

CRISIS OF UNIONISM IN LATIN AMERICA? ASPECTS OF THE BRAZILIAN EXPERIENCE

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The last decades of last century and the beginning of the present one have seen a true revolution in the world of labour. Some writers characterize this process as expressive as the phenomenon of the Industrial Revolution with all its corollary of transformations to the society of the 19th century².

The future of unionism at present is very different from the immediate post-World War II. The years 1950 were fundamental for the unionist action. In the post-war capitalism, the unions were widely recognized and its power consolidated greatly. However, in the last years, the big industrial organizations, which somehow represented the organized labour force, were increasingly considered obsolete. Global competition, recession, and mounting economic uncertainties somehow put the unionism in crisis and the institutional bases upon which it developed. (Western, 1999:193)

The world of labour has been suffering a meaningful transformation since the years 70s mainly in the central countries as a result of the surge of new forms of organization of productions in companies, and substantial changes in the working class composition.

In the last thirty years, the industrial sector lost its predominant position in terms of labour force occupation and was replaced by the service sector. These changes have brought new challenges to the unionist action.

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² See, among others, (Hyman, 2002a and 2002b); (Munck, 1999 and 2002); (Waterman, 1999); (Castells, 1996) and (Martins Rodrigues, 1999).

There was an important decrease in the number of available jobs, mainly due to the restructuring of the companies. On the other hand, this process is manifested in the conditions of a more flexible labour market and more individualistic consumption patterns. These factors have been responsible for job losses in several economic sectors and to counterpart for the decrease of the union force.

The phenomenon of changes in labour management inside the companies brings at the same time, a meaningful separation and even fragmentation among the workers, causing a crucial dilemma for the unionist action. That is, how to make compatible a movement that is fractious and dispersive and thus individualizing- expression of our new times- with those principles that, as it were, are the essence of the unionist activity which could be both solidarity and collective activity?

These are the challenges that are being faced by the workers in the central countries and is also part of the dilemmas lived by the unionist action in the developing countries. If we add to this picture the difficulties lived by the Welfare State and consequently the crisis of the fordist commitment after 1970, we will have the dimension more accurate of the challenges faced by organized labour in the last three or four decades.

It is as if we were watching a profound revolution in work production and organization that, as it were, would be transforming the world. The so called models of work management are only part of this more general restructuring that reflects directly in the way of labour organization in the central capitalist countries.

These facts happened mainly because of the globalization of the economy, of the need to increase productivity and consequently a downsizing of costs and of a tough competition among the companies for a better efficiency and furthermore of a demand for the so called total quality.

It is necessary to take into consideration that this more general issue of the process of globalization affected greatly the world of labour in the last decades. In the mid 70s, 2/3 of the workers lived in countries where the link with international markets was very weak, at the end of 1990 decade less than 10% did not have any relation to the world market. (Munck:1999:8).

The fact is that in the decade of the 20th century, changes that began to be outlined were ultimately carried on. The world restructuring, for instance, cut lots of job

opportunities. In the developing countries, not only the real meaning of work changed, but also the social cohesion, the awareness of the workers, and the role performed by the unions.(Munck,1999:4).

Another fundamental issue is related to the massive amount of feminine work in the labour market in the last quarter of the 20th century.

From a general viewpoint the tendencies underlined above, would be leading us to a process of individualization of labour and social fragmentation (Castells, 1996). Consequently, beyond the increase of labour weakness, we can foresee a duality of wage payment, concomitantly with a deregulation and mounting heterogeneity of the labour market.

On the other hand all these transformations together have brought about enormous difficulties for the union action. The answers to these questions as well as the understanding of its meaning for the union action is not consensual. Anyway, the crisis lived by the unions according to Waterman (1999:248), would be beyond politics, ideology or any specific place in the world and at the same time it would be beyond the nature and shape of the unionist action. These issues are basically due to 3 aspects: 1. The revolution in the capitalism has been as profound and meaningful as the one in the transition from handcraft to the industrial production; 2. There occurred the transformation from the process of internationalization to the phenomenon of globalization of society. 3. The passage from a capitalism that was simpler to another of a more complex form.

Many of the aspects of the crisis that surrounds the unionist world in the central countries, since last decade of the 60s in the last century, have arrived late at Latin American countries. Actually its main elements only got here in the last years of the 80s and beginning of the 90s. Furthermore, the influence of these factors on Latin American trade unions occurred rather unevenly.

As Francisco Zapata's text shows, in order to understand the crossroads lived by the unionism in Latin America, it is important to analyse the transformations not only in the field of labour market, of the process of work, and of the production in companies but also in the political state environment. And regarding this aspect, the beginning of the years 80s has been crucial to this new movement of unionist action in the region. Aspects related to labour deregulation, processes of privatization, commercial openness were common issues

either in the 80s or in the 90s. And this dynamic brought about a significant loss in the force of the unionism in the region.

Even though labour action in Brazil has been following the main trends of unionism in Latin America, to a large extent, it has gained different shapes. And possibly for this reason, the crisis that took over the Latin American unionist action has had different effects, in the Brazilian case, from those found in other countries of the American continent. Thus the Brazilian experience is rather distinct and even innovating from several aspects, when it is compared to the unionist action in Latin America mainly since the final decade of the 70.

Therefore, this text is less a comment on Zapata's study and more an approach to some themes on the Brazilian unionism that was not mentioned by the author in his paper.

It is important to emphasize that the reorganization of the workers' movement and unionism took place in Brazil concomitantly with the fight for redemocratization in the final 70s until mid 80s. This fact helps to explain why, while the central countries were facing an unprecedented crisis in the world of labour and in the unionist institution, here there was an increase of labour action. The literature shows that, from the years 70s up to today, only 3 countries placed themselves against the process of crisis lived by the unions - to a larger or smaller extent all over the world: South Africa, South Korea and Brazil (Moody, 1997; Seidman, 1994). This is the reason why these countries lived during this period, processes of fight for democratization in their societies, and in these specific cases the emerging unionism managed to build, in the heart of demands for democratic liberties, a bridge with groups of civil society, what led to some extent to the legitimacy of unionist action. The question that we may ask is if this dynamic can have a continuation or if it was purely episodic.

As a result Brazil is no exception to the global restructuring of production and the fragmentation of labour, which that restructuring has brought about. These processes are posing new challenges to union power everywhere. Unlike the situation in many other countries, however, the trade union movement in Brazil has been able to grow in influence and expand despite an economic environment that is unfriendly to labour. Indeed the Brazilian experience runs counter to an international trend of labour union decline, reflected in the widespread drop in unionization rates.

From 1995 to 2002, that is, in 8 years during the 2 terms of Fernando Henrique Cardoso, Brazilians lost around 20% of job opportunities in the industrial sector. The weight of the significant decrease of industrial work in Brazil during all the decade of the 90s and even in the beginning of this century that is usually followed by a decrease in unionism rate, as literature shows, in the Brazilian case this process did not occur. This is to say that, during all the decade of the 90s the unionist density maintained itself stable. The reason is that although there has been a cut in job opportunities, there was also an increase in the unionist rate in the rural sector as well as among women.(Zylberstajn e Rodrigues, 2002)³.

The strength of unionism in Brazil is inextricably linked to the wider role that unions have taken on in Brazilian society. Because of the country's ongoing political crisis and the consequent weakness of the party system, trade unions have gone beyond their own specific interests to become effective social and political actors and, in one case, to form a major opposition political party – *Partido dos Trabalhadores* (PT). Brazilian unions have not confined themselves to wage demands or other narrowly defined labour matters. Rather, they have become involved in a broad spectrum of issues including industrial policy, company competitiveness, productivity, social policy, regional integration, and the effects on workers of the shift to services.

The broad mass movement of the late 1970s and early 1980 against the military dictatorship created two major tools for -labour-organizing, the Unified Workers' Central – *Central Única dos Trabalhadores* (CUT) and the Workers Party (PT), both of which went on to have a great impact on public life in Brazil. Workers' called for labour union freedom, and their protests against declining wages and workplace authoritarianism became a struggle not only for new workplace rights, but also for a more genuine citizenship.

Founded in 1983, the CUT – the most important labour federation in Brazil - was a product of the mass trade unionism that had developed in the industrial region of greater Sao Paulo since 1978, especially among the metalworkers of Sao Bernardo do Campo. While their main bases of support have remained there over the past twenty years, the CUT

³ See also, Adalberto Moreira Cardoso, **A Década Neoliberal e a Crise dos Sindicatos no Brasil**, São Paulo: Boitempo, 2003.

has managed to grow very rapidly, greatly expanding its social and political influence in the process. Today, the CUT is emblematic of the country's "new unionism".

CUT was founded in 1983, in an environment favorable to unionism in Brazil despite the recession Brazil was going through in the early 80s. Representing the unionism that started the strikes in 1978, with a more conflictive action before the businessmen and the State and expressive wide groups of wages workers got in the last 20 years a significant growth among the Brazilian workers.

The unionist entities that took part in CUT represented in 1986, for instance, in its territorial base a group of around 12 million workers. Already in 1998, when the third congress was held in Belo Horizonte, 6.247 workers attended it, all of them coming from all parts of the country and representing a total of 1.143 entities showing the growth of CUT unionism in other regions of Brazil. In 1990, the union headquarters had 1117 unionist entity members, with a group of nearly 13 million of workers (12,7 million). Data from December 1991 showed that CUT counted with 1.724 union members, 1142 urban and 582 rural. These institutions represented, at the time 3.565.770 of syndicated members on a basis estimated of 15.523.354 workers.

In April of 1993, there were 1878 estimated unions members of the headquarters. From this total 627 were rural and 1.251 urban. In 1998 CUT counted with 2.703 union members – urban and rural – that represented more than 19 million of workers among which 6.100.000, that is, 31,8% were unionized. For the last year, 2003, the figures are still more meaningful: in July of 2003 there were 3.355 union members to the headquarters that owned approximately 22 million of workers among which 7,5 million are members of unions, that means approximately 30% of the base of CUT are unionized. These are the active workers. There are also the inactive ones who are represented by the national union of retired of CUT that owns an important number of people represented. Presently the headquarters represent a group of more than 22 million of workers of the city and countryside. This data give us an idea of an expressive and continuous growth of CUT since its foundation to the present days.

It's important to highlight that CUT took part of the main events in the national scenario in the 80s and 90s and became in the last years a fundamental spokesman of wide sectors of the working classes, not only in the civil society range but also in the political

one. As CUT was born in a period of the decline of the military regime, it began its process of consolidation facing the exception regime and claiming – widely – the democratization of the country economic and social changes that brought benefits for wage workers, relating those demands in many cases with the defense of better life standard and work for the working population and to the more concrete issues that surround daily work.

In an attempt to consolidate itself as a guideline to a significant current of the unionist movement and build its identity, CUT chose an activity which is more quarrelsome in the relation capital/work. At present, however, this standard of unionist action has been suffering a process of weariness, mainly if we take in consideration the crisis of the international unionism that also relates in Brazil mainly to the profound transformations in the world of work. This aspect, which is a common practice of big union members of the CUT, born from the experience of the sectorial chamber of the automobile industry is indicating significant changes in a unionist action that supported itself on the conflict to the other one that privileged negotiations.

Union activity in São Bernardo do Campo was also the cradle of the Workers Party, the CUT's sister organization. On one hand, after 1978, opposition to the existing authoritarian union structure merged with broad-based Metalworkers Opposition Movement in São Paulo (MOSMSP). On the other hand, Luis Inácio "Lula" da Silva was elected president of the Metalworkers Union in São Bernardo do Campo in 1975. He was soon to become the labour movement's most effective spokesperson. In November 1989, he ran for president of Brazil, for the first time, receiving 39 percent of the votes in a runoff against Fernando Collor de Mello, the eventual victor.

Prior to 1978, trade unionism in Brazil, though not entirely paralyzed, was confined to small-scale, largely invisible, local activity in certain sectors of the labour movement. Between 1974 and 1978, slow-downs and stoppages occurred, but were usually confined to a single shop. The iron boot of the military dictatorship prevented mass resistance. The traditional trade union structure was corporatist and authoritarian; union leaders - the so called *pelegos* (collaborators) - had close ties to government and management.

The corporative labour union model developed in the 1930s, which - despite some changes introduced in the 1988 constitution - still ties trade unions to the state, is based on the following element: monopoly of representation granted by the state; b) the single union:

in a particular territory, only one union from a particular category, such as metalworkers, may represent those workers; c) the so-called union tax: an obligatory fee collected from all workers, unionized and non-unionized, equivalent to one day of work a year, and d) the legal power of the labour court system.

Starting in the mid-1970s, workers awakened from a long political dormancy and began to express opposition to the military regime's economic policies, which were squeezing the wages of the poor and the middle class. Workers began to retake the initiative in relations with the state and management. A wave of strikes broke out in 1978, first in São Bernardo do Campo, then spreading throughout the country. That same year, the São Bernardo metalworkers held their first congress where they defined the main programmatic principles for union activity: collective bargaining, freedom for unions and a basic labour law containing their fundamental rights.

Proponents of the "new unionism" denounced the existing labour union structure, advocating free negotiations between management and labour without government interference. All the while, they continued to construct a different model of trade unionism by doing on-the-ground grassroots organizing in an effort to strengthen unions at the factory level.

In the Brazilian transition to democracy, the labour movement thus emerged as a key political actor. The large corporatist labour unions were run like businesses, and besides their labour and political muscle, had considerable fiscal resources. Thus when they began to reorganize, unions were able to finance congresses, seminars, leadership training courses, trips around the country to build contacts between labour union members, and so forth. This social movement, which over time became a political movement, gave the working class a way to become involved in public affairs. This is the context out of which the CUT emerged to take such a prominent role on the Brazilian labour scene.

The period that comprehend the final 70s and practically during all the 80s represented, to a large extent, the period of reconstruction and in a way the historic period of action, in this new phase of the Brazilian unionism: the big strikes, the fights inside the companies, the organization of workers in the work place, the plebiscite meetings in Vila Euclides- in São Bernardo do Campo- and the increasing development of consciousness of a social political dimension that was present in the workers' demands, created conditions

for a more meaningful action, from the institutional point of view, at a public level. Indeed this group of unionist activists understood that to change the life and work conditions in which most workers lived in the ABC region, as well as in Brazil, it would be necessary a wide movement with the ability to think about the world of work, the society, and the politics.

Therefore, the workers' party, *Partido dos Trabalhadores* (PT) was founded in 1980 and the *Central Única dos Trabalhadores* (CUT) in 1983. In the first case, the construction of a political instrument that, at a public level, could represent wide fractions of the world of work and in the second, a constitution of a new social force in the national scenario that joined wide sectors of the wage layers and of small rural owners, with capacity to organize themselves in the middle of popular segments and that performed a role extremely meaningful, working as a kind of catalyst of the more immediate aspirations of considerable layers of the worker and unionist movements not only in the countryside but also in the city and that was fundamental to the union of interests of these sectors and for the reorganization of the Brazilian unionism in short term.

These were the years of affirmation and construction of a collective identity of the working classes, years of affirmation of identity. A time in which, before the intransigency of the bosses, the confrontation was the only way to reach a negotiation.

Yet, the period that opens with the decade of 1990 brings different shapes to the unionist activity. Before the process of productive restructuring that is quickly being carried on in our country to the privatizations, commercial openness, and changes in the scenario of production and of the work organization, the unionist strategy changed to a large extent; the big strikes, the massive demonstrations became less frequent. In addition, there is a sharp dispersion of the workers' activity. Certainly the ABC unionism, and extensively the Brazilian one, did not suffer the coup its counterparts lived in the central countries or in Latin America, but even so, this is a period of a certain paralysis, of a meaningful decrease in the eagerness for strikes and a kind of drawback mainly regarding the action of some important unionist sectors such as the metalworkers of ABC to the internal place of the factories in order to try to dwindle at most, the sometimes evil effects of the process of restructuring of the companies and the privatizations in workers' lives with its corollary of

dismissals and of the growth of the mass of unemployed, worsens of work conditions, weakens of contracts etc.

A fundamental change has occurred between the labour activity in the final years of the 80s and that one developed in the 90s and that comes up to present days. There is a meaningful change in the unionist activity as well as the attitude of entrepreneurial sectors in relation to the treatment given to the labour conflicts.

In a country like Brazil, that records enormous inequalities in income distribution, the wage issue has and will have a special place in the workers' agenda. However the strategies against unemployment have been rising in importance since the beginning of industrial re-conversion in the mid 80s, until becoming the main scene in the 90s. The fight for keeping job positions has been shown as a key issue to the unionist movement. From this point of view the negotiated restructuring taking place in ABC particularly at the automobile industry, it begins to design a strategy-even though of sectorial reach and with strong defensive traits-of resistance to unemployment, as can be observed in the agenda of negotiations and in special by the recent agreements about labour time flexibility (Rodrigues and Arbix,1996:78).

Besides all the activity of resistance carried out by metalworkers in this period, the main issue changed its focus for the defense of jobs. And a fact that symbolizes the beginning of transformations in the ABC Union performance, and after followed in other parts of Brazil, was the experience of Sectorial Chambers of the Automobile industry in the first half of the 90s. Thus the agreements that were made since the 90s between capital and labour in the region, and that had as its theme the labour organization of industrial management and strategy, among other aspects, gave a follow-up to that process started with the tripartite talks at the Sectorial Chamber level (Arbix, 1996). These changes, in the ABC unionism strategy, were possible due to the damaging effects brought by the industrial restructuring that led to an unprecedented downsizing of the unionist base a process that was generated already in the middle of the 80s. And this pattern of unionist action spread to wide sectors of CUT unionism.

As we have pointed out above, many aspects of the crisis that surrounds the unionist world in the central countries arrived late in Brazil. Actually its main elements only came here in the years 90s. It is also important to highlight that the workers'

movement organization and the unionism took place in Brazil concomitantly with the fight for re-democratization at the end of the 70s up to mid 80s. This aspect helps to explain the fact that, while in the central countries an unprecedented crisis was going on in the world of work and the unionist institution, here a growth in work action was occurring. The reason for this is that the country was living at that moment under the authoritarian military regime. Consequently the so called **new unionism**, that had Lula as its main leader and the ABC metalworkers as its strongest support and that was the base for the surge of CUT and the PT, succeeded in building at the heart of the demands for democratic liberties and of widening of citizens rights for the workers a bridge with important sectors of civil society. This led to some extent to the legitimacy of unionist action at that moment.

Therefore Luiz Inácio Lula da Silva's victory to the presidency of the Republic in 2002 brought new ingredients to this dynamics. If the years 90s were difficult to the Brazilian unionism that kept a defensive stance during all the decade, the new period opens perspectives for a more affirmative action of the unions as to some extent could be seen in the post-war European countries. At first, we will see an invasion of claims coming from all the sectors of society, which is natural after all those decades of contained social demands. Secondly, however, it is possible to foresee the possibility of a process of arrangement involving entrepreneurial sectors, workers and government around some issues of interest for the society as a whole. The participation in this process and the contribution to the construction of a new social contract is, without doubt, the great task of unionism special of CUT and in the internal core of this organization the engagement of ABC unionism will be decisive for the achievement of this project. That does not mean the mechanical transposition of known processes in other parts of the world, but surely the dynamics has similarities with well-known historical processes. The direction it is going to follow will depend largely of the social actors' action in stage.

The great challenge to the Brazilian unionism in our modern world, and why not to say difficult times, is to succeed in challenging the society. It means to talk to the citizen, to the consumer, and not only to "your employee", to "your professional category"; to build bridges with the most diversified sectors of the civil society and with various social movements; to build alliances that surpass the limits of the work place, of the community, of the regionalism, of class, widening connections that lead to the strengthening of

citizenship and to the capacity of acting with the same easiness either in the local/regional or national/global environment. In the case of developing countries like Brazil, a syndical action to have a more relevant efficiency will also have to fight for a less unequal and more democratic society.

Facing a world that lives a scenario of a crisis without precedent, of unemployment, the main challenge of the unionist institution is to increase its capacity of organization, mobilization and, at the same time, to keep its identity. And this apparently will only be possible with a more affirmative action and discourse. In the Brazilian case as underlined above, during the most recent period of our history, the organization of unionism occurred in the final years of the 70s up to the mid 80s. These were years of construction and affirmation of a collective identity of the working classes, a time in which, before the employers' intransigency and the political atmosphere in the country, confrontation and protest were the only ways to reach a negotiation. Yet the period that opens with the decade of the 90s brings several shapes for the unionist action. Because of the process of industrial restructuring, of the privatizations, of the commercial openness, of the changes in the scenario of production, of the work organization and the sharp dispersion of the workers' activity the unionist strategy changed.

“The social movement in the defense against misery, arbitrariness and the capitalism, the unionism - since the moment it reaches a certain development and that through the socialist parties can have a certain influence, directly or indirectly, about the political decisions - cannot be limited to a strictly claiming action. Every success widens its perspectives; the economic defense turns into an economic schedule” (Touraine e Mottez, 1968:72). Thus, “the stronger is the working class, the more it progresses towards the conquering of guarantees, the weaker is the tension between the demands and the political and unionist tend to converge more”(idem:87). This process can be seen clearly when we analyse the ABC unionism route as the more active expression of the Brazilian unionism in the last 25 years, and it illustrates ultimately the possibility of a light at the end of the tunnel of this argument about the crisis of unionism in Latin America.

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