

# Sustainable growth, development and labour: progressive responses at local, national and global level



Crescimento sustentável, desenvolvimento e trabalho: respostas progressistas em nível local, nacional e global

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# Index

Foreword	07		
Introduction	09		
<b>Part 1 - Sustainability</b>			
The Necessity of Labor Intensive Public Works for Sustainable Development <i>1Zahra Karimi Moughari</i>	15		
Can Green Jobs be Decent Jobs? An Analysis of Labor Policies in the Brazilian Biofuels Sector <i>Jana Silverman</i>	39		
The National Strategy for Climate Change in Argentina: the role of trade unions within government policies <i>Bruno Dobrusin</i>	59		
<b>Part 2 - Labour conditions</b>			
Domestic Integration and East-West Dualism Regime of Labor: Production, Relocation, and Migrant Workers Working At-Home in China <i>Hao Zhang</i>	81		
Subaltern Engagements with the State: Informal Workers in India and Quests for a Democratic Politics of Policy <i>Srinath Jagannathan</i>	105		
<b>Part 3 - National and International Unionism</b>			
Os desafios da União Europeia e do sindicalismo europeu <i>Rita Petra Kallabis</i>	127		
We Are the 89% Lessons From the Occupy Movement for Unions in the United States <i>Steven Toff and Jamie McCallum</i>	155		
How progressive can trade unions really be without gender equality? <i>Sue Ledwith, Eugenia Troncoso Leone, Jo Portilho, Marilane Oliveira Teixeira and Thomas Conti</i>	173		
Gender & Trade Union Database: a basis for change? <i>Karen Douglas and Carol Jess</i>	199		
<b>Parte 4 - Development and Labour in Brazil</b>			
The Quest for Universalization in Brazil <i>Paul Hecker</i>	221		
The “New” Brazilian Middle-class and its Implications Beyond Economics <i>Luciana Hachmann, Pedro Henrique Evangelista Duarte</i>	249		
Políticas económicas y mundo laboral en Brasil Gobierno de Luiz Inácio Lula da Silva 2003-2010 <i>Laura Moisa</i>	277		
Trabalho precário no setor financeiro brasileiro <i>Paulo Eduardo Silva Malerba</i>	295		

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## Foreword

The breakdown of the international financial system with its devastating effects on economies and societies wasn't some unfortunate incident, but the consequence of an unsustainable development model that valued markets more than people. To profoundly change this picture, the way out of the crisis has to be democratically negotiated between the social forces. There is an alternative if trade unions, political parties, scholars and social movements sit down to evaluate, think ahead and develop policies jointly!

The annual conference of the Global Labour University (GLU) is a space for such joint thinking. Professors, actual and former students as well as union leaders from very different parts of the world gathered in September 2012 at the Brazilian GLU Campus to find answers to the deepening financial, economic, environmental and social justice crisis. "Sustainable growth, development and labour: progressive responses at local, national and global level" was the VIII GLU conference's slogan and agenda at the same time.

Since its creation in 2004 the Global Labour University – a post graduate programme developed by the International Labour Organisation (ILO) and trade unions as well as by a network of university campuses in India, South Africa, Germany and Brazil – is building and fortifying the bridge between academic theory building and the day to day challenges of trade unions in a globalized economy. The objective is to prepare young trade unionists for the great challenge of defending workers' rights and interests in a complex globalized environment. Where the big companies are crossing national borders to pursue their goals, trade unions can hardly solve the resulting consequences (outsourcing, flexibilization, unfavorable wage policy, etc.) locally but have to make use of international mechanisms and build effective networks with comrades from other regions. The GLU does not only provide

knowledge on international policy issues and institutions, but is a meeting place for labour movement activists to get together and get involved.

Further than that the programme is also preparing ground for a continued and deepened dialogue with unionist in the battlefield. The GLU`s annual conference allows students to discuss international labour and social policy issues with those who have experience on the ground and can give them an inside perspective. This way research has the chance to be more balanced and to avoid the pitfalls of remaining in the spheres of nicely sounding concepts without connection to unionist reality.

Last but not least, from this intense dialogue with practitioners there is often sprouting inspiration for new research projects. And that is the heart of the GLU idea: a scientific research that responds to the needs of the labour movement and helps to develop and fine-tune union strategies for an effective representation of a workers rights agenda at the local, national and international level.

In this sense The Central Única dos Trabalhadores (CUT) and the Friedrich Ebert Foundation (FES) are very proud to continue contributing to the GLU project. We think that this publication of very diverse and valuable inputs to the debate of the VIII GLU Conference gives food for thought. May it help to enhance and deepen the much needed dialogue of progressive forces to confront neoliberal answers to the crisis with fresh alternatives.

Wishing you a pleasant read!

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# Introduction

This book presents papers submitted to the VIII International Conference of the Global Labour University, held at the Campinas Institute of Economics at the State University of Campinas, in September 2012. The main theme of the Conference was “Sustainable Growth, development and work: progressive responses at the local, national and global level.” The event was an initiative of the Global Labour University (GLU), which brings together partners from 5 universities, the OIT and international labour movement. It was a major international event which brought together academics, trade unionists and public policy makers to discuss development alternatives from labour’s perspective.

The Conference’s discussions were motivated by the global crisis and its aftermath, considering alternative forms of development with more social inclusion and environmental respect. The global economy showed signs of recovery after the initial impact of the crisis in 2007-2009, indicating that this could be the end of the neoliberal era. However, the weak recovery and the continued hegemony of the financial sector have frustrated these hopes. Conservative forces are spreading the idea that governments should restrict their activities to a minimum, as both regulators and participants in economics, and not advance toward stricter operating regulations of financial markets. In this context, the 2012 GLU Conference focused on the analysis of development processes and policies and on concrete experiences that can help build local strategies, aiming to overcome national and global neoliberal orthodoxy in theory and in practice, creating conditions for inclusive development based on strong unions and a democratic state capable of regulating the economy.

Discussions took place in roundtable and breakout sessions. The latter were comprised of articles previously selected by a scientific committee. These articles bring together contributions from research carried out by professionals from different countries and disciplinary traditions that study labour and development. For the book's composition, papers were selected from those presented during the Thematic Sessions of the Conference. All papers were based on new opinions and we selected 13 articles for the book.

The articles were grouped into four parts, each corresponding to the four Thematic Sessions of the Conference. The book's first part, entitled "Sustainability", addresses environmental issues in the development process. This section consists of three articles. In the first article, Zahra Karimi Moughari discusses the need for public projects in Iran. These projects are necessary for Iran to avoid the effects of the global crisis on their economy and labour market, and to allow the development of the country's infrastructure, while conserving their environment. In the second article, Jana Silverman analyzes the quality of green jobs generated by the production of biofuels. Considered an alternative to oil, biofuels have environmental and social benefits, in terms of representing a potential solution to the endemic problems of rural poverty, income inequality and lack of social dialogue. In the last article of this section, Bruno Dobrusin discusses the positions of Argentina's labour movement during the debates of the National Strategy for Climate Change, which was established by the government in compliance with international commitments. Among the positions of the labour movement, this article highlights the most radical one that is based on the importance of using natural resources for Argentina's economy as it underscores the need for a profound change in the systems of national consumption and production.

The second part of the book, entitled "Labour Conditions" addresses the situation of workers in developing countries in the context of globalization. This section consists of two articles. In the first, Hao Zhang analyzes changes in China's development model regarding the global crisis, in which greater emphasis on development of the domestic market vis-à-vis export of manufactured goods to developed countries may lead to a deepening East-West dualism within China, while simultaneously creating a rural-urban dualism. The other article, written by Srinath Jagannathan, examines, based

on a qualitative study of 50 everyday informal workers in India, workers' discourses on politics and State actions that claim to improve their working and living conditions, suggesting pedagogy for generation of public policies in this regard.

The third part of the book, entitled "National and International Trade Unionism", deals with trade unions' responses to labour problems posed by development in the context of globalization. This section consists of four articles. In the first, Rita Petra Kallabis addresses the challenges of the European Union and European trade unionism in confronting the economic crisis that has provoked huge social unrest, as well as evaluating the strength of European trade unions in co-determining the way forward. The article highlights the contradiction of emphasis on the protection and preservation of financial wealth in Welfare States. The second article, written by Steven Toff and Jamie McCallum, addresses the concerns of workers in the United States around the "Occupy" movement, drawing lessons from the U.S. labour movement, which organizes only 11% of American workers. The third article, by Sue Ledwih, Eugenia T. Leone, Job Portilho, Marilane O. Texeira and Thomas Conti examines the position of women in Brazil's labour market and its role in the unions, based on field research conducted in 2011. This article deals specifically with Brazil's union leaders experience, and their manner of thinking and acting. In the fourth article, Karen Douglas and Carol Jess describe the possibilities of using a database with information from five countries: Australia, Ghana, New Zealand, United Kingdom and Zambia. This database would allow for further research into gender equality in unions.

Finally, the fourth part of the book entitled "Development and Labour in Brazil" treats various issues relating to workers' situations in development under globalization, with specific reference to Brazil's cases. This section consists of four articles. The first article, by Paul Hecker, analyzes the recent development of social and labour policies in Brazil. This paper argues that the introduction of new social welfare programs, such as Bolsa Familia, has been a cheaper alternative to the state than opening the existing welfare system to universal access for people without formal employment. This is true despite the fact that they increased the population's access to welfare provisions. The second article, by Pedro Henrique Evangelista and Luciana Duarte Hachmann, discusses the economic, social and political significance of improved income and living conditions for an important segment of the social pyramid's base with recent economic growth and improvement of so-

cial policies, and questions the assessment that a new middle class has arisen in Brazil. The third article, by Laura Moisa, reflects on the changes in economic and social policy introduced during President Lula's presidency and their impact on the world of labour. The paper shows that in a favourable international economic situation, the changes made by Lula managed to reverse some of the negative trends caused by liberal reforms of the 90s in the working world. The fourth article, by Paul Malerba, addresses the situation of workers in Brazil's financial sector, not only employees in financial institutions themselves, but also in the so-called correspondent banking and credit promoter's sales areas. The article shows that the lack of adequate legal regulations allows for situations such as having many different people performing financial activities. Union representation is very fragmented with different capacities for organization and mobilization to push for workers' rights.

The VIII International GLU Conference helped stimulate research, reflection and proposals for public policies that promote economic and social development. It also helped deepen exchanges between academics, union activists and policymakers from different continents.

Finally, we'd like to thank the entities helped through their support for the event and facilitate this publication: CAPEs, Friedrich Ebert Foundation, DAAD (Deutscher Akademischer Austauschdienst), OIT, Petrobras, Central Workers Union, Solidarity Center of the AFL-CIO, International Center for Development and Decent Work (ICDD / Germany), the Institute of Economics at Unicamp and CESIT (Centre for Studies and Economics of Labour Unions).

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# ***Part 1***

## ***Sustainability***



# The Necessity of Labor Intensive Public Works for Sustainable Development

Zahra Karimi Moughari<sup>1\*</sup>

## **1. Introduction**

Economic recession is continuing despite the generous stimulus packages. Most industrialized and developing countries have faced the risk of a prolonged labor market crisis that can lead to a catastrophic rise in unemployment and decline in real wages.

The failure of huge government bail outs to revitalize economies shows that boosting aggregate demand to encourage private investment has serious limitations, as investment counteracts in the reaction to declining effective demand. Therefore, public investment can be a certain means to stimulate economic recovery and employment creation. Implementation of public work policies in US New Deal programs during 1930s is a clear example of the success of such plans. Public works helped US to recover from economic disaster and put millions of people back to work. India has experienced with success public work programs too. To combat poverty and inequality and raise productivity in backward areas, India has put into action National Rural Employment Guarantee (NREG) to support job creation and promote investment in labour-intensive projects.

Iran has been harshly affected by the international economic crisis which led to a fall in oil prices and considerable decline in GDP growth and an even sharper contraction in employment. Following neoclassical ideas,

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Iranian government tried to stimulate private sector investment by credit schemes, microfinance and cash transfers. By now such policies has not been helpful to encourage private productive investment. In Iran's unfavorable business climate, public works can be the most effective program to prevent unemployment and income inequality to become a social disaster.

Iran has huge investment deficit in infrastructure and public services, especially in remote and deprived regions. Putting into action environmental friendly and labour intensive public work programs in such areas, with direct involvement of local communities, will make a maximum impact in creating jobs and will help to raise productivity and skills and will mitigate ecological problems; and ultimately by motivating private investment, can revitalize the whole economy. Small proportion of oil revenues can finance the plan.

This paper consists of 5 sections. Next section investigates the effects of global economic recession on labour market. This section also investigates the impact of stimulus packages on economic growth and the employment. Section 3 presents the experiences of public work policies in United States and India. Section 4 explains the impacts of the global crisis on Iran economy and explains the consequences of different employment policies, using data and information published by national and international sources. Then, it will show the feasibility of public work policy to create the necessary infrastructure, to conserve environment and provide employment and economic growth in the country. Next, the paper will calculate the cost of this program and the way to finance it; last section will present the conclusion.

## ***2. Global Economic Recession and Labour***

Financial crisis started in the United States but very rapidly became a deep global economic and job crisis. As the crisis intensified and consumption began to sharply slow down in the United States, the substantial decline in demand for exports, lowered industrial output and economic activity in many other countries. Sales of labour intensive manufacturing products including toys and games, footwear and clothing as well as higher value-added goods such as computers and automobiles decreased dramatically. Economies with extensive linkages to the global production chain faced the challenges of decline in production and factory closures and decreasing demand for workers, especially in key export industries. Subsequently, the impact

spread to domestic markets such as construction and tourism. The bleak situation intensified even further due to the ongoing moderation in FDI to most emerging economies, which impeded the formation of new enterprises and job creation. Despite different economic measures, the global crisis is prolonged and millions of workers have lost their jobs or are forced to accept lower real wages (Dullien et al. 2011).

Even before the crisis, since 1980s, most countries had the problem of jobless growth, as increasing labour productivity has been the major cause of subdued growth in productive employment, relative to the output growth. Globalization, rising imports and outsourcing, have been other causes of job losses for most developed as well as developing countries. So, during the neo-liberal era, capital gained momentum and labour bargaining power dropped considerably. The greater power of capital, reflected in increasing shares of profit in national income of most countries. Advocators of neo-liberalism argue that higher wages and more employment are the byproducts of the economic growth; and government interventions are generally wasteful and inefficient. They believe whatever solution markets deliver with respect to employment and wages must be regarded as the optimal. Poorly regulated financial markets put pressure on the real economy to raise capital returns in the short run, to the detriment of workers' incomes. For example, between 2001 and 2007, a period of tremendous economic growth in Asia and the Pacific, average annual real wages in the region grew at a rate of 1.8 per cent, far below the average annual growth in labour productivity over the same period (Sziraczki et al. 2009).

Global economic downturn worsened the labour market difficulties. In addition to the joblessness, the crisis led to cuts in working time and damaged the living standards of workers and their families. On current trend, global unemployment and the number of working poor are forecasted to rise significantly and wages can remain stagnant or even fall. The effects of recent recession, like the previous ones, are undoubtedly increased in unemployment, underemployment and informal employment. By growing the share of informal employment, many workers will move to the lower end of the income spectrum, which will raise the proportion of the working poor in different countries. So, while combating the recession, one of the most challenging issues for the world economy is to generate enough decent and productive employment for the people who are seeking jobs that conserve the human dignity (Burrow, 2011).

## 2-1. Stimulus packages

The rapid spread of the financial crisis through global credit markets, resulted in quick government reactions such as capital injections, liquidity measures and deposit guarantees that aimed at restoring confidence in the financial system. Many central banks lowered interest rates to ease borrowing. While the earlier bail outs somewhat worked for preventing chaos in financial markets, the real sector remained in disarray because of evaporating orders for exports, decelerating output growth and the grim outlook (Dullien et al. 2011).

To tackle the problem of declining growth and rising unemployment, fiscal stimulus measures were announced by governments to support industries, on a much lower scale than rescue packages for banks. Stimulus programs did not focus sufficiently on employment and social protection and were not effective for increasing the aggregate demand via private consumption and investment. Despite of the stimulus packages and other large outlays, the economic situation of most countries remained sluggish.

Many economists argue convincingly that a very slow recovery or double-dip recession is likely (Krugman, 2009; Roubini & Mihm 2010; Dullien et al. 2011). So, Keynes's general theory of an economy that often has unemployed resources is still apropos. Moreover, there is a good reason to think that what worked in the Great Depression (1929-33) would work again today. A public work program, based on government policy to act as the employer-of-last resort as proposed by Hyman P. Minsky (1986), would provide cost-effective insurance against depression and raising unemployment.

During the economic downturn, private consumption and investment remain low. Over-indebted consumers cannot spend beyond their means and for the firms that have faced market uncertainties, there is no incentive to expand their activities, even if the interest rate is very low. A large portion of tax cuts and transfers to consumers are not spent, but with many households' "balance sheets" in bad shape, money set aside to rebuild savings accounts and pay off household debt (Onaran, 2011).

Increase in government expenditure also cannot solve the complicated problem of declined output and employment unless, as ILO has emphasized, it is directed to special job-centered public works. Therefore, public investment can be a certain means to stimulate economic recovery and in the meantime to yield maximum employment. It can be more effective, if it

is targeted to "special areas" with the highest unemployment rates and in environment friendly projects that are beneficial to the local communities (Tcherneva, 2008 & 2011). US New Deal in 1930s and India's National Rural Employment Guarantee are examples of successful public works that can be followed in the current global recession.

## 3. Public work schemes

Keynes (1936) stressed that market economies had two fundamental failings: they were incapable of generating full employment and of improving the income distribution when left to their own devices. So, government must intervene to solve the market failures. Public works circumvent the problems of relying on private spending and investment for full employment. Keynes argued that public works can increase housing, improve the infrastructure, and replant the environment of our daily life (Keynes, 1937).

The original Keynesian recipe for fiscal policy for macroeconomic stability was a solution that did not rest on boosting the government's demand for *output* but on boosting its demand for *labor*. Emphasizing on the importance of public works, Keynes believed that it is immaterial whether the rate of return on public works is 5 percent, 3 percent, or 1 percent; the first important result is a reduction in unemployment and the second result is that some yield is better than no yield at all (Keynes, 1937). Keynes envisioned fiscal policy in the form of direct job creation for three main reasons:

1. To generate primary and secondary employment;
2. To direct demand to the periphery of economic activity, including lagging urban or rural areas;
- 3) To encourage private investment that would attain and maintain full employment over the long run.

Joan Robinson believed that public works can serve as a counterweight to the fluctuations in investment undertaken by profit seeking entrepreneurs (Robinson, 1949). Public spending on employment-intensive activities tends to have a high multiplier. Public investment in infrastructure represents a major opportunity to generate both employment and address some development challenges.

Public works schemes are viewed by many economists as programs of promoting pro-poor development (Mitchell, 2001; Bhadouri, 2005; Hirway,

2006; and Kregel, 2006). Such programs can modify the economic growth path, so as to include segments of the population that are presently excluded from remunerative productive employment; reduces a number of other social and economic costs such as expenditures on prisons and the criminal justice system, health care, social work, and other spending necessitated by the effects of unemployment. In addition, social capital will be increased through more social inclusion and economic justice.

ILO (2009) has also emphasized on labor intensive public investment to combat prolonged joblessness and its social – economic consequences in “*Global Jobs Pact*”. Infrastructure investment directed to rural areas has great potential for poverty alleviation as effectively leads to both higher employment and productivity, however, infrastructure projects need to focus on critical development bottlenecks and to meet existing domestic supply and skills. ILO assessment of the estimated employment effects of different fiscal measures has revealed that “the greater the employment orientation of the measure, the stronger the stimulus for the real economy.

### 3-1. US New Deal

Public work policy in US New Deal programs during 1930s is a clear example of the success of such plans. Public works helped US to recover from economic disaster and put millions of people back to work (Walker & Brechin, 2010). During 8 years, New Deal programs spent about USD 10.5 billion (less than US\$1.5 billion per year- about 4 percent of annual US GDP at that time) and created jobs for 13 million people (Taylor, 1993). New Deal provided effective medicine for the Depression. It took a broken country and in helped to revive it.

As many policymakers of the time saw it, the modern economy produced more goods than consumers were able to purchase, leading to “cut-throat competition.” As a result, prices were falling, and firms were drastically cutting wages and payrolls in an effort to stay in business. New Deal was designed to promote cooperative action, eliminate unfair practices, increase purchasing power, expand production and reduce unemployment (Hawley, 1966). It shortened workweeks so as to spread work hours among more workers and boost the purchasing power of workers by raising wages (Roos, 1971).

An official study by John Kenneth Galbraith (1940) found that from 1934 to 1938, employment in federal public works programs equaled 13–15 percent of the total number of unemployed workers, with work relief construction employment amounting to an additional 18–21 percent of that number. These figures are far from comprehensive, as they do not include, for example, jobs outside of construction or the “multiplier” effects generated when federal workers spent their paychecks at private businesses. Union membership also rose from about 13 percent in 1935 to about 29 percent in 1939 (Cole & Ohanian, 2004). The progress was not only in such directions as providing more jobs, greater safety and health protection, but also in decreasing alcoholism and drug addiction, by improving the quality of work life (Freeman & Medoff, 1984).

New Deal public works programs yielded by higher employment and aggregate demand as well as more national parks, roads, bridges, and post offices. It greatly improved growth in the 1930s and even later. Between 1933 and 1937 real GNP in the United States grew at an average rate of over 8 percent per year; between 1938 and 1941 it grew over 10 percent per year. These rates of growth were spectacular, even for an economy pulling out of a severe recession (Romer, 1992).

### 3-2. India’s NREG

India’s NREG is another, more recent case of public work. To combat poverty and inequality and raise productivity in backward areas, India put into action National Rural Employment Guarantee schemes to support job creation and promote investment in employment-intensive sectors. National Rural Employment Guarantee Act (NREGA) of 2005 is perhaps the most significant social policy initiative in India in the last decade. This program is clearly a landmark event in the history of rural development policies in India.

The enactment of the NREG in 2005 came about partly as a result of a sustained campaign by academics and activists across India. Significant efforts were made by campaign groups to highlight the crisis of food and work availability being faced by large numbers of the rural poor in India (Drèze & Oldiges, 2009). JHA et al. (2009) stated that NREG programs enable most poor households in rural India to cross the poverty line.

NREG offers 100 days of work per family in rural areas at the minimum wage and is complemented by a social security and a national health insurance scheme for workers. Women and men are paid an equal wage, which is the statutory minimum wage. People enroll in the scheme when they need a job and income support and they leave it when there are better opportunities during upturns (Walker & Brechin, 2010).

NREG is a remarkable legislation under which local administrations are legally bound to provide work on demand to any worker or group of workers who apply for work, within fifteen days of receipt of a work application, provided workers are willing to undertake 'unskilled manual labour' on public or private worksites operated under the NREG schemes. In the event that the local administration fails to provide work, an unemployment allowance is to be paid to the workers. The Act mandates that at least one-third of the workers should be women. Besides this, NREG also provides for childcare facilities at the worksite when more than five children under six years of age are present at the worksite (Khera, 2009).

During its first year of operation, NREG involved an expenditure of USD 4.5 billion and was expected to generate 2 billion days of employment (Hirway, 2007). Evidence suggests that the program reduces rural unemployment by 10 to 35 percent, at a cost of 1.7 percent of Indian GDP per year (Sudarshan, 2009).

It must be mentioned that NREG have faced many problems during the implementation of the programs. At the entry level, information about the NREG increased the entry of non-poor while the acutely poor who possessed neither TVs nor cell-phones, nor attended public meetings nor were connected to social networks did not know and therefore did not participate in the program. In some provinces, the non-poor benefited more from NREG and poor households suffered from corrupted actions of government officials. Lack of information on the part of the NREG's targeted beneficiaries reduced the monitoring potential and effectiveness of the program (Hirway, 2007).

#### 4. Global Crisis and Iran's Economic Performance

Iran has been harshly affected by the international economic crisis which led to a fall in oil prices and considerable decline in GDP growth and an even sharper contraction in employment. Iran's GDP declined by more

than 5 per cent between 2007- 2008. Despite the rise of oil prices, economic recession is continued during 2008 -2011 and around one million workers lost their jobs (Iran Central Bank, 2012). At least 3.5 million (14.6 percent of the labour force in 2010) are unemployed and a great part of workers are forced to accept low-paid and insecure jobs.

Following neoclassical ideas, Iranian government tried to stimulate private sector investment by credit schemes, microfinance and cash transfer. By now such policies has not been successful to encourage private productive investment. Private businesses are reluctant in long term productive investments; and searching for the short-term highest profits, spend billions of dollars in importing consumer goods and speculation activities in gold and hard currencies' markets.

#### 4-1. Iran's Employment Policies and Their Consequences

Islamic Republic of Iran's Constitution<sup>2</sup> emphasizes on social justice through poverty eradication and elimination of all kinds of deprivation in nourishment, housing, employment, health and social insurance; and Iranian government is obliged to provide all the means for decent life for every citizen (Majlis, 2005). But following the neoclassical ideas, Iran's government duty to provide jobs, actually has changed to the governments' supportive measure for creating new employment opportunities through easy loans to private sector. Huge amount of highly subsidized loans to private sector by state-own banks could not solve the problem of unemployment in Iran and the number of unemployed increased rapidly and created concern of social unrest and economic crisis.

In the late 1980s, it was widely believed that the package of *structural adjustment policies* that was recommended by IMF and World Bank could stimulate private investment, accelerate economic growth and create sufficient job opportunities. Iranian government started to open up the economy and privatized some of state-owned enterprises; yet, the expected positive results of *adjustment policies* were not realized but the stigma about low productivity of public sector employees and inevitable corruption in expanding government institutions remained strong. So, for solving the economic problems in commodity and labour markets, the government continued implementa-

<sup>2</sup> Iran's new Constitution was approved in 1980, after the Islamic Revolution (1979).

tion of policies to boost private investment (Iran Management and Planning Organization 2007).

Increase oil revenues, enabled government to provide generous loans to private sectors. It was expected that during Iran's Third Development Plan (2000-04) 765000 new jobs to be created per year; but actually about 580,000 new job opportunities were annually generated; in other words 77.3 percent of the employment goal was achieved. The global economic crisis worsened the labour market situation. By decreasing oil revenues and depreciation of rial (Iran's domestic money) by one hand and applying the subsidy cut plan by the other, cost of production raised considerably and many firms were closed and most remaining active firms decreased production and sacked parts of their workforce. Unemployment increased rapidly - stock of the unemployed workers was about 3.5 million in 2012, more than 12 percent of the country's labor force (Iran Statistics Center 2012). The effect of the economic crisis can be seen also in real wages and in working conditions. The increasing number and proportion of workers in small, medium and even large firms are forced to accept jobs with wages lower than formal minimum and without any coverage of social insurance. Karimi (2011) estimated that the rate of wage earners in informal employment increased from 18.7 percent in 2005 to 24.4 percent in 2008.

#### 4-1-1. Credit Policy

Iran's Constitution (1979) obliges government to provide the possibility to work for all citizens. Yet, the main policy for job creation and mitigating unemployment has been credit provision to private firms. Table 1 shows that except for the years 2008 and 2009, the annual growth rates of banking credits to the private sector were more than 34 percent. In the year 2010 alone, banking system provided about USD 8 billion of new loans to private firms. (Table 1).

During the 4<sup>th</sup> Development Plan (2005-09), "Iran Central Bank" was obliged to use up to 3 percent of commercial banking reserves for financing private sector's projects. These credits were in different forms such as: to finance quick return firms (to facilitate the establishment of small and medium size enterprises, especially in deprived regions); to finance new cooperatives and to promote non-oil exports. All state banks were forced to finance investment of small enterprises, whose plans were confirmed by

"provincial employment working group". In 2006, banking system was obliged to provide at least 35 percent of their deposits to quick returning businesses. This rate increased to 50 percent of total deposits in 2007. It was expected that these credits provide 820,000 new jobs (Iran Management and Planning Organization 2007). Yet, Iran's parliament (Majlis) announced that there was a wide spread corruption in providing loans to small influential groups. Majlis insisted that such loans are inflationary and cannot create sufficient sustainable jobs; as there was not effective mechanism to supervise the use of the loans.

For receiving the loans, firms had to announce the number of new jobs that they are able to generate using the credit. By calculating the total *claimed* new jobs, the average cost of each job that is created in quick returning projects is about USD 12,000 (Iran Central Bank 2012). Yet, it is not clear how many jobs are really created. Many empirical studies show that large part of credits that are allocated for industries, are used for purchasing real estates and speculation in gold and foreign exchange markets and cannot create expected long lasting jobs (Iran Central Bank 2012). Prices of real estates in 2001-05 sky rocketed<sup>3</sup> and showed clearly the tendency of private sector towards speculation of non-tradable goods with high and quick profits.

**Table 1. Credit Facilities to Private Sector**

	<b>Total Amount USD Billion</b>	<b>Annual Growth (Percent)</b>
<b>2005</b>	8	34.7
<b>2006</b>	11	37.5
<b>2007</b>	15	36.4
<b>2008</b>	17	13.3
<b>2009</b>	20	17.6
<b>2010</b>	28	40

Source: Iran Central Bank (2012)

Most loan recipients, who got the subsidized money for quick returning projects, could not repay their loans. While in 2005, 15.5 percent of loans were defaulted, this rate jumped to 25 percent in 2010 that created a serious challenge for the banking system.

<sup>3</sup> During 2001-05 prices of real estate increased more than 300 percent in urban areas.

#### 4-1-2. Supporting Cooperatives

Iran's Constitution recognizes cooperatives as the most important sector after the public sector and obliges government to facilitate formation and expansion of cooperatives. Despite generous and subsidized loans and other government supports, in the course of past 3 decades, cooperative sector experienced a very slow growth in production and employment. As Table 2 illustrates, more than one third of total cooperatives were inactive in 2003. It was very easy to register a cooperative with 7 members<sup>4</sup>, receive the loan, divide the money in between, or use the money out of the cooperatives for more profitable businesses, without any need to start up a business and to create sustainable jobs. According to formal statistics, in 2003 cooperative sector generated 800,000 jobs (Iran Ministry of Cooperatives 2004); however, more than 30 percent of claimed employment was lost in inactive cooperatives.

**Table 2. Active and Inactive Cooperatives in Iran (2003)**

Activities	Active	Inactive	Active and Inactive	Inactive (Percent)
Industries	4,026	3,216	7,242	44.4
Mining	864	668	1,532	43.6
Agriculture	7,960	3,054	11,014	27.7
Carpet weaving	553	440	993	44.3
Civil works	430	1,224	1,654	74.0
Services	6,013	1,904	7,917	24.0
<b>Total</b>	<b>19,846</b>	<b>10,506</b>	<b>30,352</b>	<b>34.6</b>

Source: Iran Ministry of Cooperatives, 2004.

#### 4-1-3. Employment Emergency Measure

By increasing unemployment rates in early 2000s, the political pressure was concentrated on the necessity of job creation. In reaction to the mounting demands for jobs, in 2003 Government applied an emergency measure against unemployment. Due to the new regulation, any employer that

employed a job seeker through the channel of the *Job Seeking Centers* affiliated to the Ministry of Labour, could receive more than USD 3500 medium term loan (repayable in 4 years) with highly subsidized interest rate of 4 percent, instead of market rate of 20 percent of ordinary banking credit and 36 to 48 percent of informal capital market (Iran Central Bank 2012).

Many employers got the loans without adding to existing jobs. In Mazandaran province, cooperative officials and the *Job Seeking Centers* agreed to encourage job seekers to establish new cooperatives to be able to get about USD 25000 loans. As job seekers did not know each other in advance and did not like necessarily to have similar activities, many of these newly registered "cooperatives" could not continue their work (Karimi, 2005).

After a few months, banking system officials stated that in most cases, the creditors were neither employers nor employees. For example, the owner of a small supermarket could get easily the necessary certificate, confirming the supermarket employed 7 new workers, and then receive about USD 25000 as low interest loan. The borrowed money was used in more profitable activities like real estate speculation, without creating new jobs, as there was not any efficient supervision for the loan use.

Government budget tolerated the burden of about USD 1 billion of the employment emergency measure. This policy created a limited numbers of unstable jobs, but caused the inflationary pressure on the economy (Iran Management and Planning Organization 2007).

#### 4-2. Public Works Programs an Applicable Alternative Policy

The experiences of employment policies since the Islamic Revolution (1979) showed that financing private sector investment by the subsidized loans cannot solve the problem of unemployment. After the global economic crisis the number of reserved army of unemployed as well as poor employed workers, who had no choice except low-paid insecure jobs, increased very rapidly. But, direct job creation public work programs, financed by the *Oil Stabilization Fund*, can put Iran on the path to recovery.

In Iran's unfavorable business climate, public works can be the most efficient program to prevent unemployment and income inequality to become a social disaster. Iran has huge investment deficit in infrastructure and public services, especially in remote and deprived regions. Putting into ac-

<sup>4</sup> Cooperatives must have at least 7 members.

tion labour intensive and environmental friendly public work programs in such areas with direct involvement of local communities that can propose environment friendly projects to meet local needs, can make a maximum impact in creating jobs and can help to raise labour productivity and improve the standard living of poor households; and ultimately by motivating private investment can revitalize the whole economy.

Bottom-up public work programs need transparent expenditure, close monitoring and social audits. All public works' applicants must be registered and the list of selected workers must be announced and the data must be accessible to all members of related communities to prevent corruption. Labour-intensive public works can create considerable new jobs for people who are interested and able to participate in the economic life. It can revitalize the sense of civic duty, citizenship, social cohesion, and community involvement and in the same time stimulate economic activities, especially in backward areas.

Iran, like most developing countries, faces large deficits in social services, such as water delivery systems, electrification, roads, drainage, sewage and sanitation, schools and health care centers; while, many people who are willing to work, are excluded from productive remunerative employment. Large number of projects can be designed by the collaboration of people, local government and NGOs such as towns and villages councils, environment protection groups, charities and women and children advocates providing community needs.

#### 4-3. Financing Public Work programs by Oil Revenues

Iranian Government can finance public work programs by a fraction of the oil revenues. In 2000, the "Oil Stabilization Fund" was formed to buffer the economy from the external shocks. According to the rules of the Fund, Iranian government only benefits from an internally set price of oil (in 2007, the price of oil was fixed in government budget on USD 37 per barrel). The difference between the fixed price and the actual market price (USD 90 in Oct. 2007) must be deposited into the *Oil Stabilization Fund*. Some 50 percent of the deposited money is dedicated for offsetting probable low oil prices in the future and securing a stable income; the rest can be used by the non-government firms as loans for investment. Therefore, increasing oil prices enable the government to implement public work programs for expanding infra-

structure and to eliminate poverty in the deprived region. Such programs will help to mitigate regional disparities; as local residents can participate in many and beneficial community-based activities that will accelerate the economic growth and will have intergenerational payoffs. Financing public works by a fraction of oil revenues can stimulate private investment by increasing aggregate demand, improving infrastructure of backward regions and in job training of employed workers.

In the first stage, public work programs can be implemented in 7 provinces with the highest unemployment rates. Total population between 15-64 years old in these provinces is about 6.5 million (Iran Statistics Center 2012). If one worker from each family is employed in public work programs, the total number of workers in the programs in all 7 provinces will be about 2.5 million persons. All generated jobs will be part-time and temporary, with an average duration of four months. About 2,500,000 persons can be employed in these programmes. To prevent competition with existing private firms, public work programs must pay about 50 percent of formal minimum wage for 4 hours work per day.

In Iran, the formal minimum wage is equal for all sectors and occupations. In 2012 the monthly minimum wage was about USD 150; yet, it was not attainable for a large part of workers, especially in small and medium size private enterprises. In most private firms, even in several large companies, employees are forced to accept wages much lower than the formal minimum. Therefore, the wage of workers in public work programs cannot be more than 50 percent of formal minimum wage for 4 hours daily work.

Towns' and Villages' Council will have the responsibility of preparing annual action plans according to the felt needs of the people. Decentralization of project development, supervision, and administration can reduce the administrative burden on the central government while also ensuring that public work projects meet local needs. It is expected that sufficient number of projects, such as labour-intensive road and rail-road network, sewage systems construction and maintenance, renovating agrarian and farm drainage systems, cultivating forest, community centres and welfare institutions, roadside cleaning and rubbish collection, to be defined. Central and state budgets for public work schemes can be released directly to the town and village Councils for financing the programs. Large influx of women to the program can be expected; as large numbers of inactive women are interested to work, if job is accessible.

As mentioned earlier, according to the Iran Central Bank, the cost of a new job in quick returning enterprises was about USD 12,000 which was mainly financed by subsidised loans from state owned banks; while, about USD 3000 is necessary for machineries and equipment per workers in labour-intensive public work projects, as such works require very little capital equipment and training (Mitchell, 2001). In addition to capital goods, government must pay about USD 75 monthly wage to 2,500,000 workers that can be employed in all projects. Therefore, total costs of public works will be less than USD 10 billion per year that can be financed easily by depositing money in the *Oil Stabilization Fund*. The whole package of programmes will be less than 10 per cent of government expenditure and about 2 percent of Iran's GDP. By gaining fruitful results and successful experiences from the first phase of public work program, it can be expanded to all provinces.

#### 4-4. Limitations and challenges of Public Works Policy

There might be several shortcomings in public work programs, such as the difficulty of arranging appropriate organizations, weak designing and implementing capacities in local levels and the risk of abuse of resources and corruption.

**Organizational Obstacles:** Public work programs may face challenges of mismanagement and lack of experience of cooperation between government and non-government organizations in Iran. There is also the risk of clientelism, discrimination against special groups and political manipulation in the implementation of the programs.

Public work programs must be implemented by close cooperation of local population, government officials and NGOs who are most familiar with the economic needs of their communities. Arranging the processes of designing, finance and execution of projects in appropriate organization is a difficult task. Designing and implementation of public works require an extensive and solid network of institutions at the local level, with the technical and operational capacity to choose the works to be done, to organize the administrative works, and to supervise all actions (Márquez, 1999).

One of the major objectives of such schemes is to provide jobs for unemployed poor workers; so scarce jobs generally must be rationed among low income households. Given the large numbers of unemployed poor, it is possible that political considerations influence the procedure of workers se-

lection. Furthermore, the allocation of program funds between provinces or states might be politically biased – favouring the factions or groups in power or their supporters – rather than determined by objective indicators of need (Marshal, 2004; Murgai & Ravallion, 2005).

Local officials and NGOs, especially *Towns' and Villages' Councils* must play vital roles in defining projects and implementing public work programs in Iran. So far, elected *Towns and Villages' Councils* have had negligible effects on economic and social well-being of their constituency. Most of the *Councils* do not have financial and technical capability to design and implement beneficial projects for their own communities. They are mainly relied on voluntary work has not been successful to mobilize local physical and human resources to stimulate economic and social changes.

Public work schemes are excellent opportunities for capacity building in *Towns' and Villages' Councils* and other local NGOs. Government must provide *Councils* the necessary capital for approving projects and supervising the process of job placement and project implementation to avoid abuse of resources and discrimination against any group of applicants. Iran can also ask for ILO assistance for providing technical backstopping and consultancy services for the program designing and execution as well as evaluation and monitoring. If public work projects cannot be designed and implemented by harmonised cooperation of local people, government officials and NGOs, its impacts on the livelihood of people in deprived areas will be limited and after a while, people will start to think that public works are new source of rent-seeking for interest groups. Yet, successful results from such programs in many developing countries like Argentina, India and South Africa, create hope and optimism about the probable positive consequences of implementation of public work programs in Iran.

**Rising Inflation:** In 2011, about 3.5 million workers were unemployed and about 55 percent of population between 15-65 years old were inactive in Iran. By applying public work schemes, at first stage 2,500,000 persons in deprived provinces can find jobs with USD75 monthly salary. The program will increase aggregate demand that can generate inflation. Furthermore, private sector must offer wages higher than public work fixed wage to employ new workers. At the same time, rising income of poor families, by work in public work programs, can increase the demand for domestically produced goods and services and motivate private sector to expand production capabilities and to create new jobs. Insufficient demand for domestic products

of textile, home appliances and electronics industries and high demand for imported clothing and luxury durable goods caused the closure of many Iranian firms.

By now, huge amount of oil exporting revenue has been injected to the economy through easy loans to private sector, while there is not efficient supervision mechanism to control the use of borrowed money. No one can guarantee that the loan can generate new sustainable jobs; yet it is for sure that such credit policies are inflationary. Borrowed money is concentrated in real estate and speculation activities that accelerated the pace of price hike. Inflation rate was more than 20 percent in 2011. Increasing rent cost was responsible for about 40 percent rise of CPI (Iran Central Bank 2012).

Part of deposited money in *Oil Stabilization Fund* can be borrowed by *Towns' and Villages' Councils* to be allocated for public work programs. As there will be effective control mechanisms for public projects by the beneficial local communities, these projects will increase value added and employment in different economic sectors in regional and national levels. Furthermore, successful public work programs can control inflation in medium and long run by encouraging private productive investment, rising production in agriculture and industrial sectors and declining the share of money that is attracted by real estate speculation. Growing private sector investment can create sustainable jobs and curtail the need to implement more public work projects in the future.

**Jobs for Women:** In 2011, about 85 percent of 15-64 years old women were inactive; as job opportunities for women in most economic sectors are seriously limited. Educated women are concentrated in activities like education and health and less educated women workers are mainly involved in textile and clothing, handicrafts and farm works. Large part of potentially active women frustrated of useless job searching, staying at home and becoming inactive. By implementing public work schemes in backward provinces, considerable number of such women will participate in the programs, yet in most projects, because of traditional approach of Iranian people, there will be very limited opportunities for women. Therefore, it is necessary to design special jobs in health clinics, child and elderly care centers, libraries, accounting and supervision for educated and less educated women, especially women head of households. Such works will promote the well-being of the communities and will empower women as well. Therefore, it is expected that public work programs cannot reduce women's unemployment

rates considerably; as many women will enter the labor market in the areas that new job opportunities will emerge. In fact, such programs will reveal the real number of potential active women who have not enough courage to continue the desperate search for jobs in current stagnant situation of the labour market.

## 6. Concluding Remarks

Global economic crisis has led to raising unemployment rates and deterioration of working conditions and has damaged the living standards of workers and their families in most developed and developing countries. Decent living is out of reach for large numbers of people. Although, pro-growth, pro-private investment strategy has failed in sufficient job provision, it has remained the main tool for dealing with serious economic downturn. However, the need to find more sustainable sources of economic growth, particularly through domestic demand and wage-led alternatives, encouraged a group of countries to implement alternative policies, such as public work programs. ILO also insisted that it is crucial to implement a coherent, job-oriented recovery strategy to address the basic needs of millions workers and their families and emphasized that employment and social protection must be at the centre of fiscal stimulus measures to protect the vulnerable and reactivate investment and demand in the economy. This approach relies on strong positive multiplier effects to create virtuous cycles of employment and productivity growth.

Iran was harshly hit by the global economic crisis, because of the decline in international demand for its oil. To change the trend of economic downturn, government provided subsidized loans to private sector by state-owned banks for creating new jobs. However, generous loans were not successful to generate sufficient employment opportunities. In sluggish economic situation and unfavorable business environment, private sector is not interested in productive investment; and credit facility cannot bond the creditor to use the money in productive businesses. Large parts of the formally registered new firms have been established for obtaining easy loans and either never started any significant economic activities or shot down their firms in early stages, because in many cases borrowers try to maximize their profit by investing on real estate or speculative activities in gold and foreign exchange markets. Escalating unemployment and low-paid insecure

jobs and increasing concern about economic and social costs of raising poverty force government to react to these problems by effective policies.

Public work schemes can be the most efficient program to prevent unemployment and income inequality to become a social disaster.

Oil revenues enable Iranian government to apply public works without imposing financial pressure on private sector. Such programs can stimulate the economy of backward provinces and provide the necessary infrastructure to encourage private investment and raise agricultural and industrial production in such regions. Elected *Towns' and Villages' Councils* can design and manage the public work with the help of other government and non-government institutions. Programs can be financed by less than 10 percent of annual oil-exporting revenue that is deposited in the *Oil Stabilization Fund*. At first stage, public work programs can be implemented in 7 provinces of Iran with the highest unemployment rates. Government is capable to finance the schemes to create 2,500,000 jobs, using less than 10 percent of oil exports revenue. The program can be locally administered by cooperation between local people, government institutions and *Towns' and Villages' Councils* and other NGOs who are familiar with the communities' needs. As there were not experiences of such cooperation in the past, arranging appropriate organizations will be a difficult task. There is also the risk of abusing resources and corruption among the officials and NGOs. Hence, experiences of some developing countries like Argentina, India and South Africa in public works programs, create hope and optimism that similar programs can be applied in Iran successfully too.

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## Abstract

The global crisis has deepened and most industrialized, and developing countries have faced the risk of a prolonged labor market recession that can lead to a catastrophic rise in unemployment. Several countries have taken some actions to lessen the labor market and social consequences of the crisis; mainly through supports of private investments, but the plans have not succeeded so far; while, public investment can be a certain means to stimulate economic recovery and in the meantime to yield maximum employment creation.

The implementation of public work program in US New Deal programs during 1930s is a clear example of the success of such plans. Similar schemes in India and in many other countries have proved effective in mitigating labour market problems and accelerating economic growth.

Iran has been harshly affected by the international economic crisis which led to a fall in oil prices and considerable decline in GDP growth and an even sharper contraction in employment. Following neoclassical ideas, Iranian government tried to encourage private sector investment by credit schemes and cash transfers. By now such policies could not revitalize the economy. In current uncertain business environment in Iran, public works can be the most effective program to prevent unemployment and income inequality to become a social disaster. The results of this study show the feasibility of public work policy and its positive impacts in creating the necessary infrastructure, conserving environment and providing high employment and economic growth in Iran.

**Keywords:** Iran, Employment Policies, Public Work, Global Crisis

# Can Green Jobs be Decent Jobs?

## An Analysis of Labor Policies in the Brazilian Biofuels Sector

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### ***Introduction***

Over the last several decades, petroleum-dependent global energy policies have been seriously questioned, due to the double dilemma caused by the threat of global warming and the depletion of fossil fuel reserves. The introduction of biofuels such as ethanol and biodiesel to the world energy matrix is now being promoted by both developing and developed countries as a possible solution to this conundrum. In Latin America, there is great economic promise for the biofuels sector, due to the fact that the agricultural frontier of this region is still in expansion, there is a tradition of large-scale cultivation of the crops used as raw materials for biofuels production (such as sugar cane and African palm), and there is a guaranteed demand for these products, due to the legislation enacted in various countries which mandates the addition of a certain percentage of biofuels in the gasoline and diesel used to power vehicles. This signifies that this sector could also have significant potential for job creation, of particular interest in countries like Ecuador, Guatemala and Paraguay that continue to have large rural populations.

Although this paper will not directly address the ongoing debate regarding whether or not ethanol and biodiesel production is truly environ-

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mentally sustainable, it will attempt to analyze if the “green” jobs generated by this sector are actually decent jobs, which offer an opportunity to combat not only the effects of climate change but also the endemic problems of rural poverty, income inequality, and inexistence of social dialogue processes that have plagued most Latin American nations. In particular, we will look at how governmental regulation as well as “multi-stakeholder” corporate social responsibility initiatives have impacted on labor conditions and relations for workers involved in both the agricultural and industrial facets of the biofuels industry in Brazil. Specifically, how has the enactment of new public policies such as the *Compromisso Nacional para Aperfeiçoar as Condições do Trabalho na Cana-de-açúcar* (National Commitment to Perfect Labor Conditions in the Sugar Cane Sector) and the *Selo Combustível Social* (Social Fuels Seal) contributed to the restructuring of a labor market based on the intensive use of unskilled manpower, and to the transformation of labor-capital relations that have been historically marked by clientelism? In addition, does the current structure of the biofuels industry allow for a more equitable distribution of wealth and promote sustainable rural community development, or does it foment a form of large-scale agroindustry that creates “green deserts” without improving local social indicators?

### ***An Overview of Biofuels Production in Latin America***

In Latin America, two types of biofuels are currently produced – ethanol, used as a replacement for gasoline and manufactured from sugar cane in countries such as Brazil and Colombia but also produced from other raw materials such as sugar beet, corn, and sorghum; and biodiesel, which can replace diesel and is manufactured from vegetable oils or animal fats. On a global scale, as the following tables show, several Latin American countries are significant producers and exporters of biofuels, specifically Brazil and Colombia in the ethanol market, and Argentina and Brazil in the biodiesel market.

**Table 1: World Production of Ethanol (for use as fuel), 2009**

COUNTRY	MILLIONS OF GALLONS
USA	10.600,00
Brazil	6577,89
European Union	1039,52

COUNTRY	MILLIONS OF GALLONS
China	541,55
Thailand	435,20
Canada	290,59
India	91,67
Colombia	83,21
Australia	56,80
Other countries	247,27
<b>TOTAL</b>	<b>19.534,99</b>

Source: Renewable Fuels Association

**Table 2: Principal Exporters of Ethanol (for use as fuel), 2009**

COUNTRY	MILLIONS OF LITERS
Brazil	3.166
USA	480
Jamaica	403
El Salvador	341
South Africa	311

Source: UNICA

**Table 3. World Production of Biodiesel, 2009**

COUNTRY	MILLIONS OF LITERS
Germany	2.859
France	2.206
USA	2.060
Brazil	1.535
Argentina	1.340
Spain	967
Italy	830
Thailand	610

COUNTRY	MILLIONS OF LITERS
Belgium	468
Poland	374
Holland	364
Austria	349
China	338
Colombia	330
South Korea	300
Other Countries	2.998
<b>TOTAL</b>	<b>17.929</b>

Source: Biofuels Platform

**Table 4: Principal Exporters of Biodiesel, 2008-2010 average**

COUNTRY	MILLIONS OF LITERS
Argentina	1.329
USA	748
Malaysia	558
Indonesia	98
Colombia	75
Mozambique	51

Source: OECD-FAO Agricultural Outlook 2011-2020

According to the Brazilian Sugar Cane Industry Association (União de Indústria de Cana-de-Açúcar de Brasil - UNICA), the principal destination countries for the ethanol produced in Latin America are the European Union, the countries of the Caribbean Basin Initiative, India, and the USA (UNICA, 2009). Over the last ten years, public policies in a variety of countries in the region, including Argentina, Mexico, Costa Rica, Colombia, Paraguay, Guatemala, El Salvador, Peru, Brazil, Chile, and Bolivia have been formulated and implemented to foment the production and domestic consumption of ethanol. In particular, in Argentina, Brazil, Colombia, and Peru, a certain percentage of ethanol is now required to be added to commercial gasoline, thus creating a guaranteed domestic market for this product, in percentages of 5%, 25%, 10% and 7,8%, respectively.

As for the biodiesel produced in Latin America, the principal destination countries for this product are those grouped in the European Union, due to the “Renewable Energy Directive” in force there since 2009, which commits member countries to add a minimum of 10% biodiesel to all diesel fuels by 2020. In Latin America, Argentina, Brazil, Peru, and Colombia have decreed the use of biodiesel in commercial diesel fuels, in percentages of 5% for all cases except for Argentina, which now mandates a 10% mixture. The other countries in the region have been hesitant to implement similar laws to promote the consumption of biodiesel, due to the still-incipient levels of development of biodiesel production on a national scale.

In Latin America, the percentage of land used for production of raw materials to fabricate biofuels is currently small but growing. According to the US Department of Agriculture, on a world scale, approximately 4% of arable land was used to produce raw materials for biofuels production during the 2006-7 harvest. In Argentina, only 2,5% of arable land was destined for this use, while in Brazil, this fraction reached 5,8% (Trostle, 2008). However, it is likely that these percentages will gradually increase, due to the growing demand for biofuels, principally in developed countries. According to analyses of the FAO and OECD, in 2020, 12% of grain production and 33% of sugar production on a global scale will be employed in the fabrication of ethanol, and 16% of the production of vegetable oils will be used in the production of biodiesel (OECD & FAO, 2011).

These projections represent economic opportunities for Latin American countries such as Colombia and Brazil that are leading biofuels producers, but at the same time represent challenges for governments, unions, and employers’ associations, which due to strict anti “social-dumping” clauses inserted into trade policies promoted by the EU and other developed countries, will need to insure that the expansion of this production occurs in a socially and environmentally sustainable framework. In particular, the employment opportunities generated in this sector should be able to be seen as both “green” and “decent” jobs, meaning that they serve to promote sustainable development and at the same time take into account the four pillars contemplated in the ILO’s Decent Work Agenda: rights at work, employment creation, social protection, and social dialogue. The ILO definition of green jobs already integrates these two concepts, classifying this type of employment as “any decent job that contributes to preserving or restoring the quality of the environment, (...) thus significantly reducing negative environmen-

tal impacts, ultimately leading to environmentally, economically and socially sustainable enterprises and economies” (ILO, 2012). However, deeply imbedded factors that characterize Latin American labor markets such as an excess of supply of unskilled labor, weak social protection systems, comparatively low levels of unionization, and the lack of institutional frameworks to promote social dialogue, make the creation of decent, green jobs a difficult task for countries in the region. As the following case study of Brazil shows, workers and their organizations must construct strategies that take advantage of changes in the internal and external political landscape, especially in economically-favorable situations, in order to overcome the historical and institutional barriers to the promotion of decent work in the biofuels sector.

### ***An Economic Profile of Biofuels Production in Brazil***

As mentioned earlier, Brazil is a world leader in the production of ethanol, fabricated from sugar cane, and also produces significant quantities of biodiesel from raw materials such as soybean oil, animal fat, palm oil, and to a lesser extent, castor bean and cotton oils (Campos & Carmelio, 2009). The production of sugar cane is concentrated in the southeast region of the country, and in the state of Sao Paulo in particular, where 54% of all sugar cane sown is concentrated (Repórter Brasil, 2011). Other centers of sugar production include the states of Mato Grosso do Sul and Goias in the Center-West region, and Rio Grande do Norte, Paraiba, Pernambuco, Alagoas and Sergipe in the Northeastern region.

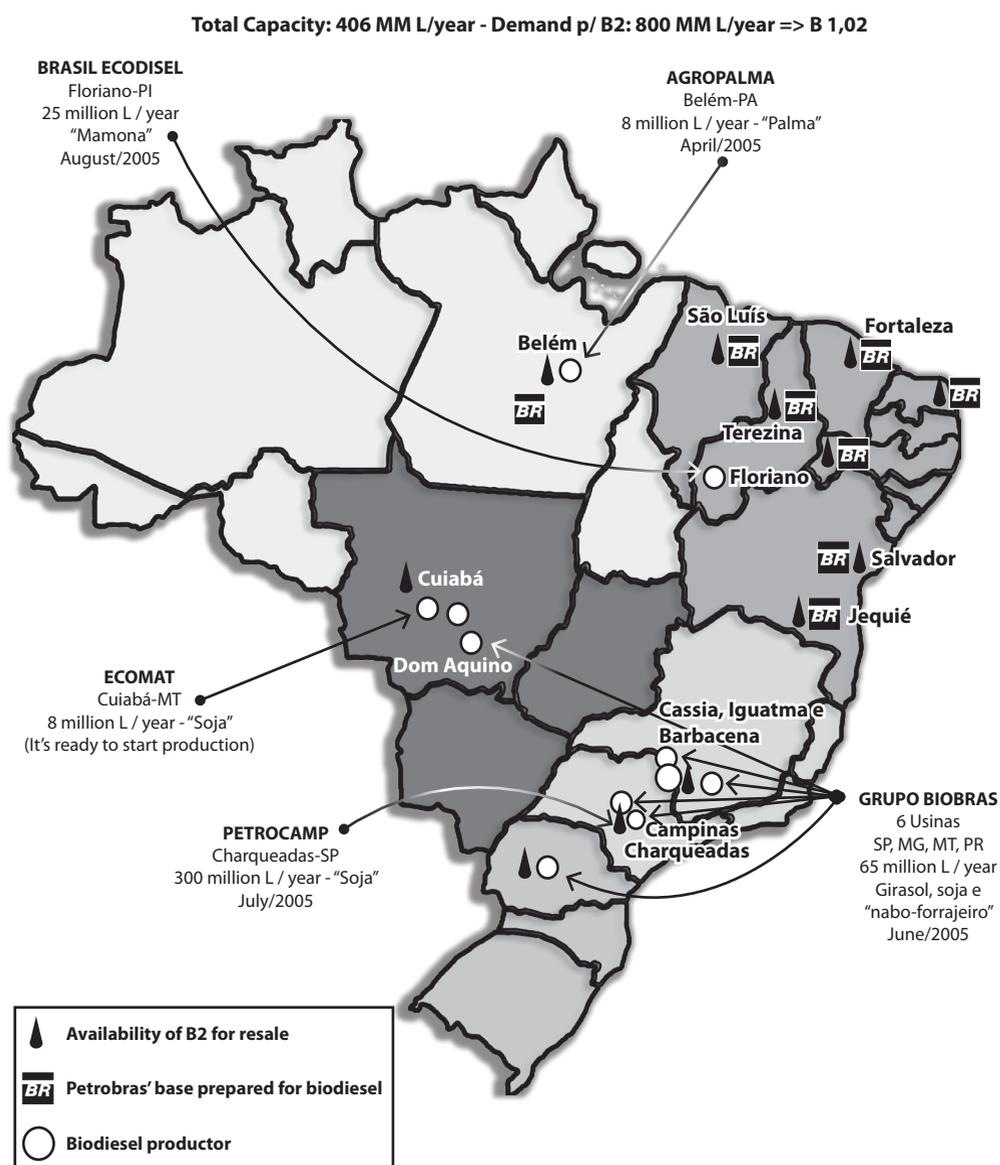
The cultivation of raw materials for the production of biodiesel is very dispersed in Brazil, due to the large-scale production of soybeans and the introduction of other kinds of crops that offer high yields of vegetable oils in regions where soy farming is not viable. However, industrial production of biodiesel is largely concentrated in the Southern, Southeastern, and Center-Western regions (Repórter Brasil, 2010).

**Graphic 1: The Geographic Distribution of Sugar Cane Production in Brazil**



Source: NIPE - UNICAMP

Graphic 2: Geographical Distribution of Biodiesel Production in Brazil



Source: BiodieselBR

Brazil is a leading producer of both sugarcane and ethanol, which was introduced as a source of fuel for combustible engines in the decade of the 1920s. According to UNICA, in 2009, 8.5 million hectares of sugar cane were planted in Brazil, equaling 2.5% of the total arable land in the country (UNICA, 2011). From this raw material, 605 million sacks of sugar and 6,779 million gallons of ethanol were produced, whose value was estimated at US\$ 27,700 million, or over 2% of national GDP.

The production of biodiesel in Brazil is still in its beginning stages, in comparison with the ethanol industry, due to the fact that the first refinery only opened in 2005, but despite this, the country has already become the leading Latin American producer of this biofuel. The principal raw material used in Brazil to produce biodiesel is soy, with approximately 22.5 million hectares planted and a harvest of over 50 million tons in 2009 (IICA, 2010). Currently, there are 62 biodiesel refineries in Brazil, with a total production capacity of 14.4 million m<sup>3</sup>/day, with the final product valued at approximately US\$ 2 billion in 2010 (Repórter Brasil, 2010).

The legal framework for the production of ethanol in Brazil dates back to the 1970s, when in the midst of the oil crisis, the military dictatorship in power at the time made an effort to diversify its energy sources, in order to continue the process of heavy industrialization that it was promoting. The program enacted was called "Pro-Alcool" and incentivized the large-scale production of sugar cane and the construction of ethanol refineries via subsidies. After the price of oil began to drop in the 1980s, the production and sale of ethanol declined, until 2002, when the Brazilian government regulated the use of "flex-fuel" motors that can operate on both ethanol and normal gasoline. Today it is estimated that over 85% of new cars sold in Brazil run on "flex-fuel" motors. In addition, a 25% mix of ethanol is now added to all gasoline (UNICA, 2011). Later, in 2006, the government of Luiz Inácio "Lula" da Silva passed the National Bioenergy Plan (PNA, for its initials in Portuguese), which incentivizes even more the inclusion of biofuels in the national energy matrix, through actions promoting the participation of small farmers in the ethanol supply chain, facilitating exports, and at the same time, limiting the expansion of sugar cane production in ecologically fragile areas (Ministerio da Agricultura, Pecuaria e Abastecimento, 2006).

As it was mentioned earlier, the promotion of biodiesel production in Brazil began in 2005, with the implementation of the National Program on the Production and Use of Biodiesel (PNPB, for its initials in Portu-

guese), which mandated an inclusion of 5% biodiesel in all diesel fuel sold in the country beginning in 2010. This program fixes a minimum price for all biodiesel sold in auctions held by the National Agency for Petroleum, Natural Gas, and Biofuels (ANP), in this way guaranteeing the profitability of this nascent industry. In order to ensure the social sustainability of biodiesel production, the PNPB promotes the cultivation of raw materials by family farmers, especially in the impoverished Northern and Northeastern regions of the country, making these small farmers the preferred supplier for the three biodiesel refineries run by the state-owned oil company Petrobras (Flexor, 2010).

### ***Labor Rights and Social Dialogue in the Brazilian Biofuels Sector***

Due to its enormous scale, the biofuels industry in Brazil is an important generator of employment in several geographic regions. In the sugar cane and ethanol sector, in 2007, the number of workers directly employed in this economic activity was 1,260,711, or 8% of jobs in the entire agricultural sector, even without counting the approximately 80,000 small farmers who act as suppliers of raw materials for large sugar refineries. Of this total number, 497,670 workers (or 40%) are employed in the cultivation of sugar cane, 572,147 work in the sugar refineries (or 45% of the total), and 190,894 work in ethanol production factories (or 15% of the total) (Secretaria Geral da Presidência da República, 2009). These percentages have probably shifted in recent years, as the number of agricultural jobs in the sector has declined to the introduction of harvesting machines, and the number of workers at ethanol factories has increased due to the over 30 new ethanol production facilities that have opened during the period 2008-9. The jobs in this sector tend to be formalized, with contracts in accordance with Brazilian labor law (codified in the *Consolidação das Leis do Trabalho* – CLT). However, the agricultural workers and the cane cutters in particular tend to lack job stability, as they are usually hired under temporary contracts to work only during the eight months in which harvesting takes place.

It is difficult to quantify the exact number of jobs generated by the production of biodiesel in Brazil, due to the diversity of raw materials used in its production. In the case of soy, which is the input used to produce almost 70% of all Brazilian biodiesel, the number of farmers and workers involved in its

cultivation extends to approximately four million, but the majority of the soy produced is not used directly as a raw material to make biofuels. Over 225,000 family farmers are directly linked to the biodiesel production chain, as soy, sunflower, and castor-oil seed producers. In addition, over 3,000 direct jobs have been created in the palm-oil sector in the Amazon region (BiodieselBR, 2012).

When we undertake an analysis of labor conditions in the sugar cane sector, the striking differences between workers in the agricultural segment and those in the industrial segment become clearly evident. As we mentioned earlier, the agricultural workers tend to labor under temporary contracts, leaving them without a stable income in the period between harvests. The instability for these workers will increase even more as the mechanization of sugar-cane cutting becomes more widespread, taking into consideration that according to the agricultural workers union Feraesp, over 150,000 jobs just in the state of Sao Paulo have already been eliminated due to this phenomenon. Cane cutters tend to have very low levels of education, with 52% registering only 4 years or less of formal schooling (Secretaria Geral da Presidência da República, 2009), thus impeding them from assuming jobs within sugar or ethanol refineries that require more training, and relegating most of them to seek employment in low-wage sectors such as civil construction and informal sales. Another factor that contributes to the precarious nature of agricultural work in the sugar cane sector is the continued existence of working conditions analogous to slave labor in some farms, with 1911 workers liberated from these kinds of conditions in 2009 primarily in the states of Goiás, Mato Grosso, Pernambuco, and Rio de Janeiro (Repórter Brasil, 2010). For cane cutters who have been “freely” contracted, their monthly salary averages at R\$ 800/month (US\$397), for a 44-hour workweek. Part of this salary is variable, depending on the quantity of cane felled by each worker. This work is extremely strenuous and poses many health risks to the cane cutter, including illnesses such as cancer resulting from long-term exposure to pesticides and herbicides, lung diseases resulting from breathing in the smoke of the fumes from the burning of the sugar cane, heat exhaustion from working in temperatures commonly above 35°C, and repetitive-stress muscle injuries (Hess, 2008).

In general, the workers of the sugar and ethanol refineries enjoy more job stability and less precarious working conditions in comparison to their colleagues that work in the fields. There are no reported cases of modern forms of slave labor, child labor, or precarious forms of contract-

ing among this subset of sugar cane workers. The profile of these workers is distinct as well, as according to the Sao Paulo chemical workers union Fequimfar, they tend to have higher educational levels, are less likely to be migrant workers, and are more likely to be female, with women workers laboring in both administrative and operational positions inside these factories. However, the average monthly wage (without including non-wage benefits such as meal tickets and profit sharing agreements) is not much higher than that of the agricultural workers, registered at R\$1000 (US\$496). Occupational health and safety is also a concern for them, as they are frequent victims of chemical burns, respiratory diseases, and repetitive stress injuries.

Upon analyzing labor relations in the Brazilian sugar and ethanol sectors, we can identify two important characteristics – the presence of highly representative union organizations (at least in the state of Sao Paulo), and the creation of new spaces of social dialogue which have dramatically improved working conditions for the agricultural workers. Regarding this subsector, the majority of those who are employed in the state of Sao Paulo are represented by the rural workers' federation Feraesp, which according to the organization's president, Helio Neves, has 70 affiliate unions which represent a total of 220,000 farm workers, including not only sugar cane workers, but also those involved in the cultivation of fruits and vegetables. Approximately 40% (or 88,000) of these workers represented by the affiliates of Feraesp are official members of these unions, as Brazilian labor law stipulates that a legally-recognized union of workers in a defined economic sector or profession in a determined geographical area (usually a municipality or metropolitan area) has the right to represent the totality of those workers, whether or not they have decided to directly join the organization. The unionization rate among Sao Paulo farmworkers affiliated to Feraesp is significantly higher than the national rate, calculated in 17.7% in 2009, and also that of the agricultural sector as a whole, which was calculated at 26.2% by the Departamento Intersindical de Estatística e Estudos Socioeconomicos (DIEESE, 2011). Despite the successes of Feraesp since its founding in 1989, the union still must confront various violations of union rights, especially arbitrary dismissals of union leaders and activists, and the undue interference of employers in the creation of new unions and the election of union executive committees. According to Neves, these practices have made it difficult to unionize the drivers of mechanized sugar cane harvesters and the workers linked to the biodiesel supply chain.

Despite these difficulties, Feraesp has been able to conduct collective bargaining processes which allow the establishment of minimum labor standards for the entire sugar cane sector. According to Neves, at the beginning of each annual bargaining round, the Federation consults with all of the affiliated unions and establishes a common set of wage demands. However, the actual negotiation process with each company is led by the leaders of the affiliate unions and not the Federation itself, in this way fomenting the activism and democratic participation of rank-and-file union members. In addition to establishing a base salary above the national minimum wage for cane cutters and guarantees for re-hiring for the following year's harvest through these collective bargaining processes, Feraesp has also been able to establish a system of rank-and-file delegates recognized by the companies (not fully contemplated in Brazilian labor law), that enhance the union's presence inside the workplace.

To complement these bilateral processes of negotiation, Feraesp together with the National Confederation of Agricultural Workers (CONTAG) and the Central Unica dos Trabalhadores (CUT) also have pushed for the creation of tripartite spaces of social dialogue to improve the labor conditions for cane cutters. These efforts culminated in the creation of the National Commitment to Improve Labor Conditions in the Sugar Cane Sector (*Compromisso Nacional para Apefeicoar as Condições do Trabalho na Cana de Açúcar*, or *Compromisso*), negotiated during 2007 and officially signed by governmental, union and employers' representatives in 2008. This agreement was an initiative originally promoted by the CUT in the *Conselho Nacional de Desenvolvimento Econômico e Social* (CDES), a quadripartite body (with representatives of the government, employers' organizations, unions, and civil society organizations) created under the government of Luis Inacio "Lula" da Silva, whose function is to formulate and debate national development policy. The goal of the *Compromisso* is to "humanize and make safer the manual cultivation of sugar cane and also to promote the occupational reinsertion of workers who lose their jobs as a result of the advance of the mechanization of cane harvesting" (Secretaria Geral da Presidência da República, 2009).

The 249 sugar producers (representing over 70% of national production) that have signed the agreement have made multiple commitments to respect labor rights, including an end to indirect hiring, the provision of adequate safety equipment free of cost to the workers, the improvement of emergency medical services, the establishment of sufficient break periods, the provision

of clean water at all workplaces, negotiation in good faith and integral compliance of all collective bargaining agreements signed, the promotion of initiatives to improve the social indicators of sugar cane-producing municipalities, and the establishment of an independent monitoring system that can verify compliance with all of the clauses in the *Compromisso*. The companies that are *Compromisso* signatories also have eradicated all forms of child and forced labor in their production chains, and have made efforts to retrain and relocate cane cutters whose jobs have been gradually eliminated due to the mechanization of this activity. As of June 2012, 169 sugar cane companies have submitted to the *in situ* monitoring process under the *Compromisso* and have been certified as being compliant, allowing them greater access to credit with the national development bank and improving their corporate image on the international market (CUT, 2012). According to Helio Neves, although compliance with the agreement among the signatory companies has not been perfect, the institutional space provided by the *Compromisso* allows Feraesp to propose policies more far-ranging than those usually discussed on a bilateral level in collective bargaining negotiations, that can serve not only to improve working conditions but also to guarantee food sovereignty and promote rural development as a whole.

Regarding the workers of sugar and ethanol refineries, in the state of Sao Paulo, over 35,000 of them are represented by Fequimar and its ten affiliate unions. Approximately 10,500 of these workers, or 30%, are official union members, in this way registering a unionization rate similar to that among the farmworkers' unions. The General Secretary of Fequimar, Edson Dias, has stated that his union maintains cordial relations with the employers, expressed through the multiple spaces of social dialogue that exist between Fequimar and UNICA, including a current attempt to negotiate a "Compromisso" that would cover workers in the industrial branch of the sugar and ethanol sector. In relation to collective bargaining processes, Fequimar employs a more centralized approach than Feraesp, negotiating a state-wide framework agreement to which the individual affiliate unions then add on any locally-specific clauses necessary. Since the Lula government assumed office in 2003, these negotiations have been able to take place without the union resorting to measures such as work stoppages or slowdowns. This is not to say that there is no dissent in the ranks, however, as there are some rank-and-file members who have protested that the wage gains the union has won in recent years have not reflected the strong productivity gains registered by the ethanol producers.

As compared to the sugar cane and ethanol sectors, there is much less information available on labor conditions and relations in the biodiesel industry, in part due to the lack of strong union representation. It can be deduced, however, that there are significant differences in the labor conditions between the workers employed in the soybean agroindustry, and the family farmers who cultivate other kinds of raw materials to make biofuels, such as oil palms and castor-oil plants. Excluding Southern Brazil, where soy is still largely cultivated by small farmers, the soybean agroindustry is a perfect example of "farming without farmers", in which the implementation of a minimum pricing policy which favors large landholders and the use of extensive mechanization is combined with exploitative working conditions for many of the laborers still employed in the sector. According to Repórter Brasil (2009), in 2008, 125 workers on soy plantations in the states of Bahia, Goiania, Mato Grosso and Piaui were freed by governmental authorities linked to the Labor Ministry from situations analogous to slavery.

In the case of the family farmers linked to the biodiesel sector, they benefit from a multi-stakeholder initiative also created by the Lula administration, under pressure from the union movement, known as the *Selo Combustível Social* (SCS). Under this program, biodiesel refineries receive tax breaks from the federal government and the SCS seal of "social responsibility" if 100% of their agricultural suppliers are family farmers, if they offer technical assistance to these family farmers, and if they negotiate the prices of the biodiesel raw materials with the unions that represent these small farmers (Campos & Carmelio, 2009). In 2009, 225,000 contracts between biodiesel companies and family farmers were in force as a result of this initiative. It is important to note that in addition to stimulating the rural economy and strengthening unions of small farmers, this program is also environmentally beneficial, as it promotes the cultivation of raw materials such as castor beans and African palm that are more suited than soybeans for the tropical climates in Northern Brazil and the semi-arid climates of the Northeast (Abramovay & Magalhaes, 2007). Due to the provisions of the SCS, the farmers' unions affiliated to the *Confederação Nacional dos Trabalhadores na Agricultura* (CONTAG) have a high level of representativeness among the producers of biofuel inputs such as palm oil, castor oil, and sunflower oil. However the collective bargaining negotiations between CONTAG and the biodiesel companies (most importantly Petrobras, the state-owned energy company), are almost exclusively focused on determining the

prices for these raw materials, and tend to exclude topics related to occupational health and safety, workday length, and management of environmental risks (Abramovay & Magalhaes, 2007). This implies the opportunity to enshrine the concepts of decent work into this multi-stakeholder initiative has largely been overlooked. Perhaps in the future, alliances can be built between CONTAG and Sindipetro, the union representing Petrobras workers, so that both fair remuneration and decent working conditions can be guaranteed for these family farmers.

### ***Some Preliminary Conclusions***

Under the Lula administration, the union movement took advantage of its organic links with the national government to pressure formerly recalcitrant employers' organizations in the biofuels sector to agree to improve working conditions in exchange for favorable fiscal policies and a "socially responsible" certification. This is particularly important as these agreements, and most significantly the *Compromisso* involving sugar and ethanol producers, have helped to ensure that some of the worst forms of labor exploitation (including child labor) were eradicated, occupational health and safety conditions were improved, the use of outsourcing to lower labor costs was eliminated, and permanent spaces of social dialogue involving unions were created. In this way, these agreements have allowed for jobs in the Brazilian biofuels sector and in particular the sugar cane sector to better approximate what is known as "decent work", through the promotion of policies that stimulate compliance with internationally recognized labor standards, strengthen social protection systems for these workers, and promote democratic union representation and collective bargaining.

These advances are especially important as this sector is guaranteed to keep growing, due to the persistence of structural factors that increase the demand for Brazilian biofuels, such as global warming, the expansion in the global fleet of automobiles, and the fact that South America is one of the few regions that still has large tracts of cultivatable lands not in use on which raw materials for biofuels can be grown. However, this is not to say that improvements cannot still be made in order to maximize the environmental and social potential of biofuels production in the country. For example, public policies should continue to promote the cultivation of non-traditional, high-yield inputs such as castor seed and pine nut oils, which can be grown on degraded

land, thus avoiding the expansion of the agricultural frontier into ecologically sensitive areas such as the Amazon and the Atlantic Coast Bushlands (*Mata Atlantica*). Also, it will be necessary to offer more occupational training programs to the tens of thousands of sugar cane cutters with little formal education whose jobs will soon be totally phased out in the state of Sao Paulo due to an agreement signed by UNICA and governmental authorities to completely implement mechanical harvesting by no later than 2017 (Matsu, 2011). At the same time, at least some of the commitments to improve labor conditions and salary levels included in the *Compromisso* and SCS should be transformed into law, in order to maintain these advances even if a change of government results after the next round of Presidential elections in 2014. In addition, the institutional capacity of the Brazilian state should continue to be reinforced, so that its capability to implement public policies and enforce tripartite agreements reached through social dialogue spaces, such as the *Compromisso*, is strengthened. In this way, the burgeoning Brazilian biofuels industry can be fully transformed into an important source of green and decent jobs.

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# The National Strategy for Climate Change in Argentina: the role of trade unions within government policies

*Bruno Dobrusin*

## ***Introduction***

Since the Earth Summit in 1992, governments have been pressured through the signing of the United Nations Framework Convention on Climate Change (UNFCCC), to implement a national strategy for dealing with climate change. Depending on the level of emissions—at the global level—each government was responsible for cutting down emissions, or adapting its productive capacities to a low carbon economy. Argentina qualifies in the latter group, those who were, and still are, considered countries with low overall emission rate and therefore with the responsibility of adapting its productive system to a more sustainable model. Argentina is a signatory part of the UNFCCC and later on of the Kyoto Protocol. However, since it is not a major player at the global level, and its share of emission is low, the different governments have never been keen on introducing a policy of adaptation to climate change. This paper presents the process of creating a National Strategy for Climate Change (NSCC henceforth), which began in 2010 and has incorporated two of the main trade union confederations in the country, the General Labour Confederation (Confederacion General del Trabajo, CGT) and the Argentine Workers' Central (Central de los Trabajadores de la Argentina, CTA).

The NSCC is a representation, on a micro-level, of the positions of the government regarding climate change and the standpoints of the trade union

movement. CGT and CTA represent two distinct models of labour movement and their perspectives on climate change are strongly influenced by the organizational models. Even though the NSCC is still a project in the midst of its development, the two years of ongoing debates suffice to present a clear idea of the different outlooks regarding climate change, and the increasing awareness within the trade union movement of the role workers play in designing a future strategy.

The conformation of the NSCC is taken throughout this essay as a start point to present larger debates regarding climate change and development in the context of Argentina. In the last decade, Argentina witnessed an economic growth, one of the most important in its history. With an average GDP growth of eight percent in the last nine years, Argentina has become one of the fastest growing economies in the region. During the Kirchners administrations (2003-ongoing) over 5 million jobs were created from 2003 until 2011, while unemployment fell from twenty per cent in 2002 to nine per cent in 2007 (Levitsky & Murillo 2008, p.17) and just over seven per cent currently (Natanson, 2011). Furthermore, informality has also lost significant ground, from an all-time high in 2002 of fifty-five per cent, to the current, still significant, thirty-four per cent.

The economic growth has been based on a productive model whose sustainability is questioned (Svampa, 2011; Teubal, 2006). Argentina has a large dependence on soybean production; mostly through the Monsanto-based *roundup ready* seeds (Lapegna, 2007). This has led to significant shift in the agrarian system in Argentina, displacing thousands of small farmers and leading to the concentration of land and production in a few hands (Zibechi, 2011; Aranda, 2010). Furthermore, in the last decade the economic model has also promoted the introduction of open-pit mining in the Andes Mountains as a form of extracting minerals that were not reachable through traditional production mechanisms (Svampa, 2009; Bonasso, 2011). This has created immense resistance in the local populations, especially since most of the locations of the to-be-mines are dry areas with not enough water sources to fulfil those projects. The conflicts created by the productive model encouraged by the government are a representation of a development model being put into questioning. These debates were also taken up by the trade union movement. The CGT has publicly defended these productive mechanisms, while the CTA has been a firm opponent. These standpoints, and the governments', are incorporated into this essay as part of the discussions within the National Strategy for Climate Change.

The NSCC is then a process that clarifies the positions taken by the government and two of the most important trade unions in Argentina regarding climate change. The predominant dispute behind the climate change discussion is about the development model. When the jargons about climate are left aside, the real discussion is confronting views on the roads to development. This is not just the case in Argentina since most governments in Latin America, including those on the left, are faced with the challenge of improving overall welfare but not repeating the same productive models that led to the situation of poverty and dependence in the first place (Gudynas, 2011).

This paper will describe the relationship between the development strategies in Argentina, the official discourse by the government and the positioning of the unions. The labour movement, represented here in the CTA and the CGT, is in the midst of the process of questioning the development strategy without a clear outlook on how to respond. On the one hand the more traditional union is behind the idea of adaptation through a green economy (the CGT), while CTA clearly opposes the current development model and the so-called 'green economy' but has not yet developed a firm alternative to take through as a proposal. The debates are all condensed within the NSCC proposal.

The paper is divided in four sections. In section one the NSCC is presented, detailing the process, origins and proposals. Section two outlines the proposals of the CGT and CTA to the NSCC, incorporating here the overall view of the trade unions regarding climate change. Section three presents the Kirchner administrations' positions, and the debates that Argentina's development model has generated. Section four provides a conclusion, incorporating the main arguments debated throughout the paper.

## ***1. The National Strategy for Climate Change***

Under the UNFCCC and the Kyoto Protocol, every signing government has to assemble a National Strategy for Climate Change in order to adapt productive and consumption systems a low carbon emission mode, to promote a sustainable development model (UN, 1993). Argentina is a signatory part to that agreement, and has only lately being moving in the direction of promoting a strategy for climate change. The NSCC is the first step in the direction of adapting (since the country does not have the obligation to mitigate emis-

sions) productive structures to the problematic of climate change. The first meeting for the design of the NSCC was in 2009 (SAyDS, 2011), convening solely different government offices. This was called the 'Phase One' of the process. Then the debate was opened for organizations to make comments on the different objectives and lines of actions that the Phase One projected. It is important to mention that the governmental offices that participated within the process of the NSCC are all of secondary relevance, and so are the involved actors. None of the decision-makers of the government cabinet actually participated in the meetings. A similar aspect, as we will mention later, can be describe from the trade union movement part.

The overall objective of the strategy is two-fold: first, to "identify, promote and implement policies of adaptation to climate change, including the impacts of climate variations, especially in particularly vulnerable areas", and second to "develop policies and actions that contribute to limiting the growth of carbon emissions without compromising the sustainable development of the country". (SAyDS, 2011, p.3). These two general objectives are supposedly met through strengthening environment-related government institutions, channelling resources, educating the participating sectors and producing a regulatory framework (SAyDS, 2011). The document presented as Phase One, which is after discussion among different government ministries, then presents thirteen axis of actions on which the adaptations should be focus: 1- incorporate disaster management techniques that take into consideration climate change to territorial planning; 2- Strengthen food security; 3- improving health systems in the view of climate change; 4- improving natural resources management; 5- strengthen measurement of climate variables and their impacts; 6- incorporate climate change adaptation mechanisms in infrastructural development; 7- promote rational production and consumption of energy; 8- incorporate and expand clean energy mechanisms; 9- incorporate more energy-efficient mechanisms in industrial production, so to reduce gas emissions; 10- revise territorial arrangements; 11- promote sustainable practices in agriculture and forestry; 12- Improve energy efficiency in transport systems; 13- promote changes in the populations' lifestyle (SAyDS, 2011, p.5).

The actions determined by the different government departments were the starting point of a larger discussion that was meant to incorporate civil society organizations, the labour movement and representatives of the business sectors. The participation of these three sectors was limited to sug-

gesting steps to fulfil the lines of action. Non-governmental sectors were not allowed to propose new axes of action, neither to question the ones that had been already established by the different government departments.

These axes of action presented the initiative taken by the government in order to fulfil its compromises at the international level. However, as we will explain later on in this paper, Phase One and later on Phase Two of the NSCC were mere declarative policies, since it did not involve any specific public policy nor it included a detail analysis on the strategies for coordinating all the different sectors that are involve in the process of adapting, and mitigating, to changing climate conditions. Nevertheless, the presentation of Phase One, and the invitation to civil society to participate in the process of discussing the strategy was a move forward by the government that positioned it as a progressive actor at the international level.

## ***2. The trade union reaction to climate change. CTA and CGT engaging in the NSCC***

The reaction of the labour movement in Argentina to climate change has been slow for both of the most important trade union organizations, the CTA and the CGT. Most of the environment-related policies addressed by the trade unions in Argentina were related to health and safety practices rather than overall development strategies. Similar to the South African case (Cock, 2007), the labour movement in Argentina was sceptical of climate change talks due to the fear of job losses. In spite of the historical reluctance to participate in environmentally-related discussions, Argentine labour has finally come to terms with the necessity to engage in debates regarding climate change. However, they have done so from different perspectives and these are clear in their intervention in the NSCC strategy.

The CTA presents itself as an alternative trade union movement (Rauber, 2010) that incorporated workers from all sectors, even the unemployed and those employed in the informal sector (Adamovsky, 2012). Since its inception in 1992, CTA proposed a significantly different organizational model to that of the historically predominant labour organization, the CGT. The model included the election of its leadership through direct voting by all its members and the inclusion of alliances with social movements within the organizational structure (Giuliani, 2011; del Frade, 2004). The CGT maintains itself as an organization focused on those workers who are unionized and

active in the formal sector. Nonetheless, both organizations have gained significant achievements in the last decade after the 2001 economic crisis (Schipani, 2012). The different perspectives and modes of organization are important since they are the base of the approach to climate change.

The CTA approach to climate change is defined by the questioning of the development model applied in Argentina (CTA, 2007; 2009). CTA argues that Argentina is in a development process based on transgenic soybean monocropping, open-pit mining, deforestation and an industrial sector based on the automobile industry (CTA, 2007, p.64-65). The key to solving the climate crisis, in Argentina and beyond, is through changing this natural resource-based exploitative system, which produces high carbon emissions and concentrates wealth in a few hands at the expense of the majority (CTA, 2009, pp.22-23). Moreover, and considering the presence of a secretary of aboriginal people, CTA also incorporates into its demands the need to focus attention on the problems the development model produces within the local populations (displacements and pollution), requesting to promote the alternative vision of nature and development that indigenous groups have (CTA, 2009, pp. 23). The CTA proposal is based on a rejection to climate solutions based on the presence of transnational multinationals that are all-of-a-sudden pro-sustainability and that do not incorporate the need to radically change the overall structures of the current productive and consumption systems.

CGT has a significantly different outlook to climate change. Instead of questioning the overall development system itself, the CGT is in line with the International Trade Union Confederation (ITUC) and other major international groups, in making the system 'more sustainable'. The CGT has signed several agreements with the Argentine government, specifically with the Secretary of Environment and Sustainable Development (SAyDS, 2005), in which the confederation is compromised to explore together with the government, initiatives to promote sustainable projects in key sectors of the economy (especially transport and construction). As outlined by the CGT it places its "hope in the capacity of a 'green economy' that will maintain decent jobs and ways of life for everyone" (CGT URL). Moreover, it promotes the vision that the main responsibility for climate change is on the developed countries and society, who bare the major part of current gas emissions (CGT, 2012), therefore aligning itself closer to the Argentine government position. Within its perspective of promoting a green economy, the CGT has several projects for labour-training in renewable energies, mainly through

the Construction Workers Union (UCRA), which has implemented capacity-building programs on sustainable house-building, solar energy and recycling (UOCRA URL).

These two visions presented by the CTA and the CGT are expressed in their interventions at the NSCC. While the CGT has had a mainly collaborative contribution through joining government-sponsored training programs, the CTA has confronted on several of the actions proposed at the NSCC. The CTA has proposed five main subjects that should be included in the NSCC: a just transition<sup>1</sup>, gender dimension, indigenous people's perspectives, coordination of evaluation methods for climate impacts, and the inclusion of the concept of food sovereignty<sup>2</sup> (CTA, 2011). The CGT has not presented a specific document with its demands, but has supported some of the ones made by the CTA. CGT is supportive especially of the idea of a 'just transition' to be incorporated into any climate change adaptation and mitigation policies (CGT, 2012). However, the CGT has been more in line with the project of utilizing international funds to use for training programs within the different sectors that are represented in the confederation. The CTA has had a policy of rejecting these programs from the start. Furthermore, even though the unions agree on the overall idea of a 'just transition', their understanding about how the transition will look like is significantly different.

In spite of the different approaches to climate change, the CTA and CGT have actually found in the climate change debates a point of common action that is nearly impossible in any other topic of national relevance. During their participation at the NSCC, they have mutually supported each other in their proposal. A witnessed of this is the coincidence in pushing for the introduction of the concept of a 'just transition' within the government strategy, and the push for the inclusion of food sovereignty instead of 'food security' as a project to be guaranteed by the state. The reason behind this cooperation is multiple, but we can underline three major ones: first

1 The *Just Transition* is a concept promoted by the International Trade Union Confederation (ITUC) which refers to the need to guarantee that the transition to a low-carbon emission, so-called 'green' economy, is going mean no loss of employment (ITUC, 2008), and it will take into account the effects on employment from climate induced disruptions and the effects from the implementation of adaptation measure (ITUC, 2008, p. 4). This concept has been presented by trade unions throughout the world, and has been adapted to the COP during the Cancun summit in 2010.

2 *Food Sovereignty* is defined here at the "right of people to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporation (Patel, 2009, p. 666).

is the participation of technocratic staff on behalf of both the CTA and the CGT, avoiding the presence of main leaders that can lead to confrontation; second is the fact that, despite increasing relevance, the debates around the NSCC are not the main priority for either of the confederations; third is that overall both of the labour organizations agree that climate change can affect workers and therefore should collaborate on creating a policy that will adapt to it.

The positions taken by the CTA and CGT are not unique within the labour movement. As outlined by Jacklyn Cock (2011), within the labour movement there is contention about the notion of a 'just transition'. There are those with a minimalist position who emphasize shallow, reformist changes with green jobs, social protection and consultation. On the other hand, there are those who promote with an alternative notion that involves transformative change; including an alternative development path and new ways of producing and consuming (Cock, 2011, p. 238). These two positions presented by Cock are exactly the perspectives of CGT and CTA. While CGT hold a defensive, minimalist approach; CTA intends to present an alternative development model that significantly alters production and consumption.

Through this debate, the CGT positions itself within the framework of the proposals put forward by the ITUC, which emphasize the possibilities that a 'green economy' offers for creating decent green jobs (ITUC, 2012). On the other side, the CTA is actually closer aligned with social and indigenous movements such as the Landless Workers Movement (MST) of Brazil, who propose an alternative model that confronts the idea of a 'green economy' within the current financial capitalism that is behind the entire process (Lander, 2011). This differing positions becomes clear within the NSCC process, where CTA is consistently demanding not only that adaptation measures are incorporated, but also that the government reviews its development policy entirely, while the CGT looks to collaborate with adaptation policies especially in the sectors where its interests are at stake.

### ***3. The government positions and climate change***

During the last decade, with the same party in the government, Argentina has held relatively confrontational positions at the international level regarding climate change. The government has confronted with the major countries responsible for gas emissions and presented its positions

in line with the G-77, the major group of developing countries. Moreover, on specific occasions, such as during the Cancun COP16 in 2010, Argentina put forward the pro-labour proposal of including the concept of a 'just transition' in the official negotiation (SAyDS, 2010). This gained it much praise from the labour movement in the country, and internationally, since it was the main demand the ITUC and the Argentine unions had for Cancun (ITUC, 2010). Moreover, in the recent Rio Summit, the Argentine position was also considered confrontational with regards to the main discourse since it opposed the idea of a green economy that would solve the environmental crisis (Página 12, 2012, June), and challenged the overall intention to "make the developing countries pay the cost of the global economic crisis" (SAyDS, 2012).

The Argentine government is sceptical of the proposal of a 'green economy' for three fundamental reasons. First is the fear of developed countries applying a 'green protectionism' (Perez Flores & Kfuri 2012, p. 16). This is basically using a sustainability discourse to protect their economies from imports from the developing world. Argentina as a large producer of transgenic soybean could, according to this perspective, be significantly affected. The second reason is that if there were to be an agreement regarding the promotion of a global green economy, this should incorporate the transfer of technology and resources from rich to poor countries (Perez Flores & Kfuri, p. 16). The government and this is supported by many other developing countries, also fears that the promotion of green investments will not include the transfer of the appropriate technology and therefore make developing countries even more dependent on imports from the industrial economies. The third and last major objection is about responsibilities. Argentina is set to defend the position that in order to discuss strategies to lower carbon emissions, developed countries have to accept their largest responsibilities in producing it (Perez Flores & Kfuri, p. 17). Therefore there has to be a first step taken by developed countries before the entire world commits to the idea of a green economy. With these three main areas of contestation, the Argentine government positions itself as 'championed of the weak' when it comes to international negotiations. However, there is absolutely no questioning of the development model it applies inwards. Further, the international negotiations are used as a tool through which the government can claim, it is definitely committed to sustainable development.

During 2012, several debates regarding the development model applied in Argentina have surfaced due to contestations coming from civil society to the government. There are two main cases that have shown that the international position of the government on sustainable development does not hold at the internal level: the open-pit mining conflicts in several communities in the Andean region; and the trial against massive fumigations in towns located close to the soybean plantations. These two cases of protest and contestation are the representation of a development model that is not precisely defined by its sustainability.

Open-pit mining projects have existed since the 1990s, but have boomed during the Kirchner administrations (Bonasso, 2011; Svampa, 2011b; Svampa 2011c; Basualdo, 2012). These projects are located in the Andes Mountains and they are characterized by the opposition of the local populations, since it absorbs most of the water supply of the areas for those specific projects and does not provide employment opportunities to locals (Bonasso, 2011). Moreover, the open-pit mining is dominated by transnational companies that contribute only three per cent of the total earnings to those provinces, and the main process of adding value to those minerals is not done in the country but rather in the industrial north. The main problem with the mining projects is that they undermine the largest sources of water in the region since they are all located nearby glaciers (FARN, 2010). Open-pit mining is based on large scale explosive devices that can put at risk major water supplies.

Soybean production has also exploded during the Kirchners' administrations (Lapegna, 2007; Rodriguez, 2010) with the extension of the agricultural frontier to areas that were not involved in large-scale agriculture in the past. The predominant mode of production is based transgenic seeds, mostly from the multinational company Monsanto and its 'roundup ready' product (Lapegna, 2007). The expansion of the '*modelo sojero*' (soybean model) has increased the overall capacity of the state to finance pro-poor programs through direct tax on soybean exports, but at the same time it has produced profound social dislocations in the areas directly affected by the production (Aranda, 2010). The recent trial engaged by members of the Ituzaingo neighbourhood in the province of Córdoba is a demonstration of the serious dislocations that the large-scale, unsustainable, production of soybean produces in the local populations. The so-called 'Ituzaingo trials' began when the residents of the neighbourhood in the proximities of a large soybean field noticed a high presence of cancer in the youth population (Página 12,

2012, August). The trials ended up condemning the fumigations and the use of agro-toxics in the cultivation of soybeans, in the first such sentence in all of Latin America (Página 12, August 21).

During the debates surrounding mining projects and the case of the transgenic soybean production, the government positioned itself as a firm supporter of both productive models. In particular with the case of the mining companies established throughout the Andes provinces, the national and provincial governments have firmly supported the projects and showed themselves as close allies of the multinational companies present in those areas (Bonasso, 2011; Iuorno, 2011, p. 23). This standpoint confronts with the international position taken by the government as a promoter of sustainable development. In its call for the formulation of the NSCC, the Argentine government makes clear that the speech given by the then-President Néstor Kirchner at the COP10, even though it called for assuming everyone's responsibilities, "does not constitute in itself a commitment, while Argentina will continue to contribute to the construction of a just and efficient climate regime" (Presidencia, 2007, p. 17). This small paragraph inserted in between all the calculations and reports regarding conditions in Argentina, is the best possible example of the positions taken by the government. It promoted a progressive policy outlook at the international level, even considering the need to incorporate the demands of labour and civil society, as it did during the COP16 in Cancún with the 'just transition'. At the time of implementing those compromises and producing a comprehensive policy of adaptation and mitigation, the government has not followed the rhetoric upheld in the UN-FCC conventions.

The trade union movement has been divided regarding the development model implemented by the Kirchner administrations, and the positions taken at the NSCC debates are a clear representation of these diverging views. CTA has been an opponent to the implementation of the mining projects and it has been a significant factor in the trials against agro-toxics. On the other hand, the CGT has been a firm supporter of the mining industry, especially since it affects an important element of its affiliates, these being mining workers and transport workers. Similarly, on the issue of the agribusiness debate, the CGT has either supported it or remained silence, especially during the mandate in the confederation of Hugo Moyano, the head of the truck-drivers union, a central element in the overall agribusiness strategy.

#### **4. The discrepancies between the NSCC and the development model. Where do unions stand?**

Argentina is immersed in debates regarding reactions to the symptoms of climate change that already affect the country. The government has presented its positions in a somewhat schizophrenic manner, since it upholds a given rhetoric at the international level but implements a significant different view in its national development model. In this double discourse, the Kirchner administrations are placed in similar lines to other current left governments in Latin America, who claim to promote a counter-hegemonic model but cannot move beyond development models based on modernization theories (Escobar, 2010; Gudynas, 2012). The trade union movement is divided on its position regarding the need to adapt the development model, between a sector that promotes a radical change of productive and consumption systems (the CTA here), and the other which intends to adapt the current model to more sustainable ways (the CGT).

The NSCC was promoted since 2009, but for the time being it has only worked to receive international funding for specific, small-scale sustainable projects and to present the government's position as negotiated with civil society. From the thirteen points of action that the NSCC calls for, the government has yet to implement a single one of those items. At the moment the NSCC is still in a consultation period, one in which civil society has a small participation and the major part of the decisions are taken by the government ministries. Moreover, the drive towards completing the NSCC for its implementation has actually been stopped after the Río+20 summit, when the negotiations did not lead to any specific measures to be taken by the governments. The extension of agribusiness, including the recognition of intellectual property rights to Monsanto's new transgenic seeds, and the promotion of further open-pit mining projects and non-conventional oil extraction, are a clear declaration of the large space between rhetoric and practice in the case of Argentina.

The Argentine government, as other left-oriented governments in the region, is oriented towards a neo-developmental state that focuses on resource extraction and export to finance social policies for the poor (Gudynas, 2008; Gudynas & Acosta, 2011). This model has im-

proved the socio-economic condition of the urban poor and produced a tremendous economic growth over the last ten years throughout the region (Gudynas, 2012, pp. 129-130). The promotion of a development model based on resource-extraction has led also to large contradictions to the inside of Argentine society. The improved life of millions of poor is taking place at the cost of serious socio-environmental dislocations that can have negative effects in the medium and long run. The National Strategy for Climate Change is an opportunity, for the moment, missed by the government to rethink its development policy. The trade union movement opposed to this development paradigm has had serious difficulties in exploring an alternative to that development model. The lack of a clear alternative has driven the discourse of the government to deepen resource-extraction based development.

#### **An alternative path?**

The search for a transformative alternative path to development has not yet produced a real alternative that can attract the attention of governments and populations. The trade union movement is immersed in that dilemma of whether or not to support the current model given the lack of practicable alternatives. The CGT has been a firm supporter of the 'green economy' proposals upheld at the international level, especially in proposals such as the one put forward recently by the ITUC (2012) in partnership with the Millennium Institute, for investing two percent of the GDP to the green economy would create millions of decent green jobs throughout the world. The CTA, on the other hand, has presented certain alternative ideas throughout the NSCC process (such as the promotion of food sovereignty and the defence of 'common goods') but has not produced a holistic alternative vision on development that can convince the government, and even its own members.

There are intellectuals and socio-environmental movements that have searched for alternatives within indigenous forms of organization. The 'Buen Vivir' (good living) vision outlined by indigenous groups in Ecuador and Bolivia is a significant contribution to an alternative conceptual tool. The 'Buen Vivir' refers to the fulfillment of need and the improvement of living conditions for everyone through living in peace and harmony with nature, fully respecting its rights (Simbaña, 2011, p. 219). This vision was put forward throughout the struggles against neoliberalism in the Andean countries, and has now been incorporated into the new constitutions of Ecuador and Bo-

livia. The concept implies the re-organization of society and the State, towards incorporating the lifestyles and visions of local populations who live in harmony with nature (Simbaña, 2011, p. 223). Similar theoretical concepts have been presented elsewhere (see Rada, 2011; Gudynas & Acosta, 2011), but the main problematic remains on the modes of applying these concepts to the macro-level of society. That is, in practice, how the state should look like under an alternative path to development, that can still satisfy the needs and improves the lives of the majorities. The 'Buen Vivir' is a concept still in construction, and so is its application to concrete policies.

As Arturo Escobar argues, Latin America is indeed at a crossroads, with a double crisis: "the crisis of the hegemony of the neo-liberal modernizing model of the past three decades; and the long *durée* of the more than 500 years of hegemony of the modern project since the Conquest, that is, the crisis of the project of bringing about modernity to the continent" (Escobar, 2010, p. 7). In this process, leftist government that were elected out the struggles against neoliberalism have produced post-neoliberal policies that have the state at the centre of policy making, but have not significantly challenge the "hegemony of Euro-modernity" (Escobar, 11). This is due to the political process that has shifted the orientation of the State, from retrieving its role in the economy during the 1990s to a firm intervention in the present, but has not questioned the fundamentals of development.

The trade union movement is also at a crossroads. Trade unions such as CTA put forward the view that the government needs to produce transformative policies that redress the socio-environmental problems and contradictions the current development model produces. Through holding this standpoint, the CTA has remained in its historical position closer to being a broad social movement rather than a labour-specific one. However, the predominant issue remains the lack of an alternative to the current development model. The CTA has already gone beyond the nation and the workplace as a basis for its standpoints against the global idea of a 'green economy'. However, it remains to do so in terms of developing a vision of an alternative social and economic order that improves livelihoods while keeping a harmonious, sustainable relationship with the environment. Both the trade unions, the CGT and the CTA have upheld throughout the consultations of the NSCC that any policy needs to consider a 'just transition' as a fundamental element of changing development policy. It is necessary to fill in the gaps of how that 'just transition' could look like, and towards which model it should transit.

This essay has presented the formulation of a National Strategy for Climate Change as a representation of the positions taken by the Argentine government and the trade union movements regarding the need to adapt to climate change. The overall perspective presented here is that the NSCC is a representation of a broader debate regarding development model. The strategy has been used by the Argentine government to continue its international commitments while not producing any significant change in the productive structure of the country. The NSCC has also presented the opportunity for the trade union movement to present its own, diverging, visions on development. The CTA and the CGT present two different ideas of how Argentina, and the world, should adapt to the current global situation. The main dilemma remains for those sectors, among which the CTA is engaged, that claim the need to radically transform the economy, but have not been able to produce an alternative model for that transformation to happen. Until this takes place, the development debate will continue to be dominated by arguments on superficial standpoints, while the discussions about deeper transformations remain elusive.

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## **Abstract**

The increasing relevance gained by debates about climate change has produced new policies and engaged actors that were not present before. In the case of Argentina, the government begun a National Strategy for Climate Change which is meant to fulfil its international compromises with the conventions and protocols signed. The NSCC has been the space in which the government and the trade union movement presented diverging views on climate change and on the need to redress Argentina's development model. The Argentine government has been active at the international stage presenting itself as a progressive force, challenging the views of the industrial countries. However, Argentina's development model remains largely based on resource-extraction. The trade unions are divided on their views on climate change and development, some upholding a minimalist perspective, looking for adaptation within the current structures; while others are calling for a radical transformation of the productive and consumption systems. The NSCC process has then opened a debate that exposed the fundamental differences between the international and local discourses of the government, and it has also exposed the differences between two opposing views on development within the trade union movement.

## ***Part 2***

### ***Labour conditions***



# Domestic Integration and East-West Dualism Regime of Labor: Production, Relocation, and Migrant Workers Working At-Home in China

Hao Zhang<sup>1</sup>

## ***I. Background, Globalization Debate, and Questions Emerged***

Against the background of the economic crisis (2008/9) – interwoven with the appreciation of *yuan*, labor protectionism legislation of the central government (2007/8), increase of minimum wages (2010/1) and labor costs, the shortage of labor in the coastal regions in the East China, and the relocation of foreign direct investment to the Southeast Asia (e.g. Myanmar, Vietnam) – there has ushered a new development model in China in recent years. Different from that one characterized as “rural-urban” dualism that has dominated the first thirty years’ reform (Arrighi & Zhang, 2010), the new model seems to have formed a new dualism that takes advantage of the East-West divergence in socio-economic conditions. New phenomenon has signified this dualism as industrial upgrading in the East and in the production relocation (especially the traditional low-end sectors) to the West.

East-West bifurcation is nothing new itself. The migration of peasant workers has also featured the flow from the West to the East, more than from the rural to the urban.

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On the other hand, the whole globalization agenda has always been featuring spatial fixes of capitalist production (Harvey, 2006). From here emerges another question, as whether this on-going process is simply an extension of the whole globalization agenda to the inner-land China. Is the emerging regime of labor in the West under this process simply a replication of what has been going on in the East in the previous 30 years? These are two major questions that I would like to address in this paper. Besides, the spatial-temporal debate on globalization has long been centered on the state's role, namely, whether globalization is a purely capital's agenda or a course with states' active construction. David Harvey (2006) and Beverly Silver (2003) decipher globalization as a capital-driven process where capital actively seeks spatial, technological, sectoral and financial fixes on a global scale, in order to restructure coherence for the capitalist accumulation. On the contrary, another camp sees globalization as a politically-induced process. Represented by Linda Weiss (1997), this camp argues that the notion of powerless state is fundamentally misleading, whereas globalization is often the "by-product" of states promoting the internationalization of state capacity.

To resolve both the debate and the questions of my concern mentioned above, I need a conceptualization tool to frame these two issues together. I found the conjunctural analysis suggested by Rosenberg is a great approach to perform such a work. According to him, conjunctural analysis is "a form of historical explanation which seeks both to explain particular events and ideas, and, to map the movement of a period as a whole, by relating them to the working out of a dominant combination of causes" (2005, p. 29). Adopting such instrument, in the following section I try to map and give explanation to the on-going process of production relocation to the West China and the former migrant workers' working at hometown currently, as part of the world-historical capitalist accumulation. In the third section, I restructure this living story within several significant theoretical debates in the labor and development fields. By responding to the debates and answering the questions raised above, East-West dualism labor regime has been suggested and roughly depicted. The new dualism also has interesting implications for some existing theoretical debates and puzzles, which have also been discussed. The fourth section concludes the paper with some final remarks.

It is noteworthy that by using the notions of East and West China, I have no intention to create any ideal typological framework. The East and West

China just respectively represent the traditionally labor-receiving while recently production-sending vs. traditionally labor-sending and recently production-receiving regions in China. These two processes – production relocation and labor migration – do largely happen across the geographical boundary between the East and West China, but not exclusively. Therefore the East-West dualism should not be taken either as rigid or any ideal type of geographical division of labor and production in China.

Before unfolding the whole story, I also would like to draw the readers' attention to the fact that the whole paper is based on my consistent observation on production and on labor relations in China for the past ten years – including extensive fieldworks in China since 2007 – instead of a systemic research that starts from purposeful strategies of design. Therefore, what I am doing here is more proposing a research agenda (hypotheses) than actually testing those hypotheses. Further empirical works are definitely necessary in order to confirm or to refuse them.

## ***II. A Conjunctural Picture of Production Relocation to the West: Push and Pull***

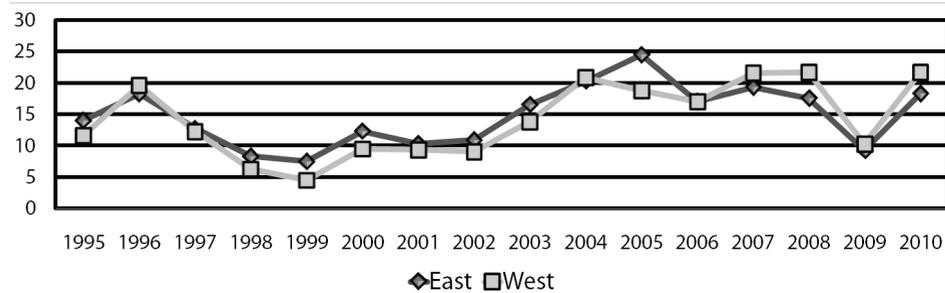
The East-West dualism in economic development has long been a socio-political issue in China. It is on the central government's political agenda as a national strategy to "utilize the surplus capacity of the East to develop the economy and society of the West, (and so as) to strengthen the national defense"<sup>2</sup>, dating back to the beginning of the 21st century. Nonetheless, this strategy has not come into significant being until recent years. On the other hand, the regional developments as well as national policies have long been making use of the East-West dualism, with the flow of migrant worker from the West (especially those heavily populated provinces) to the coastal regions' workshops and construction sites as a significant example. The peasant workers have amounted as many as 242 million, 153 million of whom are migrant workers by the end of 2010. The migrant workers have become major composition of certain industries such as low-end manufacture and construction in the coastal regions.

After saying that, the great tidal wave of production relocation has only been evident recently. Figure 1 shows the longitudinal GDP growth by

<sup>2</sup> Online resource: <http://news.sohu.com/20100110/n269474231.shtml>, Accessed 6 May 2012.

regions (West and East China<sup>3</sup>). We have seen that the economic growth of the West has not surpassed the East until 2006. Figure 2 shows the total output of industry as percentage of GDP by region. The West started growing faster than the East ever since 2006 and almost caught up with the latter in 2010. Figure 3 uses the same data but the total output of industry plus construction sector<sup>4</sup>, it shows a similar trend whereas by 2010 the West has already surpassed the East. Figure 4 shows the employment in industry and construction sectors as percentage of total employment. Although the converging tendency is not as clear as the production relocation, it does show a stagnation of employment in these sectors in the East recently, except for a rebound effect in 2010 when the labor market started to recover from the economic crisis. Being certainly not perfect indicators, these at least partially support my observation of the industrial restructuring (upgrading) of the East, the production relocation to the West, returning migrant workers to the West, and the fact that these phenomena have been evident and in large-scale only recently. In 2010, there has been 1,400 billion yuan output value transferred out of Guangdong, Shanghai, Zhejiang, Fujian (Gu, 2011) – four of the most developed coastal provinces (cities) in China, accounting 13.6% of the GDP of these regions in that year (Self-calculated based on the data from: NBS, 2011).

Figure 1 GDP Growth Rate (%)

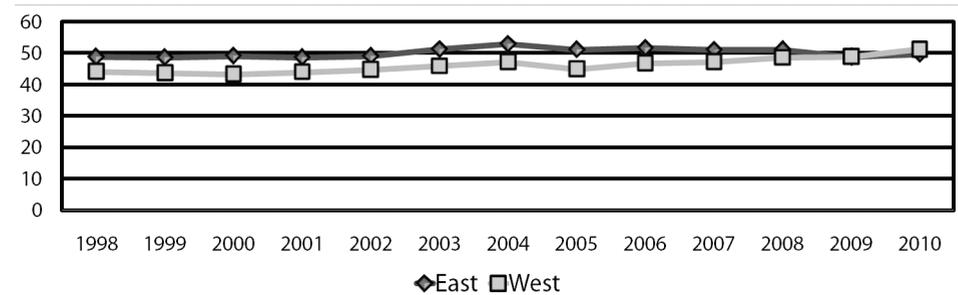


Source: Self-compiled based on the data from: NBS: 1996-2011

3 For the official definition of West and East China, please refer to the Appendix I.

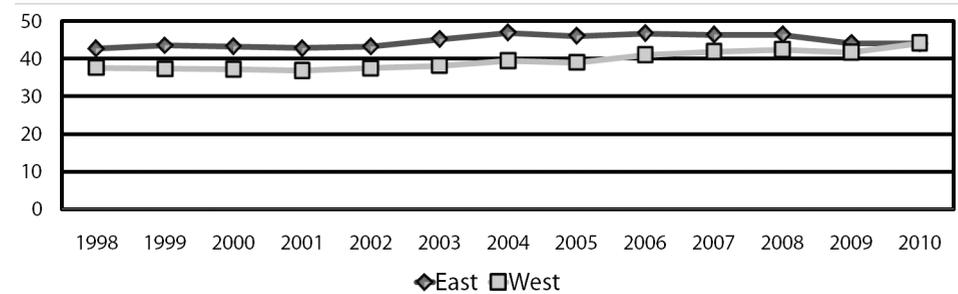
4 The traditional notion of the "secondary industry" in the official statistics in China is composed of both industry and construction sectors.

Figure 2 Total Output of Industry as Percentage of GDP



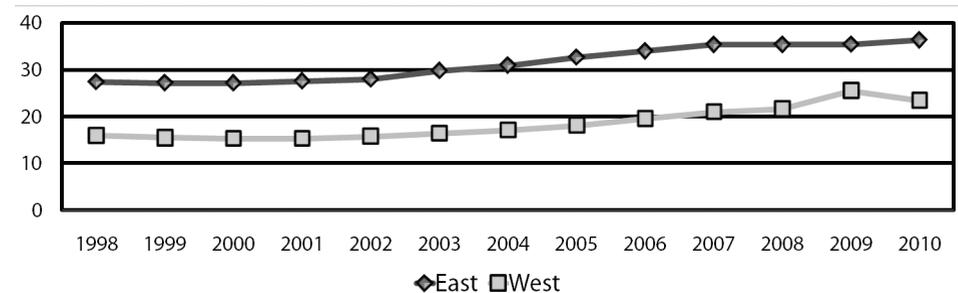
Source: Self-compiled based on the data from: NBS: 1999-2011

Figure 3 Total Output of Industry and Construction as Percentage of GDP



Source: Self-compiled based on the data from: NBS: 1999-2011

Figure 4 Employment in Industry and Construction as Percentage of Total Employment



Source: Self-compiled based on the data from: NBS: 1999-2011

### i. The “push” effect

So what is new after 2006? One can at least find five dynamics that have been possibly driving this process. First, the “Eleventh-Five Year Plan for Western Development” was approved by the central government in the end of 2006. As a national policy, this plan with a set of preferential measures must have played a great role on facilitating the industrialization of the West. But what explains the industrial upgrading and even deindustrialization latter on the East? Also, as known, the political structure in China features a decentralization power relationship, which grants regional governments the autonomy to adopt their own development strategies that can vary vastly from each other and the central government’s agenda. So there must be a role in the regional level regarding this trend. In addition, is this solely a state’s agenda? What roles have been played by the other parties, the capital and the labor?

This pertains to my second point that is a series of interwoven political economic changes ever since then, especially after 2007, and that have contributed to the adoption of the new development strategies by the four parties, i.e. the governments in both West and East<sup>5</sup>, the capital, and the labor. They are respectively, in a sequence of time, the appreciation of *yuan*, the pro-labor legislation by the central government in 2007/8, the global economic crisis in 2008/9, the increase of minimum wages in 2010/1 and the years-lasting labor shortage, and consistent industrial upgrading policies through this period in the coastal regions. The appreciation of *yuan* has caused problems for the export-oriented industries. Especially during 2008/9, in order to survive the global economic depression, many enterprises had to play the so-called “contract competition” strategy against each other. The central target is to guarantee the share of international market (contract) at the expense of profit. In this way, the enterprises have to share the costs brought up by the appreciation of *yuan* with the international buyers. Many uncompetitive enterprises failed to guarantee a minimum share in the market and therefore went bankruptcy. This explains the slight deindustrialization in this period in the East as shown in Figures 2 and 3.

The year 2008 was widely regarded as the “labor legislation year”, as a series of pro-labor laws and regulations entered into force in the year,

<sup>5</sup> To simplify the work and concentrate our attention, in this conceptualization phase, let’s just concern one uniform West government’s action and strategy and another one of the East.

marking a new wave of political reorientation in this period. The new labor legislations include: the Labor Contract Law (2007), the Employment Promotion Law (2007), the Provisions on Employment Services and Employment Management (2007), the Law on Mediation and Arbitration of Labor Disputes (2007), the Implementation Regulations for the Labor Contract Law (2008) and the Implementation Measures of the Annual Paid Vacation of the Employees (2008) et al. This was also believed to have increased the production costs for the enterprises by the pro-capital camp, who argued that the new laws have set too high labor standards for a country with cheap labor as its main resource of profit (Dong, 2007; Dong & Yang, 2007). This discourse was of particular salience in the crisis era.

The regular yearly-adjustment of regional minimum wages had been frozen by the central and local governments in 2009 in response to the burst of the economic crisis. As the economy started to recover in 2010, the central and locals begun to adjust the minimum wage standards again. In the first half of the year, 27 provinces (regions) had increased the minimum wages<sup>6</sup>. Since then, with the ever intensifying labor shortage in the East, enterprises had to pay much higher wages in order to recruit workers. Some of them adopted a strategy of operating at non-full-capacity. So in this period, even though more and more contracts were coming back, enterprises just took some of them, keeping only part of their machines running and a relatively small workforce. In this way, these enterprises still run in an almost non-profit level. Some enterprises, in view of these, started to think about transferring to the West or relatively low cost Southeast Asian countries.

One important strategy usually adopted is a gradually progressing approach, i.e. to transfer the low-end, non-just-in-time production to the West at first, and the rest within the following several years, enabled by but also depending on the progressing of the infrastructure building (e.g. industrial parks in the West, the logistics transportation system connecting the West and the East export harbors) and the degree of relocation of the general production value chains (e.g. part suppliers, raw material plants and suppliers). Being able to relocate all the production lines, many enterprises still want to keep their headquarters in the East site, as agencies are connecting the production and market.

<sup>6</sup> Online resource: [http://shishi.china.com.cn/txt/2010-09/14/content\\_3715735.htm](http://shishi.china.com.cn/txt/2010-09/14/content_3715735.htm), Accessed 6 May 2012.

Local governments in the East responded to this trend by promoting industrial restructuring and upgrading. Policies such as subsidies on mechanization of production processes (substitute traditional manpower-required positions with machines), innovation and brand-building have been enforced in many traditional manufacture-clustered towns in the East. In some big cities such as Guangzhou, a strategy of “headquarter economy” has been carried out by local governments, promoting the relocation of major industries out of the urban area to the suburban, industrial parks or to other regions. The main city has generally transformed itself into a cluster of headquarters, hosting mainly industry-service sector (finance, designer studio, innovative parks etc.), headquarters of brandname companies, and connecting production in other areas with international markets.

It’s relatively easy to understand that both the capital and Eastern governments have the incentives to carry out the economic structural adjustment agenda. What, however, is the rationale for inner-land governments and the labor to actively involve them in this historical process? In other words, admittedly there is consistency on the “push” side – the pursuing of low-cost and maximizing profits of the capital and the strategic response to economic development and production relocation – the “pull” side seems to some extent controversial if we ask some simple questions as: Same workers, doing the same work, and why are the labor costs so low in the West? The same production processes supplying the same markets with the same raw materials, and why are the production costs so low in the West? Furthermore, why are the workers now willing to work at home at much lower payments? Why can the Western regions take in the relocated production, which, when conducted at the Eastern regions, has already been almost non-profitable? In a globalization era with free labor and money flow, these questions probably cannot be answered by solely drawing on the traditional East-West dualism in economic development.

Answering this will also enable us to answer the question emerged in the previous section, namely, whether this historical process is purely a replication/extension of the old globalization story – characterized by offshoring production relocation to the East China from all around the world that has been going on for more than 30 years – or a new upgraded version of globalization, where we have observed all these domestic production relocation to the West China, to discussion on which I now turn.

## ii. The “pull” effect

Before going into this issue, I would like to make one point clear; that what have been relocated in this course are not only productions, but also all the social relations that are centered around the production and reproduction processes of labor and capital. Separating production from reproduction will disable us from seeing the full picture of the relocation process and therefore fully capturing the new labor regime in this process.

Another related, but different rut that we should discreetly avoid is the separation of class relations from other social relations in our analysis. I think this is important, despite the fact that orthodox Marxists might blame as losing the internal history when class relations are treated together with other social relations such as gender relations and the relationship to nature (Burawoy, 1990). As Maria Mies (1998) argues in her great feminist work, however

“If the emancipation of men is based on the subordination of women, then women cannot achieve ‘equal rights’ with men, which would necessarily include the right to exploit others”, hence, “a feminist strategy for liberation cannot but aim at the total abolition of all these relationships of retrogressive progress”, which means “it must aim at an end of all exploitation of women by men, of nature by man, of colonies by colonizers, of one class by the other”, and “as long as exploitation of one of these remains the precondition for the advance of one section of people, feminists cannot speak of ‘liberation’ or ‘socialism’”.

I, therefore, would suggest the same as Mies did in conceptualizing my process of production relocation. This process will not be seen as only another round of spatial fix of capitalist production in a broader scale, but ***a spatial-temporal reconfiguration of both production and reproduction processes, and all the social relations that are centered around these processes, i.e. the class relations, gender relations and relationship to nature.***

Adopting this view will help us understand the incentives of the “pull” side, namely the workers pulling themselves back to work at hometown, and the Western governments pulling the capital investment and production transfer to their regions. It will therefore also help us answer the questions raised in the end of last section. Bearing this in mind, in response to the question “why the labor and production costs in the West are

“low”<sup>7</sup>, I would argue that workers and production are simply made cheap. In other words, unitarily focusing on market-based productivity calculation, there is a tendency of both Western governments and workers, intentionally or not, ignore all the added social costs of reproductive labor and capital.

Firstly, *workers are made cheap via heavier exploitation of housewives and local communities*. Workers, when working at hometown, simply rely more their reproduction on households and on local communities. Migrant workers working in the East used to form a so-called “dormitory labor regime”, which features their strong connection to enterprise-provided dormitory communities. As a result of the enterprise-provided accommodation and food, most of their reproduction process are workplace-centered, within or centered around the dormitory-and-factory-defined workers’ own communities instead of local communities of the city (Pun & Smith, 2007). The reproduction processes, in this way, are nearly marketized – enterprise-provided food and accommodation are certainly part of an enterprise’s balance sheet, counted as labor costs and deducted from the workers’ wages (or market labor price). Even if a worker does not work and reproduce in a dormitory, e.g. renting an apartment and living with his/her families in the city, he/she in most of the cases still have to pay the reproduction by money, considering the fact that the unmarketized supports (e.g. broader family support, agricultural self-supplied products) they can get from a strange city is very few.

In comparison, the reproduction process in the West, when the workers are working at hometown, signifies the *demarketization of reproduction processes*. Reproduction now is centered around broader local communities, while the at-hand families and tight connection with local communities enable the workers to rely a bigger part of their reproduction process on the latter, i.e. household works and community supports in all forms (including but not limited to inter-generational supports beyond nuclear family boundaries). These household work and community support is not market goods in most of the cases. It’s not marketized and therefore falls into the GNP doctrine (cf. Kabeer, [1994] 2003), namely these goods produced by housewives and communities and consumed by workers are not part of the so-called effective demand, and therefore not taken into account in either regional

7 The average nominal wages in the West regions are lower than those in the East. See Appendix II for the evidence.

economic growth (measured by GDP or GNP) or enterprise production costs. They do not even often show up in a household’s balance sheet given most of the household work is hidden itself. The last point is especially true in peasant worker cases, considering a peasant family self-support most of their reproduction through agricultural work and products, in comparison to a city worker family’s reproduction which probably consumes more market goods. Most of migrant workers are peasant workers in China. But even in the case of a city worker, household work and community support still get intensified in a hidden way when a worker often needs to come back or even live at home.

So, workers’ incentive is actually endogenous, based on their miscalculation of family costs and benefits. Disguised by the market mechanism, workers (households and local communities) now have to pay for their reproduction without consciously recognizing the hidden costs. In this way, they feel (or rather their balance sheets show) that working at hometown takes much less. They thus form the illusion that “the living standard at hometown is much lower” and are hence willing to work at much lower wages than they used to in the East, whereas the truth is that the imagined “living standard gap” between the East and the West is much bigger than can be explained by the traditional notion of “East-West dualism” in terms of economic development (price level).

Secondly, on the regional level, *the West is simply made cheap via heavier exploitation of all production factors (labor, land, natural resources and environment, and even capital)*. Similarly, in the East, all the production factors have been to a great extent marketized after thirty years’ industrialization and development. By marketization I do not mean they are completely tradable in a free market, admittedly that the land, for instance, are still strictly controlled by the state, and that there are often such cases as state violence in removing people from the land in order to subsidize manufacturers. I virtually refer to the marketization as the fact of that all these factors have already been given relatively standardized prices, in the forms of labor’s wage, land’s rent, natural resources’ market prices, environment’s environmental protection regulation and tax, and capital’s interest rate. They are therefore shown in both GDP statistics of local governments and balance sheets of enterprises. One significant example is the industrial parks that many Eastern governments have been long planning. Many enterprises were encouraged (sometimes forced) to move from their traditional sites to

these industrial parks. They keep complaining about the rising operational costs in these parks because of the standardized prices of resources, environmental protection requirement and tax, and sometimes even land prices if an industrial park is hot in market. Financial sector is also relatively mature in the East. Since capital is not that scarce as before or as it is in the West, getting capital from bank or stock market is nearly well regulated and under strict monitor and macro-control (meaning higher money cost).

When the same production is relocated to West, however, all these factors are artificially *devalued or even demarketized* through government manipulation. Besides the demarketization of labor reproduction discussed above, Western governments manipulate the prices of all the factors in order to attract investment. They are willing to artificially depress the local labor standards, to turn a blind eye to the violation of labor and environmental protection laws. They are willing to let in the heavily polluting industries despite regulation constraints. They are willing to exempt the enterprises from taxation, while the first exempted are usually the social security and environmental tax. They are willing to provide very cheap and free land and even factory buildings. They are willing to let the enterprises exploit and utilize local resources at much-lower-than-market prices. They are willing to offer electricity and water cheaply or even for free. Sometimes they are also willing to offer cheap capital by bringing down interest rate and threshold for getting loans from local banks. All these capital-favoritism policies have virtually devalued and demarketized part of the production and reproduction processes of the capital.

All the above processes have actually constructed the so-called “shadow subsidy” (cf. Waring, 1989) to capital investment and economic growth, but at the expense of heavier exploitation of labor, housewives, local communities, environment and natural resources. The Western government certainly aware of this, intentionally overlook all these social costs, first of all, simply because of , their agent nature that makes them focus on short-term benefits, and secondly, the GDP myth in China’s system of evaluation on local government performance. Even though, currently there have been discourses such as “green GDP” or “scientific development” from the central government, but the market mechanism in nature tends to overlook those social costs (Kabeer,

[1994] 2003) and GDP is still the major criteria for achievement assessment of the locals. This GDP myth in political sphere and GNP doctrine in market economy jointly constructed the Western governments’ incentives to pull the production relocation to their home.

By far I have roughly depicted the living picture of production relocation to the West China from both push and pull sides, in a simplistic way. I will now turn to some ongoing theoretical debates in labor and development fields. Embedding this on-going process within these theoretical debates will allow us to find some interesting implication to the academic thinking.

### ***III. Domestic Integration and East-West Dualism Labor Regime: Implications for Some Theoretical Debates***

I found this conjunctural analysis has significant implications for at least four theoretical debates in labor and development studies.

#### **i. The globalization debate**

In response to the globalization debate brought up in the first section, i.e. whose is agenda the globalization process is, the production relocation specified here seems to show a both capital-induced and politically-induced picture. Not only the capital, but also the (Eastern and Western) governments have played significant roles in this process in seeking their own long or short term efficiency. The interaction between their efforts has formed a new nation-wide development strategy.

How to conceptualize the states’ role here? Weiss’ notion of “catalytic states” is inspiring, which refers to the states as those that actively adjust and participate in the globalization process via inter-state collaboration and domestic state-business alliance (1997). In my case, although it is insecure to speculate, by the time being that some sort of collaboration between the Eastern and Western governments have actually taken place there are some hints implying that the Eastern and Western governments (and even central government) at least have some incentives to facilitate such a nationwide development strategy. For the central government, they would of course like to see the production moved to the West rather than offshore. It helps to restore the cheap-labor advantage in China’s manufacturing industry, check-

ing the capital relocation out of China. It is also consistent with their national agenda of “Western Development”, so as to address interregional inequality and strengthen national defense in the West.

For the Eastern governments, industrial restructuring and upgrading would help them transform locals into high-end and broker centers. This will strengthen the East’s control of the production process and production chains, thereby enhance their competitiveness against Southeast Asian low-cost countries, and their bargaining power against global capitals. Such network-based production does not only benefit the East, but also the West, in that it creates quasi-“agglomeration effect” that promotes efficiency and productivity (Fan & Scott, 2003). We have seen in reality an interesting phenomenon that some pairs of East-West towns have formed, that is, a town in the West receives clusters of production relocation from another town in the East. This is not necessarily part of the governments’ agenda, but often facilitated by the workers’ traditional migration routes. Migrant workers feature originality cluster, namely peasants from a Western town, tend to go to the same place in the East. Such routes connecting two regions – one in the West and one in the East – might not be always clear, but definitely help forward the production transfer along the routes in the other way round.

## ***ii. Global Offshoring vs. Domestic Integration***

Still remember our question mark of how to conceptualize this production relocation process within the whole history of capitalist accumulation, and more importantly, within the globalization paradigm? The conjunctural analysis above has partially answered the question. At least it has shown us that it is an ungraded capitalist accumulation regime in comparison to the old globalization story. The new upgrades the old in that: Firstly, it utilizes all the production factors in the West, whereas the old one mainly exploits the labor through migration; Secondly, it does not only feature the industrialization of the West and deindustrialization of the East – which is pretty much similar to the old story (as shown in: Arrighi et al. 2003) – but also the strong connection (and arguably collaboration) between both, whereas the old story (e.g. production relocation from the industrialized countries to the East China) used to embody barriers to collaboration in terms of international trade protectionism or global labor competition for jobs. These barriers apparently don’t exist in this case.

I therefore term the two phases of capitalist accumulation respectively as Global Offshoring and Domestic Integration. The latter characterizes itself as exploiting the whole East-West dualism, in comparison with the former as rural-urban dualism exploiting only the surplus labor from the rural and from the west. It is true that the East-West dualism has existed for long, but that “dualism” emphasizes the divergence and segmentation, while the one I am putting forward here highlights the integration and converging divergence between both.

How to then conceptualize the historical conjuncture of Domestic Integration? I find Harvey’s notion of “restructured coherence” provides insightful explanation here (2006). When the old coherence (utilizing the rural-urban dualism) has been nearly exhausted in the East – that migrant workers began to “vote with their feet”, simply quitting the game – the capital (and its agents, the capitalist states) at first tried to step up investment to the old framework by bringing up wages and strengthening labor protection. But this only led them to deeper crisis in that production cost increased while labor shortage still persisted. So they engaged themselves later in establishing new coherence (utilizing the East-West dualism), in order to regain hegemony in a broader scale. The new coherence has enabled the capitalist accumulation to be done based on the same (but sufficient) labor, the same production process, but at much lower prices. The restructured coherence is consistent with Polanyi’s association of struggles with commodification (cf. Polanyi, [1944] 2001), that is, the decommodification (demarketization) process specified above now functions in reducing struggles and restructuring coherence for capitalist accumulation.

**Table 1 Global Offshoring vs. Domestic Integration**

		GLOBAL OFFSHORING	DOMESTIC INTEGRATION	WHAT'S BEEN RESTRUCTURED
Labor	Production processes	Workplace-centered; Dormitory regime	East-West dualism regime	Production relations
	Reproduction processes	Workplace-centered; Marketized	Community-centered; Demarketized	Gender relations
Production	Production processes	Marketized production factors	Devalued and demarketized production factors	Production relations; Gender relations; Relationship to nature
	Reproduction processes	Domestic Integration as the reproduction of capitalist accumulation of Global Offshoring		

Source: self-compiled.

### iii. Implication for labor politics studies

This Domestic Integration paradigm has both consistency and inconsistency with the old paradigm that most traditional labor politics studies have been based on. It's consistent in that it's a new round of spatial fix of global production (as highlighted by Harvey, 2006) and world market (highlighted by Wallerstein, 2004). It's inconsistent in that all the social relations centered around production and reproduction processes have been reconfigured in the new time and space. So, how have these consistency and inconsistency jointly shaped the new labor regime in current China?

I have no intention to speculate the labor regime under Domestic Integration beyond the "East-West dualism", but such a new paradigm provides us a better way to answer several questions that have not been well resolved in the existing studies. Firstly, no major labor politics studies on

China has focused on both production and reproduction processes, while this paradigm gives equal emphasis to both, and furthermore the interactions of the two simultaneous processes.

Secondly, the new paradigm highlights the East-West dualism in labor politics. Existing studies have long been in favor of the notion of dualism. They have been either spatial dualism – rural-urban dualism (Arrighi & Zhang, 2010), within workplace dualism (Zhang, 2008) – or temporal dualism – traditional-new (Lee, 2007), first-second generation of working class (Chan & Pun, 2009; Pun & Lu, 2010; Pun et al. 2010). The East-West dualism provides a spatial-temporal angle to the dualism school.

Thirdly, among the fragmented pictures that different studies have depicted, two main elements are more or less a consensus on Chinese labor politics, namely decentralization and authoritarianism. The significant work by Lee (2007) has termed it as decentralized legal authoritarianism. That being said, while the authoritarianism part has been well played out – for instance, Chan & Zhu's study on footwear sector (2003), Zhang's study on textile and garment sector (2011) – the second dimension of decentralization has not been well elaborated in following studies. The Domestic Integration paradigm exactly focuses on cross-regional converging divergence trend; therefore the East-West dualism regime of labor depicted in this framework just offers such a perspective.

Last, but not least, the Domestic Integration paradigm takes a further step of the so-called deproletarianization process (cf. Bernstein & Byres, 2001) of capitalist accumulation. That is, in the Chinese context, as argued by the so-called "unfree labor" school, that the formation of capitalist working class after the economic reform is not via the Marxian type of dispossession, but rather has built up a class of "unfree labor" – migrant/peasant workers in China – as the main working force of modern industries (Arrighi & Zhang, 2010). The East-West dualism regime highlights a noteworthy variable in conceptualizing these unfree migrant workers in China, namely the **spatial-temporal distance that peasant workers work from home**. In other words, the East-West dualism pays special attention to the divergence between migrant peasant workers ("working off-home") and non-migrant peasant workers ("used to work off-home and now working at-home"), on which no major study has ever touched.

#### iv. Labor economics debate

This Domestic Integration paradigm also provides an alternative answer to the hot debate in economics on the labor shortage in the East. A debate concerning the so-called Lewis Turning-Point's (cf. Lewis, 1954) took place in China recently. One camp has predicted the coming of the turning-point, i.e. the exhaustion of the rural surplus labor and the closing of the rural-urban wage gap (the extinction of rural-urban dualism) (Cai, 2007). But, an evident puzzle for them (actually for economists on both sides) is that, while the labor surplus still exists in both the West and the rural (Han et al. 2007), the wages have already begun to go up in the East and in the cities. In other words, the seemingly contradictory co-existence of the actually widening rural-urban wage gap (Song, 2006; Golley & Meng, 2011), and the urban labor shortage is not explainable by Lewis' model.

Institutional barriers in the cities are one plausible and relative popular explanation (Knight et al. 2011). However, if most of the migrant workers have no intention to seek a permanent residence in the cities (Ren & Wu, 2006), and their identifications are in general mostly associated with the rural (Frenkel & Yu, 2012), why should they care about the institutional barriers in the cities? In other words, the institutionalism perspective has at best captured only part of the underlying story.

The major reason that Lewis model cannot fully explain the puzzle, I would argue, it is that the market-based on economic analysis tends to focus on the marketized costs/wages/prices, while ignores the unmarketized goods and costs.

Our paradigm of Domestic Integration on the reproduction processes in a community-based angle at least provides an alternative explanation to the incentives of the migrant workers to work at home at much lower wages than in the cities.

#### IV. Concluding Remarks

Signified by production transfer and migrant workers working at hometown, the Domestic Integration paradigm I have proposed here has featured both relocation of production and reproduction processes to the West China, and the reconfiguration of all the social relations centered around these processes in the new space and time. This paradigm has implied a new

agenda for academics in labor and development studies to shift their focus from the East to the nationwide, and from the traditional spatial or temporal dualisms to the new spatial-temporal dualism.

#### Appendices:

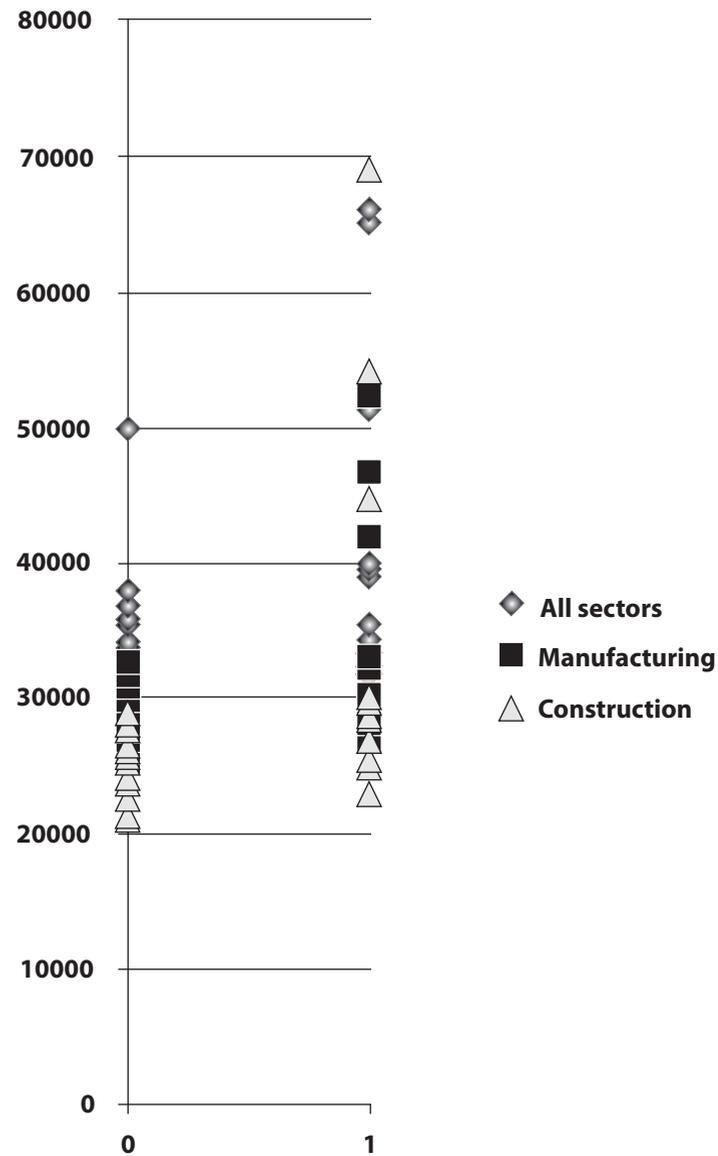
##### I Official Boundary between East and West China<sup>8</sup>



Source: self-compiled.

<sup>8</sup> This definition was firstly employed in the "Seventh Five-Year Plan", approved and promulgated by the National People's Congress in 1986. The East China includes Beijing, Tianjin, Hebei, Liaoning, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong and Hainan, in all eleven provinces (cities), as on the right side of the boundary. The official definition also draws a boundary between the central and West China. Out of simplification consideration, however, I here regard all the rest provinces (cities and municipalities) in these regions as the West China.

II Average Nominal Wages (yuan) in the East and West Provinces (Cities, Municipalities) in 2010<sup>9</sup>



Source: Self-compiled based on the data from: NBS: 2011.

<sup>9</sup> 0-West provinces (municipalities); 1-East provinces (municipalities).

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# Subaltern Engagements with the State: Informal Workers in India and Quests for a Democratic Politics of Policy

*Srinath Jagannathan*

## ***Introduction***

Spivak (1992) urges intellectuals to not assume that they know the 'other' and therefore can situate the other in terms of narratives of the oppressed. The marginality of the other emerges from a complex of injustices and violence that she has suffered. The attempt of intellectuals to represent these injustices can often destroy the embodied voice of the subaltern. According to Maggio (2007, p. 423) – “the representation of the other destroys the subjectivity of the subaltern.” Intellectual engagement with situated subaltern subjects therefore has to create a praxis that transcends representation. A reflexive situation of intellectual practice that questions one's own dominant practices of reading texts (Pyle, 2002), can be an entry to democratically engage with the multiple subjectivities of oppression. Intellectual practice, in this sense, does not provide an authentic or a singular reading of the texts of oppression, but seeks to plurally access these subjectivities in as many ways as possible.

Subaltern studies in India has tended to look beyond dominant nationalist trends, such as the political movement against British imperialism in the first half of the twentieth century, to access the embodied resistance of the marginal. As Chakrabarty (2002, p. 7) points out – “nationalist leaders would suppress with a heavy hand peasants' or workers' tendency to exceed the self-imposed limits of the nationalist political agenda by protesting the

oppression meted out to them, not only by the British, but by the indigenous ruling groups as well.” We extend the project of subaltern studies to today’s times, by seeking to access the oppression meted out by global and local ruling groups in a specific setting in Indian society, that of informal sector workers. After liberalisation of the Indian economy in early 1990s, the number of workers in the informal economy has increased, and their access to rights in the employment relationship has been declining (Harriss-White and Sinha, 2008). The site of the informal economy in India is thus a space where the intersection of state and policy can be seen as having the effects of exclusion and insecurity. One of the calls for a progressive policy orientation on behalf of the state was made by the Arjun Sengupta report (2007, p. 12) – “In this era of globalisation driven by the ideology of economic liberalisation, it is quite evident that the role of the state has changed ever since the decline of the Keynesian paradigm of macroeconomic management and its corollary of state-led development in poor developing countries. But the state’s basic responsibility towards provision of certain minimum conditions of work, including minimum wages and social security, cannot be brushed aside.” But does the provision of these minimum conditions of work meet the needs of a democratic politics of policy?

The nature of social relations that exist between subjects are an important site for determining the possibilities of democratic policy. In Spivak’s (1990, p. 96) analysis of Marx’s basic argument – “there is a possibility of suggesting to the worker that the worker produces capital, that the *worker* produces capital because the worker, the container of the labour power, is the source of value. By the same token is it possible to suggest to the so-called “Third World” that it *produces* the wealth and the possibility of cultural self-representation of the “First World.”” Extending Spivak’s reproduction of the basic argument of Marx to the informal economy, it is the informal economy which produces the conditions for the state and the corresponding politics of material evolution to exist. In that sense, the informal economy sustains the material edifice for the functioning of the state. This is a different way of looking at the intersection between the informal economy and the state than the one through which the Arjun Sengupta committee looks at it. The basic problematic that the Arjun Sengupta committee report addresses is to see how the state can help in the development and material progress of the informal economy. Reading Marx through Spivak, the ontological imperative of this problematic is transformed. The informal economy is sustaining the material resources and politics of the state. The state here is conceptualised

as the status quo of the political economy where the production of the material conditions of life and the governance of social relations occurs. The question then is – how can the unequal relationship between the informal economy and the state be democratised to erase the parasitic dependence of the state on the material disenfranchisement of informal economy workers? It is interesting to note the metaphors through which informal economy workers re-construct the state. Anjaria (2006, p. 2144) quotes from the voice of a hawker –

“They all come. Every one of them. They take Rs. 10 -20, sometimes more, clasp their hand in thanks. Smile. Nod their head. And walk away. They (the union leaders) tell us not to give money. But we are here. We have to be here. We know what we have to do, we have been here for 20 years. We say, when the dog barks, you must give it a bone. If the dog barks and barks without getting a bone, he will bite.”

Thus, one of the metaphors through which the informal economy worker reconstructs the state is through the embodiments of a violent dog. The state is situated as an agency perpetrating violence. The spatial paradox lies in the fact that the resources and material embodiments through which the state acquires its capacity to inflict violence have been obtained from the informal economy. Dietrich (1992, p. 1970) gives voice to this material paradox through the voice of a construction worker – “We are building houses for others but we are squatting on the sand.” Dietrich (ibid.) further comments on the insecurities experienced by construction workers – “This means that construction workers who provide housing and infrastructure for the whole nation, are to a large extent houseless themselves and never sure of their tomorrow. For instance the difficulty of registering a housing co-operative society of construction workers lies in their insecurity of employment, income and place of residence.” Thus, the issue before us is not the provision of social security to informal workers through the liberal magnanimity of the state. On the other hand, the issue is the problematic of achieving democratisation through the dismantling of unjust social relations which violently extract the material safety of the dominant political economy from the precarity of the informal economy.

One of the important moments in the democratisation of the relationship of the subaltern with the state could be the articulation of the subaltern that the dominant structures of materiality derive from subaltern labour. Islam (2012, p. 167) quotes the Brazilian thinker Oswald de Andrade to dem-

onstrate how the cultural self-representation of the first world derives from the materiality of the third world – “We want a Caribbean Revolution. Larger than the French Revolution. The unification of all effective revolts in the direction of man. Without us, Europe would no longer have its poor declaration of the rights of man.” Articulating the dependence of the oppressor on the embodied materiality of the oppressed is an important strategy in the radical politics of disrupting the current moment of unjust relations that constitute the state, and replacing them with a more democratic emblem of political community. Such a democratic emblem is necessary to counter a system that “is profoundly marked by internal processes of migration which implies mobility, flexibility and precariousness of labour conditions” (Morini & Fumagalli, 2010, p. 250). The need for a progressive democratic politics emerges from the fact that “the sustainability of life is externalized to migrant workers and this process allows the State to save money” (ibid.). The precariousness of informal workers sustains the material conditions of life of those within the formality of the economy, employment relationship and the state. The poverty of the informal worker finances the advancement of the materiality of economic progress. In many ways, the demand of informal or precarious workers to be part of this materiality could reproduce their marginalisation. Leonardi (2010, p. 264) quotes the analysis of the Midnight Notes Collective – “Worker’s demanded access to the requirements for reproduction through the credit system. Capital’s “sharing” with workers of accumulated value through making credit available comes at a price: the workers’ desires for access to means of reproduction (home, auto, appliances etc.) are aligned with capitalist’s desires for accumulation.” Thus, the call for material justice has to extend beyond the politics of consumption. What is required is perhaps a politics of democratising the state. We access the ways in which informal economy workers in India might be practicing the craft of such democratisation through their interventions in the spaces of policy that influence and govern their lives.

## Methods

We draw from our engagement with fifty informal workers in India between 2008 and 2010 to understand the discourses of policy and state that workers construct in order to survive regimes of exploitation and inequality. Our method of engagement with workers was that of unstructured conversations and participation in the enactments of resistance of workers such

as public demonstrations and meetings. One of the important struggles for informal economy workers in India has been for a place where they can live. Many of them live in slums or pavements in cities. While living in these marginalised sites, they are constantly assaulted by the authorities of the state. In the words of Padhi (2007, p. 73) – “institutions of state, including the judiciary, the police, as well as political representatives, construe the working poor as anomalous to what the city signifies, namely, beauty and civility. The construction of the working class as citizen outsiders is imbued with a strange paradox. While the city requires them to sustain and reproduce itself in a manifestation of what has been termed as the masked nature of modern citizenship it also pushes them out, physically and metaphorically ...” Thus, one of the sites of our engagement with informal sector workers was pavement communities in Mumbai. We participated in the struggles such as protest marches where these communities demanded access to housing, and freedom from the violence inflicted by the police and municipal authorities in repeatedly demolishing their homes, which they had constructed by tying clothes and plastic over their heads on the pavement. Some of these members from the pavement communities were cloth vendors who obtained used clothes by offering utensils in exchange to well off city households. Very little is known about informal sector workers engaged in marginal businesses. As Stoller (2002, p. 42) points out about an immigrant cloth vendor in New York – “Like most immigrants in places like New York City, the variegated texture of his life remained unknown. Most people who talked to him at the market knew little about his family, his past, his culture, his values, aspirations, or dreams.” Our effort was to engage with the layers of lived experiences of people living on pavements and engaged in a variety of livelihoods as street vendors by selling clothes, vegetables, garlands and toffees. Another site of informal work that we engaged with was waste pickers. Waste pickers also lead a very layered life with a complex of experiences informing their existence and actions. While commenting on the reasons due to which women became waste pickers, Huysman (1994, p. 156) writes – “The women who had previously worked as construction labourers gave several reasons as to why they had switched to waste picking: the work was too heavy; they had an accident at the building site; they could not combine the work and their household duties, or they were breastfeeding their children.” Our attempt while engaging with these workers, was to access culturally situated narratives, where the intersections of policy, state and livelihood could be understood in terms of the insecurities and injustices they produce.

Among the other informal sector workers with whom we engaged were rickshaw, taxi and tempo drivers, owners of street corner eating joints, headload workers, masons and tailors. While engaging with informal workers, we were aware that we would never be able to understand the meanings of their experiences with the same sense of angst and possibility. We were aware that we could only partially access knowledges of marginality of informal workers. While we are academics who have not experienced the same intense insecurities of home, livelihood, income and physical safety as many of the informal workers, through our engagement with them, we hoped to access some of the embodied enactments of these insecurities. Our effort was not as much to reconstruct narratives of the oppressed, but to engage in conversations where fragments of voices, experiences and memories could be politically made sense of. In a sense, ours was a search for reflexivity through a politics of being moved by the experience of embodied violences. As Hemmings (2012, p. 151) notes – “this question of process is a political as well as methodological concern, in that it seeks to enhance knowledge and create the conditions for transformation through an engagement with others across difference.” The sense of difference was sought to be accessed by us through inquiries about the life histories of informal workers, their struggles for education and livelihood, their possible entries into formal employment and the disappointing exits or exclusions that had been imposed on them. We also sought to enquire about possible moments in their lives when they might have felt that a sense of material security has been achieved, and the consequent sense of loss and pain when this security gave way to precarity. Being reflexive also involves the ability to “adopt an attitude of humility when being reflexive – focusing much more on others’ views (of us) than our own” (Carbaugh, Nuciforo, Molina-Markham & van Over, 2011). We attempted to develop a sense of humility through the practice of asking situated questions such as about the actors who had facilitated the livelihoods of workers, the politics of trust, bribes extorted and paid to municipal and police authorities, everyday practices of livelihood and aspirations about life and family. Through these situated questions, we hoped that others would see us as fellow subjects engaging in a shared politics of generating counter status quo meanings through subversive meaning making processes of everyday events. We hoped that in the process of these conversations, any assumptions of expertise through which we were seen could be de-privileged, and replaced by the possibility of collaboratively delegitimising discourses of power and violence. It is an attempt at moving beyond traditional

structures of meaning making through which movements towards just social relations could be imagined and enacted. This is an understanding of the dominant representational practice through which “so-called ‘realistic’ representations become labelled as ‘true’ not because of correspondence with objects but because they conform to orthodox and regimented practices of reading and writing” (Rhodes, 2009, p. 657). Following from this need of defying regimented practices of textualising state and society, the conversations also revolved around reconstructing society from the perspective of the inequalities involved in its making, contractualisation of work, the spirit of competitiveness that demanded ever more effort from the worker and the insecurity of being replaceable in the performance of work if the conditions of control were not adhered to. In this sense, we hoped to be seen as being engaged in the shared practice of critiquing the contemporary structuring of work. Through engaging in critical conversations, the attempt is to undo the exploitative habitus of inequality which we help in constructing. Habitus is often a part of our collective unconscious. As Adams (2006, p. 514) indicates – “The various characteristics of the habitus are enacted *unthinkingly*; that is partly what defines them as habitual. The ticks and traits of our established habitus are the result of an experiential schooling stretching back to childhood.” The undoing of a constraining habitus was attempted through an accessing of difference in the embodied memories of powerlessness, exploitation, enactment of voice, access to social commons such as healthcare and issues of injustice and alienation in our conversations with informal workers. A textualisation of these issues can provide us opportunities to interrogate the contradictions of our existence and move towards a politics of recrafting our social relations with each other.

Rather than the generation of themes, which interpret the data through a selective consolidation of meanings, we engaged in another analytical act of selective conversation with the data. We engaged in textualising the lived experiences in an attempt to situate the subjectivities of informal workers as counter movements to dominant practices of policy and state. The analytical attempt was to create a poetic politics which would problematise the existing contours of state and policy, to unravel their totalising intents and re-construct the lived angsts against the marginalisations inflicted by them. One of the methodological intentions of analysis was to access the spatialities of angst against the production of injustices. Skeggs, Moran, Tyrer and Binnie (2004, p. 1839) distinguish between space and place in the following terms – “The counterpart of the ordered, stable ‘place’ is ‘space’ which ... is defined

by vectors of direction, velocities and time variables; thus space is composed of intersections of mobile elements, actuated by the ensemble of movements deployed within it. Space is the effect produced by the operations that orient it, situate it, temporalise it and make it function in a polyvalent unity of conflicting programmes or contractual proximities.” We were interested in an analysis of textualisation by understanding the space where elements of state, policy, inequality and the impulse for democratisation intersected. For instance consider the narrative of an informal worker, who speaks about why he left school –

“I left school because it became difficult to sustain the family. If one person earns, and four people eat, then what can be done? And also in the school, teachers used to say – tie is not there, uniform is not there, shoe is not there, book is not there, bag is not there. How much can one person do? So I left the school. So I decided to help my family out even as a child.”

Analytically, textualising the lived experience of education here could take the turn a poetic subjectivity which pulls in multiple directions. Education is discursively fragmented in its lived sense between the pulls of uniforms, ties, shoes, books, bags and the dilemmas of food. Teachers become the inspecting sites of the absence of ties and uniforms, and not the enactors of a process of discovery and thought through a creative, emancipatory dialogue. The absence of shoes in the feet of the body also leads to the displacement of the body from the school as the space of education. The politics of the school is thus associated with a normalising notion of a dressed up, neat body, performing a spectacle of civil effort, an acknowledgement of the grammar of the modern institution, which ensures entry and provides intelligibility. The body, which is unclean, shabbily dressed, without books and bags threatens the stability of the institution, as it demands a different scripting of education. Therefore this body is expelled. Ambiguously, this very body is responsible for the inclusion of the dressed up body within the space of the school; for it is the labour of the informal worker in farms, homes and unregistered factories that provides garments; it is the paucity of wages of the informal worker which finances the affordability of clothes among other needs.

As enacted above, the analytical method of textualisation would reconstruct the experience through the pulls of different contradictory and unifying elements in selectively accessing a politics of marginality, a spatial process of producing the subaltern. The analytical process of textualisation

runs counter to “the predominant emphasis on highly selective anecdotal personalization” which “marginalizes feminist, ethical and social critiques” (Michelle, 2007, p.647) of the production of dominant discourses. Thus, narratives are not anecdotal personalisations of thematic re-inscriptions of phenomena but movements within fields of discourses that can reiterate and confront dominant grammars. The task of textualisation is to access performances through which inequalities are perpetrated as the binary splitting of spaces into politically unequal fragments, each reciprocally dependent on the other for its identification and material sustenance. Chatterjee (2011, p. 2573) indicates the performance of one such inequality in urban India – “In the performance of urban governance, deep spatial, class and ethno-cultural inequalities are manifested. Over the years, middle-class and rich Hindus from the past have migrated to west Ahmedabad as it prospered under the ‘globalisation efforts’ of neo-liberal entrepreneurialism. In Ahmedabad, neo-liberal entrepreneurialism manifests itself in the form of greening, cleaning, road widening and reclaiming land from slum dwellers for building hotels, malls, retail chains, promenades and amusement parks. In the quest for becoming ‘credit worthy’ the poor are ghettoised in decaying east Ahmedabad while the west is reincarnated as the shining face of globalisation.” We seek to access the production of such marginalisations in urban Indian settings through the narratives of informal workers. We also seek to access the possibilities through which informal workers may endeavour to democratise the state and policy through their political strategies and actions.

### **Subaltern Engagements with the State: The Context of Informal Workers**

A rickshaw is a vehicle with three wheels, which can be hired by passengers to travel to different parts of the city. Typically, many rickshaw drivers are migrant workers, and may not own the rickshaws they drive. They may obtain the rickshaws on rent and may only be able to keep the income that they earn in excess of the rent paid by them. But even when they are able to buy their own autorickshaws, they have to obtain a permit from the government or from another person who may own the permit. This process of issuing permits was brought in by the government to control the traffic by limiting the number of rickshaws that can ply on the road. Following is the narrative of a rickshaw driver that indicates the injustices at play,

'For the poor person, nothing happens easily. Everything requires money. Without paying 5000, 6000 rupees to the government officer, nothing happens. If you pay 10000 rupees your work will be done immediately. Suppose if you want to do the work legally, then they will teach you the laws ...

People need to be careful. Without being careful, nothing happens. Firstly, the politician needs to be corrected. Corrupt, criminal politicians should not be allowed to be in politics ...

I run an autorickshaw. I have a license, badge everything. But I don't have a permit. So I need to pay the permit holder 70000 to 80000 rupees to keep the permit for 36 months ...

These permits were given by the government earlier. We came in later. So permits were not given to us. So we need to take these permits on rent from these people ... I took a bank loan and bought the rickshaw. Even for taking the bank loan, I need to go through an agent. Otherwise I will never get the loan. The bank authorities will teach me procedure. Now every 3 years, 1 lakh rupee goes. Because the permit holder is again to be approached through an agent. So 10000, 15000 rupees needs to be paid to the agent. And there will be another 10000, 15000 rupees expense of maintenance ...

I have been in this line for 6 years. I did not have any other work, so I started driving a rickshaw ...

I used to work for a textile mill. So I used to go by train everyday, and come back. I was paid 100 rupees per day. I worked there for 15 years. Then the pay was also less, the prices were rising, the mill was also far away. So I decided to leave the job. I then joined the rickshaw line ...

See, if the permit is not there, what will I do with the rickshaw? So I have to sell the rickshaw. They may say that reduce this much for depreciation and then sell us the rickshaw. What can I do, I will also sell the rickshaw ...

But what I say is that the government must inspect who has currently got the permits. If people who are not autorickshaw drivers have got these permits, they must be told that their permits will be cancelled. Their daily log books must be checked, about where they drove the vehicles. Now if these log books are not there, many permits will be cancelled. In this way, 30000, 40000 permits can get cancelled. But the government will never do this. Therefore we have to buy permits from people. For 3 years there will be an agreement. Afterwards they will take their permits back, and the agreement paper will also be taken back by them ...

It hurts. I drive the rickshaw. But without doing any work they earn 70000, 80000 rupees every 3 years. But what can be done? Without a permit, the rickshaw cannot be driven on the road. The police constable will put a fine of 2000 rupees on you. Rather than paying that, it is better to pay for this permit ... I knew about these problems. But what can I do? I have to earn a living. So I accept all these

things. See everyday there are earnings of 200, 300 rupees, the vehicle is running, so I also keep doing my work ...

Earlier the gas used to cost 19 rupees. Now it costs 32 rupees. Within 6 years, the price has increased so much. When I had to change my rickshaw fuel tank from petrol to CNG, again I had to spend 25000 rupees. I have to stand in the line for 2 hours in the petrol pump to fill CNG. But the cost has increased a lot ...

Now it is extremely difficult. Prices have increased so much. It is very difficult to make both ends meet. With 5000 rupees every month, nothing happens. There must be an income of at least 10000 rupees. Now I have to control all expenses. Earlier I used to buy 2 kg tomato and bring it to home. Now I can't afford it. So I buy 750 gm tomato and bring it. I am telling what is the truth. This is the reality. The common man cannot stay in Mumbai. He can't afford it. Only people like the middlemen, the permit owners can afford to stay in Mumbai. They can live very easily ...

The farmer earns nothing. He will sell it for 10 rupees, and the middlemen will earn their profit, and it will become 20 rupees. It is the middlemen who eat the 10 rupees. If the goods came directly from the farmers to the public, that will still be good. But it does not happen that way. The third parties hoard materials. That is why the price increases. These are big people who are behind price rise. The middlemen need to be eliminated from the business. The law has become blind. It is the same case with me also. Every 3 years I give 1 lakh rupees closing my eyes. I can do nothing about it ...

I cannot ask for a reduction in the price of the permit. Nothing will happen because of that. They will say – get lost. We will give the permit to someone else...

Also, rickshaw drivers will never come together to fight for their rights. That will never happen. There is no unity among workers. It is the government which must bring in the legislation that those who don't drive their vehicles won't get permits. The poor people can do nothing. The permit holders are earning from two places. They have a job, they earn from it. Then they are giving their permits on rent, they earn from it. What will the poor people do? Prices are rising so much. Somehow we are managing ...

I don't feel afraid about the future. What can I do? Let the vehicle run so long as it is possible. It is for the government to regulate.'

Perhaps, when a rickshaw driver protests against the existing system of rickshaw permits granted by the state and articulates them as exploitative rents, what is at play is the call for a policy of inclusive deregulation, which is different from the neoliberal practice of selective deregulation. Another site of marginalisation and the performance of the neo-liberal city, is the demolition of the ephemeral homes of those who live on the pavement. People in the city live on the pavement by tying clothes and plastic sheets to the edges

of the pavement. These sheets act as precarious roofs for their homes. But even these homes are constantly assaulted by municipal and police authorities. In the words of one informal worker,

‘They tell us that we cannot stay here, that we should leave. In spite of having all the documents, they ask us to leave. They don’t look at the documents. They throw our utensils on the road. Sometimes there is food inside the utensils, they throw that as well on the road. They burn some of the things that we have. They throw the food grains that we have on the road. They chase our children from that side of the road to this side. They trouble us a lot.’

There are other elements of precariousness in living on the street. Another informal worker narrates this struggle,

‘We have to go to far to get water. Sometimes if we don’t get water from there, then we have to store the water from the rains and drink it. Earlier we used to fill the water from a nearby place. But now they charge us 15 rupees per can to fill water from there. So we have stopped filling water from there. We go to a far away place to beg for water. We earn only 35 to 40 rupees per day, in that how can we afford to pay 15 rupees for water? We do the work of picking garbage, and collecting items from the garbage that can be reprocessed and recycled. From the beginning we have been doing this work of picking garbage, we have been in the waste and recycling trade. Some of us make thread flowers into small garlands, others sell garlic, all of us do hard work to earn a living.’

Yet these marginalisations are not silently borne by informal workers. They contest them and register their protests against their production. Addressing a protest rally, an informal worker who was a grassroots level organiser said,

‘The demolition of the homes of the poor began to gather steam in the 80s. Some middle class and rich people started approaching the courts at this time. They started suggesting that the footpaths are meant for walking and not for poor people to live. Their right to walk on footpaths somehow started becoming more important than the right of poor people to live on the footpaths. It was at that time that some college lecturers started conducting a survey about who were the people living on footpaths. We found that several college lecturers themselves were living on the road. Some of these lecturers were from prestigious institutions. There were many workers who were living on the road. The city wanted the work of these workers – but did not want these workers themselves. We still find this thing to be a strange thing. We formed the footpath dwellers organisation to give a collective sense of identity to the people who were living in different parts of the city. And our struggle continues till today. We have a voice today, and the government cannot crush us unheard.’

Perhaps, when pavement communities resist their everyday demolition of homes by the municipality and the police, they are participating in a conflictual reconstruction of space that seeks to reclaim space as a social common and undo its cannibalist enmeshing as enclosed private or excluded public. There are other efforts which contest the cannibalist enmeshing of spaces as private and gated enforcements. For instance, taxi drivers in Mumbai have also been struggling for space through a demand for parking slots on the streets. Following is the voice of a trade union activist who has played an important role in collectivising taxi drivers,

‘The main problem today is parking. There is a provision in the rules for taxi stand. Now fifty thousand taxis are there. Then parking for fifty thousand taxis should be there. If the taxi driver takes the vehicle from his home, his area of operation is very vast. If he is driving continuously for three to four hours, if he doesn’t get rest for half an hour to one hour, if due to not getting rest, then his mental stress can increase. There have to be rest places at many places. If the rest place is not there then his stress can increase and he can make an accident. He can behave rudely with passengers. He can refuse them or overtake. In this way, stress can affect him in different ways. So, he must be able to rest for half an hour to one hour. This need is that of a public servant. It is not the need of an individual. He is doing a public service. Thinking like that, the government should make provision. According to Right to Information Act, I have sent the application to Road Traffic Office. I want all the information. Where have all the taxi stands disappeared? So, in all these things, government has not done anything. Six hundred and fifty two taxi stands have gone missing. Now, after it has gone missing since 1999, nothing has been done. No contract has been given. It has not invited any tenders, till today. Since 1999, taximen who are being troubled. Is the government’s sole role to punish them? Solve these problems, then discipline can come.’

When taxi drivers are able to obtain more parking spots for themselves on streets, they are arguing for a policy of shared governance which stands in contrast to the farming out of governance to technocratic elites. We discuss the democratising potential of these narratives in greater detail in the next section.

### ***Informal Workers and Democratisation of the State and Policy***

Informal workers are often accused of carrying out illegal enterprises, and their contestations indicate the struggle over policy as an interpretive device through which the state imposes grammars of legitimacy and illegiti-

macy on citizens. The democratising of the state can be ensured by listening to the voices of workers and engaging with their struggles which attempt to pluralise the interpretative device of policy and make it more progressive. One of the entries into the need for a more progressive policy is through indicating the linkages with economic efficiency. Sinha (2010, p. 16) points out – “countries with above average sized informal economies are more than three times as likely to incur adverse effects of a crisis as are those with lower rates of informality. Addressing informality is, therefore, not only a matter of concern in terms of social equity, but also important for designing policy paths for improved economic efficiency.” Yet as the narrative of the rickshaw driver indicates, democratisation of policy is needed not only for greater economic efficiency, but also for a sense of economic justice and equity. In situating history as a democratic dialogue with the subaltern, Chakrabarty (2002, p. 33) suggests – “The task is not to reject ideas of democracy, development or justice. The task is to think of forms and philosophies of history that will contribute to struggles that aim to make the very process of achieving these outcomes as democratic as possible.” As the rickshaw driver indicates, the performance of the law depends on access to money. Bribes become a mechanism of making the state responsive. Else, the state uses the same laws to create impediments for the actions of workers. If the state is performed through processes of law, and corruption is a composite of such laws, then corruption rather than being seen as an anomaly, becomes a part of the grammar through which the state sees and speaks. Corruption indicates a practice of the state, where its capacity to deprive and inflict violence is legitimised. The rickshaw driver’s critique of corruption is a process of unsettling the corporeality of the state, an act of fragmenting the state to show its contradictions. The rickshaw driver’s critique is an act of upsetting the dualism of the state – with justice as claimed soul of the state, and corruption as its imperfect body. Rather, in the voice of the rickshaw driver the soul of the state is an embodied artefact, and thus the state itself as a composite of contemporary social relations, is an anomaly. This is an anomaly that can be undone only through a radical transformation. The rickshaw driver sees the permit holders and the middlemen as the embodied reality of the state. He calls for a democratisation of this embodiment through a replacement of the permit regime with an alternative regime of regulation which respects the rights of rickshaw drivers. The absence of rights of informal workers results in the marginalisation of their bodies. Mohanakumar and Singh (2011, p. 66) comment on the nature of such marginalisations – “it was found that

in the initial phase of the crisis, workers trimmed their spending on their social life. This was followed by a reduction in expenditure on health and education. As the crisis persisted, they were left with little alternative but to cut down expenditure even on essentials like food, shelter, clothing. Further, distress caused by unemployment and a drastic reduction of incomes exacerbated domestic conflict, violence and depression, the brunt of which was experienced by women and children.” The rickshaw driver articulates these physical realities when he states that he has had to cut down on his expenses, including those pertaining to food. When he states that the common man cannot afford to live in Mumbai and therefore will have to leave the city, he indicates how the body on which the state depends for resources, is also paradoxically almost expunged by the same state.

The embodied abuse of informal sector workers is brought out even more forcefully in the context of those who live on the pavement. Their utensils and food inside them are thrown away, the things owned by them are burnt and their children are chased. And all this, in the context of contributing to the resources and functioning of society. As one of the informal sector worker points out, all of them earn a living by working very hard. The marginalisation of informal workers is closely linked to the practice of a repressive state craft. Scott (1998) describes four elements of such a state craft – the administrative ordering of nature and society, a high modernist ideology, the state’s capacity for authoritarianism and a prostrate civil society. In their attempt to democratise the state, informal workers contest all the four elements of such state craft. In spite of the state wanting to administratively order society, and thus wanting homeless, informal workers to go away, they refuse to submit passively. They struggle for their right to remain inside the city. They contest the high modernist ideology of the state by indicating its failure to provide even basic necessities of life such as water at affordable rates. While they acknowledge the state’s potential for authoritarianism, they refuse to construct themselves as a prostrate civil society. In fact they claim that their struggle cannot be crushed and their voice will not go unheard. The fact that society and economy depend on the contributions of informal labour is borne out by the fact that the contribution of informal labour to the Net Domestic Product is over 60 per cent (‘Informal sector in India’, 2009). Thus, informal sector workers are contributing to the development of the Indian economy. The other question of India needing to ensure developmental opportunities for informal sector workers constructs these workers as a passive collective. But these workers are not a passive

collective. They are engaged in a variety of livelihoods that are useful for society. Rather than developmental opportunities, what is required is the greater democratisation of the state and a sense of rights for them. Inequalities and marginalities exist, not because of the inefficiency in developmental processes, but because of the failures of democracy and the collapse of rights. In the context of the collapse of these rights, the adverse effect of the financial crisis was also strongly felt in the informal economy – “a rapid and dramatic drop in demand and prices for recyclable waste from the informal economy – metals, cloth, plastics and glass – more insecurity in contracts and greater delays in payment in informal textiles and garments production and reductions in days worked and wage rates in the construction industry” (Harriss-White, 2008, p. 141). The marginalisation of informal workers during the crisis is even more intense, as their lack of access to policies of welfare and social security ensures that the magnitude of their economic deprivation only increases.

The struggle of taxi workers is also for claiming a right to the space of the city. This sense of right over the space is directly related to their bodies. In the absence of adequate parking and rest spaces, taxi drivers feel a sense of fatigue and exhaustion. Eventually, this sense of exhaustion is going to affect the engagement with their passengers. The reasons for denying the rights of taxi drivers to the space of the city can only be seen as a process of the commodification of their bodies. Since their bodies are thought to be commodities owned by the privileged who can afford these services, a sense of material difference is constructed between these bodies. And the bodies of taxi drivers need not be given the same rights that others who ride in these taxis need to be given. What is happening to the bodies of the subaltern is indicative of the ways in which capital manages its crisis. According to Spivak (1990, p. 143) – “capitalism has its crises ... and the management of crisis takes place in the increased subalternization of the Other space.” An important aspect of the democratising tendency of movements such as that of taxi drivers is the oppositional politics they engage in. For instance, taxi drivers are engaging in oppositional politics by situating the state as being ignorant of its own positions – the inefficiency and disintegration in allowing more than six hundred taxi stands to disappear. This oppositional culture is very important in the context of what is seen as the decline of the relevance of mainstream unions. Broadbent and Ford (2008, p. 4) suggest – “As mainstream unions have been spectacularly unsuccessful in organizing

workers in part-time work, let alone the informal sector, the rapid growth of non-traditional forms of paid employment represents a now well-recognized threat to unions’ very existence.” In many ways the oppositional politics of subaltern workers like taxi drivers calls for an equality of contract between the state and the subaltern. Unless the state provides adequate infrastructure to taxi drivers such as parking stands, it has no right to take the punitive mantle upon itself. Some of the reasons for the violences inflicted against the informal sector can be discerned from the causes of the infliction of violence against the feminist condition. Salgaonkar (2007, p.119) articulates this in the context of informal women workers in India – “The subculture of violence theory states that the subordination of women to male authority is institutionalised in the structure of patriarchal societies, which consists of a social structure that gives women an inferior status, and a culture that serves to reinforce the acceptance of this order.” Similarly, the de-democratisation of the habitus of informal workers becomes necessary to assert a culture of inferiority on them.

Such a process of de-democratisation may involve the infliction of violence and marginalisation against informal workers. The resistance and struggle of informal workers involves the processes of democratisation of state through the contestation of policies that produce their marginality. Through the construction of collective discourses of resentment, informal workers prevent the legitimisation of dominant conceptions of the state. Their struggle inhabits the tension of democratisation even as they seek the construction of more inclusive policies and a stronger culture of rights. The attempt is to create a counter hegemonic practice through the oppositional politics of seeking a more democratic policy.

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**Abstract**

We draw from our engagement with fifty informal workers in India between 2008 and 2010 to understand the discourses of policy and state that workers construct in order to survive regimes of exploitation and inequality. We engaged with homeless, pavement communities in Mumbai who are involved in a variety of livelihood strategies such as exchanging utensils for used clothes, vegetable, garland and toffee vendors and waste pickers. By reading the struggles of workers for protecting and improving their lives and livelihoods and the specific demands that they make of the state, we suggest a pedagogy of policy generation that is embedded in everyday subaltern conversations. Policy is not a static textualisation of rights and standards but an everyday site of conflict and contest, through which workers can re-inscribe their situated milieus with a sense of justice and ethical agency.

***Part 3******National and International  
Unionism***



# Os desafios da União Europeia e do sindicalismo europeu

Rita Petra Kallabis<sup>1</sup>

## **Introdução**

O conflito entre democracia e capitalismo voltou ao estágio de o “Mercado” ditar as regras ao “Estado”. Neste contexto, torna-se fundamental perguntar pela força da sociedade civil organizada de fazer valer seus interesses, especialmente por meio dos sindicatos que eram, ao longo do século XX, um dos seus atores mais bem articulados e influentes. A atuação destes era fundamental na construção dos Estados de Bem-Estar Social, uma forma inédita, socialmente enraizada, do desenvolvimento capitalista. Este conflito entre os interesses das pessoas, dos povos, das sociedades e os interesses do capital é sistêmico, resolvido diferentemente em circunstâncias históricas concretas, ao longo das transformações provocadas pelas metamorfoses do capital<sup>2</sup>.

Tal conflito está na base das profundas crises pelas quais a União Europeia (UE) passa, atualmente, manifestas como financeira e econômica, mas há tempos política e social. Remontando a estratégias anteriores, lançou a União no ano de 2000 a Estratégia de Lisboa, justamente como resposta aos múltiplos e entrelaçados desafios oriundos dos processos de transformação no capitalismo globalizado e no interior das sociedades europeias. Na avaliação desta estratégia, constatou-se que ela não tinha alcançado seus objetivos. No entanto, uma das primeiras respostas aos efeitos da atual crise financeira

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2 Vede a respeito Belluzzo (2006).

e econômica mundial na União Europeia foi reforçar, em 2010, esta mesma estratégia sob o nome de Europa 2020. Os Estados-Membros não chegaram a um consenso sobre um projeto de longa duração para a região e nem sequer tentaram elaborar um esboço de uma estratégia diferente.

Este quadro evidencia a urgência de pressionar a entrada de ideias sobre caminhos alternativos na agenda política da União Europeia. No entanto, este não é o propósito deste artigo, que pretende, antes, fornecer elementos para entender melhor o significado do projeto adotado pela União Europeia para sair da sua longa crise, chamado Europa 2020, e perguntar pela força contestadora e propositiva dos sindicatos europeus nesta busca muito complexa do futuro “da Europa”. Percebe-se nisso como as transformações em curso acuciam tanto a União Europeia quanto o sindicalismo europeu e como este se encontra hoje numa posição muito mais fragilizada do que em décadas anteriores. A própria transformação capitalista atual, que processa a drástica redução – o chamado desmonte – dos Estados nacionais de Bem-Estar Social, exige também a modificação do sindicalismo como fora construído até a década de 1980. Este não precisa achar um novo papel na nova e move-dia realidade econômica, política, social e cultural, senão novas formas de articular e representar amplos interesses sociais. Seu maior desafio é manter ou reconquistar seu poder de representação numa sociedade altamente heterogênea, diversificada e intrinsecamente enraizada no “Mercado” para poder (co-)definir seus rumos.

A seguir, seguem ainda três secções: a primeira avalia a Estratégia Europa 2020, a segunda aborda os desafios dos sindicatos europeus e a terceira discute o pano de fundo mais amplo, as transformações capitalistas que levaram à crise dos Estados de Bem-Estar Social, maior conquista histórica da classe trabalhadora e fonte de legitimidade dos sindicatos e dos Estados-Membros e da própria União Europeia. Termina-se com uma breve conclusão.

### ***A Estratégia Europeia para Emprego e Crescimento (EEC) e a ETUC***

O dia 29 de Setembro de 2010 foi um dia representativo no conflito social agudo na União Europeia. Neste dia, cem mil pessoas de trinta países europeus protestaram em Bruxelas, convocadas pela Confederação Europeia dos Sindicatos (ETUC – European Trade Union Confederation/CES) e pelo

Fórum Social Europeu<sup>3</sup>, nos primeiros protestos de inúmeros outros desde então. Elas foram às ruas por uma Europa mais social e contra os planos de tornar as regras do Pacto de estabilidade ainda mais severas, legislados no mesmo dia pela Comissão Europeia. A liberdade do mercado único, segundo os pronunciamentos, não deveria sobrepor aos direitos sociais dos trabalhadores; a primazia da Europa social haveria de entrar no Tratado da União Europeia e a crise financeira teria que ser financiada pela taxaço das transações financeiras e não pela população<sup>4</sup> (Frankfurter Rundschau, 01.10.2010; Der Spiegel, 01.10.2010).

Simultaneamente à mobilização em Bruxelas, ocorreram atos em muitas cidades europeias, com intensidade diversa, como a greve geral na Espanha, ou manifestações maciças na Irlanda e França. A parca mobilização na Alemanha, justificada pelo DGB (DeutscherGewerkschaftsbund) com o argumento de que os interesses dos sindicatos alemães seriam muito diversos para uma grande ação em conjunto, rendeu a manchete “sindicalismo estilhaçado” (TAZ, 01.10.2010). Ao informar sobre os protestos, o BBC afirmou categoricamente não haver alternativa ao curso de austeridade fiscal (BBC, 2010). Os governantes europeus manteriam o discurso da defesa do “modelo social europeu” por medo de assumir publicamente a falência deste modelo. O mercado financeiro ainda sondaria qual a profundidade da resistência contra a austeridade fiscal, mas esta seria frágil, pois as centrais sindicais não teriam conseguido mobilizar grupos mais amplos da sociedade (Hewitt, 2010; BBC, *ibid.*).

No entanto, ao mesmo tempo lançaram-se em quase todos os países europeus “outonos quentes” que, mesmo pautados em primeiro lugar pelas agendas nacionais mais preeminentes, tiveram como ponto de convergência protestos contra o avanço do desmantelamento das conquistas sociais (Europa Ocidental) ou o não avanço na construção de sistemas de proteção social (Europa Oriental)<sup>5</sup>. Em pauta estava, também, em todos os protestos e com aspectos bastante diversos, a Estratégia Europeia para o Emprego e o Crescimento (EEC) ou Estratégia de Lisboa.

3 Cf. <http://www.etuc.org/a/7407> e [www.fse-esf.org](http://www.fse-esf.org).

4 Um material distribuído com os principais temas discutidos na manifestação está acessível em: <http://www.financial-crimes.net/>.

5 Confira as lutas nacionais em <http://www.labournet.de> e <http://www.esquerda.net/>.

Esta estratégia remonta a longas discussões sobre o projeto de desenvolvimento econômico e social da União Europeia<sup>6</sup>, condensada no ano de 2000 sob o nome de Estratégia de Lisboa. Os líderes europeus reafirmaram-na em 2010 para lidar com o que perceberam como mais ameaçador: a crise econômica mundial; o endividamento dos Estados para salvar o sistema financeiro; o envelhecimento das populações, visto como ameaça à competitividade da economia regional e à sustentabilidade dos modelos sociais; a concorrência predadora sobre custos e salários; as alterações climáticas e a crise energética, esta última descrita como dependência energética; e tudo isto num quadro de enfraquecimento estrutural da economia europeia devido ao deslocamento geopolítico da distribuição mundial da produção e da poupança para a Ásia. Os líderes somaram a esta ladainha a ameaça do terrorismo, da criminalidade organizada e da proliferação das armas de destruição de massas (CE, 2010).

O quadro delineado é de um sistema em crise, uma crise econômica e financeira embutida na crise ambiental, energética, política e social. No texto citado exorta-se a União Europeia a ser um agente de mudança no mundo, um modelo a seguir. Para isto, ela teria que criar um “sólido crescimento econômico (...) e verdadeira coesão interna” pelo esforço conjunto de todos “em prol de um novo propósito comum”, evitando “quaisquer tentações protecionistas”. A ação concertada e coordenada, do Mercado Único e do Pacto de Estabilidade e Crescimento (PEC), tornaria a União Europeia independente para assim proceder. O mercado único e os valores que unem os cidadãos europeus capacitariam a União Europeia, num esforço “comparável ao que trouxe prosperidade à Europa após a Segunda Guerra Mundial” (*sic!*) “de liderar as ações de resposta aos grandes desafios mundiais” (CE, 2010).

A mensagem é dúbia. Por um lado, evoca-se um projeto político para a União que exige coesão social e uma visão comum sobre a realidade (coesão ideológica) expresso na repaginada Estratégia para o Emprego e o Crescimento, agora chamada “Europa 2020”. Por outro lado, o caminho a seguir é dado pela reforçada crença no êxito do “mercado livre único”, ancorado no Pacto de Estabilidade e Crescimento. Este pacto, conhecido pelos “critérios de Maastricht”, obriga os Estados-Membros, principalmente, a manter equilíbrio fiscal, com estreitos limites para o endividamento, para garantir baixas

taxas de inflação e de juros reais, a fim de sustentar a moeda única, o Euro<sup>7</sup>. Bem dentro do modelo neoliberal, a direção adotada foi de rejeição à política fiscal como instrumento de política econômica e o aumento da pressão por desregulação, liberalização e privatização. O Banco Central Europeu recebeu um claro mandato anti-inflacionário.

Fundada em 1994, a União Europeia logrou na primeira década aproximar os níveis de vida das populações, especialmente elevando os padrões de vida das regiões do sul e leste europeu. No entanto, a arquitetura europeia não permitiu alavancar o crescimento da região com um todo, um fato que pode ser entendido da seguinte maneira. Criou-se um desequilíbrio comercial no interior da União, com dois “blocos”; um bloco superavitário, formado pela Alemanha, Áustria e Países Baixos, sobretudo, e cuja produção era absorvida pelos países do leste e sul europeu, o que engendrou uma relação entre importação de capital dos países superavitários em forma de dívidas securitizadas de bancos, empresas e governos dos países deficitários, o que por si só teria que levar à crise do Euro. Ademais, uma parte dos países europeus, como Reino Unido, Espanha, Irlanda e alguns países do leste, perseguiram um modelo norte-americano de crescimento, baseado no endividamento das famílias e crescentes déficits no balanço de pagamentos. A outra parte, o grupo superavitário, sustentou altos níveis de poupança interna e superávits comerciais. No caso da Alemanha, isto foi conseguido com expressiva repressão da demanda interna, por meio de drásticas políticas de redução dos salários relativos. Neste cenário, a mecânica da união monetária “maquiou” as contas fiscais nominais nos países com, tradicionalmente, elevada inflação – Espanha e Grécia – promovendo com juros mais baixos um *boom* econômico com altas taxas nominais de crescimento. Nos países superavitários as baixas taxas de juros refrearam a atividade econômica e o baixo crescimento exacerbou a austeridade fiscal. Como esta mecânica “de mão única”, ancorada no equilíbrio fiscal, não foi revista, o Pacto de estabilidade não dá conta de responder às necessidades distintas destes dois blocos. Enquanto os países em crise – os deficitários – amargam baixíssimas taxas de crescimento e elevadíssimas taxas de desemprego, com planos de resgate atrelados a severos programas de “reajuste” das contas públicas, os países superavitários – com destaque à Alemanha – continuam sua política de superávit comercial e restrição de aumentos salariais reais, refreando a demanda interna da União

<sup>6</sup> Vede uma apresentação da história da Estratégia de Lisboa em Kallabis (2009).

<sup>7</sup> Vede uma apresentação sucinta destas políticas macroeconômicas e dos efeitos que tiveram na construção da crise financeira em COATS (2012).

Europeia, uma estratégia de “*beggar your neighbor*”. Este caminho parece em nada apontar a saída da crise, antes, parece conjurar o aparecimento de crises futuras em médio e até curto prazo. (Coats, 2012).

Assim, o conjunto das respostas dadas para enfrentar a crise não traz novidades, melhor, retoma os fundamentos da União Europeia, do Tratado de Maastricht (1993), do fomento do crescimento pela formação do mercado único, sob a primazia da estabilidade financeira, e como estratégia, pelo aumento da competitividade. Nesta visão, o crescimento seria resultado do aperfeiçoamento do funcionamento do mercado único e da criação de condições de maior certeza econômica pela estabilidade financeira. É esta a visão refletida nas diretrizes gerais para a política econômica da União (*integrated guidelines*) (European Council, 2010b), expressa em quatro eixos: o primeiro é deslançar o potencial europeu de crescimento via políticas industriais de inovação e energéticas; os outros três se referem à estabilidade, nesta ordem: sustentabilidade fiscal; estabilidade financeira e coordenação das políticas econômicas nacionais sob o Pacto de estabilidade, melhor conhecido como “critérios de Maastricht” (European Council, 2010a).

Sob este pano de fundo parece quase irrisório falar da “Estratégia Europa 2020”. Mas, além da ETUC (European Trade Union Confederation) realçar a urgência da revisão do Pacto de Estabilidade (Watt, 2011), ela é o principal ponto de diálogo estratégico com a Comissão Europeia – o guardião dos rumos da União – sobre o que a União Europeia quer ser no futuro (ETUC, 2010; Pouchet, 2010). “Europa 2020” quer guiar a União Europeia para fora da crise e prepará-la para o próximo decênio. No entanto, a regra básica norteadora da cooperação no espaço comunitário é o Pacto de estabilidade (financeira) e a União fica refém da contradição entre uma estratégia macroeconômica do emprego e renda e sua política macroeconômica real da promoção da riqueza financeira.

Europa 2020 quer ser “inteligente, sustentável e inclusivo” (EC, 2010b) considerando os desafios atuais. A União está à procura de um novo padrão de acumulação (baseado no conhecimento – economia do conhecimento), vê-se acuada tanto na sua capacidade de manter a estabilidade monetária (o cerne das políticas comunitárias) quanto pela ameaça da base material do sistema produtivo (daí a onda verde) e, além disso, enfrenta a resistência crescente das populações europeias, resultado dos processos de empobrecimento e aumento da desigualdade devido à precarização dos mercados de trabalho e do desmantelamento dos sistemas de seguridade social, criando um ambiente

de crescente insegurança e aprofundando as tendências de segmentação das sociedades (Pouchet et al. 2009:29).

No entanto, a contradição salta aos olhos nos “três vetores fundamentais e cinco objetivos principais” (EC, 2010b), ou melhor, a primazia do mercado e das soluções buscadas a partir do mercado. Esta é a principal crítica da ETUC (Pouchet, 2010; ETUC, 2010), que ao mesmo tempo retoma a versão anterior com sua proposta-promessa de criar “mais e melhores empregos”. No entanto, mesmo que de forma mais velada, a tendência de atribuir ao mercado a resolução dos problemas sociais, econômicos, políticos da União já estavam no escopo da “Estratégia de Lisboa” e a semente já estava nos passos iniciais que levariam à construção da União Europeia: a integração positiva, via programas políticos supranacionais, não ocorreu; o processo foi de integração negativa, via programas políticos de remoção de obstáculos à livre atuação dos mercados. Enquanto os Estados nacionais conseguiram atender às demandas sociais, a integração negativa não constituiu um problema, mas com o advento e a consolidação do processo subsumido ‘globalização’, os Estados nacionais precisariam de apoio na esfera regional para enfrentar os desafios desta nova era e sustentar as conquistas sociais, econômicas e políticas das décadas anteriores. Para isto, teria sido necessário ter construído um espaço político em comum, muito além do mercado. Não é o que aconteceu. Ao mesmo tempo, a esfera regional se torna sempre mais importante num capitalismo globalizado, organizado em cadeias globais de valor, regidas por grandes empresas transnacionais e em mudadas configurações geopolíticas. Mas os próprios Estados-Membros se diferenciaram sempre mais, desta forma, criar uma visão comum da realidade para, então, criar políticas supranacionais capazes de enfrentar, em uníssono, as crises guiadas por um projeto comum de aonde chegar e, ainda mais, criar sistemas verdadeiramente comunitários – como sistemas de proteção social, fiscal, produtivo, etc. genuinamente europeus – se torna sempre mais difícil. O mesmo dilema é enfrentado pelos sindicatos: a organização em nível europeu e a criação de uma pauta em comum são tão imperativos quanto difíceis, dada a complexidade da realidade, dos interesses e dos desafios.

A ETUC, nos seus textos, acompanha muito de perto os programas propostos pela Comissão Europeia. Aliás, o sindicalismo europeu acompanhou e apoiou a construção da União Europeia, diferente das suas bases nacionais e regionais, cujas posições variaram, nas palavras de Kowalski (2010) entre aceitação simplória e rejeição ativa. Somente após Maastricht, e devido aos

parcos resultados das Estratégias de Lisboa, levantaram-se vozes críticas e de contestação em relação à Comissão<sup>8</sup>.

Os líderes europeus proclamaram “um novo modelo, um modelo a seguir” (EC, 2010a). No entanto, não há nada de novo no pensamento econômico dominante na União Europeia, desde os anos 1990, formado no “Consenso de Bruxelas – Frankfurt – Washington” (Fitoussi & Saraceno, 2004). Já nos primeiros esboços do que viria a ser a Estratégia para o Emprego e o Crescimento (EEC), adotou-se a visão das economias baseadas no conhecimento como caminho a perseguir e a flexibilização dos mercados de trabalho, concomitantemente a “modernização” dos sistemas de proteção social, como estratégias principais<sup>9</sup>. Neste contexto, mostra o ETUI (European Trade Union Institute) como o avanço da flexibilização dos mercados de trabalho, acompanhada e promovida pela flexibilização dos sistemas de proteção social (a *Flexicurity*) é contraprodutiva em épocas de crise. A conclusão do documento da ETUI é que menos Estado e mais Mercado é mais caro, tanto para o mercado quanto para o estado (Tangian, 2010). E, em geral, as estratégias surtiram pouco efeito: o crescimento lento e oscilante que se instalara desde meados dos anos 1970 não foi incrementado; e as altas taxas de desemprego se deixaram debelar significativamente somente a partir do ciclo de crescimento de meados dos anos 2000. No entanto, esta retomada foi bruscamente interrompida<sup>10</sup> pelos efeitos devastadores da crise financeira internacional que avassala o continente.

A Estratégia Europa 2020 foi lançada para assegurar a saída da crise e preparar a economia da UE para a próxima década e os cinco objetivos, a seguir, são balizadores para avaliar se esta estratégia alcançou o resultado esperado (CE, 2010). A tabela 1 no anexo mostra as metas e os valores reais médios para a União Europeia:

- “-75 % da população de idade compreendida entre 20 e 64 anos deve estar empregada.
- 3 % do PIB da UE deve ser investido em I&D.
- Os objectivos em matéria de clima/energia «20/20/20» devem ser

8 Vede uma discussão sobre a questão da União Europeia e a utopia da Europa social em KALLABIS (2009).

9 Vede uma discussão ampliada do significado da *flexicurity* em KALLABIS (2009).

10 Na soma, o crescimento na União Europeia foi negativo no ano de 2009, a taxa de desemprego tem tendência ascendente em direção a 10% e, na média, 20% da população europeia estão na categoria “risco de pobreza/pobres”, com tendência ascendente (EUROSTAT, 2010).

cumpridos (incluindo uma subida para 30 % do objectivo para a redução das emissões, se as condições o permitirem).

- A taxa de abandono escolar precoce deve ser inferior a 10 % e pelo menos 40 % da geração mais jovem deve dispor de um diploma de ensino superior.
- 20 milhões de pessoas devem deixar de estar sujeitas ao risco de pobreza.”

“Assegurar o emprego de 75% da população entre os 20 e os 64” significa empurrar a questão social para o mercado de trabalho. Indo por partes: o objetivo da Estratégia de Lisboa de atingir uma taxa média de emprego<sup>11</sup> de 70% não foi alcançado em nível europeu e os resultados foram muito diversos entre os Estados-Membros<sup>12</sup>. Simplesmente elevar a meta não resolve a questão, além de retirar completamente o objetivo de criar “mais e melhores empregos”. Foram criados mais empregos, mas em formas atípicas (com contratos determinados, em tempo parcial, etc.) (Pouchet, 2010), com uma clara tendência a precarização do mercado de trabalho (Kallabis, 2009) – maior instabilidade, incerteza, maior diferenciação salarial, rupturas mais acentuadas ao longo do ciclo de vida laboral, entre outros. E, ainda, a taxa de emprego difere entre homens e mulheres; sendo mais baixa na população feminina, os homens de qualquer condição humana/social não têm muitas alternativas à inserção no mercado de trabalho. A justificativa vem da ideia da ativação sistêmica, que em tese ativa o sistema produtivo como um todo, a partir das capacidades existentes na sociedade e com o foco no desenvolvimento das capacidades tanto produtivas quanto pessoais. Nesta visão, os indivíduos recebem apoio para acompanhar a transição do sistema produtivo e suas novas demandas e, por outro lado, esta transição parte dos pontos fortes destas sociedades (Barbier, 2005)<sup>13</sup>. Com estas medidas, transforma-se a ativação sistêmica em pressão sistêmica, sobretudo quando levado em conta que a meta se aplica também a pessoas com deficiências, até agora amparadas por programas sociais específicos. Esta pressão é evidenciada quanto à faixa etária: em pouquíssimos países membros a idade real da retirada do mercado de

11 A taxa de emprego é a relação entre pessoas ocupadas ou procurando emprego e pessoas em idade ativa, do mesmo grupo analisado.

12 Dados detalhados são encontrados em Kallabis (2009).

13 A Estratégia de Lisboa baseou-se num amplo estudo sobre “fraquezas” e “forças” existentes na União Europeia e realçou-se como força o elevado padrão de vida e o elevado nível educacional dos europeus. Daí a ideia de transformar a União na “região econômica baseada no conhecimento mais dinâmica do mundo”.

trabalho avança muito além dos 61 anos. Isto significa que as condições de trabalho não são atraentes para estimular a permanência e a aposentadoria precoce é uma maneira de enfrentar a falta de postos de trabalho (e lugares na sociedade) ocupáveis<sup>14</sup>.

Iniciar o objetivo com a População em Idade Ativa (PIA) de 20 anos e mais é congruente com o objetivo de aumentar o nível de escolaridade das populações europeias, supostamente para impulsionar as “economias de conhecimento”. Também aqui a diversidade entre os Estados-Membros é muito elevada, com países ultrapassando a meta e outros longe de alcançá-la. No entanto, não é este o problema. O problema consiste na visão de que aumentar a escolaridade resolveria o problema da inserção ativa no mercado de trabalho. Delega ao indivíduo a função de encontrar seu lugar no novo contexto provocado pela reestruturação dos sistemas econômicos e sociais. A realidade é muito complexa, não há respostas simples, mas uma questão é clara: os indivíduos são tomadores desta realidade e depende da articulação política e da força dos vários segmentos da sociedade para definir as feições da Europa que surgirá dos abalos sísmicos atuais que, na verdade, só vieram completar as transformações em curso há pelo menos duas décadas.

A verdade destes argumentos pode ser despreendida das taxas de desemprego muito elevadas nos Estados-Membros da União, que, em 2010 esteve em 10%, variou de 8% a 25% na População Economicamente Ativa. O desemprego em massa é a evidência da falta de postos de trabalho, da insuficiência da estrutura produtiva em atender às sociedades. O quadro é muito pior para a população com menos do que 25 anos: a média estava em 22%, mas a variação entre os países mostrou a gama de 8% até 52%. O sistema está em crise, como o indivíduo pode vencer aumentando sua escolaridade? Neste cenário, este meio só servirá para aumentar a concorrência no interior da força de trabalho<sup>15</sup>.

“Tirar 20 milhões de pessoas da pobreza” aponta em, pelo menos, duas direções. Por um lado, reflete-se aqui a visão da Europa social, do direito à participação, da relativa homogeneização das condições de vida. Por outro lado, este objetivo reflete o fato de que o risco de pobreza, considerada erradicada, voltou à mesa de discussão. Em face de condições sociais fragilizadas,

aumento da diferenciação salarial, trajetórias laborais instáveis e fraturadas, na presença de mercados de trabalho crescentemente precarizados e com profundas reformas sociais em quase todos os Estados-Membros, o risco de insuficiência de renda aumentou significativamente. A tabela 3, no anexo, mostra este risco, após transferências sociais, segundo os Estados-Membros. O risco de insuficiência de renda variou, em 2010, entre 10% e 21% da população, ficando a média em mais de 16%. O risco mede qual a parcela da população está ameaçada ou está abaixo da linha de pobreza, medida por uma renda inferior a 60% da mediana da população em geral (ou, simplificado, numa escala de 1 a 100, significa receber menos de 27). Ou seja, a diferenciação da renda aumenta, ampliando a população de baixa renda, condizente com o perfil dos empregos gerados, predominantemente de baixa remuneração, baixa qualificação e baixa qualidade (KALLABIS, 2009).

Os dados mostram que a força dos Estados de Bem-Estar Social em se proteger contra o risco de pobreza enfraqueceu significativamente, já que se trata do risco de pobreza após transferência. Por exemplo, na Alemanha, o equilíbrio das contas públicas foi alcançado por reformas sociais de grande alcance, que quebraram a tradicional proteção do status para engendrar formas de proteção “contra a pobreza”, as chamadas Reformas Hartz. O que causa perplexidade é o fato de que estas reformas tenham sido implantadas com apoio social-democrata ou por governos social-democratas, em épocas de crescimento econômico nada desprezível (Kallabis, 2008).

Mas, outra questão deixa dúvidas: como será possível reduzir uma quarta parte da população em risco de pobreza, dada a dinâmica dos mercados de trabalho e o parco (ínfimo) crescimento, em conjunto com o legalizado predomínio da austeridade fiscal e da redução contínua da participação dos salários no excedente bruto das empresas? Quais processos, dinâmicas e mecanismos poderiam promover este resultado? Nas condições econômicas dadas, este resultado somente poderia provir de uma maciça redistribuição de renda em favor das pessoas na escala inferior de renda. Mas, entre os “cinco objetivos e três vertentes” fica claro que esta façanha deve ser realizada, contraditoriamente, capacitando as pessoas para procurarem a inserção no mercado de trabalho ou a desenvolverem suas capacidades empresariais, especialmente como empreendedores autônomos. Não é um conjunto de ativação sistêmica e menos ainda expressão de uma nova utopia.

14 Estes e os seguintes dados mencionados encontram-se de forma detalhada em Kallabis (2009).

15 A tabela 2, no anexo, traz as taxas de desemprego segundo Estados-Membros, sexo e grupos de idade (jovens e adultos).

## As transformações que desafiam os sindicatos

Esta falta de uma “nova utopia” desafia também “o sindicalismo europeu”. Por um lado, ele precisa fazer frente ao novo estágio capitalista, onde dominam o capital financeiro e as grandes corporações transnacionais. Assim, se explica a “nota conjunta” da ETUC e UNICE (Business Europe – Sindicato das Empresas europeias) em resposta à proposta da Estratégia 2020, um documento que advoga a retomada da Estratégia de Lisboa, por seu lema “mais e melhores empregos” e reforça o projeto *flexicurity*<sup>16</sup>, um projeto que afunilou aquela estratégia. A Confederação dos Sindicatos europeus (ETUC – European Trade Union Confederation) parece ver na Europa 2020 uma chance de resgate da Europa social (ETUC, 2010).

A *flexicurity* é um projeto que visa à flexibilização mais ampla das relações e condições de trabalho, prometendo completar este processo com a flexibilização dos sistemas de proteção social de tal maneira que o elevado nível de vida e segurança das populações europeias não seja comprometido. No entanto, um dos cinco objetivos da Europa 2020 já trai esta promessa ao evidenciar que o tema da pobreza voltou à pauta na União Europeia. A ativação sistêmica, em direção a um modelo *high road* – baseado na cooperação e na elevação do padrão de vida pelo alto nível de conhecimento e inovação (das pessoas, das empresas, dos produtos) –, foi transformada em ativação por pressão concorrencial, entre as pessoas, nos mercados e entre as empresas, modelo *lowroad*<sup>17</sup>, de concorrência exacerbada, fruto do estágio capitalista atual.<sup>18</sup>

Os processos e as transformações em curso que desafiam os sindicatos podem ser resumidos como elementos ligados à reestruturação produtiva<sup>19</sup>: globalização, ou internacionalização, da economia; consolidação do setor de serviços como setor principal da economia, associado às tendências de terceirização das grandes empresas; economia do

conhecimento, com o advento de novas profissões, novos processos de trabalho, novas conformações organizacionais; e domínio do capital financeiro sobre o capital produtivo, com a pressão sobre rentabilidade e eficiência.

As relações de trabalho também se modificaram profundamente: a composição da população economicamente ativa mudou com a entrada maciça das mulheres no mercado de trabalho. As próprias atividades laborais se modificaram nas economias pós-industriais/pós-fordistas/de serviços. As relações de trabalho foram flexibilizadas, concomitantemente com a precarização dos postos de trabalho, enquanto o espírito do cálculo econômico, da rentabilidade, da eficiência penetra sempre mais, e também, no senso comum. O “*Standart Employment Relationsship*”, o elo organizacional dos sindicatos, perde espaço e importância.

Igualmente profundas são as transformações políticas: com o avanço hegemônico do pensamento neoliberal ou liberal-conservador cresce a tendência de enxergar nos sindicatos o inimigo número um num contexto de aposta na concorrência global, da pressão à privatização e da aceitação crescente do darwinismo social. Ao mesmo tempo, reduz-se a capacidade dos Estados nacionais de fazer frente aos problemas econômicos e sociais. No meio disso, percebe-se como também os partidos social-democratas abdicam da política econômica voltada ao pleno emprego e aderem à política econômica voltada a estabilidade monetária. Quer dizer, o ordenamento macroeconômico deixa de ser inclusivo e, pelo menos parcialmente, guiado pelo princípio de uma maior justiça distributiva, para se preocupar com a segurança das rendas do capital financeiro. Os sindicatos não só perdem seu aliado tradicional, mas também aceitação na opinião pública. Paulatinamente, levam estas dinâmicas ao rompimento do compromisso do Estado de Bem-Estar Social pela falta de apoio ideológico.

Este contexto desafia os sindicatos em muitos sentidos. Resumidamente, eles veem sua capacidade de se organizar e mobilizar acuada; perdem poder de codeterminação política e estão constantemente afrontados com a urgência de se inovar. A capacidade de se organizar é reduzida por conta da tendência a dessindicalização presente, em graus diferentes, em todos os Estados-Membros da União Europeia. A perda de membros provoca, também, problemas no financiamento das estruturas existentes. Os sindicatos enfrentam dificuldades de chegar às pessoas que não trabalham em empregos formais padrão, cujas relações de trabalho são flexibilizadas, notadamente nos novos segmentos produtivos e, ainda, em empresas pequenas. Há um

16 Termo composto dos termos em inglês *flexibility* e *security*. Vede uma discussão a respeito do significado deste projeto em Kallabis (2009).

17 Vede a respeito destes conceitos BRÖDNER, P., & LATNIAK, E. (2002).

18 Vede uma discussão mais aprofundada da *flexicurity* em Kallabis (2009).

19 A avaliação da situação dos sindicatos na Europa está baseada na consulta de documentos publicados pela Friedrich-Ebert-Stiftung ([www.fes.de](http://www.fes.de)), em especial dos seguintes autores: Schwemmler (2010), Urban (2009), Hoffmann (2010) e Kowalsky (2010).

déficit<sup>20</sup> na sindicalização, especialmente, de mulheres, jovens, “analistas simbólicos” e no setor de serviços. Com um mercado de trabalho muito mais heterogêneo, numa cultura social baseada na exacerbação do indivíduo e na privatização do espaço social (Bihl, 1998), torna-se muito mais difícil criar uma unidade ideológica, baseada na solidariedade, no consenso em torno de pautas e visões da realidade (Hymann, 2005).

Em geral, os sindicatos estão na defensiva. Sua força de codeterminação política sofreu sérios abalos, mais visível no enfraquecimento da negociação coletiva. Em parte, como na Alemanha, diminuiu a obrigatoriedade territorial. Forte é a tendência de alocar a política salarial no âmbito das empresas, ou, mais ainda, de individualizar a negociação salarial. As concessões feitas pelos governos na disputa pela localização das empresas e as políticas de relocalização destas empresas – o *regime shopping*, por exemplo – enfraquecem a negociação coletiva, como também geram perdas salariais reais e perdas na abrangência e profundidade dos sistemas de seguridade social.

Frente a esta lista de desafios coloca-se a inovação sindical como imperativo. No entanto, existem muitas barreiras à inovação. Uma delas provém da visão, que tem o “senso comum”, dos sindicatos como força conservadora e, pouco, como força revolucionária. Sobretudo os grandes e ainda estabelecidos sindicatos são acusados de não perceberem adequadamente a profundidade das transformações em curso. Difícil de superar é a inércia nata às grandes organizações, especialmente quando não há um projeto que as arraste para novos horizontes.

Com tudo isto posto fica o desafio dos sindicatos de reconquistar seu poder de reformar, construir e proteger. Eles precisam decidir se acompanham o processo da privatização do espaço social, ao priorizarem o núcleo mais estável, aderindo ao novo espírito consumidor (serviço), ou se criam um perfil de força autônoma, adaptando-se às transformações, ou se partem novamente para a luta, contestando, defendendo, propondo. Para isto, parece haver duas perguntas-chave: quanto os sindicatos são capazes de se organizar em âmbito internacional, e com que projeto eles serão capazes de superar a fragmentação dos mercados de trabalho e da classe que vive do trabalho. Criar a capacidade de atuação internacional – em mercados e empresas internacionalizadas – parece ser tão importante quanto conseguir colocar a pauta da luta em evidência e criar adesão pública a ela.

Erne (2008) discute a relação entre sindicatos e a União Europeia, perguntando pelas estratégias destes. Ele parte da constatação que a dinâmica da própria União aumentou a pressão sobre salários e condições de trabalho: consolidação do mercado único em 1994, União Monetária em 1999, sucessiva ampliação que incorporou, até 2007, mais 12 países do leste europeu (hoje, 27 países formam a União Europeia) e quase duplicou a força de trabalho europeia. A pergunta do autor é se e como os sindicatos se constituem em resposta à integração europeia, para avaliar se os sindicatos europeus querem e podem contribuir com a democratização – sobretudo política – da Europa. A democratização é entendida como defesa da Europa social, como resguarda contra a avassaladora predominância da Europa mercado.

O autor aponta duas vias principais, uma da europeização dos sindicatos e outra, da renacionalização. Em ambas as vias são encontradas duas vertentes, a vertente democrática e a vertente tecnocrática (Erne, 2008). A vertente democrática se apoia na base sindical, discute reivindicações econômicas no contexto da crítica política e vale-se da mobilização. A vertente tecnocrática procura influenciar os órgãos europeus (estes por sua vez muito criticados como burocratas e tecnocratas). O autor mostra, após a discussão destas estratégias na praxe dos sindicatos, dois resultados: primeiro, as estratégias diferem conforme o setor industrial – o que faz sentido, porque as transformações afetam os setores e segmentos da economia de maneira muito heterogênea. Este, aliás, é uma das dificuldades de se chegar a um senso comum entre os sindicatos sobre o caminho a seguir. O resultado mais importante, no entanto, é que os sindicatos têm chances de influenciar a política europeia somente se, segundo Erne (2008), eles conseguirem politizar a questão em pauta e lançá-la na discussão pública europeia. O que está em consonância com Offe (1999): para democratizar a Europa é necessário construir um ator capaz de articular seus interesses e lutar por eles. Pois, a definição de trabalho, emprego e renda não dependem somente do mercado, mas são modeladas a partir das relações entre as instituições sociais que formam a sociedade, isto é, o Estado, o Mercado e a Comunidade.

Rodrigues (2002:205ss), após analisar o declínio do poder sindical na Europa e nos Estados Unidos e os fatores que levam a dessindicalização, questiona quais as perspectivas do sindicalismo. Ele aponta um possível caminho que, no entanto, descaracterizaria o movimento sindical pelo abandono da face oposicionista e reivindicatória: a metamorfose dos sindicatos atuais em cooperativas, em sociedades de auxílio mútuo ou mesmo em *companyunions*.

20 Vede a respeito os dados levantados por ETUI/ETUC (2009).

A morte certa ocorreria, também, se o sindicalismo institucionalizado perdesse seu lado de movimento sindical que lhe confere capacidade de oposição e potencial de conflito. O que daria futuro ao movimento operário seria sua capacidade de contestação, organização e luta por objetivos autôpostos, pela capacidade de formar uma agenda de interesses dos que vivem do trabalho.

Bihr (1998, *passim*) aborda os desafios do movimento como questão da estratégia a seguir. O primeiro desafio é não se dar por vencido, mesmo que seus principais modelos tenham sido derrotados, tanto o socialismo dito soviético quanto o reformismo social-democrata, e mesmo que o movimento operário não tenha se mostrado capaz de enfrentar a contrarrevolução neoliberal. O autor argumenta que a luta pela emancipação do proletariado é uma luta histórica, ao longo da história, continuando enquanto a história continuar. Esta luta continuará enquanto há dominação, exploração, inerentes ao sistema capitalista. Se a exploração se agravar, como a atual, haverá resistência e revolta. O movimento operário, sujeito às transformações como qualquer outro movimento, não pode se apegar ao que alcançou, mas deve se apoiar na experiência histórica de ter conseguido pelo menos modificar a dinâmica capitalista. Num cenário de profundas crises mostram-se as fragilidades do sistema capitalista e as chances de enfrentar os novos desafios. Resumindo, pode se dizer, o autor chama a reconduzir a economia a exercer sua função principal, produzir e distribuir os bens e serviços necessários à sobrevivência da sociedade.

A crise socioeconômica, fruto do mecanismo de polarização do próprio sistema, deveria ser enfrentada lutando pela repartição mais justa da riqueza social e pela redução de tempo e trabalho generalizado e massivo. A resposta à crise política, resultado da falta de regulação econômica, deve consistir na organização “dos de baixo”. Por isso, o movimento operário precisaria ocupar a vida política, recuperando a confiança na democracia representativa e no Estado democrático e, ao mesmo tempo, procurar práticas políticas alternativas capazes de construir “contra-poderes” (Bihr, 1998:219).

O desafio mais difícil a ser vencido seria a crise simbólica, a incapacidade dos indivíduos de dar sentido às suas vidas (ibid. 163). O credo neoliberal e sua ênfase exacerbada no indivíduo levariam as pessoas a se exaurirem social e psicologicamente, tornando-as incapazes de se perceber fazendo parte da construção do mundo<sup>21</sup>. Sem sentido não há pertença nem capacidade de mo-

bilização e quando a falta de sentido se junta à falta de lugar para se inserir na sociedade ocorre o que Castel (1998) chama de desfiliação. A longo prazo, o desafio do movimento operário em se reconstruir enquanto movimento revolucionário (Bihr, 1998:232s).

Agora, resta saber se os sindicatos e o movimento operário são capazes de criar um projeto civilizatório que congregue a classe que vive do trabalho e a mobilize em prol de seus próprios interesses. No âmbito europeu não é isto que parece estar acontecendo.

### ***O pano de fundo: a crise dos Estados de Bem-Estar Social e o reaparecimento da questão social***

Quando Polanyi (1980) escreveu sobre a “grande transformação”, em meados dos anos 1950, ele mostrou esperança de que as sociedades lograssem manter o controle consciente do mercado, frente aos manifestos desastres provocados por um sistema capitalista “desenraizado”, apartado do cultivo cuidadoso pela sociedade. Esta foi também a esperança fundadora do “Projeto Europa”, parte da reconstrução das sociedades europeias no Pós-Guerra. Durante 50 anos parecia que as sociedades tinham conseguido “enraizar os mercados”, regulá-los para que eles funcionassem (também) em prol do atendimento das suas necessidades de provisão, segurança e resolução pacífica de conflitos. Enquanto avançava a construção de Estados nacionais de Bem-Estar Social nos países em território nacional a União Europeia estava sendo lentamente construída como mercado único, o que veio a reforçar a primazia dos mercados do pensamento hegemônico neoliberal a partir da década de 1990. De fato, os documentos oficiais invocam a “economia social de mercado”, mas a União Europeia se rege desde o início pelo “Pacto de Estabilidade e Crescimento” e o reforçou como âncora principal para sair da profunda crise instalada desde 2010. As políticas recessivas de austeridade equilibram o equilíbrio fiscal respondem às exigências do capitalismo em seu estágio atual, financeirizado, mas não dão conta da tarefa de impulsionar o crescimento e, menos ainda, o desenvolvimento capitalista para além dos paradigmas que geraram a crise. Assim, eles são também incapazes de enfrentar a nova questão social, expressa em altas taxas de desemprego, desemprego juvenil explodindo, na precarização dos mercados de trabalho, no aumen-

21 A desumanidade deste estresse contínuo de construir a si mesmo e não construir com outros o mundo, a exigência na economia do imaterial de se tratar como capital de si mesmo e de velar constantemente para

manter e aumentar o valor deste capital é tema em Gorz (2005).

to das desigualdades e das populações em risco de vulnerabilidade social, em suma, da deterioração das condições de vida das populações. O caminho adotado recoloca a luta entre “capital” e “trabalho”, em detrimento do “trabalho”. Mas, se a economia se libertar dos grilhões da sociedade, “resta saber que respostas a sociedade está preparada para dar às façanhas da economia desentranhada e apenas limitada por suas próprias leis de movimento” (Belluzzo, 1995:20).

Não é demais sublinhar que os Estados de Bem-Estar Social são a mais importante conquista social do século XX, fruto das experiências anteriores e das lições delas tiradas. O século XIX, de “desenvolvimento cego”, baseado na crença no estado liberal e no mercado autorregulável (Polanyi, 1980:243) terminara no primeiro quintil do século passado em profundas crises, ainda antes de levar a duas guerras mundiais, o que abalou a crença liberal e abriu caminhos para outras formas de organização social. Procurou-se ordenar o sistema de tal maneira que as nações pudessem se reconstruir e a ameaça de outras guerras fratricidas fosse banida. A paz entre as nações e a paz social eram as peças fundamentais para continuar no próprio modo capitalista de produção. Precisava haver cooperação tanto entre os detentores de capital quanto entre capital e trabalho. Assim, a construção dos Estados de Bem-Estar Social, nas suas mais diversas manifestações, é tanto expressão deste controle consciente da sociedade sobre o mercado bem como resultado das necessidades do próprio sistema capitalista.

Seguia-se à Grande Guerra sob o regime de acumulação fordista e sob o modelo de regulação a este correspondente, o *Keynesian Welfare Regime* (Jessob, 1993), até o mundo do “capitalismo organizado” entrar em crise. Já nos anos 1970 desestabilizou-se o equilíbrio político baseado na cooperação entre os “três grandes” – grande Capital, governo e grandes sindicatos – e, entre outras causas, está o sucesso deste regime de acumulação (Harvey, 2002). Muito resumidamente, à medida que os Estados de Bem-Estar Social se consolidaram, eles ficaram reféns do aporte, sempre maior, necessário ao seu financiamento; as populações se ressentiram da massificação imposta pelo sistema fordista de produção e, fundamentalmente, o Capital se rebelava contra as taxas decrescentes de retorno. Com o advento da terceira revolução industrial, a “revolução” das tecnologias de informação, comunicação e transporte, entrou o sistema capitalista numa nova fase de transformação, desestabilizando os arranjos políticos, econômico e sociais criados sob a égide da segunda revolução industrial.

Despontou lentamente um novo regime, um regime de acumulação flexível (Harvey, 2002:140), ou sistema pós-fordista de acumulação, e, relacionado a ele, um regime de regulação social intitulado de *Schumpeterian Work-Fare-Regime* por se basear na inovação (*Schumpeter*) e na proteção social ligada ao trabalho (*workfare*) e não no status de assalariado (*welfare*) (Jessob, 1993). Neste novo cenário, que “resgatou” a crença no mercado autorregulável, tornou-se a ver o mercado como meio, mecanismo e *locus* para resolver os problemas que afligem as sociedades e, dentro desta visão, o mercado de trabalho se torna *locus* para resolver problemas sociais mais amplos. O Estado, garantidor do bem-estar social, ficou pressionado a retirar a suas funções centrais de assegurar a estabilidade do sistema. Uma “nova” ideologia a legitimar as transformações do capital consolidou-se nos anos 1990 com a retomada das propostas dos ideólogos do final do século XIX.

Mas a crise financeira atual revela uma profunda crise do próprio sistema capitalista, que enfrenta crises do limite do seu funcionamento. Responder a estas crises retirando o cerco legal – a forma jurídica do projeto civilizatório da sociedade – levaria o mercado não a construir uma nova sociedade regida por leis diferentes, mas destruiria a própria sociedade ao voltar a produzir segregação e violência (Castel, 1998:427). Quer dizer, esta rerregulação pró-mercado enfraquece a capacidade desta sociedade de fazer frente aos problemas postos. O necessário não seria menos regulação, mas uma regulação mais profunda do que aquela que conformou o capitalismo organizado.

No entanto, não é este o rumo tomado. As palavras de ordem são a mais ampla liberalização dos mercados e a flexibilização de todo sistema produtivo e, também, do sistema social do qual este faz parte. A flexibilização incide, inicialmente, sobre o uso do capital e da tecnologia. Este movimento impacta os processos e mercados de trabalho, produtos e padrões de consumo e leva a taxas altamente intensificadas de inovação comercial, tecnológica e organizacional (Harvey, 2002:140). As novas condições criadas geram pressão pela flexibilização dos sistemas de proteção social (Barbier, 2005), pressões reforçadas pelas transformações demográficas e sociais em curso, especialmente o desafio do envelhecimento das populações nas economias de capitalismo avançado. O resultado é percebido no amplo desmonte dos sistemas de proteção social, concomitantemente ao aumento da insegurança e instabilidade em todas as esferas da vida. A vida se torna mais pesada porque, neste processo, o meio principal para auferir uma renda e ocupar um lugar na socieda-

de, o trabalho, se intensifica e se transforma simultaneamente à precarização dos mercados de trabalho.

A União Europeia, para enfrentar as crises e transformações, faz um forte apelo à coesão social, mas, como observa Castel (1998:495s), sem proteção social não há coesão social. Ou, na visão de Polanyi (1980), o mercado “autorregulado” não comporta nenhum dos elementos necessários para fundar uma ordem social. Não enfrentar a questão social significa minar a própria sustentabilidade política da União Europeia: não é só a desestabilização dos estáveis e a instalação de um contingente crescente de pessoas na precariedade, associado ao déficit de lugares ocupáveis no mercado de trabalho e na estrutura social, que preocupa, mas o ressurgimento de “supranumerários”, de “inúteis para o mundo”. Juntos estes fenômenos fazem surgir uma nova questão social que “tem a mesma amplitude e a mesma centralidade da questão suscitada pelo pauperismo na primeira metade do século XIX” (CASTELL, 1998:527ss).

## Conclusão

A análise das transformações mais profundas em curso deixa entender o que enfraquece os sindicatos europeus na luta por dar novas formas à sua maior conquista, os Estados de Bem-Estar Social na Europa. As mesmas transformações desafiam, também, a União Europeia que elaborou uma Estratégia, já desde 1994, para responder a estes desafios de maneira proativa. A Estratégia de Lisboa não alcançou seus resultados: o de transformar a União Europeia na região econômica, baseada na economia do conhecimento, mais dinâmica do mundo. O que ela impulsionou/reforçou foram processos de reforma de cunho liberal, que circunscrevem no mercado de trabalho soluções para questões sociais mais amplas. Os objetivos concretos da Estratégia Europa 2020, uma versão enxugada da Estratégia de Lisboa, mostram isto claramente.

O que se mostra, igualmente, com toda a clareza, é que a União Europeia não tem uma visão política sobre como alcançar o que ela quer ser no futuro. Na realidade, o que a rege é o Pacto de Estabilidade e Crescimento, um pacto que por sua engrenagem impede o crescimento e a busca por soluções diferenciadas e flexíveis, conforme a realidade regional e nacional tão diversa no seu seio.

Esta falta de uma “nova utopia” desafia também “o sindicalismo europeu”. Por um lado, ele precisa fazer frente ao novo estágio capitalista, onde domina o capital financeiro, concomitantemente com as grandes corporações transnacionais. Por outro, ele precisa acompanhar a União Europeia na sua tentativa de fazer política no sentido amplo da palavra, criar espaços políticos e definir objetivos políticos. No entanto, na diversidade existente no interior dos Estados-Membros e dos “estágios capitalistas” de seus sistemas produtivos e financeiros, o desafio é criar uma pauta em comum, como mostraram as respostas tão diversas ao chamado à mobilização geral, em setembro de 2010, quando “Europa 2020” foi lançada, simultaneamente ao reforço do Pacto de estabilidade. Mas, se os sindicatos não conseguirem se “transnacionalizar”, criar agenda, criar força política de contestação, de luta e de proposição, criar agenda política e de ação, eles correm o perigo de serem confinados a certos setores, nucleares, específicos; ou a algo parecido com unidades de apoio e serviço ao bom funcionamento das empresas.

O grande sindicato, ou o sindicato único, nunca se realizou, nem nos espaços nacionais e menos ainda no espaço transnacional. No entanto, num momento em que as feições de uma nova etapa de dinâmica capitalista começam a aparecer, esta união se torna ainda mais imperativa. Como criar uma nova utopia? O livro da ETUC, “Exiting from the crises” (ETUC, 2010), retoma os mesmos temas dos encontros voltados ao debate de como sair da crise, “Exiting the crisis”. Em 2010, o evento baseou-se no relatório elaborado a pedido da Comissão Europeia sobre a situação da União Europeia e este relatório apontou como caminho do êxito a política macroeconômica, sobretudo monetária-financeira (ILEA, 2010).

Mas isto não é suficiente para ir além da dinâmica que criou a própria crise: o estágio atual do desenvolvimento capitalista. Referente à Europa, os dois debates ficam na discussão do Pacto de Estabilidade, como se a reformulação (afrouxamento versus aprofundamento) deste pacto resolvesse a questão. A União Europeia foi construída sob um processo de integração negativa, de remoção de obstáculos ao mercado, e não num processo de integração positiva, de definição de um projeto político (uma utopia) a alcançar. É urgente criar um projeto de integração positiva; uma nova utopia. E para isso, os sindicatos são um ator chave.

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## ANNEX-1

Table 01: EU - 27 "Europa 2020 - Targets"<sup>22</sup>

	UNIT	2005	2007	2008	2009	2010	2011	TARGET
<b>75% of the population aged 20-64 should be employed</b>								
Employment rate - age group 20-64	% of population aged 20-64	68.0	69.9	70.3	69.0	68.6	68.6	75
<b>3% of the EU's GDP should be invested in R&amp;D</b>								
Gross domestic expenditure on R&D	% of GDP	1.83	1.85	1.92	2.01	2	(:)	3
<b>Greenhouse gas emissions should be reduced by 20% compared to 1990</b>								
<b>The share of renewable energy sources in final energy consumption should be increased to 20%</b>								
<b>Energy efficiency should improve by 20%</b>								
Greenhouse gas emissions	Index 1990=100	92	91	89	83	85	(:)	80
Share of renewable energy in gross final energy consumption	%	8.5	9.9	10.5	11.7	12.5	(:)	20,0
Primary energy consumption	1000 tonnes of oil equivalente (TOE)	1.704.354	1.686.155	1.683.452	1.596.185	1.646.839	(:)	1.474.000
<b>The share of early school leavers should be under 10% and at least 40% of 30-34 years old should have completed a tertiary or equivalent education</b>								
Early leavers from education and training	% of population aged 18-24	15.8	15.1	14.9	14.4	14.1	13.5	10 <sup>(i)</sup>
Tertiary educational attainment	% of population aged 30-34	28.0	30.0	31.0	32.2	33.5	34.6	40 <sup>(i)</sup>
<b>Poverty should be reduced by lifting at least 20 million people out of the risk of poverty or social exclusion</b>								
People at risk of poverty or social exclusion <sup>23</sup>	Thousand	123892	119281	115186	113767	115732	(:)	(:)
People living in households with very low work intensity	Thousand	39112	36687	34267	34222	37861	(:)	(:)
People at risk of poverty after social transfers	Thousand	79070	80580 <sup>(s)</sup>	80660	80174	80751	(:)	(:)
People severe rely materially deprived	Thousand	51729	44374	41374	39763	40105	(:)	(:)

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**Tabela 02 : European Union - Unemployment rate,  
by sex and age groups - June 2012**

GEO	by sex and age groups - June 2012 (%)				
	TOTAL	MALES	FEMALES	< 25 YEARS	25 TO 74 YEARS
European Union (27 countries)	10,4	10,4	10,4	22,5	9,1
European Union (15 countries)	10,6	10,6	10,5	22,0	9,3
Austria	4,5	4,7	4,4	8,7	3,9
Belgium	7,2	7,1	7,2	18,9	6,1
Bulgaria	12,3	13,8	10,6	29,5	10,9
Croatia	16,0	16,2	15,6	41,8	13,4
Cyprus	10,6	11,1	10,1	25,8	9,1
CzechRepublic	6,7	5,6	8,0	19,1	5,7
Denmark	8,0	8,0	8,1	14,4	6,9
Estonia	10,1	11,3	9,0	22,8	8,7
Finland	7,6	8,3	6,9	17,9	6,2
France	10,2	10,1	10,3	23,1	8,8
Germany	5,5	5,8	5,2	8,0	5,2
Greece	24,4	21,7	28,1	55,4	22,3
Hungary	10,8	11,3	10,1	28,6	9,5
Ireland	14,8	17,7	11,3	30,0	13,3
Italy	10,7	10,0	11,7	33,9	8,3
Latvia	15,9	17,2	14,7	29,4	14,5
Lithuania	13,2	14,9	11,6	25,9	12,1
Luxembourg	5,4	4,5	6,5	20,1	4,5
Malta	6,3	6,0	7,0	11,9	5,3
Netherlands	5,1	5,2	5,1	9,3	4,3
Norway	3,1	3,5	2,5	8,1	2,2
Poland	10,0	9,3	11,0	25,4	8,5
Portugal	15,7	15,7	15,6	37,6	13,8
Romania	7,3	7,9	6,6	23,8	5,9
Slovakia	13,8	13,2	14,6	37,4	11,6
Slovenia	8,2	7,8	8,6	16,8	7,4
Spain	24,9	24,9	24,9	52,6	22,6
Sweden	7,6	7,8	7,3	22,9	5,3
United Kingdom	8,1	8,7	7,4	21,6	5,8

Fonte: Eurostat 2012

22 Fonte: [http://epp.eurostat.ec.europa.eu/portal/page/portal/europe\\_2020\\_indicators/headline\\_indicators](http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators)

23 People represented at least in one of the 3 sub-indicators

**Tabela 03 : EU - 27 People at risk of poverty after social transfers - 2010**

PERCENTAGE OF TOTAL POPULATION	
CzechRepublic	9,0
Iceland	9,8
Netherlands	10,3
Norway	11,2
Slovakia	12,0
Austria	12,1
Hungary	12,3
Slovenia	12,7
Sweden	12,9
Finland	13,1
Denmark	13,3
France	13,3
Luxembourg	14,5
Belgium	14,6
Switzerland	15,0
Malta	15,5
Germany	15,6
Cyprus	15,8
Estonia	15,8
Ireland	16,1
EU (27 countries)	16,4
United Kingdom	17,1
Poland	17,6
Portugal	17,9
Italy	18,2
Greece	20,1
Lithuania	20,2
Croatia	20,5
Bulgaria	20,7
Spain	20,7
Romania	21,1
Latvia	21,3

Source of Data: EUROSTAT

## Resumo

Este artigo tem como objetivo analisar alguns elementos centrais para captar com mais clareza o significado das respostas dadas pela União Europeia à crise econômica e à inquietação social crescente e avaliar qual a força dos sindicatos europeus de codeterminação dos caminhos a seguir. Identifica-se como fundo desta crise a transformação do padrão de acumulação e do sistema de regulação social a ele ligado, uma transformação a qual a União responde, desde o ano de 2000, com a Estratégia Europeia para Emprego e Crescimento (EEC). O eixo principal desta estratégia consiste nos esforços para deslanchar de vez as “economias do conhecimento”, um projeto que poderia representar uma audaciosa política industrial. No entanto, a regra básica norteadora da cooperação no espaço comunitário é o Pacto de estabilidade (financeira), em que a União fica refém da contradição entre esta estratégia macroeconômica de emprego e renda e sua política macroeconômica real, protetora da riqueza financeira. Neste contexto, recoloca-se o conflito entre capital e trabalho, porém, os sindicatos europeus, essa é a hipótese, não aparecem com força suficiente para decidirem o conflito em prol do trabalho, ficando entre adesão ou resistência à EEC. Enquanto os sindicatos lutam por adequar sua maior conquista histórica, os Estados de Bem-Estar Social, à nova realidade, veem-se eles mesmos enfraquecidos pelas transformações mais profundas em curso.

**Palavras Chaves:** Sindicalismo, União Europeia, Estratégia 2020.

# We Are the 89%

## Lessons From the Occupy Movement for Unions in the United States<sup>1</sup>

*Steven Toff and Jamie McCallum*

### ***Introduction***

89 per cent? That is the percentage of waged and salaried workers in the United States that have no union.<sup>2</sup> That is the percentage of working people with virtually no voice over the conditions of their employment, no workplace protections, and no job security – comforted only by the ‘invisible’ hand of the unregulated labour market. Perhaps more importantly, that is the percentage of workers often left out of the discussion when we are debating issues related to the official labour movement in the United States. With such an overwhelming majority of workers unrepresented, it should come as no surprise that the most significant response to unemployment, rising debt, and the general wreckage left behind from the neo-liberal financial crisis did not arise from the 11% of workers organized in unions. That response was the occupy movement.

This paper will look at the recent explosion of civil and political protest in the United States, now famous for their refrain “We are the 99%”, and well known as the Occupy movement. The first section will provide some

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1 A short article by the same authors was published in the November edition of the Global Labour Column (and subsequently published in the ILO anthology *Confronting Finance* in 2012). The original article appeared under the title “Supporting Dissent Versus Being Dissent”. This paper is largely based on that article, expanding on some of the themes briefly discussed in the short piece.

2 Bureau of Labor Statistics. Retrieved from <http://www.bls.gov/news.release/union2.nr0.htm>

brief context for the events beginning in the fall of 2011 and the role that unions have played in the process. The second section focuses on the actions on the west coast where the ports provided repeated scenes of massive demonstrations and labour unrest. These events arguably offer some of the most relevant examples and lessons for the future of any workers' movement. Section three looks at the role the law plays in shaping labour tactics in the US union movement, while the fourth and final section questions what can be done to challenge the shortcomings that this legal structure has bestowed upon us.<sup>3</sup>

## I. Occupy the Labour Movement

When the Occupy Wall Street movement began on Sept. 17<sup>th</sup> of last year, following a call from *Adbusters* Magazine, few could have predicted the wave of uprisings and occupations that would soon sweep the rest of the country and indeed much of the world. Referencing the momentous changes of North Africa's Arab Spring, NBC's foreign correspondent Ayman Mohyeldin referred to the occupy events as an *American Fall*.<sup>4</sup> While it remains to be seen how this inchoate movement will mature, it has so far exceeded everyone's initial calculations—it is the first time since the 1999 anti-WTO demonstrations in Seattle that tens of thousands in the US are taking to the street for economic reasons. Average Americans, many of whom have long understood the moral and economic turpitude at the root of Wall Street, are now expanding that analysis to make a wholesale critique of neoliberalism and questioning some of the most foundational principles of capitalism. Despite its occasional penchant for protest and militant action, and its position as nearly the sole organization comprised of the US working class, the labour movement has been unable to mobilize itself or recruit others in the cause against rising income inequality and the erosion of democratic protections for workers. Now that the occupy movement has raised the issue, built a

movement base, and reached out to labour, there is a looming question as to how the unions will respond to the call.

### *Enterprise Bargaining & Moving the Labour Movement*

For many of our international comrades, the only question has been "What took you so long?" Despite labour's best intentions and shared goals, the Occupy movement has not been driven by unions or any organizations on the traditional left. For those familiar with the idiosyncrasies of the structure of US unions, their peripheral role in the Occupy movement comes as no surprise. In much of the world, unions are seen—and more importantly, see themselves—as representing the interests of all working people. By contrast, as a consequence of legislation that legitimized trade union activity in this country in the midst of the Great Depression, nearly all unions have fallen into the role of advocating solely on behalf of their members, a constituency, we might add, that has been declining rather steadily toward extinction and political apathy for the last five decades. US unions bargain individually with each employer, one contract at a time, narrowly defining their role as advocates for each specific set of workers. Consequently, their limited mission has created and reinforced a specific fraction of "middle class America," another rare and disappearing animal on the national landscape. As union power was defeated and real wages stagnated or declined, American workers have increasingly turned to individual solutions to their mounting crises—debt and overwork—a happenstance that has coincided with the largest *upward* re-distribution of wealth in US history.

Fast forward to September of 2011, and we see an almost spontaneous uprising of mostly non-unionized working and poor people, unemployed youth and students, taking the very message that labour should have been championing directly to the seat of power. These events were no less shocking for labour as they were for anyone else, though for unions the surprise has been accompanied by at least a slight embarrassment. As one US labour activist remarked, "There is a sense that they [the occupy movement] beat us at our own game."

3 Following the publication of our first article, "Supporting Dissent vs. Being Dissent" we received an array of feedback. Many comrades and colleagues suggested this path dependency was more a consequence of labour's own choices, and less a product of a preordained legal structure. This debate raises many interesting questions regarding *fault*. In no way does this paper seek to assign fault. Instead, it merely hopes to offer some critique and suggestions on how to move forward from the crisis we have been in for far too long. Others may write about how or why we arrived here, and those lessons will no doubt prove valuable.

4 Mohyeldin, A. (2011, Octobre 12). From the Arab Spring to the American Fall? *Time*. Retrieved from <http://ideas.time.com/2011/10/12/from-the-arab-spring-to-the-american-fall/>

### *Union Priorities and Direction Prior to Occupy*

In June of 2011, National Nurses United (NNU) joined international calls for action demanding a financial transaction tax, by mobilizing nearly 1000 nurses to descend on Wall Street. Ironically, NNU didn't represent more than a few hundred nurses in the New York area due to historical divisions between unions in the industry, but this did not deter them. They reached out to other unions and organizations in the New York City area, and held a protest on Wall Street, under a banner that read "Heal America." As the nation's nurses, the union's message was clear. Our economy is the patient, suffering from a sickness called neoliberal economics with a desperate need for intervention. While a few unions offered moderate support for the event, nurses made up the overwhelming majority of the crowd, some having come from California just to participate.

In the aftermath of this June rally, someone on the NNU blog webpage asked: "Why nurses?" The answer is two fold. According to NNU:

*"...they see and feel the broad declines in health and living standards for their patients, and their own families that are directly tied to the collapse in jobs, housing, healthcare, and other basics of what used to be called the American dream. Because they are located in every community and because they touch everyone's lives. Because they have had enough, and want to stop the bleeding now."<sup>5</sup>*

But perhaps instead of asking, "Why nurses?" we should be asking, "Where was the rest of the labour movement?" Unions did join groups such as National Peoples Action, Code Pink, and others on Wall Street in the immediate aftermath of the bailout of the large investment firms in 2008, and again when those same firms paid themselves bonuses in 2009. But the overall failure of labour to pay more than lip service to the economic disaster affecting the overwhelming majority of working people has had catastrophic effects. To be clear, this is not due to lack of want. Many leaders in the labour movement passionately believe in challenging neoliberalism—if not capitalism itself—but have been constrained by the structural relationship between unions and individual employers, and their historical alliance with the Democratic Party. The model of industrial relations born out of Roosevelt's New Deal is just as antiquated today as craft unionism was at that time. It's high time for a new approach. While this is universally recognized, the unions

<sup>5</sup> National Nurses United, Retrieved from <http://www.nationalnursesunited.org/blog>

have struggled to find any tactical and/or strategic innovations in their morass.

### *The Role of Unions in the Occupy Movement*

On October 5<sup>th</sup>, AFL-CIO president Richard Trumka announced that US unions "support the protesters," remarking that he was "proud that today on Wall Street, bus drivers, painters, nurses and utility workers are joining students and homeowners, the unemployed and the underemployed to call for fundamental change."<sup>6</sup> SEIU, the largest union within the Change to Win federation, likewise declared, "Occupy Wall Street: We've Got Your Back."<sup>7</sup> These are welcome pronouncements of support for direct action, but it falls far short of an adequate response. There is a difference between *supporting* dissent and *being* dissent. There has not recently been a more opportune moment for labour to forge a new course; as labour activists, we join a growing chorus within the union movement that feels the occupy movement is labour's movement too.

There are isolated examples of this. Unions have turned out thousands of members for specific rallies in New York as well as throughout the country for different marches and days of actions. This has served to add a substantial dose of legitimacy to the protests within the national media. NNU has joined the actual occupations in a number of cities, setting up 'Nurses Stations' at the encampments, sleeping in the camps, and even being arrested with the occupiers.<sup>8</sup> On numerous occasions in New York, Massachusetts, California, Ohio, Pennsylvania, Vermont and elsewhere, unions have joined marches and rallies. They have worked alongside the Occupy movement to draw attention to some of their otherwise insulated contract fights, such as those at Verizon and Sutherby's Auction House.<sup>9</sup>

By and large, unions have followed through on their pledge to "open our union halls and community centres as well as our arms and our hearts to those with the courage to stand up and demand a better America."<sup>10</sup> But

<sup>6</sup> AFL-CIO. Retrieved from <http://www.aflcio.org/mediacenter/prspmt/pr10052011.cfm>

<sup>7</sup> Change To Win. Retrieved from <http://www.seiu.org/2011/10/seiu-supports-occupywallstreet.php>

<sup>8</sup> Chicago Tribune, Digital Edition (2011, Octubre 24). *Nurse Arrested At Occupy Chicago Shares Story*.

<sup>9</sup> Nash, K. & Rosenberg, M. (Prod.). (2011, Octubre 23). *Occupy Wall St. Protest – Sotheby's Stop & Frisk, Verizon. Building Bridges Radio*. Retrieved from <http://www.buildingbridgesradio.blogspot.com/>

<sup>10</sup> AFL-CIO. Retrieved from <http://www.aflcio.org/mediacenter/prspmt/pr10052011.cfm>

nowhere has the prospect of a labour-community coalition been more of an issue than on the west coast ports. From the general strike in Oakland, to the contentious battle for control over the ports in Longview, Washington, these overlooked labour struggles should instead be recognized as some of the most significant and important examples of class struggle in US labour history, with momentous lessons for the future of any workers' movement.

## II. Oakland's General Strike & The Struggle In Longview, Washington

On November 2<sup>nd</sup>, 2011 in response to brutally repressive police tactics and in an effort to build the movement, Occupy Oakland called for a city-wide general strike. The last general strike that took place in the United States was in 1946, coincidentally also in Oakland.<sup>11</sup> On October 26<sup>th</sup>, a general assembly held in Oakland's Frank Ogawa Plaza drew close to 2,000 people. They voted almost unanimously for a general strike to take place one week later.<sup>12</sup> While many rank-and-file union members were present and participating, none of these events were developing within the formal channels of the official labour movement. This extraordinary process sheds much light on the present state of affairs in each movement.

Although a number of unions did eventually endorse the action,<sup>13</sup> none actually mobilized their members to strike. The principle reason is the legal structure that has ensnared the labour movement for decades. ***US unions have, almost without exception, traded away or lost their right to strike during the duration of a contract with management.*** It is a supreme irony of US unionism that the few strikes that do occur today are usually directed at winning a contract, the same mechanism that binds them to quiescence. The communications director for the International Longshore & Warehouse Union (ILWU) put it best. "It's virtually impossible for any union to endorse [the] work-stoppage because all contracts have no-strike clauses, which unions are bound to honor."<sup>14</sup> While businesses have a duty to mitigate their

damages, unions found in violation of no-strike agreements, have been held liable for loss of profits, costs of operations or standing by, wages paid to idle employees (supervisors, etc.), and even foreseeable consequential damages after the end of the strike upon proof that considerable time would be necessary to re-attract lost customers.<sup>15</sup>

But unions have broken the law before, and there are factors beyond legal constraints that discouraged labour from mobilizing its base including a lack of will, a bureaucratic structure that renders decision-making difficult, a membership base unaccustomed to militancy, a political perspective that blames "greedy" individuals instead of exploring system problems and contradictions inherent to economic systems, etc.

While the action may have been smaller than general strikes in the past and short-lived, it was a clear success. The Port of Oakland was shut down, businesses that had advertised their hostility to the occupy movement were threatened into closing for the day as well, and mainstream and independent media were largely sympathetic. Although unions were peripheral participants, with the notable exception of the ILWU (who as the port workers, refused to cross the picket line of occupy – an act legally distinct from calling for and engaging in their own strike), individual rank and file members took to the streets together with broad swaths of radicals in what was the most powerful display of working class solidarity the occupy movement had yet produced. "Our members couldn't strike, but we still brought people out," said one California union organizer.

### *From Wall Street to the Waterfront: Longview, WA*

The west coast docks in the United States have been one of the small union strongholds since their historic unionization under the leadership of the legendary Harry Bridges in 1934. The entire west coast was originally organized in a massive display of union power shutting down ports from San Diego to Seattle, leading to a general strike in San Francisco following the death of striking workers at the hands of the San Francisco Police. The legacy of this historic and important union is present in modern day labour struggles as the ILWU has remained a powerful force strategically located at a linchpin of the supply chain in the global economy. Organized dockwork-

11 Cole, P. (2011, November 2). Bay Area's History of General Strikes. *SF Gate*. Retrieved from [http://articles.sfgate.com/2011-11-02/opinion/30353350\\_1\\_general-strike-ilwu-unions](http://articles.sfgate.com/2011-11-02/opinion/30353350_1_general-strike-ilwu-unions)

12 Occupy Oakland. (2011, October 29). *Occupy Oakland Votes for General Strike*[video file]. Retrieved from <http://youtu.be/PfT3dx7SGm8>

13 Occupy Oakland. Retrieved from <http://www.occupyoakland.org/total-general-strike/endorsements-from-organizations/>

14 <http://www.theatlanticwire.com/national/2011/10/unions-say-they-wont-strike-occupy-oakland/44287/>

15 See, e.g., *Atkinson v. Sinclair Refining Co.*, 370 U.S. 238, 249 (U.S. 1962); *NLRB v. Sands Manufacturing Co.* 306 U.S. 322 (1939); See also, 29 USCS § 185

ers handle all cargo from Asia before it reaches the shelves for American consumers. Nearly every port and every crane on the west coast is a unionized position represented by the ILWU since 1934, and the hiring of all jobs is done through the union controlled hiring hall, allowing the ILWU to control the number of Longshoremen, and thus the value of their labour in the limited and highly specialized labour market.<sup>16</sup>

One of the newest and most powerful businesses to set up shop in a west coast port is EGT, LLC. They are a multinational grain export company – a joint venture between the Japanese ITOCHU Corporation, South Korean STX Pan Ocean, and the American company Bunge Limited. Bunge, ranked number 182 on Fortune’s Global 500 list of the world’s largest corporations, is the 51 percent controlling partner in EGT (ITOCHU also ranks 201). Bunge operates on five continents, with 35,000 employees in thirty-seven countries. In 2010 alone, they saw profits exceeding \$2.5 billion. Dan Coffman, president of the ILWU union in Longview, WA described them as follows: “Bunge is part of what we call the grain cartel, which is the equivalent of the oil cartel. There’s a handful of players in the grain cartel, and Bunge is one of them—along with Cargill, Archer Daniels Midland, Louis Dreyfus, and Gavalon. Actually, if you look at it, they’re probably more powerful than the oil cartel, because people have to eat, and they know that.”<sup>17</sup>

Longview, Washington is a small port town with less than 36,000 residents, located between Portland and Seattle on the Pacific coast of the United States. On August 4, 2009, EGT began construction on a 200 million dollar grain terminal at the Longview port, designed to export US taxpayer subsidized corn, wheat, and soy grains primarily to Asia.<sup>18</sup> They spent nearly three years negotiating a lease with the Port of Longview, the public authority charged with managing and operating the port.<sup>19</sup> One of the key provisions outlined in the lease required EGT to employ unionized members of the ILWU, to recognize, and negotiate the terms and conditions of employment.

16 The ILWU Story. Retrieved from [http://www.ilwu.org/?page\\_id=814](http://www.ilwu.org/?page_id=814)

17 EGT. Retrieved from <http://www.egtgrain.com/about/>; Bunge. Retrieved from <http://www.bunge.com/About-Bunge>; See also, Hoop, D. (2012, January/February). Class Warfare in Longview. *International Socialist Review* [Issue 81]. Retrieved from <http://www.isreview.org/issues/81/analysis-longview.shtml>

18 Id.

19 Interestingly, the ILWU have historically run candidates for these publicly elected positions. In the midst of this struggle, they elected a new commissioner who won by a significant margin. For more info, see: [http://tdn.com/news/local/new-port-commissioner-looks-to-balance-ilwu-ties-port-interests/article\\_6f094e1c-0e63-11e1-a70d-001cc4c002e0.html](http://tdn.com/news/local/new-port-commissioner-looks-to-balance-ilwu-ties-port-interests/article_6f094e1c-0e63-11e1-a70d-001cc4c002e0.html)

EGT insisted on 12-hour shifts with no overtime and refused to recognize the union hiring hall. They wanted to bring in their own people. As small as this operation was, as a matter of principle, that was a direct affront on the union and unacceptable on a west coast dock.

Workers began picketing the facility even prior to its opening, and EGT took legal action in an attempt to free themselves from the terms outlined in the contract they had signed with the Port of Longview. On the 12<sup>th</sup> of Jan. 2011, EGT filed in US Federal Court seeking a declaratory judgment allowing them to ignore the provisions of the contract obligating them to recognize and negotiate with the union.<sup>20</sup> They didn’t wait for a judge’s opinion. By February, EGT had broken off negotiations and began making their own arrangements to hire other workers.<sup>21</sup>

### *Dockworkers vs. Global Finance Capital*

A new phase of the struggle in Longview began that spring. The ILWU began picketing the facility. In response EGT built a giant fence to block workers from picketing near the gates. In May, hundreds of workers held a large demonstration in front of the terminal, and in early June, more than 1000 protesters staged a rally at EGT’s Portland headquarters. By July, 100 people were arrested after tearing down a chain link gate and protesting on property leased by EGT. A few days later 600 workers and supporters blocked a train heading to the terminal forcing the train operator to suspend service. By the end of July, EGT was forced to close the terminal due to union pickets blocking access.

Protests and blockades continued until September, when EGT filed for an injunction. A judge issued that injunction on September 1<sup>st</sup>, forbidding the ILWU from engaging in “mass picketing and blocking of ingress and egress at the facility... or impeding rail or ship traffic anywhere destined to or from EGT’s facility.”<sup>22</sup> Pickets were to be limited to no more than 8 people. The su-

20 *EGT v. Port of Longview*, 2011 U.S. Dist. LEXIS 116532 (W.D. Wash. Oct. 7, 2011)

21 EGT contracted with a different union, the Operating Engineers, Local 701. The other union, which is historically a construction union, was, in the opinion of many, essentially functioning as a scab union. Traditionally, they are a legitimate union in their own labour market. While the union vs. union element of the story represents another complex (and truly sad) twist, it is distracting from the central themes of this paper. Nonetheless, we would be remiss if we failed to mention this additional layer of complexity built into this struggle. Indeed, an entire paper could be dedicated to this attribute of the Longview saga alone.

22 *Ahearn ex rel. NLRB v. Int’l Longshore & Warehouse Union, Local 21*, 2011 U.S. Dist. LEXIS 120719 (W.D. Wash. Sept. 8, 2011) See also, *Ahearn v. Int’l Longshore & Warehouse Union, Local 21*, 2011 U.S. Dist. LEXIS 113201

preme irony of this injunction is clearly that to follow the injunction would mean the restriction on the ability of workers to demonstrate and engage in some of the most basic and fundamental principles of freedom of association.<sup>23</sup> Such an injunction is a clear demonstration of the rights of capital – the freedom of capital – being held above the rights and freedom of individuals.

Thus the injunction was necessarily ignored. Hundreds of workers blocked trains less than a week later, in Vancouver, Washington, and the facility in Longview. This time police arrived in force, in full riot gear, equipped with tear gas, rifles, and rubber bullets. After a four-hour standoff, they had cleared the tracks for the train to pass. The following evening, on the 8<sup>th</sup> of September, hundreds of ILWU members stormed the EGT facility, cutting fuel lines, smashing windows, and dumping grain from the train cars. Allegations would later be made that the ILWU took six security guards hostage, though Coffman stated that this was “a blatant, total, all-out lie.” Meanwhile, the courts found the union in contempt of the court ordered injunction and police began conducting military style raids on the homes of workers, rounding up leaders from the union and arresting them for the 8<sup>th</sup> of September events.<sup>24</sup>

*Approximately one week later, hundreds of other workers, on the opposite side of the country, together with students, and the unemployed, were building **Occupy Wall Street** in New York.*

Back in Longview things were looking grim. Civil lawsuits were filed, and the ILWU even filed a petition to remove the sheriff in charge of local police services based on the military style reaction. A Federal Judge fined the ILWU \$250,000.00 for violating their injunction and stated that individuals who blocked trains would each be fined \$2,500.00. The fine for the same ‘offense’ would be \$5,000.00 for union leaders.<sup>25</sup>

On Nov. 2<sup>nd</sup>, a Federal Judge added an addition \$65,000 in fines on the union’s bill.<sup>26</sup> *Meanwhile, in the land of Occupy Wall Street, Occupy Oakland had called for a General Strike.*

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(W.D. Wash. Sept. 30, 2011)

23 Gernigon, B., Otero, A., & Guido, H. ([1998] 2000) ILO Principles Concerning The Right To Strike. *International Labour Review*, 137(4), 11.

24 Year of Strife: EGT/ILWU Timeline. (2012, January 23). *The Daily News*. Retrieved from [http://tdn.com/news/local/article\\_a200fd7a-eb8a-11e0-94fc-001cc4c002e0.html](http://tdn.com/news/local/article_a200fd7a-eb8a-11e0-94fc-001cc4c002e0.html)

25 *Id.*, Supra, note 18, *Class Warfare*

26 *Id.*

### III. One Law For the General Public, Another For Workers

One of the most idiosyncratic attributes of U.S. law is that one set of principles seems to dictate doctrine in the sphere of labour law, while a separate and distinct set of principles rules the rest of civil society. Thus a union can be forbidden from engaging in the exact acts that a social organization would be free to engage in. This is exactly what took place with the ILWU in Longview. Courts can and do hold trade unions responsible for the financial damages that members’ actions inflict upon a company. Unions can be sued, fined (as the ILWU was), and its leaders can even be imprisoned (as they were). A different standard is used to measure other types of organizations – even working class organizations fighting for economic empowerment.

Case law in the United States provides clear examples of this. A classic case demonstrating this principle is *Clairborne Hardware*. In this case, the Supreme Court held that a community organized boycott purposely designed to pressure local authorities to effectuate political and social changes (regarding a host of issues surrounding inequality for African-Americans) is activity that is protected by the First Amendment.<sup>27</sup> The goal of the boycott was simply economic coercion through collective action (or inaction), entirely analogous to a strike action. And the court specifically addressed the issue that the boycott tactics (including pickets, standing in front of businesses, and generally attempting to impede the flow of persons and capital in and out of the establishment), stating that such acts were perfectly acceptable. What’s more, the court held the actions to be legitimate even when other individuals associated with the boycott engaged in violent and illegal (criminal) acts in an attempt to escalate pressure to enforce the boycott.<sup>28</sup> In the name of the boycott, bricks were thrown through windows, personal and private property were damaged by participants, and gunshots were even fired into homes by boycotters, in actions designed to intimidate, threaten, and generally pressure others to participate in the boycott or compel businesses to cave into their demands.<sup>29</sup>

All of this was deemed to be activity protected by the Constitution. “The established elements of speech, assembly, association, and petition,

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27 NAACP v. *Clairborne Hardware Co.* 458 U.S. 886, 911-912 (1982)

28 *Id.* at 904

29 *Id.*

‘though not identical, are inseparable.’”<sup>30</sup> The opinion continued by proclaiming that through the “exercise of these *First Amendment* rights, the petitioners sought to bring about political, social, and economic change.”<sup>31</sup> All deemed legal and protected activity.

But the court was careful to distinguish these acts from those of a labour union, in a feat of curt judiciary and dicta: “Secondary boycotts and picketing by labor unions may be prohibited, as part of Congress’ striking of the delicate balance between union freedom of expression and the ability of neutral employers, employees, and consumers to remain free from coerced participation in industrial strife.” (quotations omitted, quoting *NLRB v. Retail Store Employees*, 447 US 607, 617-618 (Black- Mun, J., concurring in part)).<sup>32</sup> The contrasting rule for unions is articulated in such a manner that it appears self-evident. Still, Justice Stevens did feel it was necessary to include – perhaps with the fear in mind that unions might seek the same Constitutional guarantees espoused just a few paragraphs earlier in his opinion.

### *As Applied to the ILWU*

In the struggle in Longview, the restrictions placed on the union were becoming all too apparent at precisely the time that the nation was gripped with the national struggles of Occupy Wall Street. The state’s monopoly on the use of violence was legitimized through the words of judges forbidding certain individuals from engaging in the very acts of civil disobedience that were taking place all over the country. The ILWU was a labour organization, as defined by the National Labor Relations Act, thus they could be fined hundreds of thousands of dollars. Occupy was a social movement and you can’t sue a social movement.<sup>33</sup>

<sup>30</sup> Id. at 911 quoting *Thomas v. Collins*, 323 US 516, 530

<sup>31</sup> Id.

<sup>32</sup> Id. at 912

<sup>33</sup> This statement is not entirely true – however semantically, it is meant to draw the distinction between the social movement and a labour union. Of course, even if you could bring a successful suit against Occupy, who would you bring to court? And what treasuries or resources could you extract payment from? This exact issue was raised by the judge hearing the case for a Temporary Restraining Order in Boston, filed by *Occupy Boston* in an attempt to pre-empt any police eviction action. The judge raised numerous concerns regarding the ability of *Occupy Boston* to have proper legal standing to even bring a case. “[The] lack of established leadership, McIntyre said, makes it difficult for the group to have legal standing, because there is no guarantee that protesters will adhere to any agreements made in court.” See, <http://www.wbur.org/2011/11/17/occupy-boston-8>

The other difference was that there was no spotlight on what was taking place in Longview. Occupy was on television daily. People were sleeping in the street in front of the very institutions that embodied capitalism. The ILWU barely made their local newspaper. National media sought to characterize the Occupy movement as angry, lazy, anarchist youth. Labour union struggles on the docks did not fit in this narrative.

For these reasons, the ILWU began to look for alternatives. When the mine workers at Empire Zinc were prohibited from picketing in a 1951 strike, their wives organized into shifts to block the entrances of the mines thus avoiding and violation of the letter of the injunctions slapped against the union.<sup>34</sup> The ILWU began to do the same. Nine mothers, wives, and grandmothers, all members of the ILWU’s Women’s Auxiliary #14, engaged in non-violent civil disobedience by blocking a train carrying wheat to the terminal. The police used such brutality in their arrests that one of the women, a 57 year-old grandmother, suffered a torn rotator cuff.<sup>35</sup> Protestors were thrown to the ground with sufficient force to send countless participants to emergency rooms. By December, 220 of the 225 members of the local union had been arrested. The local president had been arrested six times, one arrest which resulted in the police breaking his arm. In a matter of months, police and private security hired by EGT had transformed Longview into Harlan County (the setting for an infamous and violent strike in the early 1970s, immortalized in an Academy Award winning documentary by Barbara Kopple, *Harlan County, USA*).<sup>36</sup>

Thus a larger strategy was needed. The ILWU reached out to the community and Occupy was there to take up the cause. A relationship between the new social movement and the union had already begun to be forged with the general strike in Oakland. When it blocked the ports in Oakland, it provided the ILWU with conditions that allowed them to effectively strike. They could not officially endorse the action, but not a single boat was loaded or unloaded on November 2<sup>nd</sup>. The Occupy movement answered the call and vowed to shut down the entire west coast with protests blocking all of the ports on December 12<sup>th</sup>.

<sup>34</sup> *Salt of the Earth*, a 1954 film, captures this story beautifully. The authors highly recommend the film.

<sup>35</sup> *Supra*, note 18, *Class Warfare*

<sup>36</sup> All eyes on Longview: An injury to one is an injury to all. 16/01/2012.

But labour-community relationships are always tough to manage. Occupy began planning for their west coast port shutdown, which threatened to stop the flow of capital in every port – raising the stakes far beyond the local dispute with EGT in Longview. The national leadership of the union began to distance themselves from the Occupy movement. Bob McEllrath, the national president, was quoted as saying the union “shares the Occupy movement’s concerns about the future of the middle class and corporate abuses,” but he urged the movement to stay out of the dispute in Longview, warning against “outside groups attempting to co-opt our struggle in order to advance a broader agenda.”<sup>37</sup> This was in stark contrast to the relationship being built on the ground between local union leaders and Occupy. And when December 12<sup>th</sup> arrived, thousands of “Occupiers” arrived at ports in San Diego, Los Angeles, Oakland, Portland, Longview, and Seattle; even in Alaska and Houston, Texas. They were successful in effectively shutting down all activity on the ports in many of the major locations – including Oakland, Portland, Seattle, and Longview.<sup>38</sup> Despite the apparent conflict between the ILWU and Occupy (possibly fuelled by the legal position the ILWU is obligated to take, though possibly a legitimate difference of opinion and tactics), it was clear that ILWU rank and file had “voted with their feet” demonstrating their position, by refusing to cross the line in many of these cities.

People were beginning to take notice of what was happening. A potentially very powerful alliance was being formed between the occupy movement and one of the most powerful unions in the country. And it wasn’t limited to the ports or ILWU. The Teamsters and independent truck drivers who delivered to the docks refused to cross the picket lines set up by Occupy. In Bellingham, Washington, Occupy activists locked themselves to rail lines carrying Goldman Sachs goods. In Denver, Colorado, Salt Lake City, Utah, and Albuquerque, New Mexico, demonstrators blockaded Walmart distribution centers – a symbol for the new economy (poverty wages, aggressively anti-union, and ironically dependent on importing nearly all their merchandise from China through the west-coast ports). In New York, protesters occupied banks and financial institutions.<sup>39</sup>

37 Occupy Disrupts Ports. Police Make Arrests (2012, December 12). *CNN*. Retrieved from [http://articles.cnn.com/2011-12-12/us/us\\_occupy-ports\\_1\\_protesters-port-authority-international-longshore?\\_s=PM:US](http://articles.cnn.com/2011-12-12/us/us_occupy-ports_1_protesters-port-authority-international-longshore?_s=PM:US)

38 Occupy Shuts Down 3 West Coast Ports. (2012, December 12). *CBS*. Retrieved from [http://www.cbsnews.com/8301-201\\_162-57341895/occupy-shuts-down-3-west-coast-ports/](http://www.cbsnews.com/8301-201_162-57341895/occupy-shuts-down-3-west-coast-ports/)

39 *Occupy Movement Claims Success In Coordinated “Wall Street on the Waterfront” Port Shutdowns* [Press Release]. (2011, December 15). Retrieved from <http://westcoastportshutdown.org>

And the government was watching as well. It is now been revealed, through Freedom of Information Act requests, that the FBI was monitoring Occupy during this time, specifically concerned about the west coast port shutdown.<sup>40</sup> EGT was also growing very concerned. Their first ship was floating in the bay during this entire struggle, waiting to come into the port of Longview while these battles raged. As news spread of the coming ship, Occupy vowed to block the port if the boat arrived. They began organizing caravans nationally to bring “occupiers” to Longview, in what was now being seen by many as a second front (second to Wall Street) in the Occupy movement. While tensions remained between the ILWU head office in San Francisco and the Occupy movement, the feeling on the ground in Longview was one of solidarity.

On January 6<sup>th</sup>, 2012, the U.S. government announced it would be escorting the EGT ship into port, mobilizing the Coast Guard and Helicopters.<sup>41</sup> Police and private security would step up the already militarized environment in Longview, in a coordinated effort to repress any resistance to the boat’s arrival. Just a few days early, Obama signed the National Defence Authorization Act (NDAA), which allowed for indefinite imprisonment, without charges or trial, for anyone committing a “belligerent act”.<sup>42</sup> But these pronouncements only served to outrage longshoremen and occupiers. The movement became even more committed in their resolve to block the boats arrival. There were even unconfirmed reports of plans for an armed resistance to its arrival.<sup>43</sup>

On January 23<sup>rd</sup>, with thousands of committed activists arriving in Longview, pledging to block the arrival of the boat, and only a few days after activists occupied the offices of ITOCHU in San Francisco,<sup>44</sup> EGT announced

40 Documents Show FBI Monitored Bay Area Occupy Movement. (2012, September 14). *San Jose Mercury News*. Retrieved from [http://www.mercurynews.com/occupy/ci\\_21538016/documents-show-fbi-monitored-occupy](http://www.mercurynews.com/occupy/ci_21538016/documents-show-fbi-monitored-occupy)

41 Protest Planned For First Ship to Dock At EGT Grain Terminal. (2012, January 6). *TDN News*. Retrieved from [http://tdn.com/news/local/protest-planned-for-first-ship-to-dock-at-egt-grain/article\\_e9b1d6e0-38d7-11e1-aac5-001871e3ce6c.html](http://tdn.com/news/local/protest-planned-for-first-ship-to-dock-at-egt-grain/article_e9b1d6e0-38d7-11e1-aac5-001871e3ce6c.html)

42 National Defense Authorization Act (NDAA). H. R. 1540. §1021(b)2

43 As extreme as this sounds, one of the authors of this paper interviewed a number of activists involved in the blockades who wished to remain anonymous (for obvious reasons). Multiple individuals made references to concrete steps they had personally taken (such as purchasing weapons or materials to make home-made grenades, molotov cocktails, etc.), or were aware.

44 *Occupation of Itochu in SF to Stop Union Busting Against ILWU At Port Of Longview*. (2012, January 21). Retrieved from <http://westcoastportshutdown.org>

they had reached a settlement with the ILWU. A contract would be signed.<sup>45</sup>

Much could be written about the details of the contract, and a critical view of what constitutes victory is necessary for any movement. But as a question of tactics – in an analysis of legal norms that have dictated union behaviour in struggles with capital – one of the most interesting elements of the contract announcement was not in what the contract contained, but in the nature of the settlement agreement itself. The following is an excerpt from the initial agreement:

“The ILWU Entities shall issue a written notice to The Daily News and the general public, including the Occupy Movement, informing them of this settlement and urging them to cease and desist from any actions[...].”<sup>46</sup>

There should be no mistaking this message. Occupy played a major role in winning this agreement. Interestingly, despite EGT’s hopes and requests, they have no coercive power over Occupy and cannot control a social movement the way they can control a union. As Jess Kincaid of Occupy Portland put it, “Occupy doesn’t sign contracts. We have not entered into any agreements with EGT, nor do we intend to do so. EGT and its parent company Bunge bribe the government for military escorts, use slave labor in Brazil and systematically avoid contributing anything to our social safety net in the US or abroad. There is no ethic here beyond putting money back in the pocket of the 1% at the cost of working people and the sustainability of the earth.”<sup>47</sup>

#### ***IV. Labour and Occupation: Past, Present, Future***

It was workers that pioneered occupation as a tactic within American social movements. The workers who took over the automobile plants in the American Midwest in the 1930s transformed the labour movement and the social fabric of industrial life. Recently, this tactic made a brief but spirited comeback during the Republic Windows and Doors sit-in in Chicago, which targeted Bank of America as much as the local employer, and the occupation of the capital in Madison Wisconsin by a group of students, workers,

<sup>45</sup> Longshore workers name Occupy Movement as crucial in settlement with EGT. (2012, January 23). Retrieved from <http://westcoastportshutdown.org>

<sup>46</sup> Id.

<sup>47</sup> Id.

unionists, and community activists. Throughout the late 1990s and early 2000s unions made common cause with domestic and transnational social movements against NAFTA, the WTO, the IMF, and World Bank. Moreover, in addition to actual instances of Labour-Occupy collaboration, we also see recent events shifting the ideological and discursive orientation of some large unions today, as they replace the rhetoric of “saving the middle class” with the new vernacular of the 99%. It would therefore be a mistake to suggest that labour’s “bit actor” status within the occupy movement is structurally pre-ordained or historically unprecedented.

Moreover, the student and community movements have been increasingly keen to couch their actions in the language of labour. The Oakland general strike is just one example; other student *strikes* and community *pickets* are now being proposed. This opens up an even wider possibility for labour’s participation.

There has historically been an uneasy peace between unions and broader movements. Political manoeuvring of elites, outright deception, and a perceived conflict of interest have all divided coalitions of labour and social movements in many recent upsurges: Europe and the US in 1968, Seattle 1999,<sup>48</sup> the Arab Spring in Egypt, in Madison Wisconsin, and already there are reports prefiguring a similar dynamic within the occupy movement.<sup>49</sup> We feel the current moment bares a certain likeness with the past, but the occupy movement’s insistent focus on so many themes central to those taken up by labour is nonetheless cause for hope.

Writing in the midst of the explosive revolts in Paris, 1968, Henri Lefebvre said, “Events belie forecasts. To the extent that events upset calculations, they are historic.”<sup>50</sup> This has not been truer since, as the initial forecasts about the occupation movement were not sympathetic or hopeful on the Left or Right. Our calculations, our predictions, our expectations, and our theory have all been upset by this. It has already been historic; the biggest questions now are about its future. Our eleventh theses should be: labour leaders and workers have long recognized the need for an opportunity to forge a new future; the point now is to take it.

<sup>48</sup> Huber, E., & McCallum, J. K. (2001, October 16). Anti-Globalization, Pro-Peace. *Mother Jones*. Retrieved from <http://motherjones.com/politics/2001/10/anti-globalization-pro-peace>

<sup>49</sup> Elliot, J. (2011, November 7). Keystone XL Splits Unions and Occupy Wall Street. *Salon.com*. Retrieved from [http://www.salon.com/2011/11/07/keystone\\_xl\\_splits\\_unions\\_and\\_occupy\\_wall\\_street/singleton/](http://www.salon.com/2011/11/07/keystone_xl_splits_unions_and_occupy_wall_street/singleton/)

<sup>50</sup> Lefebvre, H. (1969). *The Explosion: Marxism and the French Upheaval*. New York: Monthly Review Press.



# How progressive can trade unions really be without gender equality?

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## **Introduction**

There is general agreement that a progressive society is built upon the ideals of social justice and equality, and that the social democratic project assumes a strong link between politics and trade unionism. This also presupposes that ensuring autonomy, security and social inclusion equally to women and men should be part of any social justice roadmap.

Progressive politics thus demands not only ideology and policy, but action and resources to make them work. That is the difficult part, especially in terms of gender equity which clashes with the cultural valorisation of masculinity and men in all places and spaces, private and public, and in our case study, at work and in trade unions.

Worldwide, many unions and union movements espouse gender equality, but none have yet achieved this (NTUI, 2006). Many progressive unions have put in place structures and election systems which aim at moving wom-

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en into parity of representation with men, yet the key issue of gender politics prevents achievement. Culture, power and gender struggles continue (see for example Britwum et al., 2012 and Ledwith, 2012). Progressive politics demand progressive action by politicians and activists at all levels. It involves challenging the prevailing culture and social norms which reproduce gender inequalities and enable these to stand firm. Who then is to make these challenges and how?

In this paper we briefly examine the position of women in labour markets, and then move to explore in more detail their role in their trade unions in Brazil. We especially deal with what trade union women are experiencing, thinking and doing about all these. The paper draws on work from a number of interrelated sources. These are a paper about women in the labour market and in trade unions by Eugenia Leone and Marilane Teixeira (2010), research about women in the Brazilian banking sector by Jo Portilho for the Global Labour University's Gender and Trade Unions Research Group, and research led by Sue Ledwith<sup>6</sup>, and data collected from interviews, group discussions and a questionnaire survey during fieldwork in Brazil in 2011.

### ***Women's labour market position***

Women have taken part in Brazil's rapid expansion by increasing their labour market participation, especially moving to work in the cities. Women's access to control over their own reproduction and their increased sexual autonomy has also played its part. Educated and professional women especially benefited, and the pattern of women's participation in work has changed as married women continue in work rather than leaving it for the period of child bearing and rearing. The expanding economy in the 1990s, the growth in education and health and the commercial services – traditionally seen as 'women's work' – all provided opportunities for women. Paid domestic work also expanded and continues to be occupied almost exclusively by women.

Men work mainly in manual and technical work and also in services and administration, and they dominate management. Women typically remain in 'women's work' in support and in social and personal services; as

<sup>6</sup> This research is part of a study of gender and trade unions in Brazil and South Africa, building on work by Sue Ledwith and the Global Labour University's Gender and Trade Unions Research Group and was funded by a Leverhulme Emeritus scholarship awarded to Sue Ledwith.

many as a quarter of all employed women work in administration and clerical work. In the informal sector men are mainly in agricultural and manual work, and women again in services and administration, and of course paid domestic work. Both genders are also involved as self-employed workers. These gender patterns and differences form strong structures of occupational segregation both horizontally and vertically.

In addition, the gender pay gap remains resilient with women earning 70% of men's earnings overall. Ironically the gap closes considerably among informal workers with women earning 92% of men's earnings. In Brazil the gender pay gap arises says CUT's Women's Collectivo leader Rosana da Silva, from the notion that 'a woman's wage is just a "plus" in the household income' (Grumiau & Debroux, 2009, p. 2). It takes time to change beliefs that are so deeply embedded. So in 2009 the CUT launched a *permanent* campaign against gender pay inequality.

Without doubt women have had victories in their increased access to the labour market, however these have been at the cost of continuing their dual role, their segmentation into 'women's work', the systemic pay gap, and the absence of public policies and provision of childcare.

In economic and financial crises those in precarious work and the informal sector find themselves excluded from legal protections. In the public sector women are also hardest hit by cuts in public spending as they dominate in the health and education sectors and are also the main group of users for themselves and family. The unions have managed to get a government commitment not to cut social spending, but the federal states also threaten to make cuts.

### ***Gender and progressive politics in Brazil and in Brazilian unions***

From the start of the modern democratic period Brazil has put gender equality at the centre of its political project. On coming out of the military dictatorship in the 1980s, the central declaration of the constitution of Brazil, (1988) ensures 'the exercise of social and individual rights, liberty, security, well being, development, equality and justice as supreme values of a fraternal<sup>7</sup>, pluralist and unprejudiced society, based on social harmony'. And

<sup>7</sup> Note the brotherly value here, but no mention of sororial or sisterly values.

the first item of Article 5 declares that ‘men and women have equal rights and duties’. A gender quota was first set up in 1996 for city councils, and in 1998 the 30% requirement was extended all political legislative positions, whereby 30% of political candidates had to be women.

In 2003, under his first presidency, Luiz Inácio Lula da Silva created a federal governmental body with the objective of dealing with gender equality issues. For the first time, Brazil had a National Conference on Women’s Policies, in which a number of women’s movements participated. This also led to the creation of a National Plan for Women’s Policies (NPWP) (CFEMEA 2006), which was adopted in 2004, and was a unique moment in the course of the struggle by Brazilian women. The NPWP reaffirmed the commitment by the Brazilian Federal Government and by the other governmental bodies to incorporate a gender perspective in all public policies.

However, as recognised by this government programme, progressive politics require progressive action, and in the case of gender equality the most effective has been found to be affirmative action of various kinds. Research finds that while the presence of women in leadership positions in politics tends to be low, it improves when political parties start to implement internal gender quotas. In Brazil, Teresa Sacchet (2009) comments, only those parties in congress which have gender quotas have more than 10% of women in leadership positions. Part of the downside is that in many cases the minimum quota has been turned into a ceiling quota, and unless women themselves are well organised to keep up the pressure, their presence doesn’t necessary translate into greater political power and influence over policy. As a male leader in the Brazilian labour party, the *Partido dos Trabalhadores* (PT) is quoted as saying: ‘... in practice, internally those who define the routes of the party are men; the same ones who have been in charge for a long time. Men are those who define and write the strategies of the party’ (2009, p. 160). Things may be changing however; since 2010 Brazil has had a female president: Dilma Rousseff.

Nevertheless the PT’s lead on quotas was followed by the main trade union confederation, the *Central Única dos Trabalhadores* (CUT), which in 1993 established 30% quotas. CUT is the largest and most important trade union central in Brazil, representing over 7.4 million members. It is also the largest trade union centre in Latin America and the fifth largest in the world. CUT generally supports a socialist political ideology and is close to the PT and its leaders, many of whom had been union leaders in the past.

CUT’s 30% women’s quota (a minimum of 30% and a maximum of 70% of each gender) was set in 1993, during the confederation’s sixth National Plenary. Maria Delgado (2001) described the situation then as follows: ‘The quota system was approved following a difficult and important debate that had incredible consequences in connection with women’s participation in the trade unions and gender relations. Never before had a question been treated in such a serious, profound and extensive manner by all of those involved’.

She went on to write about how the debate and approval of the quota system demanded a very extensive and complete preparation of the women workers who strengthened their arguments during two years in meetings and discussions with important personalities of CUT and other trade unions. ‘They organised debating rounds in different parts of the country, prepared didactic materials to show the proposals concerning the quota and dispersed their positions and those of CUT’s directive body as widely as possible among the affiliates in the different provinces’.

By 2012, women make up approximately 40% of CUT’s members, but in spite of the quota, there are only six women among the top 25 leaders. In 2012 the CUT Congress agreed that parity, 50% is to be implemented in 2015. The national CUT Congress elected 32 members for the national board, of which 31 % are women. Even with quotas, those pursuing equal political relations in the gender field have to travel a hard and stony road. In 2009 when Rosana da Silva, CUT’s national women’s secretary firmly identified women’s situation in society as a primary factor in their inequality; ‘to change the world, we need to change the lives of women’ she should have added, ‘and the attitudes and behaviour of men’. For there are two main parties to this vexed gender relationship – women and men, and gender politics are present in every part of society.

### **Women and trade unions**

These patterns are replicated in the gender representation among trade union membership. First to say that the highest union density is in the formal sector where workers hold legal labour contracts of employment which also give such workers legal rights and protections. For formal workers, Brazilian labour legislation and collective labour agreements provide measures that facilitate the balance between paid work and family responsibilities,

such as 120 days of maternity leave, five days paternity leave, breastfeeding time, job security for the pregnant employee, right to a daycare for working mothers with a child up to six months of age, free assistance for children and dependents from the age of five 5 year old in daycare and preschool-schools.

Nevertheless, the labour legislation applies only to employees with regular work contracts, which excludes the majority of Brazilian workers from their rights. (Sorj, 2004). Such rights are of particular importance for women, who are more exposed to discriminatory practices at work, and trade union protection becomes ever more essential. Trade union density for men and women is the same, at 28%, with the better educated, technicians and managers all showing the highest density levels.

As always, the wider context is also important; the development of the Women's Movement in the 1970s and the ending of Brazil's dictatorship in the 1980s were significant in politicising women as well as men and when the new trade unionism emerged in the 1980s, there developed a loud debate about the conditions of working women, gender discrimination, inequalities of the work environment, and the practice of sexual harassment. At this time 1989 data showed that women were 26% of union members, but only 14% of leaders (IBGE, 1989). All of this led to the union principle that union action, with its basis in solidarity of the working class, must consider the gendered labour market and its relations with the domestic world and the exercise of citizenship. This would involve changing the lifestyle of both men and women since only then would it be possible to deal with the complexity of relations between economic production and social reproduction. It was in this context that the fight for women's rights developed in the unions, leading in turn, to growing demands for child day-care, extended maternity rights, and also paternity rights. At the same time gender power relations and gender politics within unions meant that women continued to be under-represented in leadership and decision making roles and on direction boards. It became clear that it was not sufficient to just identify the issues, it was necessary to pressure for measures to overcome them. The outcome was women demanding the creation of women's structures in their unions, and in 1993 CUT's VI Congress approved a minimum quota for women of 30% in CUT's structures and decision making structures. This was put in place in CUT in 1994, along with other affirmative action. Within a few years this had started to bear fruit, and data showed that following this lead, CUT affiliates with mixed gender direction boards had also jumped from 49% in 1992 to 64% in 2001.

The situation in CUT and five other centrals can be seen in Table 1.

However when it came to the top leadership positions in CUT, only 10% were held by women, as president, with 24% first secretaries being women, and 16% of treasurers. (Union Research 1992/2001). In 2006, a survey at CUT's 9<sup>th</sup> national congress indicated that 20% of delegates said that a woman was president of their union and 34% that their union treasurers were women and 43% of general secretaries were women. (CUT, 2006)

**Table 1 - Percentage of Women on National Executive Directory Boards – 2001**

UNION	REPRESENTATIVENESS OF THE NATIONAL EXECUTIVE	WOMEN ON THE DIRECTORY BOARD (%)	TOTAL MEMBERS OF DIRECTORY BOARD
CUT <sup>8</sup>	38.2	30% in actual leadership and 40% in secretary roles	15 (secretaries) + 12 (executive directors) = 27 members
FS <sup>9</sup>	13.7	18% in secretary roles	78 among secretaries. heads and surrogates
UGT <sup>10</sup>	7.2	7.2% among secretary heads	55 secretary heads
CTB <sup>11</sup>	7.6	33% in secretary roles	24 directors
NCST <sup>12</sup>	6.7	8.7% in the executive board of directors	23 members in the executive board of directors
CGTB <sup>13</sup>	5.0	Not available	Not available

Source: Entities' official homepages. Elaborated by researchers.

Such data is very hard to access and update as unions do not keep such records, nevertheless it has been possible to establish that by 2011, in CTB women were 33% on the direction board, but Union Force had only 18% of its 78 positions filled by women and NCST the worst at only 2 women, 9%, in executive positions. In none of the centrals did women hold positions of president, treasurer or general secretary, reaching only second secretary, vice-presidency or finance associate.

8 CUT – Central Única dos Trabalhadores

9 FS – Força Sindical

10 UGT – União Geral dos Trabalhadores

11 CTB – Central dos Trabalhadores e Trabalhadoras do Brasil

12 NCST – Nova Central Sindical de Trabalhadores

13 CGTB – Central Geral dos Trabalhadores do Brasil

Regardless of the affirmative action taken, research shows that there are substantial differences between men and women in their union participation and activism and these are due mainly to cultural and identity differences already outlined. Much of women's employment is characterised by low pay, instability, informality, is part time, and women often hold down more than one part time, precarious job. Added to that is women's dual role which constrains time available for participating in union activities – for example in a 2008 survey, 88% of Brazilian working women reported that they did the domestic work in their households, averaging 21 hours a week, whereas only 46% of working men did domestic work, and for only 9 hours a week (PNAD 2008). These patterns are reproduced in women's union participation. Of those attending CUT's 2006 Congress, almost three-quarters of men were married while as many as two-thirds of the women were single, divorced or widows (CUT, 2006).

By December 2011 there were 7,253,268 members of CUT affiliated trade unions. From Table 2, it can be seen that by 2011, only two union centrals reached 30% women in positions, or better. Among the larger CUT affiliates, the metallurgical had eight women out of 34 members of the direction board.

Women themselves, with their experience of usually holding secondary and subordinate roles both at home and in the workplace where they also experience sexism, also lack confidence in taking on leadership roles and speaking in public (Alves, 1999). In addition, men resist, and do not give way to women in positions. Women who take on such roles are often seen as 'asexual' or as if they are out of place (Leone & Teixeira 2010), and the gender divisions within these roles reproduce those in wider society and labour markets; male values are valorised over female, and women are excluded or side-lined from the most powerful positions. If a position is occupied by a man it is seen to be important, if by a woman it is seen as bureaucratic.

The evidence does show that the quota makes a difference and is an important part of the labour movement's commitment to gender equity. It also indicates that progress will not be achieved without such radical measures, and acceptance that women will not reach senior positions by 'natural' mechanisms. At the same time however, there remains the contradictory situation whereby CUT and its affiliates can be seen as progressive in terms of their commitment to and policies about gender parity, but at another level,

when it comes to practice, unions invest little in women's political development and their paths to leadership.<sup>14</sup>

**Table 2 - Participation of Women on Union directory boards - 2011**

UNION	DIRECTORY BOARD – TOTAL NUMBER AND NUMBER OF WOMEN	(%) WOMEN
National Confederation of Metallurgical – CNM/CUT	Directory Board (34) Women (8)	24%
National Confederation of Metal Workers – CNTM/FS	Directory Board (11) Women (1)	9%
Chemical Branch National Confederation – CNQ/CUT	Directory Board (38) Women (12)	32%
National Confederation of Finances Branch - CONTRAF/CUT	Directory Board (77) Women (19)	25%
Commercial Union of São Paulo - UGT	Directory Board (9) Women (1)	11.0
Trade Union of Metal Workers of São Paulo	Directory Board (11) Women (1)	9.0
Trade Union of Metal Workers of ABC	Executive Board of Directors (9) Women – none	0
APEOESP <sup>14</sup> – CUT	Executive Board of Directors (36) Women (17)	47%
Trade Union of Bank Workers of São Paulo/CUT	Executive Board of Directors (12) Women (8)	67%

Source: Unions' official homepages, supplemented by the authors

## Women's agency

From the discussion above we can deduce that there is a substantial cadre of women at various levels in their unions who are themselves pushing at the progressive agenda through standing for and being elected to union positions. Women's agency is significant, as women take the lead in gendering their unions.

<sup>14</sup> APEOESP – Sindicato dos Professores do Ensino Oficial do Estado de São Paulo. By 2009 almost 21% of presidents were women, 10% treasurers and 9% general secretaries.

A leader in the field is the bankworkers union which developed with the growth of the sector in the 1960s, especially the large data processing centres which sprang up in the large cities. The work did not require great skills, was repetitive and paid little. However suddenly here was the opportunity for large numbers of women to move into the formal labour market. Jo Portilho, herself a bankworker unionist writes how the organisation of the work, with many working closely together in one building or site, encouraged collective organising and how by the 1980s, when unions in Brazil moved into the vanguard of political activism against the dictatorship, the women bank workers were demanding better working conditions, childcare and political participation in the country's future. In 1981 they held their first women's banking workers meeting, the year they achieved children's daycare. This also paved the way for the incorporation of maternity rights into the 1988 Brazilian constitution. Through the 1990s the women, by now members of the National Confederation of Banking Workers, continued to achieve rights and benefits such as extended childcare, maternity leave, then training and discussion of all types of harassment at work. A crucial achievement was a full time woman to be in charge of gender issues in the union which in turn led to further achievements including spreading to regional federations and local unions. A campaign began for rights for banking workers homosexual's partners, especially health care and health insurance, which was finally achieved in the 2009/10 collective agreement. Also in the 2000s there were a number of projects pursued by the women in the union, and equality of opportunity became a clause in the collective agreement – the first union to achieve this. Establishing bargaining on gender issues with the banks has been described as a milestone for the Brazilian working class (Rodrigues de Medeiros, 2002). The sector has become the subject of several research projects, including an important development in mapping diversity in the Brazilian banking system through a study of 18 banks (FEBRABAN). Among the findings were a gender balance of employees of 48% women and 52% men, with women filling over half of the junior positions and over 80% of management positions held by men, and an average gender earnings gap of 21%. Among racial groups the banks overwhelmingly hire whites; 77%, and only 2% are black with 17% mulatto. In Sao Paulo, the largest financial region, the black numbers rise slightly, but are still only 7%.

In the Chemical sector there are more than 2 million workers, with women constituting 27%. In some parts of the industry, women are in the

majority, such as in the cosmetic and perfume industry, and they constitute half of the work force in pharmaceutical products. In most of the chemical worker unions affiliated to CUT, women are organized in specific women's sections. However, not all unions apply the quotas of 30% because the CUT quota does not officially extend to affiliated unions, although some have taken it on themselves. Women who are in senior leadership roles follow the traditional model of holding positions with no political or decision-making power. Nevertheless, this situation is shifting thanks to affirmative policies being developed by CUT, and to a strong female presence. Recently the National Chemical Sector Confederation elected a woman to coordinate the Confederation.

### **Research Methods**

We move now to consider some of the research carried out with trade union women themselves. For this paper we are seeking to identify evidence of drivers of progressive union activism in relation to gender, and barriers to these.

We address attitudes, values and ideology driving women's activism, life, work and union experiences which have informed both their attitudes and activism, and initiatives reported by women. Barriers to their activism are examined and discussed. In addition we explore reports by male trade unionist respondents. The data was collected from a questionnaire, from interviews and discussions with Brazilian women, and occasionally men, usually in small groups, and attendance, participation and observation at union and meetings courses in 2011. These included a meeting of CUT Women's Coletivo at which the women were discussing their forthcoming demand to the CUT congress to increase the gender quota.

The questionnaire is about gender and trade union leadership. It has been used by Sue Ledwith in both the UK and with international trade unionists in an on-going project which began in 2006<sup>15</sup>. The questionnaire was translated into Portuguese, and terminology was adapted for the main fieldwork reported here. It was also used by Jo Portilho in her study of banking trade unionists, when in 2010 she carried out a survey among 108 bank unions affiliated to CUT, representing 408,928 workers. Questionnaires

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<sup>15</sup> See Ledwith 2012

were returned from this group by 24 women and 14 men. Just over half of the total described themselves as leaders, eight were women and six were men.

Table 3 shows who was involved in the main 2011 research project reported on here. They were union leaders from all levels from the following groups and sectors.

**Table 3. Research Groups – questionnaire and interview respondents**

TU GROUP	WOMEN	MEN	NOT SPECIFIED	TOTAL	GROUP INTERVIEWS/ DISCUSSION NO IN GROUP
Telecom workers, Rio	13	12		25	3
Bankworkers, Recife	10	0		10	5
Metal workers, Sao Paulo	9	18		27	4
Chemical workers	22	18	2	42	6
Health workers	32	23	5	60	0
CUT International leaders	11	13		23	7W +2M
					Approx. 25 attending informal meeting.
CUT Women's Coletivo	4	0		4	4
Other	4	0		4	5
Total	105	84	7	196	36

Few of the leaders were at national level, only 12 women and nine men. Both genders were mainly active at the key levels of region or state, and women especially, nearer to the grassroots, at their workplace or branch, see Table 4.

**Table 4 - What is your main role in the Trade Union?**

MAIN ROLE	MEN	WOMEN	DID NOT ANSWER SEX	TOTAL
National Organization	9	12	0	21
Region or state	23	32	0	55
Local Union	23	21	2	46
Workplace	28	39	5	72
Others	1	1	0	2
Total	84	105	7	196

### Race

Almost three-quarters of the respondents were white, two thirds self identified as brown, 43 were black, three per cent were yellow, two per cent Indian and nine said they did not know. At the time of the research Brazil's most recent national census was published, showing a higher proportion than previously self-identifying as black. Data from the 2010 census revealed a growth in the non-white population, compared to the 2000 census. The non-white population increased from 46.2% to 52.3% in a decade (CDSA, 2010). However this census result could also be interpreted, as has been discussed informally, that black Brazilians have become more comfortable with this identity and more prepared to acknowledge it.

### Sexuality

In a macho country like Brazil, it was not surprising that only 11 people identified as anything other than heterosexual, with 17 not answering the question at all.

### Research Findings

Predictably the main finding was that the priority for the union women in our 2011 research was gender equality as social justice and the means of achieving these goals.

## *Interviews/discussions*

Gender recognition and equality in their unions, with equality questions including race and homosexuality were the key issues raised throughout the meetings with women. This was particularly the case in the interviews/group discussions in response to the two main questions we asked: *What is the one key issue for women in your union today?* and *What is the key issue for you as a woman in your union?* In fact the discussions and issues overlapped so much that the report which follows here has combined the responses to both.

The main concern was overwhelmingly the issue of the 30% quota for women and getting women into positions of power and authority – onto executive and direction boards and once there not to be side-lined into the less powerful roles. Often the quota was not respected, the women reported, and in other situations women were seen as being there just to fill the quotas.

As is common in labour movements, the processes by which a person gets to be on a ballot paper are complex, political and are gendered. Several women talked about how their activism had brought them to the notice of existing power holders and leaders, and thus they had 'been invited to join the quota'. Others were excluded via complicated sexual politics of caucus.

Antagonism and resistance of male trade unionists to women taking up positions was raised as frequently as was the issue of the gender quota: 'The President (a man) said 'unfortunately we must have a woman'' reported one woman, and another described how 'when a woman was selected for a course (me) they forgot my name and put down a man's name, so there was another fight! Many examples of this sort of conflict were provided. These included: Men who had retired from work continuing to take a union position so blocking opportunities for others; a rubber union created a Women's Secretariat but a man from the Executive Board was nominated to lead it: 'Men close in, leave no space for women'. Not only this: 'Women do not feel they have a right to speak'. Three of the sites where we carried out interviews were education/training courses, and there were heated reports from women about how they had been discriminated against in various ways such as getting on the course, although here complying with the gender quota was also important. On another of the programmes, some of the women complained that the union was not paying for them when it did pay for the men. 'Men always want to be first' said one woman, and another: 'Women have to prove ourselves all the time'.

Men's antagonism often made it: 'Difficult to discuss gender in the union' and: 'Disputes between women and men are hard and hold women back. It is women who have to adapt in discussion with the men. Women need to *become* men, and be very strong in order to be heard'.

One telecommunications union activist described how she had been a militant feminist activist since 1984 (when Brazil was coming out of a military dictatorship, and she was politicised by a radical teacher). 'There is one thing that bothers me greatly: when a man says something (even stupid things) everyone listens. A woman unionist only speaks if she is very sure about the subject otherwise she will be very much criticised. For a man to be a trade unionist is easy. Since I was a young girl I observed the situation. It is not fair for women and even violence against women is accepted as ordinary behaviour'.

For women a further compelling issue was the conflict with their domestic/family roles. To be a committed trade unionist you must expect to work weekends and evenings and for some they had put this first, before their family: 'You need a lot of political motivation to leave the kids at home, to face the husband upset with her absence'.

The macho culture ran beneath everything and was constantly evoked in a variety of ways in the discussions and interviews. The women frequently related it to the wider societal culture of machismo and its associated levels of violence against women. For example: 'My husband was jealous of my TU work and was violent'. And another: 'When I was young and saw a couple fighting I asked the women to come to my house (for succour). My own husband was also violent, so I sought a divorce. I had difficulty in getting support then and so became closer to other women's battles as a result'. This woman, a teacher and a member of the CUT women's committee, had long been involved in militant activism. As a union educator it gave her pleasure to be able to bring information to workers about their rights and about how important it is to be a union member. 'I love to take part in training because I can tell the women about the history of the fight for benefits. People always think it's employers who give the rights, but it is the union which have fought for them'. It was 'as a result of these activities that I was invited to be on the list for CUT women'. On the other hand, her main problem was getting resources from her union for campaigning and education, echoing the fight for resources/money for education already referred to. The other big issue was also about resources: free time for union work, that is paid release from

work. Some women expressed the fear of losing promotion, or their jobs if they put their heads above the parapet to take on union roles since they felt they would not be supported by their union in this situation whereas a male colleague equivalent would be.

The women in these discussions emphasised the importance of preparing women for positions and leadership roles. This involved the development, empowerment and awareness of women themselves, encouraging, supporting and mobilising women to get them onto direction and executive boards, and especially onto collective bargaining teams. Here women working together were seen by some as essential and unions, such as the bank-workers, had set up women's groups and committees to pursue their goals. Others found it difficult due to discouragement within their union and there was little networking across unions, although some women, for example in Rio, did meet socially: 'We go out and drink beer and discuss politics, clothes, share feelings, ideas, and barriers in the union. It is nice to do it in a free space'. Several of these women were highly politicised; were feminists, belonged to the communist party, the labour party (PT) and generally positioned themselves on the left.

A central goal of the women's fight for equality was to develop and extend women's employment rights. Here the banking workers had had hard won successes and were now working to get sexual and moral (bullying by senior staff of junior staff) harassment into the national collective agreement.

Only the domestic workers and some teachers – those in feminised unions, were in unions where they reported the quota was surpassed. For example one women teacher reported a good gender balance with women in the majority and a black woman as her union's state president. For the domestic workers, an almost entirely female occupation, their main concerns were about getting the state to recognise their rights as (informal) workers. This they felt owed partly because of the important role domestic workers played under the dictatorship – they were the first union to be part of CUT when it was set up in 1983, and also because there is an expectation that Brazil will sign up to the ILO convention 189 on decent work for domestic workers.

While the interviews were with women, men also took part in some of the group discussions and some male leaders expressed positive attitudes and support. This telecoms speaker was his union's president, and he was proud to be the first black man to achieve this: 'Gender is an important issue

for unions, especially ours, because of the number of women working in call centres. In some companies the union has 80% membership and our strategic need is to improve the proportion of women leaders, especially on the Direction Board. We also need to deal with the problems<sup>16</sup> of women, for example childcare for all workers. We need to develop instruments of women's participation, and get women onto collective bargaining teams'.

### **Questionnaire survey**

From the vivid testimonies given by the women in the face to face discussions it is clear that their attitudes, values and ideology both derive from and drive their activism, and their life, work and union experiences. In the questionnaire survey we also examined these, and to do so we looked to see if there were differences between those who were politicised as feminists and those who did not or did not know.

Of the 105 women responding to the questionnaire 41 described themselves as feminists (39%), with 50 (48%) saying No and 17 (16%) did not know. Reasons for being a feminist were overwhelmingly about equality and equal/women's rights, and their analysis included: 'I want my rights recognized, to occupy spaces and express ideas', and 'I think women should have their liberty, have social and political rights granted'. 'I do not accept the sexist and excluding construct that does not recognize women as a political subject', and 'the feminist fight (this word was used often) is against labour exploitation and patriarchal education'.

For those who claimed not to be feminist, their main reason was that everyone should have equal rights, and not to compete with men: 'In much the same way that I don't support macho-ism, I do not support feminism. Equilibrium is fundamental and respect essential'.

In other respects, while there was much common ground between their feminist positioning, there were also some differences among the women.

In response to an open question: *What do you think that you bring to your union role as a woman* all the women reported equally vehemently their experience of discrimination, prejudice, and the understanding that came with this: 'As a mother and a worker, I live the inequality that women have to deal

<sup>16</sup> Note however that childcare is seen as a problem for women; ie it is a problem, and it is specifically for women.

with'. However the feminists provided deeper analysis, and especially, they wrote more about their unions, and the need to open these up. 'The union is not an exclusive place for men anymore. Our presence brings a new element to our struggle as workers and gender', and more widely: 'I fight for the feminist movement, against inequality in the workplace, try to change the logic of gender oppression'. Feminists were the group who claimed that they especially brought to the table skills of dialogue, and experience of collective bargaining and knowledge of the gender bargaining agenda, whereas these were less often identified by the not-feminists and don't know.

A broad ideology was sought by all the women, feminists and non-feminists both. They wanted recognition, respect and resources. Articulated in different ways, these women all brought to their unions sensibility, sympathy and understanding, emotion, boldness, bravery, and 'faith and hope for a more fair and equal unionism'. They brought patience, good sense, and 'emotional intelligence, respect without addition to power, a more cooperative spirit'. The feminists brought 'militancy and the spirit of militancy' and some of the non-feminists reminded us that 'women are shy' and 'fragile and must be respected'. In response to this question key words which were used most often were fight/struggle (*luta* in Portuguese), bravery, and militancy.

Having explored what drives their gender politics and their activism, we were interested to see how this is translated into their union roles. The question was: *Do you think that as a woman you carry out your union role differently from men, the same, or don't know?* The responses were striking. Almost two thirds of all the women reported they did things differently, with feminists and don't know being more certain of this than the non-feminists. A quarter of both the feminist and the non-feminist women thought they did things the same as men. The reasons for doing things differently were about two main things. First was women's different perspective, including the domestic; women's 'double journey', which meant that 'men don't usually see the relevance in some of the demands that we find important'. Interrelated with this were the 'small spaces' that women have in the union and having to develop strategies to cope with having less access and information than men. Commonly the women referred to how they dealt with things with 'more detail, patience and gentleness' (this from a feminist who also espoused militancy). Another wrote, 'the woman, being more emotional than the man, deals with subjects in a more passionate and ideological way, while men are more political'. Women reported being more open to the needs of other diversity groups, racial, gender, youth and accessibility (disability).

In contrast to the women, only a quarter of the male respondents to the partner question: *Do you think that as a man you carry out your union role differently from women, the same, or don't know?* thought they carried out their roles differently and 58% thought both genders did things the same. Like the women, the men recognised that difference stemmed from: 'life experience is completely different', and 'due to the union movement being a male universe in the past' and 'men are more skilful as militants, harder in our union actions'. Some of the men displayed gender awareness such as: 'We don't have gender prejudice against us and that is already a differential', and 'Women don't have the same structure provided by the trade unions', 'Women have to handle more adversities', and 'I recognise the difficulties women have to deal with, but I think that dividing the union movement into feminists, LGBT, youth etc. only weakens all of us. We should work together'. Some of the men recognised difference as 'Men don't perform their tasks with the same quality as women'.

Sameness to the men mainly meant: 'We are all workers regardless of gender' and 'Our fight is the same', although one male metal worker commented: 'I participate in a group that discusses gender, race, racism etc.', and among the chemical trade union men, although they thought women and men carried out their union role the same, a few nevertheless acknowledged problems of sexism and 'limitations to women's role due to being forced to do domestic work and childcare'.

These issues resonated with the most difficult aspects of being a union activist/leader. For women most difficult was getting support of experienced leaders, something that came through from the interviews where men were seen to be favoured over women. The second most difficult was public speaking, illustrating some of the comments from women in the interviews about being shy and fragile and not being listened to by the men. Third was sexism and macho-ism, as in many of the examples described already. Fourth and ranked equally difficult were persuading colleagues to listen, moral bullying, union bureaucracy, and travel and being away from home. These last two were in the top three difficulties experienced by men. Their third was time pressures.

Both women and men expressed the same level of political understanding of the processes of power and what is needed to gain a leadership position. Each gender ranked the showing of commitment to union principles as number one, and second was having the support of key power groupings

in the union, especially grassroots activists, with third being well known in the union. For women, speaking up at union meetings and conferences was jointly ranked with being well known, and indeed is a vital means for becoming known and visible.

It was no surprise to learn that feminists overwhelmingly would support their sisters in elections. In response to the question: *Who would you vote for in a leadership election where both men and women candidates represented your views and position and would probably do the job equally well?* 75% said they would vote for the woman, and an even higher proportion of the ‘don’t know’ feminists (82%) would do so. For the feminists, their primary reason was to increase and strengthen female representation. As some women pointed out, women have the ability but lack the opportunity. Allied to this was a belief in women and their capabilities. The feminists asserted that women were more capable, responsible, understanding, more organised and were better negotiators than men – echoing some of the capabilities expressed in answer to the previous question about what they themselves brought to their union role. For two of the feminists such a vote was about a belief in women and valorising women in society.

Among the non-feminists there was less certainty expressed with only 28 (56%) saying they would vote for the woman. Unlike the feminists however they did not prioritise increasing women’s representation. Rather they were more interested in women themselves, emphasising that women had the capacity and capabilities but not the space nor the opportunities. For a handful of the not-feminists, it was important to vote for a woman because they could more easily speak to them as equal to equal. Like the feminists, personal capabilities of women and belief in these were expressed by the other two groups.

Only one woman in all the groups would vote for the man, and the most frequent response among the ‘don’t knows’ was a need to know more about the person and whether or not he or she could represent their situation.

We have already seen women complaining about the difficulties in accessing education and training, and in response to a question about how leaders/activists had learned to carry out their union roles, only just over half (57%) said through union courses, and the figure for the men was 60%. The main source of such learning for both women and men however was ‘daily experience’ - three quarters of the women and two thirds of the men.

Once in their roles, both women and men said that their top strength

was workplace organising – which was where a large number were active - but the genders then diverged. For women advising and supporting the members was their second key strength, and third was recruiting members. For men strategy and policy was their second key strength and negotiation and collective bargaining was third. Again, the gender differences logged here reflect and confirm what the women reported earlier.

Questions about identity; race/ethnicity and sexuality were approached very warily, especially the latter, which is not surprising given the comments about the macho culture in Brazil. Nearly two-thirds of the men and women combined, did not answer the question on race/ethnic consciousness although they did identify their actual race/ethnicity. Eleven respondents identified themselves as LGBT and seven of those said they did have an LGBT consciousness – ‘For being gay, my fight is directed to basic rights of human life, the right to be who you are, against oppression’. And for a gay man, ‘Bringing up debates about equality of opportunities, emphasizing sexual orientation’, was an important contribution to his union.

In her work a year earlier, Jo Portilho (JP) used a shortened questionnaire with her bankworkers union, outlined above. In response to the questions about political identity, 12, or half of the women respondents said they were feminists and 10 said no. Two did not know.

She also found that the three men who responded to the question about leading the same or differently depending on their gender and who marked “the same as women” also presented themselves as part of one of these groups LGBT/Disabled/Other Race/Ethnic, showing how they had developed a heightened sensitivity in identifying their consciousness, as illustrated by this reply:

Being gay, my sense of equal rights, running through very subtle situations, not belonging to the heterosexual universe. There is an unimaginable gap to talk about rights within a society that does not respect me for my diverse way to be and love. When, as a citizen, I only have obligations and responsibilities, it becomes very complicated to expect people to realize I exist or feel what I’m trying to say; what is my message? I need to be revealing myself all the time and this is very harmful in a society such as the one where we live. Many times, it is in fact cruel. It’s a route of no return. This militancy helps one to develop a different view, even of our peers.

On ethnic/cultural/political consciousness JP found similar responses in both genders.

In the *If you are male* questions it was noticeable that homosexuals and black men answered yes, for example, 'By being a black man, I have specific knowledge of the issue of racial politics.'

Just one white man justified his description as having political consciousness with the phrase "I am macho". But the majority of white men, even the one who declared himself disabled, said they had no political consciousness.

### **Discussion and Conclusions**

It is clear from the evidence here that the Brazilian labour movement, which is complex and fragmented geographically and by sector, could nevertheless be said to be progressive in its rhetoric and policies on gender and equality. There is a 30% gender quota and this has proved to be the most important driver to get women into leaderships, from where they are in a better position to wield power, get onto collective bargaining teams and negotiate on behalf of the gender agenda. Quotas speak to women working to achieve for women and provide an incentive, a goal to a platform from which to do so. Quotas establish a cadre of leading women who become visible and role models. Quotas tell the union power groups that a quota is a space for women and that at some stage men may have to stand aside. Quotas open a door to drive forwards on other affirmative actions. Now that CUT has agreed to increase the quota to parity in 2015, it will be even more important to resource, encourage and support women into leadership positions, and to monitor progress.

Yet there are problems with setting a quota. A quota can be positively beneficial in unions such as the metal workers where women are in a minority, far less than 30%, since it theoretically guarantees a critical mass at the 'top table' be this the executive or direction board, regional or state structures, the workplace, or on courses and at conferences, and one metal worker union woman in discussion did acknowledge that although women were still oppressed, 'Now things are a bit different, women have more freedom'. Nevertheless, as quoted earlier, the 30% is often seen as the maximum to achieve, and in unions where the proportion of women is over 30%, and indeed much

higher, there is no incentive to strive to achieve proportional representation of women. So the gender balance remains heavily weighted in favour of men. Coupled with these paradoxes is the issue of the macho, racist and sexist culture which combine to oppress women activists and those from different diversity groups. But it is also these life experiences of oppression which have politicised and feminised many of the women in this research, especially those whose experiences of sexual violence have been raising awareness and underpinning women's solidarity. For older women who became active through the dictatorship and its downfall, this is especially so. It is such women who have become a vanguard for change and will push the men and women in their unions towards more progressive action.

However, from the research findings reported here, there are other aspects within unions which need attention. These are complex and inter-related, so addressing just one or two aspects is unlikely to change things. Most importantly, the women in this survey were predominantly in leadership roles at the workplace, and where they were in senior positions, these were identified as secondary, or even without influence. Conversely, the men dominated in more senior roles of significance. Given the sort of macho attitudes and culture discussed among the groups, women will continue to struggle to be elected into leadership positions when as they say on their questionnaires, the most difficult thing is obtaining the support of experienced leaders – who are mainly men. This sort of support is also linked to key aspects of trade unionism. For example both women and men identified collective bargaining as of prime importance to their own unions, but when it came to identifying their own skills and strengths, it was way down women's lists, but high up on the men's. Simply put, women are rarely in positions where they can be involved in collective bargaining, whereas this is normal practice for men. Although in this survey we did not ask respondents about their involvement in collective bargaining, from other research in this field, it is clear that women are unlikely to be on bargaining teams, and gender agendas are much less likely to be prioritized (Britwum, Douglas & Ledwith, 2012). Another aspect is public speaking, which women found the second most difficult aspect of their leadership roles. As the evidence from the findings indicates, women's voices are less often heard than men's. And

underpinning all of these is the sexism and macho culture in both unions and society.

What then, is to be done? Only the union leaders, women and men can answer this question, but what is clear is that if things are to change and gender parity is to be reached in all ways and in all parts of all unions, and unions are to become really progressive, then women's voices need hearing and much action needs to be taken. As one of the women interviewed put it; women have the capacity but not the opportunities to lead.

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# Gender & Trade Union Database: A basis for change?

*Karen Douglas and Carol Jess*

## ***Introduction***

The Global Labour University Gender and Trade Unions Research Group (RG) were established in 2009. It is a grass-roots driven alliance involving trade union practitioners, trade unionists, practitioners in the broader labour movement, and academics. Its establishment is directly related to the Global Labour University (GLU) and its ability to grow and develop is inextricably linked to the ongoing contribution the GLU makes to the advancement of the global labour movement. The focus of the research group is to broaden academic contributions relative to the positioning of women in trade unions and its unique strength lies in the depth of experiences member researchers bring to its academic endeavours. As argued elsewhere ‘... *the researchers are both “insiders” and “outsiders”... [and] ...are actively engaged in labour movements... This unique combination of seemingly contradictory positions provides...a uniquely valuable vantage point as participant observers.*’ (Britwum, Douglas & Ledwith, 2012, p. 42)

The RG is particularly interested in the positioning of women in trade unions for a number of reasons. Increasing numbers of women are joining trade unions around the globe; however this membership increase is not reflected in trade union leadership positions. As austerity measures are applied globally, women suffer the worst of these measures disproportionately by the loss of jobs, particularly in public sectors, and through social welfare cuts. Similarly, as trade unions confront neo-liberal paradigms elevating

the individual over the collective, trade unions must continually recalibrate their practices to achieve growth and represent eclectic memberships.

The RG has conceived, developed, and implemented a database that is specifically designed to track the positioning of women in trade union leadership and other positions of authority as well as tracking achievements of women's agendas in collective bargaining. The database, at this stage, will collect data annually regarding women's positioning in trade unions. For the 2012 pilot, data were collected from organisations with which six of the RG are associated. Both quantitative and qualitative data were requested. This information was collected by way of an online survey, using the browser-based software SurveyMonkey.com. This resulted in data from five countries; Australia, Ghana, New Zealand, United Kingdom and Zambia (from two confederations).

The purpose of the database is to enable researchers interested in progressive trade union research to access a comprehensive data collection, point that can provide empirical data of what has and hasn't changed for women in trade unions over time. A driving force is to develop trade union consciousness about gender democracy deficits and to consider further action to close the gender representation and represented gaps.

The next section of the paper will describe factors contributing to the gender deficit in trade unions through the prism of the standard employment relationship. It will then explore trade union renewal literature, approaches to democratising decision, making before an assessment on how the creation of the database might further contribute to trade union renewal research.

## ***Gender and trade union renewal***

### **Standard employment relationship and collective bargaining**

Trade unions have developed in concert with the labour market which has consistently reflected a male breadwinner/female caregiver role influenced by a socially constructed gender contract underpinning female and male roles. Similarly, the 'ideal worker' is inextricably linked to the binary construction of gender roles where the male works and earns and the female remains at home performing caring, an unpaid work. In the modern era of neo-liberal driven globalisation female workers are expected to partici-

pate in the labour market on equal terms with their male, breadwinner, colleagues, thus placing a heavy burden on women to combine unpaid, caring work with paid work.

Peterson and Runyan (1999) argue that the social construction of masculinities results in political and social exercise of 'power-over'. Thus, whilst both genders are socially constructed, they are not equal and the feminine disadvantaged relative to the masculine. Young (2005) argues that the gender construction '...refers to societal networks of hierarchically-regulated social relations, which are ordered along a socially dividing line that places women on one side and men on the other' (Young, 2005, p.3). In combination, gender roles reinforced through social, political and legislative action require women to take on unpaid caring roles whilst also participating in the paid labour market. This has instituted the notion of the ideal worker as being free from encumbrances hence the favoured '*unencumbered worker*' protected in the labour market.

The unencumbered worker is typified by the 'standard employment relationship' characterised by a male, full-time employed worker with job security which has come to be considered the normative worker (Vosko, 2010; Votinius, 2006). This normative worker has enjoyed the benefits of labour law protections including access to wage setting mechanisms, protection from dismissal, and enjoyment of terms and conditions of employment achieved through bargaining (Chapman, 2005 & 2006; Vosko, 2006 & 2010). In an industrial setting, the impact of this historical construction has been profound. Labour markets have developed over time to construct a division of labour where women are expected to continue to perform domestic roles whilst engaging in the labour market.

This dichotomy is more easily identifiable in industrial capitalist economies where 'non-standard' forms of employment characterised by part-time working arrangements, limited access to the benefits of bargained conditions such as leave arrangements and differing access to income benefits are stark and experienced overwhelmingly by women (Chapman, 2005, pp.87-88; Vosko, 2010, pp. 95-100). In these countries such forms of employment are increasingly referred to as 'insecure work'. We note however that the rise of insecure and informal work is increasingly becoming a feature of global labour markets and knows no gender boundaries. Traditionally it is the normative worker that has been organised by trade unions thus reinforcing the strength and power of the constructed norm.

Collective bargaining has been established around the norm of the unencumbered worker. By way of example Chapman, drawing on the work of Berns in the Australian milieu, argues that minimalist parental clauses in collective agreements coupled with the low uptake of existing parental clauses by men reinforces the position of the unencumbered worker as the preferred worker in the labour market (Chapman, 2005). These further results in women's roles being oriented towards caring responsibilities rather than being considered a 'breadwinner,' despite women's financial responsibilities at home.

Case studies developed by the RG demonstrate that women's working needs are achieved by women fighting for specific clauses such as breast-feeding, additional parental leave and menstrual leave (Britwum, Douglas & Ledwith, 2012, p.57). This knowledge provides fertile information for trade unions to broaden bargaining approaches to make collective agreements more applicable to an entire workforce with the trade-off being unions reinvigorating themselves becoming relevant to a larger group of workers. In doing so, unions can both contribute to challenging outcomes of the gender contract currently underpinning traditional thinking and developing bargain and political agendas that better represent all workers.

## Renewal & Internal Democracy

Trade union renewal is multifaceted with more recent research speaking to a crisis of legitimacy (Dufour & Hege, 2010; Voss, 2010) being experienced by trade unions and argues that unions need to reflect on internal practices to assess their capacity to genuinely represent the eclectic base of modern day workplaces. In an environment of trade union decline Dufour and Hege (2010) argue that trade unions continue to organise themselves internally around historical assumptions of labour and thus are not positioning themselves to better reflect contemporary workers. Given this premise they argue there are essentially three options available to unions in the current milieu; safeguard their positions by relying on existing legislative protections, increasingly rely on a shrinking group of core workers for leadership, or change (Dufour & Hege, 2010; Voss, 2010, p.378).

Voss and Sherman (2000) found that unions were able to successfully revitalise themselves when using a combination of alternative approaches thus disrupting the '*iron law of oligarchy*...' characterised by a conservative,

bureaucratic approach to practice and decision making and practice in labour movements. They concluded three factors influence union's ability to change; internal political crisis; the inclusion of new leaders with broader social movement activist experiences; and international union influence encouraging new leaders with broad social movement activist experiences (2000, p. 309).

The authors found that changing internal union demographics resulted in unions actively changing the way they organised workers resulting in myriad positive political and industrial changes including '*...focusing on issues such as dignity and fairness in addition to material concerns...*' (2000, pp. 311-312). It is this possibility of change within the trade union renewal literature that our international research group seeks to contribute to in very practical ways.

Voss and Sherman conclude that trade unions who actively change their approach to organising are successful in organising previously marginalised groups '*...including excluded minority and gender groups...*' (2000, p.313). Creating change by reassessing democratic representative processes within unions is one way of challenging historical leadership profiles. Iris Marion Young's work on deliberative democracy (1990; 2002) stresses a model of '*...inclusive practices*' (2002, p.17) as providing a foundation for developing deeper democratic functioning of organisations.

Young argues that '*...deliberative democracy...*' characterised by '*...inclusion, equality, reasonableness, and publicity*' (Young, 2002, pg. 23) as a theoretical model in practice is capable of encouraging inclusive decision making. This approach enables various views of constituents to be represented and it is capable of achieving just outcomes based on a considered problem solving approach recognising consensus based outcomes as best practice in contrast to a majority outcome process. Whilst this approach in itself is not a panacea, it is possible to disrupt power bases by shutting down the space where opposing or different views are ignored entirely. Women have been successful in applying this strategy by establishing separate caucuses that address gender specific issues and incorporate these collective views in bargaining agendas (as seen in the RGs collected data in 2012 discussed below); however, as the data also exposes, women are not adequately represented in positions that directly influence trade union agendas (Britwum et al. 2012).

## Difference

In concert with assessing internal democratic practices, renewal agendas can be complemented by practising the *'politics of difference'* (Fraser, 2007). While acting to further the cause of greater and better representation of women by labour movements it is prudent to remain mindful of the problems which may accompany such strategy. Fraser argues convincingly that simply recognising that women, as a group within trade unions, lack legitimate representation, and working to enhance that representation for women as a group is unlikely to correct the democratic deficit, and wider economic injustice. The identification of a group, with shared interests and aims which are not so shared by the "mainstream" can also reproduce the democratic deficit by simply creating new "insiders" and "outsiders" within that group of outsiders; while maintaining the position of the group as a whole as one of outsiders

Fraser's counter to the recognition of identity is that "what requires recognition in this account is not group-specific identity but the status of individuals as full partners in social interaction." (2007, p. 119). In a workplace or trade union context, while it is argued that barriers to women's participation and leadership can be attributed to the disproportionate amount of caring and other "invisible", (Franzway & Fornow 2011) work done by women outside paid employment, characterising these responsibilities as women's work relegates these matters to "women's issues". This only serves to entrench the notion of the unencumbered worker as the norm. This approach includes as "normal" those women who are not parents, or carers, and that exclude men, who may have primary carer responsibilities, or who may wish to take on caring responsibilities. This attitude is also heteronormative, and assumes the constitution of "family" as a heterosexual couple with children who may have elder care responsibilities.

Franzway and Fornow (2011) have noted that unions may be seen as traditional organisations which, due to their locked in relations with states and capitalism impede social progress for all workers, and for the rest of society. Union decline could indicate that they are no longer relevant to contemporary societies. An important point of exploration for the renewal project is challenging the power bases of trade unions that exist in established hierarchies and relations; recognising the need to change these to better reflect the workplace of the 21st century, and being mindful of the legitimacy and

effectiveness of trade unions. Franzway and Fornow (2011) have also argued that "As sites of advocacy, trade unions bring workers together within and across workplaces, firms, and communities and within and across national borders.". In the neo-liberal globalised world this transnational character is of utmost importance for the progress of social justice; and for our RG for gender justice specifically.

Perhaps the most compelling reason to ensure the renewal of movement globally is that "[t]rade unions and labor movements more broadly are valuable political resources, but more importantly, they embody basic principles endorsing workers' rights and social justice that are critical to feminism and the women's' movement." (Franzway & Fonow 2011, p. 6)

## The relevance for renewal of the "unencumbered worker"

The recent dispute at the Ports of Auckland in New Zealand gives us some examples of how unions could contribute to their own renewal by exploding the myth of the unencumbered worker, even in areas where the majority of members *and possible members* are men.

This protracted and nasty dispute centred around the re-negotiation of a collective agreement for the workers on the Port, which expired in July/August 2011. The Port, in line with the common neo-liberal thinking in this globalised world, was requiring further "flexibility" in the new collective agreement. Some of the work at the Port was already done by workers sub-contracted to an employment agency, on casualised contracts. <sup>1</sup>Without going into detail here the Port wanted to make a large number of the permanent, salaried, full-time workers redundant, and have their roles outsourced to an agency which would then hire on an "as required" basis; with no minimum hours specified within that contract.

While the media furore surrounding this was very bitter, the main thrust of the public debate was based on the perception of the ill-defined "old-fashioned" union protecting its presumed privileged members against those who would be willing to work, under any terms and conditions, just to have a job. The union did publicly campaign around the idea that even full-time, male breadwinners have a life outside of work, but this argument

<sup>1</sup> For a factsheet on the dispute, which attempts to address the anti-union propaganda published over the period please see here: <http://union.org.nz/sites/union.org.nz/files/Ports%20of%20Auck%20dispute%20fact%20sheet%20080112.pdf>

against casualisation in general was totally drowned out by the calls from “business”, the Government and a large part of the public for union members to relinquish their “privilege” and accept “progress” in order to keep their livelihoods.

The possibility that the workers who were already on casual contracts and those who were going to be made redundant and re-hired on new contracts might be interested in becoming or remaining union members was not raised. Even if there were no likelihood that the new employer would collectively bargain with those employees including them within the trade union movement, would have sent a message to employers about the inclusiveness of the trade union movement.

Increasing numbers of workers worldwide are in such casualised, outsourced work; but while unions fail to adequately represent their current membership in their hierarchies and bargaining positions, they are unlikely to attract other workers who do not fit within their narrowly constructed ideal. Indeed, it may become difficult to maintain the membership levels they currently have.

A substantial, if belated, first step towards a sustainable, and meaningful re-imagining of the “trade union member” would be the proportionate representation of women in the leadership of our unions. This database is intended to be a tool for researchers and activists to use to gather and track the proportionality of the representation of women in trade union hierarchies.

## Methodology

The work the subject of this paper has combined traditional academic approaches to developing sound evidence based research with innovative, grass roots practice by drawing on the experiences and contributions of practitioners in the global trade union field. This integrated approach provides the space for practising activists to create, contribute to and use developments in the field whilst simultaneously reporting on outcomes. At its most fundamental, this approach demonstrates the crucial contribution grass roots organising and networking makes to the available possibilities to trade unions to review and consider renewal strategies.

The compilation of the database has been carried out by asking all those members of the RG, an eclectic collective of labour activists, academ-

ics and trade union officials who perform a range of various responsibilities and roles, to submit both quantitative and qualitative data on their own trade union organisation – whether that be a local or national trade union, or a trade union confederation. The information was collected by way of an online survey, using the browser-based software SurveyMonkey.com. Six responses were received, constituting a 40% return rate. The questionnaire used was adapted from a questionnaire previously used in face to face interviews by the RG members in compiling as yet unpublished case studies. This was done to provide a link to this previous research, and to ensure consistency as far as possible, given the differing methods of data collection. The draft online survey was firstly circulated to the RG, for feedback on the format, questions, and layout of the questionnaire. After discussion of some comments received, the wording on various questions was changed to clarify the information sought. The updated version of the survey was then circulated to the RG for their completion.

The respondents were asked to give details of the membership of their organisation, the number of office holders, and the numbers of women in the general membership and office holders. Further information was requested on whether and what structures existed to support the development of gender equality – women’s committees, affirmative action, etc. Space was left open for respondent’s opinion on the position of these structures, their perception in the “mainstream” and their efficacy in advancing women’s inclusion in the organisation in general and leadership in particular.

Data from previous research carried out by the RG, but in a different format, will also be added to the database. This gives us the basis on which to begin tracking changes in the position of women in trade unions across time, as well as space. As it was collected in a different format the data from this previous research has not yet been added to the database; but the intention is to do so in the near future.

As with any survey of self-selected participants there was no attempt to sample the population, or to control for the type of data, and source. We therefore have received two entries for Zambia, although the data is for different organisations. As this is not a full exercise in data collection and given the restricted and varied nature of this pilot data collection, the purpose of this paper, is not to present an in depth statistical analysis of our data, but to provide an illustration of how such a database may be a valuable tool for researchers – whether academic or activist.

Our first set of static data was downloaded into Excel format, and then re-formatted to display meaningful tables – comparative as between the entries.

### Data- Leadership

First of all, we looked at the proportion of female members within each organisation, and where women were (or were not) in the leadership of those organisations. Tables 1 and 2 show the responses received to this question.

Those who had the data, women's membership ranged from 40% to 77.33%. The proportion of women on the main decision making bodies, however, does not reflect these membership figures. While in Australia women make up 77% of the Health Services Union membership, they are only 50% of the membership of the National Council and National Conference.

Of the six entries only Australia and New Zealand could report any female union presidents, though with Gambia these 3 entries reported at least one female vice-president. As previously stated this is not a full exercise in data collection; however, given these responses it appears that even where women are a majority of the membership of our unions they are not represented by the leadership structures in the same proportions.

### Data - Women's Structures

As discussed above, some successes have been achieved in moving collective bargaining onto gender specific topics through the creation and use of separate women's structures and caucuses. The compilation of data on where and how such structures are used could be a powerful tool in allowing "best practice" to be shared amongst the RG, as well as considering whether there are particular cultural or political issues which may affect the success or otherwise of separate women's spaces within our unions.

The data received from those who responded to these questions is outlined in Table 3.

With regard to the effectiveness, or otherwise, of these structures, the feedback was as follows:

"The effective structures are in practice and the non-effective ones exist just in name in actual sense - they used to be functional but not now."

"The Women's Committee exists in parallel to the main constitutional structures. There is a need for affirmative action to help women take up main constitutional and decision making positions."

"Due to a lack of annual conferences/congress since 2006 there has generally been a decline in effectiveness in women participation countrywide. Similarly lack of concerted effort to fund women activities in the recent years has also adversely affected women participation. Additionally, there does seem a higher membership turnover rate for women than males due to instances such as dismissals, retrenchments and non-merit promotions aimed at weakening the union structures. Women representation on bargaining teams remains a huge challenge despite the deliberate policy to include at least one female member on each team. Women too themselves are often cowed into selecting males to represent them unless the Secretariat interferes in this selection process."

"Structures do not exist therefore there are no accountability measures to address areas of over and under representation on honorary, elected and appointed positions."

### Future Topics

A further survey on the "Bargaining Agenda for Gender", looking at gender specific collective bargaining is planned; this data will complement and add to work already carried out by the RG; and will allow comparative research to be carried out on the provision of such policies as maternity leave beyond what is prescribed by law, menstrual leave, reproductive health, protection against sexual harassment, equality of opportunities for education and training, pay equity (reducing or eliminating the gender pay gap), special leave for women, day care services, and facilities and breastfeeding facilities. This survey also looks at where such policies have been on the bargaining agenda but "traded off" against other claims within the bargaining.

Table 1 - Leadership

COUNTRY	ORGANISATION	% WOMEN MEMBERS	MEMBERSHIP ON NATIONAL EXECUTIVE		MEMBERSHIP ON NATIONAL COUNCIL		MEMBERSHIP ON NATIONAL CONFERENCE		DELEGATION TO MOST RECENT CONGRESS	
			TOTAL	OF WHICH WOMEN %	TOTAL	OF WHICH WOMEN %	TOTAL	OF WHICH WOMEN %	TOTAL	OF WHICH WOMEN %
Uk	UK TU MOVEMENT, MOST TAKEN FROM ACHUR, WHICH INCLUDES NON-TUC UNIONS	47	-	-	-	-	-	-	-	-
Ghana	ORGANIZATION OF AFRICAN TRADE UNION UNITY (OATUU)	-	15	3	20	15	3	20	6	2
Zambia	ZAMBIA CONGRESS OF TRADE UNIONS	-	10	1	10	-	-	-	-	-
Zambia	ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS (ZUFIAW)	40	10	3	30	-	-	150	105	70
Australia	HEALTH AND COMMUNITY SERVICES UNION, VICTORIA	77	1	0	0	8	4	50	8	8
New Zealand	COUNCIL OF TRADE UNION AFFILIATES (26)	60	518	176	34	-	-	-	-	-

Table 2 – Leadership (2)

COUNTRY	ORGANISATION	% WOMEN MEMBERS	PRESIDENT		VICE PRESIDENT		TREASURER <sup>2</sup>			GENERAL SECRETARY		ASSISTANT SECRETARY		LEAD ORGANISER		OTHER	
			TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN	ELECTED	APPOINTED	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL
Uk	UK TU MOVEMENT, (INCLUDES NON-TUC UNIONS)	47	1	0	N/A	n/a	1	0	0	0	1	0	2	2	1	0	0
Ghana	ORGANIZATION OF AFRICAN TRADE UNION UNITY (OATUU)	0	1	0	7	1	2	0	2	N/a	1	0	3	1	0	0	0
Zambia	ZAMBIA CONGRESS OF TRADE UNIONS	-	1	0	2	0	N/a	N/a	N/a	1	0	2	0	1	0	0	0
Zambia	ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS (ZUFIAW)	40	1	0	1	0	N/a	N/a	N/a	1	1	2	0	N/a	N/a	5 <sup>3</sup>	2
Australia	HEALTH AND COMMUNITY SERVICES UNION, VICTORIA	77	1	1	2	1	2	2	0	1	0	1	0	2	2	2	2
New Zealand	COUNCIL OF TRADE UNION	60	27	8	31	12	0	0	0	26	4	0	0	1	1	0	0

<sup>2</sup> For all the roles there was an option to select whether they are "Elected", "Appointed" or "Honorary". Interestingly it was just this role which had a variety of answers.

<sup>3</sup> The role referred to here is "Trustee"

<sup>4</sup> The roles referred to here are "Senior Industrial Officers"

Table 3 Women's Structures <sup>5</sup>

	Ghana	Zambia	Zambia	Australia
National Women's Committee	Yes	Yes	Yes	No
National Women's Conference	Yes	Yes	Yes	No
Affirmative Action positions for National Executive	Yes	No	Yes	No
Affirmative Action positions for national Congress/conference	Yes	No	Yes	No
Targets for women's representation on National Executive	Yes	No	Yes	No
Targets for women's representation at National Congress/conference	Yes	No	Yes	No
Targets for women's representation on workplace bargaining teams	No	No	Yes	No

Legend:

Very Effective	Effective	Not Effective
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## The database in the future

The database will be updated either bi-annually or annually with the intention of allowing longitudinal study on the gains made by women in the leadership of trade unions in the home countries of those participating in the research. The coverage will be expanded by inviting participation from other GLU alumni; this will both widen and deepen the data available to inform research into gender and trade unions.

It is also hoped that any gaps in the data will identify space for new research either by the participants in the RG or the wider GLU community. These gaps also create space for activists to press their own organisations to conduct surveys and data gathering on the position of women.

The database, when fully implemented, will not only take the form of responses to surveys and questionnaires, but it should also be a repository for qualitative research papers as well. The RG has already created a unique store of case studies on the subjects of women in trade unions, and also the Bargaining Agenda for Gender based on country and organisation. These papers will also be available within the database, either by directly storing them here, or by linking to them.

Such vision for the future of the database project will require further investment in developing the IT infrastructure, but once this is put online the data collection and retrieval process should be straightforward. While the online process for the data collection will be designed to be simple to use, the research is highly dependent on the ability and willingness of the respondents to take time to gather and enter the data. The main work for the project team will then become building and maintaining the engagement of the possible respondents; whether they are the RG members or the wider GLU alumni network.

## Conclusion - Strategy for change

This research draws on and contributes to trade union renewal literature that demonstrates the false characterisations of the "normal" trade union member and, by disrupting such understandings, looks to contribute to the renewal and growth of trade unions. As discussed earlier, there has been much written on the need for trade union renewal and revitalisation, and looking at the continuing lack of success in increasing the membership and the density of trade union coverage; particularly in the liberal market economies of UK, Australia, New Zealand, and USA there must be a certain acceptance of the crisis of legitimacy put forward by Dufour and Hege (2010).

It is our hope that this database can be used as a concrete basis for activists and academics (and academic activists) to frame their strategies and policies for change within their unions and federations; those strategies being to further the cause of greater and more relevant representation of the female membership in unions; and that in turn this change pushes further change within existing hierarchies to create space for new and broader membership in the labour movement.

The transnational alliance which has formed in this Research Group, made up of alumni of the Global Labour University must be seen as a par-

<sup>5</sup> The organisations referred to in this Table are those represented in Tables 1 and 2.

ticularly sound example of the type of feminist political discourse and space discussed by Franzway & Fonow (2011) which has opened up allowing its members to engage as transnational political actors; and hopefully to develop themselves and others as the future leaders of the global trade union movement. The existence of the Global Labour University in general, and the Alumni network in particular are valuable spaces for the development of global discourses whose contribution to the push for progressive social policies worldwide should not be diminished.

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## Appendix 1 – Data

The data has been voluntarily collected by members of the Global Labour University Alumni Research Group on Gender and Trade Unions. It corresponds to information on the organisations to which the group belong. The respondents and the sources of the information input are:

Evelyn Benjamin-Sampson	Ghana	Organization of African Trade Union Unity (OATUU)	Annual return. May 2011
Sylvia Chimpampwe	Zambia	Zambia Union of Financial Institutions and Allied Workers (ZUFIAW)	Membership Data Verification Exercise - December 2011
Karen Douglas	Australia	Health and Community Services Union, Victoria	12/31/2012
Carol Jess	New Zealand	Council of Trade Unions affiliates (26)	NZ Human Rights Commission "New Zealand Census of Women's Participation 2010"
Sue Ledwith	UK	UK TU movement, most taken from Achur, which includes non-TUC unions UK TUC bi-ennial equality audit reports: see eg <a href="https://www.tuc.org.uk/tucfiles/380/TUC_Equality_Audit_2012_AW.pdf">https://www.tuc.org.uk/tucfiles/380/TUC_Equality_Audit_2012_AW.pdf</a>	Nikki Brownlee [2011] Trade Union Membership. Dept for Business, Innovation and Skills. <a href="http://www.bis.gov.uk">www.bis.gov.uk</a>
BONIFACE PHIRI	Zambia	Zambia Congress of Trade Unions	

***Part 4***

***Development and Labour in Brazil***



# The Quest for Universalization in Brazil<sup>1</sup>

Paul Hecker<sup>2</sup>

## I. Introduction

Universalization of social rights in Brazil was for long times limited, due to the regional, social, economic and occupational differences this country of continental dimensions is marked by. This structural heterogeneity was reinforced by social and labour policies, directed towards formally employed people by linking eligibility to a signed labour card. Informally working people were not covered by the systems of social protection and often suffered from precarious working conditions, lacking political organisation in the form of trade unions and the constant threat of social risks. Limited access to social protection and political representation for those who are working informally was termed “regulated citizenship” (SANTOS, 1979) due to the exclusive character this institutionalization of social rights had taken.

Redemocratization changed the scenario gradually after the 1980s, overcoming the worst forms of exclusion by implementing universal systems of social protection, for example in the health care system. The most visible changes occurred in the area of social assistance, which was heavily expanded, most famously through the *Bolsa Família* program, which nowadays reaches more than 10 million households or nearly 18% of the Brazilian families (SAE, 25 out. 2012, p. 39). However, this program is marked by its

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1 I would like to thank Nico Weinmann from University of Kassel, who contributed to an earlier version of the thoughts presented here, Lisa Carstensen from University of Kassel as well all participants of the “Development and Labor in Brazil II” panel held at the VIII *Global Labour University Conference* for their remarks and discussion.

2 Doctoral fellow at the Global Social Policies and Governance (GSPG) Programme (University of Kassel, Germany).

aim to reduce poverty, in contrast to established Brazilian systems of social protection which seek to guarantee status maintenance, like unemployment insurance or pensions system. Besides the systems of social protection, labour policies remained mostly linked to formal employment – reflecting its corporatist roots.

Nevertheless, recent years showed a remarkable increase in equality and a decline in poverty, which is why the period after 2000 is often referred to as showing “inclusive growth” (ILO, 2011, p. 11). “Inclusion” in this sense means participation of excluded groups in general development of income, which is important since market generated income is the major source of welfare. Taken together, this development of formalisation and broadening of social protection also shows an important difference to the 1990s, when similar growth rates would not lead to an increase in formal employment and poverty reductions. This paper seeks to trace the recent changes in the Brazilian welfare systems and thereby will answer the question, whether universalizing access to welfare caused the inclusion of formerly excluded groups. Comparing the differences between areas of social and labour policies will allow an analysis of the inclusive measures undertaken in recent years.

First, an analysis of labour market development will investigate the role of formal labour market participation as a stratification device for the access to social protection systems and thus public welfare. Additionally, the role of income as a primary source of welfare will be presented. A second step will undertake a theoretical reconsideration of the nexus between social and labour policies and stress the importance of their interconnectedness. Applying this scheme to recent Brazilian development allows for reinterpreting the processes as a “two-pace inclusion” instead of universalization. This argument will be further strengthened by taking a look at labour policies and income distribution among occupations and sectors in step three. One of the roots for this changing and continuous duality will be made out in recent labour relations reforms. Conclusive remarks embrace the political challenges to development and further universalization of citizenship this duality poses.

## II. Labour Market Development 2002-2012

Labour market development in Brazil underwent one of the most important growth periods in employment, remuneration and formalization since the beginning of statistical surveys in the country. Between 2002 and 2011, more than 17 million formal<sup>3</sup> jobs were created (MTE, 2011). Considering 2012, this trend seems to continue, as so far 1.2 million formal jobs were created, representing an increase in 3.25% over 12 months (MTE, 2012). Despite a brief period of slower growth occurring in 2009, the Brazilian labour market thus shows signs of increasing robustness and formalisation.

**Table Contribution to social protection insurance of occupied people above 15 years, in %**

	2002	2003	2004	2005	2006	2007	2008	2009
<b>EMPLOYED</b>								
CONTRIBUTION	69,9%	71,0%	71,2%	72,4%	72,8%	74,8%	76,0%	77,3%
NON-CONTRIBUTION	30,1%	29,0%	28,8%	27,6%	27,2%	25,2%	24,0%	22,7%
<b>DOMESTIC WORKERS</b>								
CONTRIBUTION	29,1%	30,2%	29,0%	29,6%	30,6%	31,4%	31,1%	32,3%
NON-CONTRIBUTION	70,9%	69,8%	71,0%	70,4%	69,4%	68,6%	68,9%	67,7%
<b>SELF-EMPLOYED</b>								
CONTRIBUTION	14,0%	14,9%	14,9%	15,2%	15,9%	17,0%	15,9%	17,4%
NON-CONTRIBUTION	86,0%	85,1%	85,1%	84,8%	84,1%	83,0%	84,1%	82,6%
<b>EMPLOYERS</b>								
CONTRIBUTION	55,9%	58,8%	58,2%	58,2%	59,5%	58,7%	56,1%	59,2%
NON-CONTRIBUTION	44,1%	41,2%	41,8%	41,8%	40,5%	41,3%	43,9%	40,8%
<b>NON-REMUNERATED</b>								
CONTRIBUTION	1,4%	1,5%	1,8%	1,8%	2,9%	3,8%	3,5%	4,7%
NON-CONTRIBUTION	98,6%	98,5%	98,2%	98,2%	97,1%	96,2%	96,5%	95,3%
<b>TOTAL (CONTRIBUTION / NON-CONTRIBUTION)</b>								
CONTRIBUTION	46,7%	47,7%	48,6%	49,3%	50,6%	52,4%	53,7%	55,2%
NON-CONTRIBUTION	53,3%	52,3%	51,4%	50,7%	49,4%	47,6%	46,3%	44,8%
<b>TOTAL</b>	<b>100,0%</b>							

Source: IBGE-PNAD, 2010, own illustration

<sup>3</sup> Formal means here in accordance to national law, which is institutionalised in the CLT.

Increasing formalisation is of central importance in Brazil, since formal employment entitles workers to access social security systems and thus constitutes a basic pillar of citizenship. This historically rooted relation will be analysed in more detail in the next step. Measuring informality not only among employment in formal enterprises but also considering self-employed, not-remunerated, employers and domestic workers, groups that are traditionally not considered in the above mentioned survey, the picture continues to shine, but less bright. Informality can in these settings be considered as the lack of contributions to social security schemes<sup>4</sup>. Non-contribution to social security often results into precarious living conditions, as risks have to be dealt with on a personal level without the support of solidary systems society provides such as unemployment insurance or the pension system. As can be seen in the following table, contribution to these systems increased among all occupations, while strong differences among the levels of protection continued to exist.

Increase of social protection coverage was especially strong among the employed and to a lesser extent among self-employed, domestic workers and non-remunerated workers. In total social security coverage had reached 55,2% of the workforce in 2009<sup>5</sup>, thus increasing 8,5 percentage points in seven years only.

A steady growth rate of 4,4% and a decrease in labour due to demographic factors were the favourable conditions for this development, indicating the importance of long-term strategies that increase educational levels and health care. Nevertheless, considering only long-term effects would not explain the difference between the experiences made with deregulative policies in the 1990s and in contrast the current improvements of labour market indicators.

Even before the international crisis hit Brazil, the government had implemented an economic growth plan with a volume of 503,9 billion Brazilian Reais (R\$; approx. 245 billion USD), consisting of increases in government spending (especially in infrastructure and housing) as well as tax deductions and market interventions through public banks. Especially the last measure has proven to be important in 2009, when the international financial crisis

lead to market contractions in Brazil as well. Special attention was given to investments in social infrastructure like housing and sewage treatment and basic infrastructure like transportation and energy. (Souza 2008, p. 326). This policy turn towards a developmentalist perspective occurred during the second term of President Lula, guaranteeing comparatively high growth rates by state intervention.

Besides this macroeconomic governance, important policies in the field of social and labour policies were implemented. The most important policies in these areas focused on the low income groups of the labour market, who benefited mostly from revalued minimum wages and (to a lesser degree) from social assistance programmes such as *Bolsa Família* and benefits foreseen in the so called LOAS-law (Cacciamali, 2010, p. 45). The *Lei Orgânica da Assistência Social* (LOAS) provides a diversity of programmes for persons in need, such as disabled persons and elderly without income. The biggest programme under this umbrella is the *Benefício de Prestação Continuada* (BPC) that has a higher share in GDP spending than *Bolsa Família*. The *Bolsa Família* programme is the most prominent Brazilian social policy in recent years, being considered a role model in the combat against poverty and child labour by several international organisations like the World Bank (see Fiszbein, Schady & Ferreira, 2009). The main idea of *Bolsa Família* and BPC is to target those most in need, by conditioning benefits to extremely low levels of household income. Additionally, benefits are paid only to those who follow rules that are considered to improve living conditions in the medium and long-term, as compulsory school attendance and vaccination (Sánchez-Ancochea & Mattei, 2011, p. 303). Since other universal social security systems in the areas of education and health care do offer only a poorer quality than their private sector counterparts, their effect on equality enhancement is limited while the effects on poverty reduction are rather positive (Sánchez-Ancochea & Mattei, 2011, p. 311).

Comparing these policies, the most important instrument to increase poor-families income and thus welfare in recent years was public wage policy: the real minimum wage increased from 149.91 R\$ in 2003 to 678 R\$ in 2012 (measured in Brazilian Reais according to March 2012). Due to the centrality of minimum wages in the determination of social transfer values, its increases also had important effects on social indicators beyond the labour market, especially for minimum pensions (IPEA, 2010, p. 106). Minimum wage as a form of universalised income control is crucial in this realm, as it did and

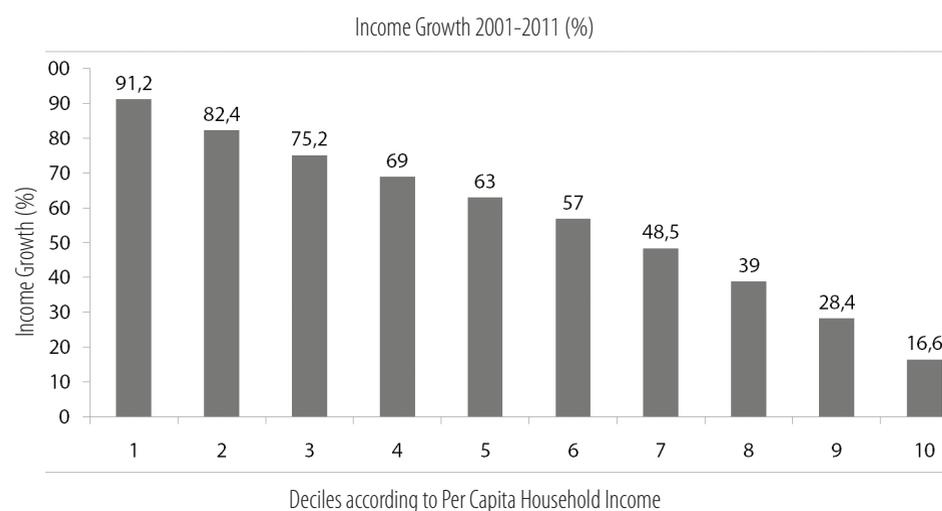
4 Other forms of measuring informality include income, workplace size or years of schooling, for a comparison see Chen (2005).

5 Data for the period after 2009 was not available at the time of preparation, due to a national census in 2010.

does not only affect the formal economy but has a “lighthouse” effect on informal wages and income (Souza & Baltar, 1979; Baltar, Dedecca & Krein, 2005). Thus, wage inequalities decreased as measured with the Gini coefficient, even though high levels of inequality remain between gender, regions and levels of education (Cacciamali, 2010, p. 52–54).

Median income increased constantly, especially among low income sectors, as can be observed in the following 1. The lowest income decile experienced high income growth during the period 2001 to 2011. The lowest deciles saw their income increased by 91,2%, the highest value among all deciles. Income increase was lowest among the highest decile, where it still reached 16,6%. It is important to remember that income and especially wealth inequality remains among the highest in the world. Nevertheless it is important to recognize the enormous advances in income distribution that occurred during the recent period.

**Graph Income Development in Deciles, 2001-2011 (%)**



Source: SAE 25.10.2012: 8}

A decomposition of this development shows that especially those traditionally excluded (agricultural workers, domestic workers and non-remunerated workers) experienced above average income growth during the first decade of the new millennium, further reducing inequality (SAE, 25 out. 2012, p. 8, 15). According to the World Bank (WB), such a growth pattern can be described as “inclusive”, since the lower income groups did not only

participate in the general growth but did so in an even stronger way than higher income groups (PRMED, 2009). Despite the WB’s recommendations for market generated growth, Brazil applied political measures that relied on the one hand on macroeconomic expansion, in order to create favourable conditions for employment growth. Avoiding unemployment and underemployment was a major precaution and Brazil’s experiences show that political responses to these challenges are under certain conditions possible. Whether this development is sustainable and will cause further increases in income distribution and formalization is difficult to answer. Even though Brazil became less vulnerable towards external shocks, it is not guaranteed that a concentration on domestic market development will continue to be “inclusive”. Historical experiences point rather into the opposite direction, as former growth periods were also accompanied with increasing formalization but informality spurred rapidly after growth struggled. The current process could prove to be a changing point in this tale, because it is accompanied not only with growth and formalization, but also with inclusion. At the roots of this process lies a strong commitment towards domestic growth and redistribution, which leads to a restructuring of the labour market. A new mix of social and labour policies was applied that, taken as a whole, seem to be responsible for this restructuring, but is it able to sustain these lower levels of informality and inequality? In order to approach this question, the next section will take a look at the relation between the different elements of the policy mix that can be found in Brazil today. It will be shown that economic and social policies do not represent contradictory or consequential logics, but possess an interrelated and interdependent relation, which will be analysed in more detail.

### III. Welfare and the Labour Market

The study of welfare underwent several important changes in the last decades: departing from a notion of rights granted to citizens, which entitled individuals to the provision of material well-being, it shifted to a more comparative regime approach that focuses less on the (normative) question of how welfare provision should be and more on its functional, nationally differentiated institutions and outcomes.

According to T. H. Marshall (1950), civil, political and social rights constitute modern, e.g. industrial citizenship. His concept saw a close relation

between the individual's labour market insertion and the participation in social life, providing a benchmark for evaluating social policies in way that was strongly oriented towards experiences with European development. Since the 1990s however, the diverse forms of welfare provision in different countries became a focus of research, thus shifting the perspective from normative rights to actual systems. The diversity of welfare provision was grouped according to three criteria: decommodification<sup>6</sup>, stratification<sup>7</sup> and welfare provision through markets, families and public policies. Applying these criteria to welfare states of Northern America and Western Europe, Gøsta Esping-Andersen discovered similarities between country clusters and thus developed the welfare regime approach, differentiating between liberal, conservative and social-democratic welfare regime types (1990). Since the beginning of the 1990s, this approach was extended to other regions and turned into an important point of reference for scholars of social policy around the world.

Considering the typologies developed by welfare regime approaches, Brazil's mode of access to welfare is manifold, reflecting its heterogeneous geographic, economic and social structures. Brazil is historically characterised as a dualist type of welfare regime that initially consisted of a stratified universalism in urban areas and exclusion from social security systems in rural areas (Filgueira, 1998). Given the ongoing increase of social protection for the rural population, regional dualism seems to steadily lose its centrality therein (Filgueira, 2005, maio). On the other hand, labour market insertion and its regulation continue to play a central role for accessing different strata of social security. The labour market acts as a "primary stratification device", which linked formal employment and social insurance as well as labour protection (Filgueira, 2005, maio), with negative effects for those outside formality:

As regards those left outside social insurance and employment protection, reliance on the market could be taken to resemble the outcomes of a liberal welfare regime, but Latin American countries did not develop means tested social assistance programmes, which are such an important feature in the USA, UK or Australia. A 'truncated' social policy consisting of conservative features for formal workers and their dependants and reliance on informal employment and

family support for the rest appeared to be the most accurate way of characterizing Latin America's welfare regime (Barrientos, 2009, p. 92).

Recent social policies seemed to overcome this "truncated" pattern. The rural pension, the BPC and *Bolsa Família*, besides the universal health care and education systems, are distinct because they can be accessed by people in need, thus relieving the burden of poverty. Following the classification of Barrientos (2009), these means tested and thus conditional cash transfer programs resemble a liberal tradition of welfare, contrasting with the conservative Bismarckian type of welfare regimes established across Latin America. Conservative welfare regimes are considered to be status maintaining and thus preserving different strata of access to welfare. In addition, Sônia Draibe states: "Perhaps this is the first lesson of this study of the past: that a new paradigm of development that associates growth, social cohesion and democracy, has to be defined from the start as growth with redistribution" (Riesco & Draibe, 2007). She proposes to consider a "New-Developmentalist Welfare State" in the making, which finally would overcome historical inequalities and exclusion. The main question for the recent social policies consequently focuses on problems concerning the establishment of a new, redistributive system of social protection and how it can be classified in comparison to Northern American or European welfare regimes.

Nevertheless, focusing on the classification of welfare regimes reveals one major weakness of welfare regime literature: considering welfare according to Esping-Andersen means mostly to accept a notion of "politics against markets" (compare Esping-Andersen, 1985), wherein social policy has the role of containing market influence over individual well-being. This reveals a conceptual weakness, since social policy is mostly considered by its "decommodifying" effect, leaving aside the "commodifying" side of social policy.

Esping-Andersen understood social policies to act as a counter-balance against commodification, which in this sense comes very close to exploitation „Stripping society of the institutional layers that guaranteed social reproduction outside the labour contract meant that people were commodified“ (Esping-Andersen, 1990, p. 21). Differing from this understanding, Karl Polanyi (1985 [1944]) showed that commodification under capitalist conditions includes the process of making a good (human work or nature) tradable by turning it into a commodity *and* the development of new forms of decommodification, which enable the reproduction of labour. Nevertheless, this second part of this "double movement" was seen as "incompatible with

6 Describes the reduction of labour market dependency through the implementation of social policies, Esping-Andersen understands them to act as contrary measures *against* commodification, see discussion below.

7 Refers to a horizontally differentiated access to social security.

the self-regulation of the market, and thus with the market system itself” (Polanyi, 1985 [1944], p. 130).

While not giving up on the contradictions between different systems of society, German sociologist Claus Offe presented a different notion in his early writings<sup>8</sup>. In his view, different logics of societal subsystems would lead to a contradictory struggle, caused by inherently different logics between a capitalist economy and a democratic state. While the capitalist economy is moved by the logic of accumulation, state logic is twofold: dependency on revenues generated by the economy (in forms of taxes for example) and the need for approval and legitimacy (at least for democratic states). Contradictory requirements thus shape society’s institutions, culminating in a state that tries to guarantee accumulation of capital and reproduction of labour at the same time. Decommodification can thus be understood as only one side of a coin, consisting of commodification and decommodification. Social and labour policies have in this perspective not only the role to provide a protective function, but display also integrative measures that prepare the workforce for the labour market. While this workforce is at the same time protected from exploitation, its characteristics are adapted to the necessities of the production process, for example through schooling or by regulating labour market access. In this perspective, it is not only the invisible hand of the market that leads to labour market inclusion of workers, but “clearly visible hands” (Boeckh, 2002, p. 526) in the form of social and labour policies can be observed that support the constant transformation of work into wage labour.

As Burchardt and Weinmann have shown (2012), it seems promising to consider commodification and decommodification as interrelated, since they depend on each other in order to transform work into labour. This understanding allows developing a new understanding of the role social and labour policies play for economic development. Common differentiations between “good” decommodifying and “bad” commodifying policies also reflect upon the analysis of social and labour policies: social policy is usually believed to have a strong “decommodifying” aspect, reducing the individual need for selling its labour force in order to gain income. Labour policies, understood as regulating the exchange process between labour and capital are on the other hand often considered as displaying a rather “commodifying” role. Such a differentiation reflects a dualist interpretation of the relation

between commodification and decommodification and denies the coordinative measures provided by both forms of policy, which are necessary for the establishment of labour markets, or, as Polanyi termed it, the transformation of labour into material for the “satanic mill” (Polanyi, 1985 [1944], p. 72).

This relation becomes even more important in countries, where commodification in the form of formal employment provides access to social protection systems and thus decommodification. High rates of informal work are in such contexts not only the result of labour market insertion, but also of the specific way commodification and decommodification are being organized through social and labour policies. The assertion that large numbers of the economically active population did not experience commodification in Latin America (Franzoni, 2008) implies from this perspective, to consider labour market development alongside social and labour policies at the same time.

Labour market development provides reasons for optimism but confronts structural problems that are difficult to overcome: besides the above mentioned improvements in formalization, minimum wages increased nearly 115% in real terms between 2002 and 2010. Nevertheless, the minimum wage continues distant from the cost of living. Publicly determined minimum wages are rated below reproduction costs since their introduction in the 1930s. This gap was also not closed in periods of economic growth and increasing prosperity, which in contrast was distributed increasingly unequally. The difference between official minimum wage and the necessary minimum wage is enormous, as the trade union institute Departamento Intersindical de Estatística e Estudos Socioeconômicos (DIEESE) calculated: instead of necessary 2.192 R\$, the minimum wage level was 620 R\$ in 2012 (DIEESE, 2012). In addition, income in the informal economy tends to be lower than among formally employed, reinforcing the problem of making a living.

Alleviation for low income recipients came in recent years from the introduction of assistential social policies<sup>9</sup>. The increase of available income for the poorest in society reduced forms of deprived working relations, especially for children and at the same time lead to a change in market insertion of adults, reducing precarious working conditions (Cacciamali, 2010, p. 50).

<sup>8</sup> Compare (1972), (1973a), (1973b), (1974), (1984)

<sup>9</sup> Hereby it is important to consider the double nexus of decommodification and commodification that can also be observed in the conditional cash transfer cases. In the *Bolsa Família* case for example, increases in school attendance and poverty reductions are effects measured as an outcome, clearly showing the both sides of social policy – compare Sánchez-Ancochea and Mattei (2011, p. 308).

Without neglecting the positive effects on redistribution it is important to keep the limited financial volume of the assistential programs in mind. Social spending in the area of assistential programs remained low in its share in GDP, even though increases could be observed during the period from 2002 to 2011: spending (in % of GDP) related to *Bolsa Família* increased from 0,06% to 0,44%, BPC from 0,35% to 0,60% and pensions (not including public employees) remained the largest share of social spending with 5,76% in 2002 and 6,05% in 2010. In order to better understand the distributional effect, it is interesting to consider the number of people covered by the respective program: in 2011, *Bolsa Família* covered nearly 40 million people, BPC covered 3,8 million people and 25 million were covered by the public pension system. In comparison, nearly 1 million retired public employees received pensions worth 1,91% of GDP, representing the strong status maintaining effect of social security systems in Brazil (SAE, 8 mar. 2012). A similar result can be reached by analyzing the inequality reducing effect of different social policies, which shows that *Bolsa Família* reduces inequality with higher efficiency than the BPC or pensions (SAE, 25 out. 2012, p. 9).

Considering the question, whether recent policies were able to overcome exclusion, it is possible to confirm that the decoupling of formal employment in the case of assistential policies and the provision of social protection had a positive effect for the poorest and socially most vulnerable groups. Even though this represents improvements also in redistributive terms, several problems remain: firstly, the financial volume of these measures is too low to cause a firm redistributive effect, especially in comparison to other social benefits. Secondly, doubts can be put forward about the redistributive effect of assistentialist projects, at least as long as they are intended to reduce poverty. Experiences in countries that are classified as liberal welfare regimes like the United States do not show a long term reduction in inequality through similar projects. Thus, persistence of stratification in the access to social protection can be observed, which is also reflected in the combination of commodifying and decommodifying elements in assistentialist social policy. The strong commodifying element in form of conditions and the low levels of financial volume are the main difference to the established systems of social protection like unemployment security or the pension system.

Besides these traditional lines of welfare provision that are accessible by those in formal employment, a second line with lower benefits and more conditions attached is currently being established, consisting of assistential

programs like *Bolsa Família*. Setting up a new level of welfare benefits clearly does differ from a process of universalising access to welfare, especially if both levels differ as strongly in their financial volumes as it can be observed in the Brazilian case.

The crucial element here is the access of transfer-recipients to employment, which remains to be the most important source of income and the entry point to the higher strata of welfare benefits. Employment thus continues to play the defining role in welfare provision, firstly through the level of income and secondly through attached entitlement to benefits. This process of inclusion resembles more the introduction of a second line of welfare provisions, below the historically established ones. Therefore, it remains to ask how employment as the decisive dividing point of access to welfare is itself regulated. In order to approach this question, a closer look at the defining elements of the labour relations system is necessary.

#### **IV. Labour Relations and Wage Development**

Since the access to social and labour protection and labour rights was historically connected to the status of being a formal employee with a formally registered labour contract, a majority of the working population, especially rural workers, was excluded from their provisions. The *Consolidação das Leis do Trabalho* (CLT) provided the legal framework for this paternalistic and authoritarian system (Barbosa, 2008, p. 250). Sônia Draibe (2004) states that the initial establishment of labour policies occurred during the 1930s and 1940s: a corporatist system that sought to suppress emerging conflicts in industrial and urban sectors was introduced, initially leaving rural workers out of consideration. Social conflicts originated in the industrial production process were thereafter absorbed into and controlled by state structures (often through state companies), providing access to social security and collective political rights only to formally employed workers. Collective organisation of workers in this state led corporatism was restricted to a core of urban formal employees, whereas labour policy for the vast numbers of informal and domestic workers as well as for the self-employed was limited (ibid. 40).

This lack of integration into the social protection systems did go hand in hand with the lack of economic integration into a structured labour market and resulted in situations, which nowadays would be called “informal”,

but at the time of the Vargas-regime was only the normal state of being for the majority of Brazilians (Barbosa, 2008, p. 256). In fact, this meant as well that their status as “citizens” of the Brazilian state was not yet achieved, neither legally or de facto. Since citizenship with full social and economic rights was connected to a formal employment, citizenship remained “regulated” (Santos, 1979). Only with the Constitution of 1988 would social rights be universalized to all Brazilians, even though some important elements of the corporatist social protection and labour relations systems remained in place.

When considering welfare provided by social and labour policies, Brazil thus faces a couple of historically rooted characteristics that crystallize as a nexus between access to social protection and collective forms of workers representation through formal employment. This double nexus lead to the exclusion of large parts of the population, even though assistentialist policies weakened the connection between formal employment and public welfare entitlement. A similar process could not be observed among the system of representation, which traditionally is characterised as state-corporatist. Understanding corporatism as:

“a pattern of relationships between the state and interest groups based in state structuring of representation that produces a system of officially sanctioned, non-competitive, compulsory interest associations. State subsidy of these associations; and state imposed constraints on leadership, demand-making, and internal governance“ (Collier & Collier, 2002, p. 782).

According to Max Weber, corporatist structures create mechanisms of inclusion but at the same time of exclusion towards those outside the organisation (Weber, 2007, p. 43). The difference between formal and informal work is in this perspective not only a question of labour market insertion, but also a political question, since the link between formal employment and social protection as well as with political representation through trade unions has been established in political processes, and may therefore only be changed as such.

Changes in the connection between social status and employment were undertaken during and after the re-democratisation period. The democratic constitution of 1988 established health care and education as universal rights, representing a major step towards universalization. In the field of labour policies, some changes were made but no rupture took place. The system is still marked by fragmentation and corporatist inclusion of strong

actors, leading to a control of these potential challengers of the status quo. Challenges to the system occurred since its implementation but only from the late 1970s onwards would political forces gain momentum that called for a democratisation of the political system in general and of labour relations’ institutions in particular. Even though some of the most important actors like the CUT and PT since then fought for structural changes in the system of labour relations, several components as compulsory contributions, trade unions based on regional and professional basis and the lacking of shop floor-level representation adversely affect a shift towards universalization. Thus, the trade union system shows continued fragmentation in organisation and bargaining, reinforcing the heterogeneous structures of labour market insertion.

Some changes of this corporatist structure towards social integration occurred during the democratisation period in the 1980s but considerable elements of the *CLT* remained unchanged. In the same period, universalism became the guiding principle of some social policy fields, especially in the areas of health care and education, but not in labour policies. The 1990s brought a flexibilisation of the labour market as well as of employment relations, putting pressure on the systems of collective bargaining and leading to a decrease in minimum wage levels. Only with the election of 2002 would those forces in favour of changes in the modes of social integration towards universalism and of reforms in the *CLT* become a chance to realise their political project. The *Partido dos Trabalhadores* (PT) propagated social inclusion and was supported in this effort by the *Central Única dos Trabalhadores* (CUT) that had emerged more than two decades earlier under the slogan of a *novo sindicalismo*, combining demands for real wage increases with opposition to the state corporatist system of labour relations (Araújo, Bridi & Ferraz, 2006).

Despite the rise to power of this political project, no profound reforms of the labour relations system could be implemented. A major effort during the first term of the PT presidency was undertaken in the form of multi-partite negotiations, which would not lead to a common understanding. Polemical points were the compulsory union contribution, workplace representation, the principle of unity in representation and in general on how a process of change could be implanted. Discordant positions among the different representations of workers, employers and the state further complicated negotiations, despite the political disputes involved in parliament and the emergence of a major corruption scandal (the so called *mensalão*)– leading to a deadlock in negotiations and thus maintaining the status

quo. A second reform process would lead to the recognition of de facto trade union congresses, which until then operated in semi-legal status. This process however was stopped by the legal action, due to the question over the inclusion of these congresses into the trade union financing scheme (compare Anner, 2011, Hall, 2009).

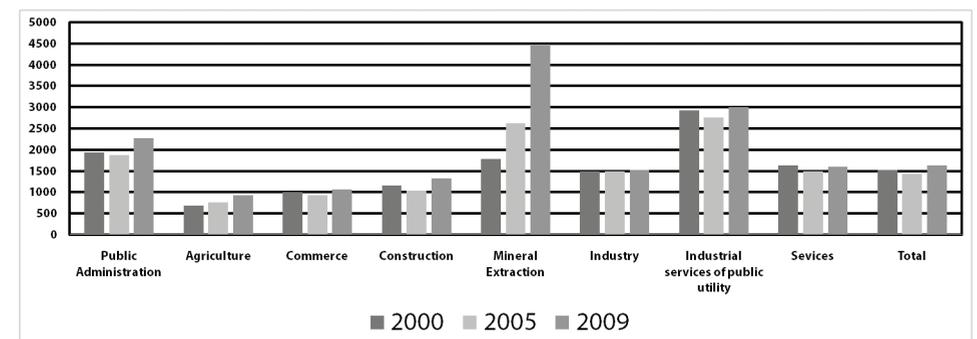
When adopting a relational perspective on this development, it is also necessary to analyse relations of power and coercion, which lead to the *political* provision of social and labour policies (Burchardt & Weinmann, 2012). Applying this concept to the Brazilian case, a close relation between formal employment and social inclusion can be observed, e.g. inequalities continue to exist between different strata of welfare recipients. This poses major obstacles to social inclusion as a development strategy, since the different strata display different forms of inclusion. Therefore it is important to ask, whether the different strata had similar access to political processes and if not, what causes could be made out to explain this?

Understanding social and labour policies as manifestations of relations of power and dominance, it is important to consider policies with influence over income development of the lowest segments in the labour market and to reflect the political process leading to these policies. The increase of minimum wages could thus be considered to show political representation of low income interest groups. Unfortunately, there are strong structural arguments that point towards the opposite direction: as Krein (2005) remarks, do trade unions show a structurally divided relation to the minimum wage and its beneficiaries. The trade union system's structure foresees geographical and functional divisions according to the municipality and professional groups. This is why most collective bargaining takes place on the local level and embraces only specific professional groups. Furthermore, trade unions are dispensed from recruiting necessities through a compulsory union contribution, which further increases enormous fragmentation of the trade union system (Krein, 2001). Minimum wage negotiations on the contrary takes place on supraregional level at which the political perseverance of these organisations is limited (Krein, 2005, p. 5; Boito, 2007, p. 241).

This fragmentation also becomes clear when labour market and especially income development are considered. In heterogeneous Brazil, primary income distribution through labour markets is a central indicator for the provision of welfare. When the regional differences of income development among formal establishments are considered, a difference between the peri-

od 2002 to 2005 and 2006 to 2009 can be observed, which roughly represents Lula's two terms of office. During the first period real income slightly decreased in all regions, but showed a considerable increase of 12.9% in the second period. This led to an average increase of 7.8% in both periods (DIEESE, 2012, p. 91). Real income development according to the occupational sectors can be seen in the following 2. It shows that those sectors related to public administration (e.g. those working in administration or in public utility providing companies) and mineral extraction showed both higher levels of income and higher income increases than other sectors. The heterogeneous development of wages thus reflects structural characteristics, since Brazilian economic growth was strongly fuelled by commodity extraction and exportation, showing that different occupational segments continue to participate differently in the beneficial economic conditions than others, leading to a reproduction of inequality. It is also important to remember that these sectors take part in the traditional centre of the corporatist system (Bridi, 2006, p. 292), showing the importance of organizational power resources for wage development<sup>10</sup>.

**Graph Real income development according to occupational sector; 2000, 2005, 2009**



Source: DIEESE, 2012, p. 92, based on RAIS<sup>11</sup>, own translation

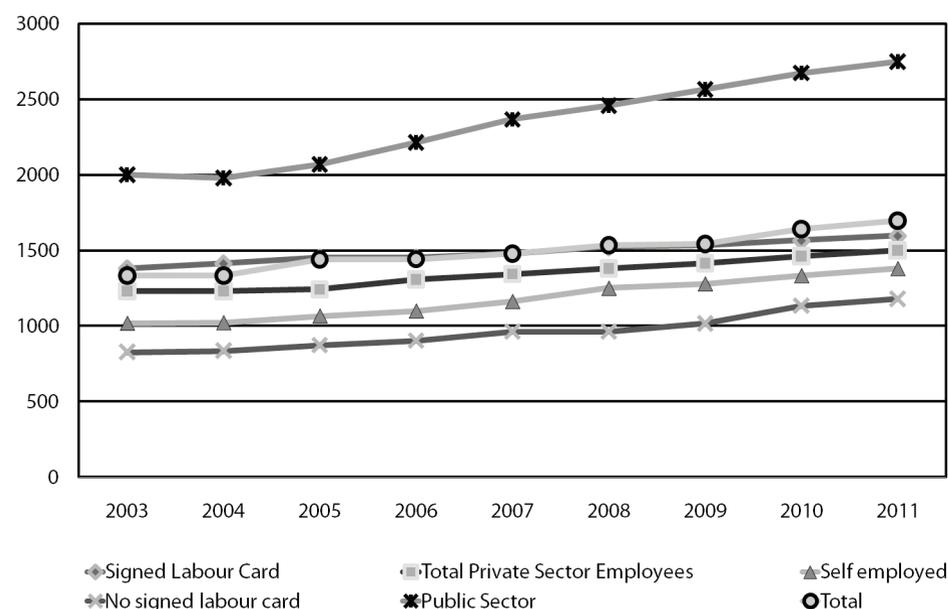
Furthermore, the decomposing of the service sector shows that a huge gap divides the highly organised financial sector from the remaining subsec-

<sup>10</sup> Another indicator for this strength is strike activity and outcome by sector, which is presented by DIEESE (2012).

<sup>11</sup> The *Relação Anual de Informações Sociais* (RAIS) only considers employment in formal establishment, while the *Pesquisa Mensal de Emprego* (PME) data reflects formal and informal employment, but only of six metropolitan areas.

tors: while medium earnings above 4.000 R\$ can be found in the also highly organised and conflict-ready financial subsector, while teaching personnel only reached income above 2000 R\$ and other subsectors remained below this line (MTE, 2011, p. 14)<sup>12</sup>. The formal labour market thus shows a highly unequal scheme of distribution, which is linked to the capacity to organize and the power resources, workers of economic subsectors may dispose of.

**Graph Real Income according to Sector and Occupational Status, Metropolitan Regions, in R\$**



Source: IPEA (May 2012 / 17), based on PME, own visualisation

Additionally, different levels of income could be observed in urban labour markets, now including informal employment relations. As the following graph shows, real income per sector and occupational status followed a positive trend, but differences can be observed among salaried workers with and without registration (*carteira assinada*, one criterion for the definition of informality, see graph below), and among private and public sectors. This income gap between formal and informal wages becomes even clearer when differences between male and female income is considered: in 2009 the difference between male and female wages was on average 16.8%, while women had a higher incidence of working informally than men (compare DIEESE, 2012).

<sup>12</sup> Numbers are based on RAIS.

Income differences among groups are usually explained by different levels of education or gender, thus understating the central role of labour policies and collective representation for the determination of income and decommodification. When access to political representation is taken into account the picture changes considerably: sectors that are at the traditional centre of the corporatist system show high levels of growth and income (see above). Low income sectors on the other hand do not only lack social security but also political representation (Costa, 2005).

A variety of structural and institutional barriers confronting trade unions and their federations can be observed, when it comes to representing low income sectors. This moment of exclusion seems to be rooted in the state corporatist development of interest representation institutions of Brazil (Costa, 2005, p. 113). Understanding universalization of social security as a form of universalizing citizenship to take place would necessarily include integration into these systems of interest representation. While the increases of formalization may lead to a quantitative change in the composition of those represented through collective labour market organisations, a high proportion of the (informal) labour market will remain excluded from these systems. A qualitative change in the mode of access to collective representation that includes informal workers as well is currently not at sight: reform proposals of the labour relations system are stuck in parliament or dealt only with minor changes (see above, and compare Krein, 2007, Anner, 2011, Antunes, 2011).

This lack of reforms rigidifies a dualist system, which excludes low income sectors from political participation and provides them (in exchange?) with assistential and state determined elements of social security, such as *Bolsa Família* and the minimum wage. Minimum wages in this scenario would constitute an organising instrument for parts of the labour market that are not covered by the corporatist system.

Thus, two dimensions of labour market inclusion can be made out: on the one hand, a dimension consisting of formal employment with access to political representation and collective bargaining and on the other hand, an “informal” dimension with wages determined by the informal labour market under the impact of state-directed minimum wage policies. This reproduces the inequality maintaining structure of corporatist labour policies and leads to, as could be observed in the gap of income increase among the different occupational groups, a process of “two-pace inclusion” between those work-

ing informally and formal employees. The first process of inclusion relies on the CLT and on public provision of social protection, with additional private options in health care, education and pensions. The second process relies on the “lighthouse” effects the minimum wage and universalised social policies have on the provision of welfare. Central difference between the two processes is the lack of participation of those that are affected by its outcomes in the second process: bargaining over minimum wage increases either takes place in multi-party bargaining where the lack of political representation of informally active people becomes urgent; or the government determines levels of increase and potentially of decrease in the future<sup>13</sup>.

These processes of inclusion reflect the heterogeneity of Brazilian labour market and social structures, and they do so in a relational way: the creation of a universal system lead to a *de facto* duality in both labour market and in social welfare levels that was not overcome but newly institutionalised with the recent introduction of assistentialist social policies, which in combination with minimum wage increases directed by and through the state lead to improvements of the living conditions amongst the poorest. “Universalization” in this sense signifies improvements for all parts of society, but does not mean an integration of the newly “included” parts of society into the existing systems of social protection, political representation and occupational status. Ultimately, this represents a parallel structure consisting of relatively stable corporatist centres that evolve into a periphery of precarious occupations where state determined minimum wages and assistential social policies set standards<sup>14</sup>. The low levels of financial volume transmitted through both assistential and universal social protection systems limit their redistributive effects and thus represent the difference between the two strata of welfare provision. Despite considerable successes of this policy in reducing poverty rates it is possible to see the creation of a new socio-political dualism in the making that can be characterised as inclusion of two paces.

13 In recent years, the minimum wage was either bargained in a tri- or quadripartite forum between the state, trade unions, employers unions and pensioner's organisations; or the government established an “automatised” formula that would determine its development. Currently, a formula considering GDP development plus inflation is being applied Todeschini (2005, p. 225–226).

14 It is important to keep in mind that the corporatist centre suffered destabilizing processes in the wake of deregulation and flexibilisation. Policies implemented mainly during the 1990s but also during the first ten years of 2000 lead thus to a precarization of some segments of formal employment. This development proves on the one hand, how important political regulation of the labour process is and on the other hand, that the “corporative centre” faces similar challenges as the periphery, challenges which ultimately must be answered politically.

## V. Conclusions

What is to be gained from a perspective that considers social and labour policy in its role for labour market structuring? First of all: inclusion can be analysed not only as a question of participation in the material well-being of society but in the dimension of political participation as well. Integrating those who work informally into organisations of collective interest representation and thus providing access to political processes as well seems necessary for “integrative inclusion”. As failed reform proposals in this realm show, this inclusion encounters higher barriers than broadening access to social welfare through assistential social policy.

The second strong point of this relational view is that it allows for understanding social and labour policies not only as market limitations. On the contrary, it allows analysing the provisions of welfare as outcomes of political struggles. When considering the effects of new social policies on the participation of all citizens and thus “universalization”, one is forced to appraise not only questions of material well-being, but of changes in the political system that lead to such redistribution. In other words: it poses the question of the political dimension of citizenship.

Considering the regressive and exclusionary legacy of Brazilian social and labour policies, recent implementation of poverty reducing programmes must be welcomed as they implement a pattern directed towards universalizing welfare. Nevertheless, it is important to keep Manuel Riescos’ warning in mind: “Perhaps here we can find one of the main limits of that reformist path, one that intended democratizing the social welfare system without changing the previous benefits distribution among different social categories.” (Riesco & Draibe, 2007, p. 266). A redistributive turn would thus also include changes in the existing system of social protection and ultimately a different employment status for those that are working informally. This points also to limitations, a growth relying concept of inclusion faces: without considering the political dimension of income determination, it will remain exclusionary at least when democratic principles are assumed to govern in the system at stake. Expanding the concept of inclusive growth towards a dimension that considers participation of workers in the processes of wage determination could overcome this limitation.

Conceptual remarks aside, the question remains what may be political responses to the dilemma of a nexus between different occupational cat-

egories and their level of welfare provision, especially when considering the high incidence of low-income groups with informal working conditions?

Some scholars suggested to establish a dual system of labour and social protection, as such a system is existing *de facto*, which is why such a reform would only recognize “reality”. In detail, this would mean to create a legal sector with much higher flexibility in terms of regulation. Tokman (2007) argues that such division would allow for the formalization of huge parts of the informal economy, even though it seems also very likely that the implementation of such a dual system would lead to the reduction of labour standards in a variety of now relatively well protected jobs.

The general approach of flexibilisation of labour codes in order to increase formal employment is worth questioning, especially considering the increases of informality in Brazil during the 1990s, when deregulation and flexibilisation oriented labour reforms. Furthermore, high volatility of employment indicates, that rigidity of employment laws is not the main problem. Considering the relation between hired and fired employees, 53.8% of employment relations were interrupted in 2010<sup>15</sup> (compare DIEESE, 2011, p. 14, Chapter 3). Flexibility of the labour market thus remains high and despite the positive trend in overall employment, these rates indicate need for further efforts in increasing employment stability.

Nevertheless, labour market insertion is of major importance for the provision of welfare: it is responsible for primary distribution on the labour market through wage definition; it plays a central role in the stratification of access to social policy; collective interest representation remains largely a privilege of the formally employed, allowing them to fight for their (labour) rights and to negotiate salaries.

The Brazilian case shows the importance of public regulation of the labour market, through the regulation of employment relations or of income, which are both aspects of social and labour policies. Traditionally, protection was linked to formal employment and despite some successes in the struggle for universalization, the establishment of new forms of social security that do not provide the same level of welfare to all market participants can be observed. The implementation of social protection schemes which are open for informally working groups is important in this realm and have proven ef-

ficient and needed, while also displaying limitations. Considering the differences between a groups’ access to welfare, one central distinction becomes clear: the lack of political integration of the most vulnerable groups. Despite democratization, there still is a gap between collective interest representation for formal employees (and employers) and the access of those working informally to the system of interest representation.

Fragmentation of trade unions further deepens the problem, as it divides labour regionally and according to professional groups. Furthermore, political representation of informal workers through trade unions is confronted with institutional and structural barriers, which are difficult to overcome as failed reforms have shown. Political representation of those excluded from the formal labour market (and thus from the “higher” strata of social and labour policy) therefore remains one major characteristic and challenge for Brazilian development. Informality and exclusion from social protection still go hand in hand, even though a process of “two-pace inclusion” developed. It seems likely that this pattern will continue to exist unless structural changes in the labour market, in the systems of social protection and in the systems of political representation allow for an *integration* of the excluded parts of population.

15 Including transfers, retirements, death and voluntary dismissal, e.g. causes that are not necessarily due to the employers will to end the employment relation. Without these causes, the percentage remains high: 37.3%.

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# The “New” Brazilian Middle-class and its Implications Beyond Economics

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## ***Introduction***

The topic “alternatives for change” is highly debated among social scientists who aspire for a different model of economic development. A feasible and convincing framework that shifts substantially from the current model is yet to be developed but it is visible from the discourse among policy makers and scholars that this new project has to embrace a fair account of social and environmental sustainability. To pursue alternatives, it is fundamental to identify and understand potential actors capable of challenging the *status quo*. The literature has shown that this course of action can be advanced, among others, by national or international, bottom-up or top-down approaches (Ostrander, 2005; Smith, 2004). In this sense, this paper draws attention to the debate at the national level on upward social mobility and contextualizes the relevance of the rising group as supporters of a progressive political agenda.

To illustrate the issue, the Brazilian debate on the shifts in its class structure is considered as it appears to be of a distinct relevance in recent times. The combination of social policies implemented during the PT-led

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government (2003-present), accompanied by favorable macroeconomic conditions, resulted in an ascension of a specific group of citizens that are recently earning more than before; although the earning remains around the minimum wage scale.<sup>3</sup> This group of approximately 30 million people has been labeled by various national research institutions<sup>4</sup> and by the government as the “new” middle-class. According to the latest government criteria, the members of this group are those with per capita income between R\$ 291 to R\$ 1.019 (USD 141-494) (SAE, 2012).

This emerging group should not be confused with “*the*” middle-class - those in a politically, socially and economically distinct position in the social strata. In the absence of this critical differentiation, it can be mistakenly argued that this new emerging group is part of a middle class, compared to those in Germany and the United States (Souza, 2010, p. 21).

The dominant discourse carries a conceptualization of the emergent group as a “new” middle class because the liberal economists and the traditional Marxism look at the realities of the social classes only on its economic terms. Therefore, while the first emphasizes on the “income”, the second focuses on the “position in the production” (Souza, 2010, p. 22). As a result, the political and cultural implications of the increase in income are neglected.

This paper considers the Marxist assumption of the position in the production process to analyze the recent shifts and to claim that the so-called “new middle class” remains a “working class” (See more in Souza, 2010). Although the label might have electoral appeal and assists business to target market opportunities, the conceptualization of this emerging group is misleading on political and social grounds. To sustain our approach, the traditional Marxist analysis is therefore expanded beyond the economic realm so to explain the social and political implications. Put it simply, what does it mean economically, socially and politically to have nearly 30 million people earning more than before?

Brazil is a country with an unquestioned historical legacy of inequality and poverty and an income increase is certainly welcomed. On one hand, we do not celebrate the recent experience as a success of neo-liberal model. On the other, it remains unknown the extent of support for a progressive agenda from this new economically ascendant group. Therefore, this paper

attempts to contribute to this research gap by evaluating the extent to which the “new” middle class is supportive of a progressive agenda and whether they play a role in setting the political schema that challenges the orthodox macroeconomic model. By default, we do not attempt to explain why there is an increase of income but to concentrate on the implications of such experience.

The paper sheds initial lights on the theoretical aspect of the middle class from a Marxist perspective before exploring the empirical and methodological discussions. Furthermore, we focus on specific factors such as purchase power, inequality and poverty, and electoral performance in order to investigate the economic, social and political implications of a new emerging economic group. Finally, we provide final considerations and highlight open issues to be further researched.

## **1. Conceptualizing the “New” Middle Class: A Disputable Terrain.**

Concepts of class are central to Marxist theory and it is a fundamental determinant of social conflict and social change. There have been quite different interpretations and elaborations of Marx’s own notions of class (Wright, 1997b, p. 41). Most Marxists have traditionally attributed to the dichotomous theory that societies are predominately characterized by two opposing classes, namely labor and capital. The relationship is structurally exploitatively as capital appropriates the surplus value created by the worker’s labor. There is not only income inequality but the workers surrender their creative power in detriment of exclusively producing surplus value (Urry, 1973, p. 179).

As Marx focuses on the polarization between the bourgeoisie class and the working class, any intermediary group will either disappear or join at least temporary coalitions with one or other of the two main classes. The difficulty of this account is that the capitalist workplace has increased fragmentations and he is often criticized for not predicting the rise of a new middle class of clerks, technicians, managers and professional workers<sup>5</sup> (Urry, 1973, pp. 175-176).

<sup>3</sup> The current national minimum wage is R\$622.

<sup>4</sup> Namely, the Getulio Vargas Foundation (FGV) and the Institute for Applied Economic Research (IPEA).

<sup>5</sup> For example: accountants, lawyers, teachers, technologists etc

To suggest that Marx was unaware about the growth of the middle-class is an understatement (Giddens, 1973, p. 96). In the *Theories of Surplus Value*, Marx argues that as developed capitalist structure produces a growing surplus the size of the middle-class also increases. The overproduction in capitalism is sustained by the restricted consumption of the proletariat. Therefore, there is a need for groups of people to consume the growing surplus produced by the workers so that profits are guaranteed. Moreover, the middle class serves the capitalist system as an efficient administration of the growing surplus. However, the critique to this explanation is that Marx does not explain the reasons for the middle class to particularly solve these two needs and not an already existing class (Urry, 1973, pp. 176-186).

Recently some influential Marxist theorists<sup>6</sup> have attempted to formulate alternatives for specifying additional classes in capitalism beyond the workers and capitalists. The goal has been to reconstruct the concept of class structure so to adequate to the complexities of class interest in and across capitalist societies (Resnick & Wolff, 2006, p. 91). These efforts resulted into some competing theories of the "new middle-class". First the middle class is considered as merely an extension of the existing capitalist ruling class and structurally dependent on its authority. Second argumentation is that the middle class is closer to the working class because both groups do not own the means of production (Dahrendorf, 1959, pp. 53-54). Third there is no such thing as the middle class but that there are two different groupings with opposed class interests: bureaucrats with ruling class authority, and white collar workers with a proletarian class situation. Fourth the middle class is in a structurally ambivalent position between proletarian market situation but a bourgeoisie work situation (Urry, 1973, pp. 180-181). Other two competing theories argue that the middle class is destined to be the ruling class of the future, and finally the growth of the "new middle class" operates as a force to stabilize the old, and eventually to abolish all class conflicts (Mills, 1951, pp. 290-291).

To understand the new emerging group in Brazil, this paper concentrates on the third position which suggests the "new" middle class closer to the working class as the increase in income recently witnessed by the new group is not sufficient to significantly shift the position in class structure.

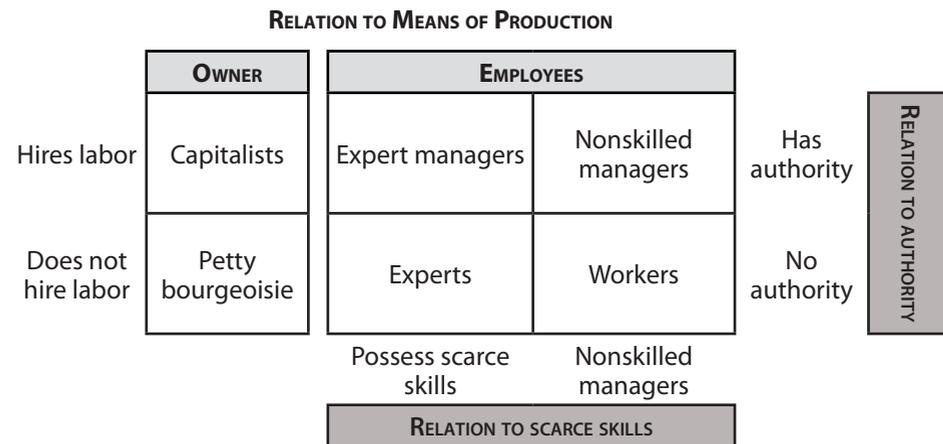
For further elaboration, the work of Erik O. Wright (1997a) provides interesting insights in this debate. Although the author tends to combine theoretical discussions of the concept of class with a wide range of comparative empirical investigations in developed countries, his contribution remains to some extent valid for explaining the Brazilian case.

The Marxist concept of class is rooted in a polarized notion of antagonistic class relations but many people do not seem to fit to it. The problem of the middle class is that they are people who do not own their own means of production, who sell their labor power on a labor market, and yet do not seem part of the "working class". To deal with this problematic, Wright (1997a) developed a typology of class location (and not of "classes" as such) along two dimensions: (a) their relationship to authority within production and, b) their possession of skills or expertise. In relation to authority, there are two rationales for treating it as a criterion for differentiating class locations among employees, namely the role of domination within capitalist property relations and the relationship between their earnings and the appropriation of surplus.

According to Wright (1997a, p. 22), the capitalists do not simply own the means of production and hire workers; they also dominate workers within production. Therefore, managers and supervisors are in this context exercising delegated capitalist class powers of domination within production. In this sense they occupy "contradictory locations within class relations" as they are like capitalist in that they dominate workers and also like workers in that they are controlled by capitalists and exploited within production. The second rationale for treating the authority dimension as a criterion for differentiating class locations concerns the strategic position of managers within the organization of production. The higher earning involves a redistribution of part of the social surplus in order to build managers loyal to the organization. Therefore, they not only occupy a "contradictory location within class relations" but also a "privileged appropriation location within exploitation relations". In both situations, it differentiates them from working class. The second axis of class differentiation among employees relates to the possession of skills and expertise. It is argued that experts, like managers, occupy privileged appropriation location within exploitation relation that differentiates them from ordinary workers.

<sup>6</sup> See (Ehrenreich & Ehrenreich, 1979; Poulantzas, 1975; Wright, 1978)

Figure 1 – Basic typology of class location.



Source: Wright (1997a, p. 24)

From the map of class typology elaborated by Wright (1997a) - centered on authority and skills dimensions, the members of the “new” middle class in Brazil remain much as workers. As it will be later on argued, the new emerging group is largely minimum wage earner, low skilled and is not taking yet high managerial occupations as the level education (measured by years of schooling) remains very low.

Therefore, Wright’s argumentation reinforces our view that the so called “new” middle class is misleading as this group, despite of increase in income, has not promoted substantial changes in terms of skills and authority in the class location. For the purpose of clarity, we continue to address this group as “new” middle class so as to highlight the same object of study of several national research institutions. Nevertheless, the conceptualization remains disputable.

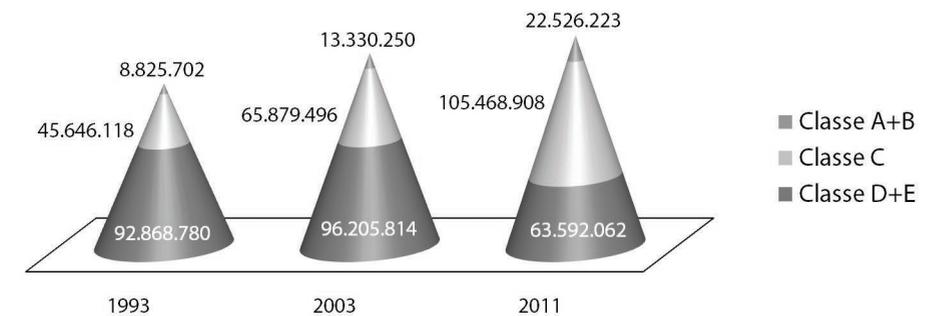
## 2. Social Mobility in Brazil: The Formation of a “New” Middle Class?

The economic expansion during 1945 and 1980 in Brazil was accompanied by an ascendant social mobility (Pochmann & Eduardo, 2006-2007, p. 1). The process was, however, interrupted by the external debt crisis in 1981-1983 and as a result, the national industrialization project was abandoned and Brazil experienced harsh period for upward mobility during the 1990s.

The scenario changed from 2005 as the country experiences economic and social improvements. While Gross Domestic Product (GDP) growth in 2010 reached 6.5%, the inequality rate fell considerably. Between 2001 and 2009, the growth rate of the per capita income of the 10% richest increased 12.8% while the 50% poorest reached 52.59% increase (Neri, 2011, pp. 25-28). Therefore, the increase in income has been experienced throughout different social stratum, but most significantly from the bottom of the pyramid.

The recently joined members of the “new” middle class tend to be non-white, residents of small cities in the North-East region, wage earners but not necessarily formal, and with low level of education. The state-led instruments of stable income guarantees improved the living standard especially of the very young and the elderly. Moreover, the upward mobility has increased mass consumption, especially of durable goods with high unit prices<sup>7</sup> (Pochmann, 2009).

Figure 2 – The pyramid of population and economic classes: 1993, 2003 and 2011



Source: Neri (2011, p. 28)

To capture the recent transformation in income increase, the government has recently changed the criteria for measuring the “new” middle class. This group is defined as families with per capita income between R\$ 291 and R\$1.019. The level of income of this group is divided into three sub-categories, namely (a) low middle class with per capita income between R\$291 to R\$ 441; (b) middle class with per capita income between R\$ 441 to R\$ 641; and (c) high middle class with income between R\$ 641 and R\$ 1.019 (SAE, 2012).

<sup>7</sup> Such as fridge, oven, television and telephone.

**Table 1 – Government's new criteria for categorizing the "new" middle class**

DEFINITION	AVERAGE PER CAPITA INCOME	
"Low" Middle Class	R\$ 291 to R\$ 441	USD 141 to 213
Middle Class	R\$ 441 to R\$ 641	USD 213 to 310
"High" Middle Class	R\$ 641 to R\$ 1.019	USD 310 to 493

Source: SAE (2012)

Considering the criteria established by the government, the Brazilian "new" middle class corresponds to 54% of the population; 68% of the sons studied more than their parents; and 65.2% of its expenses were towards service. It means that this "new" middle class is visible to the elite as they recently share the same public spaces earlier dominated by the elite such as restaurants, airports and cultural events (Data Popular, 2012).

The measurement of the government is not exclusive in Brazil as there have been attempts to categorize the country's class structure by research institutions and scholars such as Neri (2011) and Quadros (2008b). By adopting the minimum wage<sup>8</sup> as a pattern to define the different ranges of classes, Quadros (2008a) elaborates a criteria for defining the Brazilian class structure as presented in Table 2.

**Table 2 - The Brazilian Class Structure**

Definition	SOCIAL STRATA (PER CAPITA)	
"High" middle class	More than R\$ 2,965.00	More than USD 1.436,90
"Middle" middle class	R\$ 1,482.00 to R\$ 2,965.00	USD 718,20 to 1.436,90
"Low" middle class	R\$ 593.00 to R\$ 1,482.00	USD 287,36 to 718,20
Working masses	R\$ 296.00 to R\$ 593.00	USD 143, 49 to 287,36
Miserable	Up to R\$ 295.99	Up to 143,48

Source: (Quadros, 2008a)

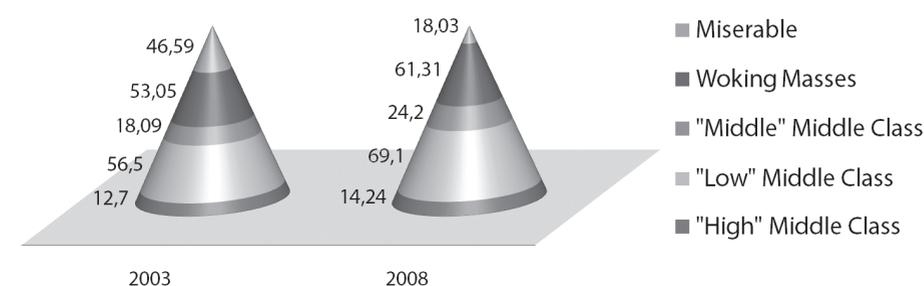
From a comparative perspective, the definition of the Brazilian government for the new middle class would be considered somewhere between Quadros' categories of "Working Masses" and "Low Middle-Class". In this sense, we can suggest that from Quadros's perspective, the new emerging group remains a typical proletariat ("Working Masses"), but ascendant and reaching the lower bottom of the middle class status. In both methodologies,

<sup>8</sup> With regards to methodology, see more in Quadros, 2008a.

from the government and Quadros (2008b), the narrow focus on the economic side hides other important aspects such as political and social, two of which are central in our analysis.

The members of the "new" middle class access public education and health care – both characterized by poor quality level. The same scenario can be seen in terms of housing, transport, food, culture and other aspects which have to be considered in the evaluation of the life conditions (Quadros, 2010). Despite the increase in income of parts of the population, there is a need to significant improvement in living conditions.

According to the Strategic Affairs Secretariat of the Brazilian Government (SAE)<sup>9</sup> (2011), 60% of the middle class people are employed. Most of these have formal registration<sup>10</sup> – 42% formal and 11% as civil servants – and 19% are working in informal conditions. Other 19% are self-employed, 3% are employers and 6% are unpaid. Regarding the expenditure, the families of the new middle class spend more of their income on food, housing, clothing, hygiene, health care, tobacco and personal services than families of the high middle class. Moreover, 75% are living in their own home, and 99% of the homes are made of masonry or wood paired, with lining or covering slab, roof or wood paired.

**Figure 3 - The pyramid of population and economic classes, by Quadros (2008b) – population in thousand**

Source: Quadros (2008b)

In order to correlate these statistics with political, social and economic implications, we focus on the following factors, respectively: the electoral

<sup>9</sup> In Portuguese, *Secretaria de Assuntos Estratégicos do Governo Federal*.

<sup>10</sup> The level of formal workers in the middle class is above the national average – which is about 47% percent, while in the middle class is about 53%. But in the high middle class the level of formal workers is about 59%.

preferences; poverty alleviation and inequality, and the increase in income and purchase power. Based on these set of factors, we attempt to draw some expectations of the political inclination of this new group. Does the new middle class represent a strengthening of a progressive agenda or does it reaffirm mainstream conservative views? Equally important, but beyond the scope of this paper, is to study the sustainability of the mobility. In the Brazilian case, the growth of the middle class is closely related to specific policy programmes of the PT-led government. We speculate that a higher insecurity from the "new" middle class about its economic sustainability leads to a higher rejection of radical economic and political shifts<sup>11</sup>.

## 2.1. The Economic, Social and Political Implications of the "New" Middle Class.

### 2.1.1. *The Brazilian economic scenario in recent times.*

Similarly to many developing countries, Brazil experienced during the 1990s the implementation of neoliberal policies which has transformed the productive structure and inevitably changed the working conditions in the country. While the restructuring process enabled the modernization of production and increased labor productivity, it implicated into significant job loss and to an expansion of precarious work.

By the end of the decade, the low level of economic growth and rising inflation expressed the fragility of the policies implemented. Brazil, as a peripheral economy whose economic policy was seriously dependent on international capital flows, was forced to change the direction of its economic policy. The new apparatus of macroeconomic policies - which involved a combination of high interest rates and restrained government spending, resulted into low level of economic activity so to avoid an acceleration of inflation. Moreover, the high interest rates led to public debt growth greater than the GDP growth.

The main macroeconomic policies implemented during Cardoso's government (1995-2002) were maintained during the Lula's term - such as floating exchange rate, inflation target and the primary surplus. However, there are important differences such as on social policies and de-prioritizing privatization of State companies and the strengthening of the National Economic and Social Development Bank (BNDES). The combination of GDP

growth, lower inflation, increased international reserves and decreased public debt has created a favorable environment for investment and encouraging expectations of its economic scenario. Moreover, the Brazilian economy benefited from the positive international market conditions, since it is a major exporter of commodities and manufactured products, especially from 2004-2008. The resumption of GDP growth (6.5% per year) began with exports and was later consolidated by an increase in consumption and investment. Additionally, the GDP growth was boosted by a substantial increase in jobs, formal employment, labor earnings, income transfer and the real minimum wage - which resulted in an increase in family income, especially of the poorest. Moreover, the boost in consumption and investment was also favored by the expansion of consumer credit, driven by longer repayment periods, falling nominal interest rates and institutional changes that began to allow the direct deduction of repayments from wages. In summary, the increase in the income was the consequence and cause of the process of economic growth (Duarte, 2012).

From a brief overview of the Brazilian macroeconomic context in 2000 we identified a movement of slow recovery of the economy, which is expressed in the growth of a set of variables - such as investment rate, GDP, consumption and employment growth - and that is an expression of the resumption of State investment, although the industry has presented a weak recovery. From this perspective, we focus the analysis on three main levels, namely economic, social and political in order to assess the implications of a new emerging group coming from the favorable economic scenario hereby presented.

### 2.1.2. *Economic Implications:*

#### *Income Increase and Purchase Power.*

Since the beginning of the PT-led government in 2003, and especially from 2006, the government implemented a systematic policy of real appreciation of the minimum wage. From 2003 to 2012 it varied from R\$380 (USD 184) to R\$ 622 (USD 301). It resulted not only into an increase in the income but also in purchase power. After a long period in which inflation had caused purchase power reduction, the income increase between 2002 and 2012 exceeded inflation and provided 64.95% real gains in purchase power, as we can see in the next table. Consequently, it reversed the declining trend established since 1997 due to rising inflation and the economic crisis.

<sup>11</sup> For more information on the sustainability of the new middle class, see [Souza & Lamounier \(2010\)](#).

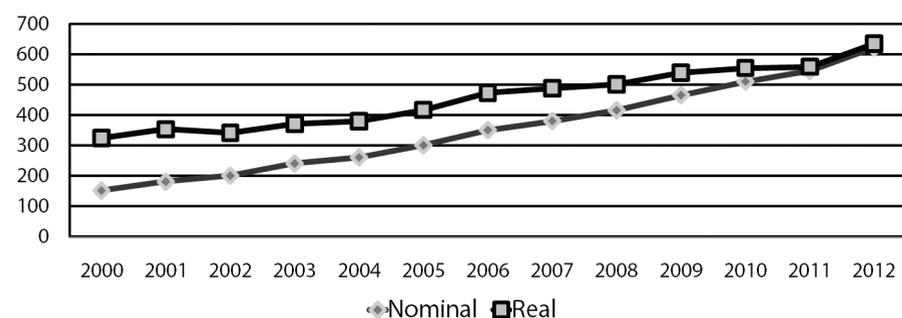
The share of the minimum wage in relation to total income during 2004-2007 was more significant than the actual increase in employment. Moreover, the average income in this period was more intense in the sectors which the average income of laborers is lower than the average income of the economy. In light of this scenario - of which substantial portion of the workers in these middle-income sectors are paid at least minimum wage, it points to the importance of consolidation of a systematic policy of raising the minimum wage as a way to increase income.

Table 3 - Minimum Wage in Brazil from 2002-2012

Year	MINIMUM WAGE (R\$)	NOMINAL INCREASE (%)	Inflation (%)	Real Increase (%)
2002	200.00	-	-	-
2003	240.00	20.0	18.54	1.23
2004	260.00	8.33	7.06	1.19
2005	300.00	15.38	6.61	8.23
2006	350.00	16.67	3.21	13.04
2007	380.00	8.57	3.30	5.10
2008	415.00	9.21	4.98	4.03
2009	465.00	12.05	5.92	5.79
2010	510.00	9.68	3.45	6.02
2011	545.00	6.86	6.47	0.37
2012	622.00	14.13	6.08	7.59
<b>Total</b>	-	<b>211.00</b>	<b>87.40</b>	<b>64.95</b>

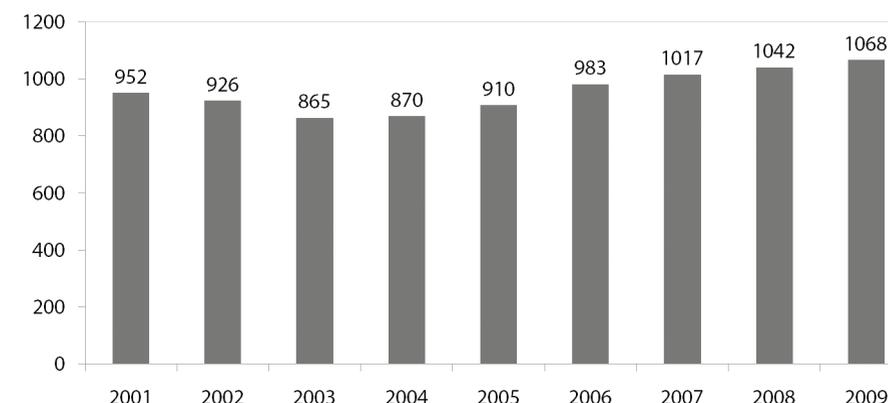
Source: DIEESE (2012)

Figure 4 - Nominal and real minimum wage from 2000-2012 (in Reais)



Source: IPEA Data (2012)

Figure 5 - Average income of workers (in Reais)



Source: IPEA Data (2012)

It is important to highlight that the loss of purchase power of workers' average income in the 1990s was so strong that the recovery observed in 2000 was just enough to regain the levels prevailing in 1998. Therefore, due to the policy of raising the minimum wage and expansion of formal jobs, the increase in average income of workers had stronger impact in the low pay jobs, contributing to important changes in the composition of the total labor income. By considering the sectors and types of occupations with lower income, it is possible to see differences in socioeconomic status among workers, which highlights that the heterogeneity of the sectors is still a visible problem in the Brazilian economy (Baltar et al., 2010).

Besides the minimum wage policy, the conditional cash-transfer programme *Bolsa Familia*, also affected purchasing power. Since 2003, the *Bolsa Familia* program is the main income transfer policy from the federal government, and it was created to support the poorest families<sup>12</sup>. The program seeks to address the problem of poverty in two stages: in the short term, to address the immediate and urgent problems of poverty such as hunger and the disintegration of the family environment; and in the long term, to reduce poverty through the improvement of health and education of its beneficiaries through *conditionality*. With regards to health, the commitments relate to

<sup>12</sup> Extremely poor families are defined as with per capita monthly income up to R\$ 50.00, regardless of its composition. The families considered poor are those with per capita income between R\$ 50.01 and R\$ 100.00 provided they have pregnant or nursing women, or children and teenagers aged 0-15 years. The first group of families receives a fixed benefit of R\$50.00, and may receive more than R\$ 15.00 per child up to age 15 - a total of up to three children, reaching a value of monthly benefit of to R\$ 95.00 per family (Mesquita, 2007).

monitoring the health of pregnant and nursing women, and children under seven years old. In the area of education, school enrollment is compulsory for children and adolescents aged 6 to 15 years, with attendance of at least 85%, and the return to school for illiterate adults. The federal government also created mechanisms to help family members find jobs with better pay, so that families do not become dependent on the program - for example, referral of unemployed family members to public service. Thus, by incorporating 11 million families in the program it ameliorates the conditions of deprivation of the poorest families, and has contributed to the reduction of poverty as a mechanism of income distribution.

The share of the benefits from *Bolsa Família* in relation to total income increase reached 40.52% in 2006. Considering the poor and the extremely poor population, the program had benefited particularly the latter. While the family income of the poor population increased 8.85% due to *Bolsa Família*, it meant 61.2% increase for the extremely poor population.

**Table 4 - Percentage of income increase provided by the benefits of Bolsa Família Program (2006)**

REGION	PERCENTAGE OF INCOME INCREASE PROVIDED BY THE PROGRAM FOR POOR FAMILIES	PERCENTAGE OF INCOME INCREASE PROVIDED BY THE PROGRAM FOR EXTREMELY POOR FAMILIES
Midwest	8.92	47.98
Northeast	8.94	70.74
North	9.05	69.37
Southeast	8.43	49.26
South	8.57	47.12
<b>Brazil</b>	<b>8.85</b>	<b>61.20</b>

Source: Senarc/MDS

By the comparison between the benefits from *Bolsa Família* and the minimum wage, the benefits from *Bolsa Família* corresponded in 2003 to 30% of the nominal minimum wage value. In 2006 it reduced to 17% but reached to 21% of the real minimum wage (Ferraz, 2008). The reduction of the ratio between the benefits from *Bolsa Família* and minimum wage is due to the government's policy of annual increase of the minimum wage. In sum, the two policies - the increase in the real minimum wage and the *Bolsa Família* program - substantially contributed to the increase of purchase power and, as a result, to poverty alleviation. Nevertheless, the policy of minimum wage

had a targeted effect on the "new" middle class, as its income is about the level of the minimum wage, as opposed to *Bolsa Família*, a programme focused on the poorest share of the population.

### 2.1.3. Social Implications: Poverty and Inequality Alleviation

The income inequality in Brazil showed positive signs as a result of the implementation of minimum wage policy and income transfer. Measured by the Gini index, inequality declined from 0.59 in 2001 to 0.54 in 2009. Measured by the Theil index, the fall in inequality was higher - from 0.72 in 2001 to 0.59 in 2009. Considering the relationship between the income of the 10% richest and the poorest 40%, it decreased from 23.33 in 2001 to 16.67 in 2009 (IPEA Data, 2012).

**Table 5 - Income inequality in Brazil from 2001-2009**

YEAR	GINI INDEX	THEIL INDEX	INCOME RATIO OF 10% RICHEST PEOPLE AND 40% POOREST PEOPLE
2001	0,596082	0,726734	23,33939
2002	0,589267	0,71041	22,20043
2003	0,583034	0,685593	21,42331
2004	0,572372	0,665141	19,91083
2005	0,569438	0,659454	19,54874
2006	0,562936	0,64365	18,70402
2007	0,556043	0,624368	18,12045
2008	0,547563	0,608315	17,13419
2009	0,542751	0,597406	16,67166

Source: IPEA Data (2012)

According Neri (2010) the drop of income inequality between 2001 and 2008 can be explained specially by two variables: the increase in income via employment - which represents to 66.86% of the fall in the income inequality - and the income transfer programs, particularly *Bolsa Família*, accounting for 17% of the fall.

With regards to poverty rate, Brazil had in 2001 around 58.4 million poor people (35.17% of total population) but it dropped to 39.6 million (21.42% of total population) in 2009. In the same period, the population in absolute poverty declined from 15.28% to 7.2% of the total population, which

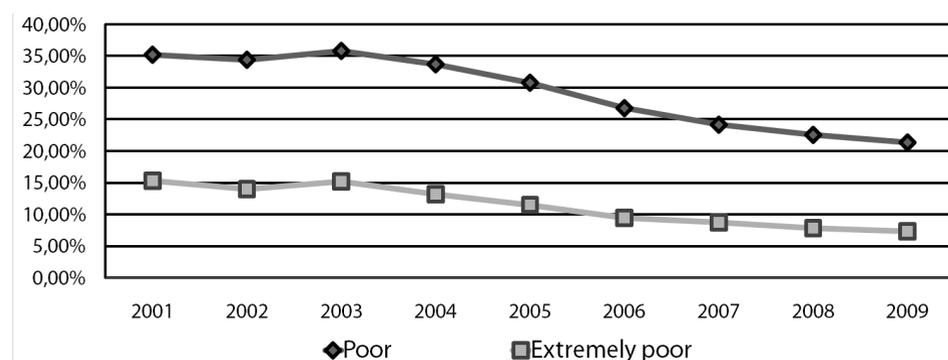
equates to a reduction of 11.9 million people. Thus, even though income inequality and poverty remains extremely high, and especially in relation to other developing countries with similar economic performance, considerable advances in these areas are visible.

**Table 6 – Poverty rate in Brazil from 2001-2009**

YEAR	POOR	PERCENTAGE	EXTREMELY POOR	PERCENTAGE
2001	58.488.902	35.17	25.406.163	15.28
2002	58.215.330	34.40	23.668.868	13.99
2003	61.385.933	35.79	26.069.035	15.20
2004	59.541.909	33.70	23.325.610	13.20
2005	55.476.712	30.82	20.674.228	11.49
2006	48.526.810	26.75	17.133.160	9.44
2007	44.204.094	24.24	15.777.557	8.65
2008	41.460.919	22.59	13.888.662	7.75
2009	39.631.550	21.42	13.474.983	7.28

Source: IPEA Data (2012)

**Figure 6 - Poverty (in percentage)**



Source: IPEA Data (2012)

#### 2.1.4. Political Implications: Electoral Performance and Union Density.

As an attempt to draw correlations between the “new” middle class in Brazil and its political implications, we begin the analysis of the electoral performance in the past three presidential elections in 2002, 2006 and 2010. The aim is to identify significant shifts of the electoral performance, especially of PT.

It is apparent in the past three presidential elections the slight decrease of the share of total nominal votes for PT candidates in the South, South-East, and Mid-West regions but significant increase in the North and North-East - the two historically poorest regions in the country. On the other hand, the South and South-East are the wealthiest regions and jointly correspond to 71, 8% of the GDP (OIT, 2012).

While the South-East region is particularly important in presidential elections due to its electoral size, the North-East region has also played a decisive role in the 2002, but fundamentally in the 2006 and 2010 presidential elections. The total votes combined from the North and North-East counted to nearly 40% of the total votes in the last elections for the PT presidential candidates, namely Lula da Silva and Dilma Rousseff. The table below shows in details the preferences of the voters in the past presidential elections.

**Table 7 - Electoral results of the past presidential elections by regions**

REGIONS	2002 (%)	NOMINAL VOTES	2006 (%)	NOMINAL VOTES	2010 (%)	NOMINAL VOTES
<b>NORTH</b>						
Acre	59,94	140.363	52,36	151.584	30,33	96.969
Amapá	75,51	171.850	70,40	191.698	62,66	198.644
Amazonas	69,88	722.034	86,80	1.159.709	80,57	1.141.607
Para	52,66	1.317.472	60,12	1.840.154	53,20	1.791.443
Rondônia	55,56	334.264	55,32	397.327	47,37	347.138
Roraima	65,56	104.087	38,50	66.932	33,44	71.280
Tocantins	54,033	288.405	70,269	447.849	58,88	391.279
<b>National share</b>	<b>5,8%</b>	<b>3.078.475</b>	<b>7,30%</b>	<b>4.255.253</b>	<b>7,25%</b>	<b>4.038.360</b>

REGIONS	2002 (%)	NOMINAL VOTES	2006 (%)	NOMINAL VOTES	2010 (%)	NOMINAL VOTES
<b>MID-WEST</b>						
Distrito Federal	62,26	777.708	56,95	765.008	52,81	708.674
Goiás	57,08	1.424.236	54,78	1.485.280	49,25	1.446.178
Mato Grosso	54,46	649.100	49,69	711.177	52,81	729.747
Mato Grosso do Sul	55,14	593.939	44,98	535.966	44,87	555.283
<b>National share</b>	<b>6,53%</b>	<b>3.444.983</b>	<b>6,0%</b>	<b>3.497.431</b>	<b>6,18%</b>	<b>3.439.882</b>
<b>SOUTH</b>						
Paraná	59,22	2.929.427	49,24	2.663.423	44,56	2.593.086
Rio Grande do Sul	55,84	3.297.354	44,64	2.811.658	49,06	3.117.761
Santa Catarina	64,14	1.914.684	45,46	1.481.344	43,39	1.556.226
<b>National share</b>	<b>15,43%</b>	<b>8.141.465</b>	<b>11,94%</b>	<b>6.956.425</b>	<b>13,05%</b>	<b>7.267.073</b>
<b>SOUTH EAST</b>						
Espírito Santo	59,36	944.172	65,54	1.190.459	49,17	924.046
Minas Gerais	66,45	6.384.690	65,19	6.808.417	58,45	6.220.125
Rio de Janeiro	78,97	6.318.104	69,68	5.532.284	60,48	4.934.077
São Paulo	55,39	11.264.282	47,46	10.684.776	49,17	10.462.447
<b>National share</b>	<b>47,20%</b>	<b>24.911.248</b>	<b>41,55%</b>	<b>24.215.936</b>	<b>40,47%</b>	<b>22.540.695</b>
<b>NORTH-EAST</b>						
Alagoas	43,61	477.009	61,45	822.505	53,63	737.236
Bahia	65,69	3.710.900	78,08	5.188.314	70,85	4.737.079
Ceará	75,78	2.497.143	82,37	3.394.007	77,35	3.288.570
Maranhão	58,48	1.229.559	84,63	2.280.520	79,09	2.294.146
Paraíba	57,02	984.944	75,01	1.478.378	61,55	1.229.391
Pernambuco	57,07	2.198.673	78,48	3.260.996	75,65	3.457.953
Piauí	60,73	825.257	77,32	1.216.842	69,98	1.112.380
Rio Grande do Norte	58,64	781.947	69,72	1.099.150	59,54	979.772
Sergipe	57,50	490.898	60,16	611.337	53,56	568.862
<b>National share</b>	<b>25,01%</b>	<b>13.196.330</b>	<b>33,21%</b>	<b>19.352.049</b>	<b>33,05%</b>	<b>18.405.389</b>

Source: Tribunal Superior Eleitoral. Authors' own elaboration.

In summary, the 2010 presidential election showed the divisions of the electorate at the national level. The figure below shows in red the federal states in which PT had won against its competitor, José Serra. It remains disputable whether the continuous electoral support to the PT-led government is a sign of ideological inclination towards the left (especially of those in the North and North-East regions) or a personal sympathy towards the presidential candidates, accompanied by an improvement of the economic scenario. For example, half of the total jobs created in the 2000s lies in the North, North-East and Mid-West regions and they were the regions with higher economic growth in relation to GDP - the first two being of great support to PT in 2006 and 2010 elections (OIT, 2012; Pochmann, 2012, p. 38).

From this analysis it is possible to argue that a significant electoral support for PT comes from the bottom of social strata and especially in regions where the "new" middle class is significantly located. It also shows the capacity of PT to maintain electoral support from the poorest regions of the country. However, the analysis exclusively on electoral performance is insufficient to draw a correlation with political engagement and agenda of the new emerging group. In this context, we consider further the trade union density to identify possible shifts that go beyond government support during elections as politics are done in everyday life, and not exclusively during elections.

Figure 7 – Result of the Presidential elections in 2010 by Federal States.<sup>13</sup>



Source: Folha de S. Paulo, 2012.

<sup>13</sup> Federal States in Red represent PT's victory in total nominal votes.

The union density in Brazil between 2004 and 2009 has been oscillating. While it increased from 2004 to 2006, from 18,5% to 19,1%, it drops to 18,2% in 2007. The scenario of growth returns in 2008 up to 18,5% but once again decreased to 18,1% in 2009. As presented in the table below, the industrial activities had a distinctive level of unionization followed by education, health and social services, public administration and agriculture. With regards to the expansion of union density between 2004 and 2009, the agriculture sector, followed by construction and domestic services experienced the highest rate, respectively.

Brazil is a large country and due to regional disparities, the union density did not have equal performance. The rate increased from 2004 to 2009 in the North (13,9% to 14,6%) and North-East (19,4% to 20,0%) and slightly dropped in the South-East (17,7% to 17,2%), South (22,9% to 21,1%) and Mid-West (14,9% to 14,5) (OIT, 2012, pp. 320-322).

**Table 8 – Union Density in Brazil, 2004-2009.**

Economic Activity	Union Density (%)	
	2004	2009
Agriculture	24,4	26,4
Industry	22,2	20,5
Construction	7,3	8,4
Other Industrial Activities	36,6	36,6
Retail and Reparation	11,3	11,5
Lodging and Food	9,4	9,3
Transport, Store and Communication	25,1	24,2
Public Administration	26,4	26,8
Education, Health and Social Services	30,1	28,6
Domestic Services	1,6	2,2
Other Collective, Social and Personal Services	10,2	10
Other Activities	24,2	21,4
Activities not properly defined	4,7	2,9
<b>Total</b>	<b>18,5</b>	<b>18,1</b>

Source: IBGE, PNAD *apud* OIT, 2012.

The performance of the union density in Brazil in recent times can be considered positive if compared with the scenario of decline during the 1990s. The maintenance of the union density during 2004-2009 is closely related to the increase of formal jobs in urban areas and to the strengthening of “*Agricultura Familiar*” (Family Agriculture) in rural areas. The families in these regions are required to be union members so to access credit of certain public initiatives<sup>14</sup>. The union density performance, therefore, cannot solely explain the political engagement and the agenda of the new emerging group but can provide some insights as to whether the citizens are confident about the role of trade unions, especially in collective bargaining, and not simply accepting the terms of corporate employers. Considering that many trade unions were able to guarantee real gains in collective bargaining and remained socially active via the organization of strikes in the past years, it shows some level of political engagement and the relative strength of social movements. Further political consciousness and engagement, however, is challenged by the lower quality of education and years of schooling that still persist in the country. The rate of the employed population with schooling below 10 years remains high. In the Brazilian context, 12 years of schooling<sup>15</sup> is the expected preparation for a potential ascension in the labor market (OIT, 2012, p. 52).

It is a great challenge to draw any correlation between that and the ascension of an economic group to the political arena. However, based on a brief analysis of the Brazilian context in the past years from electoral performance and trade union participation, we can draw on some insights. First, a large share of the members of the “new” middle-class is located in the North-East region. From 2001 to 2009, the average per capita income increased 41,8% in the North-East as opposed to 15,8% in the South-East. In fact, the income of the 10% poorest in the country increased 69,08% in this period (Neri, 2011, p. 32). Therefore, it is not surprising to find higher electoral support for the PT-led government, especially in the 2006 and 2010 elections, from (a) the most poor and economically ascendant group, and (b) from the North and North-East regions. Consequently, the “new” middle class as the emerging group and witnesses of the positive economic performance became fundamental as an electoral support group for the government. In a scenario of which other electoral coalition, apart from PT, comes to office in the next presidential

<sup>14</sup> Such as the National Programme of Family Agriculture (PRONAF).

<sup>15</sup> Equivalent to high school schooling system in the United States, for example.

elections, a policy program that does not take into account the lower bottom of the social strata and the "new" middle is faded to failure.

Second, the union density in Brazil was relatively stable when the rates of 2004 and 2009 are compared. One of the reasons relates to the number of formal jobs created, increasing therefore the reach of trade unions and helping to retain membership. It is misleading, however, to firmly argue that union density represents a support from the members of a progressive agenda because a qualification of the trade union work and their agenda is necessary. However, it does indicate some tendency towards political engagement.

The analysis provided is obviously not exhausted and in order to properly address the correlation between the increases in income with shifts in political agenda, a detailed analysis is further needed. However, we recognized the limited amount of proper qualitative data to effectively reach the role of the "new" middle class that goes beyond economic aspects.

### ***Final considerations***

The Brazilian society has experienced important shifts in the 2000s. The positive macroeconomic performance in recent times combined with social policies that focused on boosting demand, especially via income transfers and active minimum wage policy, were decisive. It has been shown that the increase in income has occurred in all levels of the class structure but this paper focused on the most representative and the one that made the difference in the economy – the so called "new" middle class.

We have argued that this terminology is problematic as it fails to properly address issues that go beyond the economic spectrum. To call the emerging group middle class is to assume they have reached not only economic but also qualitative improvement in education, life style and are more politically sensitive. Therefore, we supported the view of the new emerging group as the "new working class" instead. Despite having a different conceptualization of the term in relation to major research institutions in Brazil, we maintain the commonly used terminology throughout the paper to simply indicate that we address the same group as referred by other research groups.

Once the conceptualization of the term is grounded, we moved on to discuss different typologies for classifying this new group. While Neri (2011) refers to Classes A, B, C, D and E., Quadros (2008) prefers to characterize the

Brazilian class structure as "high" middle class, "middle" middle class, "low" middle class, working masses and miserable. Contrary to these methodologies the government rather has a slight different criteria by referring to it as "high" middle class, "middle" middle class, "low" middle class - also with different income variations. Despite divergences, the argument that a new emerging group exists, that it is a visible transformation and they are located in the lower bottom of class structure is valid for all of them. Thus our central question related to the implications of such phenomenon that goes beyond a narrow economic view. In order to do that, particular factors in the economic, social and political realms were explored. From an economic perspective, it was argued that the combination of minimum wage increase, strong formal jobs creation and income transfer program resulted into an increase in average income of workers and thus with social repercussions. The social implications of the new economic ascendant group refer to poverty alleviation and inequality reduction. Despite inequality remaining at high levels, especially compared with other developing countries, the economic performance appears to be central for visible social improvements. Finally, the political implications in the electorate and trade union affiliation were discussed. The increasing support from the North and North-East regions to PT during elections - where a large share of the "new" middle class is located, was determinant for electoral victory of PT in 2006 and 2010. As trade union membership remained relatively stable in this period, we suggested that social movements in the country remain relevant as real gains in collective bargaining have been in some sectors guaranteed. However, further political awareness from the "new" middle class or even any other group in society is severely challenged by the remaining low quality of education. The schooling years and the quality of education remain low for the occupied population and that undermines further social mobility that goes beyond a narrow income increase. The educational aspect challenges real transformation of the "new" middle class into a "real" middle class, with social and cultural capital gains as well. In fact, major political transformations are limited due to the general absence of these capital gains. That implies a social transformation that necessarily infers a shift from a group considered by government and business as "tax payers" and "clients" to political agents. This aspect is precisely what experts in the issue need to further address so as to reduce the research gap beyond economics view that remains yet open.

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## Abstract

Over the last decade, the mix of economic growth and effective social policies, especially implemented by the PT-led government, resulted into income increase along with better living conditions to a substantial share of the population. This particular economically ascendant group located at the lower level of the social pyramid has been commonly characterized by some national research institutions, academics, and the government as the “new” Brazilian middle class. However, the debate on the “new” middle class holds only the criteria of income increase and lacks considerations of other relevant aspects such as access to public services, education, culture, and others. In this context, the paper initially challenges the conceptualization of this new emerging group as the “new” middle class and thus attempts to contribute to a broader analysis by shedding light not only on the economic implications but on the political and social implications as well.



# Políticas económicas y mundo laboral en Brasil Gobierno de Luiz Inácio Lula da Silva 2003-2010

Laura Moisa<sup>1</sup>

## ***A manera de introducción***

El nuevo milenio marcó un punto de inflexión en materia política en algunos países de Suramérica. La ascensión al gobierno de presidentes con discursos y políticas contrarias al modelo asumido desde finales de la década del 80 generó un proceso de reversión del modelo neoliberal. Como punto de inicio, se marca el triunfo electoral de Hugo Chávez en 1999 en Venezuela, a partir del cual se inició una ola de transformaciones políticas en el subcontinente, seguida por Luiz Inácio Lula da Silva en Brasil en el 2003, Néstor Kirchner en Argentina el mismo año, Tabaré Vázquez en Uruguay en el 2005, Evo Morales en Bolivia en el 2006, Rafael Correa en Ecuador en el 2007, y Fernando Lugo en Paraguay en el 2008. Este panorama político daría paso a un proceso de cambios en muchas dimensiones para estos países. Así, se fue consolidando una gama de presidentes que, unos más radicales que otros, realizaron medidas tendientes a desaparecer el neoliberalismo como política de Estado y definieron reformas que atendieran los graves problemas sociales que existían en estos países.

Las nefastas consecuencias que la aplicación del neoliberalismo trajo para el continente en materia social ahondaron los problemas estructurales

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que las naciones latinoamericanas ya venían acumulando desde su formación como repúblicas. Las reformas estructurales aplicadas durante la década de los 90 desestructuraron las economías y generaron elevados niveles de pobreza y desempleo; de esta forma, realizar cambios que volcaran la función de Estado para atender dichas necesidades era un pedido general.

Brasil en particular, después de la inestabilidad económica consecuencia de la crisis de la deuda en la década de los 80, empezó a emplear las medidas pos-Consenso de Washington a partir de la década de los 90, con la elección de Fernando Collor de Mello, que aplicó políticas de flexibilización de los mercados, proceso posteriormente profundizado en la presidencia de Fernando Henrique Cardoso. En lo concerniente a lo laboral, sumado a la existente flexibilización estructural, se aplicaron reformas que ahondaron este proceso, desestructurando el mercado de trabajo y fragilizando las relaciones laborales. De esta forma, la institucionalidad en materia social que había tomado forma (aunque incompleta) con la Constitución de 1988 se tornó débil, y el mercado ganó campo, con consecuencias negativas en materia de creación de empleo y valorización del salario como fuente principal de renta.

Lula llegó a la presidencia de Brasil en un contexto económico convulsionado, con bajas tasas de crecimiento económico, altos niveles de desempleo, déficit de cuenta corriente y una moneda sobrevaluada. Durante el transcurso de sus dos períodos de gobierno, la situación económica mundial favoreció la recuperación económica y con esto, la aplicación de políticas que atendieran los problemas sociales urgentes en la nación brasileña.

Este trabajo se propone reflexionar sobre los cambios realizados durante los mandatos de Lula y los impactos sobre el mundo del trabajo. Se comienza con una breve descripción de las condiciones estructurales de Brasil que la llevan a ser una de las más grandes economías mundiales y a la vez ostentar altos niveles de desigualdad de renta; en un segundo momento, se exponen el grado y las consecuencias de la aplicación de reformas laborales de corte flexibilizador durante la década de los 90; luego se prosigue con un balance de las principales medidas tomadas por el gobierno Lula que de alguna manera revirtieron el escenario negativo que había heredado, para realizar reflexiones finales a manera de conclusión.

## **Condiciones estructurales**

Analizar los cambios que pudieron realizarse efectivamente por parte del gobierno Lula exige hacerlo en el contexto propio de Brasil, sin detenerse profundamente en este contexto, hacerlo es pertinente ya que permite analizar el alcance de los cambios que se presentaron durante los dos períodos presidenciales del gobierno Lula en una dimensión más amplia.

El proceso de desarrollo capitalista se realizó de forma tardía e incluso incompleta; Mello y Novaes (1998) definen este capitalismo tardío como una mezcla de relaciones productivas a lo largo del país, combinando desde relaciones semifeudales, uso de trabajo esclavo, hasta las relaciones más modernas de organización productiva. Este proceso avanza con presencia del latifundismo y no permite la realización de una revolución agraria, trayendo hasta el presente un problema de distribución de tierras, siendo así una de las causas estructurales de la gran desigualdad.

Dicha inserción económica de Brasil a la economía mundial estuvo en primer momento estructurada en la exportación de bienes primarios, en especial concentrada en la exportación de azúcar y, de manera más fuerte, en la del café. Estos procesos productivos usaban principalmente mano de obra esclava y luego, particularmente la economía cafetera, aprovecharon la gran inmigración europea y asiática de principio del siglo XX, la cual constituyó una amplia oferta laboral, asegurando acumulación de capital a costa de bajos salarios. A la vez, esta economía permitió la acumulación primaria de capital, que posteriormente serviría de base al programa desarrollista iniciado por Getulio Vargas, permitiendo a Brasil una industrialización sin igual en el continente.

Acompañando este proceso desigual de formación de Estado brasileiro, desde la década del 30 y en especial a partir de los años 50 hasta finales de los 70, Brasil vivió un proceso de industrialización sin parangón en el continente. Como algunas de las consecuencias de este proceso se pueden enunciar:

- a. Proceso de industrialización rápida, creación de empleo en las nuevas industrias.
- b. Urbanización acelerada, compuesta con migraciones rurales e inmigración internacional.
- c. Generalización de la relación salarial, mejoras en las condiciones de vida acompañadas por aumento de la desigualdad. Es decir, la pirá-

mide social se mueve de abajo hacia arriba, pero las brechas continúan creciendo.

d. Cambios en los patrones de consumo, desarrollo de industrias de bienes durables<sup>2</sup>.

Es así como Brasil entra en la escena moderna con un estilo particular que ha sido caracterizado como *capitalismo salvaje*<sup>3</sup>, esto quiere decir: por un lado, presencia de altos niveles de desigualdad estructural, con una parte considerable de la población con acceso a trabajos pero con bajos salarios, y por otro, ritmo acelerado de crecimiento económico. Así tenemos en Brasil una clase latifundista con poder sobre la tierra, una élite industrial, una fuerte clase media y una mayoría de trabajadores con bajos salarios e informalidad:

“O avanço econômico até o final dos anos 70 não foi capaz de reduzir as desigualdades então existentes e de acabar com a pobreza e a miséria. Pelo contrário, a consolidação de nosso capitalismo industrial recolocou esse problema em outro patamar, criando novas desigualdades de riqueza, renda e condições gerais de vida e gestando um perfil de sociedade bastante complexo e peculiar, que não deixou de contemplar a pobreza das camadas sociais inferiores e o usufruto pelas camadas superiores de um alto padrão de vida e consumo” (Henrique, 1999, p. 108)

Estas características estructurales de la nación brasileña por si solas se presentan como un reto para cualquier política que quiera dar solución a las amplias brechas sociales y económicas históricamente formadas; sin embargo, las décadas de los 80 y 90 profundizan dichas problemáticas, generando un cuadro socio-económico más complicado que completa el escenario al cual se ve enfrentado el gobierno de Lula en el momento que asciende a la presidencia de Brasil.

### ***Crisis de la deuda y reformas estructurales***

La década de los 80 viene marcada por un proceso que detiene la industrialización de las décadas anteriores: la crisis de la deuda externa, que aconteció en casi todos los países del continente, afectó profundamente a Brasil, dónde a pesar de que las relaciones laborales han sido históricamente

<sup>2</sup> Véase Mello y Novaes (1998) y Wilnes Henrique (1999)

<sup>3</sup> Término propuesto por Henrique (1999)

flexibles, se realizaron una serie de reformas que las transformaron de forma singular (Krein, 2007).

En general, las propuestas flexibilizadoras “son una tentativa de despolitización de la relación capital trabajo que busca acentuar, en esta relación, tres elementos estructurales del capitalismo: reducción de la dependencia de la fuerza de trabajo, ampliación de la subordinación o disminución del costo de contratación” (Ibid, pág. 5). De esta forma, la legislación del trabajo se tiene que “acomodar” a las necesidades surgidas en la contemporánea forma de acumulación de capital caracterizada por la dominancia del capital financiero.

Las transformaciones del papel del Estado y los procesos de reformas son parte esencial de esta etapa de acumulación del capital. Entonces, la regla es disminuir el papel “social” del Estado para aumentar su papel “financiero”, en el sentido de garantizar el orden para el libre flujo de los capitales concentrados.

Junto a estos cambios, se exige que se cambien las relaciones de trabajo de manera tal que sean compatibles con este proceso de financiarización, con el objetivo de disminuir al máximo los costos de trabajo y romper la relación de obligatoriedad que los contratos laborales traen para los empresarios.

Así, después de la crisis de la deuda externa, se consolida en América Latina y en particular en Brasil un proceso de flexibilización del mercado laboral con tendencias bien definidas: a) ampliación de las modalidades de contratación, dando camino a lo que hoy se conoce como formas atípicas; b) ampliación del período de prueba; c) facilidad y disminución de costos de despido; d) contratación a través de terceros; e) modificaciones de los derechos laborales (jornada de trabajo, licencias, etc.)<sup>4</sup>.

Sin embargo, Brasil presenta singularidades que hicieron que las reformas no fueran tan radicales como en algunos países del continente. El caso brasileño tiene de particular el hecho que, mientras el mundo occidental avanzaba en las reformas neoliberales, Brasil se encontraba en el proceso de redemocratización luego de dos décadas de dictadura militar, el cual es simbolizado con la firma de la Constitución de 1988. En la nueva Carta Magna queda consignada una estructura institucional que permite la base legal para fortalecer los derechos de los trabajadores y la implementación de políticas sociales que disminuyan los problemas estructurales de pobreza y desigualdad.

<sup>4</sup> Elaborado con base en Krein (2007) y Ciudad (2002).

“Em síntese, a década de 80 revela que há uma perspectiva similar e complementar entre a negociação coletiva, a regulamentação estatal e o posicionamento da Justiça do Trabalho, indicando uma tendência de ampliação da regulação social do trabalho. Nesse sentido, o Brasil apresenta no período uma tendência distinta em relação ao movimento internacional, que está vivendo uma pressão pela flexibilização. Apesar disso, a não resolução do problema do desenvolvimento econômico e a mudança de perspectiva política, a partir da eleição de 1989, inviabiliza a efetivação de parte significativa dos direitos sociais. E, ao invés de o país caminhar para uma estruturação social mais homogênea, ver-se-á a prevalência de uma tendência liberalizante que buscará promover uma contra-reforma dos avanços alcançados na década de 80”. (Krein, 2007, p. 62)

Como lo expone Krein en la anterior cita, las posibilidades de desarrollo social consignadas en la Constitución de 1988 no son usadas efectivamente y, aunque retrasan y matizan el proceso neoliberal en Brasil, finalmente este se implanta con la elección de Fernando Collor de Mello en 1990 y es profundizado posteriormente durante el gobierno de Fernando Henrique Cardoso.

Haciendo una breve comparación con los países latinoamericanos, Brasil no realizó la totalidad de las reformas propuestas por los organismos multilaterales tendientes a la flexibilización. En particular las reformas de la legislación brasileña tendieron a flexibilizar principalmente el contrato de trabajo (aunque de forma restringida), fragilizar la justicia de trabajo, y individualizar la relación laboral con la propuesta de que lo negociado prevalece sobre lo legislado.

Entre las medidas tomadas podemos nombrar la aprobación de la Ley de Cooperativas, que terminaron siendo “empresas distribuidoras” de trabajo sin reconocer las relaciones contractuales laborales. En 1994 se dejó de indexar los salarios a la inflación y se instituyó la libre negociación salarial. En 1998 se estableció el “banco de horas”, que flexibilizó las horas de trabajo y permitió la supresión del pago de horas extraordinarias, desdibujando la jornada de trabajo y desestabilizando la cotidianidad de los trabajadores. Ese mismo año se legalizaron los contratos de trabajo de media jornada, que contemplan el trabajo de hasta 25 horas por semana con menos derechos laborales. (Ernst, Berg & Auer, 2007)

La década de los 90 agudiza la inestabilidad económica que ya venía presentándose a partir de los 80 (aunque con algunos periodos de recuperación no muy consistentes). Así, aunque al final de la década de los 90 se logra estabilizar los precios después de los procesos hiperinflacionarios precedentes, la tasa de crecimiento no logra recuperarse, y incluso algunos años presentaron resultados negativos. Esto, sumado a la sobrevaloración de la

tasa de cambio que generó déficits de balanza de pagos, impactó de forma negativa sobre la inversión y debilitó la industria, con claras consecuencias adversas en materia de empleo.

La desestructuración del mercado de trabajo brasileiro se presenta en gran medida por la disminución del trabajo formal<sup>5</sup>, aumentando los niveles de informalidad históricamente existentes en Brasil. Se observó un auge de la subcontratación y la terciarización, caracterizada por trabajos precarios aumentando la masa de trabajadores pobres y con esto los niveles de desigualdad, que se suman a las características estructurales expuestas al inicio del presente trabajo.

Especialmente en el período de 1995-1999, los datos muestran una reducción absoluta del empleo formal, una reducción en la participación del empleo industrial, de la gran empresa y del sector público, elevándose por otro lado el trabajo a cuenta propia y no remunerado, el empleo informal, el empleo en cooperativas, los tercerizados, los contratados por Persona Jurídica (PJs) y el aumento de las contrataciones atípicas (tiempo parcial, pasantes, etc.). (Santos, 2012 y Krein, 2007)

### ***Ascenso de Lula, proceso con contradicciones***

Este escenario desfavorable tuvo una leve inflexión en el período 1999-2002, cuando el segundo gobierno de Fernando Henrique Cardoso abandona la situación de desvalorización de la tasa de cambio con la adopción del sistema flexible, y con esto reduce el déficit de balanza comercial, sumado al aumento de la recaudación de impuestos para lograr el objetivo de superávit primario. La economía logra mejorar su tasa de crecimiento, especialmente en el año 2000 con 4.3%, aspectos que provocan algunos impactos positivos en la generación de empleo sobre todo en la gran empresa exportadora, quien fue la gran ganadora con la devaluación del Real (Baltar, Santos, Garrido & Proni, 2009, Santos, 2012). Sin embargo, la situación general no mejora lo suficiente para recuperar lo que se había perdido en las dos décadas anteriores.

“Desta forma, o emprego formal já começa a apresentar crescimento a partir de 2000, mas o seu peso reduzido na estrutura ocupacional brasileira, diante de uma população ativa em crescimento, impediu que esse processo resultasse numa redução do desemprego e não foi capaz de evitar a continuidade do processo de redução dos salários reais.” (Santos, 2012, p. 3).

<sup>5</sup> Por formal se entiende lo que se denomina “carteira assinada”, los empleados públicos y los militares.

No obstante, al ser la política neoliberal el eje conductor de la presidencia de Cardoso, se daba continuidad a la conjunción entre una política monetaria basada en las metas de inflación y una política fiscal conservadora, con el propósito de generar y mantener el superávit primario. De esta forma, los graves problemas sociales no se encontraban en los primeros puntos de los planes y políticas de gobierno, además de la continuación de la desregulación laboral y con esto la precarización del trabajo. En este sentido, la crisis social exigía un cambio que invirtiera las prioridades y es este espacio de inconformidad, junto a otras variables objetivas y subjetivas, que permite abrir un espacio para que luego de tres intentos Lula llegara a la presidencia de Brasil en el 2003.

El mandato Lula tiene dos momentos marcados temporalmente por sus dos períodos de gobierno, a saber 2003-2006 y 2006-2010. De manera introductoria, con el fin de contextualizar la dimensión del momento:

“A crise recente (*finales de los noventa*) da economia brasileira tem suas raízes históricas fincadas na segunda metade da década de 1970. Do ponto de vista interpretativo, ela é fruto do desmonte do projeto nacional-desenvolvimentista fundado, grosso modo, nos anos 30, aprofundado na década de 1950 e rompido nos anos 80. Durante este período, a economia brasileira havia conseguido – bem ou mal não importa muito aqui – transitar rapidamente de uma estrutura agrário-exportadora para uma sociedade industrial, ampla e caoticamente urbanizada” (Cardoso Jr, 2001, p. 32 *italicas propias*).

De esta forma, Lula llega a la presidencia con la esperanza por parte de su base social de retomar el proceso abandonado en los 80. Sin embargo, debido a la continuación, en la primera etapa, de las políticas heredadas del gobierno Cardoso, sumado a las diferentes alianzas políticas que realizó Lula, este período (especialmente los dos primeros años) se caracterizó por políticas fiscal y monetaria conservadoras.

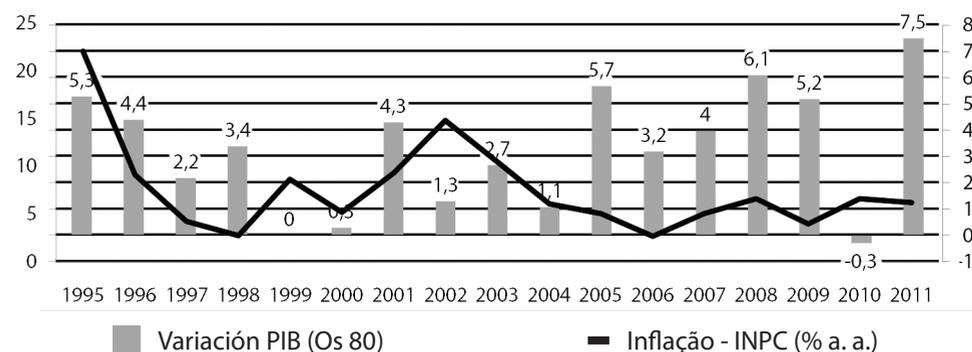
En el primer año de gobierno se dieron continuidad a las políticas de recorte del gasto público y de aumento de los impuestos con el objetivo de aumentar el superávit fiscal; incluso se presentaron una serie de reformas de corte neoliberal, en especial la reforma de la Ley de Falencias y la de la Previdencia Social del Sector Público, tendiente a la creación de fondos privados de pensiones para algunos casos. Además de incumplir parte de sus promesas de campaña respecto a reformas laborales, sobre todo el “fracaso” de la reforma del trabajo y sindical que no dieron el resultado esperado por medio de la creación del Fórum Nacional do Trabalho (FNT).

“Assim, apesar das positivas expectativas de mudanças construídas em torno da eleição do Presidente Lula, a economia brasileira vivenciou no primeiro ano de seu mandato, em 2003, a continuidade do processo de deterioração do mundo do trabalho. Também neste ano, os traços gerais do mundo do trabalho mostravam os impactos negativos da política econômica: elevação do desemprego; queda dos rendimentos do trabalho; aumento da informalidade e do trabalho precário. Logo, o otimismo deu lugar ao pessimismo para aqueles que esperavam a implementação imediata de políticas que pudessem enfrentar o terrível quadro de crise econômica e social. Além da política de maior superávit primário e de elevação da taxa de juros, as reformas estruturais liberais ainda agravaram o quadro de perplexidade de parcela expressiva dos eleitores de Lula.” (Santos, 2012, p. 8)

Sin embargo, en finales de 2003 y en especial en el año 2004, la situación macroeconómica toma un giro positivo que hace cambiar el rumbo de las políticas. Es así que en el 2003 la situación de la economía mundial mejoró sobre todo para los países exportadores de *commodities* (siendo Brasil un gran protagonista), que observaron un aumento del precio de éstos productos causado por el aumento de la demanda internacional. Para Brasil, esto significó retomar el crecimiento del PIB y un aumento de las exportaciones tanto de los *commodities* como de productos manufacturados hacia los países exportadores de *commodities* que aumentaron la demanda. Este proceso jalónó internamente el aumento de la inversión y del consumo que permitió mejorar las condiciones del mercado interno brasileño. (Baltar et al., 2010)

A la situación del sector externo en crecimiento y la revigorización de la demanda interna se le sumaron la implementación de políticas que ampliaron el acceso al crédito, aumentando la transferencia de renta a los más pobres por medio de la Bolsa de Familia, además de una política de elevación radical del salario mínimo (que impacta las prestaciones de seguridad social). El PIB empezó a presentar una notable aceleración, proceso que se mantuvo prácticamente hasta la crisis de 2008. (Ver gráfico 1)

Gráfico 01 - PIB e inflación 1995-2011



Fuentes: PIB IBGE/SCN 2000 Anual. Inflación: IBGE/SNIPC

Aunque esta mejoría de la economía marcó positivamente las expectativas, el cierre del primer gobierno de Lula no cambió sustancialmente la relación con los actores sociales, especialmente los que constituían su base electoral: muchas promesas seguían incumplidas y la política económica era persistentemente conservadora.

Sin embargo, ya se empezaban a ver los frutos, sobre todo en el mercado laboral, de la recuperación de la economía. La tasa de desempleo disminuyó, en especial por la creación de trabajos formales - por ejemplo para el año 2004 se crearon aproximadamente 1.5 millones de empleos formales, según datos de CAGED/MTE (2010); otros datos son proporcionados por Santos con base en la PNAD (2002-2006)

“O crescimento da ocupação foi marcado por um movimento de maior crescimento do emprego assalariado e formalizado: 9,7% no setor privado e 5,5% no setor público, entre 2004 e 2006; o número de empregadores apresentou um crescimento ainda mais expressivo (13,7%). Por outro lado, no mesmo período, as piores ocupações apresentaram um menor ritmo de crescimento: o trabalho doméstico cresceu 4,3%; o emprego assalariado sem carteira cresceu apenas 2%, o trabalho por conta própria apenas 1,5%, e o trabalho não remunerado foi reduzido em 8,5%” (Santos, 2012, p. 13)

El segundo mandato fue permeado positivamente por la mejoría de la economía; de cierta forma, esto le permitió al Presidente Lula “liberarse” de algunas alianzas con sectores liberales. En este nuevo escenario, Lula actúa de forma más activa por medio de la política fiscal, después de la salida del Ministerio de Economía de Antonio Palocci (quien era claramente liberal), y en especial frente a la crisis de 2008, cuestión que se analiza más adelante.

Sumado al cambio de equipo económico<sup>6</sup>, Lula acordó con las Centrales Sindicales una política definida de valorización del salario mínimo, fortaleció el programa Bolsa de Familia como uno de los mecanismos de transferencia de renta y empezó un programa de desarrollo de infraestructura, promoción industrial y desenvolvimiento regional, conocido como Programa de Aceleração do Crescimento (PAC). (Ibid.)

De esta forma, el segundo mandato de Lula se caracteriza por una política fiscal más activa, una mejora en las relaciones con los sindicatos que, sumado a un ambiente económico favorable, fortalece los procesos de negociación colectiva, una política de valorización continua del salario mínimo como política de Estado (reajustado con la inflación y con la variación del PIB de dos años anteriores), y fortalece las instituciones reguladoras y fiscalizadoras de las relaciones laborales, lo que presionó por el aumento de la formalización de trabajo. Con esto, el mercado laboral brasilero consolidó un proceso de mejoras no solo en términos de creación de empleo formal sino en el aumento de la renta del trabajo y movilidad en la pirámide social, incluso en el contexto de la crisis mundial de 2008.

“O aumento do assalariamento, a formalização dos contratos de trabalho, o aumento dos rendimentos - particularmente os menores, influenciados pelos impactos da elevação do poder de compra do salário mínimo -, as lutas sindicais e as conquistas de acordos e convenções coletivas com elevação real dos salários e a redução do desemprego contribuíram para a elevação das rendas das famílias, especialmente daquelas de menor nível de renda”. (Baltar, y otros, 2010, p. 17)

Este contexto favorable sumado a políticas anticíclicas tomadas por el gobierno permitió a Brasil hacer frente a la crisis económica de 2008. Por medio de políticas de crédito, tanto para consumo como para inversión, aseguró la oferta de liquidez ante la escasez de dólares consecuencia de la crisis, con esto disminuyó los efectos negativos sobre la demanda interna. Además, definió una política fiscal activa que sorteó los efectos de destrucción de empleo que trajo la crisis al caer la demanda externa por *commodities* de los países desarrollados. (Santos, 2012)

La política de emergencia tuvo en cuenta exoneraciones tributarias (sumado a la reducción de la tasa de interés), reducciones de impuestos a la producción de bienes industriales (especialmente automóviles y otros bienes durables) y transferencias a las regiones. Para controlar en alguna medida

<sup>6</sup> Menos en el Banco Central, de esta forma la política monetaria continuaría siendo de corte conservador con la política de metas de inflación.

las consecuencias del aumento del desempleo, aumentó el tiempo y valor del seguro de desempleo, entre otras medidas:

Alterou o sistema de alíquotas, aumentando as faixas e reduzindo a incidência do imposto de renda de pessoa física sobre as famílias de menor nível de renda. (...) criou um amplo programa de habitação popular para as famílias de baixa renda, com a meta de construção de 1 milhão de moradias, (...) incorporando também subsídios creditícios nos financiamentos para a população de baixa renda, o que juntamente com medidas para a inovação nos processos produtivos da construção residencial e redução de impostos na construção civil contribuíram para ampliar o acesso das famílias brasileiras ao financiamento habitacional (Barbosa e Pereira, 2010 citado em Santos 2012, p. 21).

De esta forma, el gobierno Lula cerró su mandato con una economía brasileña fortalecida y una mejora sustancial en las condiciones del mercado de trabajo, en especial para los sectores con menores remuneraciones. Sin embargo, a pesar de esta mejora, las condiciones estructurales que definen la desigualdad no se han transformado profundamente y el debate entre diversos autores no define un consenso sobre la eficacia de las políticas llevadas a cabo por el gobierno Lula; de esta forma, en este aspecto la discusión está abierta.

Es necesario tener en cuenta para este punto que el tiempo que ha pasado desde el final del mandato Lula es muy corto como para lograr afirmaciones definitivas, sumado a que las condiciones estructurales acumuladas en siglos no pueden ser fácilmente transformadas en menos de una década. No obstante, es clara la mejoría en el mundo del trabajo, no solo con el aumento de los ingresos vía salarios, sino con la creación de empleos formales que aseguran trabajo decente para los trabajadores, aspectos que se trabajan a continuación.

### **Breve balance de los cambios en el mercado laboral**

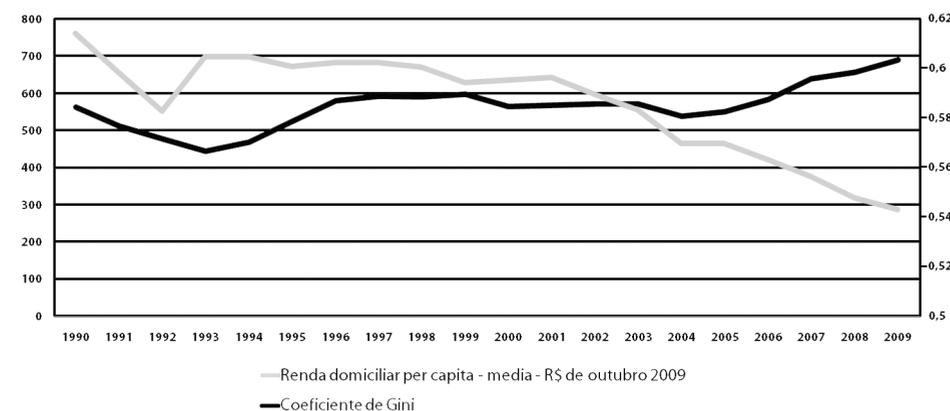
Un consenso claro de los autores trabajados es que las condiciones generales, y en especial las condiciones de los trabajadores en la base de la pirámide, han mejorado sustancialmente. La conjunción de políticas fiscales activas, la valorización del salario mínimo, el reconocimiento a las organizaciones de los trabajadores, en fin, las medidas tomadas durante los gobiernos de Lula tuvieron efectos positivos en las relaciones de trabajo para Brasil.

En términos generales, mejoró la distribución de la renta medida por su indicador más global, el Coeficiente de Gini, pasando de 0.59 en 1999 a 0.54

en 2009. De forma paralela, la renta domiciliar *per capita* presentó un aumento significativo (ver gráfico 2), jalonado principalmente por la mejoras en las condiciones laborales y en especial la valorización del salario “La valorización verificada entre 2003 y 2008 excedió en mucho la tasa de inflación, generando ganancias reales expresivas (38,3%) a los trabajadores de la base de la pirámide” (Baltar, et al., 2010, traducción propia)

Con esto y a pesar de que aún se presentan altos niveles de desigualdad, se presenta de forma clara que el aumento del ingreso del trabajo (siendo este aún la principal fuente de ingreso de la mayoría de la población) permite observar efectos directos sobre la disminución de la desigualdad de renta y mejoría en las condiciones de vida de la población.

**Gráfico 02 - Renda per capita e Coeficiente de Gini (1990 - 2009)**



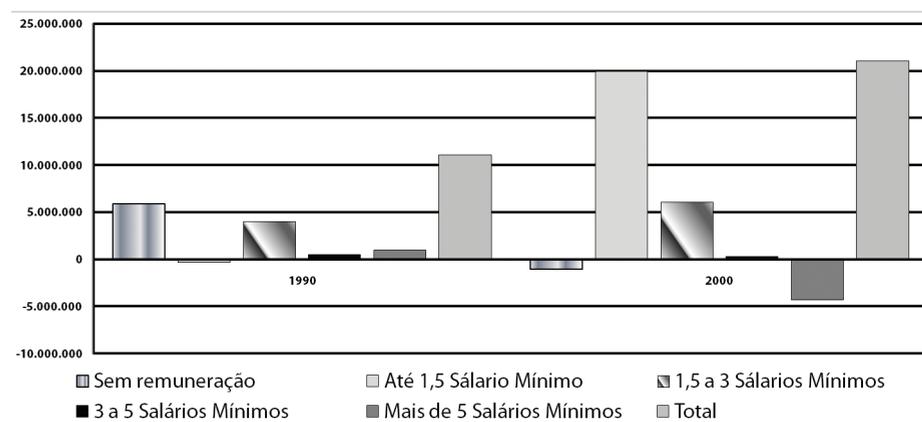
Fuente: IPEA

Como lo confirman los estudios del profesor Waldir Quadros<sup>7</sup>, durante el período de estudio se presentó una fuerte movilidad en los estratos inferiores de la población como reflejo del crecimiento económico, combinado con la elevación real del salario mínimo, el aumento de la formalización y la expansión de los programas de transferencia de renta. Así “la fuerte reducción de lo que se denomina como miserables (e indigentes) de 23,8% en 2002 para 10,1% en el 2007 tuvo como principales contrapartidas el crecimiento de la masa trabajadora de 28,4% para 32,6% y de la baja clase media de 29,6% para 36%” (Quadros, 2009, traducción propia)

<sup>7</sup> En especial Quadros 2009 y 2010

Así mismo, la mayoría de los empleos creados fueron en el sector servicios, con una presencia significativa del empleo público; otro sector protagonista en la generación de empleo fue el comercio y en tercer lugar, pero con baja participación, el sector de la industria de transformación (Baltar). Por último, en términos salariales, el mayor porcentaje de empleos fue creado en la banda correspondiente a entre 1 y 3 salarios mínimos que sumados según datos la PNAD/IBGE trabajados por Pochmann (2012) fueron aproximadamente 26 millones nuevos empleos durante la primera década del 2000 (ver gráfico 3)

Gráfico 03 - Ocupações segundo remuneração



Fuente: IBGE/PNAD

Es importante resaltar que estamos trabajando con salarios valorizados; en este sentido, la creación de empleo formal viene acompañada por el aumento de los ingresos en las clases más bajas. Esto tiene, entonces, un doble efecto: no solo aumentan las posibilidades de ingresar al mercado laboral con empleo formal sino que la valorización del salario mejora la renta de las familias.

“A inserção de maior número de trabalhadores em postos formais de emprego contribui para a melhoria de renda de muitas famílias, além de promover a inserção desses trabalhadores no sistema de Previdência Social, com cobertura de atendimento à saúde e aposentadoria. Somados a esses fatos, os dados das negociações coletivas revelam que um número significativo de categorias conquistou aumento real de salário, contribuindo para a elevação da renda do trabalho” (Baltar, y otros, 2010, p. 2)

El balance general del gobierno Lula en materia laboral es positivo: la creación de empleo en su mayoría formal, el fortalecimiento de la Justicia de Trabajo y su función fiscalizadora, la valorización de salario mínimo, forman un paquete de medidas que mejoraron sustancialmente las relaciones laborales en Brasil; queda por discutir y desarrollar la profundización de las reformas que es un trabajo posterior.

### Reflexiones finales

Aunque lograr avanzar en un balance objetivo de las transformaciones e impactos ocurridos durante los dos periodos del gobierno de Luiz Inácio Lula da Silva sea complejo dado el corto tiempo que ha pasado, este trabajo permite avanzar en algunas conclusiones.

La llegada de Lula al gobierno de Brasil no solo estuvo permeada por una compleja situación económica interna sino por los cambios de política en algunos países del continente americano. El ascenso al gobierno de presidentes con tendencias progresistas en Suramérica muestra la preocupación que estaba generando los efectos negativos de las medidas neoliberales sobre las condiciones sociales de nuestros países.

De esta forma, el mandato Lula comienza con políticas conservadoras en materia de política económica, pero el cambio hacia condiciones favorables de la economía mundial que repercuten positivamente en la estructuración de la demanda interna permite tener un escenario más propicio para aplicar medidas más activas para inversión en lo social. Y este es un punto fundamental para resaltar: el crecimiento económico, aunque puede ser una condición necesaria, no es suficiente para que las políticas sociales sean efectivas, se exige la voluntad política de los gobernantes y la presión de las organizaciones sociales para que el crecimiento sea reflejado en calidad de vida, y esto fue lo que se llevó adelante a partir del 2004 en Brasil.

Muchos cuestionamientos surgen en el sentido de que tan profundas fueron dichas medidas y si fueron eficientes para avanzar en la eliminación de las condiciones estructurales que definen la desigualdad histórica que ha tenido Brasil desde su conformación como República. Sin embargo, en lo que si existe consenso entre los autores trabajados es en la necesidad de volcar la política fiscal hacia desarrollar las cuestiones más estructurales que necesitan inversión y que pueden ser herramientas más eficientes para lograr el objetivo de mejorar la calidad de vida de los brasileños, por ejemplo inver-

sión en la educación básica, en desarrollos de ciencia y tecnología, en salud, entre otros.

Es importante resaltar que, a pesar del corto tiempo que ha pasado, las condiciones favorables de la economía tuvieron efectos positivos en el mundo del trabajo y pueden ser vistos como el inicio de un proceso más amplio y que requiere más tiempo para desarrollarse, teniendo en cuenta que se tienen que revertir prácticamente dos décadas de desindustrialización y desestructuración del mercado y de las relaciones laborales, herencia de la época neoliberal.

Es así que, como balance general, las medidas tomadas durante el gobierno de Lula permitieron mejorar sustancialmente las variables que explican el mundo del trabajo; solamente el aumento del salario mínimo generó efectos positivos que se expandieron rápidamente, sumado a la creación de empleos formales que dieron estabilidad a sectores de la población históricamente excluidos. Esto hace marcar una gran diferencia con países que apostaron por la continuidad de las políticas de ajuste neoliberal y que hoy ven profundizada la crisis social y económica.

El paso a seguir debería definir un programa de desarrollo para el país para que éste se inserte de forma más estable en un proceso económico con medidas sociales que disminuyan las brechas estructurales, con políticas más agresivas que combinen el crecimiento productivo con estrategias tendientes a estructurar el mercado de trabajo, aumentando la formalización y mejorando la cualificación de los trabajadores, tarea nada fácil pero que necesita ser hecha.

El avance logrado durante los años de Lula ha permitido sentar un precedente a seguir, pocas veces en la historia de la humanidad pensadores progresistas han llevado las riendas de los gobiernos, y el aprendizaje exige corregir los errores, profundizar en los aciertos e integrar otras experiencias con el fin de ir construyendo una praxis política más acorde con la necesidad de colocar el nivel de desarrollo que ha alcanzado la humanidad con las necesidades de esta.

El debate está abierto, de la misma forma que los aportes necesarios en el sentido de lograr revertir unas condiciones que estructuran el mundo del trabajo de forma desigual y que necesitan ser transformados para convertirse en una palanca que ayude a Brasil a cerrar la brecha de la desigualdad social que ha caracterizado su historia como República.

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# Trabalho precário no setor financeiro brasileiro

*Paulo Eduardo Silva Malerba<sup>1</sup>*

## **Introdução**

O setor financeiro brasileiro é emblemático das muitas transformações pelas quais o universo do trabalho e a organização da empresa moderna passou, especialmente a partir dos anos de 1970, no Brasil, como parte de uma reorganização mais abrangente no capitalismo mundial (Chesnais, 1998; Jinkings, 2002; Segnini, 1998; Braga, 1997), marcada pelas “inovações” de suas atividades, dentre elas tecnológicas, organizacionais e das relações de trabalho (Harvey, 2004).

Neste segmento há um forte controle exercido pelos principais bancos, com estabelecimento de grandes conglomerados e *holdings*, em que diversas empresas de natureza financeira – e mesmo de outros setores (Minella, 2006) – encontram-se sob um mesmo comando e concentram elevados ativos financeiros e inúmeras atividades. Estes conglomerados possuem também vasta rede de empresas subcontratadas e terceirizadas para realização de seus negócios. É através desta rede de empresas que os bancos são capazes de oferecer variados “produtos” e serviços aos seus clientes, tanto no espaço físico das agências bancárias quanto por meio de outras unidades de negócios – mesmo virtuais.

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A concorrência no setor tem sido caracterizada pela presença de várias formas de relação de emprego, com contratos e remuneração flexíveis, a fim de reduzir o custo das transações financeiras e ampliar a rentabilidade. Neste sentido, observa-se a subcontratação de pequenas empresas, terceirização de atividades em diversos níveis e a fragmentação do trabalho no interior do segmento financeiro. Os trabalhadores estão envolvidos em processos interligados de intermediação financeira, atuando em diversos locais, desde correspondentes bancários, que são comércios em geral, a lotéricas, farmácias e a própria Empresa Brasileira de Correios e Telégrafos (ECT), que realizam trabalhos de conteúdo bancário, como abrirem contas-correntes, encaminhar documentos para empréstimos, realizar saques, depósitos, vender seguros, etc. Ou mesmo nos famosos *call centers*, que prestam atendimento e consultoria diretamente aos clientes bancários, apresentando-se apenas com o nome do banco a quem prestam serviço e não da empresa com quem possuem vínculo de emprego.

Estima-se que o setor financeiro brasileiro empregue entre um milhão (Contraf, 2008) e 1,4 milhões de pessoas (Gonçalves, Madi & Krein, 2009). De acordo com os dados da RAIS-2010 (Relação Anual de Informações Sociais), deste total 462 mil trabalham no sistema bancário, enquanto os demais estão envolvidos em atividades financeiras no chamado – pelo DIEESE (2010) – de sistema não bancário, que são empresas de seguros financeiros, previdência privada, sociedades de crédito e financiamento, cooperativas de crédito, empresas terceirizadas de prestação de serviços aos bancos. A falta de precisão dos dados deve-se justamente ao processo complexo da criação dos correspondentes bancários e terceirizados que trabalham para os bancos. Eles podem atuar para autenticar pagamentos e recebimentos ou negociar diretamente produtos financeiros dos bancos. No registro em carteira de trabalho destas pessoas consta como comerciário, promotor de vendas, lotérico, mas na prática o trabalho é de emprestar dinheiro, abrir contas-correntes, vender produtos dos bancos, etc. Há também o teleatendimento, em que boa parte dos funcionários está trabalhando para os bancos, resolvendo problemas com cartões de crédito, dúvidas bancárias, etc.

Os dados utilizados para os levantamentos são possíveis pelo cruzamento das informações da RAIS, PNAD (Pesquisa Nacional de Amostra Domiciliar) e CAGED (Cadastro Geral de Empregados e Desempregados), no entanto, não evitam diferenças de análise, especialmente pela discussão do conteúdo da atividade do trabalhador. Ou seja, embora produzam lucros oriundos de ati-

vidade financeira, trabalhando em última instância para o mesmo empregador – que é um banco – os trabalhadores do setor, em várias modalidades de contratação e remuneração, vivenciam experiências diferentes nas relações trabalhistas e na representação sindical – apenas os bancários possuem vínculo direto com a instituição bancária.

O Sistema Financeiro Nacional (SFN) na atualidade está concentrado nestes grandes bancos, com participação de 72,23% de capital privado nos ativos totais (Bacen, 2010). A origem do capital é marcadamente nacional, pois 82,08% do capital é brasileiro e basicamente com a predominância de instituições que atuam em todo território, já que os bancos estaduais e regionais ficaram bastante reduzidos, se comparados com as décadas anteriores. Um setor centralizado na região Sudeste do país, onde estão 55% das dependências bancárias (FEBRABAN, 2010). As cinco maiores instituições financeiras detinham ao final de 2010 cerca de 67% dos ativos no setor, são elas: Banco do Brasil, Itaú-Unibanco, Bradesco, Santander e Caixa Econômica Federal (Bacen, 2010).

As mencionadas inovações tecnológicas e organizacionais disponibilizaram também novos produtos e serviços financeiros, além das tradicionais captações em poupanças, CDBs e empréstimo de recursos. Tornaram-se usuais na estratégia dos bancos os “produtos” de seguro financeiro, como seguros de vida e patrimônio, previdência privada, consórcios, capitalização e novos mecanismos para oferecer atendimento e crédito para diversos clientes, com gestão de custos cada vez mais rigorosa. Neste sentido da diversificação de atuação, observa-se a ampliação das formas de lidar com a força de trabalho, que tem representado grandes desafios ao movimento de trabalhadores devido ao caráter de precariedade dos postos de trabalho envolvidos nestas circunstâncias de terceirização (Carelli, 2007; Thébaud-Mony & Druck, 2007).

Embora muitos dos “produtos” e serviços dos bancos tenham sido terceirizados, oferecidos e disponibilizados para seus clientes através de diversas empresas, o cliente bancário nem sempre percebe este fenômeno. É o caso destes milhares de correspondentes bancários no Brasil – que hoje atingem 170.557 postos (Bacen, 2010) frente a 20.046 agências bancárias tradicionais (FEBRABAN, 2010) –, algo que reforça o cenário de fragmentação que envolveu categorias que aparentemente nenhuma conexão tinham com o setor bancário, como no exemplo das lotéricas, ou mesmo caixas de supermercado ou funcionários dos Correios que, na atualidade, prestam serviços bancários a correntistas e usuários dos serviços dos bancos.

A figura do correspondente bancário no país, regulamentado pelo Banco Central do Brasil, permitiu grande abertura para a realização de operações bancárias em vários ambientes que não os próprios bancos. Isto proporcionou forte economia às instituições financeiras, que cortaram custos em infraestrutura de agências e contratações de funcionários e buscaram aumentar a rede de parcerias com comércios e outros locais. Os bancos estatais encamparam fortemente esta estratégia. A Caixa Econômica Federal possui correspondentes para crédito consignado, correspondente imobiliário, em uma rede de cerca de 23.000 estabelecimentos (Bacen, 2010), desenvolvendo serviços anteriormente só prestados nas agências bancárias.

O atendimento nos guichês de caixa foi reduzido de aproximadamente 20% para 9% do total das transações entre 2000 e 2009 (FEBRABAN, 2010). Os correspondentes bancários – comércios, lotéricas, supermercados, que não existiam em 2000 – já respondem por 5,8% das autenticações bancárias, apenas em termos de operações de caixa, sem levar em conta os empréstimos e outros serviços. Isto representa, em números brutos, 2,77 bilhões de transações efetivadas (FEBRABAN, 2010) e em rápida expansão.

Conforme observado por Silva (2006), estes correspondentes reforçam o caráter centralizado do sistema bancário brasileiro no Sudeste, pois, em sua maioria, encontram-se onde já existe serviço bancário disponível através de agências convencionais. Não raro encontram-se prestadores de serviços bancários em frente às agências bancárias. Com a Resolução do Banco Central 3.654/2008 permitiu-se que existam estabelecimentos cuja única atividade ou atividade principal seja a prestação de serviços na condição de correspondente de um banco. Estes dados contrariam a versão de que os correspondentes bancários facilitam a “bancaização” e levam o serviço para lugares aonde os bancos ainda não chegaram – que são 207 cidades no país (Bacen, 2010). Isto pode ocorrer como uma vantagem marginal diante do núcleo de concentração de correspondentes, em que já há amplos serviços bancários, mas o cerne da questão é a condição precária das novas ocupações deste segmento (Silva, 2006; Sanches, 2004; Malerba, 2011).

As instituições bancárias investiram e tiveram despesas correntes, juntas, de R\$ 19,4 bilhões em tecnologia da informação em 2009 (FEBRABAN, 2010). Isto mostra que o processo de investimento em automação e novos mecanismos tecnológicos e organizacionais representam grandes somas para os bancos e que o caminho de investimento na “reestruturação do capital” (Jinkings, 2002) continua ocorrendo, transformando a relação, não apenas de

trabalhadores com os bancos, mas dos clientes com as instituições. O Brasil apresenta hoje um dos mais modernos sistemas de informação bancária do mundo, capaz de oferecer uma gama bastante ampla de serviços que podem ser realizados remotamente. Tal suporte tecnológico é necessário para as parcerias com comércios e outros estabelecimentos que tornam a capilaridade destas instituições significativamente ampliada sem, no entanto, incorrer em investimentos maiores como aquisição, construção ou aluguel de imóveis, despesas com consumo, máquinas, etc., bem como pagamento de funcionários, sendo que basta a conexão entre os sistemas teleinformacionais do conveniente (terceirizado) com o banco e a remuneração pelos serviços prestados. A estes correspondentes, Dias e Lenzi (2009) chamam de “objeto híbrido, que combina serviço, tecnologia de comunicação e produto”.

Outra terceirização, que tem sido realizada largamente pelos grandes bancos, ocorre no chamado telesserviço, atendimento remoto por telefone. O setor de telesserviços emprega um milhão de pessoas no Brasil, segundo dados da Associação Brasileira de Telesserviços (ABT), e 300.000 no Estado de São Paulo, segundo informações do Sintratel (Sindicato dos Trabalhadores em Telemarketing). Estes são números informados pelas entidades, que podem apresentar distorções, mas trazem certa noção numérica. Reportando-se aos dados informados pelo “The Global Call Center Industry Project” (PUC e ABT, 2007), Corrochano (2007) nota que 11,3% de toda a estrutura de *call center* é utilizada para os serviços financeiros, principalmente contratados por bancos, os quais lideram a lista dos maiores contratantes.

Uma central telefônica é capaz de atender de forma remota os clientes bancários de todo o país. Este procedimento eleva a racionalização e a produtividade do trabalho das atendentes, cada vez mais controlado e intensificado (Venco, 2003). Embora as centrais estejam preparadas para evitar ao máximo o contato humano, as chamadas são numerosas em relação à quantidade de trabalhadores, que precisam atender com rapidez e qualidade. A terceirização do setor retira de tais trabalhadores as garantias e conquistas de décadas de organização bancária. Os Bancos Bradesco e Santander são as instituições nas quais se nota mais avançada a terceirização de serviços nesta área, especialmente cartões de crédito e cobrança. O Banco do Brasil mantém funcionários concursados para tais funções. As empresas terceirizadas são geralmente enquadradas na área de Tecnologia da Informação (TI) e Business Process Outsourcing (BPO), processo de terceirização de processos e serviços da empresa. A pesquisa citada por Corrochano (2007) mostra que 96% dos *call*

*centers* no Brasil surgiram depois dos anos 90 e 72% possuem menos de oito anos de atuação. Do total de *call centers*, 53% prestavam serviços terceirizados até 2007, contra 47% serviços próprios da empresa.

O chamado braço de seguros dos bancos é outro segmento que atua em grande parte através de trabalhadores sem vínculos diretos com as instituições. São vários os meios utilizados pelos bancos para atuar no segmento, mobilizando atividades em agências bancárias, corretores, terceirizados, correspondentes, entre outros, com vistas a comercializar tais produtos. O ramo de seguros, previdência e capitalização corresponde a expressivos resultados para as instituições bancárias. Em termos numéricos, o Bradesco teve 36% de seu lucro em 2009 oriundos de seu ramo de seguros (Valor Econômico, 2010).

Todos os produtos relacionados a seguros são oferecidos nas agências bancárias. Os funcionários dos bancos devem vender também tais produtos, pois são cobrados por isto através de escalonamento de metas. Mas é comum que os bancos tenham dentro de suas dependências trabalhadores terceirizados realizando exatamente o mesmo serviço – vender os produtos. O caso do Bradesco é emblemático, na medida em que corretores atuantes na condição de Pessoa Jurídica individual (firma individual) possuem mesas próprias no ambiente das agências para vender seguros do próprio Bradesco (Bradesco Seguros) e são os principais responsáveis pelo cumprimento das metas de venda das agências. No entanto, são obrigados a abrirem uma empresa individual a fim de estabelecer um contrato comercial com o Bradesco, embora cumpram uma rotina similar a dos trabalhadores bancários, evidentemente sem quaisquer prerrogativas legais asseguradas ao trabalhador.

Os bancos privados, especialmente, como o Itaú-Unibanco, Bradesco, Santander e HSBC, utilizam de parcerias com corretoras independentes que prestam serviços a bancos. Estas corretoras costumam vender diversas modalidades de serviços de seguro, tanto para seguradoras coligadas ou controladas pelos bancos quanto para seguradoras sem vínculos estruturais com os bancos. São remuneradas conforme a corretagem do seguro vendido. Neste caso, a situação dos trabalhadores é bastante ampla. Há corretoras, principalmente as maiores, que possuem funcionários contratados pela CLT, com remuneração fixa e comissão sobre a venda de produtos. Mas grande parte são corretores individuais que são autônomas e, juridicamente, em sua maioria, pessoas físicas, mas também pessoas jurídicas individuais, as quais não possuem remuneração fixa, apenas comissões sobre as vendas. Podem trabalhar

com as corretoras em parceria ou diretamente intermediar com as seguradoras. Importante ressaltar que segundo a revista Exame, citando a americana Bank Insurance Market Research Group (BIMRG), “no Brasil as seguradoras ligadas a bancos responderam por cerca 80% do lucro do setor em 2007”, e conclui: “a penetração dos bancos no setor de seguros de vida e previdência é de 55% no Brasil”. Com a fusão da Porto Seguro com a Itaú Seguros, sob controle do Itaú, a predominância possivelmente aumentará. Os bancos ampliam suas receitas criando e controlando seguradoras e outras empresas financeiras, usando a sua estrutura de agências e carteira de clientes bancários e, também, terceirizando a comercialização destes produtos. Os trabalhadores terceirizados fazem o mesmo trabalho que um bancário tem sido cobrado a fazer, participa da formação do lucro das empresas, mas encontra-se fora dos acordos trabalhistas e das garantias dadas aos funcionários diretamente bancários.

Em minha dissertação de Mestrado (Malerba, 2011), busquei mostrar que estes trabalhadores estão direta ou indiretamente a serviço dos bancos, a partir do processo de terceirização e subcontratação no setor, que ocorre tanto em áreas como limpeza, segurança, conservação, quanto em processos intimamente ligados às atividades principais de um banco, como a intermediação financeira e a prestação de serviços diretamente ao cliente. As atividades tipicamente bancárias de retaguarda, compensação e tesouraria, consideradas “operacionais”, vêm sofrendo terceirização em larga escala. A chamada “área negocial”, onde os bancos efetuam seus negócios financeiros ao consumidor final, funciona cada vez mais de forma terceirizada, em seus vários formatos. Estas transformações são parte da “nova morfologia do trabalho” (Antunes, 2006) e mostram o caminho de precariedade que as novas ocupações no ramo financeiro adquirem.

Esta diferença de direitos, salários e condições de trabalho, além da representação por vários sindicatos – reduzindo as possibilidades de uma articulação mais fortalecida e unificada destes trabalhadores, o que poderia assegurar maior resistência à precarização das suas condições –, foi o foco daquela pesquisa. Quanto ao trabalhador bancário, há robusta bibliografia e pesquisas retratando as mudanças da categoria e a nova dinâmica de emprego e renda, baseada em fundamentos mais flexíveis e inseguros, e sobre a qual muitos cientistas continuam a se debruçar (Segnini, 1995, 1998 e 1999, Jinkings, 2001, 2002 e 2006; Blanco, 1994; Silva, 2006; Gonçalves, Madi & Krein, 2009; Rodrigues, 2004). Ao concluir a pesquisa de Mestrado, na qual fiz a abordagem mais

ampla da transformação no setor financeiro desde os anos 1970, mostrando a fragmentação dos trabalhadores em várias categorias no ramo financeiro sob controle dos bancos, identifiquei a necessidade de aprofundar o estudo sobre as demais categorias do setor financeiro, ou seja, genericamente os “não bancários”. Existem pesquisas (Venco, 2003, 2006; Corrochano, 2007; Sanches, 2003; DIEESE, 2006) que analisam partes desta terceirização nos bancos, como teleatendimento, principalmente, retaguarda e compensação bancária.

Na referida pesquisa (Malerba, 2011), realizei estudos sobre as Convenções Coletivas de Trabalho (CCT) de 14 diferentes categorias atuantes no setor financeiro no Estado de São Paulo, cada uma delas representada pelo seu respectivo sindicato. Foi possível observar que as diferenças são significativas em termos de remuneração e demais direitos trabalhistas. Ainda assim, é necessário aprofundar o estudo a respeito deste setor, conhecendo melhor quem são estes trabalhadores subcontratados e terceirizados.

Neste artigo, apresento a comparação entre seis categorias, os trabalhadores em financeiras, promotores de vendas e correspondentes bancários, buscando apresentar e ressaltar de forma objetiva, com análise das CCTs, as diferenças de contratação, remuneração e condições de trabalho das pessoas envolvidas nestas atividades e como esses mecanismos têm colocado significativas diferenças entre os trabalhadores.

### ***Trabalhadores em financeiras, promotores de vendas e correspondentes bancários***

Seguindo para a análise dos trabalhadores deste setor, cabe destacar que os principais bancos do país, objeto deste estudo, trabalham no segmento de varejo através de inúmeras estratégias. Oferecem crédito e produtos financeiros em suas agências, pelos seus funcionários, ou mesmo por empresas terceirizadas, especialmente na área de crédito consignado; atuam através de financeiras que fazem parte de seu conglomerado; firmam parcerias com grandes redes de varejo para financiar bens de consumo; se utilizam de correspondentes bancários. Estes últimos, os correspondentes, podem trabalhar de duas formas distintas na condição de prestador de serviços. Existem correspondentes bancários que trabalham exclusivamente com crédito e microseguros e os demais correspondentes, mais comuns, são os que prestam serviço de recebimento de contas, saques, pagamento de benefícios, abertura de contas, acolhimento de documentação para empréstimo, entre outras ati-

vidades de caráter mais operacional, utilizados pelos bancos para reduzir a utilização da estrutura das agências bancárias e, conseqüentemente, reduzir custos.

Os seis principais bancos atuantes no Brasil oferecem crédito e serviços financeiros em suas agências, principalmente pelos seus funcionários, o que não poderia ser diferente. No entanto, tornou-se comum a presença de empresas terceirizadas para atuar na área de crédito dos bancos. Principalmente na concessão de crédito consignado, inclusive em bancos federais, Banco do Brasil e Caixa Econômica Federal (CEF). Neste último, existe também a figura do correspondente imobiliário, que atua como intermediário na venda de imóveis e também como correspondente. O papel dele é explicar o financiamento, acolher a documentação do cliente, montar o dossiê e encaminhá-lo para a Caixa. O cliente só vai até a agência para assinar o contrato quando tudo estiver pronto. Antes disto, ele sequer entra em contato com os funcionários da Caixa, as únicas relações até a assinatura são com o correspondente. Naturalmente, o correspondente imobiliário possui acesso e contatos nas agências da CEF.

Uma funcionária do banco relata como funciona a ação dos terceirizados para empréstimos consignados, a quem chamam de correspondentes:

Eles visitam as empresas, aquelas que já possuem convênio com a Caixa e oferecem os empréstimos consignados aos empregados. Mas tem algumas empresas que somente eles possuem acesso a fazer o empréstimo. Por exemplo, o Hospital [nome mantido em sigilo a pedido]: se o empregado vier fazer empréstimo aqui na agência, nós não podemos atender, tem que falar para ele procurar o correspondente. (...) A gerente fala para a gente não fazer este empréstimo consignado aqui, tem que orientar a procurar o correspondente, mesmo se o empregado insistir em fazer aqui. (...) Todo mundo sabe que se ele fizer lá, a papelada do empréstimo vem toda para nós depois, do mesmo jeito. Mas aí, o correspondente ganha a comissão dele. (...) Tem muito ex-funcionário que abriu estes correspondentes [empresas terceirizadas] ou foi trabalhar para eles. (...) Outro dia vi um homem explicando para o funcionário [da Caixa] algo sobre o sistema. Achei estranho, né? Depois perguntei e ele [o funcionário] explicou que era um correspondente que tinha sido gerente na Caixa antes”. (...) Tem correspondente que anda pelas agências como se fosse funcionário do banco<sup>2</sup>.

Estas empresas terceirizadas, chamados também de correspondentes para crédito, atuam dentro do espaço das agências, mas também visitam

<sup>2</sup> Entrevista concedida por técnica bancária com função de caixa da Caixa Econômica Federal, com experiência na área de habitação e empréstimos, em 18/03/2010.

empresas que já são clientes ou clientes em potencial. O trabalho principal dos promotores de venda (ou promotor de crédito), como são chamados os trabalhadores das terceirizadas, é oferecer pessoalmente ou por telefone o empréstimo, agendar e realizar visitas, sozinhos ou com o gerente do banco, criar ações de divulgação, como cafés da manhã para clientes do banco e aposentados, palestras para explicar as vantagens dos produtos, entre outras. Além dos promotores, é usual possuir o supervisor de vendas ou crédito. No caso do Banco Santander, este supervisor está hierarquicamente acima dos promotores, coordenando algumas equipes de promotores, que podem estar em uma única agência bancária ou em várias. Os supervisores estão submetidos ao gerente regional, este é funcionário do banco que cuida da área de crédito consignado. Por fim, existe o superintendente de rede, também funcionário do quadro do banco, que é quem controla os gerentes regionais.

As empresas terceirizadas são remuneradas sobre o valor e prazo dos contratos, sendo maiores as remunerações sobre contratos mais longos. O promotor recebe uma parte fixa e a maior parte é variável. O mesmo ocorre para o supervisor, remunerado de acordo com a “produção” dos promotores de crédito nas agências. Abaixo a entrevista de um supervisor de crédito, prestador de serviços do Banco Santander:

Minha renda é cerca de 60% a 70% de comissão, uma parte é fixa. O meu salário não é um percentual sobre o valor de contratos que os promotores fizerem, nem o deles é assim. Eu ganho se eu atingir valores estipulados pelo banco em acordo com a empresa. (...) Eles dizem, se contratar R\$ 10.000 eu vou ganhar X reais, é um exemplo. Se eu fizer R\$ 15.000 pode ser a mesma coisa que fazer R\$ 10.000. Agora se chegar a R\$ 16.000 muda a faixa e eu ganho X+Y. Entendeu? (...) O banco cede um espaço para os promotores trabalharem, eles ficam lá dentro da agência o dia inteiro. Eles têm acesso ao sistema do banco só para cadastrar este produto [empréstimo]. É como o vigia do banco, trabalha lá dentro, compartilha algumas coisas, outras não<sup>3</sup>.

Aos clientes, visualmente, não há diferenças entre um funcionário do banco e outro terceirizado. Assim como no banco Bradesco, os terceirizados no Santander utilizam-se dos mesmos espaços e atendem aos clientes. Nos dois bancos, a área de crédito consignado é dividida entre consignado para aposentados (Instituto Nacional do Seguro Social – INSS), para servidores públicos (em algumas prefeituras) ou para empresas privadas. Várias empresas terceirizadas podem atender dentro de uma mesma agência bancária.

3 Entrevista concedida por trabalhador terceirizado, no dia 29/07/2010.

Em alguns casos, numa mesma cidade, o empréstimo consignado, que é um produto do banco, é comercializado em suas agências bancárias por diversas empresas terceirizadas que visitam clientes e oferecem novos convênios com empresas privadas em nome do banco.

Em algumas agências do banco Bradesco foi possível observar uma divisão que não possui uma lógica quanto ao conteúdo do trabalho. Enquanto funcionários do Bradesco realizavam empréstimos consignados aos empregados de empresas privadas e servidores públicos, os terceirizados contratavam empréstimos consignados para aposentados. Possivelmente, a terceirização ainda estava em processo de implantação nesta área do banco, mas mostra um dos aspectos deste processo nas agências. Sobre isto, um dirigente sindical relata:

Na greve isto dificulta bem. Principalmente nestes bancos como o Bradesco que tem muito terceirizado. Nós estamos no piquete e então chega alguém de roupa social e gravata. Você pensa que é bancário? É nada. É o corretor de seguros. Depois chega o promotor de vendas. Depois é o estagiário e a telefonista. Daí você vê claramente que metade que trabalha na agência não é bancário, quer dizer, faz trabalho de bancário, mas é tudo terceirizado. Eles falam: ‘mas eu tenho que entrar, senão eu não vendo e fico sem salário; e o outro fala que vai ter o dia descontado, porque a empresa dele não está em greve<sup>4</sup>.

O Banco do Brasil também possui, em menor grau, funcionários terceirizados realizando atividades como oferecimento de crédito, especialmente consignado do INSS, e abertura de contas em suas agências bancárias. O mais comum é encontrá-los nas Salas de Auto Atendimento (SAA) ou no atendimento de pessoa física. Em ambas as situações, cumprem a função de realizar estes atendimentos específicos. Nas SAA, trabalham com um terminal do banco e também orientam clientes para a contratação de empréstimos diretamente nos terminais de autoatendimento, onde não depende de deferimento da operação pelos gerentes do banco. Em entrevista, uma trabalhadora que atuou na condição de terceirizada em duas ocasiões, relata o conteúdo de suas atribuições.

Trabalhei por 4 meses como temporária com registro em carteira contratada pela [empresa] T, e uns 4 meses sem nenhum vínculo empregatício, pela [empresa] D<sup>5</sup>, ganhava comissão por abertura de conta, e não tinha nenhum piso sa-

4 Relato de um dirigente sindical bancário da FETEC-CUT/SP, funcionário do Banco Santander, em 16/06/2010.

5 Neste caso, a trabalhadora destaca que não tinha qualquer vínculo trabalhista com a empresa D, porém, a

larial, só pelas contas abertas (R\$3,00/massificado e R\$6,00/abertas na agência). (...) Trabalhar no BB foi meu primeiro emprego. (...) O cargo descrito na carteira de trabalho era de escriturária [na primeira ocasião em que foi contratada], fazia triagem da fila, auxiliava os clientes no TAA [Terminais de Auto Atendimento], arquivava os documentos, auxiliava os funcionários, ligava para clientes oferecendo produtos e serviços, etc.

Depois dos 4 meses [como temporária], trabalhei abrindo contas, ficava na agência e também ia até a empresa E [correntista do banco] para abrir contas, entregar cartões com algum funcionário da agência de carro, no mínimo uma vez por semana. (...)

Como escriturária, o valor era fixo, e também tinha vale alimentação. Depois, trabalhando sem vínculo, pagamento só pelas contas abertas, tinha que enviar uma planilha das contas com os dados dos clientes diariamente para a empresa [terceirizada]<sup>6</sup>.

Outra forma de terceirização dos negócios dos bancos observada são as financeiras controladas por bancos e os pequenos correspondentes bancários voltados para crédito. Tais estabelecimentos localizam-se nas áreas centrais das cidades, onde há o maior número de pessoas e comércios, e oferecem, principalmente, crédito pessoal, crédito consignado<sup>7</sup>, crédito para financiamento de veículos, pequenos seguros e capitalizações, consórcios e cartões de crédito, normalmente vinculados ao Instituto Nacional do Seguro Social (INSS). Os correspondentes de crédito trabalham para diversos bancos, desde os principais (Bradesco, Itaú, HSBC, Santander) até bancos e financeiras menores, como o Banco BMG, Banco Matone e BV Financeira<sup>8</sup>. Os pequenos

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empresa tinha um contrato com o banco, o qual lhe pagava conforme o número de contas abertas e, após isto, a empresa D pagava a esta trabalhadora uma comissão. Quem fez o contato com a trabalhadora foi o gerente do Banco do Brasil, explicando-lhe que a empresa D procurava pessoas para prestar serviços dentro da agência bancária.

6 Entrevista com trabalhadora terceirizada no Banco do Brasil, concedida em 08/09/2010. Trabalhou primeiramente como temporária contratada pela empresa T e depois trabalhou por produção para a empresa D que presta serviços ao banco.

7 Linha de crédito cujas prestações do devedor são consignadas em folha de pagamento. A parcela devida já vem deduzida do salário do tomador. Para ter acesso a esta linha, é necessário que a empresa, ou o órgão pagador do cliente tomador do crédito, possua convênio com o banco. Os beneficiários do Instituto Nacional do Seguro Social (INSS) tornaram-se o alvo preferencial destes bancos, tendo em vista que todos os aposentados e pensionistas do instituto possuem acesso a esta linha, mediante convênio nacional. Para os bancos, trata-se de crédito mais seguro, pois a inadimplência é menor, haja vista o desconto na fonte de pagamento. No caso de convênios firmados com órgãos públicos, ela torna-se praticamente nula; no caso de convênios com empresas privadas, há o perigo da demissão do funcionário/cliente, tornando o risco da operação mais elevado, já que os débitos, ao invés de ocorrerem em folha de pagamento, passam a acontecer na conta-corrente do demitido. Os juros costumam ser menores em relação aos empréstimos pessoais comuns.

8 Coligada do Banco do Brasil, que possui 49,99% do capital votante e 50% do capital total.

bancos, como os citados, além de outros, como o Banco Cruzeiro do Sul, Banco Panamericano, Banco Bonsucesso, Banco Cacique, etc., oferecem crédito e serviços financeiros em ambientes que denominam “lojas de crédito”, desta forma, evitam contratar bancários ou financeiros, priorizando trabalhadores também chamados de “promotores de vendas”.

Um dirigente sindical alerta sobre a questão:

Fui ao banco Cacique para conhecer e não tem ali nenhum bancário ou financeiro. São todos contratados como promotores de vendas, comerciários... (...) É um absurdo<sup>9</sup>.

Há de se destacar uma prática comum entre os correspondentes bancários para crédito e os pequenos bancos, especialmente antes da crise financeira mundial de 2008: a atuação maciça de indivíduos conhecidos como “pastinhas”. Estas pessoas ainda atuam, porém, em menor quantidade, percorrendo as ruas centrais das cidades, agências da previdência social e, em alguns casos, até de porta em porta à procura de clientes para o crédito consignado, preferencialmente beneficiários do INSS e servidores públicos, cujos vínculos de emprego e recebimento de proventos são mais estáveis em relação à iniciativa privada. Os “pastinhas” não possuem qualquer vínculo trabalhista ou contratual com tais bancos ou correspondentes, porém, recebem comissões sobre os valores contratados pelos clientes. São inúmeros os relatos na imprensa e, até mesmo, nos órgãos oficiais da estrutura do Estado sobre fraudes e sobre o encarecimento do crédito consignado em virtude da atuação destes profissionais<sup>10</sup>. Os bancos pequenos e as financeiras usam este subterfúgio como forma de ganhar capilaridade, já que possuem menores condições estruturais na competição contra os grandes bancos. Chegaram a 50.000 pessoas atuando desta forma até 2009<sup>11</sup>; hoje o número reduziu devido a maior inserção dos grandes bancos no segmento. O Banco do Brasil (BB),

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9 Relato de um dirigente sindical bancário da FETEC-CUT/SP, funcionário do banco Santander, em 16/06/2010.

10 Exemplo da atuação dos “pastinhas” podem ser encontrados em matérias do Ministério Público Federal, em [http://noticias.pgr.mpf.gov.br/noticias/noticias-do-site/copy\\_of\\_consumidor-e-ordem-economica/mpf-quer-que-instituicoes-financeiras-de-cartao-de-credito-padronizem-informacoes](http://noticias.pgr.mpf.gov.br/noticias/noticias-do-site/copy_of_consumidor-e-ordem-economica/mpf-quer-que-instituicoes-financeiras-de-cartao-de-credito-padronizem-informacoes), recuperado de 15/03/2010; na Folha de São Paulo, cujo título da notícia é revelador: “Bancos vendem crédito até de porta em porta” em <http://www1.folha.uol.com.br/fsp/dinheiro/fi2505200911.htm>, recuperado de 15/03/2010; na Rede Brasil Atual, [www.redebrasilatual.com.br](http://www.redebrasilatual.com.br), acessado em 15/03/2010; Revista Exame, pelo site <http://portalexame.abril.com.br/revista/exame/edicoes/0880/financas/m0115559.html>, recuperado de 15/03/2010.

11 Folha de São Paulo, 25/05/2009, disponível em <http://www1.folha.uol.com.br/fsp/dinheiro/fi2505200911.htm>, consultado em 15/03/2010.

por exemplo, possui um terço deste mercado de crédito consignado no Brasil, graças a uma política mais agressiva na oferta deste produto, mas também pela exclusividade que conseguiu em convênios com estados e municípios<sup>12</sup>. Ressalta-se que tal exclusividade transformou-se em disputa judicial entre o BB e outros bancos, principalmente os menores e o Santander<sup>13</sup>.

O Bradesco gerencia sua rede de correspondentes para crédito através da Bradesco Promotora, que possui 670 correspondentes<sup>14</sup>, surgida da incorporação do antigo Banco BMC, que possuía larga atuação em crédito consignado. O Banco também criou a Bradesco Financiamentos, antiga Finasa, para trabalhar especialmente com créditos direcionados para a aquisição de veículos, o que será tratado mais a frente, bem como a Bradesco Expresso e Postal, que atuam como correspondentes bancários de forma mais ampla, com pagamento e recebimento de contas.

Nota-se que os grandes bancos, que ao longo da última década passaram a controlar as principais financeiras, como a Finasa e Zogbi (Bradesco), Fininvest (Itaú-Unibanco), Losango (HSBC), Aymoré (Santander), entre outras, mudaram a forma de atuação, seja reorientando o papel destas financeiras ou as incorporando às outras empresas dos grupos, investindo nos negócios com pequenos correspondentes e nas parcerias com as grandes redes varejistas e concessionárias de automóveis.

A título de exemplo, a Losango, financeira controlada pelo HSBC, possui 17 “lojas” no Estado de São Paulo, mas possui 21.000 parceiros lojistas que comercializam seus produtos, isto é, oferecem crédito para seus clientes. Parte destes negócios é feito mediante parcelamento de aquisição de bens, como móveis, eletrônicos, etc. Trata-se de um Crédito Direto ao Consumidor (CDC), em que, embora o empréstimo seja feito na loja, o credor é a Losango (linha de crédito do HSBC). O lojista recebe à vista e o cliente da loja assume dívida com o banco. O risco de inadimplemento é todo do banco, o lojista apenas faz a contratação da operação para vender sua mercadoria. Outros negócios são feitos pelos “Representantes de Empréstimo Pessoal” da Losango, que são os correspondentes bancários para crédito, a fim de emprestar dinheiro, negociar cartões de crédito e pequenos seguros. Neste caso não há direcionamento do crédito para aquisição de alguma mercadoria

12 Valor Online, 12/01/2010.

13 Jornal do Estado de São Paulo, 23/03/2010.

14 Relatório Anual do Bradesco, 2009.

específica, mas apenas a concessão de empréstimo com recursos para livre utilização.

O mesmo processo pode-se depreender da atuação do Banco Itaú. Neste sentido, o relatório anual de 2009 da instituição traz informações:

Nossa parceria com o Magazine Luiza foi ampliada e estendida até 2029. Com o acordo, pagamos à rede varejista R\$ 250 milhões pela ampliação da exclusividade na Luizacred S.A. A parceria contempla a distribuição de produtos de crédito pela Luizacred, financeira controlada em iguais proporções pelo Magazine Luiza e pelo Banco, em todas as lojas físicas e virtuais da rede varejista, assim como em centrais de atendimento telefônico, Internet, mailing e outros pontos ou formas de contato entre o Magazine e seus clientes. Uma das maiores redes de varejo do País, o Magazine Luiza conta com 455 lojas. Em 2010, deveremos intensificar a busca por novas parcerias no varejo, nos moldes da associação com as redes Lojas Americanas, Marisa, Magazine Luiza, CDB e Ponto Frio e com a concessionária de telefonia celular Vivo. (...) Encerramos, em 2009, as atividades da Taií e da Fininvest, nossas financeiras próprias, e fechamos todas as 389 lojas da rede. Com o avanço do processo de integração, estamos reorganizando nossa atuação no segmento, cujas operações agora se concentram na Financeira Itaú CDB (FIC) e na Financeira Americanas Itaú (FAI) (...) Foram estabelecidas mais de 300 novas parcerias em 2009.

No crédito para venda de automóveis, nicho disputado duramente pelos bancos, observa-se características similares de atuação no Banco Bradesco:

Com o intuito de tornar ainda mais eficiente e reconhecida a Marca Bradesco, o Banco reposicionou as Marcas Finasa e BMC, atuais, Bradesco Financiamentos e Bradesco Promotora, respectivamente, que possuem estratégia de atuação diferenciada e complementam a Rede de distribuição de produtos financeiros da Organização Bradesco.

O Banco Finasa BMC, por conta desse novo posicionamento, passou a chamar-se Banco Bradesco Financiamentos. A Bradesco Financiamentos, especializada em Financiamento e Arrendamento de Veículos, com soluções de CDC, Leasing e outros, com recursos próprios ou de Repasses, aos Clientes e não Clientes Bradesco, atua por meio de sua extensa Rede conveniada de aproximadamente 23 mil parceiros em todo o País, composta por Revendas e Concessionárias de Veículos Leves, Pesados e Motos.

A Bradesco Promotora está focada no Crédito Consignado aos Aposentados e Pensionistas do INSS, Servidores Públicos e Militares, empregados de empresas privadas conveniadas, bem como na venda de produtos agregados (Seguros, Capitalização, Cartões, Consórcios e outros), aos Clientes e não Clientes Bradesco. Com 670 dos seus Correspondentes, a Bradesco Promotora já atua em parceria com duas mil Agências Bradesco Varejo<sup>15</sup>.

Nesta direção, é possível observar a rede capilar que os grandes bancos

possuem, especialmente para financiar bens de consumo às pessoas físicas e jurídicas e fornecer crédito pessoal. Como já destacado por Minella (2006), créditos extremamente caros e de curto prazo. Entrevistamos uma trabalhadora que comercializa os produtos financeiros de uma grande financeira, mas cujo vínculo de emprego é terceirizado.

Minha rotina é visitar cliente, abrir contas de investimento, física ou jurídica, captar investimentos. O forte é ir quando alguém indica. Faço isto o dia inteiro. (...) A diferença nossa para o bancário é o sindicato que é diferente, benefícios menores, tem coisa que o bancário tem e nós não temos, faço trabalho de gerente [de banco] e o salário não é igual, mas a cobrança de metas não é tanta igual no banco. (...) Meu salário é fixo e eu não ganho comissão. (...) Na financeira só os gerentes são financiários, é a minoria. Eu nem sei qual é o meu sindicato.<sup>16</sup>

Não há levantamento preciso com relação aos trabalhadores nas financeiras ou “lojas” de pequenos bancos. No entanto, segundo a imprensa sindical bancária (Contraf, 2007), cerca de 80% destes trabalhadores são terceirizados ou enquadrados como promotores de venda/comerciários, isto é, não considerados financiários ou bancários. Na mesma imprensa sindical, destacam: “A lógica dos bancos é: por que pagar mais aos bancários se tem quem faz por muito menos?”.

Entre os correspondentes bancários voltados para o crédito, não há qualquer bancário ou financiário. Todos são considerados comerciários ou promotores de vendas. Além dos intermediadores que não possuem qualquer vínculo de emprego com os estabelecimentos, chamados de “pastinhas”. Estes recebem apenas percentuais sobre o valor dos contratos efetuados e trabalham para diversos bancos, financeiras e correspondentes.

Há de se destacar que os correspondentes bancários não prestam apenas serviços para fins de oferecimento de crédito, microsseguros e consórcios, pelo contrário, o leque de serviços e produtos disponíveis nestes estabelecimentos é cada vez maior, bem como o conjunto de “parcerias” firmadas pelos bancos. Os serviços mais requeridos nos correspondentes são os de saques, pagamentos e depósitos. Todos os grandes bancos se valem desta modalidade, isto é, oferecer seus serviços financeiros por meio de comércio, lotéricas e correios.

Isto permite desonerar o uso da estrutura física dos bancos, incluindo-

se o trabalhador bancário que originalmente realizava tais atividades. Esta estratégia permanece dentro dos objetivos dos bancos de priorizar a “área negocial” nas agências bancárias e reduzir o gasto com processos “operacionais”. A adoção das novas tecnologias e o incentivo ao autoatendimento continua sendo uma das prioridades dos bancos, que se aliam a estes novos mecanismos de redução de custos. Ao propor parcerias com comércios e outros estabelecimentos, a capilaridade destas instituições é significativamente ampliada sem, no entanto, incorrer em investimentos em infraestrutura (aquisição, construção ou aluguel de imóveis, mobiliário, despesas com consumo, máquinas, etc.) e pagamento de funcionários, apenas a conexão entre os sistemas teleinformativos do conveniente com o banco e a remuneração pelos serviços prestados. A estes correspondentes Dias e Lenzi (2009) chamam de “objeto híbrido, que combina serviço, tecnologia de comunicação e produto”.

Dados do relatório da FEBRABAN (2010) apontam a existência de 149.507 correspondentes, chamados por esta instituição de não bancários. Estes correspondentes dos bancos, os quais neste estudo são referidos como correspondentes bancários, efetuaram 2,77 bilhões de transações financeiras no ano de 2009. A regulamentação do funcionamento destes correspondentes é feita pelo Banco Central do Brasil (BC), no entanto, não há necessidade de autorização para funcionamento de correspondentes, apenas a sua comunicação. O primeiro documento oficial a tratar da questão foi a Circular nº 220, de 15 de Outubro de 1973, do BC:

Comunicamos que o Conselho Monetário Nacional, em sessão realizada nesta data, tendo em vista o que dispõe o art. 4º, inciso VII, da Lei nº 4.595, de 31 de dezembro de 1964, decidiu manter a faculdade de os estabelecimentos bancários atribuírem a pessoas jurídicas, sob contrato especial, o desempenho das funções de correspondentes, que se resumirão na cobrança de títulos e execução, ativa ou passiva, de ordens de pagamento em nome do contratante, vedadas outras operações, inclusive a concessão de empréstimos e a captação de depósitos – exceto quanto à permissão contida no item IV, da Resolução nº 244, de 16 de janeiro de 1973. Essa contratação independerá de autorização, devendo, entretanto, ser comunicada ao Banco Central do Brasil.

Nota-se que a despeito de ser vago em relação às modalidades de pessoas jurídicas e contratos especiais a serem estabelecidos, trata-se de um primeiro instrumento que permite a realização de operações bancárias em outros ambientes. No entanto, estão limitadas a duas possibilidades: cobrança de títulos e ordens de pagamentos. Não houve grandes transformações

15 Relatório Anual do Bradesco, 2009.

16 Entrevista com trabalhadora terceirizada em uma financeira, concedida em 15/07/2010.

no Sistema Financeiro Nacional em virtude de tal medida. Embora não haja números a respeito da quantidade de contratos firmados entre 1973 e 1999, ano em que surge novo marco regulatório para esta prática, é possível inferir que foram poucos, tendo em vista que as informações constantes nos relatórios da FEBRABAN dão conta deste tipo de origem para transações bancárias apenas a partir de 2003, e tanto a literatura quanto a imprensa sindical não se reportam significativamente a esta modalidade de serviço prestado pelos bancos anteriormente.

Posteriormente, as principais normas se deram pelas resoluções do BC: 562/79; 2.166/95 que permitem a contratação de pessoas jurídicas para prestação de alguns serviços, como cadastro, análise de crédito, cobrança amigável, entre outros; 2.640/99, que permite a contratação de correspondentes bancários, porém, limitada aos municípios desassistidos de agências bancárias ou postos de atendimento bancário, exigindo que fosse rompido o contrato, em até 180 dias, na ocasião de instalação de quaisquer destas dependências. Ainda assim, esta resolução requeria autorização prévia do BC em caso de prestação de serviços de acolhimento de documentação para abertura de contas, pagamentos ou depósitos em conta-corrente, poupança ou investimentos em fundos. A Resolução 2.707/00 retira a necessidade de ser cidade desassistida de atendimento bancário para a instalação de correspondente, mantendo a necessidade de autorização para as atividades mencionadas na resolução anterior.

Por fim, é através da Resolução nº 3.110, de 31/07/2003, ainda vigente, que se amplia bastante a possibilidade de utilizar este serviço. Se, antes, apenas facultava aos “bancos múltiplos com carteira comercial, aos bancos comerciais e à Caixa Econômica Federal a contratação de empresas para o desempenho das funções de correspondente no País”, a nova resolução resolveu: “Alterar e consolidar (...) as normas que dispõem sobre a contratação, por parte bancos múltiplos, de bancos comerciais, da Caixa Econômica Federal, de bancos de investimento, de sociedades de crédito, financiamento e investimento, de sociedades de crédito imobiliário e de associações de poupança e empréstimo, de empresas, integrantes ou não do Sistema Financeiro Nacional, para o desempenho das funções de correspondente no País, com vistas à prestação dos (...) serviços”. A Resolução 3.156/2003 ampliou para todas as instituições autorizadas a funcionar pelo BC a possibilidade de contratarem correspondentes. E a Resolução 3.654/2008 retirou a necessidade de qualquer autorização prévia do Banco Central, exceto em caso de utilização

por parte do correspondente do termo “banco” em sua denominação social e nome fantasia. Permitiu, ainda, que existam estabelecimentos cuja única atividade ou atividade principal seja a prestação de serviços na condição de correspondente.

Desta forma, estes são os principais serviços oferecidos pelos correspondentes bancários, conforme regulamentado pelo Banco Central<sup>17</sup>:

- recepção e encaminhamento de propostas de abertura de contas de depósitos à vista, a prazo e de poupança;
- recebimentos e pagamentos relativos a contas de depósitos à vista, a prazo e de poupança;
- recebimentos e pagamentos decorrentes de convênios de prestação de serviços (água, luz, telefone, etc.);
- ordens de pagamento;
- recepção e encaminhamento de pedidos de empréstimos e de financiamentos;
- análise de crédito e cadastro;
- serviços de cobrança;
- recepção e encaminhamento de propostas de emissão de cartões de crédito;
- outros serviços de controle, inclusive processamento de dados, das operações pactuadas;
- outras atividades, a critério do Banco Central do Brasil.

Assim, apesar de existirem diversos correspondentes voltados principalmente para a concessão de crédito e cartões, como discutido anteriormente, a maior parte deles se resume principalmente às transações financeiras originalmente realizadas nos caixas convencionais das agências ou no acolhimento de abertura de contas pessoais simplificadas.

No fechamento do ano de 2009, o Banco Bradesco possuía 20.200 correspondentes no chamado Bradesco Expresso, principalmente diversas modalidades de comércio varejistas e lojas, tais como supermercados, farmácias, padarias etc. Trata-se de uma expansão de 325% frente aos 4.752 de 2005. Estes correspondentes realizam vários recebimentos de boletos de cobrança, contas de consumo e impostos, depósitos, consultas de saldo, encaminha-

<sup>17</sup> Disponível em [www.bcb.gov.br](http://www.bcb.gov.br), recuperado de 15/06/2010.

mento de abertura de contas, saques de benefícios do INSS, encaminhamento de propostas de empréstimo e cartão de crédito. Este é um leque significativo de produtos e serviços bancários oferecidos em agências do banco. Outra modalidade significativa de correspondente é o chamado Banco Postal, em que as agências e postos da Empresa Brasileira de Correios e Telégrafos (ECT) são os correspondentes do banco. Na explicação formal dos Correios sobre os objetivos de tal parceria:

É a marca dos Correios que designa sua atuação como correspondente na prestação de serviços bancários básicos em todo o território nacional, visando principalmente à inclusão financeira e social dos desprovidos de atendimento bancário.<sup>18</sup>

No ano de 2009 existiam 6.067 agências dos Correios realizando serviços para o Bradesco, aumento de 11% desde 2005. Este convênio com os Correios permite ao Bradesco utilizar em seu *marketing*: “O Banco Presença” em menção ao fato de estar presente em todos os municípios do país. Porém, na realidade, quem está presente em todo o país são os correspondentes. Pois o Bradesco possui 3.454 agências bancárias contra 5.565 municípios (IBGE, 2008). São, pelo menos, dois mil municípios sem agência bancária do Bradesco, sem bancários contratados, mas onde o banco realiza seus serviços. Outro fato a ser ressaltado é a forte presença de correspondentes bancários em praças e cidades onde existem diversas agências bancárias.

Um trabalhador dos Correios relata a experiência de trabalhar como correspondente bancário. Embora destaque que hoje a maior parte do seu trabalho não seja com atividades bancárias, ele acredita que depende da estratégia do banco o aumento ou não desta modalidade de atendimento.

Já abri muita conta para o Bradesco. Chegava a ser de 10 a 15 por dia, principalmente aquelas simples, para salário. A agência do banco mandava tudo para nós. Hoje diminuiu, acho que eles estão abrindo lá. O que vem mais é saque de benefícios dos aposentados e extratos. (...) Acho que eles [clientes] vêm para cá para evitar as filas dos bancos (...) Eu ganho uma gratificação chamada de atendimento do banco postal, mas é mixaria se comparar com a gratificação e salário de caixa do banco. (...) Meu salário é fixo, não tem variável, só a PLR (...) Um problema grande é a segurança, no banco tem porta giratória, aqui não tem nada e o movimento de dinheiro aumentou muito<sup>19</sup>.

A Caixa Econômica Federal (CEF) possui como correspondente as loté-

18 Recuperado de [http://www.correios.com.br/produtos\\_servicos/banco\\_postal/default.cfm](http://www.correios.com.br/produtos_servicos/banco_postal/default.cfm), consultado em 02/09/2010.

ricas que são credenciadas para apostas. Nestes estabelecimentos é possível realizar pagamento de boletos e contas de consumo, saques de programas sociais como o Bolsa Família, INSS, FGTS (no valor de até R\$ 1.000,00), Seguro-Desemprego, PIS etc.; saques em contas da CEF e do Banco do Brasil; depósitos; adquirir alguns produtos de capitalização; recarga de telefone celular; entre outros. Segundo informações do Relatório Anual da Caixa (2009) são aproximadamente 10.226 unidades lotéricas credenciadas no país. Uma trabalhadora registrada como operadora de caixa numa destas lotéricas, mas que exerce a função de gerente da unidade, recebendo “a diferença do salário por fora”, revela:

Eu atendo mais serviço bancário. Mais do que jogo [apostas], principalmente pagamento de contas, tem dias que fica lotado até lá fora. (...) Meu salário é fixo, só a parte de gerente que é por fora (...) Meu trabalho é parecido com alguém do banco, só que ganho menos que um funcionário do banco. Acho que o banco deveria tomar providência para melhorar nosso salário. Quem entra aqui hoje ganha ou R\$ 570,00 ou R\$ 600,00 não lembro<sup>20</sup>.

A Caixa Econômica Federal (CEF) possui ainda 13.685 correspondentes chamados “Caixa Aqui”. Trata-se de “estabelecimentos varejistas que atuam em nome da Caixa. Podem fazer parte mercearias, quitandas, panificadoras, mercados, supermercados, hipermercados e locais que vendam itens da cesta básica. Em municípios sem unidades da Caixa, empresas como postos de gasolina e lojas de materiais de construção também podem participar”.<sup>21</sup> Quando se analisa a rede de atendimento da CEF se constata a presença de 2.084 agências bancárias e 482 postos de atendimento bancário (PAB). Este número significa que existe dez vezes mais correspondentes do que agências da CEF. Há de se notar a tendência nos últimos anos, de 2007 a 2009, aumentou em 69,5% o número de correspondentes “Caixa aqui”, 15,5% o número de unidades lotéricas e apenas 2,8% o número de agências ou postos bancários.

Este dado mostra com clareza a prioridade do banco estatal, portanto, é difícil acreditar na reversão desta modalidade de terceirização, uma vez que o próprio Banco Central gradativamente e, depois, com radical abertura em 2003, possibilitou a ampliação da rede de correspondentes, bem como dos

19 Entrevista concedida por trabalhador dos Correios no cargo de atendente comercial com gratificação de agência que opera o Banco Postal, em 01/09/2010.

20 Entrevista concedida por funcionária contratada por CLT de casa lotérica em 02/09/2010.

21 Relatório de Sustentabilidade da CEF 2009.

tipos de atendimento. Observa-se que tal procedimento é encampado pelos bancos estatais com grande vigor, permitindo a precarização do trabalho de milhões de trabalhadores nestas instituições correspondentes, que ficam à margem da Convenção Coletiva de Trabalho (CCT) dos bancários, que é bastante superior, em diversos aspectos, à das demais categorias em que estes trabalhadores estão inseridos, a despeito dos mesmos trabalharem para os bancos exercendo atividades cujo conteúdo é, em grande parte do tempo, igual ao dos bancários.

Não é raro encontrar vários comércios e correspondentes ao lado ou em frente aos bancos realizando transações bancárias. Os bancos incentivam usuários a se dirigir aos correspondentes. As instituições bancárias colocam funcionários (é comum ser estagiário ou terceirizado) na sala de autoatendimento, antes da porta de acesso ao atendimento, para abordar os clientes e perguntar sobre os serviços a serem utilizados. Se for algo simples (saques, pagamentos, transferências, depósitos) ou pouco rentável buscam convencê-los a usar os terminais eletrônicos ou se dirigirem aos correspondentes.

Entre o final de 2010 e início de 2011 desencadeia-se um debate acerca de um novo marco regulatório pelo Banco Central a fim de normatizar melhor as atividades dos correspondentes.

A preocupação com a possibilidade de que os funcionários de empresas que funcionam também como correspondentes dos bancos sejam considerados bancários é uma das principais motivações para as propostas de mudança na legislação do correspondente levadas ao governo. As associações de bancos, de financeiras e de promotoras de vendas concluíram as suas sugestões e a previsão é que o Conselho Monetário Nacional vote no fim do mês a atualização da norma atual, de 2003. Em resumo, o objetivo é coibir a atuação dos chamados pastinhas, assegurar que a venda de serviços financeiros fora do canal bancário seja feita por pessoas treinadas e evitar que estabelecimentos comerciais que recebem contas, pagam benefícios e até oferecem crédito sejam qualificados como instituições financeiras.

(...)

Por extensão, querem também evitar que os funcionários desses estabelecimentos tenham os mesmos direitos que os bancários, o que elevaria às alturas os custos de um canal desenhado justamente para ser barato. Essa é uma das principais preocupações refletidas na proposta encaminhada na semana passada ao Banco Central pela Federação Brasileira de Bancos (Febraban), à qual o Valor teve acesso.

(...)

No último documento publicado sobre o assunto, o BC enfatiza que os correspondentes no país, embora analisados com os demais canais de acesso, são empresas prestadoras de serviços a instituições financeiras, sob contrato, conforme regulamentação vigente. A amplitude de serviços oferecidos não é comparável àquela típica dos demais canais, dado que não possuem autonomia decisória para a abertura de contas e concessão de crédito, por exemplo.<sup>22</sup>

Embora seja prematuro analisar qualquer mudança antes de ter sido publicado algo oficial neste sentido, pode-se perceber, pelo movimento da FEBRABAN e do próprio Banco Central, que não haverá um marco regulatório para adequar os trabalhadores que executam atividade bancária aos direitos dessa categoria ou uma discussão mais ampla sobre estes aspectos. O novo marco possivelmente virá para ampliar o serviço dos correspondentes, buscando minimizar os riscos para os bancos, tanto negociais quanto trabalhistas.

Segundo a Confederação Nacional dos Trabalhadores do Ramo Financeiro da CUT (Contraf-CUT) e os sindicatos dos bancários, esta estratégia, além de reduzir os custos, busca “expulsar” o pobre das agências, mantendo-as como pequenas lojas para venda de produtos financeiros, especialmente para aqueles que podem pagar por eles. Os serviços simples, principalmente no caixa, foram sendo retirados das agências. No trecho abaixo, o sindicato do bancário de São Paulo critica a implementação dos Cobans (correspondentes bancário) pelo BB. Muitos são empresas que unicamente existem para prestar este serviço ao banco estatal, principalmente recebimento de contas.

Os Coban, modo como são conhecidos os correspondentes bancários, não são alternativa de atendimento, mas uma imposição dessa modalidade pelo Banco do Brasil aos clientes de menor renda, que deveriam ter a opção de escolha entre o atendimento na agência ou no correspondente”, afirma o funcionário do BB e diretor do Sindicato Ernesto Izumi. “Hoje é comum ver nas agências funcionários que impedem a entrada de clientes, obrigando-os a se dirigirem aos Cobans ou ao auto-atendimento”, conta Ernesto. Outro problema para os trabalhadores e clientes atendidos nos correspondentes bancários, incluindo beneficiários do INSS que passarão a ser atendidos também pelo Banco Lemon, é a falta de sistemas de segurança como portas-giratórias e vigilantes

(...)

<sup>22</sup> Valor Online, 20/01/2011.

O Sindicato elaborou dossiê com mais de mil páginas denunciando fraudes, irregularidades promovidas por empresas que prestam serviços a bancos e ações movidas por entidades sindicais. Toda a documentação foi entregue ao Ministério do Trabalho e Emprego”.<sup>23</sup>

São vários os sindicatos envolvidos na representação sindical dos trabalhadores em financeiras, promotores de vendas, correspondentes no comércio, em lotéricas e nos correios. Os bancários são representados legalmente pelo Sindicato dos Bancários em convenção coletiva assinada entre a Contraf-CUT e a Federação Interestadual das Instituições de Crédito, Financiamento e Investimento (FENACREFI), as bases do acordo são diferentes dos bancários, embora possua mais direitos e benefícios que a média das demais na comparação, é menos vantajosa ao trabalhador do que a dos bancários.

Os promotores de venda, atuantes tanto em financeiras como em correspondentes bancários, são representados em alguns casos pelo chamado Sindicato dos Agentes Autônomos do Comércio. Este Sindicato é conhecido na grande São Paulo como Sindicatão ou EAA (Sindicato dos Empregados de Agentes Autônomos do Comércio e em Empresas de Assessoramento, Perícias, Informações e Pesquisas e de Empresas de Serviços Contábeis no Estado de São Paulo). Faz parte da Confederação Nacional dos Trabalhadores do Comércio, que é filiada à Força Sindical, embora o EAA não seja. Assina convenção coletiva com o SESCO (Sindicato das Empresas de Serviços Contábeis, de Assessoramento, Perícias, Informações e Pesquisas no Estado de São Paulo). Há também promotores de venda representados pelo sindicato dos comerciários – filiado à Federação dos Empregados no Comércio do Estado de São Paulo e à Confederação Nacional dos Trabalhadores no Comércio e à União Geral dos Trabalhadores (UGT) –, que assinam convenção coletiva de trabalho com o Sindicato dos Lojistas do comércio de São Paulo.

Os terceirizados, tanto nas agências bancárias quanto nas financeiras e correspondentes, são representados pelo SINDEEPRES (Sindicato dos Empregados em Empresas de Prestação de Serviços a Terceiros, Colocação e Administração de Mão de Obra, Trabalho Temporário, Leitura de Medidores e Entrega de Avisos do Estado de São Paulo), que faz parte da Confederação Nacional dos Trabalhadores em Turismo e Hospitalidade e é filiado à UGT.

23 Notícia do site do Sindicato dos Bancários de São Paulo – [www.spbancarios.com.br](http://www.spbancarios.com.br), em 24/08/2009, recuperado de 18/04/2010.

Assina convenção coletiva com a SINDEPRESTEM (Sindicato das Empresas de Prestação de Serviços a Terceiros, Colocação e Administração de Mão-de-Obra e de Trabalho Temporário no Estado de São Paulo).

Os trabalhadores em lotéricas são representados também pelo Sindicato dos Agentes Autônomos do Comércio (Sindicatão-EAA), cuja convenção coletiva é assinada com o Sindicato dos Comissários e Consignatários do Estado de São Paulo. Os trabalhadores dos Correios no estado de São Paulo são representados em convenção coletiva assinada pela FENTECT (Federação Nacional dos Trabalhadores em Empresas de Correios e Telégrafos e Similares), filiada à CUT, o acordo coletivo é assinado com a ECT, empresa pública vinculada ao Ministério das Comunicações.

Na tabela 12 a seguir, temos os principais aspectos das convenções coletivas e acordo coletivo (Correios) destas categorias.

TABELA 12 – Aspectos das contratações coletivas de financeiros, comerciais, comerciários, agentes autônomos do comércio, trabalhadores em loterias e trabalhadores dos correios no Estado de São Paulo.<sup>24</sup>

CATEGORIAS VIGÊNCIA DAS CCT	CORREIOS 1/08/09 A 31/07/11	FINANCIÁRIOS 1/06/10 A 31/05/11	COMERCÍARIOS 1/09/10 A 1/08/11	AGENTES AUTÔNOMOS 1/08/10 A 31/07/11	LOTERIAS 1/05/10 A 30/04/11	TERCEIRIZADOS 1/05/10 A 30/04/11
Salário base da carreira após 3 meses	R\$ 706,48	R\$ 1.234,43	R\$ 743,00	R\$ 680,00	R\$ 580,00	R\$ 597,48
Aumento Real (em relação ao INPC)	4,43% + R\$ 100,00 em 1/01/10	2,19% até salário de R\$ 4.600,00 <sup>25</sup>	2,96%	1,56%	0,51%	2,51% até R\$ 2.550,00 <sup>26</sup>
Jornada de trabalho semanal	44 horas	30 horas	44 horas	44 horas	44 horas	44 horas
Auxílio Refeição por dia	R\$ 21,50 c/ custeio do funcionário de 5 a 15%	R\$ 18,87	Não consta	R\$ 8,50	R\$ 8,50	R\$ 5,00
Auxílio alimentação	R\$ 120,00 c/ custeio + 13º de R\$ 494,50 em 2010	R\$ 297,65 mais 13º auxílio	Não consta	Não consta	Não consta	R\$ 45,00 apenas para salários até R\$ 1.047,00
Auxílio creche/babá	Até 83 meses R\$ 360,20	R\$ 220,54 até 71 meses da criança	Não consta	R\$ 184,27 até 12 meses	Do 4º ao 12º mês R\$ 116,00	R\$ 104,75 de 5 a 60 meses da criança
Pagamento de PLR	Sim	Sim	Não consta	Não consta	Não consta	Garante-se que haverá acordo por empresa
Valor da PLR	Entre 0,6 e 1 salário. Básico = R\$ 880,00	90% do salário + R\$ 1397,50	Não consta	Não consta	Não consta	Não consta
Comissões Bipartites paritárias <sup>7</sup>	Possui 1	Possui 2	Não consta	Não consta	Não consta	Não consta

CATEGORIAS VIGÊNCIA DAS CCT	CORREIOS 1/08/09 A 31/07/11	FINANCIÁRIOS 1/06/10 A 31/05/11	COMERCÍARIOS 1/09/10 A 1/08/11	AGENTES AUTÔNOMOS 1/08/10 A 31/07/11	LOTERIAS 1/05/10 A 30/04/11	TERCEIRIZADOS 1/05/10 A 30/04/11
Vale-transporte	Empresa paga o que exceder 4% do salário	4% do salário	Empresa paga o que exceder 6% do salário	6% do salário	Empresa paga o que exceder 6% do salário	6% do salário
Licença-Maternidade	Até 180 dias	Até 180 dias	Até 120 dias	Até 120 dias	Até 120 dias	Até 120 dias
Ausências permitidas <sup>27</sup>	1 situação	5 situações	2 situações	3 situações	3 situações	3 situações
Complementação auxílio doença / acidente	Não consta	100% até 18 meses	Não consta	6 meses com limite de R\$ 1.349,78	Até 12 meses, com limite de 12 S.M por mês.	100% até 2 meses
Quadro de avisos para o sindicato e atividades sindicais <sup>28</sup>	Possui direito de utilizar o quadro de avisos, se reunir e distribuir o jornal nos locais de trabalho		Não consta	Há cláusula para afixar por 60 dias esta CCT	Possui direito de utilizar quadro de avisos. Não há menção às demais atividades sindicais	Possui direito de utilizar o quadro de avisos, e garantia de atendimento ao dirigente sindical
Assistência Médica	Sim	Sim	Não consta	Não consta	Não garantida	Odontológica, com custeio de R\$ 4,50 do empregado
Assistência Médica aos demitidos	Não consta	De 60 a 270 dias	Não consta	Não consta	Se tiver, até 30 dias	Não consta
Indenização adicional <sup>29</sup>	Não consta	1 a 3 salários	1 dia por ano completo	Não consta	Não consta	Não consta
Extensão das vantagens aos cônjuges homoafetivos <sup>30</sup>	Não consta	Sim	Não consta	Não consta	Não consta	Não consta
Comissões Bipartites Paritárias <sup>31</sup>	Possui 2	Não consta	Não consta	Não consta	Possui 1	Não consta

Uma enorme distância em relação aos direitos separa os trabalhadores analisados neste tópico. Grande parte das chamadas financeiras considera seus funcionários promotores de venda, comerciário, etc. Como exposto, nos Correios é possível encaminhar proposta de empréstimos ou abrir conta, sacar dinheiro, tal como nas lotéricas. Não há uma linha clara que separe estas funções, cujo conteúdo é bancário, seja de uma forma ou de outra. Em última instância encontramos os bancos, principalmente os grandes bancos atuantes no país, favorecidos com todos os serviços que tais trabalhadores prestam. Desta forma, fizemos a tabela acima, buscando comparar aqueles que estão em unidades externas às agências bancárias (exceto alguns terceirizados), mas prestam serviço diretamente ao consumidor bancário.

Em relação aos reajustes salariais apresentados, nota-se que todos conseguiram repor a inflação e conseguir aumento real. Os trabalhadores no comércio tiveram ganho real de 2,96%. As demais categorias conseguiram aumentos que variaram de 0,51% (em loterias) até 2,51% no caso dos terceirizados representados pelo SINDEEPRES com salários até R\$ 2.550,00 (valores de 05/2010). Os correios fecharam acordo para dois anos, tendo dado aumento global de 9% em agosto de 2009 e R\$ 100,00 lineares em janeiro de 2010, se comprometendo a rever o índice caso a inflação medida pelo INPC ultrapassasse 4,5% em Julho de 2010, o que não ocorreu. Os trabalhadores dos Correios tiveram aumento real a partir de 14,28% no piso salarial, mas que vai reduzindo ao longo da curva salarial, chegando a 5,13% para quem ganha

R\$ 2.000,00, por exemplo. Ainda assim, é o acordo mais vantajoso entre estas categorias para aqueles que recebem salários até cerca de R\$ 3.500,00.

No caso dos financeiros, trata-se de uma convenção que, em boa medida, lembra a dos bancários, embora inferior em alguns aspectos. Os salários do piso também foram valorizados em 16,33%, chegando a R\$ 1.234,43, apenas R\$ 15,57 a menos que a categoria bancária (valores de 09/2010). O vale-refeição é maior, já que é de R\$ 18,87; possui direitos como auxílio alimentação, auxílio creche, vale-transporte pago pela empresa no que exceder 4% do salário, licença-maternidade estendida e as mesmas prerrogativas dos bancários para ausências remuneradas. A complementação salarial é seis meses mais curta, em caso de doença ou acidente, há indenização adicional para demitidos, garantia de assistência médica para funcionários da ativa e dispensados, neste último caso entre 60 e 270 dias, bem como duas comissões paritárias, de saúde e igualdade de oportunidades. Aspecto interessante refere-se ao programa de treinamento de gestores para combate ao assédio moral e sexual, algo garantido na CCT, bem como regras para encaminhamentos para a empresa, via sindicato, de denúncias desta ordem, com prazo de sessenta dias para resposta da financeira.

Os comerciários, a despeito de um bom índice de reajuste, possuem uma CCT bastante limitada. São 50 cláusulas, onde consta o piso de R\$ 743,00 (valores de 09/2010), jornada de 44 horas e duas situações mais amplas que a CLT para ausência remunerada, além de indenização adicional ao trabalhador dispensado, vantagem esta que seria a remuneração de um dia para cada ano de trabalho. Nas demais cláusulas analisadas neste trabalho, não constam garantias, como por exemplo, auxílio refeição, auxílio alimentação, auxílio creche/babá, participação dos lucros e resultados (PLR), complementação em caso de afastamento pelo INSS e assistência médica. A indenização de quebra de caixa, que se refere a um valor pago aos trabalhadores que exercem função de caixa para cobrir eventuais diferenças, é de apenas R\$ 38,00 contra R\$ 313,44 de um financeiro (em 09/2010). Este valor para o comerciário torna-se simbólico em caso de diferença nas transações, cobrindo apenas pequenas quantias, possivelmente relacionadas ao troco. A CCT dos comerciários compreende ainda a cláusula 40ª relativa ao trabalho aos domingos, que em seu item f aponta a “jornada de 8 (oito) horas, remunerada como dia normal de trabalho”. Isto significa que não há hora extra aos domingos, sendo dia normal de trabalho. Exceto se durante mais de 90 dias o trabalhador exercer o sistema 2X1, isto é, dois domingos de trabalho por um de folga.

24 No caso de comerciários e agentes autônomos refere-se às convenções coletivas válidas na cidade de São Paulo, pois não há um único sindicato estadual. Financeiros e correios: convenção e acordo, respectivamente, nacionais.

25 Após este valor, concedido valor fixo de R\$ 345,00, incorporado ao salário garantindo no mínimo 5,31% de correção.

26 Aumento global de 7% para salários superiores a R\$ 2.550,00.

27 Ausências remuneradas previstas na CCT que são mais vantajosas em relação às previstas no artigo 473 da CLT.

28 Refere-se às atividades que constatamos em locais de trabalho e/ou basearam-se em cláusulas presentes na CCT.

29 Paga ao empregado dispensado sem justa causa, escalonada de acordo com o tempo de vínculo empregatício, a partir de cinco anos.

30 “As vantagens aplicáveis aos cônjuges dos empregados abrangem os casos em que a união decorra de relação homoafetiva estável, devidamente comprovada”.

31 As comissões citadas são formadas por representantes da empresa e dos trabalhadores com intuito de discutir e convencionar sobre temas específicos. Possuem calendário ao longo do ano, não apenas em períodos de campanhas salariais.

Neste caso ele não receberá salário maior, porém fará jus a três folgas a mais por ano. Se ele cumprir o ano inteiro no sistema 2X1, ainda assim serão três folgas adicionais. O trabalhador recebe neste dia *ticket* para alimentação, dependendo da jornada e do tamanho da empresa, valor que pode variar de R\$ 9,50 a R\$ 21,00. A CCT 2010/2011 prevê banco de horas para as empresas que o desejarem, algo que é comum no comércio.

Os promotores de venda possuem uma convenção coletiva com 51 cláusulas, na qual se observa o salário base de R\$ 680,00 (valores de 08/2010) para uma jornada de 44 horas semanais. Pode-se notar que estes trabalhadores possuem vale de R\$ 8,50 para refeição e poucos outros direitos na comparação aqui realizada, como por exemplo, auxílio creche, complementação para doença e acidente e três ausências remuneradas, em condições mais benéficas que a CLT. Há previsto um “adicional de permanência” similar ao adicional por tempo de serviço no valor de R\$ 34,58 a cada três anos. No entanto, tal cláusula é, para muitos trabalhadores, inócua, pois a rotatividade é muito elevada e poucos permanecem por tal período.

Os trabalhadores em loterias possuem piso de R\$ 580,00 (valores de 05/2010), que é o mais baixo entre essas categorias. A jornada também é de 44 horas, o auxílio refeição é de R\$ 8,50 por dia. Os demais benefícios são restritos, como o auxílio creche pago apenas durante oito meses e não se garante assistência médica. O adicional de quebra de caixa é de apenas 2,5% do salário. Se for considerado um salário acima do piso, no valor de R\$ 700,00, esta quebra de caixa corresponde a R\$ 17,50. Se for levado em conta que nas lotéricas o trabalho é estritamente com numerário durante todo o dia, especialmente na condição de correspondente bancário, onde é possível sacar e pagar contas, o valor é insignificante diante do risco de um erro.

Os trabalhadores nos Correios possuem um salário inicial de R\$ 706,48 (valores de 09/2010) para jornada de 44 horas. É importante ressaltar que a admissão neste caso é feita mediante concurso público que, segundo a CCT, reservará 10% das vagas aos deficientes físicos, quantidade maior que os legalmente exigidos 5%. Possuem bastantes cláusulas com benefícios sociais. O auxílio refeição é alto comparado às demais categorias do setor financeiro, possuem auxílio alimentação mensal, com um valor adicional que, em 2010, foi de R\$ 494,50. A gratificação de férias é paga em valores superiores à CLT, garantindo-se 70% a todos os funcionários. O auxílio creche é o maior entre todos deste estudo, com R\$ 360,20 ao longo de 83 meses (valores de 09/2010).

A CCT por sinal preocupa-se especialmente com as mulheres, tendo reservado a cláusula 27 para tratar de garantias à mulher celetista. Dentre estas garantias, cuidados específicos para a gestante, adequando suas atividades provisoriamente, tanto durante quanto após a gravidez, para serviços internos e antecipação da licença-maternidade. No item j afirma que será garantido “banheiro feminino, com ducha higiênica, em todas as novas edificações e reformas das unidades com área superior a 120m<sup>2</sup>”.

Na Convenção dos Correios consta garantia de PLR, redução da contribuição do empregado nos vales-transportes para 4% do salário, licença-maternidade ampliada para 180 dias e assistência médica para todos trabalhadores. A quebra de caixa foi estabelecida em R\$ 187,25 para agências que operam o Banco Postal, valor pequeno diante dos bancários e financeiros. A CCT garante eleições para CIPA (Comissão Interna de Prevenção de Acidentes) em unidades com mais de 30 empregados, número baixo comparado à exigência legal de 100 funcionários, bem como estabelece eleições de delegados sindicais. Fica vedada a dispensa sem justa causa de funcionário ou funcionária portador de aids, algo inédito em todas outras convenções analisadas. Outro aspecto diferenciado refere-se no acesso à internet, dentro do programa de inclusão digital interna, para estudantes que assim precisarem, conciliando, evidentemente, com os horários de trabalho.

Por fim, a convenção firmada pelo SINDEPREES, representante dos terceirizados, pode ser considerada bastante tímida tanto do ponto de vista econômico quanto social. O piso ficou em R\$ 597,48 (valores de 05/2010) para 44 horas de trabalho, o auxílio refeição em R\$ 5,00 por dia. Auxílio alimentação de R\$ 45,00, limitado aos trabalhadores com salário de até R\$ 1.047,00. O auxílio creche destoa um pouco dos baixos índices apresentados em outras cláusulas, sendo garantido do 5º ao 60º mês da criança, com valor de R\$ 104,75, cerca de 17,5% do piso salarial. Apresenta três ausências permitidas remuneradas em condições mais benéficas que a CLT e garante, por apenas dois meses, a complementação salarial do trabalhador afastado pelo INSS. Não possui assistência médica, no entanto, apresenta assistência odontológica, com a qual o trabalhador contribui com R\$ 4,50 e as empresas com R\$ 16,00 por trabalhador. No entanto, esta cláusula gera polêmica em virtude de muitos trabalhadores não terem acesso aos locais onde ficam os profissionais de odontologia que atendem por esta assistência, seja nas sedes da entidade ou por meio de convênios com profissionais. Em conversas informais, muitos alegam que pagam e não veem qualquer benefício, sendo que não po-

dem optar pelo desligamento de tal plano. Ressalta-se que a base do sindicato é estadual.

Um problema que atinge trabalhadores que durante muito tempo ficam na condição de terceirizados refere-se às mudanças das empresas contratadas. A CCT diz em sua cláusula 41: “A sucessora admitirá, preferencialmente, os trabalhadores da antecessora”. Isto de fato é comum acontecer nos bancos, uma empresa de prestação de serviços é trocada por outra e mantêm-se os empregados. Muitas vezes com problemas recorrentes de falta de pagamento de direitos trabalhistas por parte das empresas que encerram o contrato. Por fim, nesta convenção, fica estabelecida a mudança de data-base para 1º de janeiro a partir de 2011.

Do ponto de vista sindical, as convenções e práticas mais avançadas são, sem dúvida, a dos bancários, cuja representação é feita pelos bancários, com utilização de quadro de aviso e distribuição de jornais dentro dos locais de trabalho. Normalmente, os dirigentes aproveitam visitas às agências bancárias para também levar jornais às financeiras, no entanto, faltam informativos e materiais voltados para o público das financeiras e mesmo informações mais detalhadas. Este problema decorre tanto da maior atenção dada aos bancos, com bases mais tradicionais e maiores, quanto ao problema da contratação nas financeiras que, como já frisado, registram trabalhadores como comerciários e promotores de venda, tirando-os da atuação legal, pelo menos, dos bancários. Muitas das chamadas “lojas” das financeiras são consideradas correspondentes. A convenção dos Correios também garante o uso do quadro de avisos, reunião e distribuição de materiais. Os funcionários conhecem os dirigentes do sindicato e têm contato com a entidade. Há também previsão de delegados sindicais nesta convenção. O SINDEEPRES possui na CCT direito de utilizar o quadro de avisos e atendimento da empresa ao dirigente sindical. Contudo, não localizamos em nenhum local de trabalho do setor financeiro utilização deste espaço ou presença mais significativa do sindicato. Quanto aos promotores de venda, apenas consta que a CCT deve ficar no quadro de avisos por sessenta dias e no caso das lotéricas a utilização do quadro é prevista, mas não há menção às demais atividades. Houve greve apenas nos Correios para fechamento do referido acordo. A greve, com boa adesão, iniciou-se em 16/09/2009 e foi encerrada em 24/09/2009 no Estado de São Paulo.

## Conclusão

Podemos verificar através da análise das negociações coletivas das diversas categorias envolvidas com o setor financeiro que há diferenças significativas em relação às cláusulas econômicas e sociais, oriundas do processo de flexibilização e desregulamentação do trabalho no setor financeiro. Enquanto aqueles representados pela categoria dos bancários, mais tradicional e consolidada, conseguiram manter melhores padrões de contratação, as demais categorias apresentam condições inferiores em todas as áreas.

Os bancos conseguiram ampliar sua presença sem, no entanto, aumentar proporcionalmente as agências bancárias, optando pelo investimento em tecnologia e automação e em correspondentes bancários, em que trabalhadores de diversas categorias fazem o trabalho – anteriormente presente dentro dos bancos – a custos inferiores. Essa forma de terceirizar as atividades se ampliou significativamente durante os anos 2000 e representou um fracionamento dos trabalhadores em diversos locais de trabalho e organizações sindicais, o que tem comprometido e dificultado a ação sindical e as formas de enfrentar a situação. Para os trabalhadores, esse procedimento representou novos desafios e dificuldades para organizar-se e contrapor o capital.

Os trabalhadores mais organizados, no caso os sindicatos dos bancários, têm cobrado do governo e do Banco Central uma regulamentação diferente para os correspondentes, em que sejam asseguradas as mesmas condições dos trabalhadores bancários para todos os demais, no entanto, cabe uma melhor articulação e entendimento entre todos os envolvidos no mundo do trabalho a fim de oferecer respostas mais efetivas e organizadas a essa situação.

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## Resumo

Este texto tem por objetivo abordar a situação dos trabalhadores do setor financeiro brasileiro. Analisaremos os que trabalham nas financeiras, nos correspondentes bancários e os chamados promotores de vendas de crédito. Estes trabalhadores, embora vinculados ao processo de intermediação financeira, sob controle dos grandes bancos atuantes no Brasil, são terceirizados e subcontratados, possuindo condições de contratação e remuneração diferenciadas – precárias – em relação aos trabalhadores contratados diretamente pelos bancos. O artigo pretende demonstrar que esses trabalhadores fazem parte do processo de acumulação que beneficia os bancos e que a falta de regulamentação legal adequada permite situações nas quais pessoas executam atividades laborais de mesmo conteúdo para o mesmo conglomerado financeiro e são percebidas condições de trabalho bastante díspares. Exemplificamos as situações através do comparativo entre as seis Convenções Coletivas de Trabalho (CCT) válidas para os anos de 2010 e 2011 no Estado de São Paulo para estas categorias de trabalhadores. Ademais, a representação sindical é fragmentada, em virtude do processo histórico de consolidação da estrutura sindical brasileira, segregada por categorias, sendo que esses sindicatos possuem capacidades diferentes de mobilização, organização e de exercício de pressão para garantir os direitos dos trabalhadores. O sindicato dos bancários segue como referencial das melhores contratações coletivas.

## Abstract

This paper aims to address the situation of workers in the Brazilian financial sector. We will look at those workers in financial houses, banking correspondents and the called sales promoters of credit. These workers, although related to the financial intermediation process, under control of the major banks operating in Brazil, are outsourced and subcontractors and have conditions of employment and remuneration differentiated - precarious - compared to workers hired directly by banks. The article argues that these workers are part of the accumulation process that benefits the banks and the lack of adequate legal regulation allows situations where people perform work activities of the same content, to the same financial conglomerate, with working conditions rather patchy. It exemplifies situations by comparing six collective bargain (CCT) valid for the years 2010 and 2011 in the State of São Paulo for these categories of workers. Furthermore, the union representa-

tion in the sector is fragmented because of the historical process of consolidation of Brazilian union structure, divided into categories, and these unions have different capacities for mobilization, organization and lobbying to ensure workers' rights. The union of bank's workers follows as reference of best collective bargain.

