

## Who Is Singing *L'Internationale* Again? A Brazilian Illustration

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### THE GREAT PERIOD OF THE "WAR OF THE LABOR MOVEMENT"

The dynamics of the last thirty years of the Brazilian union movement is a formidable labor of invention, in Lefort's sense (Lefort, 1987), of public and democratic spaces. We can justly say that the formal redemocratization experienced since the fall of the dictatorship in 1984 owes much to the initiatives of the union movement and its ability both to question the dictatorship's capacity to govern and to denounce the so-called "Brazilian miracle," while enhancing developments in institutional politics; on the other hand, the changes in institutional politics, interacting dialectically, have acted to portray the union movement as a non-insurrectional activity, helping to create an anti-Schmittian political culture.<sup>1</sup> Institutional politics has itself integrated one of the forms of that questioning, the Workers' Party, which was undoubtedly born out of a convergence of the various categories of a unionized workforce. To summarize the argument, it can be said that, paradoxically, the period of dictatorship constituted a kind of prelude to a Toquevillian *momentum*, since the base of the new Fordist sociability found itself in harmony with a strong demand for democracy.

After the toppling of union organizations through repression and state intervention in the large unions following the coup d'état, the unions entered a phase of "strength gathering." Homoeopathically diluted by the apparently apolitical mood of organized labor, and by a certain apathy and even optimistic resignation to the economic situation and to the lack of political leadership, this period obviously contrasts with the situation of the previous populist period.

In fact, the apparent inaction could have been—in various ways—nothing other than a sign of decisive change in the makeup of the working class: in the first place, there was political disaffiliation and de-ideologization;<sup>2</sup> in the second place, there were marked differences in age and regional origin, not

only because many leaders were kicked out of workers delegations—creating, to a certain extent, a vacuum that was not quickly filled—but also because a new part of the working class came from other regions, many of them from the northeast of Brazil<sup>3</sup> (this was certainly due to the geographic mobility that is mentioned below); in the third place, there was a shift in the geographical concentration of unions, from the former prominence of the São Paulo metalworkers to the ABC metalworkers in the municipalities of Santo André, São Bernardo and São Caetano, which form the industrial belt of the Paulist capital; and fourthly, the new “Fordist” impulse, established with the advent of international automakers, and their specific “wage regime.” The new unionism that emerged at the end of the 1970s was decidedly “Fordist,” and this might have been the greatest difference in relation to pre-1964 unionism, all of which is reflected to this day in the crucial differences between CUT (Central Única de Trabalhadores) and Força Sindical, the two hegemonic labor federations in the Brazilian union movement. The latter is mainly influential in the municipality of São Paulo, hardly existing in the rest of the country, while CUT is actually a national, territorial, and sectorial federation, including even the most important confederation of rural unions, Contag—The National Confederation of Agricultural Workers (Confederação Nacional dos Trabalhadores Agrícolas).<sup>4</sup>

On the other hand, the dictatorship’s anti-political posture, in its attempt to isolate politics from union influence, also helped pave the way for this change. Even in the case of the government “moles”—union leaders who held onto their positions after the crucial period of interventions had passed, as happened with the famous and disastrous Joaquinção of the São Paulo metalworkers<sup>5</sup>—the regime never gave them a central place, or made standard bearers out of them. Joaquinção was never seen flirting on bandstands, or in the glorifying parades of military leaders and politicians of the dictatorship. Neither was he even consulted on wage policy, but only to help wipe out nascent movements that were disagreeable to the regime. In short, as long as the regime refused to allow for mobilization, official unionism functioned during the dictatorship in a state of denial, which left a flank open to the movement’s reconstitution beyond the ambit of state influence.

The first crisis of this ersatz Fordist pact was due not to the bankruptcy of its own Taylorist production scheme, but rather to the oil crisis, which exposed, for the first time, the fragility of the “Brazilian Miracle.”<sup>6</sup> From the period of the “miracle” until the end of the 1970s, “Fordist” negotiations maintained the *automotivae pax*. The automakers displayed their almost monopolistic powers, passing their costs to the consumers and removing the state from wage negotiations. On both sides of the negotiating table, employers and employees soon learned the limits of their private welfare; it was as much the spike in oil prices in 1973 and 1974 that provoked a raise in the price of cars beyond the control of the oligopoly as it was the foreign debt,

now aggravated by the increase in oil prices, that ultimately raised the costs of consumer market financing. Out of this context came the first strikes in the ABC region, which were forced by the impasse in foreign debt and which lasted through the first years of the 1980s. The new unionism’s contribution to politics is expressed by the fact that the challenge to the wage policy that Delfim Netto, the all-powerful finance minister,<sup>7</sup> tried to implement, from strike to strike and through defeat after defeat, etiolated the dictatorship’s capacity to govern and to anticipate, which had been its trump card during the years of the miracle. The defeat of economic policy deprived the dictatorship of its role as arbitrator in both the conflict between companies and unions and the competition between companies. This represented a forceful erosion of power, and it made plausible and palpable the “armed criticism” employed by the opposition’s “weapon of criticism.” Such was the case from the campaign of the anti-candidate, Ulysses Guimarães, in 1974, to the stream of new senators from the Brazilian Democratic Movement (Movimento Democrático Brasileiro) in the 1978 election, up to the new governors of the opposition in 1982, already part of the new landscape of political parties. Both São Paulo and Minas Gerais elected governors from the Brazilian Democratic Movement, and Rio de Janeiro from the Democratic Labor Party (Partido Democrático Trabalhista). The latter elected none other than Leonel Brizola to govern the state of Rio de Janeiro, the most important political leader of the opposition and a survivor of the general defeat of 1964.

### THE “WAR OF POSITIONS”

The new phase can be characterized in Gramsci’s terms as a “war of positions.” In fact, the idea now was to consolidate the movement, change the forms, define, differentiate and give ballast to the positions, move toward centralizing the movement, establishing union federations, and connecting them more explicitly to the different political forces that were, as well, becoming more clarified. A war of attrition against a historically anti-unionist system was now being waged. This corresponded to the fall of the dictatorship and the rise of the New Republic, to the presidency of José Sarney and the Constitutional Assembly and to the promulgation of the Constitution of 1988. The unionist movement was no longer a substitute for political parties in the fight against the dictatorship. It spelled the end of monolithic opposition. The union federations CUT (Central Única de Trabalhadores) and CGT (Confederação Geral de Trabalhadores), with opposing political orientations, were created and recognized by the Sarney government outside of the legislation itself, which continued to prohibit them. In this period the importance of the relation between CUT and parties on the left, particularly the Workers’ Party, became clear, and the number of

strikes increased sharply; it was not so much the expansion of the union movement as it was a cycle of hyperinflation against a backdrop of political decompression that multiplied the episodes of strikes. The Sarney government ended sadly with a monthly rate of inflation at more than 80 percent, which signaled the excessive strain caused by the process of re-democratization that had begun under the auspices of a war against the "economic model" of the dictatorship, but concluded under the twin signs of incompetence and corruption.

#### FROM THE WAR OF POSITIONS TO THE "ASSAULT ON THE SKIES": PROLEGOMENA TO COUNTER-HEGEMONY

The most radical confrontation since the period of dictatorship between the dominators and the dominated occurred during the 1989 presidential election.<sup>8</sup> This confrontation was due to the rise of the union movement, as well as of popular organizations and civic organizations—such as the Brazilian Press Association (Associação Brasileira de Imprensa), the Brazilian Order of Attorneys (Ordem dos Advogados do Brasil), the Brazilian Society for Scientific Progress (Sociedade Brasileira para o Progresso da Ciência), and the wing of the Theology of Liberation of the Catholic Church—alongside the new parties, which were better able to represent contemporary social and economic complexities. The 1989 presidential election created two opposing camps: on the one side a great grouping of center-left formations came together, headed by Luis Ignácio Lula da Silva, who oversaw an almost homogeneous coalition of parties led by the Workers' Party, gathering together organizations with very heterogeneous social bases; on the other side there was an outsider from the dominant classes, driving, messianically, the whole of the right. Fernando Collor de Mello was the buffoon of the people's opera of "falsified wrath."<sup>9</sup> The forces of the bourgeoisie converged *en masse* behind him after seeing their original candidates rejected in the first round of the elections. All the shades of the middle faded in this bustle, which demanded definitions: the old warrior Ulysses Guimarães, helmsman during the epic crossing of the *mare nostrum* of dictatorship, was completely shipwrecked, since the deaf roar of the streets that replaced the sweet music of mermaids permitted no tergiversations; other names of lesser stature, and some less worthy, or even unworthy, came to the same end. It was a time of decisions and, as the "crow" Lacerda<sup>10</sup> said, this was not the time for members of the PSD (Partido Social Democrático—Social Democratic Party) and their refined mannerisms.

The new government launched a massive and persistent campaign to disqualify the traditionally oppositional unions now gathered under CUT, while, for the first time since the pre-1964 political regime, it again brought in subservient "leather leaders"<sup>11</sup> to fill the highest posts in the government.

The fall of commercial protectionism, which held Brazilian internal trade "captive" to the companies already established in Brazil, was the *coup de foudre* of the incipient peripheral Fordist pact,<sup>12</sup> and perhaps the most effective way of annulling the unions' influence over economic policy. However, the shot backfired: while unionism benefited from the increase in work productivity by the creation of "Fordist" industries, it was able to shape a sham pact with the large companies and these, operating as already described, used these gains to establish peace with their workers through the concession of various kinds of indirect wages. But, in spite of appearances, and contrary to certain interpretations of Brazilian sociologists of work,<sup>13</sup> the point of view made explicit here is that oppositional unionism actually did sanction the "Fordist" agreement without challenging capitalism, even though it had been a powerful factor in dismantling the political regime of the dictatorship. In other words, oppositional unionism contributed to the hegemony of the "Fordist" regime of accumulation and sociability. The consequent raise in the real wages of the metalworkers initiated them into a new "consumer norm," to use a concept of the regulationists. It must be stressed in order to point out the extremely contradictory character of this process that "Fordist" unionism was at the roots of the creation of the Workers' Party, the biggest innovation in Brazilian politics since the emergence of the Communist Party in 1922, and that a "Fordist" sociability, of confrontation/negotiation/contractualization, was also a huge novelty in the political tradition and labor relations of Brazil. In this way, "Fordist" unionism was clearly heading in the direction of a social democratic model of relations and contracts, but the sociability elaborated through these accords was an "Americanized" variant, also in the Gramscian sense.<sup>14</sup> The Lula of the period, already celebrated, used to say that the workers were interested in wages, not politics.

It was in the context of the slowdown and the crisis of this "pact"—one without explicit macro-agreements and which tried to institutionalize what was already crumbling—that the first attempt at bourgeois hegemony after the period of the Old Republic was forged. This should be understood as the production of a large consensus—which is always a "consensus of the lambs"<sup>15</sup>—that creates a common sense anchored, in this context, in the fight against inflation. The failed political expression of this consensus was the government of Collor de Mello, which metamorphosed into the huge, and winning, conservative coalition of the government of Fernando Henrique Cardoso.<sup>16</sup> After a long process of maturation, there began to emerge a shared acceptance of capitalistic values, the culture of success, a new identification with the marketplace, and an abandonment of other references. The new conditions of globalization projected their ideological shadow over the conflicts of Brazilian society.

### THE "ASSAULT ON THE SKIES": THE "SECTORIAL CHAMBER OF THE AUTOMOTIVE SECTOR"

In this adverse context, the São Bernardo and Diadema metalworkers unions—where the large assembly plants were based (and the neighbors of the municipality of São Caetano, where the first General Motors plant was located)—dared to swim against the tide. In the impasse between the deregulation of protectionism, promoted by Collor de Mello and the absence of any new policies for either the industrial sector or the automotive branch, with the demand and production of automobiles dropping back to the levels of 1980—a million units in 1992—the workers unions, along with Anfavea, the National Association of Automakers (Associação Nacional de Fabricantes de Veículos Automotores), and Sindipeças, the National Syndicate of the Auto Parts Industry (Sindicato Nacional da Indústria de Autopeças), proposed an agreement that came to be known as the Sectorial Chamber of the Automotive Sector. Counting on the direction of the Ministry of Labor—exceptional in the context of the ferocious anti-union policy of Collor de Mello's government—the agreement called for the renunciation of the Goods and Services Circulation Tax (ICMS) levied by the states where automobiles and parts were produced, and proposed the exemption of the Federal Tax on Industrialized Products (IPI) in order to force down prices, in exchange for the cessation on the part of the workers of all strikes, and, on the part of the employers and companies, all dismissals, a clearly Keynesian agreement. The result surprised everyone: with prices in a relative fall, even though inflation was again reaching levels of 40 percent a month, costs to the automobile industry rose well below this level and the growth of production recuperated at the hallucinating rhythm of 20 percent annually, overtaking rapidly the established goals to reach 1.8 million vehicles in 1996. This mechanism is well known in the literature: because the sum of taxes on the circulation of goods and industrial products reached a level 34 percent above the price of automobiles, a market developed that corresponded to this percentage; this was due to the high level of income elasticity of automobile sales; that is to say, the available income to buy automobiles expanded, at the minimum, by 34 percent. There was no fiscal hemorrhage because if, on the one hand, taxes derived from the automotive sector fell because of fiscal renunciation, on the other, their volume increased due to the progress made in production and sales. The dismissal of workers was checked as well, in spite of the fact that no new jobs were created. The "virtuosity" of this deal became apparent when president Itamar Franco, who replaced Collor de Mello after his impeachment in 1992, cut taxes even further on the so-called "popular car" models, those that did not exceed 1,000 cc. The literature mentioned gives an account of the interesting process that unfolded. To summarize, workers and entrepreneurs from the automotive and automobile parts sector

nominated representatives that, together with members of the Ministry of Labor and the most important automobile, truck, and tractor producer states, held periodic public meetings to work on the points of a vast agenda of negotiations. These included new investments, the restructuring of production, the unemployment that could result, compensation through the creation of new jobs, the problems accruing to the importation and exportation of cars and parts, questions of taxation, price controls, etc. This process unfolded between 1991 and 1995, between the second year of Collor de Mello's government and the first year of the government of Fernando Henrique Cardoso. The fiercest critics of the agreement remained silent.<sup>17</sup> Those on the right considered it blatant corporatist deal making, while those on the left a typical capitulation to manage the crisis of capitalism.

Seen from a multiplicity of perspectives, the initiative seemed radically innovative. In the first place, it inverted the pace of deregulation already in progress by actually dismantling it: everything from price controls implemented without warning and without democratic discussion, through closed "packages" with the intention of surprising economic agents and stopping inflation "with a single karate chop,"<sup>18</sup> to previously announced agreements. In a very important sector—5 percent of the Brazilian industrial GNP—a clear and transparent agreement was put in place and signed publicly, in which the means and the ends mutually reinforced each other, providing agents, the state, and society with mechanisms of accountability. The democratic invention implicit in the initiative resided precisely herein, in the fact that democratic planning—at a time when it seemed more like a Manheimian chimera<sup>19</sup>—was being turned into a concrete reality by agents in the remote periphery. The spread of this experiment to other sectors of economic activity could have signified an innovation in economic policy perhaps without parallel even in the best days of the Western European welfare state: if prices are nothing other than a form of conflict over the distribution of surplus, then democratic control of pricing can be much more effective and long-lasting than traditional monetary, fiscal, and currency exchange measures. But to give up monetary sovereignty is to renounce its intrinsic violence: the imperative violence of inequality and exploitation.<sup>20</sup> It is necessary to recognize that what was lacking in the agreement was the presence of other social sectors in the form of consumer organizations, for instance, of Public Ministry representatives, and even of political parties. It was for this reason that the critics on the right accused it of being corporatist; it is probable that the next step of the agreement would have been to move in the direction of including other sectors of society, but its suspension did not allow it the time to mature. The experiment was inspiring and put down roots; there was an attempt to copy it in other industrial sectors, such as in the São Paulo chemical sector and in civil construction and shipbuilding in the state of Rio. Such attempts did not manage to get very far, but the experiment in

the chemical sector, although it failed,<sup>21</sup> opened the way for investigations in the pharmaceutical sector, reflected in the new control over medicines produced in the country by the Health Watch Group of the Ministry of Health. Regional chambers were created to articulate different geographical interests, for instance, in Santo André, one of the municipalities of the São Paulo ABC region, in an attempt to halt de-industrialization; even the various participatory budgeting experiments recuperated, to a certain extent, the democratizing memory of the sectorial chambers.

The risk of the experiment for bourgeois democracy and also for the classic Brazilian authoritarianism with its modernization "from above," was that it created a type of co-management by workers in the formulating and running of sectorial policies. The possibility of vetoing measures that did not stick to specific agreements was effective. This was immediately understood, and Fernando Henrique Cardoso's management in the Ministry of Finance during Itamar Franco's presidency stifled it, immediately refusing to extend the necessary tax incentives under the pretext of a new and rigorous tax policy, which can hardly be said to have even existed on paper. The Cardoso presidency, which began in 1995, followed to the letter the goal of dismantling the experiment and was completely successful in doing so. It is evident that the mechanism of fiscal renunciation, which made an increase in the demand for automobiles immediately viable, could not last forever, yet the neoliberal strategy was not concerned about this: its concern was with the organized participation of a large category of workers in economic policy.

A new international context altered the strategy of the automobile companies.<sup>22</sup> The breakup, promised by Cardoso and, in effect, fulfilled, of what was almost a Brazilian automobile cartel formed by the four greats—Ford, GM, Fiat, and Volkswagen—led to a change in the plans for technological advance and to the elimination of the "popular car" project; thus, consequentially, the co-management with the labor unions proved incompatible with the heavy restructuring of production already in progress. The new factories included all of the large international car-makers: Brazil, against the grain of world trends, currently has an obviously oversized automobile industry, with the presence of at least fifteen important auto-makers; the idle capacity is sustained only thanks to the abundant tax, credit, and investment incentives from the Federal Union and the states. The new assembly plants, in what is clearly a greenfield policy, are located outside the classical axis of the São Paulo ABC region and out of the range of Fiat in Minas, in order to avoid "contamination" by the São Paulo ABC workers. Ford has moved its newest factory, which was to be built in Rio Grande do Sul, a state that is governed today by the Workers' Party, to Bahia, governed by the Liberal Front Party (Partido da Frente Liberal). The objective of this move was obvious: as globalization allows for an extreme degree of flexibility in the location of industrial plants, the company would lose very little by setting

up in Bahia, far from Mercosul and the most important internal consumer markets. But, in compensation, it has gained financial advantages that Rio Grande do Sul was not willing to give<sup>23</sup> and, moreover, has gained the so-called "cultural advantage" created by a predominantly patrimonial-patriarchalist social and political environment hostile to unionism that manipulates Bahian and northeastern regionalism against the "evil and exploitative" South, a fact that ultimately obscures the conflict. It is the "Evil Dragon against the Warrior Saint," as Bahian filmmaker Glauber Rocha called one of his most beautiful works. It is clear that if we consider the information given in endnote 23, the logic behind locating the large international groups in Brazil and in other peripheral countries (and, within them, in specific federal or departmental zones) is of a fundamentally financial character; it is exactly this that makes assembly plants viable, decides their location, and determines the global profit rates. The constant capital/variable capital equation of industrial-based capitalism is not eliminated. The wage rate remains important, as the case described shows, but it is subordinate to the financial gains paid out by the "inverted auction." The rate of global profit is now made of two levels: the first given by the constant capital/variable capital equation and the second by the financial profit determined by the global capital market. See it, if you like, in the language of Althusser, as a kind of financial over-determination of industrial profit. It is the host countries that are financing "their" choices, and they do so relying on international loans. This self-decapitation is transformed into a mechanism of financial dependency and a loss of monetary autonomy. The privatization of state firms is driven by the same logic. The calculations of the celebrated economic journalist Aloysio Biondi—already deceased—which were based on sources from the government institution in charge of privatization, the National Bank of Economic and Social Development (Banco Nacional de Desenvolvimento Econômico e Social), and on reports by consultants charged with the "modeling" of privatizations, show that, while the Brazilian government announced, up to 1998, an injection of R\$85 billion from the sale of state companies, the Brazilian state itself forfeited the revenue, subsidized the purchases, paid worker indemnities, even granted credit through the National Bank of Economic and Social Development, invested—in order to "sanitize" the companies—to the amount, underestimated, of R\$87 billion.<sup>24</sup> This corresponded, at 1998 prices, to 15 percent of the Brazilian GNP, all of which confirms the financial overdetermination of globalization and the self-immolation of dependent countries such as Brazil. Even so, the effect of privatization, mergers, and the acquisition of national firms on the GNP remains underestimated, since the data that would indicate the aggregate value of privatized, acquired, and merged companies has not been made available. My own estimates situate the transfer of control of properties by the processes described above to be between 20 and 30 percent of the GNP.

### TOTALITARIAN-NEOLIBERAL SLIPPAGE AND THE REINVENTION OF DEMOCRACY

As Perry Anderson has pointed out, neoliberalism is a deep and wide conservative ideological victory as well as an economic disaster,<sup>25</sup> since its promises—after overcoming the obstacle of the welfare state—to bring back long-lasting, persistent, stable and elevated levels of growth were not fulfilled over the thirty years dating from the first victory of Mrs. Thatcher. But, undeniably, the conservative victory and the resulting deregulation, two sides of the same coin, are creating a new sociability that, as paradoxical as it may seem, is anchored in deregulation: a situation of permanent instability that is resolved, sociologically, through a double contradiction. A desperate escape into private life, the gravest consequence of which is fear of the other, and an anxiety about security have resulted in the formation of a “consensus of the innocents,” “a silence of the lambs.” Bars, electric fences, sentry boxes connected directly with police stations, pit bulls, and rottweilers, sophisticated electronic controls, “smile, you’re being filmed,” prying, indiscrete cameras in elevators, sinister private security police,<sup>26</sup> photographic files in lobbies, even that archaic form of walls bristling threateningly with the shards of glass bottles; from the top to the bottom of the social ladder, from the ghettos of the wealthy, the condominiums of the middle class, to the dwellings of the poor, the other is a threat.

The political programs, from the right to the left, promise security as the most important item in the lambs’ consumer basket. It is this that makes the neoliberal offensive—which calls for the privatization of life—possible and turns market values into its synonym. It is also this that explains the broad consensus that the monetary stability of Brazil is a sign of security, and the idea that the “scapegoats” conspiring against this stability and the reflux to private life produce instability and violence. The privatization of life constitutes an elimination of the political in the sense of the Greek *polis*. The union movement of CUT and the Workers’ Party, which work in intimate collaboration, just as in the classic social-democratic model, are understood by the “consensus of the lambs” as the incarnation of evil. Just as, evidently, is the Movement of the Landless (Movimento dos Sem-Terra), probably the most notable democratic “invention” ever of the dominated in Brazilian society.<sup>27</sup>

In Brazil, the neoliberal conservative victory has slipped beyond the limits of hegemony that Fernando Henrique Cardoso had, perhaps, personified in the early years of his first presidential mandate. The demands imposed by globalization combined with classical forms of Brazilian domination resulted in a dangerous trend, which I have called neoliberal totalitarianism.<sup>28</sup> Something of this tendency structures movements of international character, as Boaventura de Sousa Santos (1999) explores in his text on “societal fascism.” The political expression of this tendency has, in some countries of Latin

America, led to strange forms of “monarchy,” like the three election victories of Alberto Fujimori in Peru, the reelection of Carlos Saul Menem in Argentina, and even the reelection of Cardoso in Brazil. This runs against the old tradition of non-reelection dating back to their respective independences, and in Brazil to the creation of the Republic.<sup>29</sup> What sustains this political expression is a kind of “acceleration of acceleration,”<sup>30</sup> which can be described briefly as an opening of a Pandora’s box imposed by the entry into the global economy. With the very important shifts in the structure of real power of the bourgeoisie, and with the privatizations during the period from 1994–99, between 20 to 30 percent of the Brazilian GNP changed hands, going to, among the new “owners of power,”<sup>31</sup> the extremely powerful international oligopolies. The state turned entirely toward the job of accelerating the transition, receiving in exchange an almost complete loss of control over private violence, which meant the breakup of the legal monopoly on violence. It is evident that a state that must earmark more than 30 percent of its revenues to service its external and internal debt no longer has the political capacity to control the violence that stems from a projection of the intra- and inter-bourgeois conflict onto a society that remains abysmally unequal.<sup>32</sup>

But it would be too economicist—no matter what the government itself argues, coming to decisions that leave no room for alternatives—to suppose, or actually to concede, that international global trends impose themselves automatically, without political process and irrespective of internal choice by dominant classes and political groups. With respect to this, we can say that the first act of Fernando Henrique Cardoso’s government was the crushing of the oil workers strike in 1995, a kind of Thatcherite *tournaient* that with a single blow reassured the bourgeoisie and the international “business community” and cornered the oppositional union movement, which suffered a profound political defeat. Not as paradoxical as it might seem, it was the defeat of CUT that was the last straw needed to open Pandora’s box: the bourgeoisie understood that the government had eliminated that element capable of restraining the more savage characteristics of deregulation, and from that point on it was the government that lost control over the ferocious competition among the big companies to control the huge markets privatized through denationalization.<sup>33</sup>

In this way, a kind of absence of form, from top to bottom, characterized by an absolute lack of foresight was produced. It was not foreseen that the issuing of provisional measures by the president was not only a reflection of the global tendency to strengthen the executive power, but also the relentless imposition of “Pandora’s box” on the periphery. During the Cardoso administration, provisional measures were revised and reissued to correct what had been established the week before. With respect to prices and fundamental macroeconomic variables, the comings and goings showed the absolute inability to foresee the repercussions this policy would have on the

chain of production and services. The forecasts could vary from one to ten in a few months, which detonated the ability to maintain consequential economic policies, even in their insanity. In the year 2000, the Brazilian government opened the calendar with the prospect of a superavit in the balance of trade of \$11 billion. Halfway through the year this was revised to a more modest \$1 billion. The end of the odyssey was even worse: with the increase in oil prices the \$11 billion predicted surplus ended, sadly, in a negative balance of \$500 million. Such is the permanent exception. Today, early in the twenty-first century, the country has continued to find itself submerged in the most amazing crisis of energy production and distribution, the likes of which have not been seen since the 1950s, when Juscelino Kubistchek started the most important program of Brazilian economic modernization, and when the São Paulo state government, under the direction of Carlos Alberto de Carvalho Pinto, began to utilize the stretches of the rivers from the Paraná basin. Big cities like São Paulo, with 12 million inhabitants, Rio, with 5 million, and other urban areas where 80 percent of the population (130 million people) lives, have had to dramatically reduce their consumption of electricity. The economic repercussions can still not be predicted; fear increases enormously with cities immersed in partial darkness. President Fernando Henrique Cardoso has declared that he was caught completely off guard by a crisis whose imminence he was not warned about. Even more than this squirming bit of cynicism, it is still a meaningful declaration of impotence on the part of the president: the Brazilian state's capacity to predict has been overwhelmed by globalization/deregulation. The "permanent exception" was apparent in the creation of two super-ministerial entities, one to manage the energy crisis and the other to attempt to minimize the effects of the awful drought in the northwest of the country, at the same moment that the president abolished, as a provisional measure, Sudene, the agency for regional development that monitored the frequency of drought. The two "management councils" of the crisis have already been dubbed by a bit of popular ironizing as "the turning-off-the-lights ministry" and "the ministry of bores."<sup>34</sup> A crisis in the supply of potable water for the large urban agglomerations has already been announced for the coming months. It is impossible not to remember the analysis by Franz Neumann of the "acephalosis" that attacked the Nazi state, paradoxical for the multiplication of entities, organizations, overlapping of functions, the permanent oscillation of policies and institutions, the semblance of planning, the confusion of orders and counter-orders, the formidable concentration of economic power that made the state superfluous, the waste etched at the heart of even the infernal machine of the Holocaust—all has to do with, for Neumann, the absence of forms of a non-state.<sup>35</sup>

There is a total muddling of the public and the private in Brazil that has never been entirely cleared up. Scandals are a daily occurrence. They

represent much more than an atavistic trend. At issue is a widening of that gray area between public and private business, a part of the ferocious competition for the control of public funds in this phase of globalization. Corruption functions, in Keynesian fashion, to reduce uncertainty due to its exponential growth in financial capitalism and to the particularities of the Brazilian transition into the eye of this hurricane; as was already stressed, not less than 20 percent of the Brazilian GNP changed hands in the last five years. This process is far from being completed. There still remain large portions of state companies, such as Petrobrás<sup>36</sup> and the state banks, which constitute a kind of "filet mignon" of the Brazilian economy. Privatization is encroaching, as well, on social security: the annual budget of the National Institute of Social Security (Instituto Nacional de Seguridade Social) for 2000 is R\$60 billion/\$20 billion, which corresponds to 6 percent of the Brazilian GNP and to a fifth of the budget of the federal government.

This "acceleration within acceleration"—that is, the acceleration promoted by financial globalization, reinforced by internal deregulation, consolidated in no less than six years—seems to produce criminal modes of economic activity on the peripheries, similar to ones already notoriously present in Russia and other former socialist countries, reproducing the most barbaric forms of "primitive accumulation." The process in Brazil is not yet totally criminal, since the capitalist organization of Brazilian production is immeasurably more developed than in Russia. But the transfer of real economic power between groups and classes is undermining the power of the state to impose rules, and the signs of growing economic criminality are already frightening. The privatization of the public sphere means more than the lack of the public, in Arendt's terms: it means that, to be reproduced, the economy, sociability, and politics do not require the presence of the other; that is, the public is no longer a structural component for the reproduction of the system. This necessarily implies a return to the reign of private violence, which, it must be stressed, in a society with the characteristics of Brazilian historical development, has all the ingredients to be converted into exclusion.

#### L'INTERNATIONALE À LA SÃO BERNARDO?

The alignment of the Brazilian union movement with international labor is interesting and original, up to a certain point. It can be said that Brazilian unionism was born, as well, in the hands of Spanish, Galician, Italian, and a few Portuguese immigrants who were connected with anarcho-syndicalism at the beginning of the twentieth century. Beyond the unions, and intensely influential doctrinally, anarchism was the major political current among the working classes, although the influence of socialists, the Catholic Church, and a few well-intentioned business groups was also felt. It was, so to speak,



an internationalism of immigrant activists, internalized rather than directly influenced by international organizations. It came by boat and basically settled in the South and Southwest of Brazil, destinations that attracted immigrant labor.

The presence of anarchism and anarcho-syndicalism in the South and Southwest flourished in a pre-second industrial revolution environment, in which "arts and crafts" and the fund of the worker's knowledge were decisive. The passage to industrialization under the paradigm of the second, "pre-Fordist" industrial revolution depleted the reserves of labor in the countries of emigration (Italy, Spain, Galicia, and Portugal to a certain extent) because of their political and social reorganization—which included fascist restructuring among other powerful elements; at the same time, the technical forms of the second industrial revolution began to make the worker's *know-how* redundant. Then, from the 1920s on, jobs in industry, especially in São Paulo, began to be filled by immigrants from the northeast of Brazil and from Minas Gerais. The workforce was nationalized, all of which brings to a close the first "internationalist" phase of the Brazilian labor union movement.<sup>37</sup>

The second phase is that of the Third International. The Brazilian Communist Party had been founded in 1922 and right away became a central player in the Brazilian left, occupying the union movement as well. But internationalism turned out to have more to do with party relations, and less with the union organizations. The international experience of Brazilian unionism atrophied seriously, since practically only members of the Communist Party participated in the failing exchange, which—as is well known—was determined on the Soviet side and in the other countries within its orbit, thus bankrupting any possibility for independent action on the part of unions during the Soviet era.<sup>38</sup> On the other hand, the North American efforts to finance a pro-capitalist unionism never had much success, although they contributed to the corruption of the labor movement. This phase is notable as well for the decline of the presence of the Socialist International and the social-democratic unions.

Inside Brazil, therefore, the only competitor to communist-oriented unionism ended up being the Getulista labor movement, whose international connections were practically nonexistent.<sup>39</sup> Populism, a form of consensus "from above," a characteristic of Brazilian modernization, coincided, then, with the nationalization of the workforce, with the introduction of assembly lines and the subjection of unionism to the Vargas State. Properly speaking, this subjection would not disappear until the 1980s.

The situation was already beginning to change during the 1964–84 military dictatorship, when the union movement, reborn in the São Paulo ABC region, practically dictated the model for Brazilian union action. This unionism prospered in a context of Fordist regulation, and not by chance—

the São Paulo ABC is also the center for the largest Brazilian automobile assembly plants. International support became more open than before (when repression by the dictatorship was staunch and pressure was exercised on the governments of the foreign enterprises in Brazil) taking on various forms, including support from non-governmental organizations. Today, Brazilian unionism's international relations are enormously prominent, mainly through CUT, less through Força Sindical. There is a Social Democratic union that has tried to become the union wing of the Brazilian Social Democratic Party, but it does not take advantage of contacts with Western European social-democratic unions, which support CUT. It should be noted, however, that in the golden age of the development of this peripheral Fordism, that is, between 1950 and 1980, foreign companies in Brazil hardly felt pressure to improve labor relations in Brazil from the unions and the federations of their respective home countries. Fiat, Volvo, Volkswagen, important car-makers in their own countries (Germany and Sweden being symbols of the social-democratic pact), maintained relationships with Brazilian workers that were not very different from generally repressive, union-busting practices. Fiat was probably the worst of all, and, as far as we know, the orientation of Italian unionism, which at the time was at its peak, did not change the repressive action of the Italian company one jot. The problem of these relations is, now, the opposite: while Brazilian unionism is desperately in need of cooperation from the workers of the principal capitalist countries, unionism is in outright retreat in the core countries, partly because of the dismantling of Fordism.

It seems that one of the new directions of international unionism is to increasingly take on the form of international movements of workers within the same company, like those of some of the larger auto-makers.<sup>40</sup> It should also be pointed out that, surprisingly, the North American union federation AFL-CIO has participated vigorously in the anti-globalization movement, supporting and even financing the demonstrations in Seattle, Washington, Prague, Davos, and Quebec, as well as the Pro-Social Forum at Porto Alegre.<sup>41</sup> But all this activity has not yet been translated into concrete protocols for struggles and pacts to improve Brazilian labor relations inside multinationals. The cases worked on within the ambit of this project, taking in Brazil, South Africa, Colombia, Mozambique, and India, show the precariousness of the material forms of production from within which we seek to establish international connections. In my opinion, these cases have more to do with exercises in citizenship and survival, while the possibility of relationships formed by the same interests at the material level are weak in terms of counter-hegemonic projects.<sup>42</sup> In Mercosur, the agreement for a free trade and customs union between Brazil, Argentina, Uruguay, and Paraguay, with Chile as an observer, labor federations have already established a working agenda and proposals that confront the neoliberalism of established economic policies—particularly in Argentina, where de-industrialization has been an



anti-industrial and anti-labor policy since the administration of Martínez de Hoz in the Ministry of Economy in 1976, still under the post-Isabel Perón military dictatorship.<sup>43</sup>

The internationalism of the Internationals, that of Marx-Bakunin, and of the Second, the Socialist, did not take into due consideration the forms that shaped, at the national level, the various proletariats, their traditions, their relations with the bourgeoisie, with the state, and their religious, ethnic and moral identities. In Thompson's terms, the experience of "making" was obscured by the imagined unity that came out of exploitation and abstract labor—though in truth, the question concerned concrete labor.<sup>44</sup> This acute question, on the one hand theoretical and, on the other, urgently practical, does not today face smaller obstacles. In spite of the almost universal tendency to radicalize abstract labor, which, once again, would constitute the basis of a universal class, different national cultures and the abysmal inequality between the workers of developed countries and those of the Fourth World do not construct a universal foothold for the action of this supposedly universal working class. It's true that the global "dismantling" has in some ways forged a kind of contemporaneity between all workers, which has helped to create common agendas in the same way that the demonstrations against globalization have done: it is exclusion or lack of affiliation, in Castell's terms,<sup>45</sup> that is building bridges between continents.

Contemporary exclusion is precisely, in Arendt's terms,<sup>46</sup> the superfluity of the other; the policy established by neoliberalism, based on the new globalization, seeks to make union organizations superfluous. Looked at closely, the current reforms produced by deregulation in Brazil that obey this mandate that comes from the "acceleration of acceleration" seek to make the organizations of civil society superfluous. According to Gramsci, the concept and the reality of civil society are not opposed to the state, but rather a part of its *momentum*.<sup>47</sup> Following this interpretation, the superfluity of civil society also automatically contaminates the state, resulting in diverse forms, which run from what Gramsci called "regulated democracy" all the way to open dictatorships. Radical privatization, which is expressed by the absence of policies more than in any particular aspect of the privatization of state enterprises, annuls the possibility of politics itself, simply because there are not many institutional areas left in which organized social classes can intervene in the business of the state. According to Rancière,<sup>48</sup> what is missing is the possibility for expression that introduces dissent, because the ongoing semantic re-signification disqualifies the old terms of integration that have been in play since the French Revolution. It is in this context that "CUT-style" unionism—in the words of Roberto Vêras<sup>49</sup>—has tried to formulate counter-hegemonic proposals, and with the disadvantage that its principal competitor, Força Sindical, is clearly working to accelerate deregulation, hoping in this way to occupy CUT's place, something that has already partially happened.

Today CUT's most important fight—once again centralized at the metalworkers of São Bernardo, and now expanding to all the greenfields of the new assembly plants and factories—is against deregulation in the context of a new national metalworkers contract. We are not talking about a simple contract which transcends an unrealized collective contract, and which can revive the forms that union power assumed during the 1970s and 1980s; it is something broader, something that tries to expand on the experiment of the Automotive Sectorial Chamber without, however, including the large auto-makers and parts manufacturers as part of the agreement. On the one hand, it is not looking for a form of consensus between workers and auto-makers in the way that the Automotive Chamber did. But, on the other hand, it openly challenges the dominant trend to de-unionize.

To sum things up, the national metalworker contract proposes a minimum wage for all metalworkers throughout the country. This confronts certain powerful trends. The first concerns the superfluity of the unions: this kind of contract once again makes the union—the public—the key element in the reproduction of the system, since the market, or speaking without conceptual euphemisms, the auto-makers, would not have the capacity to unify or even attenuate the wage range on a national scale; furthermore, they benefit precisely from these differences. Second, the auto-makers and the parts factories are moving to other states far from São Bernardo in the wake of Fiat's move during the 1970s. There are auto manufacturers in at least six states of the Federation of Brazil. This relocation brings together two pieces of the auto-makers' strategy: on the one hand, they escape São Bernardo and its tradition of union struggles,<sup>50</sup> and, on the other hand, by the same mechanism, they escape the wage levels in force—even if, today, the workers' real income is far below what it was in the 1970s (including the various components of the indirect wages lost in the last five years and the precipitously deteriorating "quality of life," with workers filling the shanty towns, the exponential criminality, the loss in the quality of public services, etc.). In Bahia, the new location of Ford Motor Company, the nominal wage is at least half of what is paid in São Bernardo.

Third, the fiscal war unleashed between the states of the federation has transformed the fight to attract automakers into an inverted auction: the states and municipalities give, for free, real estate and tax benefits over fifteen to twenty years, as well as credits to the companies equivalent to the taxes they would have to pay, which implies a double financing. The implosion of the Federation, in the name of connecting global with local, can only be dealt with if the Federal union comes up with regional policies. From this point of view, a national metalworkers contract is also a counter-hegemonic element in the dissolution of the Federation: the political economy of the Federation cannot ignore the benefits that integration of the national market has brought to the accumulation of capital in the developed center. A national

metalworkers contract would be a new element for a new federal pact, this time in terms of a cooperative federalism.<sup>51</sup>

The importance of an intervention of this nature in the conflict over public funds cannot be minimized. Objectively, it can illuminate the shadow cast over the relations between public and private, between the state and the market, bringing about a reduction in uncertainty—which certainly was the great achievement of the welfare state—making politics once again not only plausible, but central; since the market itself cannot regulate uncertainty, corruption becomes, without politics and policies, the only available means capable of circumventing what Marx called “commodity’s somersault.” This is a Republican quest.

Working from within the context of competition between workers and between companies, a national metalworkers contract would, finally, influence profit rates on a national scale, and, without overly exaggerating, even on a global one. Brazil is one of the seven major automobile producers worldwide: Brazil and Argentina together have already surpassed Italy. According to Mercosur’s constitution, any modification in wage rates in Brazil will be decisive, influencing Argentina most of all. Even discounting the relative loss of industry in the new social division of labor, the automobile sector is still one of the driving forces behind industrial accumulation.<sup>52</sup> A national metalworkers’ contract would affect this equation, obligating the car-makers to re-evaluate the role and the place of the unions. Finally, we can say that this contract would modify the formulation of economic policy in Brazil, just as it would, immediately, in Mercosur. This contests the anti-public trend at the heart of the minimal state.

Contrary to the trend of the first phase of union reorganization in Brazil, which, even while mobilizing large groups, was not anti-hegemonic, the new phase is more developed, even though it operates in a hostile environment and evinces the reflux affecting the great movements. In Gramscian terms, we have the combination of a “war of movements” and a “war of positions”; it is precisely Gramscian thought that best expresses this permanent change, simply because he does not separate contextual movements from structural re-articulation. It is not CUT-unionism’s goal to contest the system: what is amazing is that they, perplexed with their own incapacity to reproduce the great mobilizations of the legendary São Bernardo, do not want their actions to be seen as anti-capitalist; at the most, they assume their opposition to the neoliberalism of Cardoso and the International Monetary Fund. But the movement is changing, since it has already implicated itself, as has been briefly shown, on several fronts of the anti-neoliberal struggle and especially in the Brazilian form of worldwide deregulation. Strictly speaking, there is no formal anti-hegemonic platform in the CUT movement: they lack the perspective to lead a new consensus, to propose new values, or to provide a vision of an alternative world. If in the past the

unionist movement born in São Bernardo was anti-hegemonic in its anti-dictatorial politics because it aspired to the benefits of private welfare with the auto-makers, thus being pro-hegemonic at the level of sociability and of the production of an “industrial culture” (in the Gramscian sense of “Americanism”), at the present moment it is pro-hegemonic at the political level, while its proposition for a national metalworkers contract is anti-hegemonic at the level of sociability.

The CUT union movement is riddled with contradictions, which are both structural and contextual, i.e., dictated by the specific *momentum* of neoliberal deregulation; even more, these contradictions are components of the current CUT movement. On the one hand, the national metalworkers contract seems like a *necessity* in Marxian terms. It is important not to idealize the union strategy: its goal is not radical change in political terms but to rebuild the strength of the union and of the labor federation itself. At a material level, this is a manifestation of a “class *für sich*,” something that is not completely above suspicion.

This is compatible with the fact that perhaps the largest part of the capital investment comes, in contemporary Brazil, from sources of financing that belong, nominally, to the workers. These include sources such as the Trust Fund for Years in Service (Fundo de Garantia por Tempo de Serviço—FGTS), the Worker’s Fund (Fundo de Amparo ao Trabalhador—FAT), and the Program for Social Integration/Public Servants Welfare Program (Programa de Integração Social/Programa de Assistência ao Servidor Público—PIS-PASEP), administered and applied by state investment banks and having deliberative councils comprised of representatives from CUT, Força Sindical, and the General Confederation of Workers (Confederação Geral dos Trabalhadores) in rotation. At first sight,<sup>53</sup> the workers have acted as “monetary subjects” in these trust funds, to use Robert Kurz’s expression,<sup>54</sup> giving priority to investments with higher rates of return, thus acting as mere capitalists, almost rentiers. It is true that they are a minority whose opposing vote—if it is so—can be simply overwhelmed by the government’s votes; moreover, it is almost impossible that they would be able to come up with arguments against the technical-instrumental reasons of the high state bureaucracy. This is a field in which the Habermasian hypothesis of communicative reason is hardly plausible, to say the least, since the very semantics of technical competences is constructed as a categorical imperative. Modernization carried out with such investments is part of deregulation itself.

“The monetary subjects” may also be a form of deregulation, one of the tools of the redundancy of politics, since they displace the “centrality of labor” in a double sense.<sup>55</sup> On the one hand, the workforce decreases with modernization itself, and, on the other, workers endorse the argument in favor of profit from capital funds. There is a contradiction between the fund as a reproduction of capital, on the one hand, and, on the other, as something

that is instituted and is effective precisely because of the existence of the unions and the federations. At the international level the contradiction has always been resolved by the predominance of the profit motive.<sup>56</sup> This is an extremely powerful contradiction, namely because it is at the heart of the process of the extended reproduction of capital in Brazil. In Kurz's terms, we would be talking about the contradiction between the fetish of labor value, which was a centerpiece in the social-democratic labor movement, and sensible reason, which is capable of escaping the system.

But the metamorphosis in play between the "war of movements" and the "war of positions," as suggested above, is structured, on the one hand, by being grounded in the materiality of the form of extended reproduction and, on the other, in the ample erosion of the legitimacy of neoliberalism and its Cardosian form in contemporary Brazil. This erosion (which is surprising if we take into account that only two years ago the neoliberal coalition reelected Fernando Henrique Cardoso in the first round of elections by a wide majority) is based on the impasse caused by insertion into globalization. Such an impasse is revealed in a kind of stop-and-go development, in a financial instability that has impaired the state to such an extent that to maintain dominance has required, as is stated above, a kind of "permanent exception." All forms are precarious. In its turn, the materiality of such a process—contrary to what is assumed by the vast literature that addresses the loss of the centrality of labor—resides in the fact that the extended deregulation of labor has ended up by involving practically the whole population.<sup>57</sup> This has resulted in transforming a broad spread of classes into hostages of abstract labor, under the non-forms of intense precarization. The old restrictions and forms of controlling workers—which resulted, in the first industrial revolution, in the "*arts et métiers*" and in cooperation, and, in the second, in the Chaplin-worker of Taylorism-Fordism, giving place to the classic proletariat and to the mass worker—were outmoded by technical advances, while the process of accumulation acts to appropriate "atoms of value" from each and every worker.<sup>58</sup> This, in Laymert Garcia dos Santos's (1999) formulation, is the force of the molecular-digital paradigm. The distinctions between formal and informal work no longer make sense: precarization is the touchstone from the top to the bottom of the work scale.

All this has been changing into a movement of unification in favor of precariousness, which is not translating into an anti-hegemonic class movement, although it is developing into an anti-hegemonic political movement. The contemporary political agenda is directed by the demands of ethics in politics, by transparency, and even by the delimitation of new horizons for the social agenda. Important politicians, even those who remained formally untouchable on the Olympus of oligarchies, have renounced their mandates; municipal elections in 2000 took ethics and popular participation as their most emblematic directives; obstinate populists of the right, vicious dogs

cultivating fear, were crashingly defeated. For this reason, it makes no sense either in theory or in practice to bring up the question of the class character of movements such as that of the metalworkers in Brazil: class is created in the act, through the project it holds, and through antagonism with whatever domination is in force.

Fear of precarization, terrifyingly symbolized by the government of Fernando Henrique Cardoso, is strongly eroding what the theoretical right has called "governability." "Pandora's box" has opened everywhere: the demons of accelerated privatization and of the transformation in property and in the structure of economic power, which have turned any kind of predictability into a dream, have been unleashed on the bourgeoisie; for the lower classes, precarization has also ruined any prospects for the future, and terror has become quotidian. In an intensely dramatic pincer movement, two perspectives open up: on the one hand, the urgent need for an anti-hegemonic strategy that goes beyond mere class territorialities, and, on the other, the terrifying face of societal fascism, in the view of Boaventura de Sousa Santos.

It is in the midst of these tensions that the action of organized workers is occurring in contemporary Brazil: between the reinventions of social and political emancipation and the reinforcement of damnation; between the descent into Hell, and the "assault on the skies," where the Southern Cross may still be shining, or, perhaps ... the effigy of George Washington.

#### Notes

- 1 See Dymetman (1999).
- 2 Although elements of pre-1964 political culture continued to be present and active: the Brazilian Communist Party (Partido Comunista Brasileiro), the Communist Party of Brazil (Partido Comunista do Brasil), Labor Politics—POLOP (Política Operária), Trotskyite factions, Popular Action (Ação Popular), which underwent a Marxist transformation, and already the first groups—some of them recruiting workers for the armed struggle—which came out of the implosion of the Brazilian Communist Party. There is no doubt, however, that most workers were flagrantly apolitical and had no ideology.
- 3 Luiz Inácio Lula da Silva was already treasurer of the São Bernardo union in 1974. The subsequent board of directors, which he presided over, was comprised of a total of twenty-two members, of which half were from the northeastern region. Regional immigration, rather than São Paulo workers, contributed to the growth of the automobile industry in the ABC region. São Paulo workers already enjoyed a certain level of stability in the metropolis, and thus were not attracted to the idea of moving to a new area. This "regionalism" was a strong factor in their integration,

creating, in Thompson's terms, a kind of identity. Moreover, it is important to remember—in order to emphasize the importance of the immigration from the northeast and Minas Gerais—that the population of the greater São Paulo area grew for two decades at an annual rate of 8 percent, a level that could not have been attained through the reproduction of stocks from the native population alone.

- 4 For an understanding of Brazilian unionism in this phase, see Humphrey (1982) and Almeida (1975).
- 5 Joaquim dos Santos Andrade was nominated as an administrator in the São Paulo Metalworkers Union by the dictatorship following the 1964 military coup. At the time, the metalworkers of São Paulo formed the largest, most prestigious and influential Brazilian labor union in the private sector, celebrated for the famous strike of 1953, and were clearly under the influence of the Brazilian Communist Party. During the period, the positions of other prestigious union organizations were being consolidated in the state companies. After the period of intervention, Joaquinão was reelected to the presidency of the metalworkers union, a position he held until he died in 1997, old, sick, and in misery, after having helped to create the Força Sindical, CUT's competing federation. He was never given, under the dictatorship, the honors that the populist government gave its collaborators in union leadership structures.
- 6 The period of the "Brazilian Miracle" (1968–1973) was canonized with this denomination by the government of the dictatorship and by the media (under the censorship of the regime) due to the high levels of economic growth, which ran to around 8 percent annually, equaling the performance of President Juscelino Kubistchek's period between 1956–1961. The previously mentioned work by John Humphrey studies union activities during this "miraculous" period.
- 7 Antonio Delfim Neto was the finance minister during the years of the "miracle," 1968–1973; he returned to the ministry in 1976–78, during the presidency of Ernesto Geisel, and again during the presidency of João Figueiredo, from 1980 to 1984. Thus, he held the post for a total of ten years, which shows the continuity of the dictatorship's economic policies.
- 8 The election of Luís Ignácio Lula da Silva was truly national, with an expressive portion of the votes in all regions. A few states, such as Paraná, gave him only a few votes, and certainly São Paulo, the largest electoral college, defeated him. In terms of radicalism, other working class, and—in part—middle class, political movements were historically more important, like the National Liberation Alliance (Aliança Nacional Libertadora) in the 1930s, whose undoing came during the revolt of 1935, known in the official historiography as the "Communist Conspiracy" (Intentona Comunista). But this revolt was confined to only a few army barracks in Rio de Janeiro, then the federal capital, in Recife, capital of

the state of Pernambuco and the principal city of northeastern Brazil, and in Natal, capital of the state of Rio Grande do Norte, clearly peripheral.

- 9 In Collor, *A Falsificação da Ira* (Rio: Imago, 1992), I interpreted Fernando Collor de Mello's presidency—1990–92—the first government elected by direct ballot since 1964, as a falsification of popular rage raised to the umpteenth power by high inflation and the scandals of José Sarney's government, the first post-dictatorial president elected by an electoral college. In truth, he was the vice president of Tancredo Neves, then governor of the powerful state of Minas Gerais, who died before being inaugurated. The rise of José Sarney was clearly unconstitutional, but fear of military reaction was still quite strong, and the prospects of vetoing new elections, or the inauguration of Ulysses Guimarães, president of the House of Representatives and the constitutional successor, led the "man-nerism" of Brazilian politics to adopt a cautious and realistic path.
- 10 This expression, coined by the journalist Antônio Maria during the 1950s in Rio de Janeiro, then capital of the Republic, described the shadowy and foreboding character of Carlos Lacerda, perhaps the greatest right-wing Brazilian political leader of the twentieth century, who led various attempted coup d'états during a twenty-year period of Brazilian political history between 1950 and 1970. In his youth he had been a fiery member of the Communist Party of Brazil. In his diatribes, he deprecated the politicians of the Social Democratic Party of Minas Gerais during the regime that ran from 1945 to 1964, who were known for their non-confrontational style, as the famous "foxes" of the PSD. The other important leader of the Brazilian right was Plínio Salgado, founder of the "integralist" movement, a kind of peripheral copy of Italian fascism. Salgado was more influential as an ideologue, and during the 1930s a certain segment of the Brazilian intelligentsia moved in integralist circles. This, in the style of the period, meant a corporatist doctrine based on patriarchalism and the values of popular Catholicism.
- 11 The term belongs to Brazilian political jargon, and describes the unionists who automatically align themselves with the government. It is a metaphor based on a piece of leather spread between saddle and horse to reduce friction. It originated in Rio Grande do Sul, the state in which the Brazilian Labor Party of Getúlio Vargas was created. Antonio Magri, leader of the São Paulo Electrical Workers, was Minister of Labor under Fernando Collor who, with respect to this, surpassed even the pre-1964 populist regime, which never nominated a union leader to ministerial level. In some Spanish-speaking Latin American countries the corresponding terms are "charro" and "charrismo."
- 12 Alain Lipietz coined this expression to designate the simulacrum of regulation in countries such as Brazil following the establishment of automobile assembly plants. See Lipietz (1988).

- 13 Especially Ricardo Antunes and Armando Boito Jr., who interpreted the first "Fordist" phase, with its huge mobilizations, as a period of confrontational "class unionism"; this to the contrary of the new phase, according to them, which is decidedly "reformist," favoring negotiation: see Boito Júnior (1994) and Antunes (1991). Even though classifications are always inadequate, there is a certain coincidence between our respective positions, since I interpret the period that contested the dictatorship as a "war of movements" and the one following the 1989 Constitution as a "war of positions." From a Gramscian point of view, this might seem contradictory, but I should point out that Gramsci's concepts are used here in a wide sense, in terms of contesting the dictatorship, and not in the strict sense of preparing for revolution.
- 14 See "Americanism and Fordism." Gramsci anticipated, in an extraordinary way, the hegemonic meaning of "Fordism," which conveyed through the assembly line and the cinema the materiality of new cultural forms. This is why the century is American. See Gramsci (2001).
- 15 Borrowed from the title of the book by Thomas Harris and the dark film featuring Anthony Hopkins, *The Silence of the Lambs*.
- 16 I have addressed the problems of bourgeois hegemony in Brazil since the crisis of the Old Republic, with the Revolution of 1930, in Oliveira (1999a) and Oliveira (1999b).
- 17 There are just a few books that discuss the experiment and analyze its premises, economic results, and political implications. See Oliveira *et al.* (1993); Oliveira (1999c); Cardoso and Comin (1995); Arbix (1996); Guimarães (1994); Mello e Silva (1999); Oliveira and Comin, eds (1999); and Diniz (1993).
- 18 Collor de Mello promised to stop the inflation inherited from José Sarney—80 percent per month at the end of 1989—with a single blow, which he, as a practitioner of martial arts, called a *ypon* to inflation.
- 19 Mannheim (1955).
- 20 See Aglietta and Orléans (1983).
- 21 This is described and interpreted by Mello e Silva (1999).
- 22 See Comin (1993) and Carvalho and Queiroz (1999).
- 23 To install General Motors, in Gravataí, the government of Rio Grande do Sul had already lent R\$253 million, equivalent on the overvalued exchange of the period to US\$220 million dollars, 75.6 percent of GM's total investment of R\$335 million. The term of payment was ten years, with a period of exemption of five years without monetary adjustment, which implied a loss in the first two years of the agreement of R\$49 million for the State of Rio Grande do Sul. The loan was given to GM in a single payment, even though the plant would take three years to build. The loan to GM represented, in 1997, 6 percent of the tax revenues for the government of Rio Grande do Sul. In Ford's case, the new RGS

government refused to give the same amount as agreed to with GM because of the huge incidence on revenues, to which Ford responded by transferring to Bahia—with the unabashed help of the federal government—a political adversary of the Workers Party, which was the major supporter of the RGS government. Ford got about R\$700 million to locate its new plant in the State of Bahia.

- 24 See Biondi (1999): the work of Biondi remains the only consistent critique of the Brazilian state's program of privatization; the other sources cited by him are government evaluations rich in data, but biased since they lack the perspective of a more rigorous quantitative evaluation and contain nothing on the social and political effects of privatization.
- 25 See Anderson (1995).
- 26 The number of private police in the State of São Paulo was greater than that of the Military Police or Civil Police on a scale of 1:1.5. The strength of the Brazilian Army throughout Brazil is even more insignificant in comparison.
- 27 A recent study carried out by the *Folha de São Paulo*, the most important Brazilian newspaper, states the preference that most voters have for strong and authoritarian personalities on the right who, for those interviewed, express their anxieties over security. They have promised a violent response, even the death penalty, which does not exist in Brazil, to return social stability; they speak of their aversion to the Workers Party and the unions, ridicule human rights, and radically mistrust the idea of getting close to people they perceive as different: blacks, women, northeasterners, homosexuals, and the poor. Another study conducted by me and my team found, in interviews carried out in middle-class condominiums and among the poor on the periphery of São Paulo, that the clichés of the *foreigner* are present and have an influence on security measures. The question, in the mode of the Frankfurt School researchers working in the USA, is why this does not lead to institutionalized fascism at the political level: the answer is that, probably, a guy like Maluf, leader of the extreme right in São Paulo, could not be a fascist of consequence because most of his votes come from the poor of the São Paulo suburbs. They cannot be the scapegoat that fascism has always created. But just as in fascism, the archetype elaborated by the Brazilian right and represented by Paulo Maluf, and which is spread primarily through the more prosperous social strata, does not exist and would be irrelevant if it did: the prisoners that fill the penitentiaries of São Paulo are, above all, Paulists, not northeasterners, they were workers in the formal sector and hence were not unemployed, their schooling goes further than just primary school education, and they are, therefore, not illiterate. This reproduces a situation characterized by the research into the authoritarian personality. See Adorno *et al.* (1965).

- 28 See Oliveira (1999b).
- 29 In Brazil, this tradition goes back only to the Republic proclaimed in 1889, since after independence the Brazilian political system was a constitutional-hereditary monarchy, an exceptional case in Latin America. In Colombia, from the 1940s through the 1980s, there was a liberal-conservative agreement establishing compulsory rotation between both parties for the presidency of the republic. But this Colombian arrangement does not belong, sociologically and politically, to contemporary republican "monarchies" in the countries cited. Mexico constitutes a case of a country with a single party, that is, up to the recent election of the National Action Party's Vicente Fox, which brought down the "monarchy" of the PRI—the Institutional Revolutionary Party—which had held power since the 1930s and President Calles.
- 30 See Laymert Garcia dos Santos (1999).
- 31 I am using the title of the magisterial work by Raymundo Faoro (2000). Faoro's work is a classic of Brazilian social thought that studies the permanence of patrimonial forms in the formation of Brazilian society with its lack of distinction between public and private. The work of Biondi, already referred to, contains a detailed enumeration of the new owners of former state companies, company by company, which is impossible to reproduce here.
- 32 A master's thesis presented by Maria Inês Caetano Ferreira to the Faculty of Philosophy at the University of São Paulo in 1998 may be one of the best decipherings of the situation. Seeking to understand the social background to the homicides of Santo Amaro, a district of the capital of São Paulo in the famous southern zone, whose poverty is notorious, Caetano Ferreira exposed the tragedy. The effort needed to escape the uncertainty of a labor market that no longer lets anyone in leads to the attempt to re-establish old community ties of kinship as substitutes for jobs that either do not exist or are extremely precarious, which Vera da Silva Telles, Caetano Ferreira's supervisor, called "ocupações ao azar" ("haphazard jobs"). The result is that kinship ties cannot resist the commodification of life that happens implacably without the commodification of labor relations. The use of what are called "survival strategies" leads to a frightening level of criminality. This criminality among the lowest strata is an expression of the violence amongst the highest. What we see is a total lack of formal relationships at the level of the poorest strata. This is what is meant by informal. See Ferreira (1998) and Telles (1992).
- 33 The best description, characterization, and interpretation of the significance of the oil workers strike is in Rizek, 1998. My own interpretation is based entirely on Rizek's work.
- 34 In Brazilian Portuguese, the word for drought (*sêca*) also has the meaning of "bore" in popular slang (translator's note).

- 35 See Neumann (1983).
- 36 The importance of Petrobrás can be measured by its net profits in the first semester of 2001: R\$4.5 billion, or approximately \$2 billion, which corresponds to 0.5 percent of the Brazilian GNP. It is understandable why the company is in line for the next round of privatizations of state-owned firms.
- 37 See Foot and Leonardi (1982) and Toledo (1998).
- 38 See Pinheiro (1975).
- 39 See Benevides (1984).
- 40 In the last decade, the deregulation and privatization speedily promoted during the administrations of Collor de Mello and Fernando Henrique Cardoso have led to an intense redistribution of property in Brazil. The banking system is among the most affected sectors. Recently, the strong ex-state bank, Banespa, from the state of São Paulo, was bought by the Spanish Banco Santander. The dismissals approved by the Spanish owners caused a reaction that strengthened the relations between the São Paulo Bank Workers Union (Sindicato dos Bancários de São Paulo), CUT, and the corresponding Spanish union. These kinds of actions could become more frequent in the years to come. Vêras (in this volume) has produced an excellent summary of the principal international bodies of auto workers throughout the world and their connection with Brazilian unionism.
- 41 For a view on North American unionism in the context of globalization, see Blackwell (1997).
- 42 See, for example, Lambert and Webster in this volume.
- 43 See Mello e Silva (2001).
- 44 See Thompson (1987).
- 45 See Castell (1998).
- 46 Arendt (1990).
- 47 See Gramsci (2000) and Carlos Nelson Coutinho for his discussion of this in Gramsci.
- 48 Rancière (1996).
- 49 Again, Vêras, in his chapter in this volume, has produced an excellent description and interpretation of the movement on behalf of a new contract.
- 50 Resende, in the state of Rio de Janeiro, with hardly any tradition of industry, hosts the most modern of Volkswagen's industrial plants, which operates on a cell system through subcontracting. Recent movements among metalworkers have had great repercussions among workers at the new Volkswagen plant, to the surprise of those who believed that the greenfield areas were anti-São Bernardo.
- 51 See Bercovici (2001).
- 52 In 1995, the automakers' net profit in Brazil reached almost 2 billion dollars, something close to 0.4 percent of the Brazilian GNP at the time,

and about 10 percent of the automakers' gross receipts. Even on a world scale these are not negligible profit rates and amounts.

- 53 I have begun a study of the public funds during the second semester of the year 2000.
- 54 See Kurz (1993).
- 55 See, for a discussion of this, Antunes (2000).
- 56 In fact, the large institutional investors of the international money market are funds which originally belonged to workers, of which the famous University of Michigan fund is the most well known. The fact that anyone could subscribe to them displaced the "centrality of labor" and turned them into mere capitalist funds.
- 57 See Oliveira (2000).
- 58 See Oliveira (2001).

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