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## Tax reform is required to defray social security

**União Geral dos Trabalhadores (UGT)** follows up close the economic situation of Brazil and the several proposals that were made by the acting president Michel Temer. Many of them are against the thoughts of the trade union center and directly affect the working class and their achieved rights. We cannot accept that as a solution.

The change in the social security and tax systems, for example, as announced by the government, will be a disaster for workers, especially because it damages the poorest ones, women and those who started to work when they were younger. UGT is against the proposal of minimum age for retirement and also does not agree with changes that directly affect those who are already in the system.

According to the available numbers, the fact that the social security accumulates deficits is undeniable, compromising the future of those who will retire. Workers are not the ones to be blamed for that. The financing system is badly designed and distorted. Formal workers of the private sector are responsible for defraying most of the system. This system mixes social security and social assistance in the same general regime, valid to distribute benefits, but not to define who pays the bills for them.

Social security is an essential mechanism for our society, since it shelters those who did not have the opportunity to regularly contribute as unsalaried rural workers, fishermen and many others who have contributed with their work to the growth of Brazil. The question is how to clearly define where will the resources to pay the achieved rights come from?

The Brazilian tax system is regressive concerning individual incomes. It is voracious and damages workers salaries. Those who earn less pay relatively more taxes than those who earn more. Thus, we cannot support the creation of more taxes that suppress the purchasing power of the population, which directly affects the Brazilian economy, increasing the serious problem of the bad income distribution, among other factors that will be unfolded in a domino effect.

In order to avoid a punishment, of those who are already so damaged, UGT supports the creation of a progressive tax, that is, those who earn more, pay more, those who have more properties, pay more taxes.

The tax reform must have resources with a right destination, this way it would cover the deficit of the social security. Thus, changes in the minimum age would not be required nor would they damage those who are already in the system and encumber even more workers salaries and retirement checks.

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## Social Security under discussion

On June 13, Representatives of **União Geral dos Trabalhadores – UGT**, CSB, Força Sindical and NCST discussed, once again, the reform of the Social Security with the government. This meeting is part of a series of meetings of the agenda of the workgroup that was created last May to discuss proposals directed to the financial balance of the Brazilian social security system. This meeting took place in Brasília.

During this meeting, **União Geral dos Trabalhadores (UGT)** was represented by Miguel Salaberry Filho, UGT's national secretary of institutional relationships and by Natal Leo, president of UGT's Trade Union of Retired Workers, Pensioners and Elderly People – SINDIAPI.



Trade union centers suggested the government to “correct mistakes from the past”, such as selling underused real estate and promoting refinancing programs of debts to decrease liabilities. UGT also proposed to increase the supervision of social security, as well as reviewing exonerations with philanthropy.

While discussing with ministers Eliseu Padilha (Civil House), Ronaldo Nogueira (Labor and Social Security) and Diogo Oliveira (Planning, Budget and Management) and with Marcelo Caetano, secretary of Social Security, the government assumed the commitment of selling 3,485 non operational properties, estimated in R\$ 1.5 billion, and elaborate a “more attractive” Refis (refinancing plan) with the goal of facilitating the payment of debtors. It is expected to be able to restore R\$ 100 billion out of the nearly R\$ 400 billion calculated debts.

As for exonerations and supervisions, the Executive Power proposed to reduce from R\$ 27, which were exempted in 2015, down to R\$ 15 billion in 2016 and affirmed that the strategy of each inspector supervising the stock movement of R\$ 52 billion per year is in practice, which represents R\$ 46 billion higher than in 2009. The regulation of the Olympic Games was another proposal accepted by the government.

On June 13, Eliseu Padilha, Civil House Minister, said that the government would deliver a proposal of social security reform to the congress by the end of July. Padilha attended a second round of meetings of the government with representatives of trade union centers, at the Palácio do Planalto, to deal with this subject.

At the technical group meeting, trade union centers also requested the return of the Minister of Social Security, which was rejected by the government. Next week, on June 23, the trade union movement and representatives of the Executive Power discussed once again the social security reform for the official presentation proposed to the public administration.

## No to High Interest Rates

On June 07, through a unitary action to face the policy of high interest rates that have been occurring for years, which was adopted by the Central Bank as an excuse of “containing” inflation, UGT and other trade union centers held a major protest in front of the head office of the Central Bank, at Paulista Avenue, in São Paulo, since this date is marked by the beginning of the meeting of the Copom (Monetary Policy Committee), which decides the Selic Tax – basic interest tax of the Brazilian economy..



**During the protest, trade union centers repudiated every and any attempt of the government to control inflation by increasing the interest rates of Brazil, since this way the population ends up being the most damaged one and those who gain more are bankers and financial institutions.**

According to Josimar Andrade, director of Trade Union Affairs of the Commerce Workers Union of São Paulo, an institution affiliated with UGT, the basic interest rate of Brazil is one of the highest in the world and the predominant factor for lack of economic growth of the country, creating unemployment and harming the working class, which is obliged to deal with the burden of such an indigestible bill.

– 1º DE MAIO –  
PELO  
PROTAGONISMO  
DOS TRABALHADORES  
NA CONSTRUÇÃO DE  
UM PROJETO PARA  
O BRASIL

UGT defends  
growth and  
workers' rights

June 12

## World Day Against Child Labor



### Child Labor can be increased through flexible laws

Proposals of flexible labor laws that are submitted to the Congress not only bring precarious work, but also give room to increase the exploitation of children and teenagers in supply chains, Mário Sérgio Pinheiro, Associate Labor Judge and regional manager of the Program to Eradicate Labor Work of Rio Janeiro, stated.

By participating in the launching seminar of the campaign “End child labor in supply chains – it’s everyone’s business”, Pinheiro said that he is following this process up close and he is “deeply concerned” about changes in the labor Law, such as the rule that reduces the age to work as a young apprentice. “It may come up as dismantling of protective labor legislation”, the associate judge said.

In his opinion, despite some advances, numbers of child labor are still a scary number”, he said while emphasizing the fact that this number is underreported. Data from the National Household Sample Survey (Pnad) of 2014 show that 3.3 million children and teenagers, aged 5 to 17, work in Brazil. In Rio, nearly 92 thousand children are under this irregular situation. “Nearly 1 million children aged 5 to 13 are currently working”.

“Many times, child labor is not visible to the companies that outsource, use fourth parts, and do not know that children in these companies are performing work that should be done by their workers”, stated Dulce Martini Torzecki, labor attorney, who also attended the seminar. “Since supervision is tougher in these cases, we must work with society in order to get it to become the own supervisor in these irregular situations”, she said, while recalling that accusations can be done via disk 100 (*Flávia Villela - Reporter of Agência Brasil*)

### End child labor in supply chains is everyone’s business

“Through a combined action, it is within our reach to transform the future of work into a future with no child labor”, said Guy Ryder, ILO director-general, through a message on the World Day against Child Labor.

The risk of child labor taking place in supply chains not only increases due to lack of institutional protection in the rural sector and in informal economy; it is common in domestic production and in family farming since children are very vulnerable due to the fact that their parents income is inadequate either because companies or family farms cannot afford the cost of hiring adults or young workers to replace child labor. The use of piecework results in an increase of the risk that children must work to help their parents to fulfill the shares of a production or to ensure the subsistence of families whenever their parents do not earn an essential minimum age.

Though global supply chains might offer opportunities to an inclusive development for supply companies, workers and the countries in which they operate need specific measures to reach fair results.

Besides child labor in the most well-known supply chains of the world, many children, who work as well, are in supply chains focused on the local and national market and, therefore, should not be ignored.”



Convention on the minimum age for admission



Read the message of Guy Ryder in full



## Engineering and Sustainable Development

UGT's president attends Forum on Engineering and Sustainable Development

The Forum of Engineering and Sustainable Development, organized by the Engineering Union of Acre, an institution affiliated with UGT, with support of the National Federation of Engineers and of UGT's State branch of Acre, which takes place today (June 14) and tomorrow and will be attended by Ricardo Patah, **União Geral dos Trabalhadores** UGT's national president



The following will be among the participants: Maria Altinizia (President of UGT's State branch of AC), Antonio Florentino (President of the Engineering Union of Piauí), Antonio Ciro (President of the Engineering Union of Tocantins) and Tião Fonseca (president of the Engineering Union of Acre) and dozens of engineers and technicians of the North region of Brazil.

Innovation, development and management in varied areas related to architecture, urbanism and engineering were among the issues that were discussed during the event. According to participants, this is an extremely important event for this class in all aspects.

### In defense of public servants

Union centers from the State of Minas launched a Front in Defense of Public Servants



This front will be initially integrated by **União Geral dos Trabalhadores** UGT's State branch of Minas, Força Sindical and Nova Central Sindical. This decision was announced on June 6, during a meeting at the head office of that branch.

The goal is defending public servants, especially those affected by the Law Project 257/2016, which was submitted to the Congress.

This meeting was attended by Paulo Roberto da Silva, president of UGT's State branch of Minas Gerais, by other UGT's officers that work in the functional area; of Vandeir Messias, president of Força in Minas, and of Eduardo Maia, director of the Institutional Relationships department of Nova Central. The purpose is to invite other trade union centers to join the front, such as CGTB.

The Complementary Law, written by representatives of the government, extends the deadline States are supposed to pay to the government and as a counterpart it cuts debts of public servants and other social expenses.

UGT-MG, Força and Nova Central were unanimous concerning the fact that this project, by having the pretext of solving problems of public debts of States and cities, dismantle public servants, in general, with serious damages for all the population, especially for needy people. Ultimately, those who will be most affected are users of services, such as health and education, for example.

### Public System Yearbook on Employment, Labor and Income

DIEESE (Inter-Union Department of Statistics and Socio-Economic Studies) has produced, for years, through an agreement with the Ministry of Labor and Social Security, and financing of the Workers Protection Fund, the Yearbook of the Public System on Employment, Labor and Income, a publication that gathers several indexes from varied sources to show results of government actions that have the goal of keeping, placing, replacing and stimulating workers in the productive activity, with the goal of achieving social inclusion.

Data that were presented gather major issues related to such policies: job market; labor intermediation; unemployment insurance; social and professional qualification; supportive economy, micro-credit and Proger (Income Generation Program); youth. In the most recent issue, of 2015, indexes of the decent work agenda were also compiled.



Anuário do Sistema Público de Emprego, Trabalho e Renda

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The UGT union is an organization formed to defend the Brazilian workers across a broad trade union movement, national, ethical, supportive, independent, democratic and innovative.

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