



DIEESE
DEPARTAMENTO INTERSINDICAL DE
ESTATÍSTICA E ESTUDOS SOCIOECONÔMICOS

Inter-Union Department for Statistics and Socio-Economic Studies

**BRAZILIAN LABOUR RELATIONS SYSTEM:
TRAJECTORY AND CURRENT DILEMMA**

July 2010

BRAZILIAN LABOUR RELATIONS SYSTEM: TRAJECTORY AND CURRENT DILEMMA

Carlindo Rodrigues de Oliveira¹

The Brazilian Labour Relations System has its origin in the 30`s and 40`s of the last century. As a late capitalist society, the rising of the wage-based economy dates from the very end of 19th century and the two first decades of the 1900`s. In those early decades, the liberal paradigm was hegemonic, leading to a distanced role of the state from labour market regulation.

After world economic crisis of 1929, a new paradigm was set in many countries. On the one hand, the ominous consequences of the crisis put in check liberal economic theories, process that has in the rising of Keynesian theory the best example.

Also, at the political level, various authoritarian experiences took place in European countries, like Germany, Italy, Portugal and Spain, reinforcing the central role of the state.

A similar movement occurred in Brazil, an exporting coffee-economy until 1929. The Revolution of 1930 brought to power a new oligarchy, with the plan to shift the economic basis from agrarian to industrial. This project involved the idea of a state-controlled inclusion of the urban proletariat, whose movement, influenced by the anarchist thought brought by the European immigrants who came to Brazil after the end of slavery in 1888, although very active, was practically restricted to the biggest cities of São Paulo and Rio de Janeiro.

The basis of the Brazilian Labour Relations System was then set, from the early 30`s to the middle 40`s, and was knit together in the Consolidation of Labour Law – CLT – in 1943. This labour code previewed individual rights to the urban employees, many of them already set in collective bargaining for some scattered branches of activity. Besides the individual rights, CLT foresaw the rules of working-class organization, the capital-labour relationship and the mechanisms of solving labour disputes, all of them characterized by hard state intervention.

The working-class organization depended on state definition of the union framework, in a system that divided workers of a same enterprise into different professional categories, at municipal level, leading to a kind of “compulsory union pluralism”. On the other hand, it established that only one union could represent the workers of a determined professional category (the so called union unicism). Last, but not least, the state allowed unions to collect the Union Tax, equal to one-day wage each year, from all the workers, regardless of their membership condition. This system led to a situation in which union leaders did

¹ Economist and Political Scientist, technician of Inter-Union Department of Statistics and Socio-economic Studies (DIEESE) and member of Brazilian Labour and Employment Relations Institute (IBRET) board.

not necessarily need to have tight links with their bases as a condition to continue being a union representative.

The state control was so powerful that union representatives needed to be approved by state offices and the application of unions' financial resources might be controlled by the Labour Ministry, which also had the right to intervene in unions to remove union leaders.

The collective bargaining procedures were strictly controlled by the state as well. No horizontal collective bargain was admitted, the collective bargaining process was limited to 60 days before the expiration of the collective agreement and the solution of the conflict, when not reached by the parts, was compulsorily carried out by the Labour Courts.

Otherwise, state kept away from guaranteeing conditions of affirmative union power. Strikes were prohibited or severely hampered, guarantees against unfair dismissal were secured only for workers employed in the same firm for more than ten years and there was no prevision for workplace organization.

The consequence of this pattern of union organization and collective bargaining procedures was a weakness of union action, safeguarded some individual cases of strength.

Nevertheless, even submitted to a hard control by the state, the labour movement grew up in terms of geographical presence and even in terms of political power, forcing the limits of its allowed action and augmenting its representativeness. This is so true, that one of the main aims of the military coup in 1964 was to put an end to what they called the Unionist Republic, referring to João Goulart's government (1961-1964), that was pushed leftwards by the labour and social movements.

This kind of authoritarian Labour Relations System was kept almost the same in different political sceneries. From the dictatorship of Getúlio Vargas (1937-1945), passing through the democratic interval of 1946-1964, until the military regime (1964-1985), when authoritarian provisions were considerably reinforced. In that period, many unions were object of intervention, union leaders were arrested, a new restrictive Strikes Law was issued and wage increases were dependent on a Wage Policy that led to a hard cut in the acquisitive power of workers' earnings.

In the late 70's, the media published in a big newspaper a report of the World Bank about the Brazilian economy affirming that the inflation rate in 1973 was up to 26%, instead of an official rate of 13%, leading to a great union mobilization, specially in the metropolitan area of São Paulo – the well-known region of ABC, birthplace of Brazilian automobile industry. A big wave of wildcat strikes further spread out through the whole country in 1978 and in 1979, contradicting the Strikes Law and the Wage Policy. After two years, the wave of strikes went down due to the liberalizing reform of the Wage Policy in the end of 1979 and once the economic crisis of 1981-1983 sharply raised the unemployment rate.

With the end of the military dictatorship, in 1985, a series of small reforms were implemented on the Labour Relations System, loosening the main restrictions for union organization. This process ended in October 1988, with the promulgation of the new Constitution. The Magnum Chart previewed new individual and collective labour rights, from autonomy of union organization till a very liberal regulation of the right to strike. Notwithstanding, the state rules determining the spectrum of the professional categories, the union unicism and the Union Tax were maintained. Moreover, it lasted only six months for the government to issue a special decree restricting again the right to strike, in face of a new wave of strikes against the third official package of monetary stabilization, in the beginning of 1989. This decree was transformed in Law in June 1989, being in force until today.

The decade of 90 was characterized by great transformation of Brazilian economy. The indiscriminated opening of the economy, allied to a profound restructuring on the patterns of production and organization of labour within the firms, which led to an increase in unemployment, put the labour movement in a defensive position. Role of importance played as well the sharp cut-down of inflation rates - which were the leitmotiv of unions campaigns so far - since the middle of 1994, with the so-called Real Plan.

After the impeachment of president Fernando Collor, in 1992, the transitory government of Itamar Franco tried to promote a large reform of the Brazilian Labour Relation System. The Collective Contract and Labour Relations Tripartite Forum was installed in 1993 and produced a consensual report with general guidelines for a Labour Reform; however, this initiative was not followed by legal changes.

It was only with the rise to power of president Lula, in January 2003, that a new attempt to reform the Labour Relations System occurred. The Labour National Tripartite Forum (FNT) was then installed and worked until April 2005, resulting in a proposal of a systemic reform. However, the insufficient representativeness of the Union and Employers Confederations that held the initiative, the strong reaction of the official Union Confederations that struggled to keep their privileges, and the emerging of a strong political crisis involving the government first echelon blocked the development of the reform process until current days. Therefore, the Labour Reform continues to be just a promise.

REFERENCES

- BRASIL. Ministério do Trabalho. Fórum Nacional do Trabalho. Proposta de Emenda Constitucional nº 369 e Ante-projeto de lei de Relações Sindicais. Brasília: Ministério do Trabalho, 2005.
- _____. Ministério do Trabalho. Fórum Nacional sobre Contrato Coletivo e Relações de Trabalho no Brasil. Brasília: Ministério do Trabalho, 1994.

- CAMARGOS, Regina C. M. Negociação Coletiva no Brasil: trajetória e desafios à regulação democrática das relações de trabalho. Tese de Doutorado apresentada ao Depto de Ciência Política da Universidade Federal de MG. Belo Horizonte, 2008.
- CARRION, Valentim. Comentários à Consolidação das Leis do Trabalho. Legislação complementar e jurisprudência. São Paulo: Editora Saraiva, 1996.
- DIEESE. A CGT e o contrato coletivo. Boletim DIEESE, nº 149, agosto de 1993a.
- _____. A proposta de contrato coletivo da Força Sindical. Boletim DIEESE nº 148, julho de 1993b.
- _____. Contrato Coletivo de Trabalho. A proposta da CUT. Boletim DIEESE, nº 146, maio de 1993c.
- _____. Contrato coletivo ou novo sistema de relações de trabalho? Boletim DIEESE, nº 141, dezembro de 1992.
- DIEESE/Escola Sindical 7 de Outubro. O Sistema Brasileiro de Organização Sindical e Negociação Coletiva. Belo Horizonte, 1993, mimeo.
- GIANNOTTI, Vito. História das Lutas dos Trabalhadores no Brasil. Rio de Janeiro: Editora Mauad X, 2007.
- GOMES, Ângela de C. Cidadania e direitos do trabalho. Rio de Janeiro: Jorge Zahar Editores, 2002.
- OLIVEIRA, Carlindo P. R. de. Política Salarial no Brasil (1964-1984): idas e vindas do corporativismo estatizante. Dissertação de Mestrado. Departamento de Ciência Política da Universidade Federal de Minas Gerais. Belo Horizonte, 1985.
- SADER, Eder. Quando novos personagens entraram em cena. Experiências e lutas dos trabalhadores da Grande São Paulo. Rio de Janeiro: Paz e Terra, 1988.
- VIANNA, Luiz Werneck. Liberalismo e Sindicato no Brasil. Rio de Janeiro: Paz e Terra, 1976.

Inter-Union Department for Statistics and Socio-Economic Studies

Rua Ministro Godói, 310
CEP 05001-900 São Paulo, SP
Telefone (11) 3874-5366 / fax (11) 3874-5394
E-mail: en@dieese.org.br
www.dieese.org.br

The Executive Union Management

Josinaldo José de Barros - Presidente

Sindicato dos Trabalhadores nas Indústrias Metalúrgicas, Mecânicas e de Materiais Elétricos de Guarulhos, Arujá, Mairiporã e Santa Isabel

Alberto Soares da Silva – Vice-presidente

STI de Energia Elétrica de Campinas

João Vicente Silva Cayres – Secretário

Sindicato dos Metalúrgicos do ABC

Ana Tércia Sanches – Diretora

SEE Bancários de São Paulo, Osasco e Região

Antonio de Sousa – Diretor

STI Metalúrgicas, Mecânicas e de Material Elétrico de Osasco e Região

Paulo de Tarso G. B. Costa – Diretor

Sindicato dos Eletricitários da Bahia

José Carlos de Souza – Diretor

STI de Energia Elétrica de São Paulo

Carlos Donizeti França de Oliveira – Diretor

Femaco – FE em Serviços de Asseio e

Conservação Ambiental Urbana e Áreas Verdes do Estado de São Paulo

Mara Luzia Feltes – Diretora

SEE Assessoramentos, Perícias, Informações, Pesquisas e Fundações Estaduais do Rio Grande do Sul

Zenaide Honório – Diretora

Sindicato dos Professores do Ensino Oficial de São Paulo (Apeoesp)

Pedro Celso Rosa – Diretor

STI Metalúrgicas, de Máquinas, Mecânicas, de Material Elétrico de Veículos e Peças Automotivas de Curitiba

Maria das Graças de Oliveira – Diretora

Sindicato dos Servidores Públicos Federais de Pernambuco

José Maurício da Silva – Diretor

STI Metalúrgicas de São Paulo, Mogi das Cruzes e Região

The Technical Management

Clemente Ganz Lúcio – diretor técnico

Ademir Figueiredo – coordenador de estudos e desenvolvimento

José Silvestre Prado de Oliveira – coordenador de relações sindicais

Nelson Karam – coordenador de educação

Francisco J.C. de Oliveira – coordenador de pesquisas

Rosana de Freitas – coordenadora administrativa e financeira