New Unionism: Challenging the Brazilian Development Model


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Introduction

This paper is part of a study on the process of economic restructuring and political transformation in Latin America and in particular in Brazil and the effects of these processes on the position of workers and their organisations. Besides, the study deals with the question how workers and their organisations react to these processes of transformation and which strategies they use to deal with these developments. This is specified as the way workers and their organisations relate to development models and how they react to them. Development models are defined here not only as economic policy introduced by the state, but also as a relative concept, paying attention to the way development models are defined, the role and influence of socio-economic actors and interests, the national and international influences on it and the way the model changes. Crucial in this respect are the place of labour relations, the organisation of work and production and the position of workers in the model. The connection between development models and labour is the way labour is used and defined, or seen as a problem in the model, the way various actors, including the state and its components, deal with labour issues. Development models have a direct influence on labour relations and the position of trade unions, as in the case of the corporatist labour relations system in Brazil. The models also have an indirect impact in the sense that they shape the direction of economic and social development. This means that certain economic sectors and their associated modes of production organisation are, and are seen as, more important than others.

This paper forms the background for the empirical focus of the study: privatisation processes in relation to labour issues. The changing position of trade unions and workers in relation to political and economic changes in the broadest sense of the word can be studied with a focus on privatisation. Privatisation draws attention to the essential elements of the complex transformation processes that are happening in Latin America. In Brazil, transformation refers to a transition from import-substituting industrialisation to a neoliberal model and democratisation in the 1980s. A study with this focus can call into question the relationship between state and economy, the proper role of the state and its relations with social and economic actors on a national and global level. The effect of these transformation processes is that the way the state manages and intervenes in the economy and society, and the state’s relations and interconnections with these spheres change. State-labour relations and economic development models also change, and in the case of Latin America, the political system is in transformation as well. One example of the changing role of the state is the position of state companies and the public sector. These can be used to create employment, to stimulate economic growth or development, or to influence the market and prices. Transformation also means that the priorities of public policy change. New priorities can be the attraction of foreign direct investment and creating the conditions to do this, reform of the state apparatus, privatisation and reform of labour and social legislation. The global dimension of these changes should not be forgotten either.

Besides the environment of the labour movement and the economic, political and social conditions that unions have to deal with, the historical legacy of state-labour relations, union organisation, practices and action, relations to other organisations and the nature of economic development, play a significant role in shaping the way unions are affected by and react to these processes of change. For unions, the global transformation processes mentioned above mean that their capability to influence the state changes and can become less effective, because the location of decision-making might change. The strategic importance of certain sectors diminishes and that of others rises, for example, from industry to export of primary
products. This affects the political and economic position of both workers, their unions and that of economic groups related to these sectors. Relations to employers also change because of different production and management methods, changes in negotiation practices and the changing nature of work. It should be emphasised that this does not mean that the past was better for Brazilian workers, only that the context and content of their action has changed. The connection between state and labour movements is changing, while this relation has been very important for the development of the Latin American state and economic development models in the past. State-labour relations have many dimensions. To name some examples of the way the state can treat this relationship gives an indication of this. Labour and unions are part of the theory of economic development models, although not always very explicitly. These ‘theories’ are not only academic, but also consist of discourse and are subject of political and social dispute. Labour and unions are often seen as a problem for social order, economic growth (e.g. the way wage demands affect the economy) and political stability. They can also be a focus for mobilisation and political support, as in the case of populism. For academics, labour movements are important as political and social actors.

This introduction serves as a general overview and background of the topic. The first section starts with a discussion of the role of labour movements in transition processes. It then analyses the origins of new unionism in the strike movement of the late 1970s. The last two paragraphs of the first section discuss the demands of new unionism, the way it challenged the military regime and also the differences in strategy, view of union organisation and the future of the political and economic system in Brazil. The second section of the paper analyses important moments for the Brazilian labour movement in the 1980s, the founding of the CUT, protest against the financial plans of the new civilian government and the writing of a new constitution. The third section is on one of the unique features of Brazilian unionism, the relations with social movements and the Partido dos Trabalhadores (PT). The fifth section accounts for the debates on the novelty of new unionism, the continuities and discontinuities with the past.

1 The role of the labour movement in the Brazilian transition: An overview of the literature and theoretical approaches

There are various approaches to the role of labour movements in transitions. Ruth Berins Collier (1999) makes a distinction between the role of the working classes in early democratisation processes in Europe and recent democratisation in Latin America. When democratic reforms were introduced in Europe, it occurred in a context of industrialisation, the emergence of industrial workers and the rise of trade unions and political parties related to labour and the left. In Latin America, a similar development happened in the early twentieth century - incorporation of labour in the political system and the transformation of the type of state that characterised the nineteenth century, into an interventionist state - , although the political system that resulted from this development was not necessarily the same as in Europe (Collier and Collier, 1991). The Latin American dictatorships coincided with what is generally seen as a crisis of modern capitalism in the 1970s, which involved a crisis of production models, of the developmentalist state and of several aspects of the global political economy (Collier, 1999: 2). This meant, on the one hand, that working class movements did not have the kind of momentum as in the late nineteenth century and early twentieth century. Workers and their organisations were on the defensive and economic restructuring meant that the working class became more fragmented and weaker. On the other hand, the crisis of the populist alliance in Latin America and the Keynesian consensus in Europe also meant that workers and their organisations were seen as less politically
significant than before. Economic restructuring in Brazil took place later than in most Latin American countries, but the crisis of the economic policies and emergency plans of the government became apparent in the 1970s and led to a situation in which crisis and inflation became a normal part of life in the 1980s. This situation forms the context of democratisation, in which workers played a different role than in earlier forms, and provided a new framework for the activities of trade unions.

Collier makes another useful analytical distinction between approaches to transition that emphasise the role of actors, elites and their strategic choices, and a historical-sociological approach that provides space for an analysis of labour as an actor in democratisation (Collier, 1999: 5-13). A reason not to underestimate the importance of the labour movement is that most military regimes in Latin America were a reaction against the role of labour, often seen as a threat to stability and an obstacle to economic growth. The labour movement in Brazil was not the single most important actor in democratisation, but it was crucial for expanding the scope of transition ‘both by extending the pro-democracy struggle beyond the electoral arena and by challenging the government’s mechanisms of corporatist control’ (Collier, 1999: 136). Although the military in government was crucial for the initiation of a political liberalisation process, the specific process and outcomes of the Brazilian transition can not be understood without reference to structural factors, the role of the opposition and the interaction between opposition and elites. Several characteristics of the Brazilian transition as compared to other Latin American transitions make the role of the opposition and the situation of the 1980s clearer. Firstly, the transition process ‘lacked clearly defined temporal and substantive limits’, which meant that the military was not able to control all aspects of the outcomes of the transition (Keck, 1992: 25; cf. Collier, 1999: 133). One of the main examples of this situation was the party system under military rule, which resulted in some electoral victories of the opposition party. Keck describes the ‘transitional situation’ in Brazil very aptly:

‘The lengthy and relatively unbound transition and its lack of formal negotiations among institutional actors over its rules produced a very different kind of movement toward democracy – one where the transition itself became a specific political moment, framing a struggle both over the nature and the limits of the process itself and over the identities of the actors engaged in the process.’ (Keck, 1992: 38-39).

Secondly, there were substantial differences in the political system and the organisation of trade unions and labour relations. The Goulart government was not as threatening to the military as was, for example, Allende’s socialist experiment, and the same is true for worker mobilisation. This led to less severe repression than in other countries. Because of the development model of the military, there was an increase in the number of skilled industrial workers, especially in industrial centres like São Paulo. The military government used the Labour Code for repression, but it also allowed the existence of a very limited form of trade union organisation, which meant that unionists had a financial and organisational basis. The weak party system provided possibilities for other types of opposition movements than parties, but also meant that workers did not necessarily return to the ‘old’ labour parties, but founded a new workers’ party (Drake, 1996: 76-77).

Several phases of the transition can be distinguished, each with a different role of the opposition and especially of the labour movement. When Geisel initiated the abertura the labour movement did not play an important role yet, but other civil society movements started gaining space in the political arena. Various authors argue that the workers started organising themselves and protesting on a small scale in this period (Rodrigues, 1997). In the
late 1970s, this turned into increasing worker mobilisation and the strike movement, with substantial interaction with social movements. This phase coincided with the end of the Brazilian economic miracle. The 1980s were a period of consolidation of new unionism and also a more institutional approach to democratisation, the new Constitution, elections and the formation of new political parties. This meant that the focus of the transition process changed and that the labour movement had to focus on new issues and actors. Political parties, for example, became more important as a channel for influencing the government and the establishment of new political rules. It was also the time of the debt crisis and high inflation, which triggered large-scale strikes. The rise of the PT is very important for the direction of the post-transition regime. On the one hand, it meant that the government could not control the left as happened with the two-party system during the military period. Secondly, it provided an alternative opposition party, with a different programme than the PMDB (Collier, 1999: 137-138).

The transition to democracy shaped the consolidation and activities of the labour movement in Brazil. Firstly, because of the abertura, the labour movement had possibilities for political participation and this participation was enforced by strikes. An example of these possibilities are the Constituent Assembly and the role representatives of new unionism played in the process of inserting labour and social rights in the new Constitution (1988). Parliamentary lobby of the labour movement in the shape of the Interunion Department for Parliamentary Assessment (DIAP – Departamento Intersindical de Assessoria Parlamentar) was also consolidated in this period. Secondly, because of the economic crisis in the early and late 1980s, the union movement protested against the economic policies and emergency financial measures of the government of Sarney (Cruza do Plan I and II (1986), Bresser Plan (1987), Summer Plan (1989)). Decline of real wages, the disastrous effects for price levels of these plans and the lack of consultance by the government meant that the CUT organised several general strikes in an attempt to put pressure on the government. Economic crisis is also a constraint for the labour movement, in the sense that fear of dismissal makes mobilisation of the basis more difficult. An additional factor is that the labour movement and the PT had to find a balance between the often-clashing aims of democratisation and improvement of the position of workers. The third factor that changed the position of the labour movement as compared to the past were internal changes, namely the rise of new union leaders who challenged the old corporatist system. This implied a change in union strategies, from corporatist to confrontational, and from hierarchical to an emphasis on organisation at the basis. Besides the negative effect of the authoritarian regime on the labour movement, the legacy of corporatism was clear and the ‘old unionism’ and unions organised along corporatist lines are still significant. At the same time, capital-labour relations have not changed fundamentally and the same is true for the system of labour relations. Another issue is that political opening also gave space for competing union organisations, so internal struggles came to play an important role in the functioning of the union movement. The legacy of corporatism also meant that the labour movement is fragmented along the occupational lines that were established by Vargas (Almeida, 1996: 33; Payne, 1991: 223-224, 232).

The strike can be seen as the principal form of action and reaction of the labour movement in the 1980s, as Noronha states, ‘the absence of political-governmental and institutional-entrepreneurial negotiation channels turned strike into the only available instrument, despite its risks, for union leaders to reacquire the status of representatives of workers’ (Noronha, 1991: 105). The strike movement meant that workers broke two pillars of the Labour Code that restricted their presence in society. First, the strikes were an open negation of the highly restrictive strike law of the military regime. Secondly and more
gradually, workers tried to open political space for their demands, while this was very difficult if not impossible during the military regime.


“New Unionism” originated in the strike movement at the end of the 1970s in the ABC region of São Paulo, especially in the transnational automobile factories Ford and Mercedes-Benz. These strikes challenged the very limited possibilities for a legal strike as defined in the Labour Code. The most important union in these strikes was the Metalworkers’ Union of São Bernardo do Campo, the union of important labour leaders in the 1980s and 1990s, as Luis Inácio Lula da Silva, Vicente Paulo da Silva (Vicentinho) and Jair Meneguelli. The reason why the strike movement started among metalworkers in this part of the country is that these workers were more highly skilled and earned higher wages, which put them in a better bargaining position than workers in other sectors (Drake, 1996: 80). The strike movement coincided with the increasing political transformation of the authoritarian regime, and the electoral successes during the 1970s of the only opposition party that was legally recognised by the military regime (Movimento Democrático Brasileiro - MDB). Opposition against the military regime started as grassroots mobilisation and trade unions became involved later in the 1970s. The only unions that were more or less tolerated during the military regime were the ones that were recognised by the Ministry of Labour. This provided the framework for union opposition, but it also meant possibilities for action had to be found outside the official union tasks and this space was found in direct action and on the shop-floor (Skidmore, 1988: 204). This has shaped later trade union action in a fundamental way. In the economic arena, the Brazilian miracle had come to an end and the most important problems for workers were inflation and the level of wage increases. Wage policy was an affair of the government, without participation of unions and this made direct collective bargaining very difficult and often meaningless. The first rupture of the government’s wage policy occurred when it became public, besides being known by workers directly affected by the wage decrees, that the official wage increases were not enough to compensate for inflation. Wage policy had always been a crucial element of economic policy in general, on the one hand to depoliticise the unions, and on the other hand, to control inflation and to conduct a price policy (Almeida, 1996: 37-39; Skidmore, 1988: 205).

Demands for improvement of wage levels, working conditions and terms of employment, especially reduction of the working week, and the right to strike were central among the issues that the strike movement raised, but it would also move to broader political issues (Rodrigues, 1999b: 76-77; Payne, 1991: 229). The first strikes and the reasons why they started in 1978 showed how union action had changed since the 1950s and 1960s. The climate for union action had improved, as the government had a more ambivalent attitude towards repression, employers were more willing to negotiate wages and working conditions directly with workers. Financial support during strikes and other forms of solidarity from social movements and the church were significant (Skidmore, 1988: 213-214). Union action was also new in its aims. Workers wanted to negotiate their wages directly with employers, instead of accepting wage settlement from above. Although the government extended the abertura to dealing with workers to some extent, it was more able and prepared to intervene, as when the Sindicato dos Metalúrgicos do ABC was intervened and its leaders removed in 1979 as a result of protests against the new wage law introduced in the first year of the

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1 ABC refers to three industrial suburbs of the city of São Paulo called Santo André, São Bernardo do Campo and São Caetano. D – Diadema is sometimes included.
Figueiredo government. One of the direct effects of the strikes was that the Labour Minister of the Figueiredo government, Murillo Macedo proposed that wage adjustments would be made twice a year and that redistribution would take place by giving workers with low wages full readjustment to inflation and higher wage sectors would get lower readjustment. At the start of the 1980s, ongoing intervention in unions in combination with the debt crisis and a deep recession meant a discouragement of strike activities and a focus on strengthening the organisation of workers.

1.2 New Unionism

The strike movement was not only a form of protest against the governmental wage policies and for better working conditions, but also against the authoritarian regime and the corporatist system of labour relations, the way unions were organised by the state and the conservative leadership of most unions (pelegos). The new union leaders arising from the strike movement challenged the corporatist system by transforming existing forms of union organisation and using mass mobilisation and organisation on the work floor. They rejected the role of unions as providers of services and allies of the state in the corporatist system. They welcomed and saw as necessary contacts with social movements, rejected the old populist alliances with political parties and replaced this with a Workers’ Party that was based on an autonomous union movement and recognised the importance of social movements.

The strategies of the new union leaders to get their demands accepted differed from the strategies of the old populist movement before 1964 and the situation during the military regime. Instead of using the corporatist hierarchy and populist alliances to achieve demands and using the welfare functions of unions to reach limited involvement of workers with their unions, the new leaders proposed and put into practice a new form of union organisation, based on rank-and-file mobilisation, articulation of several organisational levels, such as shop-floor organisation, and avoiding the system of union taxes. In their view, new union organisation should be shifted from bureaucratic towards militant and democratic. In relation to the position of unions on the work floor, the labour movement proposed the democratisation of companies, direct collective bargaining with employers instead of state intervention and collective instead of individual labour contracts. Another aim was to reduce and change the role of the state in the labour relations system, from intervention to supporting union activities and collective bargaining. This implied direct settlement of conflicts between employers and employees at the level of the company, instead of the intervening role of labour courts and the state. Unions and employers experimented with direct bargaining at the company level. Many factory commissions were established that represented workers on the shop floor, which was difficult because of the territorial organisation of unions, and that negotiated with employers. An important change was that unions assumed a political role, which was forbidden by law in the old corporatist system. Before 1964, unions had a political role in the sense that they provided a political basis for politicians, especially Vargas and Goulart, but the new union leaders rejected this type of political alliance. The new unionists did not want to be restricted to capital-labour relations as defined in the existing labour laws, but envisioned a political role for trade unions complemented by a political party for workers (Barros, 1999: 1, 4, 29).

2 This seems to be in contradiction with the role of this current in the founding of the PT, but relations of the labour movement with the PT are different from the traditional relationship of the labour movement with populist parties as the PTB before 1964, as will be argued in the section on the PT.
On a more general level, new unionism demanded space and influence in the debates on the new rules of the political system and social and economic organisation of Brazil. The demands for democratisation of labour relations and the end of state intervention are in fact a reflection of the more general debate of democratisation of Brazil and the shape it should take (Almeida, 1996: 154). This broad agenda can be summarised as demands for a broadening and deepening of civil rights. It is an expression of the position of civil society, which included new forms of organisation of civil society and new alliances between social movements. The labour movement struggled for the inclusion of the excluded and the dignity of workers after the long years of repression during the military regime (Rodrigues, 1999b: 76-77, 89; Rodrigues, 1997: Ch. 1). The importance of debates within the labour movement on the relationship between state and civil society, the form and content of participation and experiments with direct democracy by the PT illustrate this.

New unionism had several important effects, especially in the phase of transition and struggle over the rules of the new political system. Firstly, their protests meant that the political agenda of transition became broader and labour representatives and other popular sectors were accepted as legitimate political actors. As well as that, social demands were put on the political and economic agenda of the Brazilian transition. One example is the inclusion of workers’ proposals in the Constitution of 1988. Secondly, the slow process of transformation of the labour relations system was started, which resulted in constitutional changes in 1988 and 1995. The civil government also came to see a transformation of the labour relations system as a way to enhance its programme of economic restructuring. The challenge in practice to the limits put on strikes, the emergence of union-like organisations that existed outside the Labour Code, for example, associations of workers in the public sectors and central union organisations, undermined the Labour Code and strengthened the labour movement, union organisation on the shop floor and the aim of direct negotiation with employers. Union organisation on the shop floor and the attempts to negotiate directly with employers, undermined another aspect of the Labour Code, the vertical structure and the role of the state, Thirdly, new unionism led to a change in political culture in which workers tried to become full citizens. Fourthly, the economic and political relations between the state and the union movement also changed. On the one hand, mass mobilisation meant that the union movement could not be simply ignored in the political arena, although this did not mean that unions got full access to the state or that repression ended. The undermining of the Labour Code meant that old forms of control via the corporate structure were not always possible anymore. On the other hand, certain authoritarian forms of policymaking, such as wage settlements by decree, were the subject of large protests in the 1980s. The way the civil government dealt with wage policy led to (failed) experiments with social pacts and tripartite negotiation, another new aspect of state-labour relations (Almeida, 1996: 55-57; Barros, 1999: xiv).

3 Rodrigues relates dignity to the work of E.P. Thompson and he defines it as follows: ‘… if dignity means merit, being honest, respectability and honesty, it is possible that, …. the discourse of the working classes is expressing exactly this. …. [it] could be associated directly with the notion of a more general struggle for citizen’s rights, of participation on all levels.’ (Rodrigues, 1997: 22-23) [se dignidade significa merecimento, ser honesto, respeitabilidade, honradez, é possível que, no imediato, o discurso das classes trabalhadores estaja expressando exatamente isso. … poderia se associá-la diretamente à noção de cidadania, de participação em todos os níveis.] The attractiveness of this concept is that it does not only relate workers’ struggles to a reaction to a system or to the nature of labour relations, but also gives it a “human” dimension and makes it possible to relate worker action to broader issues in society. Political, or, citizen rights are also necessary for unions and workers in order to defend their interests and broaden their workers’ rights (Ibid.: 25). The question whether this also implies that unions critique the economic system, its political aspects and power relations is left unanswered by Rodrigues.

4 The issue of broadening citizenship in Brazil is discussed in Barros, 1999 and Rodrigues, 1997, Ch. 1.
Unionism in Brazil is and was not without its internal conflicts. The strike movement gave rise to several currents, each with different organisational and political demands. First of all, the Union Oppositions (Oposições Sindicais) rejected the existing union structures and leadership. Their proposal for reform was to establish factory commissions (Comissões de Fábrica) that would be autonomous from the official unions. Another current, the “autênticos” (authentics) consisted of union leaders that had taken over leadership from conservative predecessors. They were usually young workers, who had often migrated from the Northeast of Brazil to find work in São Paulo. The effect of this was that they did not carry the load of populism and other pre-1964 political and union tendencies. While their action had clear political consequences, leaders like Lula often claimed that their action was a-political and aimed mainly at organisation of workers at the plant level (Keck, 1989: 260; Rodrigues, 1991: 29, note 31). Their idea was that they would use the old union structures to transform the system, supported by the increase shop-floor organisation and the promotion of unity of the working classes. Unions should also be independent from the state and political parties in this view. This current was mainly present in the Sindicato dos Metalúrgicos de São Bernardo and would later be the current Articulação in the CUT and the PT. The autênticos and the Union Oppositions would establish the Central Única dos Trabalhadores in 1983 and the authentic current basically founded the Workers’ Party (PT). The role of social movements and progressive elements of the Catholic Church (catholic base communities and liberation theology) in the opposition against the military regime and the connections of these movements with the labour movement reinforced a bottom-up approach to the formation of a trade union central and an emphasis on organisation of the basis (L.M. Rodrigues, 1991: 27).

The position of the Union Opposition and of union-like organisations that were not recognised by the Labour Code was disputed by some. The main example of this is the Unidade Sindical (US) that emphasised unified opposition against military rule, but wanted reform of the corporatist system, instead of complete transformation. More specifically, this meant that the US supported autonomy of unions from the state, but also the corporatist form of union organisation in which only one union could exist per category of workers and workers had to pay union tax whether they were a member of the specific union or not (Rodrigues, 1991: 28). A difference in strategy between this current and the others is that the US emphasised institutional action within the framework of the political system, instead of direct action. This current is associated with moderate sectors of the union movement, the communist parties (PCB and PCdoB) and other left-wing opposition movements. When

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6 For the emergence of the “autênticos” and unionism in the ABC region in the 1970s, see also I.J. Rodrigues (1997: 64-80).
7 The reasons why the communist parties supported this particular current during the 1980s is complex and related to the history of the PCB. The PCdoB split from the PCB in the 1960s, to follow a Chinese-inspired line. The PCB always supported a class alliance with the progressive elements of the national bourgeoisie, on the basis of the analysis that there was a convergence in interests on a national basis against the role of international capital in Brazil. The party was convinced that Brazil needed to go through a period of liberal democracy and (national) capitalist development before a revolution could be started. This position was continued during the military regime, when the PCB saw a broadly based societal movement and activities within the opposition party MDB as the best way to protest against the regime. The “new” left-wing movements accused the PCB of being reformist, part of the old populism and saw the PCB’s strategy as hurting workers’ interests, because the PCB accepted that the struggle against the regime could mean that the demands for workers’ rights would be a lesser priority. Besides, a conflict existed in the late 1970s and the 1980s about which party (the PT or the communist parties) was the real workers’ party. The strategy of the PCB during the transition was to associate
new political parties were allowed in 1979, the Unidade Sindical also became associated with the PMDB. This current formed the main basis for the establishment of the Confederação Geral dos Trabalhadores (CGT) and the Central Geral dos Trabalhadores (CGT) in March 1986, and in March 1991, Força Sindical (Barros, 1999: 30-38; Keck, 1991: 172). Although these three blocs were quite close at the end of the 1970s, they went separate ways because of differences in opinion on political and organisational issues. There was disagreement about the extent to which the existing union structure should be challenged and on the participation of other popular movements within the labour movement. The final split occurred when the authentics became closer in strategy and ideas to the Union Oppositions. Another fundamental difference was the strategy of the labour movement towards transition and the new regime. The PT and the CUT promoted direct struggle against the authoritarian regime, mainly by general strikes and manifestations, using the strengthening of union organisation and the articulation of workers’ demands to change and challenge the regime. Democratisation, though, was treated more like an instrument to further workers’ interests than a goal in itself. The Unidade Sindical’s position was to avoid direct confrontation and to organise broad sectors of society against the military government, in order to weaken the regime and to make sure the transition process would continue. Workers’ demands could even be put on a second plan to reach this goal. For example, general strikes were rejected because they could provoke an unwanted confrontation with the military regime. A final important dividing issue was the question of what role central union organisations should play in the struggle for workers’ rights. For the US it was enough to take over the union federations and confederations in order to change the system from within and to achieve demands in negotiation with the state. The autênticos argued that the federations and confederations were not representative and their focus was on the level of companies, while a central organisation should articulate and co-ordinate demands from below, instead of defining them (Keck, 1989: 273; Rodrigues, 1991: 27-28; Santana, 1999: 136-137).

Within the CUT itself, Rodrigues (1997: 43-44; 1999b: 84) distinguishes between the contractualist left (esquerda contratualista) associated with Articulação Sindical that exists especially in the private sector, or the metallurgy sector in São Paulo, and the socialist left (esquerda socialista), mainly associated with the Union Oppositions, Alternativa Sindical Socialista (Partido Socialista dos Trabalhadores Unificado) and Corrente Sindical Classista (related to PcdoB). The contractualist left makes a combination between direct action and negotiations, with varying importance of each over time. A division of labour exists between the union central and a political party (the PT) in dealing with broader political issues. The socialist left within the CUT emphasises confrontation and holds the opinion that the CUT can play a more political role in achieving a socialist society. An interesting aspect of this division in this respect is the one between the public sector and the private sector. A factor reinforcing these differences is the different nature of employment and unionism in the public sector as compared to the private sector. The rise of public sector workers in the union movement stimulated a confrontational strategy for several reasons. Public sector workers did not have the same unionisation and collective bargaining rights as in the private sector, so they had to struggle to achieve this outside the means that were available to workers in the private sector. On the other hand, public sector workers did not have to fear for dismissals to

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8 Mainly the Movimento Revolucionario de 8 de Outubro (MR-8).
9 The Corrente Sindical Classista (CSC) moved to the CUT in 1989.
the extent that workers in the private sector had to. Cutting wages was the most common way to reform the public sector in the framework of financial plans and structural adjustment programmes. This provoked strikes that demanded wage increases, while there was less risk of dismissal. Noronha argues that negotiation between employers and public sector workers did not work as smoothly as in the private sector, with the result that strikes were longer (Noronha, 1991: 120, 124). This points to the ambiguous role of the state as employer, investor and guardian of the labour relations system at the same time. The debates on the role of the Brazilian state and the economic and political reforms introduced in the 1980s and especially in the 1990s, attacked the public sector as being inefficient and stress the necessity of reform of the state. A different type of problem, namely the relation between productive restructuring and employment, confronts the private sector. According to Noronha, strikes in the private sector were shorter, occurred more often and were resolved more quickly than in the public sector (Almeida, 1996: 54-55; Boito, 1998: 89-90; Noronha, 1991: 123; Rodrigues, 1997: 43-44; Rodrigues, 1999b: 84-85).

2 Strategies of the labour movement in the 1980s

The protests of unions and the PT against economic policies and against the way the political rules were established are important for the analysis of the development of unionism in Brazil. It also provides unionists as well as the researcher of these issues with the background, expectations and experiences for union action in the 1990s. The differences in union strategies are very important in this respect, although the current of the autênticos and the PT was predominated in organisational and political aspects. Economic recession, the debt crisis and their effects affected the strike movement and the strategies of the labour movement in the sense that there were fewer large-scale strikes and that the unionists tried to focus on institutionalisation of the labour movement. The defining moments in the 1980s are, first, the foundation of central union organisations, such as the CUT and the CGT. Secondly, the struggle over the definition of the new rules of the game of the democratic system in the case of the writing of the new Constitution and the relations with the new civil government. Thirdly, it is possible to speak of an institutionalisation of the CUT and a change in its opinions and strategies.

The basic strategy of the majority of the new unionists, although not always explicitly stated, but always subject of conflict and discussion within the labour movement, was to accept that the capitalist system, the Brazilian economic model and the process of political transformation limited their demands and that negotiation, concessions and action within the political system was necessary to achieve their aims (Payne, 1991: 222). The last years of the military regime were characterised by high expectations of the effect democratisation would have on economic growth and new possibilities for a more just distribution of income and that it would solve the problems of the developmentalist economic model. The economic and financial instability and crises, which meant that the capacity of the state to intervene and regulate the economy and to limit the effects of economic crisis was reduced, broke this expectation. This situation meant that the CUT adopted an aggressive approach towards the military government and later the Sarney government. On the other hand, it accepted the idea that mutual concessions of unions and the government were needed. The combination of strategies chosen by the labour movement consisted of trying to widen bargaining power and trying to increase legitimacy by mobilising the basis, and systematic protest against government policies in the form of mass mobilisation and strikes. These strategies did not
necessarily clash in this period, because mobilisation actually contributed to the bargaining power of the labour movement (Almeida, 1996: 29-31).

Not all sectors of the labour movement and all left-wing parties supported these strategies. Most groups moved between the extremes of mobilisation or negotiation to achieve a democratic society, a concept that was in debate as well. The next part of this section starts with the discussion of the years around the founding of the CUT. The next two paragraphs further analyse the positions taken in the CONCUTs of the 1980s, with special attention to the role of the labour movement in the Brazilian transition. The campaign for direct presidential elections and the role of the union movement in the Constituent Assembly are telling for an analysis of the strategies and the ideas that guide these strategies of the Brazilian unions. The organisational developments of the CUT will be analysed, especially in relation to debates on the reform of the union structure established in the Labour Code and to the role of minorities in the CONCUTs. These paragraphs will also pay attention to other central union organisations that were founded in the 1980s.

2.1 The founding of the CUT

After years of meetings and discussions, in 1981, representatives of all currents of the labour movement came together in the National Congress of the Working Classes (Congresso Nacional das Classes Trabalhadoras – CONCLAT). The various tendencies were already becoming more defined and this was reflected in their proposals and organisational arrangements. The participants of CONCLAT voiced demands related to working conditions, wages and employment, such as reduction of the working week and the end of wage adjustment decreed by the government; the reform of the labour relations system, with special reference to autonomy of unions, the right to strike and the right of public sector workers to unionise; and democratic changes, such as the end of repression of unions, amnesty and the establishment of an assembly that would write a new constitution. Rodrigues argues that the CONCLAT programme was more like a government programme than a programme of demands of unions (Rodrigues, 1996: 97). The political differences were actually smaller than the differences in opinion about the role, the context and organisation of the labour movement itself. The main conflict was on the issues that were already mentioned above, the shape of the new labour relations system, the political role of the labour movement and the way to achieve and articulate the demands of workers, and the formation of a central union organisation.

The difference in opinion on the new form of the labour relations system mainly refers to whether the union tax should be maintained and whether pluralism of unions would be allowed, meaning that more than one union could represent a category of workers in a region. Abolishing these principles of the Labour Code would mean that unions that depended on legally representing a number of workers, instead of mobilising them and also on receiving a guaranteed amount of money would become weaker. As will probably be clear, the authentics supported reform of this system, while the US wanted to maintain it. The other issue was the way to achieve workers’ demands. The strike movement of some years earlier had proved to be an effective instrument of pressure on the government and employers. The combative unionists consequently considered the general strike, mobilisation and confrontation to be the way to change society. This would also involve associations that were not legally recognised as trade unions, other social movements and civil society organisations. The situation of the early 1980s worsened the position of unions, though, because of the effects on workers of the economic recession and repression of strikes. The effect of this was that even the strategies of
mobilisation and the general strike were under constant revision (Keck, 1992: 173). Speaking about the PT, that was founded in 1979 by the autênticos, Keck argues that ‘its [the PT’s] emphasis on working-class self-development and mistrust of State and parliamentary institutions were a direct inheritance from both the autêntico unions and from grassroots-oriented Catholic activism’ (Keck, 1989: 274). The orientation of the US on negotiation and connections to state institutions meant that general strikes were not the best way to strengthen the working classes. Besides, they did not want a far-reaching transformation of the labour relations system.

A commission (National Pró-CUT Commission) was elected during CONCLAT that would prepare the founding of a national umbrella organisation. This commission was divided between the autênticos and the US, and could not reach any agreement (Keck, 1989: 273-278; L.M. Rodrigues, 1991: 30-33). The founding congress of the CUT was in 1983, without the participation of the US unionists. The congress took place in a period of economic recession, with the threat of dismissals making mobilisation more difficult. As well as that, the strike movement had lost momentum and suffered from increasing government repression and strategic dismissals. For example, a worker was killed during a metalworkers’ strike in November 1979 and the state intervened in several unions and imprisoned their leaders. The government blamed the economic crisis partly on wage adjustments demanded by workers and used its power to decree wage increases below the level of inflation in order to limit these demands, also stimulated to do this by the IMF. Further measures included monetary reform and cuts in the public budget and public investments. In combination with the debt crisis, this deepened the recession, especially in the industrial and modern sectors (Almeida, 1996: 50-51). According to Noronha (1991: 105-107) and Keck (1992: 187-188) this situation meant that union leaders started to focus more on the creation of a central organisation and on organisation of the rank-and-file. Although the number of large-scale strikes decreased, short, plant-level strikes increased, which means according to Keck that relations between union leaders and the rank-and-file were strengthened. After the losses of the PT in the election of 1982, many PT leaders, like Lula and Ovílio Dutra of the bankworkers’ union of Rio Grande do Sul, started to focus on their basis again, the unions (Keck, 1992: 188). The year 1983 saw a resurgence of strike activities and Noronha relates this to gradual broadening of the categories of workers in both the public and the private sector involved in strikes. Despite these developments, a general strike in July 1983 did not change the governmental wage policies (1991: 108 and 111-112).

2.2 Role of the labour movement in Brazilian politics of the 1980s

Union action in the 1980s was strongly conditioned by the failure of the government to stabilise the economy. Although the civilian government started with good indicators, inflation would soon again become a problem. Sandoval argues that the general strikes in the 1980s were a reaction against the failure of the government to control inflation and the limited effects of the financial plans (Sandoval, 1995: 184-187; Almeida, 1996: 33). A lot was expected from the new government on the issue of labour reforms. The PT and the new unionists saw these potential reforms as a second-best option and voiced their own demands for general reforms of the social and economic structures of the country. When demands of metalworkers were rejected by their employers, workers went on strike for 54 days in 1985. The government did not intervene in the strike and this meant that strikes became considered to be a normal part of the new democracy. On the other hand, it indicated that Sarney’s government attempted to stay in the political centre as regards labour issues. The government
tried to moderate the strike activities of the new unionists by making several concessions, such as a raise of the legal minimum wage. This was also a period in which it became clear that the CUT would be the strongest central union organisation. The Cruzado Plan in 1985 provided some benefits for workers, including an increase of the minimum wage and the establishment of a system of unemployment benefits (Skidmore, 1988: 292-296).

The writing of a new constitution was a major opportunity for the labour movement and the left to push some demands forwards. Nevertheless, because of the difficulties to form a consensus within the labour movement about labour reform, other issues were more of a priority, such as reduction of the working day and week, employment protection and right of worker representation in the workplace. The reform element of the new constitution was limited and it was more a confirmation of the reality of the 1980s. Monopoly of representation, union tax and the basic structure of union organisation were not abolished. The reality aspects that were confirmed were autonomy from the state, right of unionisation in the public sector, participation of unions in collective bargaining was made obligatory and workers obtained the right to organise on the shop floor. The right to strike was also widened. The new constitution provided more possibilities for direct negotiation between workers and employers, but the labour courts still had extensive powers to intervene in conflicts. On the other hand, the reason that social and labour rights were included in the constitution in the first place was the result of pressure of social movements and unions (Almeida, 1996: 184-186).

3 The Environment of the Labour Movement

This paragraph will analyse the relationship of the labour movement with other social movements that rose during the opposition against the military regime and with political parties, of which the most significant for the purposes of this study is the Workers’ Party. These movements and parties are not only important for an understanding of how the labour movement acts and how it is structured – mutually in the case of the PT –, but also for the analysis of the origin of certain ideas, practices and problems present in the Brazilian labour movement. The autonomous role of social movements in affecting the Brazilian political landscape should not be denied either, as they have played an important role in putting certain issues on the agenda and organising the basis of support. The interconnections between the PT and the CUT are well known, but many unionists and activists of the PT are also active participants in social movements. This participation is even a requirement for membership of the PT.

One of the most striking aspects of the labour movement and the PT is their connections with and emphasis on social movements. While the activities of trade unions were severely limited during the military regime, a number of small-scale initiatives such as neighbourhood groups, associations of shantytown dwellers, groups of mothers and religious groups played an important role in opposition. An important example are Catholic Base Communities (Comunidades Eclesiais de Base – CEBs) and liberation theology. As Rodrigues argues, influences of the CEBs on the labour movement can be seen in the attention to issues of citizenship, the emphasis on direct action at the basis and self-organisation, as in the case of factory commissions. This form of organisation was important

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10 The role of several bishops, such as Dom Helder Camara, denounced torture and articulated protests against poverty and social injustice. On the role of bishops and the National Council of Brazilian Bishops (Conferência Nacional de Bispos Brasileiros – CNBB), see Skidmore, 1988: 135-138, 180-188.
for the political formation of workers during the military regime, as other forms of political participation or mobilisation were prohibited or limited (Rodrigues, 1997: 84-86).

3.1 The Partido dos Trabalhadores and the labour movement

The relations between the PT and the labour movement (mainly CUT) are not formalised or institutionalised, because this is forbidden by the Labour Code. The emergence of the PT and the CUT shows, though, that their activities and ideas are related.

According to the unionists who founded the party, ‘the PT was to be an extension of and at the same time separate from labor organized institutionally in unions, and was – as a party – to respect the autonomy of those unions. At the same time as it was to remain separate, however, its role was seen as complementary … The party was not so much to lead workers as to express in the political arena the demands of social movements and workers. The creation of the party was thus a strategic response by a sector of the labor movement for the achievement of goals that had already been articulated elsewhere’ (Keck, 1992: 180-181). Initially, the PT was seen as a way to increase workers’ participation in politics. The relations between the PT and the labour movement are not uncontroversial, because it suggests a dilemma for both the PT and the unions. The PT’s nature means that unions as a political basis and a source of leaders was crucial for its strength. If the political programme of the PT would be limited to providing a better environment for labour relations and union action, union activities and party action and demands could overlap, thereby limiting the relevance of a workers’ party (Keck, 1992: 167-169). For the labour movement, political action through a party could compromise its emphasis on the goals of new unionism, although political transformation is also seen as a condition for a better position of unions. On the other hand, as the existence of different currents and social movements indicates, it is difficult to formulate a unified response, while contacts with political parties are controversial within some currents. The PT solved the issue by stating that unions could not be used for party purposes and the PT would have to submit itself to the democratic procedures of the union movement. On the other hand, although union activities were inherently political, unions should not be organised along political lines (Keck, 1992: 84-85). An example of this dilemma is whether the CUT would openly support the presidential candidate of the PT and this issue was the subject of many debates during the late 1980s and 1990s. When both the CUT and the PT became more successful from the mid-1980s onwards, the PT established itself more autonomously from the CUT and other political currents besides the PT gained space within the CUT. This meant, for example, that the PT could criticise the activities of the CUT. Other central union organisations are also involved in national and local politics, although they do not have their “own” party. An example is that Antonio Rogerio Magri of the CGT was appointed as a Labour Minister in the Collor government. Although Força Sindical claims to be a-political and non-ideological, it explicitly supports neo-liberal restructuring.

The CUT itself also debates its own political role and its relationship with political parties. The resolutions of CONCUTs often seem more like a political programme and the CUT also openly aimed to achieve a socialist society. In this sense, specific economic demands and union activities are linked to broader political struggles. In the resolutions of the second CONCUT in 1986, this relationship is described as follows:

The CUT, as a union central, is an integrating part of this historical process [the struggle for power], although with a qualitatively differentiated political role. The
CUT advances class struggle when it manages to impel union struggles, to articulate economic struggles with political objectives, to organise and raise the level of class consciousness, to aim for the construction of a socialist society, but it should not be confused with a political party, and always maintains its autonomy in relation to state power and parties themselves.  

### 4 How new is new unionism? Academic and Political Debates

Brazil seems to be a unique case as regards the position of the labour movement and its role in the Brazilian transition, but the question rises whether the Brazilian labour movement is something entirely new and what the continuities are with the past.

There are several structural differences and similarities. First of all, radical union action was not unknown of in Brazil. French argues that the strikes in the late 1940s in the São Paulo region were probably as important for the consolidation of the labour movement and its position in politics as new unionism (French, 1991). Secondly, the organisational and legal framework of labour relations and trade unions did not change fundamentally after the military government. This can be seen on two levels. Unionists have to act within the constraints and possibilities of the Labour Code. It seems that the union currents that criticised the corporatist structures have accepted the structure to a certain extent in order to focus on other priorities, such as socio-economic demands and democratisation in general. According to Boito, the protests against the labour relations system should be seen in the context of a crisis of the dictatorial labour policies, instead of as a crisis of the model itself (1991: 58, 75). On the other hand, it is difficult to form a consensus on the transformation of the corporatist system within the labour movement and there is an important group of union leaders who actually profit from the situation as it exists. Of course, structural transformation also depends on the willingness of the government to change it, or whether the existing labour relations system fits with the development model from the point of view of the government. Thirdly, the categories of workers that formed the basis for trade unions also changed over time. As Sandoval notes, there was a shift in the 1950s from strike activity mainly based in the traditional industrial sector to workers in the modern industries (Sandoval, 1995: 163). Furthermore, the basis of populist unionism was in the service sector and especially the public services sector (e.g. urban, maritime and rail transport and harbours) and large state companies in the productive sector. The focus of these workers was more on the state and political alliances. New unionism is based on workers in concentrated in large, often multinational industry in urban industrial centres and privatised state companies (e.g. automobile, metalworking, oil and steel). An important section of the labour movement is composed of white-collar workers, such as teachers, workers in the health sector and in public social services. Strike activity among public sector workers is qualitatively as well as quantitatively different from the private sector, as was discussed above. A remarkable rise of rural unionism characterised the 1980s. Some argue that these changes are actually more important than the reforms of the Labour Code until now and led to forms of union action

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that were an alternative to official unionism (Almeida, 1996: 126-130; Boito, 1991: 58-66; Rodrigues, 1997).

The discussion about new unionism also fits into academic debates about the role of the labour movement in Brazilian history. These debates can be divided into two camps. Both Almeida and Santana provide a balance of the negative and positive aspects of the current situation of the labour relations system. There is an increased freedom and autonomy for unions in Brazil and unions also have more contacts with their basis, although the authors both argue that the extent of actual representation and the experience of workplace organisation are still limited. On the other hand, union tax and monopoly of representation still exist and are supported by many union leaders (Almeida, 1996: 194-196; Santana, 1999: 46, 50).

Another issue is the way the union movement has dealt with the topic. This meant, according to many, an increasing acceptance of the official structure and accommodation to the existing situation. This can be illustrated by the debates within the labour movement on what would be the preferred labour relations system. Almeida argues that the current labour relations system is hybrid in the sense that it is corporatist in its basis, but unions and especially central union organisations exist that are organised on a pluralist basis. The difference in opinion about the new union structure was the main dividing line in the 1980s. In its first congress, the CUT proposed its version of union reform. The trade union structure should be democratic in the broadest sense of the word: free and direct elections, freedom for internal currents and freedom and autonomy from the state and political parties. Furthermore, the CONCUT proposed to introduce unions per branch of the economy and supported other initiatives and experiments with alternative forms of union organising (Almeida, 1996: 169-170). The labour movement as a whole could not reach consensus on a common proposal for reform, so this was left to the new Constitution and the labour ministers of the civil governments. Almir Pazzianotto, a former labour lawyer employed by the Metalworkers’ Union of ABC and Labour Minister under Sarney, proposed amnesty for union leaders who lost their political rights after intervention in their union, abolished state control of union elections and established a ministerial commission that would study labour reform. Besides, central union organisations were legalised. According to Almeida a deadlock on the issue of labour reform occurred for three reasons. First, employers’ organisations, unions that did not participate actively in the labour movement, the establishment of the labour courts and the Labour Ministry preferred a status quo. The more conservative parts of new unionism, the CGTs were more or less satisfied with the proposed reform. The CUT did not aim at negotiation with the government, but maintained its strategy of confrontation (Almeida, 1996: 171). Besides this, reduction of inflation and financial reform were a more important priority for the Sarney government (Skidmore, 1988: 292).

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