

Challenges of trade unionism in the face of new forms of work organization

Marilane Teixeira

Trade Union Adviser,
Centre for Labour Economics and Trade Unionism (CESIT),
The University of Campinas (UNICAMP), Brazil



Introduction

To understand the prospects and challenges for trade unions in Latin America and the Caribbean, we must consider the historical context of some of the most structural features of labour in the region, where high informality and self-employment have tended to prevail, as well as the scarcity of jobs, strong social, income, race and gender inequalities, persistent social discrimination, vulnerabilities, lack of decent work, absence of social protection and the violation of rights.

The structural heterogeneity associated with technological innovations, and the effects of the coronavirus disease 2019 (COVID-19), have resulted in: (1) the growth of digital work platforms, which tends to reproduce a situation of increasing numbers of employed people with no social protection, although some countries are seeking to regulate this activity; and (2) the combined effects on work of a number of crises, which have hit, first and foremost, the most disadvantaged and vulnerable. The informal economy accounts for 60–80 per cent of jobs and is hit hardest by the crises, leading to an increase in poverty and extreme poverty. It also impacts women and men differently, as well as minorities such as people of African descent, lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ+) people, indigenous people and immigrants.

This structural configuration, highlighted by the effects of the pandemic, has had an irreversible impact on part of the working class, changing the structure of the labour market and having detrimental effects on trade unions and unionization rates.

In the face of a new reconfiguration of unions and working classes through the multiplicity of new forms of contracting and union organization, new union actions and practices that reverse the traditional style and orientations of unionism are fundamental, in order to make new choices available to actors to respond to changes in the world of work. The challenge for trade unions is, therefore, to be able to respond to the trade union agenda. In addition to understanding the transformations in ways of organizing work and engaging and guaranteeing rights, we have to analyse the ability of collective actors to respond to this context, their capacity to renew their repertoire of action and seek new strategies without losing their identity, and the purposes and characteristics that are part of their own trajectory of struggle and resistance.

Changes in the global economy not only produce a global working class, but also create the conditions for the evolution of a trade union movement with the ability to act beyond national borders, opening up new opportunities for the internationalization of trade union action that seeks to begin a dialogue with civil society and ally itself with other social movements in their struggles for their rights.

This article is developed from a perspective that takes into account the structural characteristics of work in Latin America and the Caribbean, in which a pattern of subordination to the interests of capital accumulation and large transnational companies has historically predominated, generating a high level of informality, self-employment,

scarcity of jobs and strong social, ethnic/racial and gender inequalities marked by disparities in labour incomes and exacerbated by the new forms of international division of labour that intensify three processes simultaneously: the advance in the use of new technologies and new forms of labour management ("Uberization", telework, and so on.) indicates a deepening of the deconstruction of rights and the growth of forms of work outside wage relations; these are combined with a wave of labour deregulation and the deconstruction of public institutions, particularly trade unions.

Labour context in Latin America

Neo-liberalism has transformed Latin America into a region that is highly focused on economic models aimed at the export of natural, mineral and agricultural resources and on the provision of services, at the expense of a pattern of economic and social development centred on stimulating local productive activities that promote improvements in living conditions, poverty reduction and social inclusion. The shaping of a model of accumulation based on the liberalization of national markets allows transnational capital to determine the structures of production, the relations of exchanges of goods and services and, consequently, the structures of employment on a regional and world scale and a growing automated labour market at the base of a socially excluding pyramid. Since models based on the export of industrial and agricultural commodities create few jobs, labour precariousness in Latin America exceeds the average in developed economies. This informality penetrates all spheres of social life.

Data show that 56.7 per cent of women and 56.2 per cent of men working in the region have precarious jobs.¹ Furthermore, this precarity deepens social vulnerabilities and intensifies forms of labour exploitation which are expressed in various ways (forced labour, contemporary slave labour, labour analogous to slavery, servitude, human trafficking, and so on.). Another effect is the extent of poverty, which in Latin America extends beyond the informal sector. It also affects a large segment of people who enjoy labour or other formal rights, but are exploited by modern companies operating in global chains. The extent of informality is also a consequence of the accelerated technological change that exacerbates the segmentation between skilled and unskilled workers. Stable jobs with social protection are decreasing in comparison to those without any protection, predominantly affecting women and young people. In 2020, the social protection coverage rate in Latin America and the Caribbean was 64.3 per cent, but the rate was 36.7 per cent among vulnerable people and 16.4 per cent among the unemployed (ILO 2021).

¹ These data refer to 22 countries in Latin America and the Caribbean and include both urban and rural work. Disaggregated data for agriculture show a figure of 91.2 per cent for women and 87.1 per cent for men in precarious employment. This information is available at <https://statistics.cepal.org/portal/cepalstat/dashboard.html?lang=es&temaIndicadores=394>. For English version, see ECLAC (2018).

Thus one of the distinctive features of the advance of global production chains in Latin America is the increase in informality and social inequality in virtually all countries of the region. Instead of ensuring the uniformity and standardization of economic and social realities, global production chains magnify the differences both between and within countries. The way in which countries integrate themselves into the global economy is a determining element of their opportunities for sustainable and inclusive development.

The persistence of informality in the region is increasingly related to the very dynamics of capital accumulation and the processes of flexibilization and subcontracting. Furthermore, subcontracting networks feed these precarious relations, as in, for example, the clothing, agro-export and food industries.

The higher incidence of informality is an obstacle to unionization, since most trade union entities are restricted to representing the population in the formal labour market, even if initiatives to incorporate and represent informal workers are established, such as Central Unitaria de Trabajadores (CUT) Chile, which also affiliates street and market workers who work informally. However, union density in the region only exceeds 25 per cent in a few countries. Some Caribbean countries barely reach 2.5 per cent, while Brazil stands at 11.2 per cent and Mexico at 12.4 per cent.

Furthermore, other obstacles contribute to this low level of unionization, such as the fragmentation of the working class through the new forms of contracting included in labour regulation systems, such as, intermittent, partial, subcontracting, fixed-term, fixed-period, by work or by legal entity contracts. These new forms aim to make it easier to hire workers and reduce costs for employers. The stimulus to self-employment and entrepreneurship is attractive to young people, who may have their own businesses, and is a strategy of fragmentation, reinforcing individualism and reducing the accountability of employers towards workers and their rights.

Consequently, it is not enough to offer benefits, as these workers also need to feel represented in their interests, claims and struggles. Thus, besides opening up the statutes to welcome them, management also needs to open up to involve them. They have to be included in collective negotiations, as this is the only way that representation can be expanded.

Trade union strategies to respond to new challenges

In Latin America, the trade and services sector accounts for approximately 50 per cent of the employed population,² while the agricultural and manufacturing sectors have been decreasing in size. In the manufacturing sector, this is due to the loss of industrial density – as global chains are reorganizing themselves mainly as a result of the technological changes and advances of the new digital era – and in the agricultural sector is characterized by low

² See <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

job creation. Data for the region suggest that 88.0 per cent of agricultural employment is informal, while in non-agricultural activities the percentage is 51.5 per cent.

Latin America's participation in global production chains is very low compared to more dynamic economies, as it is centred on a type of production chain that does not create added value. The abundance of natural resources in the region favours the initial stages of the chain through exports of agricultural products; on the other hand, the abundance of workers drives participation in sectors at the end of the production chain that are characterized by severe precariousness and do not create added value, such as manufacturing in the clothing, electrical and electronic sectors, where 70 per cent of international trade takes place within global production chains and has been expanding more recently thanks to digital platforms.

The COVID-19 pandemic accelerated the adoption of digital platforms, taking over traditional activities in the trade and services sector via online marketplaces.³ By making loans available so that individuals may invest in their own businesses, these platforms create the illusion, particularly among women, of reconciling earning an income with caring for their families, thus reinforcing gender hierarchies and violence against women and weakening trade union influence by increasing informality.

Most transnational companies operating in Latin America and the Caribbean are part of food supply chains, which involve cultivation, processing, manufacturing and marketing. Some of these, with a long tradition in the region, use subcontracted labour, thereby challenging the unions that seek to ensure the representation of these workers, as in the case of banana production in Costa Rica.

Logistics companies located throughout Latin America and the Caribbean; their business consists mainly of logistics for storing internationally purchased and low-cost imported products (e-commerce). Operating in various countries, these companies strengthen the prospects for more collaborative action between trade unions and trade union centres to undermine strategies aimed at weakening the trade unions' action.

Work via digital platforms is an expression of the profound transformation in the organization of the production of goods and services, in which the organization of activities does not involve tangible assets or the sharing of risks. This segment has gained from the context of economic deregulation and the flexibilization of labour relations and the labour market, but it is already under pressure in several countries to submit to regulation. Particularly with regard to regulation, there is a dispute between social actors, economic agents and policy-makers about how best to establish the rules for the economic activity, labour rights and social protection of workers.

³ Marketplace is a collaborative platform, also known as virtual shopping, where a set of companies offer products and services at the same address on the internet. Typically, the sales process is the responsibility of the organizer, which provides users with a digital structure with secure payment methods and a delivery charge calculator. Currently, Mercado Livre is the largest e-commerce company in Latin America. For more information see <https://www.sebrae.com.br/Sebrae/Portal%20Sebrae/UFs/CE/Anexos/Cartilha%20Canais%20de%20Comercializa%C3%A7%C3%A3o%20-%20Marketplace.pdf>.

The question is whether workers are self-employed, employed (and subordinated), or a mixture of the two. Therefore, the trade union organization of digital platform workers is a new challenge to be faced from two different perspectives: the first asks how trade unions can confront this development and how they can organize workers' rights and social security in this context, and the second asks how workers are organizing and mobilizing themselves, both nationally and internationally. There are different forms of collective representation of workers: traditional trade unions, associations of self-employed workers, groups with their own characteristics that operate fundamentally in networks, and so on.

During the pandemic, digital platform workers became more visible and showed their capacity to organize and mobilize in different countries, including the calling of a regional strike involving Uber employees in several Latin American countries. On the first occasion of the strike, on 1 July 2020, there were mobilizations and boycotts in Argentina, Chile, Ecuador and Mexico (Schavelzon 2020). This movement has triggered a wave of projects and court decisions on the relevance of specific legislation and has strengthened solidarity between the trade unions and trade union centres.

Regarding digital platforms, there are several organizational experiences, such as the cooperatives of couriers and drivers that can be found in Buenos Aires, Mexico City, São Paulo or Santiago de Chile, characterized by corporatist practices and small businesses. Concerning workers who source their work through applications (apps), important initiatives such as the creation of associations, movements and, more recently in Brazil, the National Council of Unions of delivery workers, motorcycle and cycle couriers, have brought together dozens of entities in the fight for their rights. The Council has launched a manifesto demanding the recognition of the employment relationship between workers and applications companies and denouncing anti-union practices.

In the Dominican Republic, the country's three trade union centres, Confederación Autónoma Sindical Clasista, Confederación Nacional de Unidad Sindical and the Confederación Nacional de Trabajadores Dominicanos, have joined together to meet this challenge and have taken on the task of building a pilot plan for the promotion and organizational development of this sector, aiming for unitary organization of the three centres, since none of them has union representation in this segment because the latter's presence in the country has developed recently.

The textile and clothing industry declined sharply with the COVID-19 pandemic. In Brazil, between the first and second quarter of 2020, 254,000 jobs were eliminated in this sector, with the greatest impact in the clothing and apparel sector with the elimination of 223,000 jobs. This sector is characterized by a high level of informality, as 82.5 per cent of people employed in textile manufacturing and 86.6 per cent in garment manufacturing are self-employed or have no rights, despite receiving wages. (IBGE, 2020).

In the clothing sector, subcontracting and informality are predominant, with women representing over 75 per cent of the workforce. These women have to work long hours –

as much as 14–18 hours a day – do not have any type of social protection and are not represented by unions. In São Paulo, the majority of these forms of contracting can be found among Bolivians and Peruvians, owing to their situation of greater vulnerability.

In the last ten years, there has been a surge in the number of small clothing manufacturers in São Paulo. In 2010, there were 979 individual micro-entrepreneurs in the sector of clothing and accessories in the capital, according to data from the Federal Revenue of Brazil. In 2020, there were 34,377; that is, 35 times as many.

These small clothing manufacturers work in conditions of informality, with no rights or social protection. Large companies hire workshops, most of which work legally, but then the latter redistribute orders among small, unregistered workshops, where work is carried out in the workers' own homes.

Some practices have spread as consequence of the COVID-19 pandemic; in Brazil, in order not to disrupt their productive activities, companies transferred part of their production to the homes of the women workers, providing them with a sewing machine. This situation implied a lack of control over working conditions and working hours. Moreover, companies did not cover the expenses of electricity, communication or cleaning, and took no responsibility for any possible work accidents, having transferred all maintenance costs to the workers. The action of the local trade union has reversed this situation, showing the importance of the trade unions in structuring the work of these women in the clothing sector and changing many aspects of social, family and public policy life in the region.

Another aspect that stands out is the final link of the production chain, which is product sales. As a consequence of the pandemic, several trade points closed and sales began to be carried out by platforms such as Mercado Livre. The platform provides loans to stimulate the workers' business, so women workers can manufacture and sell through the platform. Trade union representatives have made huge efforts to show the implications of the use of platforms for this type of work.

An important initiative in joint action is being built up by several trade unions in the apparel and clothing sector in the states of Espírito Santo, Minas Gerais and São Paulo. The initiative aims to identify and map the presence of the main companies in the clothing sector in the trade unions' representation bases.

In all trade union bases, the level of informality is high because of the hiring of factions controlled by intermediaries. The best strategy to ensure the formalization of employment contracts and improve working conditions is to unify union intervention.

Successful experiences have indicated that, in locations historically characterized by informality and low salaries, the existence of a trade union has helped to improve the lives of those who work in the cluster, boosting the constitution of the sector: the majority of self-employed work and work at home have been transformed into waged work, with workers predominantly being hired by companies.

Opportunities and prospects for the region

- ▶ Incorporate collective and permanent mechanisms into the trade union entities to contribute to a greater democratization of trade union spaces, involving youth, women, immigrants, LGBTQI+ people and people of African descent.
- ▶ Encourage trade union centres and trade unions to welcome all forms of organization of the working class; attract the new forms of organization and association; understand that there is no longer room for only one way of organizing; and understand that changes in the world of work are creating new forms of struggle and resistance whose legitimacy should be recognized and valued.
- ▶ Strengthen the participation of young people. New generations bring new experiences of struggle, since the way they are entering the world of work is quite different from that of previous generations.
- ▶ Deepen the relationship with social movements and their struggles, gather the experiences of the labour fronts and structure their activities in the field with a more comprehensive agenda; mobilize action in the field to serve the interests of the community; and direct local trade unions in order to strengthen trade union organization in the field and encourage sharing of the various experiences of community organizations, trade unions and social movements.
- ▶ Ensure that all those working in conditions that make them vulnerable have access to work and social protection.

Conclusions

The trade unions are making an effort to confront the changes described above through new trade union practices. Although these are necessary and should therefore be encouraged and strengthened, they are not enough in themselves and demand a broader response. The trade unions' challenge is to build an agenda that helps to reverse work precariousness and to think about the future of work, as well as deciding how to extend representation to all forms of work organization, while ensuring universal rights and social protection. Trade unionism has traditionally been organized for the defence of rights; trade union centres are organized by the affiliation of trade union entities; therefore, only protected workers have access to trade unions. Workers who perform their activities at home or informally have no social coverage and find it very difficult to organize themselves into a union. Objectively, trade unions, due to the way they are organized, have more difficulties in reaching workers in situations of greater vulnerability and sectors of low productivity. The COVID-19 pandemic and the dizzying growth of digital platforms has, in a way, highlighted these limits, since the most-affected sectors do indeed lie outside union representation. Changing this reality requires the construction of strategies, solidarity links and political will to build a new agenda that can address this changing reality.

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