# **Kluwer Mediation Blog**

# Brazil's New Chapter in Labor Conflict Resolution: The CNJ Resolution 586

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In September 2024, the National Council of Justice (CNJ) in Brazil approved Resolution No. 586, marking a significant step forward in labor conflict resolution. This development builds on the country's ongoing efforts to modernize its labor laws, as I discussed back in 2018 when I highlighted the need for a more efficient, consensual approach to labor disputes in my article Light at the End of the Tunnel for Labour Disputes in Brazil

The essence of Resolution 586 is to institutionalize consensual methods for resolving labor disputes, emphasizing mediation and voluntary agreements. The aim is to reduce the overwhelming litigation burden on labor courts, aligning with global trends in alternative dispute resolution (ADR). This new framework leverages structures like the Judicial Centers for Mediation and Conciliation (Cejuscs-JT), empowering them to mediate and facilitate agreements even before formal litigation begins.

#### Addressing an Overloaded System

The Brazilian labor justice system has long been criticized for inefficiencies and high case volumes. Labor disputes often take years to resolve, placing immense pressure on both workers and employers and resulting in significant economic and emotional costs. In this context, CNJ's Resolution 586 seeks to transform conflict management, offering practical alternatives to lengthy judicial proceedings. The resolution's emphasis on pre-judicial mediation is not only a means to expedite resolutions but also an attempt to foster a culture of dialogue and cooperation between parties.

The resolution outlines specific requirements for agreements to be recognized and enforced, ensuring fairness and transparency. For example, both parties must be represented by independent legal counsels, and any potential imbalances of power must be carefully managed to prevent exploitation. Importantly, Resolution 586 provides comprehensive guidelines to ensure that mediated agreements are robust, enforceable, and provide broad legal certainty for all involved. However, it explicitly protects against waivers of rights that might result from unacknowledged workplace injuries or latent occupational diseases.

### Why Does This Matter?

For years, experts have called for reforms to make Brazil's labor dispute system more agile and

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accessible. The new resolution seeks to alleviate the overwhelming caseload of the labor courts, where disputes can be complex and prolonged. By promoting alternative dispute resolution methods, Resolution 586 provides a structured yet flexible framework that can lead to faster and often more amicable outcomes. As we all know in the mediation community, consensual resolution tends to leave both parties more satisfied than adversarial processes, fostering ongoing, positive labor relations.

Moreover, the resolution recognizes the potential of pre-processual mediation to resolve collective and individual labor issues. This is particularly significant in a country where labor disputes often arise from broader socioeconomic tensions. By engaging multiple stakeholders, including unions and the Ministry of Labor, the CNJ aims to create a more holistic and sustainable approach to dispute resolution.

## **International Relevance and Broader Implications**

For mediators and ADR professionals worldwide, Brazil's adoption of Resolution 586 is a compelling case study in how traditional legal systems can integrate modern, consensual dispute resolution mechanisms. It reflects a broader global movement toward mediation and negotiation as preferred tools for labor conflict resolution. As practitioners, we can draw lessons from Brazil's journey, especially in balancing the need for legal safeguards with the benefits of expedited settlements.

The international community has much to gain from observing how this resolution unfolds. Will it lead to a significant reduction in litigation and promote a more harmonious labor environment? Will the safeguards in place effectively protect vulnerable workers while encouraging honest negotiations? These are questions worth monitoring as Brazil continues to refine and implement these measures.

Resolution 586 not only underscores Brazil's commitment to innovation in labor relations but also serves as a reminder of the continuous need for judicial adaptation in a rapidly evolving world of work. As the labor market changes, driven by new technologies and shifting employment patterns, the demand for flexible and fair dispute resolution mechanisms will only grow.

The next few years will be crucial in observing how these measures reshape the country's labor dispute landscape and whether this approach could inspire similar initiatives in other jurisdictions. It's an exciting time for ADR professionals and a reminder of the power of mediation to transform conflict resolution.

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