

## Immigration Movement for Brazil in the 21st Century: The Crisis of 2008 Makes Thousands of High-Skilled Workers Move to Brazil for Better Job Opportunities

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**Abstract.** The economic crises that developed capitalist countries faced in the beginning of this century cause thousands of Americans and Europeans to leave their countries in search of better working conditions. These new immigrants are heading to emerging countries like Brazil that by presenting a more solid economy and little affected by the crisis is attracting more and more professionals from developed countries that are likely to fill the gap of lack of qualified professionals in the country. The objective of this article is to study the high-skilled immigration to Brazil in the 21st century. Through survey data obtained from the Ministry of Labour of Brazil [2012] the largest contingent of immigrants comes from the United States, Asia and Europe. However, Europeans make up the largest group of skilled immigrants in Brazil today. We intend to analyze these immigrants by, professional activity, the areas they work in Brazil and gender. We use reports on the life history of these immigrants with personal accounts about the advantages and disadvantages of working in a country so distant and multiethnic as Brazil.

### 1. Introduction

The broader conceptual framework on the causes of international migration known as the theory of *push and pull* consists in meeting economic, social and political factors that would force people to leave their countries. [PIORE, 2008]

The expulsion factors define the areas from which migration flows originate, but the attraction factors determine the direction of these flows and the areas that are sought. Among the factors of attraction, the most important is the demand for workforce, not just from industry but also that generated by and resulting from the expansion of services, in both capitalist undertakings and such as that are provided by government agencies.

The importance of immigration in the current international scenario is great not only for significant volume immigration, but also for the strong social-economic and cultural impact that it causes in involved societies. And, despite being held in millennia by various groups of individuals, it represents in recent decades the influence of acceleration of the globalization process, which has been building a new panorama in international relations, resulting primarily from the expansion of international trade.

The growing complexity of global flows led to the formation of a multipolar system-unique world consisting of cultural, political and economic realities connected by multiple relationships in a State of permanent recovery. Operational centers of each pole are the designated "global cities", translating what Massey [1984] referred to as spatial disjunction of productive activities in the areas of design is far apart geographically running zones. However, with regard to the mode of State intervention, the policies of regulation of flows of capital and goods are very difficult to implement

in a free-market model where the movement of goods and services is the sine qua non for the survival of the Western capitalist system.

Accordingly to these large international power centers attract labour (migration) in two categories: disqualified workers, often inserted into areas of the informal economy, and top professionals. The sovereignty and the regulatory power of the nation-State have been weakened by the *transnationalism* in the form of movement of persons, goods and capital [SASSEN, 1996]

However, not all immigrants have destined to the secondary segment of the labour market. International migration of highly skilled workers is on the rise and has emerged as an issue of greatest relevance, not only for government institutions, but also to business organizations and academia. In fact, with globalization and the presence of transnational companies in several countries, mainly in peripheral countries, it led to a sharp increase in demand for qualified professionals in relation to work, especially in the sector of information technology, biotechnology, researchers, scientists. [OECD, 2002]

Currently, the economic crises that developed capitalist countries are going through at this time are causing thousands of Americans and Europeans to leave their countries in search of better working conditions. These new migrants are heading to emerging countries like Brazil that with a more solid economy and little affected by the crisis is attracting more and more professionals from developed countries that are likely to fill the gap of lack of skilled labour in the country.

The concept of *push-pull* so well studied by Piore [2008] confirmed that economic factors rule the international migration flow in the beginning of the XXI century but in this case, the route of migrants is inverted: The crisis of 2008 that affected developed countries is the factor *push* while the working opportunities in Brazil are the factor *pull*.

## **2. Crisis of 2008 and Brazilian attractiveness**

The financial crisis of 2008, also known as the Global Financial Crisis and 2008 financial crisis, is considered by many economists the worst financial crisis since the Great Depression of the 1930s. The financial crisis was triggered by a complex interplay of policies that encouraged home ownership, providing easier access to loans for subprime borrowers, overvaluation of bundled subprime mortgages based on the theory that housing prices would continue to escalate, questionable trading practices on behalf of both buyers and sellers, compensation structures that prioritize short-term deal flow over long-term value creation, and a lack of adequate capital holdings from banks and insurance companies to back the financial commitments they were making. It resulted in the threat of total collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world. In many areas, the housing market also suffered, resulting in evictions, foreclosures and prolonged unemployment. The crisis played a significant role in the failure of key businesses, declines in consumer wealth estimated in trillions of U.S. dollars, and a downturn in economic activity leading to the 2008–2012 global recession and contributing to the European sovereign-debt crisis.

Therefore, the 2008 economic crisis that began in the United States with the bursting of the housing bubble and spread around the world, hit abruptly Europe due in large part to the interconnection of the American and European banks. We can say that while the United States have small signs of recovery, yet still face an unemployment rate of about 9%, Europe still is undergoing a deep economic crisis. The whole continent of Europe is in crisis. The European Union unemployment rate is 13%, while Spain presents a rate of 27%, and among young people of 55%. In Germany, the most powerful country in the European block, there was a reduction of wages and the Netherlands, another country which until then had been showing a an economy affected by the crisis, has had to cut social spending in 30%. [CASTELLS, 2013]

While most developed countries still suffers from the effect of the financial crisis with low economic growth and high unemployment rate, Brazil lives the opposite situation. The Brazilian

GDP grew from 1,5% in 2002 to 7,5% in 2010 and the GDP of 2012 was +0,9%, maybe modest if compared to other emerging countries like China (+7,5%) and India (+5%) but much better than European countries such as France (+0,1%), Great Britain (-0,1%), Spain (-1,4%), Italy (-2,2%), Portugal (-3,2%). [ABDALA, 2013].

## 2.1. Brazilian Attractiveness

What has been attracting the professionals to Brazil, are the working opportunities:

- There is a lack of qualified workers in Brazil that causes an explosion of open vacancies to be filled in the companies. The areas where there are demands for skilled workers are engineering, chemistry, oil, gas, IT.

- Heavy public and private investments in modernization of the harbours, construction of roads, rail stations demand for engineers, managers with the ability for leadership and technicians.

- The current unemployment rate in Brazil is 5,7%. [CUNHA, 2012]

- High salaries: Executives in top positions can earn up 2 to 3 times more than executives from the United States and Europe. A Director can earn up to \$ 250.000, 00 per year and a CEO, \$ 600.000,00 per year. [CUNHA, 2012]

- According to a survey from Private Banking Latin America, Brazil gained 19 millionaires per day from 2007 to 2012. [CUNHA, 2012]

- Future Events like the World Cup and the Olympic Games demands specialized workers. According to The New York Times (2013), Brazil's government privatized two major airports, raising a total of \$9,1 billion, on November 21th, as the country makes infrastructure upgrades ahead of next year's world cup. A consortium led by the Brazilian construction company Odebrechet and the Singapore Operator of airport Changi paid \$ 8,3 billion, for the rights to operate Rio de Janeiro Galeao's airport for 25 years. Another consortium led by the Brazilian highways operator CCR and the Swiss Flughafen Zurich paid \$795 million for a 30 year contract to operate a smaller airport Confins, in the Midwestern state of Minas Gerais. The two airports are together responsible for 14% of air passenger traffic in Brazil.

As part of their contracts, the consortiums will have to invest billions to improve the airports. That amount of investments is expected to create a considerable volume of jobs for high-skilled workers.

- New discoveries and explorations in oil demands engineers. A study by BBC Brazil with the General Coordination of Immigration, part of Brazil's Labour Ministry, shows that 49,801 professionals from countries such as United Kingdom, United States, Norway, the Netherlands and France came to work in the oil and gas sectors between 2010 and 2012. This recent study places Brazil's petroleum sector as leading the number of visas granted for foreigners that came to seek work in the country. This represents 25 percent of all permissions for permanent and temporary work in that period, compared with 15 economic activities. In 2011, when Petrobras boosted by an increasing number of discoveries, started several infrastructure projects for the pre-salt exploration boosted by an increasing number of discoveries, there was also a boom in foreigners' contracts. Petrobras' press department confirmed that between 2011 and 2015 it forecasts investments of \$53.4 billion in the pre-salt area, with \$12.4 billion allocated to the areas granted by the government (Law 12.276/2010). According to the Hays O&G salary guide published in April, the average annual salary for foreign professionals increased by about 20 percent between 2012 and 2013 from \$106,000 to \$131,400. This represents a twofold increase compared to the world average, 8,5 percent of \$87,300. Not only managers are in high demand, but also, skilled workers to build, maintain, repair and perform technical installations on the drill rigs, platforms, ships and other offshore and onshore structures are essential. According to the Institute for Studies for Industrial Development (Iedi), in the first half of this year, the rate of importation of high-tech machinery and

equipment for the Brazilian industry grew by 16.3 percent more than in the same period last year, and reached \$46.8 billion. [WERTHEIM, 2013]

### 3. The new immigration phenomenon in Brazil in the 21th century

When using as secondary tools data collected by the Ministry of Labour of Brazil and journals we can sketch a panorama on Brazilian immigration in the 21st century.

It is a skilled immigration and mainly formed by engineers of the chemical industry, oil and gas and also specialized in technological innovation. Most of it is made up of men (89.5%) and higher level (54.4%) [FREIRE, ZAIA, 2012].

According to Freire & Zaia (2012), the Brazil has been attracting more and more foreigners to work in the country. From 2008 to 2012, there was an increase of 65% of visas issued to foreign professionals.

Table 1- Number of authorizations granted by the Ministry of Labour (2008-2012):

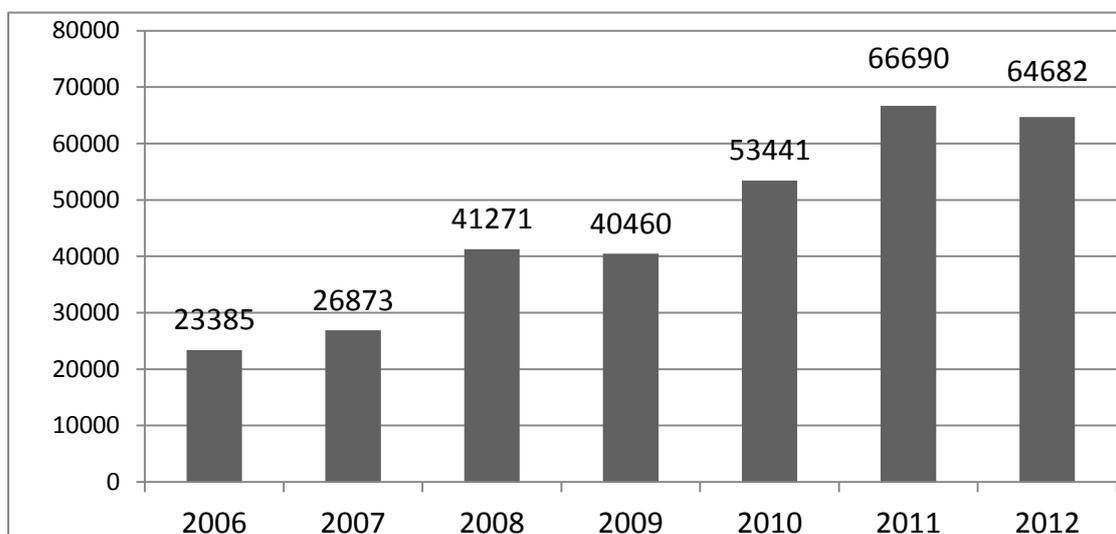
2008	43.993
2009	42.914
2010	56.006
2011	70.524
2012	73.022

The main destination city is Sao Paulo for being the country's industrial park. It is in Sao Paulo that focuses 51.1% of foreigners in the country. The great majority takes a temporary work visa (90%) while permanent work visas amount to 10% of the total of work authorizations.

#### 3.1. Temporary Work Authorization

Again we use the data provided by the Ministry of Labour and Employment to review the temporary work permits granted to foreigners in Brazil in this century, specifying the type of work that they perform in the country, where they live and the educational level that they own. The data show a huge increase in the number of professionals allowed to work in Brazil since 2006 and increasing after 2008 when the financial crisis began in the United States reaching Europe a little later.

Graph 1 – Temporary work authorizations for workers from overseas



Source: National Immigration Council (2012)

Table 2 – The main origin countries of foreign workers with a temporary work visa

Countries	2010	2011	2012	1° semester / 2013
USA	7519	9936	8955	3947
Philippines	6559	7797	5176	2056
Great Britain	3821	4861	4304	2278
India	3248	4243	4221	1377
Germany	2845	3079	3505	1598
Italy	2007	2111	2610	969
France	1600	2015	2128	972
Spain	1234	1578	1682	1274
Portugal	651	1243	1698	1249
Others	22263	27592	28038	11101
Total	53224	66391	64282	27975

Source: Ministry of Labour (2012)

Table 3 – Places where the immigrants work for in Brazil (2009 – 2012)

ANALYSE	2009	2010	2011	2012
Technicians or specialists in machinery and equipments (1 year)	1337 1	15206	17738	15554
Sportmen and Artists	6617	8470	12001	11408
Technicians without work contract for a period of 90 days	5806	8028	10715	12851
Professional that bring technological cooperation	3238	4232	5540	7139
<i>Professionals with work contract for 2 years</i>	<i>2460</i>	<i>3521</i>	<i>4615</i>	<i>5832</i>
Workers in oil plataform	8354	12838	14512	10336
Others	614	1146	1569	1562

Source: National Immigration Council (2012)

As the table shows, there has been an increase of over 100% in the entry of foreign professionals who come to Brazil with an employment contract. This growth in the entry of these immigrants represents a major breakthrough in the history of Brazilian qualified immigration. Brazil is not only receiving qualified immigrants, representing over 55% of the total, but is also recruiting very skilled immigrants. Those professionals who are placed in all international organizations that act as business managers in the planning of projects that represent a large increase in the productivity of the country generating innovation and knowledge.

Table 4 – The main countries of origin of professionals with work contract for 2 years

Countries	2010	2011	2012	1° semester/2013
<i>Portugal</i>	167	468	848	749
<i>Spain</i>	218	314	471	462
USA	386	480	503	394
France	313	363	432	315
<i>China</i>	373	490	608	278
Italy	155	192	310	261
Germany	182	219	215	182
Japan	173	223	330	233
Mexico	195	221	266	165
South Korea	67	87	296	325
Others	1292	1558	1553	1187
Total	3521	4615	5832	4551

Source: National Immigration Council (2012)

What draws our attention in the chart on the previous page is the increase of Spanish and Portuguese immigrants in Brazil. Since 2009, the increase in the flow of immigrants from Portugal was over 200% followed by the Spaniards with the second largest upslope away which does not represent the second largest volume of immigrants who are the Chinese. For us, scholars of migratory movements, this fact is due to the worsening international financial crisis that caused a severe recession in the South Europe economies and also to a better adaptation their citizens have above other nationalities to working in Brazil, where the language, economic and cultural links from the colonization period, are important factors in the matter.

These professionals have a high educational level as is shown in the table below; 86% have at least the upper level and the entry of foreigners with master's or doctorate degree increased ten times from 2009 to 2012.

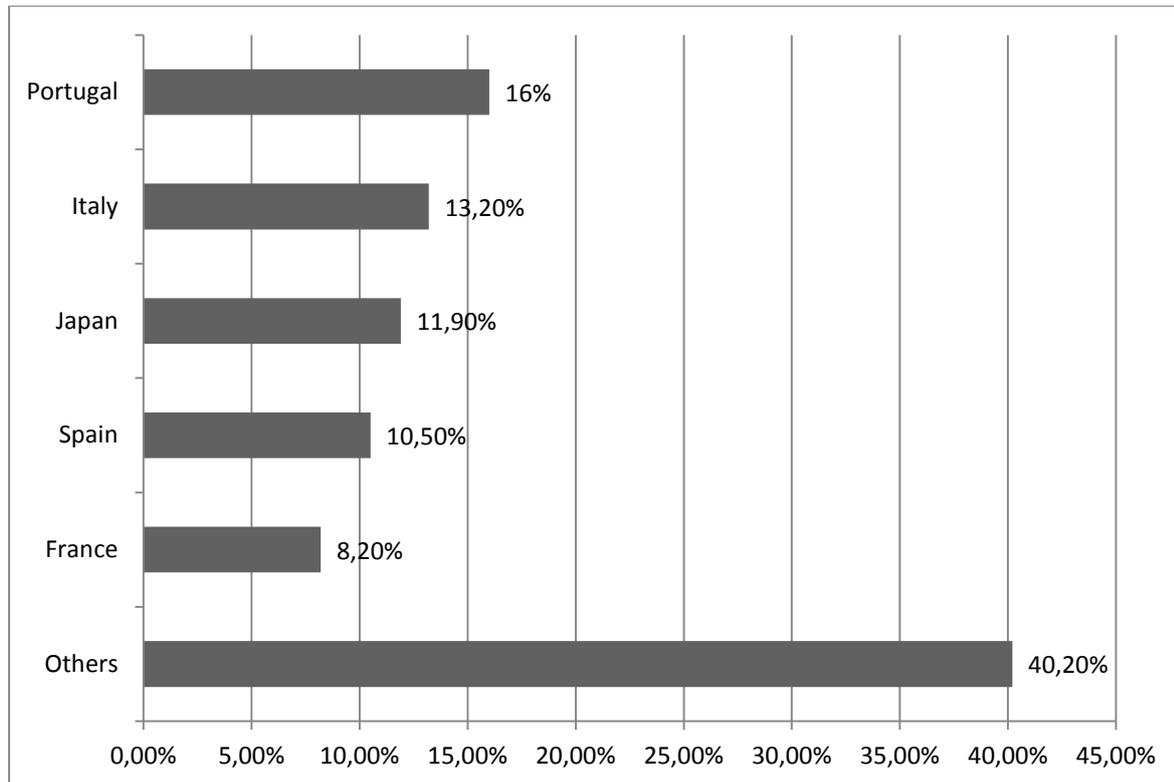
Table 5 – Education level of professional with a work contract for 2 years

Education	2009	2010	2011	2012
<i>Higher level</i>	196 1	281 5	319 6	3984
<i>Masters or Doctorate degree</i>	113	267	856	1050
High School	378	426	443	769
Not informed	0	2	2	1
Others	8	11	118	28
Total	246 0	352 1	461 5	5832

Source: National Immigration Council (2012)

As for the professionals with a permanent work visa in Brazil, we also have a strong predominance of Europeans. Excluding the category of humanitarian character and analyzing the others, being mostly composed of individual investors and executives of large international corporations that join to expatriates, we have the following result:

Graph 2 – Main countries of origin of foreigners with permanent work visa (2009 – 2012)



Graph elaborated by the author according to data collected from the Ministry of Labour (2012)

The quantitative research shows that the United States are responsible for the greatest volume of immigrants in Brazil in its entirety, while Portugal was the largest destination country of workers with permanent visa permits and temporary visa with an employment contract. As these categories are characterized by having professionals with high educational level, where you will find the largest amount of masters and doctors; we can conclude that there are strong indications that the Portuguese are also foreigners who have the highest level of schooling.

#### 4. Speeches of foreign professionals about working and living in Brazil

The primary data collected from interviews with 10 foreign professionals who migrated to Brazil in the beginning of the XXI century, confirmed the hypothesis of the research that the crisis of 2008 was the main reason to come to Brazil, more precisely in Sao Paulo which is the financial capital of the country. And at the same time the stability of the Brazilian economy that presents a low unemployment rate, low inflation rate and continuous economic growth with a big consumer market to be explored and the need of investments in framework make the country very attractive to the eyes of the foreigners with high qualification.

As the great majority of the professionals is located in Sao Paulo, we asked them what they the advantages and disadvantages of working and living in the biggest city of South America.

Table 6 – Opinions of the foreign professionals about Sao Paulo

ADVANTAGES	DISADVANTAGES
DIMENSION OF BRAZILIAN MARKET	IDIOM
HIGH SALARIES	BUREAUCRACY
EXCELENT PLAN OF CAREER	HIGH LIVING COSTS
GOOD WEATHER IN BRAZIL	POOR PUBLIC SERVICES
TRIPS AROUND BRAZIL	CORRUPTION
ENTERTAINMENT	VIOLENCE
FRIENDLY PEOPLE	

As the table above shows you the Brazilian working market in Sao Paulo is the main factor that attracts the high skilled immigrants to the city. In addition to this, the natural beauty of Brazil and the loving way how they were welcomed in the country were very well mentioned during the interviews.

*“Since I graduated, always worked in project management for construction. I was just waiting for an opportunity like this. I spent my honeymoon here and I always sympathized with the country. I like the weather, the people, cuisine, music and now with the economic stability that the country enjoys and with great prospects for growth, had no doubt to come work and live here with my family.”* [Filipe B. Portuguese, Engineer, Director at Afaplan in Sao Paulo]

*“When I put my resume on the internet, many companies have taken an interest and I soon found a job ....The work was in São Paulo and I moved here. I am very happy here. I feel valued for having a good qualifying. The country is growing and with it the demand for new equipment that enables state-of-the-art innovation.”* [Guy R. American, Engineer, Manager]

*“I had no problems to adapt in Sao Paulo. There are many Italian restaurants here and paulistas understand my Italian very well. I am not only satisfied with my job and salary but I also enjoy the weekends knowing beautiful parts of the country.”* [Rosario Canata, Italian, economist, Manager of an oil company]

On the other hand, the main difficulty in adapting in Brazil was the Portuguese language. Apart Portuguese professionals, all of them had problems to make a good communication without speaking Portuguese. Not only that but Brazil still suffers with poor public services like transport, health care, education compared to their countries of origin that drew their attentions. Also the bureaucracy to obtain a work visa in Brazil was mentioned:

*“It took me 2 years to get a permanent visa, one little problem of spelling my name, the process took almost 3 years to complete and so get my visa. I had to validate all my diplomas. It was very painful, the bureaucracy is enormous, many rules.”* [Bart, Polish, Graph Designer]

*“Here in the country the salary is 3 to 4 times higher than in Portugal. For this reason there are so many Portuguese professionals who want to come to Brazil. But on the other hand the cost of living is too high. Public services offered in Brazil as education and health are far worse than in*

Portugal. One can imagine the difficulty of keeping 4 kids in private school in Sao Paulo. Earn more but spends more.” [Gonçalo Avillez, Portuguese, Marketing Director]

"In the first three months, I thought, ' I will never learn that. Hence learned four words: football, weather, transit and wife. I talked a lot with the taxi drivers and they just talk about these four themes ", says the Executive. Months later, in an internal meeting, I thought I had the command of the language, I replied to a sneeze of an employee: "Saudade!"( I miss you in Portuguese). The scene, of course, earned a few minutes of laughs. "After that, I lost the embarrassment of talking about things wrongly." [Robert S. Dutch, Marketing Director at Unilever]

## 5. Conclusion

The results analysed show that the crisis of 2008 was the main reason that made professionals from developed countries migrate to Brazil. However, the stability of the Brazilian economy and projects of investments in sectors like framework, oil and gas made Brazil become attractive to professionals with high qualifications like engineers, economists and supervisors for transnational companies that are demanding for skilled workers in every country where they are located by the effect of globalization. Undoubtedly, the Portuguese are the main group of high skilled workers also having a permanent work visa. This phenomenon proves that they are much better adapted to living in Brazil than the other groups due to Portuguese language and by having historical cultural ties with the country, especially with Sao Paulo that is cultural and industrial capital of Brazil. It's not strange that all interviewed Portuguese had a significant social network in Sao Paulo before migrating to the city. The research also showed that Brazil needs to make a new Migration Policy to ease the arrival of professionals with high skills from overseas in order to improve the level of productivity and innovation in the Brazilian economy.

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