

Metalworkers, the "Strike Festival," and the Possibilities of a National Collective Contract¹

Roberto Vêras

In September 1999, the Brazilian union federations CUT (Central Única dos Trabalhadores) and Força Sindical (FS) started a "strike festival" among metalworkers that was aimed at pressuring entrepreneurs into accepting the adoption of a national collective contract for the automobile sector. The union federations argued that, in a context of restructuring and decentralization of the automobile industry in the country, differences in wages and working conditions among the states contributed to the loss of jobs in the regions where the industry has historically been concentrated. At the same time, in the regions where the new factories were established, these differences led to the use of public resources by companies without the corresponding creation of a proportionate number of jobs with the same standards of remuneration and social benefits.

The "strike festival" consisted of a strategy of one-day strikes carried out in a rotation system in each of the six states² where automobile parts and/or assembly plants are currently located. The campaign took place in an adverse context for both workers and unions as a result of the manner in which the country had been inserted internationally into the process of globalization.³

The automobile sector is one of the most important to the country's economy (it represents about 5 percent of the GNP); it is also here that the historical basis of both CUT and FS are to be found. These two aspects by themselves give relevance to any events that involve the sector; moreover, the unprecedented fact that the campaign of strikes was jointly carried out by the two federations gives it added significance.

My purpose here is to problematize the possibilities of the struggle for a national contract for the automobile sector, as well as its meanings at the current moment of Brazilian unionism, when deep social changes are underway.

THE AUTOMOBILE INDUSTRY IN BRAZIL: PRELIMINARY DATA⁴

The automobile industry, which was developed in Brazil especially during the 1950s, was concentrated at first almost exclusively in the state of São Paulo, in the ABC Region.⁵ In addition to GM, Ford, and FNM—Fábrica Nacional de Motores (National Motor Factory), other factories arrived at this time: VW, Simca, Willys, Mercedes-Benz, Scania, and Toyota. In the 1970s, during the period of the so-called "Brazilian miracle," the sector recorded high levels of growth, reaching an annual average of 1 million units. During the mid-1970s, a process of decentralization in the sector began, with the establishment of new plants in Betim, Minas Gerais (Fiat), in the interior of the state of São Paulo (VW and Ford in Taubaté; GM in São José dos Campos; Mercedes-Benz in Campinas), and in Curitiba, Paraná (Volvo). As a result, the ABC share in the national production of vehicles dropped from 75 percent in 1975 to 56 percent in 1980. With the recession of the early 1980s, production levels slipped 30 percent on average, only bouncing back to the previous level in 1986, and remaining stable until 1992. It was then, with the agreements struck under the auspices of the Automotive Sectorial Chamber (Câmara Setorial Automotiva),⁶ that the sector witnessed a new boom. From 1992 to 1997, production soared to 2 million vehicles (ranking tenth in the world).⁷ During the ensuing years, production again slipped, down to 1.2 million in 1999.

The rise in the production capacity of the auto sector occurred along with a series of changes in production standards, initiated in the 1980s with the establishment of Quality Control Circles (Círculos de Controle de Qualidade).⁸ But it was only in the 1990s, in particular with the liberalization of trade, that such processes gained momentum with the introduction of new techniques in the management of production and labor (subcontracting, just-in-time supply, kaban, kaizen, production cells, teamwork, multi-functional workers, downsizing of hierarchical ranks). As a result, the sector's productivity rose from eight units per worker, up to 1992, to somewhere around eighteen in 1996. Nevertheless, such changes have led to systematic job losses and to an open process of precarization of work contracts. Throughout the 1990s, the number of workers employed in assembly plants remained at around 100,000, despite the expansion that the sector went through (in the mid-1980s, it had reached 130,000). In recent years this level has been decreasing, having reached 84,000 workers in 1999. Workers suffered the most in the auto-parts segment, which underwent a sharp process of concentration and denationalization.⁹

The automobile sector's performance in the second half of the 1990s was directly related to the advent of the so-called "fiscal war." In 1995, the federal administration established a "new automotive regime," creating a number of fiscal incentives¹⁰ designed to attract new investments in the country. There

ensued a ferocious dispute involving state and municipal administrations, which started offering tax, credit, and infrastructure advantages to companies interested in getting established in their areas.¹¹ This caused a new burst of expansion and decentralization, with new factories being launched: VW in Resende, Rio de Janeiro, in 1996, and in São Carlos, São Paulo, in 1997; Renault, Chrysler, and Audi/VW in São José dos Pinhais, Paraná, in 1998; Mercedes-Benz in Juiz de Fora, Minas Gerais, in 1998; and GM in Gravataí, Rio Grande do Sul, in 2000 (others are under construction, such as Ford's in Bahia).¹² All of this constitutes a new situation for union action in the metalworking sector, especially in the ABC region.

A NEW SCENARIO FOR UNION ACTION

The emergence of the so-called "new unionism" in the late 1970s had as its epicenter the ABC region and the São Bernardo do Campo and Santo André Metalworkers Unions.¹³ At the time, given the unique profile of the auto sector workers concentrated there in comparison with other regions and other sectors of the Brazilian economy, the idea arose that this segment constituted a "labor aristocracy," whose union practices tended to resemble the North American type of "business unionism" (Almeida, 1975). Both unionist discourse (Lula, 1982) and studies made thereafter (Humphrey, 1982; Moisés, 1982; Antunes, 1988; Sader, 1988, among others) tended, instead, to see it as a type of independent and class unionism. And, indeed, it would give rise to the Workers' Party (Partido dos Trabalhadores) in 1980, and to CUT in 1983.

The "new unionism" emerged against the backdrop of the official union structure that had been established during the period of the *Estado Novo* (1930s and 40s), and appropriated, in the 1960s and 70s, by the military regime. Under the banner of "union freedom and autonomy" it challenged, at the time, the "Strike Law" (which restricted the right to strike), the power of the Ministry of Labor over the unions, the union tax (a mandatory charge for every wage earner except public servants), the normative power of the Labor Courts (which impeded free negotiations between workers and employers), and the atomized and vertical character of the union structure (organized by occupational category, and prohibiting inter-union forms of organization). However, if the "new unionism" was established as an "independent," "class," "grassroots," and "horizontal" movement, the federation CUT (heir to the "new unionism") opted for acting "from within" the official structure, perpetuating it to a certain extent (Boito Jr., 1991). On the other hand, the 1988 Constitution, even though it eliminated the instruments of state control over unions, maintained two of the pillars of the former structure: the mandatory tax and the monopoly on representation (guaranteed by the principle of "the single union," that is, one union per occupational category per territorial base).

As it consolidated itself in the political and unionist scenario of the country, CUT gradually assumed a "contractualist"¹⁴ orientation, though not without facing enormous obstacles. In the first place, its option for the proposal of a National Collective Contract as a central plank, as well as for the idea of CUT as a "union federation" and not as a "movement,"¹⁵ did not occur without opposition from internal minority groups.¹⁶ On the other hand, the authoritarian and tutelary character of labor relations in Brazil has always hampered the development of a contractualist tradition¹⁷ such as the one that which developed in Europe in the post-war period under the "Fordist pact" (Bhir, 1998). Despite the country's "redemocratization" and the growth of CUT, collective bargaining remained (with few exceptions) subject to the jurisdiction of the Labor Courts and segmented by union and/or federation.¹⁸ Union federations, CUT included, were not able to establish themselves as nationwide contract negotiators.¹⁹

In the 1990s, CUT developed this orientation, formulating a proposal for a Democratic System of Labor Relations,²⁰ but new obstacles emerged. At the company level, production-restructuring processes led to further decentralization of collective negotiations (DIEESE, 1999). At the institutional level, government policies in the 1990s, in accordance with the "Washington consensus," contributed to an increasing flexibilization of labor rights, while initiating, at the same time, an attack on union action²¹ from within a discourse of free negotiation.²² Such a perspective views social rights and unionism as obstacles to the country's development, by preventing the free play of markets (Oliveira, 1998). The labor market entered into a restructuring process whose most important features are structural unemployment and the growing precarization of work relations.²³ CUT's proposal became even more distant from the real (and more adverse) situation of the country's labor relations. Added to this is the fact that, in 1992, a new unionist project arose, attuned to the neoliberal discourse and enjoying wide support from the government and the media: FS (Força Sindical), heir to what became known, in the late 1980s, as "result-driven unionism" (Cardoso, 1992).

Faced with this situation, and increasingly losing its power of mobilization, CUT unionism, which had been characterized in the 1980s by great mass mobilizations and by a conflictive posture, became more inclined towards "negotiation" and "proposition."²⁴ The case of the ABC metalworkers has been emblematic in this respect, as they have been willing to negotiate the production restructuring processes under way, especially after the experience of the sectorial chambers. After their extinction, the "negotiated restructuring" strategy, as it came to be known, gradually acquired the form of negotiation by company, involving issues such as profit-sharing, hour banks, reduction of working hours, and voluntary resignation schemes; in this strategy, the struggle for job preservation usually became central as a defensive attitude.²⁵ The current dilemma is that of maintaining the

combative character of the union action *vis-à-vis* entrepreneurial threats of unemployment, which have been corroborated by the government's anti-unionist stance.²⁶ In general, the nature of the resulting agreements has heated the internal debate at CUT.²⁷ Nevertheless, it is still possible to notice differences in the results of the negotiations carried out by the ABC metalworkers (CUT) and the São Paulo metalworkers (FS).²⁸

The ABC Metalworkers Union and CUT have been seeking to face current adversities through the diversification of their practices. They have expanded their action, for example, within public spaces responsible for the definition and execution of public policies on employment, vocational training, education, health, the environment, housing, social security, industrial policy, agricultural policy, etc. In general, these were spaces created in the 1988 Constitution but only implemented in the beginning of the 1990s, with varied configurations (Pochmann *et al.*, 1998). Besides the Sectorial Chambers (in 1992 and 1993), the most important on the union agenda are the following: the Workers Support Fund Deliberative Council—Codefat (Conselho Deliberativo do Fundo de Amparo ao Trabalhador) and the State and Municipal Employment and Work Commissions (Comissões Estaduais e Municipais de Emprego e Trabalho); the Administrative Council of the Trust Fund for Years in Service (Conselho Administrativo do Fundo de Garantia por Tempo de Serviço—dedicated to the financing of housing policies); Health, Education, Children and Adolescents' Councils, among others.

We should highlight the experience of the ABC Regional Chamber, established in 1997 as a non-state public forum with the aim of articulating a development policy for the region; it involved the state administration, the seven municipalities in the region, parliamentarians, and representatives from several civil society organizations, among which the ABC Metalworkers Union is prominent.²⁹ The ABC Metalworkers' Union and CUT have also been sponsoring other projects such as: a) in 1998, with the support of FS, the formulation of a National Program for the Renewal of the Vehicle Fleet (Programa Nacional de Renovação da Frota de Veículos), which proposes incentives for the exchange of vehicles over 15 years old, thus seeking to increase the demand and to recuperate jobs in the sector (the fact that it has not yet been implemented is due to the government's reluctance);³⁰ b) the development of public-funded vocational training and educational upgrading programs;³¹ c) in 1999, the creation of the public-funded Labor and Income Unit (Central de Trabalho e Renda), with its headquarters at ABC, to operate as a non-state public agency managed by a tripartite board and geared towards the development of integrated job services (Paoli, 2001); d) in 1999, the creation of CUT's Agency for Solidary Development (Agência de Desenvolvimento Solidário) through a partnership with the university network Unitrabalho and with DIEESE (a research and consultancy organization that works with unions); funded by international agencies, this

organization aims at supporting work- and income-generation projects and, in the medium term, at constituting a National System of Cooperative Credit (Sistema Nacional de Crédito Cooperativo), based on the principles of the "solidary economy" and on "sustainable development."³²

There have also been innovations in CUT's international action. Union practices in the Southern Cone, historically circumscribed to national boundaries (Wachendorfer, 1995), have been gaining an international dimension, especially after the creation of Mercosur in 1991, when common institutional spaces took form on the basis of similar and interconnected problems—trade liberalization, privatizations, unemployment, and the deregulation of labor relations. In 1987, the Coordinating Committee of the Union Federations of the Southern Cone (Coordenadora de Centrais Sindicais do Cone Sul) had already been created; within Mercosur, it has been concentrating on the Subgroup for Labor Relations, Employment, and Social Security (Subgrupo de Relações Trabalhistas, Emprego e Seguridade Social), which includes representatives of employers and unions. Priorities on the union agenda are the defense of employment and social and labor rights.³³ With the possibility of the constitution of the Free Trade Area of the Americas (FTAA), the international challenges for union action have expanded, on the one hand because of its probable consequences for Latin American economies, and on the other because of unions' need to define an increasingly joint action in spite of their many differences.³⁴ In any case, international action is an increasingly pressing matter for CUT.³⁵

Throughout the 1990s, with the growth of unemployment, the intensification of the attacks on labor and social rights, the reduction of inflation levels, and the end of wage indexing, the issues of unemployment and social rights gained a place in CUT's agenda, which had been taken up by the wage question in the 1980s. At the same time, there was a growing need to seek new alliances, at local, national, and even international levels. A decisive step in this direction was taken when CUT, in 1996, made the proposal for a National Conference for the Defense of the Earth, Employment, and Citizenship (Conferência Nacional em Defesa da Terra, do Emprego e da Cidadania), which gathered organizations and social movements with a critical position on the course of the country. The conference, which took place in April 1997, approved the "Brasília Charter" (Carta de Brasília), condemning the government's authoritarian character and its neoliberal orientation, and established a permanent unit of articulation called the National Forum for the Defense of the Earth, Work, and Citizenship (Fórum Nacional em Defesa da Terra, Trabalho e Cidadania). Since then, the Forum has been organizing important public events at the national level: the National Day of Struggle for Employment and Social Rights (Jornada Nacional de Luta por Emprego e Direitos Sociais) in May 1998; the National Day of Struggle Against the Economic Policy of the Fernando Henrique Cardoso

Administration and in Defense of Brazil (Dia Nacional de Luta Contra a Política Econômica de FHC e em Defesa do Brasil) in March 1999; the 100,000 People March (Marcha dos 100 Mil) in August 1999 (the largest protest organized against the Fernando Henrique Cardoso Administration); and the March for Education (Marcha pela Educação) in October 1999.³⁶ New alliances—particularly with social movements, NGOs, and political parties opposed to neoliberal-inspired policies—have also been pursued at the international level, through participation in demonstrations such as the one in Seattle (at the WTO meeting in 1999), in Washington (at the IMF meeting in 2000), and in Quebec (at the FTAA meeting in 2001); in the constitution of networks, such as the Continental Social Alliance (Aliança Social Continental);³⁷ and in events such as the World Social Forum (Fórum Social Mundial).³⁸ CUT's discourse has been increasingly incorporating the expression "citizen union" in order to designate (not without internal tensions) a more "propositive" kind of practice from within an adverse context, a practice that takes as its central issues the defense of employment and of social rights, that seeks to expand its action to institutional spaces and to have a more direct influence on the formulation and execution of public social policies, and that seeks to construct closer links with other organizations and social movements, at the local (by focusing on the question of "local government"), national (by discussing a "national project"), and international levels.³⁹

It is in this context that the proposal for a national collective contract is situated. This proposal had always been present in CUT's agenda, but its viability had always been remote from the real dynamic of labor relations in the country. For metalworkers, the moment that came closest to making the proposal viable was the experience of the Automotive Sectorial Chamber. During the second agreement in particular, in 1993, there was an expansion of workers' representation (besides SMABC, it came to include CNM, FS, and CGT [General Confederation of Workers—Confederação Geral dos Trabalhadores]), as well as of the issues under negotiation—such as wage earnings and the maintenance of the employment level. The end of the sectorial chambers brought back decentralized collective bargaining.

Pressed by a situation in which the unions' bargaining power (stronger unions included) increasingly depends on their national (and international) articulation, metalworkers' unionism faced the imperative of seeking in a joint effort another platform for negotiating with entrepreneurs, or else facing the continuing process of putting work relations at risk, restricting even more their own prospects for survival.

For CUT, the transformation of CNM into a National Metalworkers' Union (SNM—Sindicato Nacional dos Metalúrgicos) was also at stake. Realizing that the new scenario cannot be confronted by fragmented unions, the creation of the SNM was approved at CUT's Extraordinary Congress in

March 2000, following a proposal by Union Articulation, and under the protests of minority forces that were absent from the meeting,⁴⁰ thus creating an impasse that remains unresolved.⁴¹

THE STRUGGLE FOR A NATIONAL COLLECTIVE CONTRACT AND THE "STRIKE FESTIVAL"

What convinced people that in fact we had to engage in a fight at the national level for [the national collective contract] was the episode at Ford Ipiranga.⁴² Why? Because Ford Ipiranga was closing down [...] and we're talking about an important unit, with a long track record, which has a shop steward committee [...]. Ford was closing down the Ipiranga unit while the government was practically giving them a factory in Bahia. So, it only makes sense for a government to finance the building of a factory if all the other plants the company owns in the country are working at full capacity [...]. Then there was this national commotion, that thing, the closure of the factory in Ipiranga, the incentives that were given in Bahia [...] outrageous [...]. Then the debate shifted to the society and we thought that, if we wanted to fight for a collective contract, this was the time [...]. We called the FS (Ford Ipiranga is in their area), they had felt the blow of losing the factory, and then they also joined the movement.⁴³

In August of 1999, CNM-CUT and the FS Metalworkers Federation handed over to the National Automakers Association (Anfavea—Associação Nacional de Fabricantes de Veículos Automotores) and the National Syndicate of the Auto Parts Industry (Sindipeças—Sindicato Nacional da Indústria de Autopeças) a petition with their demands, proposing the reduction of the working week to 36 hours;⁴⁴ the adoption of national trade wages in assembly and parts plants, and the adoption of a unified minimum wage of R\$800.00;⁴⁵ a 10 percent minimum recovery of wage purchasing power;⁴⁶ the workers' right to representation in the workplace and to unionization; and the fight against the "fiscal war."⁴⁷ The petition included a "safeguard clause," ensuring the best conditions as established in conventions and specific agreements made or to be made between workers' and employers' representatives. This petition not only had as its main purpose the institution of a national collective contract for the auto sector but also represented a preliminary version of the items to be negotiated (CNM, 1999). But its objective was to call attention to the proposal of a national contract:

The [movement's] priority is to make companies acknowledge our right to a national negotiation [...]. The fundamental thing is the instrument, the concept of collective bargaining [...] as a right acknowledged by companies [...]. The rest comes in time, depending on our organization.⁴⁸

The unionists' argument was that "vehicle assembly plants are the sole beneficiaries of these distortions, for the economy made with wage reduction is not handed over to consumers."⁴⁹ The core of the problem lies in the effects of the "fiscal war," especially in those regions with an industrial and unionist tradition, like São Paulo and the ABC: "if we achieve the same rights, such as a single minimum wage, we'll be able to undermine one of the attractions the factories offer, and keep a larger number of jobs here in the ABC."⁵⁰ In the case of the ABC region, the situation is even more dramatic:

As a result of globalization, of competition between companies, everything we've achieved has started to turn against us. Because companies used to say: "if we compare your salaries here [in the ABC] with those of a factory in Minas Gerais, in Paraná, down in Rio de Janeiro, your salaries are much higher" [...]. And so they start playing our achievements down [...]. In fact we've realized that, in order to stand up to the challenge posed by globalization, we should organize on a national basis. So we can't continue to think in terms of my factory, my category, the ABC region, we've got to think in terms of Brazil [...]. You must have a national agreement according to which companies must have shop stewards, must establish a minimum wage, that is, social benefits.⁵¹

On the other hand, it is the ABC workers that are expected to give the most support to the movement, which also requires that their political culture be shared with the workers of the new industrial areas: "We're going to take our ability to mobilize and our experience in this kind of struggle wherever it is necessary."⁵² Anfavea, the National Auto-makers' Association, has refused to negotiate the demands presented, particularly the proposal of a national collective contract. For Anfavea, negotiations should take place within each company. According to their arguments, with such a proposal metalworkers were seeking to "export production costs in the ABC and São Paulo areas to other regions in the country."⁵³ Confronted with the entrepreneurs' refusal, both federations decided to trigger a "strike festival," consisting of one strike per state per week, during the months of September and October.

The first took place on 24 September, at the VW truck and bus factory in Resende (Rio de Janeiro).⁵⁴ More than ten buses with unionists from other states headed there. It was a total strike and there were no incidents. The following week, it was the turn of Minas Gerais, where there are two plants: an older one in Betim (Fiat), and a recent one in Juiz de Fora (Mercedes-Benz). The successful strike at Mercedes was the first to be staged at this new plant. As for Fiat, which has over 12,500 workers and had not had a strike in fifteen years, on the day set for the strike (which had been changed at the last minute in order to forestall the reaction of the company),

more than a thousand unionists faced a strong police force as well as hired security. The resulting confrontations, which had wide coverage in the media, caused twenty-seven wounded, while two demonstrators were detained, and nine local union leaders suspended.

On 7 October, the "strike festival" arrived in São Paulo, home to some of the oldest auto and auto parts plants as well as to the great majority of the workforce in the sector. The strike, which extended to all units, was the high point of the movement and achieved prominence in the national media; nevertheless, the entrepreneurs remained unmoved. In Paraná, the strike took place on 20 October. The three major assembly plants in the state (VW/Audi, Renault, and Volvo), employing some 6,500 workers, as well as some auto parts plants, all of which were new (except for Volvo), were completely paralyzed (for VW/Audi and Renault, these were their first strikes; for Volvo, this was the second strike in its twenty-one years in Brazil).

Both union federations jointly organized a special response to the episode at Fiat in Betim by preparing demonstrations in some cities around the country as well as a campaign against the company ("nobody should buy the brand"). The rehiring of the unionists was considered the movement's first victory against the company. In São Paulo, on 28 October, unionists held a march to the company's office, during which two Model 147 Fiats (pulled by two donkeys symbolizing the company's board of directors, "who don't talk because they're dumb"⁵⁵) were kicked to pieces by the participants. Unionists called for a boycott against "Fiat's carts, made with slave labor," in reference to the fact that the company pays much lower wages than those companies based in São Paulo. At first, other strikes were planned for Santa Catarina and Rio Grande do Sul, but the weight of both states was thought to be too small for their outcomes to be influential.

The "festival" reached its peak with the metalworkers' wage-campaigns in different states (including São Paulo), boosting them and giving them a strength never before seen, particularly in the new factories. Local negotiations focused on the proposal for a 10 percent wage increase. But, especially in the ABC assembly plants, in addition to the recovery of wage losses, the reduction of the working week was also included. In general terms, in the new plants the victories included a rise in the minimum wage and in the annual profit-sharing bonus, and, in some of them, there were agreements on the establishment of shop-steward committees.⁵⁶ As for Fiat, besides having to go back on its decision to suspend seven unionists, it granted workers a wage raise and acknowledged the union's right to organize membership campaigns inside the factory.

Following this, the two union federations assessed the strikes, highlighted their positive outcomes, and agreed on their continuation the following year. For CNM/CUT the two major gains were the unified and national character of the movement and the boost it gave to local wage campaigns. But

the movement's goals aimed at achieving the national collective contract. It has not, however, been easy to resume the campaign.

Up until March 2000, CNM was completely involved in the internal debate about the creation of a National Union. In spite of this, some initiatives were attempted. Both federations, at an audience with President Fernando Henrique Cardoso in early April, pushed again for the approval of the program for the renewal of the fleet. In the same month, in support of the program, a demonstration was held that involved a parading of cars that were at least fifteen years old. On 2 June, CNM called for a National Mobilization Day, resuming the struggle for the national collective contract and the reduction of the working week to thirty-six hours. Lightning strikes and demonstrations were staged in some assembly plants in the ABC region and in other states. In São Paulo, CNM held a demonstration outside the Sindipeças headquarters. On 7 and 8 June, CUT organized a symbolic occupation of the building of the Federation of Industries of the State of São Paulo (Fiesp—Federação das Indústrias do Estado de São Paulo), where two-day vigils were carried out. Similar demonstrations also took place in Porto Alegre and Recife. On 14 June, the São Paulo Metalworkers' State Federation (Federação Estadual dos Metalúrgicos), a CUT affiliate, initiated a new round of demonstrations by region, involving primarily the auto parts plants (where the working week exceeds forty hours). The campaign consisted of one-hour strikes, during which union leaders, in meetings held at the factories' gates, put to the vote the proposals of the national collective contract and the reduction of the working week.

During the second half of 2000, the articulation with FS was resumed in order to organize a Unified Wage Campaign, involving not only the metalworking sector but also the banking and oil sectors, as well as some segments of the civil service. However, the episode rekindled the divergences between the two federations when FS unilaterally closed a deal accepting an average rate of 8 percent for wage raises, which CUT, refusing any rate below 10 percent, considered to be low.

Notwithstanding the positive impact of the "strike festival," both in the media and among unionists, the impasse around the proposal for the creation of a National Union and the oscillations in the relationship between CUT and FS have contributed to the fact that to this point the campaign has not been resumed.

DIRECTIONS OF THE STRUGGLE FOR A NATIONAL COLLECTIVE CONTRACT

The struggle for a national collective contract for the automobile sector is part of an effort, particularly on the part of those sectors associated with CUT, to face the present adversity. It seeks to oppose an ever-growing

asymmetry in the correlation of forces between workers and companies—especially transnational companies—and the open attack of neoliberal forces against social rights.

The struggle for a national collective contract is an attitude of "resistance." By proposing it as a "social contract"⁵⁷ the movement reaffirms a traditional historical reference of CUT unionism, while maintaining a critical position towards the authoritarian and—whatever is left of it—tutelary character of labor relations in Brazil; but, at the same time, it opposes the consolidation of a new pattern of sociability, which in hegemonic discourse is referred to by the euphemism of "free negotiation," inspired in the new global paradigm of liberal and individualistic contractualization.⁵⁸

The sense of resistance of the aforementioned banner can also be related to its "national" character. It opposes not only the current decentralizing trend of collective bargaining and a practically nonexistent tradition of centralized collective bargaining in the country, but also the destitution of the state as a social regulator.⁵⁹ If we take into account that "globalization" requires, from countries such as Brazil, liberal and passive strategies for world insertion that reduce their states to a basic condition of guardians of macro-economic balances,⁶⁰ a process of reinsertion on more sovereign bases on the part of these countries will certainly require, to a certain extent, the recovery of the idea of a "national project,"⁶¹ in which unionism will be urged to play a role. Within the Southern Cone, this process will necessarily require that the Mercosur project be reasserted and reoriented.⁶² It was this perception that led to a unanimous position of support for regional integration on the part of unions in the region, notwithstanding their political differences.⁶³

This brings another question to the fore: the centrality of the "national question" for union action might be, in the Brazilian case (and, if so, in the Latin American case as well), an indispensable element for its counter-hegemonic assertion, and might even contribute to the construction of a "new internationalism."⁶⁴

The "strike festival" had the merit of bringing the issue of the national collective contract to the debate at a time when the dynamics of labor relations in the country and in the region pointed in the opposite direction, yet also at a moment when unionism was seeking to reorganize at national, regional, and world levels. However, we have to interrogate the possibilities of such a proposal going beyond its historical nuclei (mostly located in the ABC region), the automotive sector (the best organized within metalworking), and its ability to interact at some level in an international framework.

The "strike festival" constituted an unprecedented opportunity for union articulation at the national level within a segment of the metalworking industry that has been undergoing an increasing decentralization. One of the immediate issues that arose was related to the participation of workers from greenfield plants, deemed to be areas without a union tradition:

We didn't know how the workers there [in the new plants] would react. There was a really remarkable one [strike] which was that at the Mercedes plant in Juiz de Fora, because we went there [...] and it was really amazing, workers didn't give us any trouble with the strike. And the way to make the workers go on strike was with pay slips. One of our production workers here would get his with R\$1,200 per month, an average production worker. There that was an engineer's salary. So when the guy showed his salary [...] that caused enormous revolt among workers [...]. We had no doubt that the workers would strike and all, but not with the support, the enthusiasm they showed. That came as a surprise.⁶⁵

On the other hand, there was the recognition that the strategy of unified action had an almost irresistible appeal (even in the case of Fiat, where a strong repressive scheme was mounted). However, this was an ephemeral contact, since it did not produce a more permanent dynamics of articulation.

A second issue concerned the movement's capacity to influence other sectors:

Today, the auto sector is the most organized sector in the CUT camp. So, I mean, the idea was that if we managed to close a national contract, however minimal, we would stimulate other categories to also attempt it [...]. So, if we take the case of Fiat, in Minas Gerais, Fiat, which has around 12 thousand workers, a very tough company that doesn't allow the union inside the plant, doesn't allow unionization [...] really tough [...]. I mean, the union there, with the structure it has, can't stand up to the repression potential Fiat has. So, that's why Fiat is not a problem for the Betim workers only, it's a problem for all the automotive sector workers. That's the point of the national contract [...]. The idea then is, through the auto sector, to try and attract other sectors to carry out national movements.⁶⁶

This is a question with some history in the union movement of the ABC region. It has always been a major reference for CUT's camp and, in the last decades, for the whole of Brazilian unionism. However, the unequal character of labor relations in the country (which has been increasing lately), combined with the differences in union traditions in each sector, has generated important obstacles to the universalization of the social and labor gains achieved by different segments—either the ABC metalworkers, the São Paulo bank workers, the oil workers, or others. This is the case of the struggle for the establishment of a national collective contract in the automobile sector: if and when it becomes effective, it will not be easy to extend such an achievement, even to other segments of the metalworking industry.

A third issue to consider concerns the international interactions that this movement produced. During the campaign, the International Metalworkers'

Federation sent its director, Peter Unterwegger, to Brazil. In an important interview given to the *Folha de São Paulo*,⁶⁷ he talked about the interest of the International Metalworkers' Federation in the case, as well as the possible forms of supporting it at that moment:

We have already taken direct action when we sent a letter to Anfavea [the Brazilian National Auto-makers' Association] supporting the demand [...]. We may think, of course, that "a letter is just a letter." But the organizations that send these letters have very good contacts with the headquarters of those multinational companies. And, in this regard, we should also mention Fiat. The International Metalworkers' Federation and the Italian unions are very aware of the unjustifiable practices of Fiat in Brazil. And you can be sure that there will be a significant response to the company's position on this.

At the time, he compared the defense of the unification of labor conditions in Brazil to the position of his federation on the unification of labor conditions throughout the world: "I believe that it is unjustifiable that pressure against workers in Indonesia, for instance, can be turned into a competitive advantage for other countries."

But, beyond this level of international interaction (usually more formal than effective), the movement managed to take advantage of another situation that was made possible by an unprecedented agreement struck within the context of Mercosur, in March 1999, between, on one side, the ABC and the Taubaté Metalworkers' Unions and the Argentinean SMATA (Mechanical and Related Workers of the Automotive Transportation Union), representing the workers of the VW plants in both countries, and, on the other side, the management of the company in Brazil and Argentina. This initiative is part of an international effort that aims at creating worldwide organizations for worker representation and at establishing company agreements worldwide, especially in the automobile sector.⁶⁸ The purpose of this agreement was to establish "basic principles for the relationship between capital and labor in the Mercosur," such as conditions conducive to workers' exchange programs, the right to constitute shop steward committees, space for unions to influence internal programs of vocational training, etc. However, "what one expects is that in time one can establish agreements on concrete issues."⁶⁹ In itself, the initiative is the expression of union interaction at regional and world levels (notwithstanding its limited character) that goes beyond the connections between union federations in the Southern Cone. Furthermore, it points to the possibility of expanding the spaces of contractualization at regional/world levels, starting with large companies/groups.

Besides all this, the agreement opened a space for an important achievement at the new VW plants in Brazil. The company's acknowledgment of the workers' right to establish shop steward committees and the recognition

of unions as legitimate interlocutors in handling internal conflicts inside each plant, combined with the "strike festival," were decisive factors in boosting the creation of shop steward committees at the new VW plants in Resende, São Carlos, and Curitiba:

The Agreement has turned into an instrument that favors, that backs up, the organization of shop steward committees. So, when the guys in São Carlos, last year, during their campaign for wage increases, brought up the issue of shop stewards, it passed because it is in the Agreement. In Curitiba the same thing happened last year in April [...]. In Resende the committee was established in February [...]. The "strike festival" produced some interesting things, one of them was [...] it generated a certain identity that didn't exist in the sector at a national level before. The people who worked in the automotive units in Paraná, for example, in the South [...] there wasn't much contact [...]. After this movement, with all the negotiations, in Resende, São Carlos, and Curitiba, and even in Minas, at Fiat, there was some progress in relation to previous conventions.⁷⁰

As we can see, the question of a national collective contract for CUT, for metalworking, and for the automobile sector is still an open issue. So are the prospects of a "citizen union," a "regional unionism" in the Southern Cone, and a "new internationalism." Nevertheless, situations like the "strike festival" suggest that, in Brazilian unionism, although greatly limited, there are signs of "resistance" that we can regard as having a "counter-hegemonic" potential, provided that they assert the perspective of the "social contract" (at a time when the sociability of the "fraudulent contract" is being imposed), that they seek to articulate an increasingly internationalized action with the issues of the "national/regional project" (*vis-à-vis* a situation of the growing dependence of peripheral and semiperipheral countries on centers of global power), that they persist in using public space, seeking to keep the "social question" in the public eye (Castell, 1998) (when what prevails is a thoroughly privatist dynamics, in which "the public is no longer a structural component for the reproduction of the system" [Oliveira, in this volume]).

The proposal for a national collective contract for the automobile sector was not accomplished, and perhaps will not be accomplished in the short and medium terms. But this does not mean that the struggle of the "strike festival" did not fulfill a part in a counter-hegemonic process. I quote from Estanque: "The experiences of struggle, even when they do not achieve their material goals, are still, in spite of that, lived experiences, whose effects, because they are felt at the level of the reflexive reconfiguration of individual and collective identifications, also affect the conditions of future action" (2001: 3).

Notes

- 1 I thank Professor Boaventura de Sousa Santos, the researchers Hermes Costa and Elísio Estanque (CES, University of Coimbra), and my colleagues at Cenedic/USP for their important suggestions. Responsibility for this chapter, however, is all mine.
- 2 São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Santa Catarina, and Rio Grande do Sul.
- 3 For Zapata (1994), in Latin America in the last decade, the transition from a development model based, broadly speaking, on industrialization by import substitution to another one based on the transnationalization of the domestic market has had a great impact on unionism in the region, especially in what concerns changes in the occupational structure, as well as an anti-union movement. Oliveira, on the other hand, points to other aspects: "Indeed, something far gloomier looms behind the renunciation of combating unemployment and poverty. It is the fact that the ruling classes in Latin America have given up integrating the population, either into production or into citizenship" (1998: 214).
- 4 See, for example, SMABC (1996), Castro (1996), Arbix and Zilbovicius (1997), and CNM/DIEESE (1998).
- 5 This is a part of the metropolitan area of the capital and comprises seven municipalities, the most important of which are Santo André, São Bernardo, and São Caetano. The designation "ABC" derives from their initials.
- 6 The Sectorial Chambers were constituted during 1992 and 1993 as forums of tripartite negotiation composed of entrepreneurs, and government and union officials, from several sectors of the Brazilian economy. They were deactivated when Fernando Henrique Cardoso became Finance Minister and afterwards President of the Republic. The most prominent case was that of the automotive sector, which struck two agreements considered by Oliveira *et al.* (1993) as landmarks in labor relations in the country, inaugurating a "new contractuality": "These new social relations could be characterized by the shift from a conflicting relationship of annulment of the Other, to a conflicting relationship of mutual recognition: a convergent antagonism" (1993: 6). See also Oliveira *et al.* (1992), Arbix (1996a), and Cardoso and Comin (1995).
- 7 There was also an alteration in the product's composition: the share of so-called "popular cars," launched in 1993, rose from 23.7 percent to 61.4 percent of the total output in 1997, defining a specialization in relation to world production (CNM/DIEESE, 1998: 71).
- 8 In 1982, there were about 4,000 Quality Control Circles in 400 companies, involving around 40,000 workers (*Revista Exame*, 25 Aug. 1982).

- 9 In this segment, the employment level dropped from over 300,000 workers, in 1989, to slightly over 230,000, in 1994 (SMABC, 1994).
- 10 Especially by reducing tariffs on imported parts, components, and machines.
- 11 Such measures had negative repercussions in relations with Argentina, with whom Brazil has been establishing tentative agreements concerning the automobile industry (Roldán, 1998).
- 12 The electronic newsletter of the National Confederation of Metalworkers of CUT-CNM (Year II, no. 7, 13 March 2001) published a comparative balance, made by Glauco Arbix (researcher at the University of São Paulo [USP]), of the public costs of the "fiscal war" for Brazil and the USA. The new GM plant, in Rio Grande do Sul, with a budget of US\$600 million, supposedly received US\$226.58 million in fiscal incentives. Therefore, each of the 1,300 jobs generated cost US\$174.3 thousand. In Juiz de Fora, Minas Gerais, US\$228 million in public resources were added to the US\$845 million in investments by Daimler-Benz. In this case, the 1,500 jobs pledged cost US\$152 thousand each, whereas in the US the levels would be far inferior. The smaller public cost, among the several that were studied, was that of the Honda plant, in Ohio, which was about US\$4,000 per job. "Brazil, against the grain of world trends, currently has an obviously oversized automobile industry, with the presence of at least 15 important automakers; the idle capacity is only sustainable due to the abundant tax, credit, and investment incentives of the Federal Union and the states" (Oliveira, 2001:16). See also SMABC/DIEESE (2000) and Zilbovicius (2000).
- 13 Which merged in 1993, giving rise to the ABC Metalworkers' Union (SMABC).
- 14 I admit that CUT's "contractualist" position, made explicit at its Third Congress (1988), besides being inspired by the European case, was based on what Oliveira (2001) has identified as an "incipient peripheral Fordist pact" involving, in particular, the most dynamic sectors of the Brazilian economy, the mainstay of both the "new unionism" and CUT.
- 15 Which came up particularly during the Third and Fourth National Congresses, in 1988 and 1991, respectively (CUT, 1988 and 1991).
- 16 By the time of the Third Congress (1988), at least two camps were already formed within CUT. On one side, making up a majority sector, were the leaders of the São Bernardo and Santo André Metalworkers Unions, the São Paulo and Rio Grande do Sul Bank Workers Unions, and the Campinas Oil Workers Union, among others, who adopted the name "Union Articulation" ("Articulação Sindical"). This camp had always cultivated a close relationship to the socialist and social-democratically oriented European unionism. On the other side, there were several groups originating from the Catholic Church and Marxist organizations (initially, these were mainly Trotskyist, but later they were also connected to communist parties). The main references for this camp were the São Paulo Metalworkers' Union Opposition (Oposição Sindical dos Metalúrgicos de São Paulo) and other unions of intermediate importance. For them, CUT should have a more inclusive character (involving not only unions, but also other social movements) and a more radical profile (with a clearer option for socialism) like the Bolivian Labor Federation (Central Operária Boliviana—COB). See L. M. Rodrigues (1990).
- 17 The regulatory model of labor relations in Brazil, especially from the period of the *Estado Novo* on, has been predominantly characterized as "corporatist." For Noronha (1999), however, and especially in recent years, the Brazilian model is better characterized as a "legislated" one in which regulation is carried out between the prevailing role of the law and the discretionary power of companies, with a secondary role being attributed to collective contractualization, contrary to the "contractualist" European case, whose point of equilibrium lies between collective contractualization and the provisions of the law. According to the same author, in spite of some corporatist traces, "the system is not a 'State-corporatist' one with its quasi-Fascist authoritarian elements; neither has it migrated to a 'neocorporatism' (where contractualization is essential)." In relation to labor union law, the Brazilian model would be moving towards "pluralism," whereas in labor law its "legislated" character has supposedly become more pronounced, although after 1994 the Executive established a set of measures designed to flexibilize the labor market, such as the establishment of the temporary contract (1999: 607). For an overview of these initiatives, see Krein and Oliveira (1999).
- 18 The law makes provisions for "Agreements" in the case of companies, and "Collective Conventions" in the case of categories, and stipulates an annual negotiation at the time of the "base date" (a mechanism created in 1965 by the military regime). The law requires that all clauses already agreed upon be renegotiated each year as a conclusion to what is called the "wage campaign." Through the principle of "the single union," it is up to the Labor Courts to determine which entity should be granted the "monopoly of representation" for each category (CUT, 1996).
- 19 Noronha (1999) argues that, despite CUT, the practice of collective bargaining in Brazil has not made much progress. The main advance would have been a decrease in the discretionary power of companies. However, the unions, instead of establishing themselves as negotiators, have mainly played the role of "overseers of the law." Melo and Carvalho Neto (1998) attribute the highly decentralized character of collective bargaining to the extreme fragmentation of the union organization: "From 1980 until 1996, the number of workers unions rose from 4,500 to around 18,000, but the number of unionized workers stagnated and, in some sectors,

actually fell." In such a context, "only a few categories, such as bank workers and petrochemical workers, achieved nationally centralized collective bargaining. Oil, postal, and telecommunications workers also achieved national centralized negotiations, but, to a great extent, because they work for national companies (at least before the privatization processes). There is not, therefore, as a general rule, centralized collective bargaining at the national level, like the one still in force in the more developed European countries" (1998: 80).

- 20 Especially on the occasion of the Fifth Congress and the Seventh National Plenary (CUT, 1994 and 1995). The project was defended as a "substitute for the current institutional framework governing the labor organization and labor-capital relations in the country." It included ratification of the ILO Convention 87, a new model of union structure, the workers' right to organize and to be represented by the union in the workplace, the end of the mandatory union tax, the institution of the collective labor contract, the end of the normative power of Labor Courts, and the full right to strike (CUT, 1996).
- 21 The position of the Fernando Henrique Cardoso Administration in relation to the oil workers strike in 1995 is emblematic of this situation.
- 22 In December of 1998, the government sent to the National Congress a proposal for a constitutional amendment (PEC 623/98), with the argument that it was necessary to establish "true union freedom" as conceived under ILO Convention 87. CUT counter-argued that there could be no union freedom without "legislation sustaining and guaranteeing union activity against state and employers' interference" and while "the normative power of Labor Courts" was kept in place (CUT, 1999a).
- 23 "According to IBGE's research (official data) or that of DIEESE-Seade, today over 50 percent of Brazilian employed workers in big cities are in some kind of informal work, most of them with no contract and the minimal health, retirement, unemployment, or other welfare benefits" (Mattoso, 1999).
- 24 For different perspectives on this matter, see Antunes (1997), Blass (1998), Jácome Rodrigues (1999), and Boito Jr. (1999).
- 25 On recent agreements in the ABC region, see Arbix (1996b), Blass (1998), Secoli (1998), and SMABC/DIEESE (1999a).
- 26 This possibility has been indicated in the movement that started in December 1998 against 2,800 layoffs at Ford in São Bernardo (involving 40 percent of the employees). After a month of large-scale mobilizations with wide coverage in the national media, Ford backed off, in an unprecedented manner, and initiated a process of negotiation with the Union that was only concluded in July 2000 (see Vêras, 2000).
- 27 One of the most controversial agreements was the one that the ABC and the Taubaté Metalworkers' Unions (both CUT affiliates) made with VW

in December of 1998, when they were threatened by layoffs of more than 7,000 workers. They accepted reductions in both the working hours and the wages of some of the workers (a 15 percent wage reduction for 13 percent of the workers earning the highest wages) in exchange for a five-year period of job stability (excepting voluntary resignations). The defense of this agreement rested on the novel character of this guarantee of a five-year period of job stability (Luis Marinho, president of the ABC Metalworkers Union [SMABC], in an interview to *Folha de São Paulo*, on 13 Dec. 1998), and was related to the current defensive character of union action (testimony by a representative of the ABC shop stewards at CNM [National Federation of Metalworkers], given to the author in April 2000).

- 28 Mattos (1998) shows, for example, how these two Unions behaved in the face of the strong entrepreneurial pressure fueled by the 1997 "Asian crisis," and characterizes FS as more prone to give in. We should point out the discrepant weight of the two Federations in the automobile sector: unlike FS, CUT is present in most assembly plants, especially in the older ones. Figures relating to the years of 1994 and 1996 show that the following factories constitute CUT's base: in São Bernardo do Campo, Ford (87.3 percent of unionization), Mercedes-Benz (70.8 percent), Scania (68.1 percent), Toyota (65.6 percent) and VW (87 percent); in Taubaté, VW (42.9 percent); in São José dos Campos, GM (62.5 percent); in Betim, Minas Gerais, Fiat is an exception (10.3 percent). On the other hand, at the FS base we find: in São Paulo, Ford (64.8 percent—but in this case the shop steward committee has always been under the influence of CUT, and, furthermore, in the beginning of 2001, this plant was transferred to São Bernardo); in São Caetano do Sul (32.6 percent); in Curitiba, Volvo (25.1 percent) (CNM/DIEESE, 1998).
- 29 See Conceição (1998), Câmara do ABC (1999), and Leite (2000).
- 30 See SMABC (1998). At the same time, through a tripartite negotiation, an emergency plan to recuperate the sector was also presented, resulting in two three-month agreements in 1999.
- 31 In this respect, see the series *Formação Sindical em Debate*, edited by the Escola Sindical de São Paulo, no. 2 (August 1999) and no. 3 (February 2000).
- 32 See CUT (1999b), Paoli (2001), and Singer (2001). Singer's influence in this debate is undeniable.
- 33 Up to now, the major achievement has been the approval of a Socio-Labor Declaration at the end of 1998; although not mandatory, this declaration "introduces some important rights, which the states have pledged themselves to respect." It also established a Tripartite Socio-Labor Committee in Mercosur, which was unprecedented in the region (Castro,

- 1999). See also Castro and Wanchendorfer (1998), Castro (2000), and Silva (2001). Still, it is not possible to talk about a "regional unionism," unlike in Europe, where the expression "European unionism" seems to begin to make more sense (Schutte, 2000).
- 34 Since its inception, CUT (as well as most union federations on the continent) has been against this (CUT, 1999a).
 - 35 CUT maintained an independent position in relation to world federations until 1992, when, after internal controversy, it became an affiliate of the International Confederation of Free Trade Unions (ICFTU). CUT also believed that the moment should be used to invest in the construction of unitary spaces, following the example of the Coordinating Committee of the Union Federations of the Southern Cone (CUT, 1992). At the same time that it has been seeking an increasing integration in world unionism, CUT has decided to give priority to "the federations of countries that face challenges similar to ours, like Mexico, Argentina, Chile, and Venezuela, among others" (CUT, 1999a: 38).
 - 36 In this process, the union agenda expanded, incorporating the issues of racial discrimination, child labor, women, and the environment.
 - 37 This emerged from the Parallel Forums to the FTAA Conferences in Belo Horizonte (1997) and Santiago (1998) (CUT, 2000: 13).
 - 38 This took place in January 2001, in Porto Alegre, and gathered thousands of representatives of unions, social movements, NGOs, and political parties, as well as personalities from all over the world, to discuss alternative proposals to the policies of core country governments and international organizations (WTO, IMF, and the World Bank).
 - 39 The agenda of a "citizen union" started to take shape for CUT especially after its Fourth and Fifth Congresses (in 1991 and 1994, respectively) (CUT, 2000: 22).
 - 40 Because they thought the current majority intended to concentrate power through this initiative.
 - 41 The last CUT Congress (2000) reached a transitional solution: the SNM was submitted to a referendum, but CNM, to which SNM is affiliated, is still in existence, as well as the other unions that did not want to become a part of it.
 - 42 One of the oldest Ford plants, located in São Paulo.
 - 43 ABC shop steward at CNM. With regard to the agreement involving the government and Ford, see SMABC/DIEESE (1999b).
 - 44 The 1988 Constitution established a maximum working week of 44 hours. In the industrial regions, however, fewer hours have been negotiated. In the ABC assembly plants, the current average is 40 hours. All of this is relative, though, since companies systematically resort to overtime. ("Without the end of overtime, the reduction of the working week will have no effect" [Luiz Marinho, *Folha de São Paulo*, 8 June 2000]).
 - 45 While the average wage at ABC assembly plants is R\$1,500, at Fiat in Minas Gerais it is R\$800, and at Volkswagen in Resende (Rio de Janeiro), R\$400 (*O Estado de São Paulo*, 14 September 2000).
 - 46 The annual inflation for the period had been estimated at 6 percent.
 - 47 "The fight against the fiscal war is a fight against the disintegration of the Brazilian nation itself, a fight for workers' unity; therefore, it is related to the fight to establish working conditions that eliminate existing inequalities in wages and in rights in the different regions; it is related to the fight for national collective contracts in the different categories" (CUT, 2000: 15–16).
 - 48 ABC shop steward at CNM.
 - 49 Eleno José Bezerra, secretary-general of the São Paulo Metalworkers Union (*O Estado de São Paulo*, 14 September 1999).
 - 50 Luiz Marinho (*Tribuna Metalúrgica*, 16 September 1999).
 - 51 ABC shop steward at CNM.
 - 52 Carlos Alberto Grana, vice-president of the SMABC (*Tribuna Metalúrgica*, 21 September 1999).
 - 53 José C. Pinheiro Neto (*O Estado de São Paulo*, 10 and 7 September 2000, respectively).
 - 54 Inaugurated in November 1996, the VW unit in Resende functions as a modular consortium, the only one in Brazil, with suppliers operating in the same space. Volkswagen is responsible for controlling the process and the quality of the product. Initially, it was said that the factory would generate 50,000 new direct and indirect jobs, but so far it has only created 1,500 direct jobs. Due to the fact that this is a new plant, it was surprising that, in August 1999, the workers of the eight companies in the consortium held an eight-day strike, demanding a 5 percent salary raise, which was accepted (Ramalho, 1999).
 - 55 Paulinho, president of the São Paulo Metalworkers Union (*O Estado de São Paulo*, 29 October 1999).
 - 56 CNM (1999), *Tribuna Metalúrgica* (7 Dec. 1999), and *Edição Retrospectiva* (December 1999).
 - 57 For Santos, "the idea of the social contract and its regulatory principles are the ideological and political foundation of the actual contractuality that organizes sociability and politics in modern societies." "Three major institutional constellations" have resulted from this: "the socialization of the economy" (stemming from the acknowledgment of workers, in the capitalist economy, as bearers of citizenship rights); "the politicization of the State" (as a result of the expansion of the regulatory capacity of the State, giving rise to the Welfare-State, in core countries, and to the developmentalist State, in peripheral and semiperipheral countries); and "the

nationalization of cultural identity," all of which have as their point of reference the spatial and temporal dimensions of the national State (1999: 87–89).

- 58 According to Santos, this involves "a false contract, the mere appearance of commitment constituted by conditions imposed, without any discussion, onto the weaker partner in the contract, conditions as burdensome as they are inescapable. Under the guise of a contract, the new contractualization accounts for the reemergence of status [...]. The post-modern status manifests itself in a fraudulent contract" (1999: 95–96). In this new paradigm, what prevails are the processes of exclusion over those of inclusion, through both post-contractualism and pre-contractualism, fertile ground for the emergence of a new type of fascism, societal fascism.
- 59 For Oliveira (2000), "permanent *ad hoc* is the new condition of the periphery," i.e., "the impossibility of stable rules," "the absence of forms," a field favorable to authoritarianism. "All of this means that the state cannot establish its own parameters because it no longer exists as a regulator of society" (2000: 32–33). By opposing the "implosion of the federation," unleashed by the "fiscal war," "a national contract for metalworkers would be a new element for a new federative pact, now in terms of a cooperative federalism" (Oliveira, 2001: 20).
- 60 For Fiori (1997), the ideology of "globalization" is based on three myths: that it stems exclusively from market forces (when it actually stems from political decisions guiding technological transformations and the terms of international competition, while imposing liberal economic policies on peripheral countries); that it is a "global" phenomenon (when it is less and less inclusive, homogenizing, and converging, which further polarizes countries and classes and, in fact, affects a very limited number of countries and corporations); and that it implies an inevitable diminution of nation-state sovereignty (whereas it affects differently the sovereignties of various types of states).
- 61 No wonder that the platforms of parties such as the PT [Workers' Party in Brazil] have been repeatedly insisting on the "reconstruction of the nation" (Mantega *et al.*, 2000). According to Celso Furtado, "globalization works in favor of those in the technological vanguard that exploit the development imbalances between countries. This fact leads to the conclusion that countries with a great potential in natural resources and with pronounced social inequalities—the case of Brazil—are the ones that will most suffer with globalization, because they run the risk of either disintegrating or evolving into authoritarian regimes of a Fascist type as a response to mounting social tensions. In order to escape this dilemma, there is a need to go back to the idea of a national project, recuperating the dynamic center of the economy for the domestic market" (2000: 11). Guillermo O'Donnell has assessed the extent to which countries like Argentina are subjected to the interests of globalized financial capital (supported by organizations like the IMF), whose operations are unrelated to production capital or any general interest in society, compelling countries to promote successive "adjustments" so that they can keep remunerating financial capital through interest rates. Thus, the author asserts: "the future of an increasingly dilapidated country and of increasingly authoritarian governments can only be prevented by a great political task: that of promoting a productive alliance based on values of social equity and democratic reinvigoration, which in their turn sustain the decision to reconstruct a nation as against a mere agglomeration of increasingly unequal individuals, which is the end of the process that I have described" (*Folha de São Paulo*, 15 May 2001).
- 62 According to CUT, "the current crisis of Mercosur, especially after the devaluation of the Brazilian currency (at the beginning of 1999), can only be met by doing what we have always defended: the resumption of integration as a new policy of economic complementation, the creation of funds to finance the reconversion of production, and respect for the fundamental rights of workers and of society, instead of the purely commercial logic that has guided the process until now" (CUT, 2000: 11).
- 63 "The region's unionism demonstrated a great deal of pragmatism when it saw that Mercosur could become an instrument for the reinvigoration of local economies and the resumption of a developmental path; despite its criticism of the secondary role given to political and social issues, it took advantage of these forums and started participating in official negotiating spheres. This participation has made union articulation easier—or perhaps even compulsory—and, to some extent, set the parameters of its agenda" (Castro, 2000: 134).
- 64 The "question of internationalism" has reemerged on new foundations, usually under the name of "new internationalism," in order to differentiate it from earlier incarnations (Waterman, 1998; Hyman, 1999; and Löwy, 1999, among others). The interaction between the labor movement and the "new social movements" is generally highlighted as an innovative and promising aspect. But in my opinion, there is a central dimension of this debate that needs deeper investigation: the arguments that "contemporary struggles are, to an unprecedented extent, interdependent and interrelated all over the planet," that "today it is clearer than in the past the extent to which the interests of workers in the North and South are convergent," and that "the refusal of neoliberalism unites union and popular movements in all countries" (Löwy, 1999: 102)—which, besides, makes a lot of sense, as demonstrated by events in Seattle, Washington, Prague, and Quebec, and experiments such as the ones sponsored by the Southern Initiative on Globalization and Trade Union Rights (SIGTUR) (Lambert and Webster, in this volume)—seek to make manifest "the germs

of a new internationalism," a renewed movement, either because it became independent from the state (Löwy, 1999: 102–3), or because it recognizes the growing limits to state autonomy, authority, and legitimacy (Waterman, 1998). My question is this: might not union experiences like those of CUT (Brazil), the Congress of South African Trade Unions—COSATU (South Africa)—and the Korean Council of Trade Unions—KCTU (South Korea)—among others in the periphery and semiperiphery of the world system, indicate the need to articulate the "union project" and the "national/regional project" as a condition for their contribution towards a critical reinsertion of their countries/regions into "globalization"? Wouldn't an increasingly internationalized action—without losing reference to the "national/regional question"—be the most incisive way for those union experiences to bring about a "new internationalism," with a counter-hegemonic perspective at the world level?

65 ABC shop steward at CNM.

66 ABC shop steward at CNM. CNM has also been attempting to organize national contracts in other segments of the metalworking sector, particularly in steelworks.

67 17 October 1999.

68 In May 1999, an agreement was also signed between the Volkswagen Group World Committee, established to represent the workers, and of the company board. At Mercedes-Benz a similar proposal has been debated since 1996 (*Tribuna Metalúrgica*, 16 June 2000). In 1994, the creation of European Works Councils (EWC) within the European Economic Space has undoubtedly had an influence on such initiatives. See Costa (2001) and Schutte (2000).

69 ABC unionist, Brazilian representative to the VW Group World Committee.

70 Brazilian representative to the VW Group World Committee.

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