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# Small businesses create many jobs in Brazil

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BRASILIA: Small businesses were responsible for some 40 percent of the 15 million new jobs created in Brazil between 2001 and 2011, with 95 percent of the firms in full compliance with all labour laws, a government report said.

The report, "Voices of the New Middle Class", was prepared by the Institute of Applied Economic Research, or IPEA, an agency of the Office of the President.

Small businesses account for 39 percent of the wages paid in Brazil, an example of their "extraordinary strength", the report said.

Small businesses have helped reduce poverty in Brazil, a country where nearly 40 million people have been pulled out of poverty in the past 12 years, Marcelo Neri, head of the Strategic Affairs Secretariat and IPEA, said.

The phenomenon continued in 2012, when "35 percent of people climbed the social ladder, while just 14 percent fell", despite the country's sluggish 0.90 percent economic growth rate, Neri said.

Brazil had about 6 million micro and small enterprises at the end of last year, official figures show.

The government defines a micro enterprise in the industrial sector as a firm that has up to 19 employees, while small enterprises are those that employ between 20 and 99 workers.

In the retail and service sectors, micro enterprises are those with up to nine employees, while small

enterprises are defined as those employing between nine and 49 people.

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