
THE BRAZILIAN JUDICIARY AS AN AGENT OF DEREGULATION AND PRECARIZATION OF LABOR LAW

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Abstract

”Pejotization”-a historically rooted and economically structured phenomenon-has become a consolidated mechanism for undermining labor rights in Brazil, especially in the context of digital and on-demand work. The breakdown of Fordist and Taylorist paradigms has spurred the rise of labor models based on digital platforms and civil/commercial contracts, characterized by formal contractual autonomy. Within this framework, there is a growing migration of workers from the CLT (Consolidation of Labor Laws) regime to contractual arrangements that obscure the employment relationship, such as franchise agreements, commercial representation contracts, and service provision through legal entities. This paper aims to critically examine the recent actions of the Brazilian Federal Supreme Court (Supremo Tribunal Federal – STF) in legitimizing these contractual forms, with particular attention to the recognition of general repercussion in Theme 1389, which addresses the validity of *pejotization* as a lawful form of hiring and its consequences for the dismantling of Labor Law and the Labor Judiciary. The methodology is hypothetical-deductive, based on critical literature review, jurisprudential analysis, and normative interpretation grounded in constitutional principles governing Labor Law and Labor Procedure. The study is framed within the thematic axis ”Platformisation and Precariousness,” engaging with critical labor law theory, neoliberalism studies, algorithmic subordination, and new forms of labor exploitation. The results indicate a judicial trend of progressively legitimizing contractual arrangements that disguise employment relationships, thereby weakening the legal protections of labor and shifting regulatory authority toward the private sphere. The core of the discussion lies in the STF’s jurisprudential stance and the broader Brazilian labor case law that seeks to validate *pejotization* as a legitimate hiring method, including in franchise agreements, commercial representation, IT professionals, delivery workers, artists, and other categories embedded in new labor dynamics. The paper addresses three key aspects: (I) the jurisdiction of the Labor Courts to adjudicate contractual frauds; (II) the (il)legality of hiring through legal entities or autonomous arrangements; and (III) the burden of proof in such disputes. The analysis demonstrates that the struggle for recognition, protection, and dignity at work cannot be separated from strategies to confront the judicialization embodied in Theme 1389-which suspended all pending cases on *pejotization* nationwide-revealing an imminent risk of dismantling the legal concept of employment and, consequently, the protective framework of Brazilian Labor Law.

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Keywords: Pejotization. Labor Law Deregulation. Platform Work Precarization. Brazilian Supreme Court