

Workers' Representation Insecurity in Brazil:

Global Forces, Local Stress

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List of abbreviations

| | |
|-------------------|---|
| ABC Region | The cities of Santo André, São Bernardo and São Caetano, in the São Paulo Metropolitan Area. |
| ANFAVEA | <i>Associação Nacional de Fabricantes de Veículos Automotores</i> (National Association of Automobile Manufacturers). |
| Câmaras Setoriais | Sectorial Chambers, tripartite agencies that discussed and implemented industrial policies from 1992 to 1994. |
| CESOP/UNICAMP | <i>Centro de Estudos de Opinião Pública/Universidade de Campinas</i> (Center for the Study of Public Opinion/University of Campinas). |
| CGT | <i>Central Geral dos Trabalhadores</i> |
| CLT | <i>Consolidação das Leis do Trabalho</i> (Consolidation of the Labour Law). |
| CNI/SENAI | <i>Confederação Nacional da Indústria/Serviço Nacional da Indústria</i> (National Confederation of Industry/National Service of Industry). |
| CNPq | <i>Conselho Nacional de Desenvolvimento Científico e Tecnológico</i> (National Council for Scientific and Technological Development). |
| CUT | <i>Central Única dos Trabalhadores.</i> |
| DIEESE | <i>Departamento Intersindical de Estatísticas e Estudos Sócio-Econômicas</i> (Inter-union Department of Statistics and Socio-economic Studies). |
| FAPERJ | <i>Fundação de Amparo à Pesquisa do Estado do Rio de Janeiro</i> (Foundation for Support to Research in the State of Rio de Janeiro). |
| FAT | <i>Fundo de Amparo ao Trabalhador</i> (Fund for the Support of Workers). |
| FS | <i>Força Sindical.</i> |
| IBGE | <i>Instituto Brasileiro de Geografia e Estatística</i> (Brazilian Bureau of Geography and Statistics). |
| IBOPE | <i>Instituto Brasileiro de Opinião Pública</i> (Brazilian Institute of Public Opinion). |
| IDESP | <i>Instituto de Estudos Socio-Políticos</i> (Institute for Socio-Political Studies). |
| ILO | International Labour Office. |
| IMF | International Monetary Fund. |
| MST | <i>Movimento dos Trabalhadores Rurais Sem Terra</i> (Movement of Landless Workers). |
| NGO | Non-Governmental Organizations. |
| PME | <i>Pesquisa Mensal de Emprego</i> (Monthly Employment Survey). |
| PNAD | <i>Pesquisa Nacional por Amostra de Domicílios</i> (National Household Survey). |
| RAIS | <i>Relação Anual de Informações Sociais</i> (National Compendium of Social Information). |

Introduction

Unions in Brazil are facing hard times. Economic stagnation; high unemployment rates; drastic industrial restructuring resulting in the destruction of entire industrial branches and in the transfer of jobs from industry to services; labour market deregulation; privatization of public services and state owned enterprises: these are but a small list of the challenges and vicissitudes that are eroding the power of local unions and central federations throughout the country. The problems are quite wide-ranging and make reference to institutional and political shortcomings as well.

This is no novelty, of course. Unions worldwide have been at a crossroads for at least two decades now. To put it bluntly, they appear to have lost their capacity to function as centres for fostering strong and lasting collective identities. There are differences in intensity and scope across countries, of course, and, as with any other general trend, specific trends may be identified that may contribute to illuminate otherwise shadowy facets of the processes at stake. I intend to make the trends in Brazil explicit here.

Before putting forward the general argument of the paper, some initial statements (each one to be developed further later) are necessary. First, it is true that the 1980s favoured one specific kind of union strategy in Brazil, typically based on adversarial ideology, mass mobilization and lack of cooperation with other parties in the political system. This strategy has a label; *Central Única dos Trabalhadores* (CUT), still the most important central federation in the country. Second, it is also true that the 1990s brought this strategy to its limits in an environment of economic restructuring forced by globalization. In the new scenario, I will argue, anti-capitalist and/or adversarial tactics have almost always proved to be both inefficient and ineffective. This is mostly because growing unemployment reduces workers' "willingness to act" (which used to be the very pillar of those tactics), by increasing the "costs of failure of collective action" (Guilherme dos Santos, 2001).¹ Third, this strategy has had to face growing competition within the market of political exchange from a divergent pattern, consolidated in 1991 as *Força Sindical* (FS), a pro-capitalist, anti-revolutionary, cooperative centralized union federation, which also relies on workers' mobilization as the most efficient means for the strengthening of local union power. *Força Sindical's* cooperative, capitalist approach, it is to be expected, fits better with today's circumstances: the triumph of neo-liberal ideologies; the logic of competitiveness and economic efficiency overruling that of social, redistributive justice; the sermonising over the necessity of broad partnership among economic agents in the name of that same efficiency, and so on.

In sum, the demise of the conditions that favoured adversarial strategies, and the emergence of favourable conditions for class compromise both at the local (new Japanese-like labour relations) and national level, should arguably have been sufficient to provoke the dislocation of the centre of power from CUT unions to *Força Sindical* unions. But this apparently has not happened. Why? Why was the loss of political power of CUT and its affiliates not followed by the consolidation of *Força Sindical* and affiliates as the main union federation in Brazil?² To phrase it properly: is the current crisis a crisis of CUT, or is it the labour movement as a whole that is at stake?

¹ This idea is being scrutinized by Guilherme dos Santos and was published for the first time in a newspaper article: *A Razão dos Miseráveis. Jornal do Brasil*, July 1, 2001, p.4.

² It should be noted that *Força Sindical* is not the only union federation in the country competing for affiliates against CUT but it is, by far, the most important. It can be argued that alignments in the political exchange market of unions in Brazil *Razão dos Miseráveis. Jornal do Brasil*, July 1, 2001, p.4.

As outlined, these questions have not yet been addressed. In the pages that follow, I will argue that the main problems underlying those questions are the changing patterns of workers' access to institutionalized channels of interest representation, and the dislocation of unions as a central reference agent in the political arena, both as identity fosterers and as goal seekers in favour of workers' needs. I will try to show how the changes in the balance of power between the two main forces in Brazilian trade union "market" do reflect a global change in the very nature of work. But I will also argue that this is not all that has happened. Globalization and market-oriented public policies have fostered industrial restructuring, but they also have reshaped the socio-economic environment in such a way that politics is no longer understood as a process of rational negotiation of the ends and meanings of the collective life. In Brazil, and probably in most Latin American countries, politics has been turned into a matter of choosing efficient means for ends given exogenously by global forces.

Due to the complexity of the problems at hand, I do not intend to advance definitive answers. In this essay, my general intention is to raise some questions, suggest hypotheses for possible answers and provoke further debate. I begin in chapter one by delineating the general conditions that favoured adversarial strategies in the 1980s, move on, in chapter two, to a brief description of the changes in the 1990s, and then on to a scrutiny of the findings of a People's Security Survey (PSS) conducted in Brazil, in chapter 3. The PSS is a huge comparative endeavour devoted to the measurement of socio-economic and representation security in more than 15 countries around the world sponsored by the ILO and coordinated by Guy Standing (1999).³ The main hypothesis under investigation in the PSS is that unions in Brazil do not have a significant impact on workers' social-economic and representation security, precisely because of the crisis of representation discussed in the earlier parts of the paper.

1. The challenge

It is now well established that the 1980s were difficult years for trade unionism in advanced, western capitalism, in comparison to the so called "Glorious Thirty", the years following the World War II up to the mid 1970s (Visser, 1993; Western, 1997). In the 1980s, union density, strike rates and every other measure of union strength fell worldwide (Visser, 1994; Rodrigues, 1999). The simple and elegant causality demanded by good scientific reasoning is hard to establish in a few lines, so I count on the reader's generosity: globalization, whatever it may mean, stands for most explanations of this fall. Though flawed (Hirst and Thompson, 1996; Salama, 1999), the concept denotes in a basic sense, the increase in global competitiveness due both to the third industrial revolution (Castells, 1996; Singer, 1996) and to market-driven policies conducted by governments in most western societies (the hegemony of financial capital in world capitalism notwithstanding {Chesnais, 1996}). Deregulation of product, finance and labour markets was seen as the only possible avenue leading to productive restructuring, cast as a necessary step for the improvement of each country's position in the international division of labour. The structural and institutional basis for Keynesian welfare states supported by strong, sometimes fairly centralized unions disintegrated (Boyer, 1995). In other words, the current crisis of western labour movements results from industrial restructuring (Locke and Thelen, 1998), labour market transitions (Mattoso, 1995; Standing, 1999) and ideological

² It should be noted that *Força Sindical* is not the only union federation in the country competing for affiliates against CUT but occur around these two main forces, so much so that the moves of other unions depend upon the actions of CUT and *Força Sindical*. See Sluyter (2000) and Comin (1995). In the following discussion I will restrict myself to these two federations.

³ For the general theoretical framework of the research programme, see Standing (1999).

shifts (Castells, 1996), along with the weakening of nation states and their ability to enforce welfare provisions (Tilly, 1995).

This telegraphically styled paragraph is intended only to offset the fact that the 1980s represented just the opposite for Brazilian trade unions. Those were years of efficiency and efficacy of union organizational and representational action. After the rebirth of trade unionism at the industrial region of São Paulo Metropolitan Area in 1978, the number of unions grew some 50 per cent until 1989. Unions' overall budget then amounted to more than one billion US\$. By the end of the decade, this money was financing the action of over 10,000 unions representing 18 million workers in more than 30,000 collective agreements. Thirty per cent of formal employees were affiliated to local unions, and four trade union federations disputed the loyalty of the latter: CUT, *Central Geral dos Trabalhadores* (CGT), *Confederação Geral dos Trabalhadores* (CGT), and *União Sindical Independente* (USI) (Cardoso, 1999a: ch. 2). The first task of any analysis of unionism in Brazil, then, is to cope with this apparent countertendency, that is to say: growth amidst global decay. This is a necessary step in the explanation of the trends of the 1990s, since it will be argued that the vicissitudes of the last decade of the XXth Century had much to do with the pattern of growth in the 1980s.

1.1 Explaining growth

The national scene was quite favourable to unions during the 1980s, a decade marked by the transition from authoritarian rule which lasted from 1964 to 1985. A brief summary of the vectors that favoured the consolidation of the unions' power would necessarily include the following:

- As Sader (1988) rightly argues, unions were the natural outlets for the various (more or less anonymous) forms of resistance to the military regime. After the first major strikes of 1978 and 1979, the regime was confronted with a significant rise in the costs of repression of the “emerging society” (O'Donnell and Schmitter, 1986) which saw in the immediately labeled “new-unionism” a pressure point that could bring about the downfall of authoritarianism. This contributed to the instantaneous politicization of the new-unionism.
- The legal, state-corporatist union structure inherited from the 1930s was left intact by the military, and it proved to be quite flexible: it served both the authoritarian regime (as a repressive and controlling device against unions) and the emerging democracy (as the sustaining base for the rapid collective organization of union leaders countrywide).
- Labour relations at the micro level were deeply adversarial due to authoritarian working regimes and predatory use of the labour force, expressed in despotic management, low wages (as compared to other Latin American countries), high turnover rates, and the extension of working hours through mandatory extra-time work (Humphrey, 1982; Abramo, 1986).
- At the macroeconomic level events were quite favourable to unions. Growing inflation rates made it rational for union leaders to develop a contentious social strategy based on large, branch level strikes demanding the indexing of salaries to past inflation rates. This opposed them to restrictive official policies designed to control inflation at the cost of wage earners (Tavares de Almeida, 1992), which, as a side effect, turned strictly economic strikes into political protests against government.

-
- On the other hand, and still at the macroeconomic level, mean unemployment rates were very low from 1983 on, ranging from 2.9 per cent to 4 per cent. Though unemployment rates cannot explain union density in most countries (Western, 1997), the individual fear of a job loss, in the absence of unemployment insurance, tends to restrict workers' willingness to act and thus, union power (Pizzorno, 1974; Visser, 1994). Full-employment rates, on the contrary, raise individual workers' bargaining power in labour markets, reducing the fear (or the costs of failure) of participation. Last but not least, economic stagnation and market closure restrained the impetus for industrial restructuring, limiting the well-known impacts of new forms of labour organization on industrial labour markets, especially in manufacturing.⁴ The sustaining base for manufacture unionism, the strongest in the country and within CUT as well, remained virtually intact.
 - The state's fiscal crisis degraded the quality of public services and restrained official wage earners' gains. Real wages of public servants fell some 65 per cent from 1983 to 1989 (Noronha, 1992). This catapulted the collective organization of these workers and explains the major strikes of 1987 and 1988, the longest in history. Not surprisingly, public servants' and state owned enterprises' associations were the second strongest forces inside CUT by the end of the decade.
 - Finally, a steady economic crisis severely restricted economic agents' horizon of calculus. Uncertain horizons tend to favour one shot, zero sum games in which every actor tries to get everything at once, because nobody can be sure he or she will be there in the next round (Elster, 1979; O'Donnell, 1992). This also favoured adversarial, all-or-nothing union strategies, which proved to be quite efficient in terms of the consolidation of union legitimacy and acceptance in society. In 1988, during the last round of discussions and voting of the new Federal Constitution, 64 per cent of adults in 10 metropolitan regions in Brazil favoured the right to strike granted to all workers, including those in the so called "essential services" (banking, transports, hospitals etc.).⁵

These elements contribute to explaining the enormous growth of the labour movement in Brazil in the 1980s, the strongest expression of which was the near election of a top union leader (Lula) for president in 1989. Furthermore, public opinion was highly favourable to unions throughout the decade, placing them amongst the most trustful institutions in Brazilian democracy. In 1990, 56 per cent of voters declared unions trustful, just behind the Catholic Church (82 per cent) and the Supreme Court (62 per cent), and on a par with the radio (56 per cent).⁶ The decade saw the apex of the process of union consolidation in the emerging democracy.

These same elements also contribute to explaining why the strongest institution of such a legitimate and consolidated labour movement was CUT, that is to say, one specific kind of unionism adversarial to both government and capital. Born in 1983, CUT had

⁴ See, for instance, Kern and Sabel (1992), among a vast and still growing bibliography.

⁵ Datafolha poll of a representative sample (5,191) of voters in 10 Brazilian metropolitan areas. Data processed directly for this article from the original database, archived at *Centro de Estudos de Opinião Pública/Universidade de Campinas* (CESOP/UNICAMP). I would like to thank Rachel Meneguello, Director of CESOP, for the fast preparation and delivery of the databases.

⁶ *Instituto Brasileiro de Opinião Pública (IBOPE)* poll of a representative sample (3,650) of voters in Brazil. Data processed directly for this article from original database, also archived at CESOP/UNICAMP.

almost 2,000 affiliated unions in 1989, representing 8 million workers from all economic sectors, making it a virtually hegemonic institution within the unions' political exchange market.

A parenthesis

Before going further, it should be noted that, despite its legitimacy and social power, CUT (or any other central federation) could never participate in collective agreements. Legally, this was (and still is) a prerogative of individual syndicates. Thus the combination of favourable macro, micro, economic and political conditions strengthened one institution (CUT) with no power to intervene in capital/labour relations in local labour markets. Along with the process of democratic consolidation and the leftist political affiliation of most of its leaders, this contributed to the strong politicization of CUT's action in a specific manner: CUT acted as if it were a social movement, not a strict central union federation. That is to say, it acted as a place for the elaboration and enforcement of political identities (most of which were subsumed to the Workers Party program) and fought for adhesion of affiliates mostly on these strict grounds, and not on grounds related to labour relations at local or national level (Cardoso, 1992; Comin, 1995).

In this arena, CUT had no competitors and the growth of unionism in the 1980s was the growth of CUT. CGT was an old fashioned, corporatist institution whose main affiliates came from the lethargic, bureaucratic leaders reminiscent of the previous industrial relations pattern. Unlike CUT, CGT would never raise its affiliation after 1983: the same 360 local unions more or less supported its shy political action until 1991, when the birth of *Força Sindical* mortally wounded its pretensions of surviving without renewal.⁷ When CGT engaged itself in political matters (such as the three social pacts initiatives proposed by the first democratic government after authoritarianism) or general strikes (1983, 1987 and 1989), it was under the clear leadership of CUT (Noronha, 1992; Sandoval, 1994), with one exception, that of social pacts and general strikes. In both of these cases, the social pact of 1988 and the general strike of 1989, were competitively headed by CUT and emerging pragmatic labour leaders who later joined together in *Força Sindical* (Cardoso, 1999).

1.2 Mirror image

With this in mind, it is now clear that the 1990s would completely reverse the picture of the previous decade, especially after 1994.

- Democratic (or at least formal political democratic) consolidation reduced the expressive effect of contentious discourses and practices. The engagement of leftist parties in formal, "bourgeois" elections supported by the labour movement greatly de-legitimized revolutionary claims. Both presidents Fernando Collor de Mello (1990-1992) and Fernando Henrique Cardoso (1995 to date) won fair elections with great popular support, in both cases against Lula, the above-mentioned top union leader. To be politically effective again, CUT had to change its overall strategy away from pure confrontation and de-legitimization of the political process as a whole.
- The legal legacy of corporatism revealed its hideous face after 1988, when changes introduced by the new Federal Constitution partly freed workers to organize unions. The paradox was that old provisions were maintained, the

⁷ In fact, in 1989 CGT split into two entities, both named CGT. I here treat them as if they were one institution still, because they both continued to align against CUT within the unions' political exchange market.

most important of which is the continued financing of unions through compulsory taxation of workers in a given “territorial base” (the minimum size of which is the municipality). This stimulated the emergence of more than 1,000 unions per year from 1992 to 2000, unprecedented fragmenting labour representation, so that Brazil now has more than 20,000 unions, most of which are powerless. That is to say, the corporatist legal structure supported rapid growth in the 1980s, but accelerated union fragmentation in the 1990s.

- As for labour relations at the firm level, firms in competitive manufacturing branches, soon followed by every other economic sector, experienced deep industrial restructuring based on new informational technologies and forms of work organization inspired by “lean production” recipes (CNI/SENAI 1998; Salerno, 1998; Bonelli, 1999; Rachid, 2000). Among the many interesting features of this kind of production design (see Jones, 1991, or Coriat, 1991 for details), the most important for our purpose is the combination of the goal of “zero defect” with just in time delivery across the production chain. This combination implies the transference of quality control to the workers themselves. This is always connected to continuous improvement programs and total quality control mechanisms that tend to stabilize a core of central producers, train them and stimulate their voluntary engagement in productivity increases, while gaining their loyalty against trade unions. In other words, quality control systems are institutional channels through which production problems can be directly negotiated between workers and management without the intermediacy of unions. Grievances shall not exceed factory walls. In place of adversarial labour relations and despotic management, the “new workplace” is characterized by partnership and cooperation between production agents (Heckscher, 1996; Wever, 1995; Turner, 1998). Stabilization of core workers and externalization of peripheral ones through outsourcing and subcontracting replace high turnover rates.

Subcontracting is in itself a strong limit to union organization. Industrial unions were traditionally based on large factories, the better examples of which were the enormous automobile assembly plants employing massive amount of workers. In 1980, the Volkswagen plant in São Bernardo do Campo (city of CUT’s strongest metal workers union) produced 100,000 cars per year with 30,000 workers. The new General Motors plant at Gravataí in the State of Rio Grande do Sul has only 1,200 direct workers, but can assemble 140,000 cars per year, putting together parts produced by a modular system or brought to the assembly line by third parties from different regions of the country (Grazziadio, 2001).

- On the macroeconomic level, things were also transposed. Instead of increases, inflation rates were reduced from 40 per cent per month in 1994 to less than 10 per cent per year in 1996 and to below 2 per cent in 1998.⁸ Taking the other direction, open unemployment rates exploded from 4 percent in 1990 to 8 per cent in 1999, while manufacturing lost almost one third (close to two million) of its formal, registered jobs in the same period, due to economic restructuring through market liberalization. In addition, privatization of state-owned companies eroded the social basis of some of the strongest unions in the country, most of which were CUT affiliates. And the

⁸ They rose in 1999 due to the January currency crisis, but only to 8 per cent. They went down again in 2000 to less than 7 per cent, and stood at 7.2 per cent in 2001.

formal labour market shrank from 56 to 42 per cent of the economically active population from 1989 to 2000,⁹ reducing the structural basis upon which local unions had built their edifices.

- Governments since 1990 have not been able to resolve fiscal limitations or reform the state apparatus so as to reverse the tendency to public services deterioration. On the contrary, it deepened. But the stabilization of the economy coupled with the end of inflation made it hard for public servants' unions to sustain an adversarial position with government. Malaise and apathy has been the general mood within street level bureaucracy, whose depressed salaries and bad working conditions have forced workers to accumulate other jobs, further contributing to worsening the quality of services and de-legitimising civil servant's wage claims. Additionally, despite the low mean and median income of civil servants,¹⁰ both the media and the federal government have been quite efficient in condemning the *maharajas*¹¹ of public services and in contaminating the whole stratum with the maharajas' high-wage-no-work image, blaming it for the low quality of purposefully milked social and public services.
- The end of inflation, the overall support for Cardoso's economic adjustment plan, the emergence of structural job insecurity due to economic restructuring (Standing, 1999) and industrial restructuring with quality control mechanisms, jeopardized zero sum, all or nothing strategies. Instead, compromise became the rule of the game.¹²

1.3 ...And more

For the unions, the picture was worsened by a new challenge: the direct, incisive attack of Cardoso's government against CUT and the left as a whole. Perhaps the most significant moment in that conflict was the confrontation with petroleum workers in 1995. The Brazilian state-owned petroleum company, Petrobras, refused to honor a collective agreement according to which the company should restore real wages based on past inflation. In its fight against the general indexing of the economy,¹³ the government took petroleum workers' demands as the lighthouse from where it would signal to all other workers that it would not "tolerate" this kind of indexing anymore. After weeks of frustrating negotiations, a thirty-day strike took place. Following violent confrontations with the army (which occupied many Petrobras refineries), petroleum unions headed by

⁹ Data from monthly household employment surveys, available at www.ibge.gov.br.

¹⁰ In 1999, civil servants' median monthly wage was R\$520.00, while in the formal private sector it was R\$340.00. Mean wages were R\$850.21 and R\$538.57 respectively. Data from national annual household survey PNAD.

¹¹ *Maharaja* was a label coined by former president Collor de Mello to name very high-wage (more than US\$100,000.00 a year) civil servants. Collor built up a strong reputation as "the hunter of the *Maharajas*" and this was instrumental in his election (Sallum Jr., 1996), an indication of voters' reaction to public service decay in Brazil.

¹² I am not saying that this was actually happening in the labour process or in the labour market. I am only sustaining that those were the rules of the game. Cooperation and compromise were very much imposed on workers in exchange for job security, at the cost of greater workload and labour stress. See Stewart et al. (2001).

¹³ Indexing had characterized the Brazilian economy since the 1960s. All prices were aligned to the variation of inflation (including bank accounts), so that all economic agents could presumably catch up with past losses. This was not true for low wage earners, because they could not afford bank accounts and because official wage policies always restrained minimum wages. See Singer (1988).

CUT were bluntly beaten, getting nothing they demanded and having 59 of their union leaders dismissed countrywide.

This was a huge defeat for the CUT. Petroleum leaders were among the “founding fathers” of this central federation and the first to organize a national “department” within its structure, negotiating national collective agreements with Petrobras that, in CUT’s strategy, should serve as an example to workers in other economic branches. Cardoso’s government was aware of that and conscientiously acted to weaken their power. One of the side effects of the battle was a turn of public opinion away from the strikers, and in favour of the president: 60 per cent of São Paulo State’s population disapproved the strike. Another 55 per cent found it unjustified, and 53 per cent thought that it was inspired by political motives against President Cardoso, and not by wage demands.¹⁴

Along more or less the same tracks, from 1995 to date, the left wing and other nationalist forces, i.e. the CUT, the workers’ party (PT), communist parties, central union federations like the two CGTs, and other smaller, dissident federations created during the 1990s, all hopelessly tried to block Cardoso’s neo-liberal programs, the most important of which is the privatization of state-owned enterprises. After some violent protests in 1996 and 1997, left wing movements, to put it in a way tasteful to Lula, “lost the ideological battle” on this specific issue. Cardoso privatized everything he wanted, the way he wanted.

What is striking about this evolution is that it was achieved against public opinion. In fact, in 1990, only 30 per cent of Brazilians were in favour of privatization, while 30 per cent were against it and 36 per cent had no clear opinion.¹⁵ By 1998, the rate of rejection had grown to 52 per cent, with only 34 per cent supporting the selling of public enterprises.¹⁶ In April 2000, citizens were asked to evaluate privatized companies. According to the newspaper that released the results, the government found “astonishing” the proportion of those who declared themselves against privatization.¹⁷ Finally, in November 2000 the same Datafolha Institute found that 65 per cent of the voters in the São Paulo State were against “privatization in general”.¹⁸ All that notwithstanding, opposition forces were not able to channel the public’s enduring, though silent, resistance in their favour, so as to stop the selling of former bastions of the Brazilian labour movement. This was a heavy blow to the leftist strategy of confrontation based on nationalist reasoning. As I said, CUT unions dominated most former public enterprises, and in many cases privatization meant loss of offices for competing federations.

In addition, the 1990s saw the emergence of a real competitor within the labour movement, *Força Sindical* (FS). Born in 1991 of egresses from the two CGTs and independent union leaders, FS had an entirely different approach to central union strategy. Instead of confrontation with the government and capital, FS preached in favour of cooperation and partnership in the name of “the country’s well being”, whatever that meant (*Força Sindical*, 1993; Martins Rodrigues and Cardoso, 1993). Instead of opposing the government’s neo-liberal policies, the federation screamed out its unconditional support, espousing government’s judgment of leftist opposition as a sort of jurassic

¹⁴ Datafolha poll of a sample (1,079 interviews) of São Paulo State’s population over 14 years of age, held on May 23, 1995, also archived at CESOP/UNICAMP.

¹⁵ IBOPE poll of a representative sample of Brazilian voters (3,643 interviews) in August 1990, also archived at CESOP/UNICAMP.

¹⁶ Datafolha poll of a representative sample (4,380) of the Brazilian adult population (18 years or more), July 1998. Archived at CESOP/UNICAMP.

¹⁷ See newspaper *Jornal do Brasil*, 23/04/2000, p. 2. The results of the poll, sponsored by Cardoso’s government, were not made public.

¹⁸ Newspaper *Folha de S. Paulo*, 13/11/2000, p. B. 1.

vanguard. On the other hand, just as the CUT did and still does, the FS favoured plant level collective action as the most important means of ensuring the consolidation of union power. As a consequence, and unlike in the 1980s when few unions could resist an attack from CUT's competition (among which was São Paulo's Metal Workers Union, the sustaining pillar of FS), in the 1990s the FS's strategy would shield its affiliates against competition on a much more efficient basis. While the CGT did not grow in the 1980s, the FS multiplied its affiliation by three, up to 1,500 unions, between 1991 and 1998.¹⁹ The FS, then, represented real competition both at macro and micro levels to the CUT's previous strategy, and the latter could no longer act as if it dominated the market of political exchange (Pizzorno, 1978). All this posed a brand new challenge to the CUT, since its survival and growth would no longer depend on its organizational capacity alone. From then on, that central federation would have to play a game in which workers were finally offered an alternative to its adversarial approach. The drawbacks in its recent history possibly paved the way for the new competitor's growth.

Last but not least, a word on money. Unions in Brazil are financed by an array of sources. Part of the money comes from compulsory "contributions" (the so called '*imposto sindical*') from their rank and file, part from "voluntary" contributions approved in workers' assemblies, and part from monthly voluntary individual contributions from associates. Only the last one is purely voluntary. The second one is also compulsorily charged on pay cheques once collectively approved by a non-qualified majority (the law does not establish which proportion of the rank and file must be present at assemblies so as to ratify the tax). Nonetheless, all these forms of financing are under stress due to growing unemployment rates, de-formalization of labour relations (only formal workers have "formal" pay checks from which to make compulsory deductions), and competition from newly born institutions created after the 1988 constitution. Virtually every individual union is facing budgetary problems and going through institutional restructuring and downsizing. The same is true at the level of central federations.

In fact, both the CUT and the FS either reduced supporting staff or reengineered wages and working hours, or both throughout the 1990s. FS's budget relies heavily on the São Paulo Metal Workers' Union with which it shares personnel, buildings and utilities. The union lost 58 per cent of its sustaining base between 1989 and 1999.²⁰ As for CUT, 90 per cent of its budget comes from 300 (or 10 per cent) of its affiliates. In particular, the ABC Metal Workers' Union, the Union of Workers in Banks and Finance Institutions of São Paulo State, Petroleum Workers' Unions and São Paulo State Teachers' Union make up for nearly a half of the total budget. The first two lost nearly 50 per cent of their rank and file due to industrial restructuring and subcontracting, while petroleum workers and teachers face budget shrinkages of their own due to a fall in voluntary association, which accounts for the great majority of their income. Not surprisingly, one of the major problems in central federations' administration in the 1990s has been the use of affiliation to ensure "willingness to pay". CUT has guaranteed itself a regular flow of payments by linking participation in its tri-annual congresses (where the board of directors is elected and overall action strategies decided) to advance payment of affiliation by unions

¹⁹ In that same year a group of dissidents founded the *Social Democracia Sindical* (SDS), taking 700 affiliates from *Força Sindical*.

²⁰ Data from *Relatório Anual de Informações Sociais* (RAIS), firms' administrative registers, centralized by the Ministry of Labour.

interested in appointing delegates.²¹ FS has not yet institutionalized such a mechanism and basically depends upon a single union.²²

2. Ashes and fire

The series of defeats in almost every single field of union action have slowly consolidated the image that unions, especially CUT unions, were weak in the face of government and capital. The complete change in broad political, social and economic contexts seems to have finally jeopardized the very possibility of unions' action. Neo-liberalism seems to have won not only the battle, but also the whole ideological and practical war. FS and affiliated unions seem to have performed better due to their unconditional, first hour alliance with government, and the most important measure of which being the increase in affiliation. But the important observation for the argument being put forward here is that this has not resulted in the strengthening of FS as a major central federation, or of its affiliates as real challenges to the CUT affiliates. There has been a rearrangement of power relations within the labour movement, but both federations and their local union affiliates have lost power vis-à-vis other social and political competitors. Why?

A second parenthesis

It needs to be made clear that this appearance of irreversible defeat and paralysis of central and local unions has to do with the parameter that stands for comparison. The 1980s were the apex of labour movement organization. Along with all the favourable conditions discussed in chapter one, the decade witnessed six frustrated economic adjustment plans,²³ which fuelled mass demonstrations against their wage restraint approach (wage and price freezes were only effective on wages). The pattern of relation between unions and government during this period could be summarized as follows: unions would first try to block the implementation of the plans. Labour's more or less intense protests would be more or less brutally repressed from the start. Labour courts would either judge the movements and strikes illegal or deny their economic demands in the name of the economic stability to be brought about by the economic plans. The failure of every new plan would immediately lead to strike activity and at the same time reverse the mood of labour courts, who would suddenly become willing to restore real wages, on whose restraint the failed plans had been built. Explosive inflation and the frustrated attempts to tame it based on wage restraints were powerful fuels for action in a rather favourable environment.

Put in another way: taming inflation was one of the *raison d'état* in the 1980s. In the environment that prevailed, strikes and protests against economic plans were immediately politicized as movements against the government. The state's general crisis and political inefficacy, and the lack of responsiveness of the political system greatly enlarged the scope

²¹ In spite of this, four months before its VIIIth National Congress held in August of 2000, half of its affiliates had not paid their fees.

²² It should be noted that in the 1980s, international central federations such as the Italian *Confederazione Generale Italiana del Lavoro*-(CGIL), the German *Deutscher Gewerkschaftsbund* (DGB) and the American AFL-CIO channeled huge amounts of money to CUT and the CGTs. The flux dried up in the 1990s to virtually nothing at all.

²³ Two plans by Delfin Netto from 1979 and 1983, under military rule; *Plano Cruzado* and *Cruzado II* in 1986-7; *Plano Bresser* in 1987; and *Plano de Verão* in 1989.

of labour unrest.²⁴ Labour was a key representative of the interests and dissatisfaction of the public at large. In a word, labour could vocalize widely held interests and speak for a major part of society, while simply representing strict economic interests.

Plano Real, Cardoso's attempt to tame inflation based on the "Washington Consensus", was also applauded from the start. Once again the CUT tried to defeat it in the cradle and once again public opinion, labour courts and also *Força Sindical* supported it unconditionally. The plan succeeded and Cardoso was re-elected president against Lula because of the success of the plan; for the first time the pattern of "economic plan launching → public applause → union defeat → plan fail → union unrest" was broken. In other words, the success of *Plano Real*, which, among other things, actually increased real wages between 1995 and 1997 across occupations and economic sectors (Singer, 1996; Amadeo 1999), withdrew one of the main issues around which the CUT and its affiliates had built both their identity and overall strategic action. The government's inefficacy in controlling inflation had been chief cement to popular dissatisfaction and willingness to act in the 1980s. The "enemy" was clearly identifiable and salaries were a nevralgic point. This partly disappeared when *Plano Real* finally succeeded. The "enemy" was blurred to the general public (Cardoso was more of a saviour instead) and an overarching political strategy based principally on workers' dissatisfaction was displaced. To keep the fire burning, the Brazilian labour movement would have to find other fuels. And it partly succeeded.

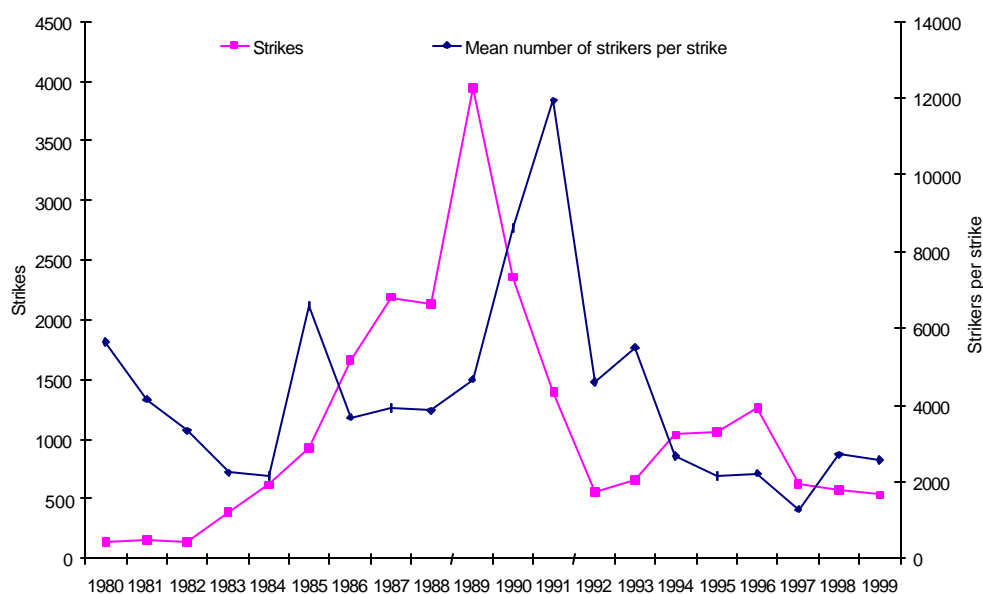
2.1 Ashes: collective action and union density

In fact, despite the aforementioned drawbacks in the labour movement's general environment, union action was by no means mute. Strike activity, though far less intense from 1992 to date, has never left the scene. Figure 1 shows the evolution of the number of strikes and the mean number of strikers per strike between 1980 and 1999. It shows that the number of strikes escalated from 1982 to 1989, decreasing to a more stable level in the 1990s, varying between 500 and 1,500 per year. The number of participants followed suite. This is what I mean in referring to "the apex of labour movement". The peak of the 1980s is probably misleading. We may since be facing some kind of stabilization of collective action at a level which, it should be noted, is still higher than in many western countries. In any event, the acute decline from the levels of the 1980s to those of the 1990s may also reflect the increase in workers' fear of engaging in collective action. High unemployment rates, wage insecurity, job insecurity and increasing informality of the labour market as a whole, are augmenting the costs of failure of collective action. The loss of one's job as a punishment for union militancy may represent impoverishment, social exclusion, and hunger.

As for union density, the aggregated data available does not reveal any loss of legitimacy of unions in the last decade at all. Table 1 shows that, despite the hostile environment, affiliation to unions has remained at a fairly stable level since 1988, falling from 22 to 20 per cent of adult salaried workers.

²⁴ Different readings of the same process can be found in O'Donnell (1992), Werneck Vianna (1991) and Sallum Jr. (1996), the last two more attentive to class politics.

Figure 1. Strikes and strikers in 20 years



Source: Noronha (1994); and Departamento Intersindical de Estatísticas e Estudos Sócio-Econômicas (DIEESE) (www.dieese.org.br)

Table 1. Evolution of union density rates of the Salaried Occupied Population (SOP) above the age of 18, and of registered salaried workers above the age of 18: Brazil, 1988-1998

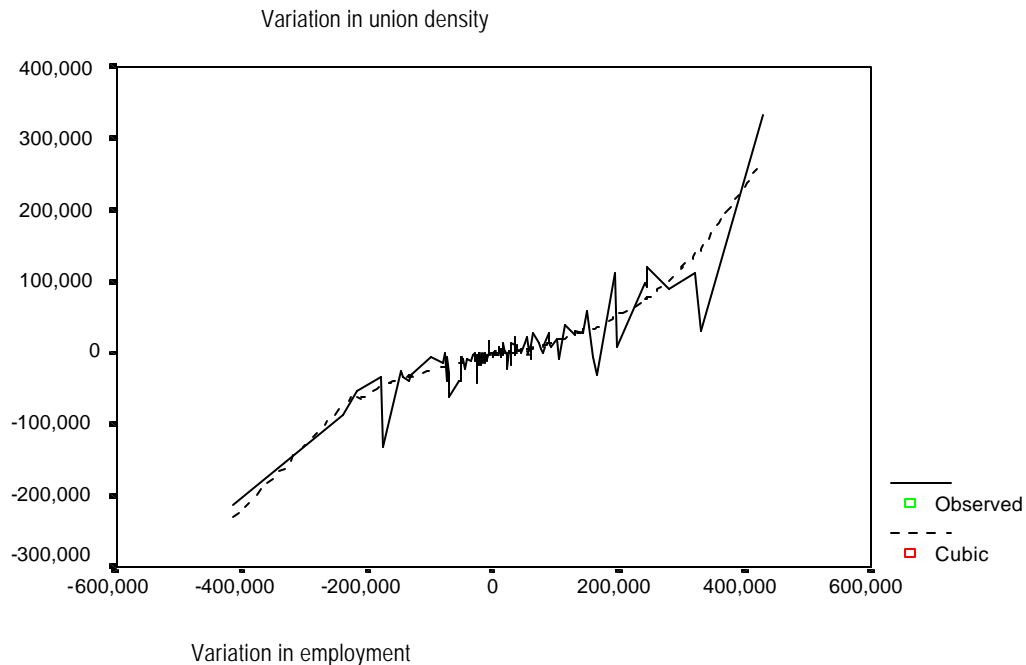
| | 1988 | 1992 | 1993 | 1995 | 1996 | 1997 | 1998 |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Adult SOP | 34 279 202 | 34 777 618 | 35 695 613 | 37 060 634 | 37 738 808 | 38 261 082 | 38 587 504 |
| Affiliates | 7 520 857 | 7 836 934 | 7 932 061 | 8 019 842 | 7 934 704 | 7 931 065 | 7 751 583 |
| Density (%) | 21.9 | 22.5 | 22.2 | 21.6 | 21.0 | 20.7 | 20.1 |
| SOP/Total OP | 64.0 | 56.6 | 57.2 | 56.3 | 58.0 | 57.0 | 56.9 |
| Total registered salaried | 21 607 963 | 19 332 874 | 19 333 602 | 19 791 525 | 20 013 704 | 20 359 528 | 19 305 730 |
| Registered salaried affiliates | 6 216 980 | 5 990 541 | 5 862 114 | 5 799 449 | 5 676 840 | 5 619 940 | 5 503 259 |
| Density of registered salaries | 28. 8 | 31.0 | 30.3 | 29.3 | 28.4 | 27.6 | 28.5 |

Source: PNAD/IBGE, 1988 and 1998. Built from original data sets

What this table does not reveal is that there has been an astonishing migration of affiliates from finance and manufacturing to the services and commercial sectors, accounted for, basically, by the absolute variation in employment in the economy as a whole. If we de-aggregate the available information by 158 economic sectors, up to 82 per cent of the absolute variation in union density can be accounted for by the absolute variation in employment from one sector to another. This is what figure 2 tells us. It shows the relation between the variation in absolute employment and in absolute affiliation in

each sector. The trend line results from a cubic equation²⁵ and shows the strength of the relation between the two processes.

Figure 2. Variation in numbers of salaried employed and numbers of affiliates to unions in 158 economic sectors, Brazil, 1988-1998



Source: PNAD (1988 and 1989)

It is undeniable that the devastation of employment in manufacturing and the reduction in absolute density that followed were direct consequences of the neo-liberal policies undertaken. While it is true that manufacturing sectors had been losing jobs since the beginning of the decade, in 1996 there was a clear intensification in the reduction of union density rates in this particular branch, as compared to 1988. For instance, in 1992 there were 45,000 fewer affiliates than four years earlier. In 1995 the difference was almost the same: 47,000 fewer affiliates. But in 1996, unions in manufacturing lost 211,000 affiliates, a figure rising to 414,000 in 1998 when compared to 1988. This amounts to a loss of one fifth of the total number affiliates reported in 1988.

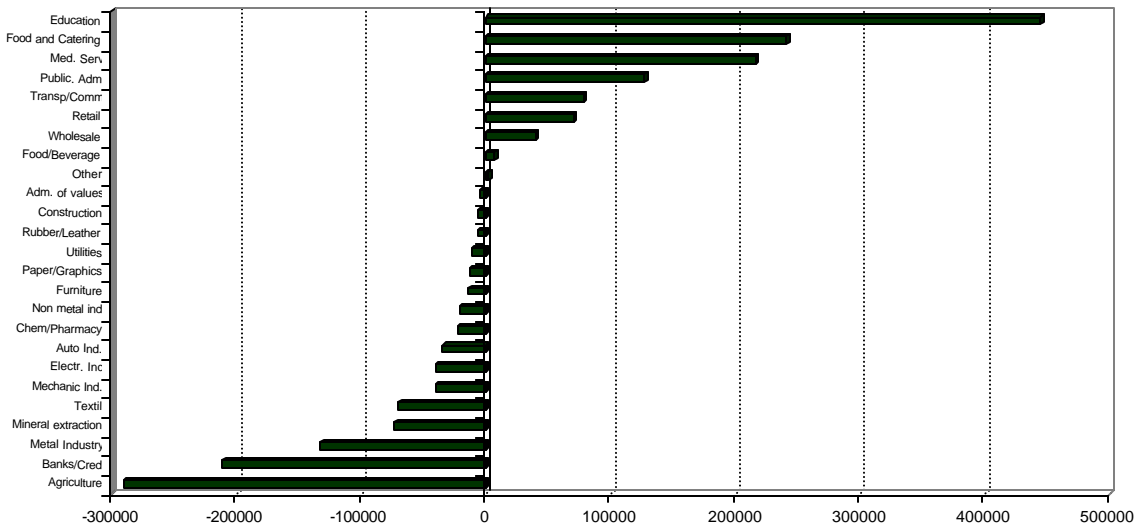
These important figures aside, manufacturing alone lost 1.7 million of the 8 million formal, registered jobs that existed in 1988. As already mentioned, registered workers are the traditional and legal clientele of local unions, those from which these organizations can compulsorily charge union taxes and contributions. An important part of the crisis of manufacturing unionism is due, then, both to the reduction of absolute employment and to the loss of the quality of the remaining jobs, which are becoming increasingly informal.

Neo-liberal adjustment has also strongly affected finance and bank workers (figure 3). The banking and finance sector has lost 200,000 affiliates (180,000 of them after 1994) and 500,000 registered jobs. This means that the clientele of finance unions was reduced

²⁵ The equation is: $Y = 2,329E-12 x^3 + 6,84E-08 x^2 + 0,178 x - 4341,61$, where Y is the absolute variation in employment between 1988 and 1998 and X is the absolute variation in union density.

by a half in the space of ten years, due to three main factors: first, the privatization or bankruptcy of public banks; second, the sheer reduction in the number of bank offices available to the general public; and third, the concentration and internationalization of capital in this particular industry, which intensified intra-capitalist competition and pushed industrial restructuring further, mostly through information technologies. Bank workers' unions, it should be noted, were the second major force in the CUT, just after metal workers' unions.

Figure 3. Variation in net salaried employment from 1988 to 1998 by economic sector

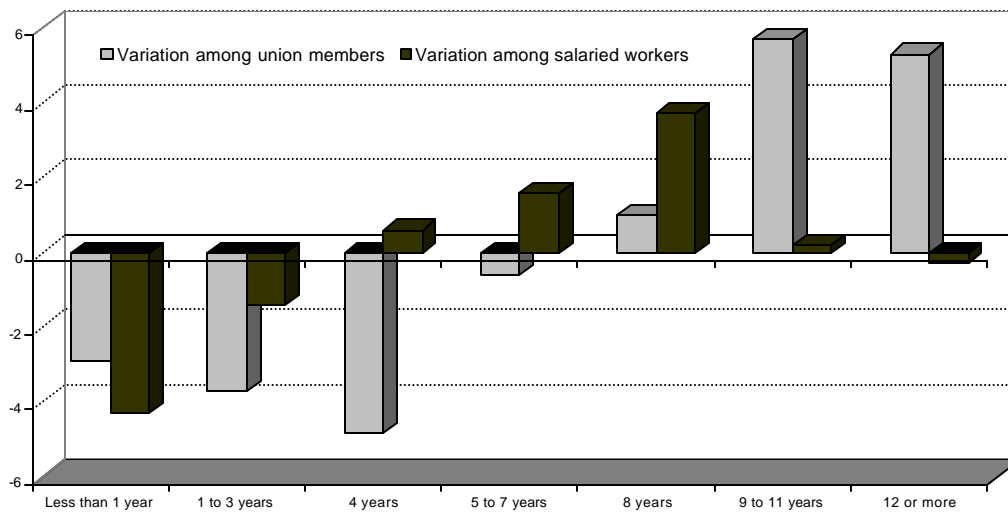


Source: PNAD (1988/1998)

The important thing to mention is that the labour movement has, to some extent, coped with these major changes, though the costs have yet to be correctly measured. For instance, education has been the most important sector to benefit from the shifts in the labour market structure. More than 700,000 new jobs were created there, and unions managed to engage up to 450,000 new affiliates. This helped to increase union density rate in this particular sector by 8 percentage points (from 23 to 31 per cent). The same is true for food and catering, and for health and medical services, which saw an increase both in employment and in union density in ten years. Public administration is the other major beneficiary of union action, with the increase of over 100,000 new union members in 10 years, which helped to bring union density up by 4 percentage points.

This reveals a clear pattern in the adaptation of union action to the new labour market configuration. There has been a shift from those sectors where competition for jobs increased sharply, reducing workers' bargaining power, salaries and working conditions; to those sectors where higher education and special skills are effective entry barriers shielding workers' market positions against wider competition. That is to say, the labour movement is moving away from those sectors where it is needed the most, because of the labour market fragility and insecure labour conditions of their members, to those where individual workers have stronger bargaining power due to valued differential skills. This is absolutely clear when we analyze the variation in the union supporters' educational profile, as compared to that of the total salaried workers' variation. Note that almost everything that has been lost by union members with 4 years of education or less has been transferred to those with 9 years or more. Among the salaried workers, the losses among the lower education strata have not been as intense, and the bulk of the transference has involved the strata of full 8 years of education (equivalent to the basic cycle in Brazil).

Figure 4. Variation in union members' and salaried workers' years of schooling: Brazil, 1988-1998



Source: PNAD (1988/1998)

2.2 Fire: Agency against structure

There is more to the union's response than simple and surrendered adaptation to the "blind forces" of structural change. Central union federations are trying to survive in manufacturing in different ways. Where FS and its affiliates are concerned, the year 1998 marked a turning point in their unconditional support for neo-liberalism and for President Cardoso's plan of economic adjustment. Not surprisingly, this was a year of economic stagnation, rising unemployment rates, further destruction of the industrial fabric and popular discontent with *Plano Real*. São Paulo Metal Workers' Union, the strongest pillar of FS, had to reduce the wages of its 480 employees by 10 per cent, in exchange for job security until January 2000. Employers from the machine and electronic goods industries forced the withdrawal of important clauses from the current collective agreement concerning overtime pay above the legal prescription, and job security of elderly people about to retire and young people about to join the army (compulsory for young men under 18).

In response to the rise in unemployment rates, and at a cost of five million US\$, the FS launched, in July 1998, the Centre for the Solidarity of Workers, which aimed to train unemployed metal workers for new jobs in possibly new economic sectors, implement unemployment insurance, and provide job exchange services. Most of the money came from Fund for the Support of Workers (FAT), a public fund financed by firms and administered by representatives from labour, capital and the state. By the end of 1999, FS had secured some 20 million dollars for a further two years of the Centre's activities, due to its astonishing success: more than 300,000 people were assisted in the first year.

While still supporting the government in the political arena, FS has gotten closer and closer to the CUT in labour market movements since the end of 1998. A meeting held on December 21 at the Federation of Industries of São Paulo State, an employers' association, brought together labour and capital leaders, and congressmen, in a demand for cuts in national interest rates, a decrease in production taxes, and an increase in federal government's incentives to production as a whole. On June 9 1999, CUT, the Ford Company and FS proposed a change in the government's regulation of temporary suspension of work contracts. Instead of a maximum of five months, the three parties

suggested an indefinite horizon for the suspension, provided that unions negotiated and exerted surveillance over its application. In July 1999, CUT and FS joined together against Ford when the company announced the closure of its São Paulo's plant, shortly after the announcement of a new plant in Bahia favoured by local and national fiscal incentives. Both federations demanded the prohibition of the closure of brown-field plants until the expiration of fiscal incentives for new plants. During September and October 1999, CUT and FS proposed a national, collective agreement for the automobile industry that would stipulate sector-based minimum wages and basic working conditions. When the National Association of Automobile Manufacturers, ANFAVEA, an employers' association, refused to negotiate it the two federations started their first joint mobilization campaign ever: the "strike festival", a coordinated attempt by 20 local unions around the country to stop every single assembly plant, every Thursday from September 23 to October 28. The festival was a striking success, except at the Fiat plant in Minas Gerais. The company not only resisted the movement, but also refused to negotiate national terms when the other companies decided to concede a 10 per cent increase in wages and to name a commission to study workers' demands. As a consequence, FS and CUT set two Fiat cars on fire in São Paulo's main avenue in protest. The idea was to damage the company's public image and call attention to its lack of "social vision". The whole experiment of the "strike festival" has been so positively evaluated by both federations that, by the end of October, they were negotiating the extension of the tactics to other sectors such as the chemical industries and commerce.²⁶

FS, then, combined political support for Cardoso's economic adjustment plan with labour market unrest, to ensure working rights that FS itself had helped to withdraw by favouring neo-liberal policies. The logic, in FS's view, seems to be that broad political action has nothing to do with union representation at the local level. Politics, it would argue, is the world of preferences and parties, of ideology and affinities based on deeply ingrained conceptions. The labour market is the world of economic efficiency, and union action must be performed pragmatically. There is room for neo-liberal alliances at the national level, and there is also room for tactical alliance with anti-neo-liberal parties at the labour market level. This stance, I will argue, has paradoxically weakened FS's position and its dream of becoming the most important representative for labour in the neo-liberal world.

It is true that the tactical alliances between the two federations, though noisy, have been quite ineffective in practical terms for local unions. While losing political power at the macro level, CUT and its affiliates have faced increasing difficulties in "protecting working conditions and wages from competition", to phrase it as the American Federation of Labour/ Congress of Industrial Organizations (AFL-CIO) would (Nissen, 1997). Industrial restructuring has forced local unions into a defensive position due both to structural unemployment and new forms of work organization. Not surprisingly, in January 1998, Ricardo Berzoini, an important CUT leader, stated that the central federation should be more aware of local unions' plight in collective bargaining. Because of the economic crisis, weaker unions had had to make concessions in many respects since 1995, and his concern was that these poor collective agreements would possibly contaminate those of stronger unions.²⁷ That was both a warning and a lament.

As a matter of fact, by the end of 1997, the Metal Workers' Union of ABC Region had already had to concede to Volkswagen, decreases in social benefits that had once made the difference between CUT and non-CUT unions: subsidies for medical care, transport,

²⁶ All events extracted from my personal newspaper cuts. I thank Dulcimar Dantas & Albuquerque for her patient work in selecting and archiving the material.

²⁷ Newspaper *O Estado de S. Paulo*, January 01 1998, p. B.7.

food at work, extra-time work paid 100 per cent above the legal prescription and others, so as to reduce the firm's spending by 2.3 per cent and prevent 10,000 workers from being fired. This same union had negotiated collective agreements in 1991 that forbade Volkswagen from subcontracting products and services without the union's permission! In December 1998, the company threatened again to fire 7,500 workers, and the union negotiated a decrease of 15 percent in wages and working hours in exchange for job security for 12 months. It is true that the union also negotiated the prolongation of the São Bernardo plant, which Volkswagen was planning to shut down: a major achievement. For the first time ever, a multinational reviewed its investment strategy in response to union pressure in Brazil, and the company decided to assemble its new compact model at this brown-field, decadent plant. The decision sufficed to maintain existing jobs, but the exchange currency was labour quiescence in terms of peace at work. There was defeat, but the novelty of the agreement cannot be overstated and the union showed great negotiating capacity and strength. More was to come.

In December 1998, Ford Motors announced a massive layoff of 2,800 out of 6,000 workers from its São Bernardo plant. The company refused any possibility of negotiation from the start, and after 15 days of intense (and tense) protests, the same union had an original idea: on the morning of January 5th 1999, all employees showed up for work, including the dismissed ones. They entered the factory as if nothing had happened and occupied their original working positions inside the plant. The intention was to produce 600 automobiles with zero defects. Ford refused to let the work begin, and workers kept on doing this for other 15 days. They were not on strike: it was the company that was on lockout, which is forbidden under Brazilian labour law. Under pressure from the government and public opinion, Ford finally decided to negotiate. On February 3rd, 44 days after the announcement of the layoffs, Ford retreated, the dismissed employees were called back and the company launched a program of voluntary release. Luis Marinho, president of the ABC Metal Workers Union, was acclaimed a hero by the rank and file. On the day after, the two parties issued a press release in which they promised to look for joint ways of improving competitiveness of the São Bernardo plant. This was also a complete novelty in terms of labour/capital compromises in Brazil.

The tradition of both confrontation and negotiation in auto-industry labour relations has been widely studied.²⁸ It is at the base of the innovative character of the proposals of the Metal Workers' Union, and also of automobile companies' disposition to negotiate. Though obtained at the cost of wages and peace in labour relations, the results are novel both in institutional and economic terms: the union is stronger after two successful negotiations with companies planning to displace brown-field plants; and jobs were secured at a time of growing unemployment and economic crisis.

The same conclusions can be reached about the union of São Paulo Workers of Finance and Credit Institutions, which succeeded in negotiating real wage increases, shares in profits and maintenance of former collective agreements rights, despite major losses in employment, already mentioned. Unions in the chemical, petroleum and textile industries followed along the same tracks during 1999. Surprisingly, the labour courts reversed their tendency to dismiss labour demands related to wage increases and again started restoring salaries based on past inflation.

It should be noted that such striking achievements in a hostile environment were exceptional. CUT unions did not impede the destruction of close to two million jobs in industry due to economic restructuring. They were unable to halt the deterioration of

²⁸ The literature abounds. A brief survey would include Humphrey (1982); Maroni (1982); Abramo (1986); Carvalho (1992); Castro (1994); Diniz (1997); Cardoso and Comin (1995); Comin (1998); Gitahy and Bresciani (1998); Cardoso (2000); L. Cardoso (2001).

public services, another pillar of their national organization and they could not prevent privatization. Labour market victories were partial, localized and restricted to previously strong unions, which, though victorious, lost institutional resources, labour rights and mobilization capacity.

The argument so far suggests that unions (both locally and at the national level) are facing hard times, despite some important counter-tendencies. But it is my view that the damage done at the level of the broader, national political scenario is even more pervasive when compared to 1980. For reasons to be shown hereunder, unions have since lost a significant part of their capacity to function as fosterers of collective political identities. Let us see why.

2.3 Broad political influence: away from the centre of the stage

The CUT and the FS have consolidated different patterns of political action at the macro level, despite recent convergence in some important respects. Since its appearance in 1983, CUT has always been part of the opposition block to whatever party or party coalition was in office (local or national). Refusing to take part in the political concertation proposed by presidents Sarney or Collor²⁹ (the former treated as illegitimately elected by the military and the latter targeted as the neo-liberal enemy to combat), CUT adopted a tactic of pressure from the outside: public demonstrations, general strikes, occupation of unused land and so on. Its main goal had been the organization of workers in order to win elections through the Workers' Party (PT), and only afterwards to take an active part in the political process. That is to say, the CUT's political strategic action in the 1980s cannot be understood out of a broader project of power that included PT and other leftist parties also represented in the federation's power structure. This changed in the 1990s in at least one important way.

The impeachment of former president Collor paved the way for a different kind of participation, the "*Câmaras Setoriais*", tripartite arrangements put together by president Itamar Franco (1992-1994) in response to a demand from Vicente Paulo da Silva, then-president of the ABC Metal Workers' Union. The agreements aimed at discussing and formulating public policies for manufacturing. This meso-corporatist arrangement (Cardoso and Comin, 1995; Martin, 1994) was finally elected by the federation as the main platform for its representational action, in the face of deep conflict within CUT (Arbix, 1996; Oliveira, 1994). Among other things, CUT saw in it the best way to overcome both the economic and social crises in Brazil. The reasons behind that election are not the issue here (see Guimarães, 1995). What is important is that for the first time ever, CUT decided to participate in mechanisms of policy making from inside the state apparatus, and to confront other parties (including the representatives of FS, the state and capital) with non-maximalist, negotiable demands. President Cardoso did not pursue such mechanisms as the *câmaras setoriais*, and the experience died out in the second half of 1994. Nonetheless, the CUT and the PT would continue to demand *câmaras setoriais* throughout the decade, indicating a real change in their overall strategy of political action. This decision to participate would have a strong impact on CUT's future tactics.

²⁹ Although all social pact attempts under both presidents had an initial participation of CUT leaders in the beginnings of each negotiation (three under Sarney and one under Collor), the confederation would never make it an "official", collectively decided move. The executive board of directors would always impose conditions to participate: agrarian reform; non recognition of external debt; withdrawal of IMF representatives from economic policy making and so on, things to be accomplished before CUT decided to participate.

FS, on the other hand, adopted a pragmatic, insider approach to government, supporting programs of economic adjustment as they succeeded and criticizing them as they failed. Unlike CUT leaders, the president of São Paulo Metal Workers' Union, Luis Antônio de Medeiros (who later became the head of FS) was key figure in parliament during the elaboration of the 1988 constitution, acting as the labour movement pressure group leader and being responsible for many of the outcomes on themes such as strikes, labour and unionization. As I show elsewhere, because Medeiros did not have the social power necessary to sustain his claims of being the representative for labour, he allied himself with powerful political forces so as to strengthen his bargaining power within the labour movement (Cardoso, 1999). After the emergence of FS, he intensified this pattern of instrumentally using the political system as a way of consolidating his leadership within the labour movement. FS thus became a close interlocutor of the presidency, parliament and the federal bureaucracy, and this fundamentally differentiated its strategy from that of the CUT.

In short, in the 1980s, CUT would exert pressure from outside the political system and try to use its actual social power to achieve its objectives. In the 1990s, this strategy was complemented by a decision to participate. In the 1990s, FS used the political system to strengthen its own power within labour movement, that is to say, against CUT. It would also exert pressure on the political system, but in a different fashion. Let us look more closely into these strategies.

FS and politics

FS has been a first-rate ally both to Collor and Cardoso. Medeiros, its most important leader till very recently, was among the last allies to abandon Collor's side during the process of his impeachment. From 1994 onwards, the federation would not only support neo-liberal policies, it would also play an active role in their implementation. The federation formulated bills for labour market flexibility covering flexible working hours (also proposed by CUT's local unions); temporary labour contracts with reduced indirect wage costs;³⁰ and temporary dismissal,³¹ which to date have all been approved by parliament. It also favoured privatization. On this particular issue, FS forced the government to allow workers to buy shares in their companies' stock, and mobilized public opinion against the employees of state-owned enterprises, painted as a privileged few benefiting from better salaries, job security and large fringe benefits,³² none of which were paralleled in the private sector. It also pushed for state administrative reform that, if achieved, would have meant the dismissal of public servants. Paulo Pereira da Silva, the then-second man in the FS lines, proposed a compulsory loan on public servants' wages exceeding US\$12,000.00 a year from which to finance the public deficit. The reasoning was that, in his words, "it is not fair that only private sector employees pay the price of economic adjustment and face unemployment, wage restraint and other sacrifices".³³

FS support for neo-liberal policies had two targets: a *quid pro quo* with the political system (that is to say that it hoped that the government, political elites and leaders of capital would somehow reward its loyalty); and the bombing of CUT's social bases. This support may seem rather paradoxical on the part of a trade union: labour market flexibility represents a shot in its own foot because it paves the way to precarious labour contracts, job insecurity, lower income and worsened (or no) labour rights (Standing, 1999). Labour market flexibility establishes a cleavage within the working class that makes it very

³⁰ That is to say, with lower rates of labour rights.

³¹ Firms could suspend labour contracts for up to six months without the payment of dismissal fees.

³² Such as 40 days of vacation, fourteenth month of salary and so on.

³³ Newspaper, *O Estado de São Paulo*, 10/28/1998, p. B-5.

difficult for unions to negotiate encompassing collective agreements (Nissen, 1997). This means that FS's strategy was instrumental for its own political recognition and transit in the realm of the political system, but not so much so in terms of fostering the interests of those it represented. On the other hand, the attack on public servants was a direct attack on CUT, since 90 percent of civil servants' unions and associations are CUT affiliates. FS has always defined itself as a "private sector federation".

Accordingly, FS has conscientiously acted to mark its difference from the CUT in the political arena. It has done so mainly by supporting neo-liberal policies, all of which have brought about unemployment, recession, reduction of the formal labour market, growth of precarious labour relations and destruction of part of the industrial fabric that sustained CUT's action, and also the FS's. This paradox only stood because FS was rewarded in strictly political terms. Medeiros, its former leader, is now a congressman. Paulo Pereira da Silva, current president of FS, has undoubtedly been the most visible labour leader in the media due to his constant access to the offices of Cardoso, congressmen and ministers. Most of all, his representative action has been efficacious in his own terms: government "does what he wants" when his projects are well accepted in parliament; when Cardoso agrees with his ideas about labour market flexibility; and when the political system as a whole favours, as he does, privatization and state reform. The congruence of the FS ideology with the prevailing one in government has allowed the federation to harvest the fruits of the government's popular approval and success.³⁴ And finally, since the alliance was a pragmatic, informal one (there never was any strict connection between FS and any political party in office like the one that links CUT and PT), the failure of the economic plan would immediately throw FS into the arms of opposition forces. This partly happened at the end of 1998, and throughout 1999 and 2000, as we saw in the alliances between CUT and FS in labour market actions.

CUT and politics

The decision to participate did have an impact on CUT's political tactics in the beginning of the 1990s, but the federation would not abandon its former strategy of pressure from outside the political system. This was entirely ineffective from 1995 to the end of 1997; however, the same ambiance that forced FS into labour market mobilization, restored CUT's willingness to organize public demonstrations from 1998 onwards. To fully understand the constraints faced by this federation in the 1990s, a word must be said about its internal organization.

CUT's strategy, unlike that of FS, is a result of harsh, long lasting, and conflictive negotiations among leaders of varied ideological affiliations. Until 1994, *Articulação*, the main social democratic political force (for internal purposes), had managed to keep the presidency of the federation by a safe (though never large) margin of votes, and it had exerted sustainable hegemony and control over the design of the federation's strategy, holding out against the more leftist, mostly revolutionary tendencies. It is my view that the decision to participate eroded the power of *Articulação* in an unanticipated manner, and this explains most of the virtual paralysis of the period 1995-1998. *Câmaras setoriais* is partly to blame for that.

³⁴ On January 21, 1998, a noisy public ceremony brought together Medeiros, Paulo Pereira da Silva, Minister of Economy Pedro Malan and President Cardoso himself to celebrate the endorsement of the law on temporary work, which was an initiative of FS. In his speech, Cardoso strongly criticized CUT and praised FS as an example to be followed. This was a surreptitious message to Luis Marinho, president of ABC Metal Workers Union of CUT, who was to meet Cardoso the morning after. Marinho would demand *Câmaras Setoriais* to discuss employment and working hours.

The 1992-1994 experiments of *câmaras setoriais* have been widely studied and I will not go into them again here.³⁵ What is worth retaining is the strong commitment in CUT's long-term strategy to democratic policymaking in tripartite, meso-corporatist arrangements, as a result of labour market shortcomings and the economic crisis. When the neo-liberal policies of the beginning of the 1990s provoked immediate rise in unemployment rates and wage shortages, CUT realized that without macroeconomic intervention, unions would be condemned to defensive reactions to uncontrolled, blind market forces. This was the main engine behind the aforementioned decision to participate. Internal resistance remained strong throughout the period due to a lack of consensus among the CUT members, half of which continued to favour purely adversarial, contentious tactics from outside the political system.³⁶ Nevertheless, the success of some *câmaras setoriais*, especially the one for the auto industry (the main social base of ABC Metal Workers' Union, the most important union in CUT's structure) served as a peacemaker for a while. The demise of the experiment in 1995 gave extra strength to the "pressure-from-outside" proponents.

As *câmaras setoriais* and other tri-partite arrangements eroded,³⁷ so did the power and influence of Articulação and, most particularly, of Vicente Paulo da Silva (Vicentinho), CUT's then-president who had placed all his bets on that very initiative and on the prospects of negotiation with government. From 1995 to 1997, CUT lost social prominence as the chief opposition power within society, and Vicentinho's re-election in the central federation's VIth Congress in 1997, was only possible in exchange for a severe loss in his and Articulação's influence in the design of the federation's strategy. Vicentinho was denied the power to speak in the name of the Federation; that is to say, he was denied the prerogative of representation unless the executive as a whole approved the terms of any public intervention. This resulted in strong recoil of the public presence of the leader, forbidden to express personal ideas as if they were the federations. From then on, the leader practically vanished from the media as an opinion holder.³⁸ His personal life became news instead: his going back to school to study law; food preferences; and an unsuccessful decision to run for office in 2000, at the city of São Bernardo Campo, home of his metal workers' union.

CUT, of course, never completely withdrew from its former strategy of pressure from outside. In 1996 another general strike was called for by CUT, CGT and, reluctantly, FS, to protest against unemployment: its success was controversial.³⁹ Internal tensions raised in 1997 due to the proximity of its VIth Congress reduced CUT's mobilizing drive, but by 1998, things were somewhat back on track. On April 30 the federation started a national

³⁵ See Cardoso and Comin (1995); Guimarães (1995); Diniz (1997); Martin (1994); and Arbix (1996).

³⁶ In 1994 Alvaro Comin and I coordinated a survey among deputies to CUT's Vth National Congress. Exactly 42 per cent of the nearly 2,000 delegates were against *Câmaras Setoriais* and 48 per cent supported them. See Cardoso *et al.* (1994).

³⁷ From 1995 to 1997 Cardoso's government reduced the power of state agencies designed to ally labour and capital in consultation mechanisms for policy making. In 1996 CUT left the National Council of Labour instituted by former president Itamar Franco because workers "were never consulted at all" as Vaccari Neto, CUT's then-Executive Secretary (*O Estado de S. Paulo*, 16/12/1996, p.B.5).

³⁸ In the vacuum he left, the Movement of Landless Workers (MST) took over the streets and the political scene as the most important and strongest opposition movement to neoliberal programs, fighting for agrarian reform through occupation of unproductive private or public land.

³⁹ I will not go into the war of numbers that follows any general strike in Brazil. The employers' federation of industries in São Paulo reported 20 per cent adhesion (and 9 per cent in Rio). Unions reported 60 per cent in both São Paulo and Rio. What is uncontroversial is the full stoppage of the most important industries under CUT countrywide: the petroleum, metal, chemical and finance industries (*O Estado de S. Paulo*, 22/06/1996, pp. B4-B8).

campaign to collect food for the poor and for famine victims of the Brazilian Northeast Region. The First of May served as the launching platform for the “national journey against unemployment”, bringing the *Movimento dos Trabalhadores Rurais Sem Terra* (MST), students’ and social movements together. Five caravans headed for Brasilia DC from several federal states, and assembled 30,000 people in front of Planalto Palace, Cardoso’s office, on May 20. On May 6, CUT proposed camping on supermarket parking lots as a form of protest against hunger and unemployment.

On 26 March 1999, CUT, MST, leftist parties and students’ movement promoted the “National Day of Struggle in Defence of Brazil”, a series of demonstrations in every major state capital in the country, protesting against unemployment, privatization and IMF policies. Throughout the second half of 1999, a series of strikes once again shook the scene: truck drivers, petroleum workers (after five years of silence), metal workers, civil servants, workers in finance institutions and others, staged a revival that brought strike statistics back to pre-Cardoso figures. On August 26, a huge popular demonstration in Brasilia DC took place: the so called “March of the One Hundred Thousand”, organized by opposition political parties, the Congregation of Catholic Bishops, CUT, MST and numerous other social movements, to protest against neo-liberal policies, generalized corruption, IMF command of the Brazilian economy, unemployment and hunger. Cardoso acknowledged the enormous success of the journey, saying, “the message was heard”.

In all these demonstrations and social protests, CUT played a central role, taking advantage of growing popular disapproval of Cardoso’s government due mainly to the deterioration of living standards, rising corruption, persistently high unemployment rates and growing poverty. All that notwithstanding, the federation has been unable to recapture its former role as the main social force in opposition to government. Having to share this position with political parties and, most importantly, MST (it is true, a constant partner within the social movement); and revealing itself unable to present feasible alternatives to neo-liberal policies, the CUT lost its distinctiveness as a player in its own right in the political arena. It not only had to compete with FS, but also with all the other opposition forces defining their identity in a negative key: “we are against Cardoso”. Negative identities are not enough for a player aiming at the centre of political disputes, because one’s moves are always subordinated to the central player in relation to whom one’s identity is forged. It should be noted, in passing, that FS succeeded in forging a positive identity, favouring neo-liberalism and Cardoso not against something, but “for the country’s well-being”, a clear, positive goal.

3. The People’s Security Survey (PSS)

This extended introduction has been a necessary step to permit the correct understanding of the figures analyzed hereafter. My intention was to paint a comprehensive, interpretive background to the changes and outcomes deriving from market-oriented policies, and of union dilemmas and responses. The PSS survey will fulfil a third role in the argument: the measurement of the impact of the processes outlined here on the workers’ perception of and relationship to unions. If the previous analysis is correct, then we must expect little, if any, importance of unions as institutional filters for the formation of individual and collective interest, or as centres for the construction and reproduction of collective identities. In a nutshell: the null hypothesis of the analysis will be that belonging to unions does not have any significant impact on workers’ perception of their socio-economic and representation security in Brazil.

Before going further, it should be noted that the universe of the analysis will be the total occupied salaried workforce. I have excluded from the analysis the self-employed workers, for whom the question about union affiliation was also asked. Including them would have posed important problems of data compatibility and validity impossible to

handle in the limits of this paper.⁴⁰ The second important limitation is the wording of the question about union membership. As mentioned in a footnote, salaried workers were asked whether they had any union or workers' representatives at the workplace level. In Brazil the unions do not need to exist at plant level to represent workers in collective bargaining. Unions compulsorily represent workers either by industrial branch or profession on a municipal basis. Workplace representation is the exception, but its absence does not mean that workers are not represented or that they cannot join unions. The correct question should have been: Are you affiliated to any union or workers' association? I suspect that the way the question was posed has resulted in an underestimation of the populations' "real" union density, because it filtered out those who were in fact affiliated to a municipal union, the rule in the country, but took the wording literally. According to a special supplement of the Monthly Household Employment Survey (PME) conducted in 1996, union density of salaried workers in the same three metropolitan regions was 33 per cent, against 26.7 per cent in the PSS survey (table 2). By metropolitan region the difference was as follows:

Table 2. Union density of salaried workers in three metropolitan regions, 1996

| | Recife | Rio de Janeiro | São Paulo | Total |
|-----|--------|----------------|-----------|-------|
| PSS | 34.1% | 24.7% | 26.5% | 26.7% |
| PME | 38.3% | 29.2% | 33.6% | 33.0% |

Source: (Monthly Employment Household Survey (PME), 1996.

In any event, these two considerations do not eclipse the importance and relevance of the survey. They are but limits to bear in mind when deriving conclusions from the data distributions. I believe that the null hypothesis can be validly and reliably tested by the available data.

3.1 Joining unions

A third clarification is needed. I will be analyzing data distributions for the total number of 1,403 salaried workers in the sample, and not only for those 727 persons who answered "yes" to the question whether there was a union or any other kind of workers' representation at the workplace level. This decision aligns the PSS data with ILO's standards concerning "adjusted" union density in international comparison (ILO, 1997).

The propensity to join unions among salaried workers, as shown in table 2 is 26.8 per cent for the three metropolitan regions (376 out of 1,403 persons), with a maximum of 34 per cent in Recife and a minimum of 25 per cent in Rio de Janeiro. São Paulo's density is around the mean. Joining unions is not equally likely for different types of salaried workers. If we could put it in a short statement, unions are chosen by better-qualified (as measured by schooling) salaried persons, working in companies or workplaces of 100 or more employees, who have been employed for 100 months or more, who have never been unemployed before and who have never changed jobs. Their mean age is 36 years, against 33 years for non-affiliates. If the worker is a public servant, the chances of being affiliated are 46 per cent, while among registered workers of the private sector they are 33 per cent, and among non-registered workers, 2.5 per cent. Workers in manufacturing are more likely to join unions than services and trade workers, but working in public administration raises

⁴⁰ For instance, salaried workers were asked if they knew of any union or employee representatives at their workplace level. The self-employed were asked if they knew of any association or union that represented their interests. These are fairly different questions, and the results are not comparable. More on the subject will follow in the main text.

the chances of joining by up to 52 per cent. Men are just a bit more likely to join than women (30 per cent to 23 per cent), but being black or white, catholic or professing other beliefs, does not importantly affect the chances of affiliation. Having at least one unemployment spell, on the other hand, dramatically reduces the chances of joining unions (13 per cent as compared to 32 per cent of those who never had an unemployment spell), as does having changed jobs in the last 12 months. Joining unions, in a word, is more likely among workers in stable, better labour market positions.⁴¹ Table 3 shows the figures.

Table 3. Probability of joining unions

| Variables | Categories | % Unionized | Variables | Categories | % Unonized |
|------------------------|------------------------|-------------|-------------------------------------|--------------------------------|------------|
| Age | 15 to 18 years | 8.8 | Economic sector | Manufacturing | 31.7 |
| | 19 to 24 | 16.8 | | Trade | 15.2 |
| | 25 to 30 | 27.5 | | Construction | 22.6 |
| | 31 to 35 | 33.9 | | Services | 20.2 |
| | 36 to 40 | 33.6 | | Public administration | 52.2 |
| | 41 to 50 | 30.3 | | Public services | 42.2 |
| | 51 or more | 27.9 | | Transports | 43.7 |
| Sex | Female | 23.2 | Other | 22.0 | |
| | Male | 29.6 | Kind of salaried worker | Registered, private sector | 32.6 |
| Educational attainment | None | 19.0 | | Non registered, private sector | 2.5 |
| | Incomplete fundamental | 17.3 | | Public servant | 46.0 |
| | Complete fundamental | 20.8 | Size of firm | 1-5 | 6.4 |
| | Incomplete high school | 22.2 | | 6-10 | 16.2 |
| | Complete high school | 32.3 | | 11-25 | 22.5 |
| | Incomplete university | 30.0 | | 26-50 | 29.7 |
| | Complete university | 45.7 | | 51-100 | 35.9 |
| Post-graduate | 44.2 | 100 or more | 42.2 | | |
| Mean age | Affiliates | 36.0 | Mean hourly income (R\$) | Affiliates | 22.9 |
| | Non-affiliates | 33.0 | | Non-affiliates | 13.9 |
| Race | Non white | 24.7 | Has been unemployed before? | Yes | 13.0 |
| | White | 28.4 | | No | 32.1 |
| Religion | Catholic | 25.7 | Has changed jobs in last 12 months? | No | 31.5 |
| | Other | 28.7 | | Yes | 14.8 |
| N | | 1.403 | N | | 1.403 |

Source (PSS Brazil)

I have already argued that unions in Brazil have managed to some extent to cope with the transformations in the structure of the labour market, especially the movement of employment from manufacturing to services. Public administration, medical and education services are the major repositories of the new jobs, and of the new union affiliates. This has helped to keep union density fairly stable in the last decade or so. It also helps to explain why unionization is more likely among more stable, schooled people: these are common features in the above-mentioned economic branches.

This panoramic profile explains only part of the variance of union density, but it helps us to draw a picture of the mean unionized salaried worker. Table 4 shows the logistic

⁴¹ These findings are not surprising. The general trends confirm previous surveys. See Cardoso and Comin (1997); Rodrigues (1997); Cardoso (1999a: ch. 2); Cardoso (2001 a).

regression of all these covariates, plus time of employment and income, on the probability of being unionized, generated a model with a (false) R^2 of only .32. The intention is purely descriptive. The test of the null hypothesis requires inversion of the causal vector, making unionization an independent variable in order to measure the impact of union affiliation on crucial dimensions of social and economic security. Does belonging to unions make a difference? Does it ensure workers different and better labour market positions; different and better salaries; different, and better access to welfare provisions; and a different and more positive outlook on current and/or future life standards?

Table 4. Multivariate logistic regression on the probability of being affiliated to unions

| Variable | Significance | Net effect (%) |
|---|---------------|----------------|
| Index of access to legal benefits | 0.001 | 12.8 |
| Age | 0.9156 | 1.77 |
| Race (white) | 0.4015 | -0.76 |
| School | 0.3736 | 14.77 |
| Sex (men) | 0.1867 | 7.97 |
| Time in employment in months | 0.0034 | 0.33 |
| Size of firm | 0.0019 | 16.43 |
| Has a permanent contract | 0.2973 | 38.8 |
| Has never changed jobs | 0.0442 | 49.97 |
| Never unemployed before | 0.5577 | 13.51 |
| Metropolitan region (São Paulo) | 0.0062 | |
| Rio de Janeiro | 0.5676 | 10.53 |
| Recife | 0.0019 | 128.29 |
| Economic sector (manufacturing) | 0.0014 | |
| Trade | 0.0127 | - 46.6 |
| Construction | 0.2106 | 85.64 |
| Services | 0.4764 | - 14.53 |
| Public administration | 0.0258 | 146.97 |
| Public services | 0.2329 | 47.98 |
| Transports | 0.0594 | 101.86 |
| Other | 0.9566 | 2.64 |
| Occupational position (non-registered private) | 0.0012 | |
| Registered private | 0.0007 | 328.39 |
| Public servant | 0.0858 | 138.77 |
| Log-hourly income | 0.0728 | 27.82 |
| Constant | 0 | 12.8 |

Model fit: 75,5% (Nagelkerke $R^2 = .31$)

Note: Parameters' net effect is achieved by the antilog of the B value minus 1, multiplied by 100. It may be read as the per cent change in the odds of being unionized resulting from a unit change (if continuous) or presence of the condition (if dummy) in the independent variables.

Source (PSS Brazil).

3.2 Work and job security

The first issue we consider is work security as measured by workplace safeness (table 5). As a general statement, we can say that perception of exposure to risky working conditions is more likely among unionized than among non-unionized persons. Unionized workers saying that the workplace is unsafe are a bit more numerous than their peers, and

the former perceive them more intensely exposed to daily risk at work than the latter.⁴² Union members also report a bit more intensely the occurrence of extra-workload than non-members.⁴³ The small differences may be related to the fact that union membership is somewhat skewed in favour of manufacturing and public service workers, whom face hazardous working conditions in a greater proportion than service and trade workers. On the other hand, being unionized is an important indication of the presence of workplace safety departments. There is at least the possibility, then, that the slightly higher unsafe conditions, if turned into grievances, may find a channel for discussion and/or solution. It must be added that the Brazilian labour law states that workplaces with 100 or more employees must have a Commission for Accidents Prevention (CIPA), which is a safety department. Since the majority of union members (56 per cent) are in workplaces of that size, the figures are fairly compatible.

Table 5. Salaried workers: affiliation to unions and dimensions of workplace safety

| Variables | Categories | Not affiliated | Affiliated |
|---|---------------|----------------|------------|
| Index of exposure to risky working conditions (C28) | None | 57.0 | 43.1 |
| | 1 | 18.9 | 28.6 |
| | 2 | 14.5 | 15.9 |
| | 3 | 5.5 | 6.2 |
| | 4 | 3.1 | 2.8 |
| | 5 | 1.1 | 2.8 |
| Workplace has a safety department | Very high | 0.1 | 0.6 |
| | Yes | 43.6 | 68.5 |
| | No | 51.1 | 26.9 |
| | Don't know | 3.0 | 2.8 |
| Workplace is safe? | NA | 2.3 | 1.8 |
| | Very safe | 12.7 | 17.0 |
| | Safe | 55.2 | 48.8 |
| | Middle | 18.8 | 15.8 |
| | Unsafe | 10.9 | 15.2 |
| | Very unsafe | 2.1 | 3.2 |
| | Don't know | 0.1 | 0.0 |
| Index of extra workload (C30) | NA | 0.1 | 0.0 |
| | Never happens | 27.9 | 22.4 |
| | 1 | 22.8 | 25.1 |
| | 2 | 21.8 | 21.7 |
| | 3 | 17.3 | 19.9 |
| | 4 | 8.8 | 9.1 |
| N | 5 | 1.2 | 1.8 |
| | Very frequent | 0.2 | 0.0 |
| | | 1.028 | 376.0 |

Source (PSS Brazil).

Another dimension of work security refers to job security, or the stability of the employment spell, and the workers' related attitudes concerning present conditions and

⁴² These risks include exposure to chemical substances, dangerous machines, radiation, heat, noise and vibration, repetitive effort and others. The composed index varies from 0 to 6, and the test of additivity (Crombach's Alpha) is .67, which does not make the scale reliable. Its purpose is purely descriptive.

⁴³ Workload is measured by question C30 in the Brazilian questionnaire. It includes frequent necessity of performing heavy tasks, homework, extra-time work, shift work, weekend work and resignation of vacations. Alpha is .71, which does not make the scale reliable. Its purpose is also descriptive.

future prospects of the job (table 6). If the person is a union member, s/he will most certainly have a permanent contract (94 per cent), and will have not have faced an unemployment spell ever (86 per cent). Non-members' probabilities are of 67 per cent in both cases. This is an important difference, which probably reflects the formal character of union jobs.

In fact, no less than 98 per cent of union members have registered (private or public) contracts, as opposed to 66 per cent of non-union members. This means that the latter have a 34 per cent chance of working in unregistered jobs. Registered jobs, it should be noted, are bound to be formally permanent.⁴⁴ Only very recently (1998) has Brazilian labour law instituted the possibility of temporary work contracts. But in most cases this option is subjected to the unions' approval, which has condemned it to a marginal position in the country's labour market. Employers have preferred to have unregistered workers instead, as we will see. Being unionized, then, is a strong, statistically significant indication of formal, more stable and permanent labour contracts, as opposed to not being unionized. This, of course, is different from saying that unions "cause" job security. For the moment, I am simply saying that these dimensions are closely correlated. I will return to this below.

Table 6. Impact of union affiliation on measures of job security

| Measures of job security | Categories | Non-union | Unionized |
|--|----------------------------|-----------|-----------|
| Has a permanent contract | Yes | 67.0 | 94.0 |
| Has been unemployed before | No | 67.0 | 86.3 |
| Has only the principal occupation | Yes | 92.3 | 90.9 |
| Occupation status | Registered employee | 56.2 | 74.4 |
| | Unregistered employee | 33.9 | 2.3 |
| | Public servant | 10.0 | 23.2 |
| Attitudes concerning job security | | | |
| Sure to secure a job in the next 12 months | Yes | 56.5 | 62.58 |
| Likely to be promoted in 2 years | Yes | 30.6 | 38.0 |
| Hard to find same or better job elsewhere (C34) | Not hard | 36.8 | 30.7 |
| | A bit hard | 13.7 | 12.7 |
| | Hard | 12.1 | 14.6 |
| | Very hard | 37.4 | 42.0 |
| | Salary compared to 2 years | Higher | 32.4 |
| | The same | 40.3 | 37.6 |
| | Lower | 22.1 | 28.2 |
| | Don't know | 1.2 | 0.1 |
| | Not applicable | 2.3 | 0.6 |
| | Not available | 1.6 | 0.3 |
| Index of job satisfaction | No satisfaction | 9.3 | 5.1 |
| | 1 | 9.7 | 9.1 |
| | 2 | 12.0 | 11.4 |
| | 3 | 16.2 | 16.0 |
| | 4 | 16.78 | 15.4 |
| | 5 | 14.4 | 15.2 |
| | 6 | 11.8 | 11.0 |
| | Total satisfaction | 9.8 | 17.0 |
| N | | 1 028 | 376 |

Source (PSS Brazil).

⁴⁴ Having a permanent contract in Brazil does not necessarily mean having a stable job. It simply means that the worker can only be fired for a "just cause" (absenteeism, alcoholism, indiscipline and others). Otherwise, the companies have to pay a fine, which amounts to 50 per cent of the Guarantee Fund for Employment Duration (FGTS), a fund financed by contributions from firms, amounting to 8 per cent of monthly salaries, and administered by representatives of employers, employees and government. The worker gets access to the fund and the fine when dismissed for any other reason than a "just cause".

Although union membership does discriminate work and job security, it does not result in significantly different attitudes concerning job prospects and rewards. Unionized workers are just a bit surer about the prospects of keeping their job in the next 12 months, but both they and their non-union peers are fairly optimistic on this matter. This optimism contrasts with the (also) undifferentiated pessimism in other important matters. Union affiliates are only slightly more positive about the chances of promotion in the next two years (38 per cent, as opposed to 31 per cent among non-union members), although pessimism is the main feeling in any of the two categories (table 6). As for job satisfaction,⁴⁵ the differences in the distribution of the reported index are not statistically significant, even though unionized workers find themselves somewhat more satisfied than non-unionized ones. The same holds for the perceived difficulty related to the prospects of finding an equivalent job (considered hard by all), and for the perception of the evolution of real salaries in the last two years. Here, most workers perceive salaries as stationary or higher today (summing up to 70 per cent in both categories).

In sum, being unionized is an indication of (not intensely) higher risk at the workplace level. It also indicates (significantly) greater presence of channels for workers' voice in security related issues, and it indicates more secure jobs. Union affiliation does help to predict, and to discriminate, work security. But it does not help to discriminate attitudes concerning job satisfaction. It also has little, if anything, influence on union and non-union members' perceptions about job security and rewards. Apparently, union workers are safer because they work in the formal, regulated sector, subjected to strict standards of working conditions and contracts, and not because joining unions results in work security. If this reasoning is plausible, unionization would be nothing but an indication of a third, underlying phenomenon (working in the formal sector of the economy), which would actually be accounting for work and job security. This hypothesis can be robustly tested by the available data.

Let us take, for instance, the probability of having a permanent contract, one of the major distinctions introduced by union affiliation. A multivariate logistic regression of relevant covariates on the mentioned probability results in a strongly significant impact of union affiliation, even when controlling for metropolitan region, kind of contract (registered or not), economic sector, firm size, unemployment spells, respondent's age, sex, school years and race (table 7). Even taking into account the possibility of specification error due to the lack of relevant independent variables, the model is robust with 20 degrees of freedom (significance = .0000), with a Nagelkerke \bar{R}^2 of 0.64, and a Cox and Snell \bar{R}^2 of 0.43.⁴⁶ Union affiliation does independently help to predict work and job security. It apparently has nothing to say about workers' perceptions concerning job security. Other important measures will be tested hereafter.

⁴⁵ The variable is an index of the dimensions of question C29 and sums up total or flat satisfaction with salary, subsidiary benefits, kind of work done, degree of autonomy, opportunity for improving skills, opportunity for promotion and work environment. Alpha is .88.

⁴⁶ These measures are default coefficients in SPSS logistic regression outputs. An alternative, eventually better measure is Estrella's R^2 and it equals .53 (Estrella, 1998). The R^2 is given by $1 - ((\log L_u - k / \log L_c)^{- (2/n) \log L_c})$ where L_u = likelihood of the model without covariates; L_c = likelihood of the model with covariates; and k are the model's degrees of freedom.

Table 7. Multivariate logistic regression on the probability of having a permanent contract (significant parameters highlighted)

| Variables | Significance | Net effect (%) |
|--|---------------|----------------|
| School years | 0.5812 | 4.4 |
| Log-hourly income: | 0.0154 | 53.1 |
| Metropolitan region (Recife) | 0.2769 | |
| Rio de Janeiro | 0.1712 | -35.9 |
| São Paulo | 0.2378 | -23.7 |
| Never unemployed before: | 0.0076 | 80.5 |
| Economic sector (manufacturing) | 0.2373 | |
| Trade | 0.4152 | 31.4 |
| Construction | 0.0222 | -74.3 |
| Services | 0.8271 | 7.2 |
| Public administration | 0.8117 | -14.2 |
| Public services | 0.6418 | 28.8 |
| Transport | 0.4122 | 71.2 |
| Other | 0.8757 | -9.3 |
| Occupational position (registered private): | 0.0000 | |
| Non-registered, private | 0.0000 | -97.4 |
| Public servant | 0.0204 | -71.4 |
| Firm size | 0.327 | 6.3 |
| Age | 0.874 | 0.2 |
| Gender (men) | 0.0361 | -36.8 |
| Race (white) | 0.7284 | -6.7 |
| Union member | 0.0126 | 109.0 |
| Constant | 0.087 | |

Model Fit = 89.3% (Nagelkerke's R2 = .61)

Note: Parameters' net effect is achieved by the antilog of the B value minus 1, multiplied by 100. It may be read as the percent change in the odds of being unionized resulting from a unit change (if continuous) or presence or absence of the condition (if dummy) in the independent variables.

3.3 Access to labour rights and welfare

One of the main dimensions of work security is the possibility of sustained access to legal and/or contractual benefits. To fully understand the meaning of this possibility in Brazil, a word must be said about our model of industrial relations. In short, our model is predominantly legislated, not contractual (Noronha, 1998). There are two main codes regulating labour relations: the Federal Constitution itself; and the *Consolidação das Leis do Trabalho* (CLT), the consolidated labour code which dates back to 1943 and specifies many of the constitutional provisions. Child labour regulation, protection of pregnant women, duration of labour contracts, weekly working hours, shift work, extra-time work pay, some criteria for dismissals, compensation for unjustified dismissals, these are only a few of the dozens of constitutionalized labour rights to which every registered worker, private or public, is entitled. Public servants have a special code of their own, apart from the Constitution. CLT is the labour code for the private sector.

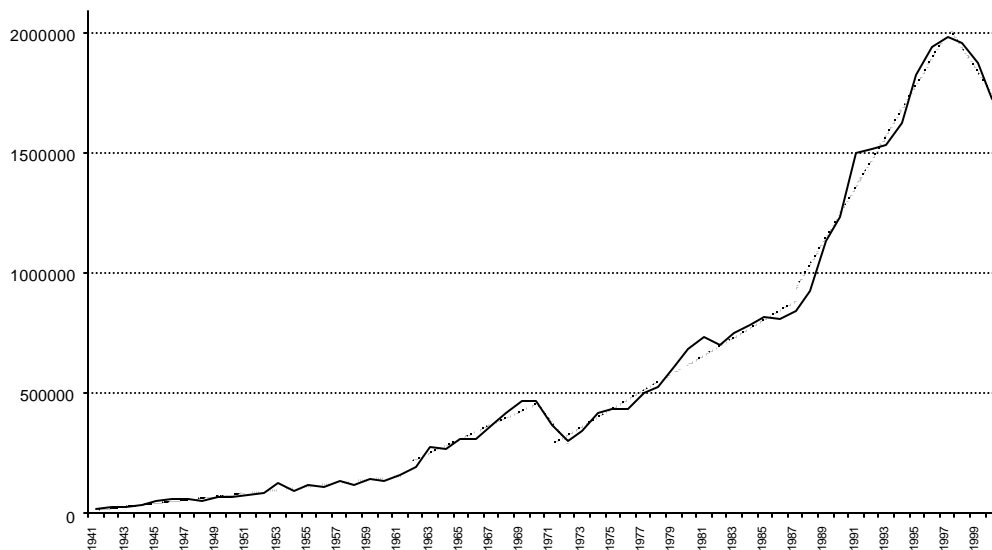
CLT regulates workplace safeness and defines unsafe jobs. It sets criteria for dismissals and compensations for unjustified dismissals or resignations, and defines just-cause. It defines what a salary is and the maximum acceptable proportion of fringe, non-salaried benefits, stating that for the same function the salaries must be the same for any kind of worker and that nominal salaries cannot be reduced. It regulates workers' rights

concerning suspension of the employment contract due to military or public compulsory service, and provides for hundreds of other contractual entitlements.⁴⁷

These two regulatory codes, the Constitution and the CLT, leave little space for unions to act as the principal mechanism in labour market regulation, the usual exceptions notwithstanding.⁴⁸ Noronha (1998) shows that most collective contracts only substantiate the legal provisions, reducing the possible, local level constitutional role of capital and labour representatives.

One of the main consequences of this model is the necessary “judicialization” of class relations when labour rights are contested or denied by employers. This is clearly happening in Brazil. Figure 5 shows the evolution of judicial complaints lodged with the labour courts of first instance in the last 60 years. From 1941 to 1961 the mean annual growth was of 14,000 cases. From 1962 to 1987 (with the exception of the 1971-73 period) the mean growth was of 34,000 cases per year. But from 1988 to 1997 the mean growth was of more than 112,000 cases per year. These periods are clearly marked by the straight line slopes in the graph. In 1997, labour courts in Brazil received more than two million complaints. After the 1988 Constitution, which greatly enlarged workers’ constitutional rights, employers seem to be contesting more intensely than ever the system of labour regulations. In a legislated model, the expected consequence of such contestation is the explosion in judicial complaints.⁴⁹

Figure 5. Judicial complaints in the first level of labour courts in Brazil, 1941-2000



Source (Supreme Labour Court)

This means that although labour rights are quite strict and encompassing, their recognition by employers is not guaranteed *a priori*. This, I argue, is the very nature of the

⁴⁷ Employers in Brazil say that, if strictly obeyed, the CLT would make capitalism impossible in the country. The statement is, of course, part of the class struggle. Some interesting interviews and statements can be found in John French’s excellent book (2001). A literal translation of the book title would be “Drowning in laws: the CLT and the political culture of Brazilian workers”.

⁴⁸ This includes petroleum workers and a proportion of metal, bank, education and chemical workers.

⁴⁹ I cannot develop this argument here. But it is largely discussed in Cardoso (2001b).

democratic class struggle in Brazil. While in Spain, Argentina or the United Kingdom employers and their representatives did manage to change the law, making most labour market regulations flexible whereas in Brazil, the increase in flexibility is a “cold blooded” process: employers simply do not recognize labour law as a legitimate intermediary in labour relations. The consequence is an increase in the rate of illegal market salaried relations, which some call “informality”. In 1989, the proportion of registered salaried workers in the occupied labour force was 56 per cent. In 2000 the figure had dropped to 44.5 per cent. Self-employment and unregistered jobs are the destiny of those 11.5 percentage points lost by the formal sector.

We have seen that union membership is almost exclusively distributed among registered workers and public servants because the industrial relations model is legislated, most of the benefits listed in the questionnaire are statutorily guaranteed to registered workers. Thus, we should expect union workers to have a consistently higher rate of access to those legal and contractual benefits than their non-union peers, simply because of the nature of the model. By the same token, because employers are increasingly delegitimizing the current labour law, we would also expect that even among unionized salaried workers some of those benefit no longer hold.

Both expectations are strongly confirmed by the available data. Table 8 shows the distribution of an index of access to legal and contractual benefits by union membership, built up out of 12 of the 14 alternatives in question C33.⁵⁰ Among union members, 50 per cent have access to 10 benefits or more, while among non-union salaried workers, the median value is 7. The median value of union affiliates with this level of access is only 23 per cent. So, union affiliation is indeed a strong indication of access to legal and contractual benefits. At the same time, if we take only those benefits guaranteed by the law into consideration,⁵¹ as little as 42 per cent of union members have access to all eight of them. Access to at least seven legal rights makes the proportion rise to 62 per cent, still far from universal access. Even though guaranteed by law, many registered or public union affiliated workers still feel that they are not entitled to some of those benefits. This is an indication that employers are indeed delegitimizing the legal system of labour market regulation, both for unionized and for non-unionized workers.

Pushing the argument a bit further, I have argued in the previous section that it may be the case that union affiliation indicates rights security just, or mostly, because unions enrol workers of the formal sector, which in itself entitles workers to legal benefits. Here, as before, unionization and access to benefits would be nothing but indicators of a third, underlying variable: belonging or not to the formal sector. In order to test for this hypothesis, which is another dimension of the same problem discussed in the previous section, I regressed some selected, theoretically relevant covariates on the index of access to rights. The results are shown in table 9.

⁵⁰ The specific question is: “In your main occupation are you entitled to the following benefits?” and the alternatives were: a) Paid sick leave; b) Paid maternity leave; c) Severance payment; d) Paid holidays; e) Christmas bonus; f) Retirement; g) Unemployment payment; h) Scholarship or paid childcare; i) Health plan; j) Family allowance; k) Food stamp program/meal; l) Transportation program; m) Bonus; and n) Other. In the construction of the index of access discussed below, I discarded the alternatives “Bonus”, exclusive to employers, and “Other”, because of its indeterminacy. The index is very robust and has a Cronbach Alpha of .9048.

⁵¹ These are the benefits A to G, and J in question C33 described in the previous footnote. All the others are also legal benefits, but they are not universally granted, eligibility depends upon firm size.

Table 8. Index of access to legal and contractual benefits and union affiliation

| Index of access to rights | Non-union | Unionized |
|---------------------------|-----------|-----------|
| No access | 13,92 | 0,7 |
| 1 | 5,4 | 0,6 |
| 2 | 4,12 | 0,0 |
| 3 | 4,1 | 0,73 |
| 4 | 3,45 | 1,73 |
| 5 | 4,82 | 1,76 |
| 6 | 6,36 | 6,49 |
| 7 | 8,58 | 10,89 |
| 8 | 12,6 | 11,32 |
| 9 | 11,45 | 14,51 |
| 10 | 10,14 | 17,61 |
| 11 | 8,26 | 17,51 |
| Access to all | 6,8 | 16,15 |
| N | 1,014 | 386 |

Source: PSS Brazil

Table 9. Multivariate linear regression on the index of access to legal and contractual benefits

| Covariates | Standardized B | T | Sig. of t | VIF |
|------------------------------|----------------|---------|-----------|-------|
| (Constant) | | 1.409 | 0.159 | |
| School grade | 0.066 | 2.836 | 0.005 | 1.646 |
| Log of hourly income | 0.028 | 1.142 | 0.254 | 1.903 |
| São Paulo | - 0.002 | - 0.129 | 0.898 | 1.113 |
| Has been unemployed before? | 0.02 | 1.01 | 0.313 | 1.24 |
| Industry | - 0.011 | - 0.581 | 0.562 | 1.155 |
| Registered salaried worker | 0.333 | 14.629 | 0.000 | 1.598 |
| Union member | 0.066 | 3.333 | 0.001 | 1.208 |
| Size of firm | 0.246 | 11.403 | 0.000 | 1.436 |
| Age | 0 | 0.007 | 0.994 | 1.595 |
| Gender (male) | - 0.019 | - 0.989 | 0.323 | 1.162 |
| Race (race) | - 0.02 | - 1.09 | 0.276 | 1.086 |
| Has a permanent contract | 0.354 | 15.018 | 0.000 | 1.708 |
| Time of employment in months | 0.052 | 2.206 | 0.028 | 1.724 |

Model statistics: Adjusted R square: 0.60

Df: 12

Durbin-Watson: 2.008

Model F: 154.186

Sig: 0.000

The model is very robust, with an R^2 of .61 and a Durbin-Watson test for the residuals of exactly two points. There is no auto-correlation or collinearity (see VIF column). The estimates are the best linear unbiased estimates (BLUE). As expected, having a permanent contract has the most intense and consistent impact on the index of access to legal and contractual rights (compare standardized B values and t statistics). The table does not show this, but this covariate alone increases the mean access by 3.1 points. Being a registered employee, the second major impact, increases the mean rate of access by 2.44 points. The size of firm is also very important. The fourth important, significant covariate is, precisely, union affiliation, followed by school grade and time of employment in months. All six estimates are significant at least at the 0.02 levels. The other variables are not significant

whatsoever: income, living in São Paulo as opposed to living in Rio and Recife, being unemployed before, age, gender or race, all have no impact on the index's variance.

Thus, even though formal sector indicators, such as firm size, having a permanent contract and being a registered worker are more important for rights security, union affiliation still has a statistically significant, though small, intervening power. Belonging to unions increases the mean access to benefits by 0.54 points, controlling for the other measures. The parameter is significant at the .001 levels.

Here, as before, it may be the case that the survey has measurement problems, or that the model has specification problems. It is the only theoretical model available, however, and if we assume no measurement error, we can reliably say that belonging to unions actually increases the rate of access to labour rights and contractual benefits in the three metropolitan regions.

As for welfare, the main dimensions covered by the questionnaire refer to the perceived prospects for the quality of life after the age of 60, and for proper retirement. Table 10 shows little influence of union membership on workers' attitudes, with differences in the expected direction. Union and non-union members are equally pessimistic with respect to access to health services in the future, but this is probably a consequence of an equal, and quite realistic diagnostic of the prospects of the national health system, which has experienced continuous deterioration for the last 20 years or so. Union members are a bit more pessimistic about the chances of access to a good standard of living and to rents (savings, investments), but feel definitely more confident that they will retire properly (45 per cent as opposed to 32 per cent of non-union members). Retirement and the related public pension are part of workers' constitutional rights, and it is more likely for formal employees to have access to them than for unregistered salaried workers. Once again, belonging or not to the formal sector probably explains a substantial part of the differences between union and non-union members. In any event, affiliation is an indication of more confidence about the future, although salaried workers as a whole are predominantly pessimistic about it.

Table 10. Prospects for life at the age of 60 and union affiliation

| Relation to unions | Will have access to health services at 60 | Will have access to rents at 60 | Will have access to standard of living | Considers high the chances of retiring properly | Total |
|--------------------|---|---------------------------------|--|---|-------|
| | Proportion saying yes | Proportion saying yes | Proportion saying yes | Proportion saying yes | |
| Not unionized | 22.8 | 27.3 | 38.5 | 31.9 | 1 028 |
| Unionized | 19.9 | 23.7 | 31.9 | 44.8 | 376 |

Source (PSS Brazil).

3.4 Representation security

Institutions can provisionally be defined as stable social relations, in which mutual expectations and practices of social and political actors are based on a common set of more or less formal rules.⁵² One of the main features of institutions is the consequent stabilization of members' (and foreigners') expectations about mutual actions, due to more or less routine procedures, more or less established hierarchies of command and control and more or less intense institutional sanctions and rewards, among other things.

⁵² A somewhat equivalent definition can be found in Douglas (1986).

Representative institutions, such as unions (but not political parties), centralize the process of interest formation, foster collective identities based on the differentiation of interests from other actors, and fuel collective action as their main source of power.⁵³ Among many other important features, unions help to extend their members' horizon of calculus concerning material and symbolic gains in such a way that trust in the possibility of sustained institutional efficacy and efficiency is an integral part of the process of political identification, and of the sentiment of "being represented" by them.

The main consequence of this reasoning is that workers do not have to have an active role in union life to feel themselves represented. Union members' will to participate is a measure of unions' social power, not of unions' legitimacy among workers. In other words, workers can identify themselves with union practices and ideologies without taking part in the process of ideology formation or in collective action. This kind of "representation by identification" is very important in Brazil because workers do not have to formally join unions to be represented in collective bargaining or elsewhere. An existent union represents formal employees by branch or profession in a given municipality even against their will.

As a consequence, we would expect union membership to have a positive impact on workers' attitudes concerning union representativeness and trustfulness. If workers are represented by unions whether they like it or not, then union affiliation can be hypothesized to be a measure of the degree of a worker's adhesion to the institutional goals and, possibly, ideologies of unions. In Brazil, of course, workers join unions also to have access to social, health and lawyer services. But I am hypothesizing here that even in this particular case, the frequency of going to the union building, contacts with union leaders and participation in union life, are all capable of shaping attitudes and, perhaps, practices.⁵⁴ The PSS has provided indications in that direction.

First of all, union members think that unions adequately and efficiently represent workers' interests in a slightly higher proportion than non-members. The figures are 54 per cent to 48 per cent respectively. This perception is countervailed by the fact that the majority of both members and non-members do not see unions as trustful, even though unionized workers are a bit less suspicious: proportions are 59 per cent for union and 69 per cent for non-union members saying unions are not trustful institutions. Proportions saying they are trustful are 37 per cent and 27 per cent respectively. Unions are perceived to be efficient, but the perception is not stable. Why?

Trust in political and representation institutions has to do with many intertwined dimensions, very hard to isolate in survey research. On a more empirical level, one may trust unions for their efficiency, but see union leaders as egoistically motivated. Ideologically oriented leaders may be found untruthful for some perceived instability of purpose and/or method, despite their efficacy. On a more general, abstract level, trustfulness is an integral part of the identification and legitimating processes that give the political system some reliability and stability over time. At this level, trust is a matter of identification with the democratic institutional network as a system of political references, serving as a structured base for action and, also, for the construction of social and political values. I believe that it is at this broader level that the explanation for the apparent paradox of the coexistence of sentiments of union efficacy and untrustworthiness can be found.

What appears to be happening here is a harsh and hasty judgment of political, democratic institutions as a whole, which is contaminating unions despite the majority's

⁵³ See, among others, Pizzorno (1978).

⁵⁴ This hypothesis cannot be tested by the available data. But see Cardoso (1999, ch. 2) for a long discussion on the matter based on survey research.

perception that they represent workers' interests. This is what table 11 suggests. Political parties, parliament and the judicial system are all summarily judged, although union members tend to find them trustful in a slightly larger proportion. The press, the so-called "fourth power", does not escape the judgment. Civil society and religious associations, on the contrary and with the exception of NGOs, are in a much better position, with union members again more willing to find them trustful than non-members. I believe, as argued in the first half of this paper, that unions, and possibly NGOs, are both perceived as part of the political system, and it is the political institutions as such that are losing their legitimacy.

Distrust of political parties, parliament, justice and the press simply means that union and non-union members do not feel themselves represented by the political system. Their voice is perceived to be obliterated. Civil society associations and institutions, on the other hand, with the possible exception of religious associations, are not strong substitutes for the lack of confidence in politics. Representation insecurity, in sum, is the main feature of the respondents' attitudes, and again, union members are just a bit better off.

Table 11. Proportion of union and non-union members saying that political and social institutions are trustful

| Social and political Institutions | Proportion saying trustful (%) | |
|-----------------------------------|--------------------------------|-----------|
| | Not unionized | Unionized |
| Political parties | 7.2 | 9.5 |
| Unions | 27.1 | 37.1 |
| Neighborhood associations | 37.7 | 45.2 |
| Church or religious institutions | 59.3 | 60.5 |
| NGOs | 24.9 | 32.7 |
| Parents' associations | 51.3 | 58.2 |
| Students' association | 45.6 | 54.6 |
| Parliament | 17.6 | 20.8 |
| The press | 29.5 | 34.9 |
| Justice | 26.6 | 25.6 |
| Police | 19.0 | 20.7 |
| Other | 4.7 | 7.1 |

Source (PSS Brazil)

Summary judgment of the political and representational systems has an important complement in the strong, generalized absence from participation in social and political organizations. Union members participate more than the others, but the difference is of only 9 percentage points (29 per cent to 20 per cent respectively). In other words, 29 per cent of union affiliates report participation in other social or political institution, with most of them joining religious associations. This is also the preferred locus of non-union members, but at a lower rate. Participation in political and organizational life, then, is the exception among workers as a whole in Brazil (table 12). This means that the feeling of misrepresentation by the political system is partly, but only partly, compensated for by routine social bonds, that is to say, institutions that in one way or another deal with quotidian interests and necessities. Voice representation is weak both at the general, political level, and the local, social level.

In sum, union membership does not consistently discriminate voice representation, either by attitudes concerning the political system, or practices concerning civic participation. Union members are only slightly more secure than non-members, but political *malaise* seems to be the concept that best encapsulates the general picture. Lets try and derive some consequences from this analysis.

Table 12. Participation in social and political institutions and union membership

| Measures of participation | Non-union | Union |
|----------------------------|-----------|-------|
| Political parties | 1.8 | 2.8 |
| Religious associations | 10.4 | 14.8 |
| Ecological associations | 0.6 | 2.2 |
| Neighborhood associations | 2.9 | 5.5 |
| Parents' associations | 2.4 | 3.8 |
| Students' associations | 3.0 | 2.5 |
| Philanthropic associations | 1.7 | 3.9 |
| NGO's | 0.5 | 1.9 |
| Other | 1.8 | 7.9 |
| None | 80.3 | 71.1 |
| N | 1,028 | 376 |

Source: PSS Brazil

4. Conclusions

I have tried to show that the wild environment of the 1990s brought local unions and central federations to a crossroads. The rise in unemployment and poverty rates pushed them in a different direction as compared to the 1980s. Then, wages and working conditions were central targets of union action; high turnover rates and shy organizational restructuring prevented job security from becoming an important issue. In the 1990s, central federations were forced to turn their energies to the representation of both employed and unemployed. Job security became crucial. Local unions' survival depended heavily on it. On the other hand, embracing hegemonic diagnostics according to which the problem of unemployment was one of the individual worker's lack of appropriate skills, the two central federations, CUT and FS created centres for training the unemployed. The CUT and its affiliates have also favoured the creation of cooperatives of micro-producers, turning "solidarity economy" into a practical, though incipient reality (Singer, 2000).

By the end of the 1990s, CUT started to empower what has come to be known as the "citizen's union". Instead of strictly representing the rank and file, such a union is destined to represent local communities' broader interests: environmental issues related to capital production; urban utilities deteriorated by the state's crisis; education and health granted to local communities; and so on. For the first time since its creation, the CUT and some of its most important local unions are turning their eyes to what, according to its original statute, it was born to advance: the "redemption" of the working class as a whole, not just of formally employed workers. This is a turning point in its strategy, one that has not yet showed tangible results, but it is a clear indicator, along with "solidarity economy", that the federation is looking for new ways of intervening in social reality.

This opens the way to the analytical point I wish to make here, as a first concluding remark. In the 1990s, profound changes in the structural basis of labour action resulted in its dislocation away from the centre of the political arena. Struggling to survive in an unfriendly environment, local unions and central federations have been unable to offer clear ways out of neo-liberal policies. FS and its affiliates opted to unconditionally support these policies, so legitimising and consolidating their political power. Nonetheless, this was achieved at the cost of a huge loss in their social basis, eroded by the very policies they supported. It is this, in my view that partly explains why the FS has not taken the CUT's former position as the main representative for labour. CUT's presence in the labour movement, measured as the number of local union affiliates, did not fall, despite clear weakening of its political influence.

In this respect, the CUT certainly gained from its differentiation from government, especially when Cardoso lost public support.⁵⁵ But by being incapable of offering clear alternatives other than the polemic “citizen union”, its previous image as a player to reckon with in the political arena was damaged. Nonetheless, what I am hypothesizing here is that even if the CUT could offer clear alternatives, they would not have the same political impact as the anti-establishment strategy pushed for in the 1980s. The consolidation of democracy, I would argue, has consolidated institutional niches for specialized political actors. The president, the parliament, and political parties play the political game. Unions, and central federations, were finally given subsidiary roles in this very arena simply because other, more fitted actors gained momentum and importance. There is no more room for a role like the one CUT played in the 1980s, that is to say, that of a central federation which acted mostly as a social movement and as a centre for the promotion and elaboration of broader political and social identities. One of the reasons for that is its incapacity to offer political alternatives due, in part, to the crisis of left wing ideologies worldwide. But the main reason resides in a shift in the environment in that proposing political alternatives are tasks for parties, not unions. The loss of legitimacy of unions as strict political actors is another part of the explanation as to why FS did not take over CUT’s place. Even if it wanted to, FS would not be able to raise itself to the CUT’s position of the 1980s. This position does not exist anymore, and would only be created anew if either FS or CUT became able to vocalize general interests. The generality of interest formation, of course, has to do with both its vocalization and its reception by the general public. Only in specific, exceptional moments have unions managed to achieve this along with other social movements and political parties (reference is made to the march of the 100,000 in Brasília in 1999).

A third part of the explanation, closely connected to the previous one, resides in the de-politicization of economy⁵⁶ In the 1980s, economic intents to tame inflation were immediately politicized by the labour movement and society as a whole, as shown before. But the central aspect of the mentioned process of de-politicization resides in the withdrawal of the state from aspects of social life once perceived as part of its responsibility. Economic development as a *raison d’état*, characteristic of import substitution models, resulted in an apprehension of economic relations as intrinsically politicized in a number of different ways. First of all, the accumulation of capital in the private sector was a direct consequence of private access to public, state funds, which, because of their scarcity, could not be universally distributed (Oliveira, 1988). As a consequence, the survival of big, nationally-based capitalist investments came to depend heavily on the bourgeoisie’s capacity to put pressure on the many small, technocratic and relatively clientelistic schemes of access to that fund (Sallum Jr, 1996). These symbiotic relations between national bourgeoisie and state bureaucratic circles, it should be noted, were very acutely studied by Fernando Henrique Cardoso under the label of “bureaucratic rings”, where public and private interests were intertwined. The state and the economy, as said, were in causal connection, and one could not say a word about the economic configuration without immediately having to bring in the externalities imposed by state intervention.

Second, the entrepreneurial state fulfilled the task of providing infrastructural conditions to the movement of private capital, both in the finance system and in the rural and urban productive sectors. Major investments in communications and transports services, heavy industry and energy production and distribution are some important

⁵⁵ The president’s approval in public opinion fell from 70 per cent in May 1995, to 13 percent in the middle of the crisis of corruption charges against his main allies in the first half of 2001 (see *Folha de S. Paulo*, 28.07.2000, p. A4). It had reached 24 per cent in December 2000 (Idem, 25.12.2000, p. A7).

⁵⁶ I thank Luiz Werneck Vianna for mentioning this in a private conversation, though I suspect he will not agree with the general argument of the paragraph.

examples. But we must not forget the role of state banks (federal and local alike) in the financing of private investments at subsidized interest rates. The state's external debt has one of its main sources in the federal government's assumption of all private debts in the mid 1970s, at the moment of the rise in interest rates due to the petroleum crisis (Apy, 1993). Development, as a state reason, intertwined "public interest" with "capitalist accumulation".

Third, apart from externalities in the strict economic sense, the role of the State in the regulation of class relations acquired considerable scope in Brazilian modern history. Getúlio Vargas' corporatism is its most salient expression.⁵⁷ It not only established the parameters for capital and labour relations, making them a part of the state itself, but it strictly delimited the constitution of the labour market through the CLT, the labour code already mentioned. To say it properly, CLT de-commodified the labour force (in the sense of Offe, 1984), and juridified class relations (in the sense of Habermas, 1987).

The reversion of the whole scenario by neoliberal policies brings back the commodification of the labour force, not so much through flexibilization of the existing code, as by the extension of illegal contracts to areas once secure from informal labour relations, like industry and modern services. The re-commodification of labour relations also means that the state is no longer the intermediary in the conflict of interests between capital and labour. It is, in fact, an intermediary of growing importance in the individual conflict of rights, and the labour courts are busier than ever in response to the workers' increasing sensation that employers are "cold-bloodedly" increasing flexibility in the labour market. Nonetheless, making labour relations a matter of jurisdiction is different from their politicization. Labour demands tend to be individual, not collective. They do not demand association or collaboration. They do not feed collective action or identities. They still take the state as the guardian of rights, just as they take it to be a guardian of citizenship or civil rights. Instead of collectivities represented by unions in state-corporatist arrangements, we increasingly have individuals represented by lawyers in judicial courts.

In sum, until very recently, state and economic development came in causal connection, the latter being the result of the conscious reasoning and action of the former. Market failures were state's failures. The terms are reversed. In the new neoliberal environment, market forces drive state politics. Now, strict economic labour demands no longer have the political consequences that fuelled labour power in the 1980s. The enemy, as I said before, is blurred. Labour needs clear adversaries against which it can build strong opposing identities. This holds for competitors within the labour movement as well. The weakening of CUT, against which the FS consolidated its primary identity (Cardoso, 1999), weakened the FS also. And its alliance with Cardoso was an alliance with a leading partner, which condemned the FS to a subordinate position.

We must not forget the issue of fragmentation of union structure in the last decade. Over one thousand unions created each year is no synonym of greater strength or organizational capacity. It means debilitation of existing organizations by new competitors with no infrastructure or expertise to adequately represent workers in a complex, rapidly changing labour market. The debilitation of local unions, thus, is a major issue in the balance of power between the two major union federations in Brazil. Central federations have no control whatsoever over the process of fragmentation. They are currently suffering from the consequences of it, due to the erosion of the power of their main local unions.

The extrication of the state from the regulation of the economy, and the liberation of the market forces in a state-dependent society, have resulted in an increase in the sensation of socio-economic insecurity. In survey research performed in 1986 in a random,

⁵⁷ See, among a growing body of literature, Levine (1998), Williams (2001) and French (2001).

representative sample of the population of the city of São Paulo, 52.5 per cent of the respondents said that they were not worried about losing their jobs.⁵⁸ Among union members the percentage was as high as 82.5 per cent. In 2001, the PSS for the Metropolitan Region of São Paulo found 31 per cent among non-unionized and 44.5 per cent of unionized respondents saying they were secure about their employment. The wording of the questions was not the same, but the results are quite robustly different. Job security has become the main issue for workers as a whole.⁵⁹

Economic restructuring and globalization are both “blind” processes, in the sense that, for the individual worker, little or nothing can be done to tame their move or control their consequences. Macro processes are perceived to demand macro intervention, and polls in Brazil always find that the state (or government) is the only agent capable of solving major problems such as unemployment, income inequality or poverty.⁶⁰ This may contribute to explain why the PSS did not detect differences in attitudes between union and non-union members concerning most of the themes in the questionnaire. The survey suggests that unions are not perceived to be part of the solution to workers’ individual or collective problems, even though affiliation to unions is indeed an indicator of work and economic security. In fact, unionization indicates job and work security, but does not seem to be closely related to workers’ perceptions of the structure of social and economic problems, and of related solutions.

In this respect, and as a concluding remark, I would say that if union affiliation can be taken as an indication of proximity between a worker and its representative institution, unions appear to have lost one of their most important features, that is to say, the capability to function as centres for the promotion and reproduction of worldviews, social identities and political action. That they do indicate economic security has much to do with the fact that they enrol formal sector workers. Formal sector employment is synonymous with registered, rights-full jobs, and even though unionization appears to have an independent impact of its own on the probability of having a permanent contract and on the rate of access to legal and contractual rights, this impact is small in quantitative terms as compared to formal sector measures.

These findings, of course, demand further scrutiny. The PSS was restricted to three metropolitan regions, and it doesn’t have enough specific questions concerning political attitudes and practices. The last paragraph must thus be taken as a hypothesis, arising from the inexistence of differences in attitudes between union and non-union members over aspects of social and economic organization, specifically over the issue of distributive justice and the role of unions themselves (table 13).

⁵⁸ *Instituto de Estudos Socio-Políticos (IDESP)* poll of a representative sample of the population of the city of São Paulo (2,561 individuals). I thank CESOP/UNICAMP for allowing me access to the database.

⁵⁹ In February 1999, a poll of a random sample of the Brazilian population found that 35 per cent of the respondents said that a stimulus to employment creation was the main measure that the government should take to face economic crisis (*Folha de São Paulo*, 02.17.99, p. A5.).

⁶⁰ See Table 13 for PSS measures of attitudes to these problems.

Table 13. Attitudes concerning distributive justice and union membership, (%)

| Variables and categories | Union member | | Variables and categories | Union member | |
|---|--------------|------|---|--------------|------|
| Effect of globalization on the chances of keeping current position | No | Yes | Government should compensate who cares for the elderly | No | Yes |
| Positive effect | 40.7 | 39.2 | Yes | 86.4 | 85.6 |
| No effect | 26.9 | 22.9 | No | 13.1 | 13.6 |
| Negative effect | 20.2 | 26.9 | D.N. | 0.2 | 0.3 |
| D.N. | 11.5 | 10.4 | N.A. | 0.3 | 0.50 |
| N.A. | 0.7 | 0.5 | Government should compensate voluntary community work | | |
| Equality of opportunities in Brazil | | | Yes | 82.0 | 80.1 |
| Very low | 39.7 | 41.0 | No | 16.0 | 19.1 |
| Low | 25.5 | 21.5 | D.N. | 0.0 | 0.3 |
| Middle | 21.8 | 26.6 | N.A. | 0.4 | 0.5 |
| High | 5.6 | 4.5 | Government should give minimum income to the poor | | |
| Very high | 6.6 | 6.1 | Yes | 84.7 | 86.2 |
| D.N. | 0.6 | 0.3 | No | 14.5 | 13.3 |
| N.A. | 0.2 | | D.N. | 0.7 | 0.3 |
| Salaries / income | | | N.A. | 0.1 | 0.3 |
| There should be an upper limit | 13.4 | 10.4 | There should be conditions for minimum income | | |
| There should be a lower limit | 10.6 | 11.2 | Yes | 78.9 | 84.9 |
| Upper and lower limits | 25.9 | 29.1 | No | 20.3 | 14.8 |
| No limits | 10.4 | 11.7 | D.N. | 0.8 | 0.3 |
| There should be equal income | 37.7 | 36.5 | Which condition? | | |
| D.N. | 1.5 | 0.3 | Adults should work | 15.0 | 19.6 |
| N.A. | 0.5 | 0.8 | Children at school | 40.2 | 42.5 |
| Government should compensate who cares for children | | | Mothers take care of children | 11.1 | 5.8 |
| Yes | 80.1 | 77.3 | Community work | 9.9 | 10.2 |
| No | 18.7 | 21.6 | Work offered by government | 19.1 | 17.5 |
| D.N. | 0.8 | 0.8 | Other | 4.2 | 3.3 |
| N.A. | 0.5 | 0.3 | D.N. | 0.1 | 0.7 |
| | | | N.A. | 0.3 | 0.4 |

Source (PSS Brazil)

Union and non-union members alike find inequality of opportunities high in Brazil. They think that it is up to the government to solve poor people's income problems and judge unions as untrustworthy though representative. Union and non-union members alike find themselves very badly represented by the political system, which suggests that unionization is not an indication of political inclusion and voice representation. This, in itself, is an important finding of the survey, and it confirms the main hypothesis of this paper, which states that unions were dislocated from the centre of the Brazilian political arena in the 1990s. This, of course, does not imply irreversibility. The future is not predicated in the present, as the events of September 11 showed, and as the crisis in Argentina has reaffirmed.

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