economy in which all factors are employed, with more job vacancies than available workers (Prони, 2012; Kon, 2012). For neoclassical economists, existing unemployment is ultimately the result of workers' actions: either due to pressure from trade unions or because workers do not accept jobs with wages below what would compensate for the disutility of labor (Welle et al., 2025). For New Keynesians, full employment is characterized by the economy being at the “natural rate of unemployment,” which does not accelerate inflation, since it does not put upward pressure on wages.

Despite the heterogeneity of labor markets worldwide, labor market dynamics in Brazil are strongly marked by inequalities of race, gender, and region. In the same quarter, while white men presented an unemployment rate of 3.7% (with approximately 25.2 million white men in the labor force), the rate for Black women reached 8.2% (with approximately 25.9 million Black women in the labor force). Although these rates are also at historical lows, there remains a slightly larger difference of 5 percentage points between them.

Regional inequality is also clear: while Mato Grosso, in the Center-West region, has an unemployment rate of 2.3% (with approximately 2 million people in the labor force), the lowest rate nationally, the highest rate is 10% in Pernambuco (with approximately 4.1 million people in the labor force), in the Northeast region.

Therefore, this study seeks to understand: what do theories say about full employment and unemployment? What is the current situation of the labor market in Brazil? And, most importantly, who are the people unable to find employment in Brazil, which supposedly finds itself at full employment? Is it possible to consider this category in the Brazilian case? We seek to address the first two questions in sections one and two. The third is addressed in section three, where we analyze data on people “without employment,” both those unable to find employment and those not seeking employment. We chose to analyze the third quarter of 2025 (rather than the historical series) because it presents the lowest historical unemployment rate, offers a large number of indicators and open data, and is not a quarter with such strong seasonal movements (as is the case with the fourth quarter, which is affected by end-of-year sales).

The hypothesis to be explored is that, despite low unemployment, the view that anyone can obtain employment is not confirmed (Kon, 2012), and that there are racial, gender, and regional inequalities that hinder certain social groups (notably women, Black people, and residents of the North and Northeast regions) from obtaining employment, or decent employment. The unemployment experienced by these groups, therefore, is neither “frictional” (due to movement from one job to another, or from one location to another) nor “involuntary” (due to unwillingness to work for low wages), but rather the result of labor market discrimination and the role these groups play in capitalist accumulation — whether in the labor market or in the reproduction of social life.

1. HOW TO UNDERSTAND THE LABOR MARKET IN BRAZIL? A BRIEF OVERVIEW OF THEORIES

Various theoretical schools within economic thought seek to understand employment and the labor market. In this section, we provide a panoramic overview of some of these perspectives in order to situate this debate and establish a theoretical background for the analysis of the data presented in the following sections.

Among the more classical theories, situated between the nineteenth and twentieth centuries, we may highlight the contributions of marginalist economists, Marx, and Keynes. Marginalists understood the labor market as an ordinary market, in which equilibrium (full employment) is achieved through the equalization of labor supply and demand. In this orthodox approach, unemployment would be voluntary, caused by the worker perceiving the disutility of labor as greater than the utility of wages, thus preferring not to work, or frictional, referring to periods of adjustment such as changing jobs or locations, although involuntary unemployment could exist in cases of price/wage rigidity in the short run. In all cases, the economy would adjust and tend toward full employment (Welle et al., 2025). For Marx, unemployment could be intensified by technological progress, which would save labor power and create an “industrial reserve army,” composed of people marginalized from work and helping to push wages downward (Féliz, Neffa, 2006; Bastos, 2017; Marx, [1890] 2013).

For Keynes, labor market dynamics are linked to the investment decisions of capitalists, which depend on expectations of obtaining returns greater than the initial investment through the sale and consumption of what is produced (Keynes, 1996)^[4]. Finally, for New Keynesians (following Keynes's contribution, around the mid-twentieth century), unemployment is caused by wage rigidity, which prevents wages from reaching the level that equalizes them with the marginal productivity of labor (Ferreira, 2012).

Beyond unemployment in aggregate terms, Brazil is characterized by having a heterogeneous labor market. As observed, there is a latent racial inequality in the country: Black women experience an unemployment rate almost 5 percentage points higher than that of white men, even without considering other variations such as higher education attainment, region, and whether or not they have children. How has this difference been explained?^[5]

As Souza (2024) points out, quantitative research in Brazil within orthodox approaches to unemployment and racial and gender differentials is based primarily on Human Capital Theory (HCT). Based on classical premises regarding utility and the labor market, Becker and Schultz argue that the causes of discrimination in the labor market are linked to changes in productivity resulting from individuals' different cognitive abilities (Souza, 2024).

These abilities may be acquired genetically, culturally, or, most importantly, through education. Therefore, investing in education would be the best way to increase one's own human capital, improve productivity, and thereby seek higher wages. Since wages are the remuneration of marginal productivity, and employers make hiring decisions according to marginal productivity, jobs with higher wages are obtained through greater productivity and, therefore, greater human capital. In addition, health and migration issues are also considered forms of human capital.

Finis Welch, using the HCT framework, identified wage differentials between Black and white people in the United States. According to the author, this would be due to differences in education between Black and white individuals (with Black individuals attending lower-quality public schools). Thus, the discrimination that hinders the insertion of Black people into higher-paying jobs would be related more to their educational qualifications than to racial discrimination itself (Souza, 2024). As Proni (2012) points out, the debate on full employment in Brazil in 2012 was guided by a logic close to this theory: problems in education would be responsible for explaining unemployment in the country by affecting workers' productivity.

On the other hand, when analyzing the Brazilian labor market, Lélia Gonzalez (Mattos; Silva, 2025) places racial and gender oppression at the center of the analysis. Despite industrial progress between the late nineteenth and early twentieth centuries, colonial structures remained within the Brazilian economy, especially in the agricultural export sector.

[4] Due to space limitations, we opted for a panoramic and brief overview of these theories. For further reading, we recommend the articles "Macroeconomia e mercado de trabalho: as principais teorias e o Brasil contemporâneo" (Pedro Bastos, 2017), "Desemprego estrutural: revisitando Marx e Keynes" (Duarte, 2026), and the book *Teorías económicas sobre el mercado de trabajo*, by Mariano Féliz and Julio Neffa.

[5] Once again, due to space limitations, we chose to proceed with only two perspectives. For further reading on approaches to race and gender issues in economics, we recommend the article "Desigualdade racial e mobilidade social no Brasil: um balanço das teorias" (Rafael Osório, 2008) and the book *Economia Feminista no Brasil* (eds. Marilane Oliveira Teixeira, Margarita Oliveira, and Clarice Menezes Vieira, 2023).

This heterogeneity impacts the labor market by creating a contingent of people outside the industrial sector (which is able to offer higher wages and social protection), thereby exerting downward pressure on wages in this sector, enabling labor to remain cheap, and limiting workers' power to organize and struggle for better wages.

Thus, Black people become part of the marginal mass, a mass outside the industrial reserve army. In this position, they occupy informal and subsistence jobs, in the service sector and in elementary and care occupations, which allows white people to remain primarily in a position of orbiting (when unemployed) higher-paying occupations, as they are concentrated in the main central circuits of value production (such as the industrial and financial sectors). Therefore, in a dependent and heterogeneous society, unemployment is also unequal, and racism is functional in maintaining privileges and the functioning of capitalism.

2. WHAT EXPLAINS “FULL EMPLOYMENT” IN BRAZIL?

2.1 What Is Full Employment?

The concept of full employment occupies a central position within economic debate, although there are diverse definitions of it. The most traditional definition is associated with neoclassical theory and

corresponds to a situation in which all individuals willing to work at the prevailing wage are able to enter the labor market. In this case, unemployment exists only as “frictional unemployment,” the period of time in which a person moves from one job to another, and “voluntary unemployment,” associated with workers who choose not to work because the wage offered in the market is lower than the disutility of labor (Welle et al., 2025; Proni, 2012).

Over time, following attempts to synthesize Keynes's ideas within orthodox economics, New Keynesians argued that full employment occurs when the economy is at its “natural rate of unemployment,” compatible with the long-term equilibrium of the labor market and with the Non-Accelerating Inflation Rate of Unemployment (NAIRU)^[6]. Thus, low unemployment rates are interpreted as a positive sign for economic performance, representing a high level of utilization of productive factors (Proni, 2012; Ferreira, 2012).

Considering other approaches influenced by the Keynesian tradition, the mainstream interpretation is regarded as insufficient. There is an understanding that the labor market is not a homogeneous space of exchange, but rather segmented and marked by unequal power relations. From this perspective, low unemployment rates may provide a simplified view of the economy, concealing relevant forms of precariousness and underutilization of labor power. Therefore, full employment should not be understood solely through the unemployment rate, but through other factors that structure the labor market. This implies the nature of the employment relationships established, the degree of formalization, the stability of labor relations, the adequacy of working hours, and the correspondence between the activity performed and workers' qualifications. In other words, it is

[6] As discussed (Borges, 2022), other related concepts have been developed, such as the Non-Accelerating Wage Rate of Unemployment (NAWRU), the unemployment rate that does not accelerate the wage growth rate.

possible for an economy to present low unemployment levels and still remain far from a situation of full employment according to qualitative criteria.

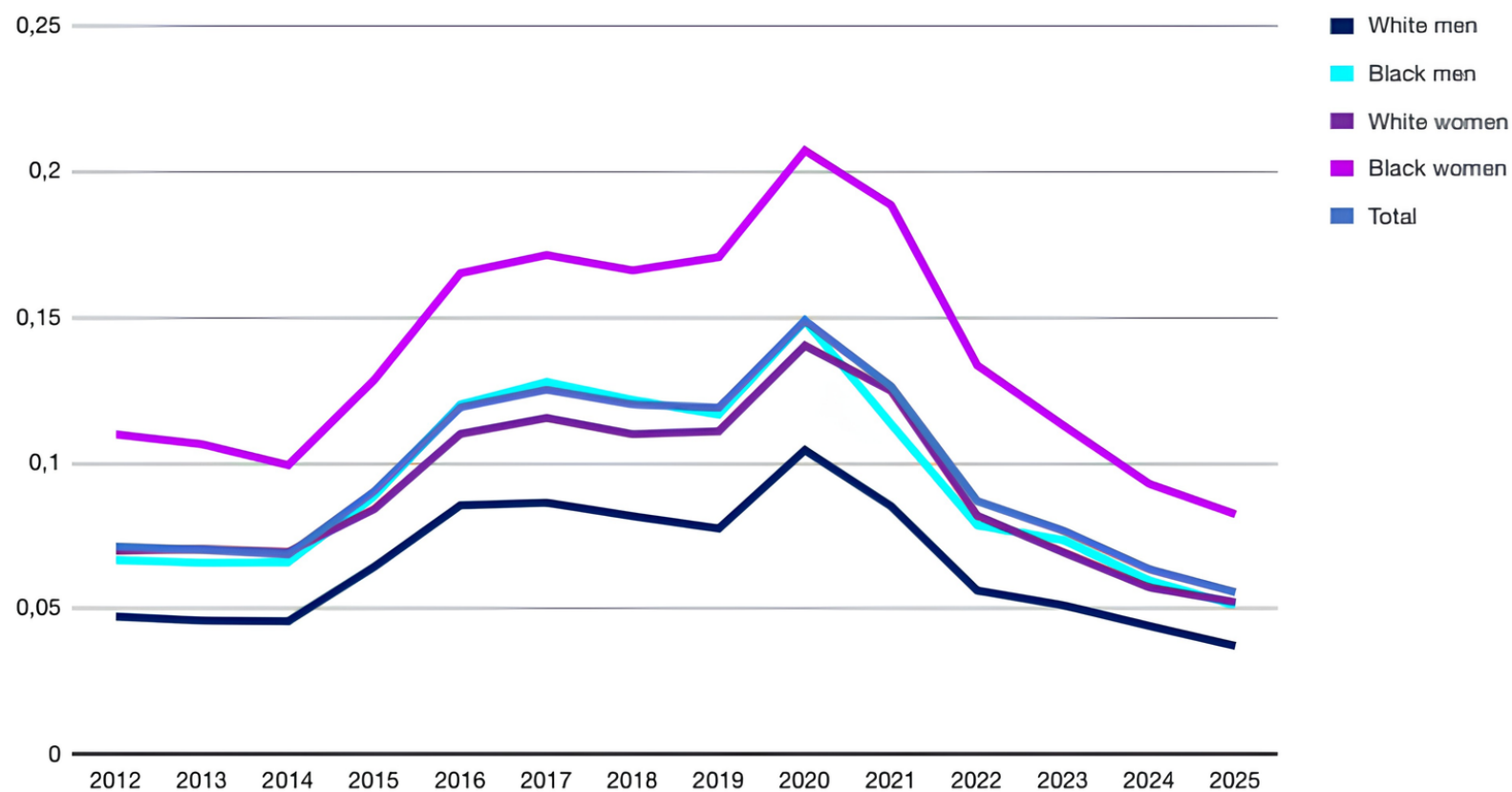
For the International Labour Organization, full employment is also linked to the full utilization of labor factors. However, this does not occur in just any manner: full employment must be considered alongside Decent Work, meaning that the working class is able to find jobs with fair income, freedom of choice and participation in trade union activities, fair treatment free from discrimination, social security and health protection, human dignity, and democratic participation in discussions regarding working conditions. Full employment, therefore, is not merely a situation in which everyone has a job, but rather one in which workers' capacities are fully exercised (Kon, 2012).

The historical trajectory of the labor market in Brazil is marked by high informality, high turnover, and profound inequalities in access to work. In this context, analyzing the labor market requires the use of broader indicators, such as labor underutilization and informality, both widely measured by the IBGE's Continuous PNAD. From this expanded approach, it becomes possible to problematize the extent to which Brazil, even in the presence of reduced unemployment rates, effectively approaches a condition of full employment.

2.2. What Is the Face of Unemployment in Brazil?

The recent trajectory of the Brazilian labor market points to a consistent dynamic of declining unemployment rates, which, in 2025, culminated in the lowest levels of the historical series. When analyzing the unemployment rate, it is possible to observe a movement of gradual recovery in the economy's capacity to absorb the labor force, suggesting, at first glance, an improvement in economic dynamism, while maintaining racial and gender inequalities (Graph 1).

Graph 1 – Unemployment Rate by Race and Gender, from 2012 to 2025



Source: IBGE (2026). Author's own elaboration.

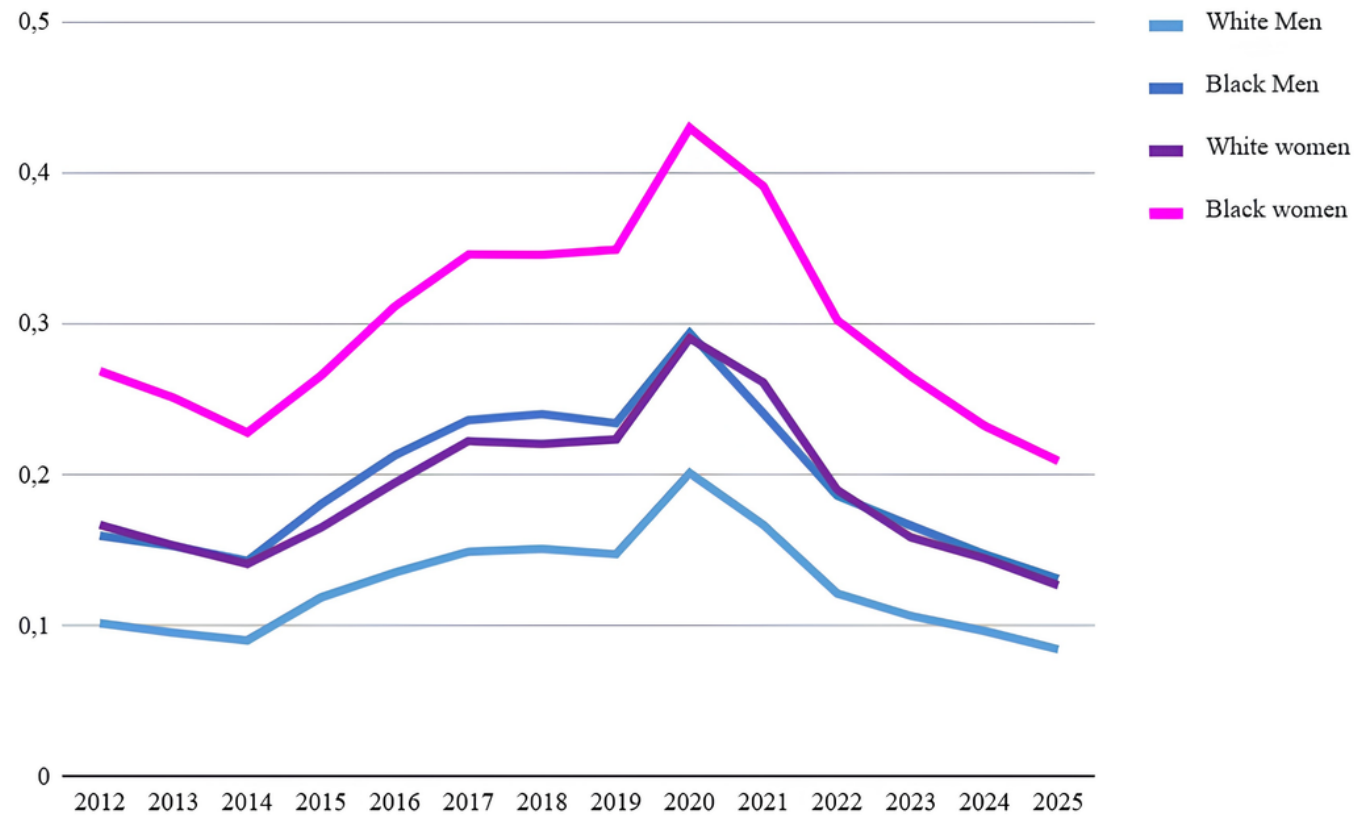
However, the reduction of this indicator alone is not sufficient to characterize a structural transformation of the labor market. On the contrary, it becomes necessary to investigate the factors involved in this movement, as well as their implications for the quality of the occupations generated.

Considering the notion of full employment as the full allocation of individuals' capacities in work, we can use the composite underutilization rate to understand how these factors are being utilized. Underutilization is recommended by the ILO for labor market monitoring and is calculated as the sum of unemployed individuals, time-related underemployed workers, and the potential labor force, divided by the extended labor force.

The unemployed are those of working age who are available and seeking employment, but who have not yet managed to enter the labor market. The potential labor force, in turn, corresponds to the portion of the population that is available to work but, for some reason, did not search for employment. Time-related underemployed workers are those who are working but could work more hours (IBGE, 2016).

As can be observed in Graph 2, underutilization has been decreasing since 2020. It follows, as can be verified in other indicators, racial and gender inequalities: white men have the lowest rate, while women and Black people have the highest. However, even for white men, the rate is still close to 10%, while for Black women it remains above 20%. The persistence of high levels of underutilization suggests that, despite the downward trend, a significant share of the population whose productive potential is not fully utilized still remains.

Graph 2 – Composite Labor Underutilization Rate by Race and Gender, from 2012 to 2025

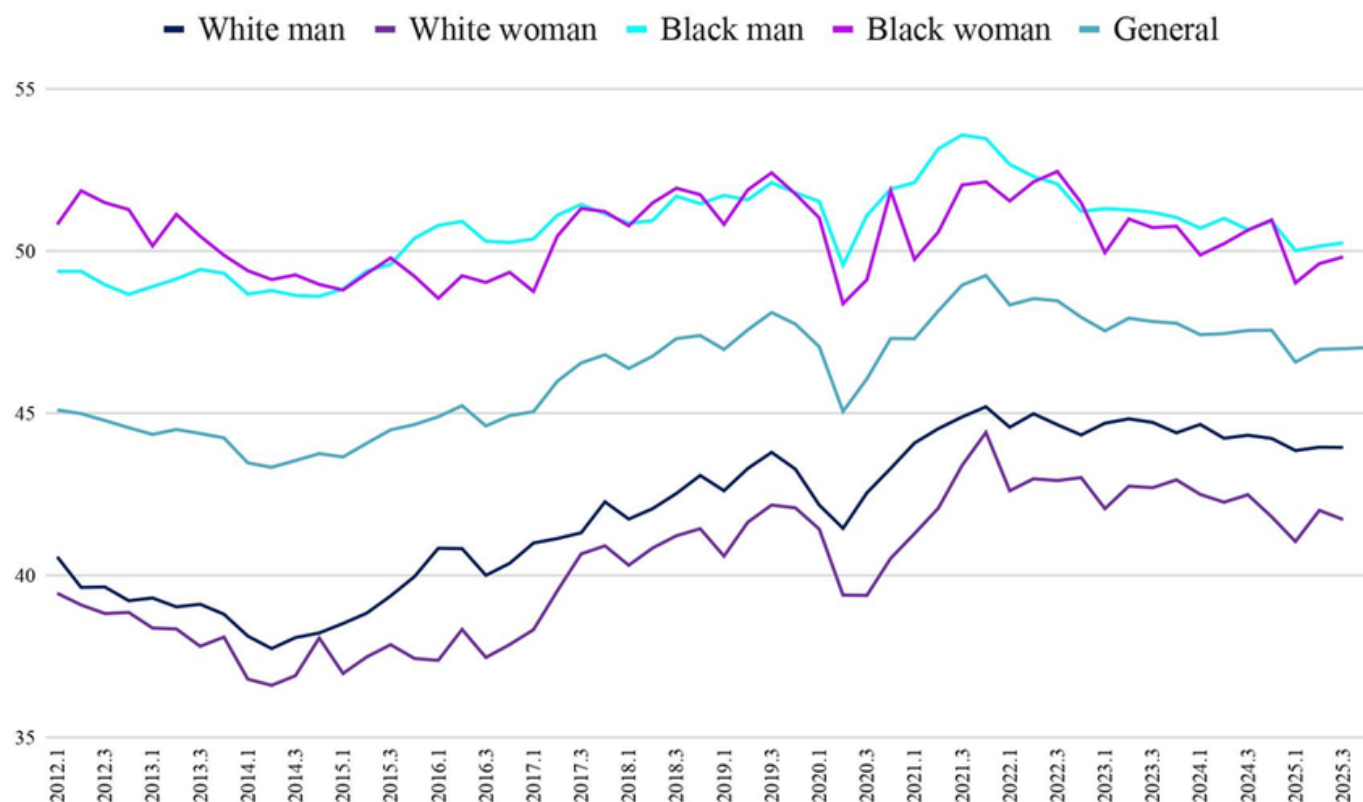


Source: IBGE (2026). Author's own elaboration.

It is also possible to assess the quality of employment through the informality rate^[7]. In recent years, it is possible to observe a downward trend in this rate, despite some moments of increase.

However, racial inequality remains significant: since the beginning of the historical series, Black people have experienced informality rates hovering around 50% of the employed population, leaving them socially vulnerable (Graph 3).

Graph 3 – Informality Rate by Race and Gender, from the 1st Quarter of 2012 to the 3rd Quarter of 2025



Source: IBGE (2026). Author's own elaboration.

[7] In this study, we use the methodology of the Centro de Estudos Sindicais e de Economia do Trabalho (CESIT) at UNICAMP, in which informal workers are considered to be private-sector employees without a formal work contract, public-sector employees without a formal work contract, domestic workers without a formal work contract, self-employed workers, and unpaid family workers.

Considering regional differences, it is observed that the North (6.2%) and Northeast (7.8%) regions present higher unemployment rates, while the South (3.2%), Southeast (5.3%), and Center-West (4.4%) tend to register relatively lower levels in 2025. This disparity is associated, to a large extent, with the degree of economic diversification and the capacity for job creation in each region.

Beyond unemployment levels, regional differences are also expressed in the quality of occupations. Economically less favored regions concentrate a higher proportion of informal jobs (such as Maranhão, with a 67% informality rate in the third quarter of 2025) and low-productivity activities, which implies lower incomes and greater social vulnerability. In contrast, regions with greater economic dynamism tend to present higher levels of formalization (such as Santa Catarina, with 35% informality) and better working conditions, although they are not exempt from processes of precarization.

An intersectional analysis, combining variables of race, gender, and region, allows for a deeper understanding of these inequalities. It is observed that historically marginalized groups, such as Black women, face particularly adverse conditions, especially in regions with lower economic dynamism (such as the 10.5% unemployment rate for this group in the North region). In these contexts, the disadvantages associated with racial and gender discrimination are intensified by structural limitations, resulting in higher unemployment rates and greater insertion into precarious occupations.

Thus, we understand that the economic and productive dynamics of regional economies play a central role in shaping an unequal labor structure. Regions with a greater weight of agricultural activities or low-complexity services tend to present lower levels of formalization and greater employment volatility. On the other hand, regions with a stronger presence of industrial activities and more sophisticated services offer more stable and better-paid opportunities, although they are also subject to transformations resulting from technological and cyclical changes.

Given this set of evidence, the decline in unemployment observed in 2025 should be interpreted with caution. Although it represents progress in relation to previous periods, it does not, by itself, imply the consolidation of a robust and inclusive labor market. On the contrary, the coexistence of high informality, significant underutilization, and structural inequalities indicates that the country remains far from a condition of full employment in a broader sense.

3. WHO IS THE POPULATION WITHOUT EMPLOYMENT IN BRAZIL?

After reviewing the theories dedicated to explaining unemployment and its unequal manifestations in the Brazilian labor market, and after obtaining an overview of labor force utilization, this section presents a descriptive analysis of data^[8] concerning a portion of the population without employment in Brazil^[9].

[8] The microdata from the third quarter of 2025 of the Continuous National Household Sample Survey (PNAD Contínua) were used.

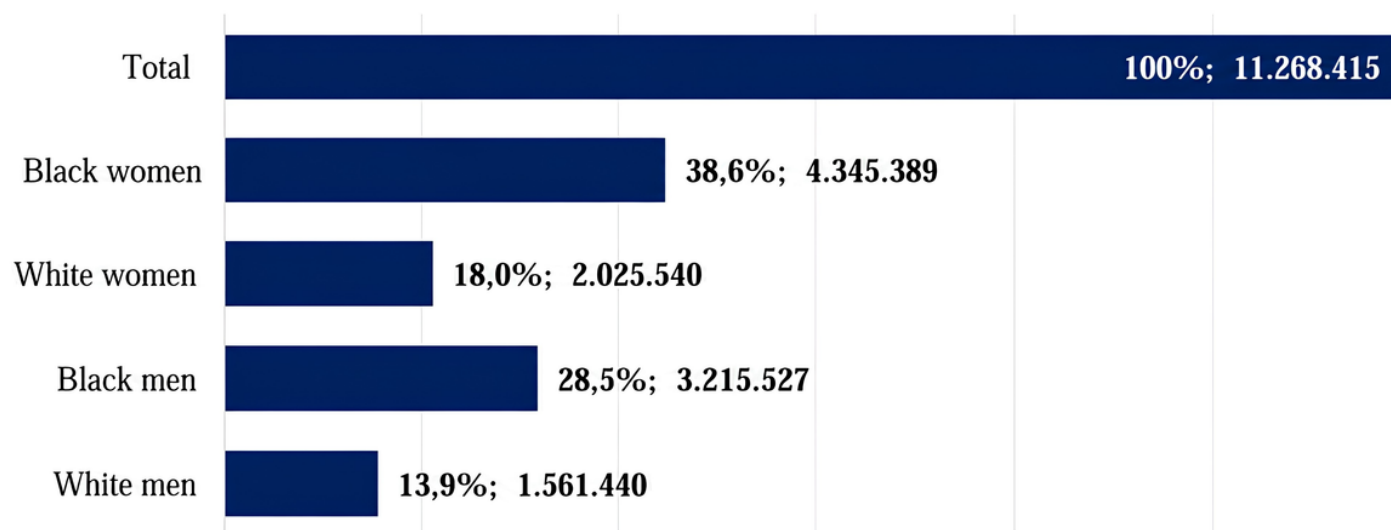
[9] It is worth noting that we are aware of the existence of other categories of people “without employment” in Brazil. Selecting only three categories — namely the unemployed, the potential labor force, and discouraged workers — was a methodological choice. This choice is justified by the fact that, in the Continuous PNAD, these three categories are directly linked to the search for work, a dimension that constitutes the central focus of this research.

The analysis was divided into three parts: first, we examine all those who were not working, both those seeking employment and those who were not; then, we focus on analyzing the population actively seeking employment, the unemployed; and finally, we examine the movements of those who are unemployed but not seeking employment. Furthermore, given the structural inequalities of the Brazilian labor market, gender, race, and regional categories are adopted throughout the analysis in order to highlight the disparities resulting from the intersection of these categories.

3.1. Who Are and Where Are the “Without Employment” in Brazil?

People considered “without employment” in Brazil include the unemployed, the potential labor force, and discouraged workers. Discouraged workers are those who have given up seeking insertion into the labor market (IBGE, 2016). Graph 4 presents the distribution by sex and race of those without employment in Brazil.

Graph 4: Population “without employment” in Brazil, by gender and race^[10] – 3° quarter of 2025



Source: IBGE (2026). Author's own elaboration.

[10] Individuals who self-identified as “Asian,” “Indigenous,” or “Other” were not considered in this report, given their low statistical representativeness in the Continuous PNAD sample.

It can be observed that among the more than 11.2 million people “without employment” in Brazil, there is a strong racial and gender dimension: Black women correspond to the most vulnerable group, totaling 4.34 million, followed by Black men (3.21 million); together, the Black population accounts for 67.1% of those without employment. In contrast, white women total 2.02 million, and white men, the least affected group, represent 1.56 million.

These results reveal not only a racial disparity, but also an intersectional effect in which being both a woman and Black amplifies the likelihood of exclusion, reflecting historical inequalities that persist in Brazilian society and that keep Black women in a condition of vulnerability within the labor market. Table 1 presents the proportion of each indicator in relation to the total number of workers “without employment” for each social group.

Table 1: Distribution of the Population “Without Employment” According to Categories (Unemployment, Potential Labor Force, and Discouragement) – 3rd Quarter/2025

	“Without employment”		Unemployed		Potential Labor Force		Discouragement	
	(in units)	(%)	(in units)	(%)	(in units)	(%)	(in units)	(%)
White men	1.872.989	100	942.716	50,3	618.724	33,0	311.549	16,6
Black men	4.096.290	100	1.786.041	55,5	1.429.486	44,5	880.763	27,4
White women	2.388.681	100	1.109.543	54,8	915.997	45,2	363.141	17,9
Black women	5.402.772	100	2.144.558	49,4	2.200.830	50,6	1.057.384	24,3
Total ¹¹	13.905.389	100	6.044.829	53,6	5.223.586	46,4	2.636.975	23,4

Source: IBGE (2026). Author's own elaboration.

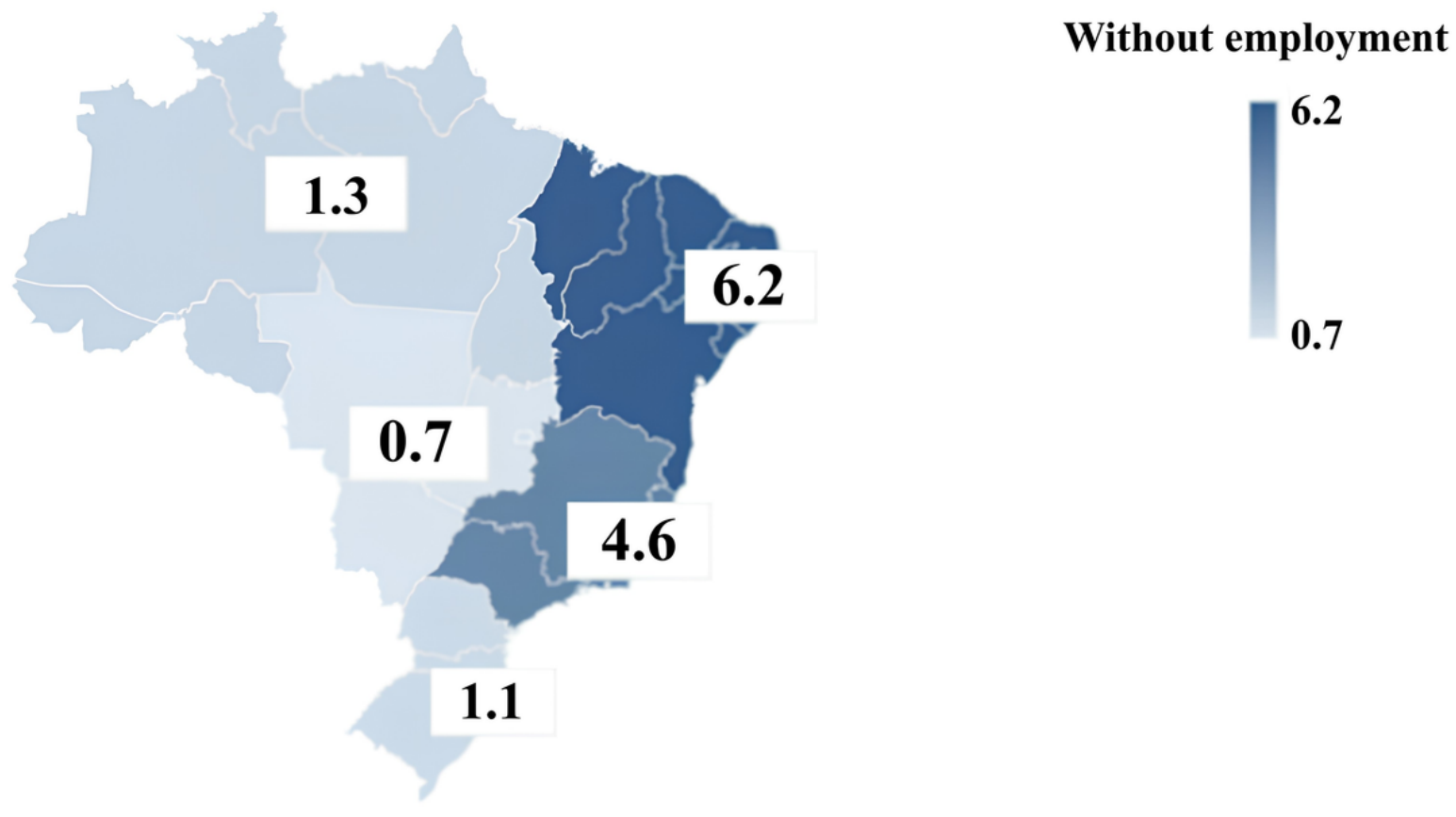
[11]Includes individuals who self-identified as Indigenous, Asian, or undeclared.

By observing the data, it is possible to identify distinct patterns in the composition of the population “without employment” across the groups analyzed. In general terms, unemployment is the component with the largest share among the “without employment,” representing 53.6% of the total and constituting the majority in three of the four groups analyzed. The exception is Black women, for whom the potential labor force surpasses unemployment, reaching 50.6% of the total number of Black women “without employment” – an indication of the existence of additional barriers that hinder active job searching. Discouragement, in turn, a category composed of those who stopped seeking work because they believed they would not succeed, presents a higher relative participation among the Black population: it affects 27.4% of Black men “without employment” and 24.3% of Black women.

Regional inequality is another reality of the Brazilian labor market. Considering only the unemployment rate, which measures the percentage of people who are seeking or will begin a new job in relation to the total labor force, the differences between Brazil's regions are immediately apparent. In the third quarter of 2025, while the labor market experienced an unemployment rate of 5.6% – the lowest in the historical series recorded by the Continuous PNAD since 2012 – the North and Northeast regions remained above this level, registering 6.2% and 7.8%, respectively, in contrast to rates below the national average in other regions (CESIT, 2025).

Expanding the analysis to examine the portion of the working-age population that did not find employment or gave up searching provides an interesting perspective for a critical discussion regarding declines in the unemployment rate. From this perspective, it becomes possible to identify other manifestations of regional inequality in the Brazilian labor market. Figure 1 shows the regional distribution of the number of people considered by this study as “without employment.”

Figure 1: Regional distribution of people “without employment” in Brazil (in millions of people) – 3rd quarter/2025

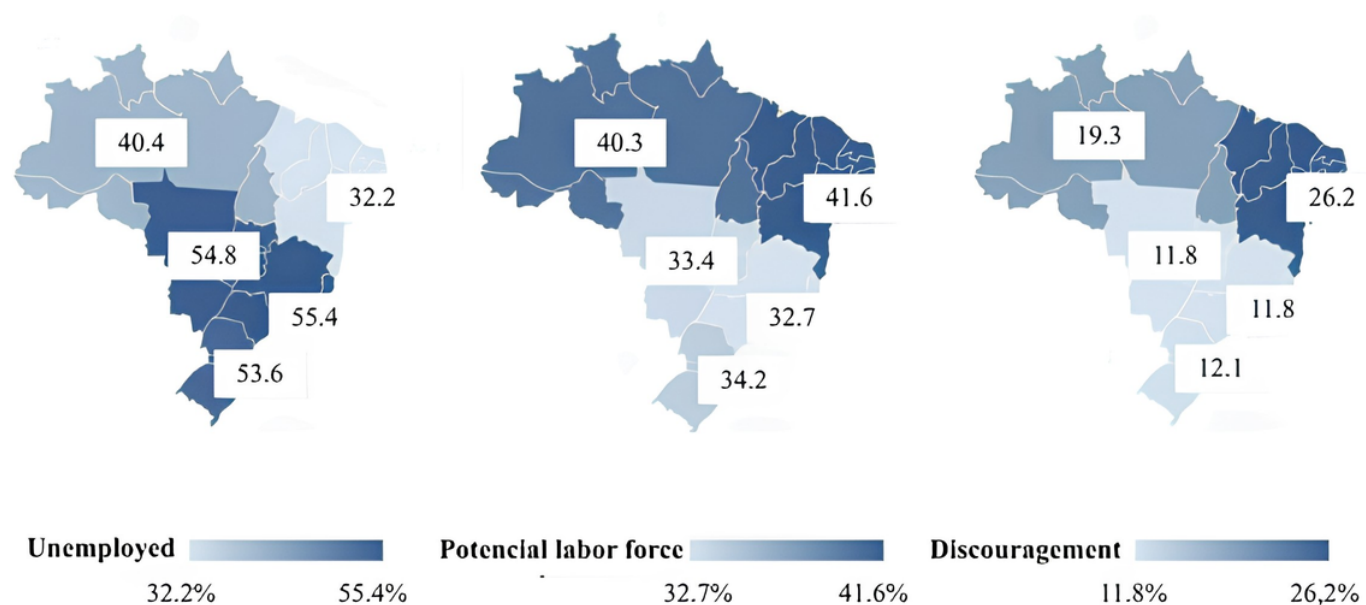


Source: IBGE (2026). Author's own elaboration

This analysis of the regional distribution of the population “without employment” points to a relevant issue for this discussion. The North region, although presenting a high unemployment rate, has a low absolute number of people in this broader condition of being “without employment” — also because it has a smaller total population compared to other regions. Considering that the unemployment rate is calculated exclusively based on the labor force (employed and unemployed individuals), this contrast suggests that, in this region, there is a significant contingent of the population outside the labor force; that is, a substantial share of the population is neither employed nor actively seeking work, although part of it is captured by the categories of potential labor force and discouraged workers. Regarding the other regions, the regional distribution of people “without employment” appears to correspond to regional unemployment rates.

Regional disparities become clearer when we disaggregate what this study defines as the population without employment, since its composition is almost reversed between economically more and less favored regions, as can be observed in Figure 2.

Figure 2: Composition of the Population “Without Employment” in the Regions of Brazil (as % of the Total Population “Without Employment”) – 3rd Quarter/2025



Source: IBGE (2026). Author's own elaboration

The disaggregation by categories within each region shows that in the Center-West, South, and Southeast regions, unemployment is the main component of the population without employment, exceeding 50% in all of them. In these regions, most of the population without employment is either actively seeking work or waiting to begin a new job. In the North region, unemployment also represents the largest share (40.4%), but it is closely matched by the potential labor force (40.3%) and presents a relatively high share of discouragement compared to the regions previously analyzed (19.3%). The worst situation is found in the Northeast region, where the largest proportion of workers without employment is concentrated in the potential labor force (41.6%) and in discouragement (26.2%). This means that more than 60% of the Northeastern population of working age without employment either would like to work but are prevented from doing so for some reason, or do not believe they can find work, with more than half of these individuals being available to work.

In the following pages, each of these components will be examined with the objective of investigating who is unable to find employment and who is not seeking employment in Brazil.

3.2. Who Is Unable to Find Employment in Brazil?

As previously stated, unemployed individuals are those who are either actively seeking employment or who will soon begin a new job. Although Brazil recorded an unemployment rate of 5.6%, there are still approximately 6 million people seeking employment (IBGE, 2026). Therefore, examining job-search behavior becomes essential. In this sense, our research focused on analyzing three relevant dimensions made possible through the microdata of the Continuous PNAD: the effective undertaking of job search efforts, the means and channels used in this search, and expectations regarding the time required for insertion into the labor market. Table 2 presents the profile of unemployed individuals who are already employed and those who are still searching:

Table 2: Effective Job Search Among the Unemployed Population, by Gender and Race – 3rd Quarter/2025

	Did not seek employment		Did seek employment	
	(in units)	(em %)	(in units)	(em %)
White men	8.637	17,3	934.078	15,6
Black men	21.072	42,2	1.764.969	29,4
White women	8.905	17,8	1.100.638	18,4
Black women	9.519	19,1	2.135.040	35,6
Others ¹²	1.815	3,6	60.155	1,0
Total	49.948	100	5.994.880	100

Source: IBGE (2026). Author's own elaboration

[12] Asian, Indigenous, and undeclared men and women.

Of the total number of unemployed individuals seeking employment, Black women are the group with the largest share, representing 35.6% of those actively searching for work, followed by Black men (29.4%), white women (18.4%), and white men (15.6%). When observing the group that did not seek employment, Black men lead with 42.2%, followed by Black women (19.1%) and white women (17.8%), while white men represent 17.3%. Although the contingent of unemployed individuals who did not need to seek work is small relative to the total, the greater relative presence of Black men in this category may indicate specificities in the way this group transitions between situations of unemployment and employment.

The search for employment may involve a diversity of strategies. The Continuous PNAD captures some of them, namely:

- Placed or responded to a job advertisement in a newspaper or magazine;
- Consulted or registered with a municipal or state employment agency or the National Employment System (Sistema Nacional de Emprego - SINE, in Portuguese);
- Consulted or registered with a private employment agency or trade union;
- Consulted a relative, friend, or colleague;
- Contacted an employer (in person, by telephone, by email, or through the company's website, including by sending a résumé);
- Took or registered for a public examination;
- Took no effective action;
- Took measures to start their own business (financial resources, installation site, equipment, legal registration, etc.);

- Placed or responded to a job advertisement in a newspaper or magazine;
- Consulted or registered with a municipal or state employment agency or the National Employment System;
- Consulted or registered with a private employment agency or trade union;
- Consulted a relative, friend, or colleague;
- Contacted an employer (in person, by telephone, by email, or through the company's website, including by sending a résumé);
- Took or registered for a public examination;
- Took no effective action;
- Took measures to start their own business (financial resources, installation site, equipment, legal registration, etc.);

The main measure adopted during the period analyzed was direct contact with employers. Of the nearly 6 million people who sought employment, 4.5 million (75.5%) adopted this strategy. The second most common measure was consulting a relative, friend, or colleague, although at a much lower level than the first (11.4%). Among all social strata — men and women, white and Black populations — these behaviors are repeated almost entirely. The only exception worth mentioning is that 11% of white men took measures to start their own business, while for the other groups this option does not exceed 1%.

3.3. Who Does Not Seek Employment in Brazil?

The main measure adopted during the period analyzed was direct contact with employers. Of the nearly 6 million people who sought employment, 4.5 million (75.5%) adopted this strategy. The second most common measure was consulting a relative, friend, or colleague, although at a much lower level than the first (11.4%). Among all social strata — men and women, white and Black populations — these behaviors are repeated almost entirely. The only exception worth mentioning is that 11% of white men took measures to start their own business, while for the other groups this option does not exceed 1%.

The potential labor force (PLF) encompasses all individuals who are outside the labor force — that is, neither employed nor unemployed — but who are available to work during the reference week, even though they did not seek employment in the previous 30 days. As already discussed throughout this study, this contingent is significantly larger among women, especially Black women, highlighting how unpaid care responsibilities and structural barriers restrict their participation in the labor market. When examining the reasons that led individuals to interrupt their job search, the Continuous PNAD lists several options that allow this phenomenon to be characterized. In the third quarter of 2025, among white men, the predominant reasons were related to studies (24.9%) and health problems (21.2%), while among Black men the same reasons stood out (29.6% and 28.4%, respectively). Among white women, however, domestic tasks and care for relatives were the main declared justification, representing 53.3% of the total, followed by health problems (26.7%) and studies (15.6%). For Black women, the pattern is repeated: domestic tasks and care responsibilities correspond to 50.3% of the reasons, health issues to

26.7%, and studies to 12.8% (IBGE, 2026). These results indicate that, among men, the reason for not seeking employment is associated with preparation to enter the labor market, whereas for women, non-participation in job search is directly related to confinement to unpaid work performed within the domestic sphere.

Discouragement, in turn, refers to individuals who stopped seeking employment because they do not believe they will find an opportunity. This indicator is particularly sensitive to structural inequalities: throughout this study, it was observed that marginalized groups and economically less favored regions present higher discouragement rates compared to more privileged groups. However, unlike the indicators previously analyzed for unemployed individuals, the Continuous PNAD does not provide questions that allow for a deeper investigation into the subjective and contextual reasons that lead individuals to abandon their job search, limiting a broader understanding of this phenomenon.

In sum, the data show that the difficulty associated with actively seeking employment in Brazil has a clear gender and racial dimension, and this difficulty — combined with the barriers faced by unemployed individuals already discussed — opens space to question the very idea of full employment, insofar as it demonstrates that open unemployment is only the most visible face of a broader process of exclusion from the labor force.

4. CONCLUSION

The concept of full employment has undergone modifications over time. However, whether considering that only voluntary or frictional unemployment exists, or considering that all human capacities should be utilized in a decent manner, our research finds no evidence that can help sustain the thesis that the Brazilian economy is experiencing a situation of full employment, taking labor market data into account. Considering the general indicators, Brazil recorded an underutilization rate of 13.9%, an informality rate of 49%, and nearly 8 million people who are not seeking employment (approximately 8% of the economically active population). Therefore, there is a contingent of individuals who are working fewer hours than they could, who work without social protection, and who are not seeking employment, including because they have become discouraged.

When we consider social heterogeneity, we observe that Black women experience greater social vulnerability: they have fewer employment opportunities, a higher unemployment rate (which would not be considered full employment by the ILO, even among those with higher education degrees), a higher informality rate, and constitute the largest share of both the potential labor force and discouraged workers. This scenario remains when considering the regional dimension.

For those who do not seek employment, the conclusions are repeated: women, especially Black women, do not seek employment because they need to dedicate their time to care work within the household and family. Meanwhile, men do not seek employment in order to dedicate themselves to studies, although the second most common reason among Black men is health care, with a higher percentage than among white men.

Therefore, we may conclude that racial, gender, and regional inequalities operate within the Brazilian labor market. These power structures determine the precarious position of Black women, while privileging white men. With inequalities so deeply marked, we do not believe it is possible to consider that full employment has been achieved. The labor force of these women (productive rather than reproductive) is not fully utilized and, when they do manage to enter the labor market, they remain at its margins and in more precarious forms of insertion, as pointed out by Lélia Gonzalez.

Combating sexism and racism is necessary in order to dismantle inequalities within Brazilian society. Beyond social mobilization, inclusive, anti-patriarchal, and anti-racist policies are necessary. In the context of this study, care policies can be particularly highlighted: the social and gender distribution of care work and the guarantee of rights for caregivers, whether paid or unpaid, as established by the National Care Policy launched by the Federal Government in 2024. One example of such action is the creation of “care libraries” and “Afro-libraries” for working mothers.^[13] The expansion of childcare vacancies and the creation of public nursing homes may also have positive effects. The lack of data regarding the reasons for discouragement makes it difficult to propose policies, but measures to combat racial and gender discrimination and state employment guarantee policies may also be mentioned.

[13] For further information, see the report for Axis 2 of the Plano Brasil que Cuida, available at https://www.gov.br/mds/pt-br/acoes-e-programas/brasil-que-cuida/acoes/arquivos/relatorio_eixo_2.pdf

As stated, the research finds no evidence in labor market data to support the hypothesis of full employment. Even so, it is a fact that the labor market is heated. As possible gaps to be explored in future research, there is the debate regarding the income dynamics of these populations, the inflationary impacts (or lack thereof) of a heated labor market in conjunction with other factors (such as interest rates and exchange rate policy, for example), and the calculation of other labor market indicators, such as the vulnerable employment rate, the rate of workers living in poverty, and worker productivity. In addition, other ways of measuring the level of decent work may be explored, following the recommendations of the ILO.

Finally, we hope that this study contributes to qualifying the debate on the Brazilian labor market by highlighting the centrality of intersectional analyses of race, gender, and region for the country's development. We also hope that it may contribute to the formulation of affirmative policies aimed at directly confronting these inequalities.

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