

DEMOCRACY AND THE ORGANIZATION OF CLASS STRUGGLE IN BRAZIL

HUW BEYNON AND JOSÉ R. RAMALHO

In Brazil it is still appropriate to talk in terms of a workers' movement. Alone in the states of Southern America, the trade unions in Brazil still have a capacity to organize workers and to exert a powerful influence upon workplace activities. The main trade union federation is linked to a new political party—the Workers' Party (PT—*Partido dos Trabalhadores*)—that retains a commitment to a socialist programme. And, more generally, the fact that land reform has emerged as a major political issue (as a consequence of an innovative and radical social movement of the landless) indicates that class struggle—in the fullest sense of the term—is very much alive in Brazil.

Brazil is a country of many economic and social contrasts which makes it difficult to talk of a working class with a uniform profile. In a real sense the situation in Brazil can best be understood as a process of combined and uneven development within which the working class is in the process of 'making' and being made. Given the characteristics of the Brazilian social formation, any consideration of class and politics needs to focus on class formation, a process with a spatial and temporal dynamic which is very different from the advanced capitalist countries.

THE BRAZILIAN SOCIAL FORMATION

Brazil's GDP (US\$ 777.1 billion in 1998) ranks it among the richest countries in the world, and its economic and political elites benefit enormously from this. Corporate executives in Brazil are amongst the most highly paid in the world. But it is also one of the most unequal societies, with an income distribution ratio that is rarely matched for its extremity. The size and geographical

scope of its territory (fifth in the world by land mass, sixth by population at 161 million in 1998) and the pattern of its economic development has resulted, moreover, in sharp contrasts among its states and regions.

Most of the past forty years in Brazil have been dominated by massive internal migration. These enormous flows of people have largely been from the poorer rural areas (especially the North-east) to the industrialized South-east where they have contributed to the country's rapid urbanization. Today, some 73% of the Brazilian people live in towns and cities. Here the urban complexes of São Paulo and Rio de Janeiro stand apart. These cities have been central to the massive engine of economic growth established in the South and South-east. The São Paulo state is an extraordinary symbol of this change. It has a widely diversified economy with advanced manufacturing processes operating in many of its factories and a highly innovative intensive agricultural system—the latter dominated by Japanese-Brazilian proprietors. This region's economy has a GDP that is comparable to that of Argentina or Spain. Its centre—São Paulo—is the site of enormous wealth, poverty and violence. Here, in a city of 17 million people, twenty percent of the population lives in the most primitive conditions in *favelas* while the rich live in the opulent surroundings of the Jardins. Over 8,000 people are murdered every year in this city and local social workers often refer to life there as 'an undeclared civil war'. The city's infamous Carandiru prison has 7,200 inmates, many living fifteen to a cell.

Similar processes are at work in Brazil's 'second city', the old imperial capital of Rio de Janeiro. Here, workers who were employed in the building industry of the sixties and seventies (and who transformed the structure of the city) could only find a place to live in the *favelas* that fill the steep hillside area within Rio. As these areas became overpopulated millions of people relocated, occupying the lowland areas of the *baixadas* some fifty miles from the city centre. These places were built on the basis of mutual labour; drainage and sewerage is primitive at best and where there is electricity it is mostly illegally tapped from overhead cables. A quarter of the city's population live here, in these very basic conditions. Here, life is lived on the edge and political practice is linked to the operation of 'death squads' and drug dealers who inflict punishment of transgressors and opponents.

In sharp contrast with these two enormous cities of the South-east, which dominate the economy, the states of the North-east have a very different social form. These mainly rural areas were the centre of the slave plantation and latifundia agriculture that dominated imperial Brazil. Dominated by patriarchal forms of politics, they still play an important role in the political economy of the federal Brazilian state. Economically too, their role is changing. In the past ten years, the region has attracted a group of manufacturing industries based on intensive labour which takes advantage of very low wages in this region. A textile industry was established in Pernambuco with costs comparable to those of China. More recently these developments have accelerated, with these states vigorously adding fiscal incentives to compete for capital projects with the

South-east, in what has been described as 'fiscal warfare' between the Brazilian states. The most recent, and dramatic, example of this was the decision of the Ford motor company to reconsider its decision to locate a new assembly plant in the South-east. The plant was planned for location in Rio Grande do Sul, a state controlled by the Workers' Party. However, Ford began to feel uneasy with this choice and, in 1999, announced its plan to shift production to the state of Bahia in the North-east.

The situation becomes more complex when we add Amazonia and the undeveloped West to the picture. In the 1970s many workers migrated to these regions. In the absence of any meaningful land reform, rural workers were attracted by the idea of new farming opportunities. Often these developments were associated with the reintroduction of forms of forced labour. Others (in search of fortunes) were attracted to the variety of mining operations that became established in these regions. Many were prospectors who often came into conflict with the indigenous peoples of the area. These activities contrast remarkably with the highly organized operation of Brazil's largest mining corporation Compagnie Vale do Rio Doce at Carajás. Here in the South of Para the company established an enormous estate, surrounded by a policed boundary—a state within a state. It mines millions of tons of iron ore a year, transported directly by rail to its terminal at São Louis and then off to the steel mills of Japan. The Carajás complex involves a new town built on a grid system. With its schools, medical service, shops and sports arena, it resembles a town in the US mid-West. Many of the managerial and clerical staff we talked with there in 1995 had moved to Carajás to 'get away from Brazil'. They admired the order, the policing and the absence of crime. Many of the workers, however, disliked the regimentation and more and more of them had been given permission to live outside the perimeter in a town established earlier by gold prospectors.

Across these spatial divides, Brazil's industrialization has had a number of powerful distinguishing features. Historically, it had always been strongly associated with state regulation. This was especially pronounced in the populist period of Vargas and the emergence of the *new state* (*estado novo*) through which economic activities were directed and managed. For over fifty years capitalist development in Brazil took place through this highly-regulated corporatist system within which trade unions were established and received their membership dues as a direct tax. This persisted through periods of dictatorship and has only recently been weakened under the neoliberal reforms of the Cardoso government.

A second feature that stands out is the high percentage of the population and the labour force earning a living through work in the informal sector of the economy. This has been a persistent feature and as neoliberal policies tightened up the formal labour market the jobless flowed into this sector. In this informal economy women, who today make up 40% of the Brazilian labour force, play an especially important part. A new feature, which has increasingly accompa-

nied the new neoliberal phase of accumulation, is a strong downward trend in the quality of jobs and in the strength of labour within the work-place as the formal sectors are restructured. As Pochman has documented: ‘through to the early 1980s, eight out of ten new job opportunities were wage-paying. This ratio is very different today: eight out of ten new jobs do not pay regular wages, leaving only two wage-earners with workbook registration’.¹ Within this restructuring context, the situation is worse for the rising number of women in the labour market. Lena Lavinas has shown how the restructuring process moved rapidly from manufacturing to the service sector, reducing the availability of employment and pushing many women into unemployment,² and this has occurred just at a time when women were increasingly seeking to move out of the informal sector and into registered paid employment.

The emergence of a free trade zone in the southern cone has further encouraged the massive transfer of capital investment into Brazil through the operations of major transnational corporations. Labour migration from north to south that fueled previous economic booms has slowed down enormously, and in its place we are beginning to witness the footloose capital that has been familiar to Northern economies over the last twenty years. This takes place in a context of class struggle from below, however, which has also made Brazil a very different place than it used to be.

THE NEW TRADE UNIONISM

In the 1970s, and in ways that were affected by the pattern of capital formation, trade unionism in Brazil took on new characteristics, adopting a stance critical of the corporate ideology that had dominated labour relations since the 1930s. This soon grew into one of the main centres of political resistance to the military dictatorship.

It was in the region most heavily industrialized by foreign investments in Brazil—the belt of industrial towns that had grown up around São Paulo known as the ABC Region (Santo André, São Bernardo and São Caetano)—that the ‘new trade unionism’ emerged in its most radical form. This movement challenged the dictatorial administration then in office, publicly violating trade union legislation and anti-strike regulation and triggering a revolution within the trade union structure by questioning the links between trade-union leaders and the Ministry of Labour. At the same time, it was building up its legitimacy through factory-floor representation in the work-place. This movement flourished mainly among the metal-workers, most of whom were employed in the auto-assembly sector concentrated in this region. One manager in the early VW plant reflected that in this period, the trade unions ‘civilized the companies’.³

This radical trade unionism, although it had initially established itself within the ‘official union’ arrangements of corporate collectivism, was deeply critical of the dense web of corporatist regulation. In its stead, it offered a trade unionism of the factory floor that reshaped collective action, not least by encouraging militant workers who sought to extend the range of demands

made in collective bargaining talks. These new militants (many of them migrants from the North-east) began to raise very new demands regarding working conditions.⁴

The struggles of these workers against authoritarianism in the factories was, remarkably, transformed into a more general struggle for democracy. As such the major strikes of 1978, 1979 and 1980 received enormous popular support. At that time, these workers and their leaders came to symbolize a broader-based struggle for democratic freedoms and human rights, which represented a powerful demonstration of solidarity. During the 1980 strike, for example, the military police placed all of the trade union leaders in jail and made a point of severely harassing the São Bernardo Trade Union. In spite of this the strike continued and the workers won most of their demands. This strike, the release of the trade union leaders and the victory took on iconographic significance in Brazil in the 1980s. It was seen as an example of courage and of an alternative source of legitimate power within the society—a critical event in the destabilization of the dictatorship and the emergence of democratic politics in Brazil.

The leaders of the new trade unionism (having observed the variety of collaborations during the dictatorship period) had become deeply suspicious of traditional politics, including the existing parties of the Left. They explicitly rejected the union-party relationship that had characterized populism, but what to replace it with was a major issue. Equally pressing was the fact that their great strength had been built in one small corner of Brazil; albeit the one most deeply involved in advanced capitalist manufacture. This posed the question of how this fraction of the working class could maintain the momentum and extend its organizing capacity beyond the ABC district. Out of the many discussions on these questions in this period came the establishment of the Unified Workers Confederation (CUT—*Central Unica dos Trabalhadores*), a leftist organization concerned to extend the example of the ‘authentic’ trade unionists from the ABC factories more generally throughout Brazil. The driving forces behind this new union were these very ABC militants, who had in their struggles built alliances with militants from the progressive wing of the Roman Catholic Church as well as Leninist and Trotskyist groupings.

These activists had a common strategy that could be identified through three key elements:⁵

1. The rejection of capitalism as a model for social organization, at the same time as they rejected the Communist aspects of socialism, basically embodied in the experiences of the countries of Eastern Europe;
2. A relatively critical view of the corporate trade union structure, of state interventionism in capital/labour relationships, and the associated bureaucratization of trade unions;
3. A strong emphasis on grassroots and shop-floor organization and mobilization for trade union actions.

Although each of these principles were commonly held among working-class activists in the advanced capitalist states in the 1960s and 1970s,⁶ in Brazil

in the 1980s they not only stood in remarkable contrast to a history of statist politics that dominated all memory, they became the basis for the foundation of the new workers' organizations that have become the leading working-class institutions in the country. In the context of the break-up of the military government, the new trade unionism challenged both the populist practices of the past and the idea of any new form of social democratic politics. In its stress upon direct democracy (and the importance of workers and the working class within this) the alliance that produced the CUT was attempting to turn the struggles of the ABC into a revolutionary movement that would transform Brazil.

The immediate outcome of this was the establishment of a solidly-based nation-wide workers' organization whose political actions had marked repercussions on the life of the country. During the economic crises of the 1980s when Brazil experienced an inflation rate of 40% a month it called a number of important strikes in different sectors over wage issues. These strikes and national stoppages saw an extension of 'authentic' trade unions beyond the ABC district and the car and engineering workers. It now involved bank workers and public sector workers; blue collar and white collar and blouse. In the transitional period that followed the dictatorship, the CUT played a critical role in placing the experiences and viewpoints of workers centrally and (for the first time) directly on the political agenda.⁷

These developments took place alongside the construction of a new political party, the Workers' Party (PT—*Partido dos Trabalhadores*). The PT was founded in 1980, and widened the social constellation that produced the CUT to include human rights activists, socialist intellectuals and groups from within both Roman Catholic and Protestant churches that supported workers' struggles. It maintained the core support of sectors of the left that broke away from the centralism and bureaucratic approach of the Brazilian Communist Party. Attracting supporters from such a broad spectrum, the Workers' Party remained remote from traditional leftist organizations, and was critical of what it saw to be the centralized nature of these organizations. As with the CUT, democracy and participation were the central pillars upon which the new party was constructed.

This meant that, whereas historically most of Brazil's political parties had been established at the initiative of the ruling classes, reflecting state strategies, the Workers' Party broke new political ground by seeking to establish its structure on grassroots bases. In this respect it benefitted from the democratic experience of the trade unions and the social movements that sprang up during the late 1970s. Like the CUT, the PT needed to proceed simultaneously on a number of different fronts. On the one hand, as the dictatorship unravelled, it needed to organize for political representation in the new democratic state. On the other, it needed to maintain its links with the activities of the CUT. The complex reality of the Brazilian social formation made any simple form of 'trade union party' quite inadequate to the task of seriously building a socialist plat-

form. The PT prioritized a policy of widening its base beyond the direct concerns of waged workers and deliberately created a novel political conduit for social movements associated with the rights of women, cultural and ethnic minorities, and the environment—all without losing its identity as a party of the working class.⁸ As a result the PT took on a distinctive political and ideological form: at one time an electoral machine, at another, organizer of social protest, at yet another supporter of workers on strike.⁹ The complexity of this form was stretched further by the variety of different political viewpoints that were attracted to the party and encouraged within it. Whilst social democratic parties like the Labour Party in the UK purged or marginalized their leftist elements, the PT encouraged their active involvement in the party. In this way too it acquired a representative dimension that extended beyond the trade unions. Although the influence of the CUT has from the beginning been strong, it has not been in a position to define the political programme or standpoint of the party.

Yet there is no denying the presence of workers throughout this entire process, participating at various levels of the party, running for office and being elected to political positions in parliament and also for executive jobs in the party's administration. The most outstanding example of this is the party's 'Chairman of Honour' (*Presidente de Honra*) Luiz Inácio da Silva, better known as Lula. A worker involved in shop-floor organization in São Bernardo, Lula became the unchallenged leader of the trade union movement in the ABC districts, and was one of those imprisoned in 1980. Lula came to symbolize the emergent presence of the workers in the evolving political process of democracy in Brazil. In a way that was quite novel, he was able to establish a credible political stance that rejected the solutions presented by the traditional political elites to the problems of social inequalities and poverty. He has explained his understanding of the politics of PT as follows:

Here in Brazil the government will have to improve living conditions for the mass of people for they know that, if they don't, the PT will go on expanding and the working classes will get more and more organized. Even if I fail to reach power, so long as they improve social conditions that will be an important achievement.¹⁰

Such impact had it made on Brazilian political life by 1989, that although the PT was one of twenty-one parties that contested the country's first democratic presidential election since the fall of the dictatorship, it came second in the first ballot with Lula as its candidate. Amidst enormous excitement and political campaigning, the contrast in the final round between Lula and Collor could not have been more complete. They represented in a dramatic fashion alternative social and political options for the new Brazil. On the one hand, Lula, a migrant from the North-east, was an imaginative thinker at the head of the world's newest socialist party. On the other hand, Collor, also from the North-east, had been governor of one of the poorest states, and although he presented himself

as a new type of anti-corruption politician, he was still a legitimate heir of the established political elites as well as the ancient landowning families. Lula was narrowly defeated in the final ballot on a 52%–48% vote. Such was the balance of forces within the fledgling democracy. It gave optimism to those who saw in Lula and the PT the beginnings of a new kind of political praxis. But it also confirmed the depth of authoritarian and reactionary traditions in Brazil and the capacity for these to mobilize in the new context.

NEOLIBERALISM IN BRAZIL

Collor, from the political right, appreciated that Brazil could not maintain its Balkanized existence within a world economy being transformed by globalization. He was poised to embark on a neoliberal project (with an important degree of popular support, building as it did upon dissatisfaction with many of the excesses of the state-regulated regime) before he was impeached for embezzlement of public funds. Collor was replaced by his vice president—Itamar Franco—who recruited to his administration key figures from within the universities and from the old parties of the left. Most notable amongst these was Fernando Henrique Cardoso who had been an outspoken critic of the military regime. As finance minister and then as president, Cardoso pushed forward a succession of financial and political reforms that produced remarkable changes throughout the economy in the 1990s.

Fernando Henrique Cardoso was an ally of Lula's in the seventies and eighties when he was a professor of Sociology at the University of São Paulo. Cardoso represented a very different kind of left strategy, however, and it was one that deeply split the intellectual left that had flocked to support Lula in 1989. In the context of Brazil, Cardoso's strategy could be seen as a clear attempt to establish an ordered approach toward a social democratic politics of the European type.¹¹ But in order to achieve the changes that were demanded from neoliberal structural adjustment policies, Cardoso chose not to make an alliance with the left and centre left, but with centre and far right of the political spectrum. His majority in parliament was held in place by some of the most reactionary political forces of the country. Yet the radicalism of the neoliberal project (presented through a social democratic discourse of reform and transformation) was such that it enabled Cardoso to emerge as a far more formidable foe of the left than Collor. In subsequent elections he portrayed Lula and the PT as 'defenders of the old, against needed reforms'.

The neoliberal transformation of the Brazilian economy in the 1990s under Cardoso's leadership has been remarkable. The stabilization of the currency (by tying it to the US dollar) dramatically reduced inflation. The tariff wall that had protected the industrial structure of the Brazilian economy was gradually taken down and the massive state-owned industries were put up for sale. In its corporatist phase, the Brazilian state had sheltered domestic and foreign companies from competition from abroad. In return, the international companies were obliged to purchase components and service from within Brazil. The rapid

removal of this supporting framework produced a wave of bankruptcies amongst Brazilian-owned firms and with it a series of mergers and take-overs initiated by foreign-owned capital. As a consequence, the economy became significantly more open¹² and this was associated with an upsurge in industrial productivity. Initially, these improvements were due to idle capacity being brought back into use, although this was also associated with a pruning of the labour force. By the mid-nineties, however, as the economy shifted to positive growth, the challenges of international competition saw deliberate attempts being introduced to boost efficiency at the factory-floor level.¹³ This involved many of the practices (e.g., out-sourcing; delaying; just in time; re-engineering) that had earlier been introduced in Europe and the USA.¹⁴

The establishment of a South American Common Market—MERCOSUL—linking Argentina, Brazil, Paraguay and Uruguay served to extend these processes. Trade flows among these countries rose steadily in the nineties,¹⁵ to be upset by Brazil's foreign exchange crisis in early 1999. The linking of this new market with the deregulation and stabilization of the South American economies attracted vast amounts of international capital. These investments were associated with the privatization of the telecommunications, steel, transportation, mining, electricity, and petrochemicals sectors among others. Equally significant was the flow of new investment into private manufacturing, especially the automobile industry which (with companies like Ford and Volkswagen operating in Brazil since the 1950s) had fuelled the Brazilian boom in the 1960s and laid the basis for the ABC district's industrial strength. With the new investment, this industry has maintained a strategic position in the economy, accounting directly for 12% of Brazil's industrial GDP and, due to the characteristics of its production chain, extending its influence strongly into other sectors of the economy.

In the late 1990s this sector went through some remarkable changes.¹⁶ The Brazilian-owned auto-parts industry was virtually wiped out through a process of sales and mergers that left the industry dominated by multinationals associated with global auto-assembly projects.¹⁷ Furthermore, there was a radical change in the spatial configuration of both the component and assembly ends of the industry. New investment in plant was made away from the powerful ABC district. This decentralizing strategy was clearly linked with the need to control the spread and strength of trade unionism while taking full advantage of tax incentive wars for new investment that sprang up with the federal state. VW, for example, located all of its new assembly operations outside the ABC district. One of the first of these was a truck plant, opened in Resende in up-state Rio de Janeiro in 1996. In moving to Resende, the company did not attempt to hide the fact that part of its plan focused on the establishment of labour relationships different to those of the ABC region of São Paulo. Its industrial director, Luiz de Luca, was particularly determined on its new green-field site to avoid 'the bad habits of São Bernardo', where the unions make it 'not possible to negotiate'.¹⁸ His claim that 'everyone was getting out of the

ABC region' was confirmed as each of the major world automobile assemblers opened (or planned to open) new plants in Brazil at the end of the nineties in new green-field locations, taking advantage of low wages, skilled labour and somewhat inexperienced trade unions. In this way production doubled to two million vehicles in 1997, whilst employing just half the workers of the earlier period.

THE TRADE UNIONS UNDER NEOLIBERALISM

Neoliberal policies in Brazil created major new problems for militant trade unionism. Privatization, for example, created new problems for CUT members and the restructuring of state employment drew the organization into potentially unpopular struggles. In its home base of the ABC its members faced lay-offs, possible plant closures and unemployment. In the new green-field areas it faced competition from other trade union associations. Of these, *Forca Sindical* was the most significant, both in terms of its growth and the political challenge it posed to the CUT. Adopting a more cautious and politically conservative approach it achieved the backing of some important local unions, including the São Paulo Metal-Workers' Union.

In the face of these developments the CUT began to ease itself away from its militant stance. This was made most clear in the decision of the ABC Metal-Workers' Union to participate in the newly established consultative committees (the sectoral chambers). As the unions adjusted to the changed circumstances 'the clamouring demands of the previous decade'¹⁹ were reformulated through involvement by the trade-union representatives in the discussion of broad-ranging proposals for sectoral development. In explaining the shift in CUT policy Jácome Rodrigues and others have emphasized 'the sweeping economic and social crisis'. However, they have also drawn attention to an ongoing process of bureaucratization within the union federation, which has led to 'a more contractual and pragmatic stance in negotiations with the business sector and the government, shedding much of the discourse that shaped the origin of the CUT'.²⁰

Nevertheless, the CUT (partly as a result of the protection that trade unions retain under the old corporatist umbrella) weathered this storm better than might be expected. Its position of industrial strength linked with wider popular support managed to continue through the eighties and nineties. In 2000 the organization had 2,600 affiliated trade unions representing some eighteen million workers located in the centres of economic and political power in Brazil.²¹ What is in question therefore is the CUT's capacity to use the political capital stockpiled over the recent past to defend labour rights within a context of rising unemployment, and an interventionist IMF. Undoubtedly, this new situation demands new thinking and new tactics. It seems that in many ways they have been successful. For example, in the ABC industrial area, the experience built up by the metal-workers and their factory-floor power of representation endows them with considerable negotiating power. Their expe-

rience of the sectoral chambers has been a contradictory one. In a way it smacks of a collaborationist approach that contrasts with their earlier aggressive militancy. However, viewed in the context of Brazil's authoritarian past they have a contrary significance. Ample evidence suggests that, for the first time in Brazil, negotiations between trade unions and companies are being conducted on the basis of legitimacy and respect in contrast to the attitudes of earlier decades when despotic factory systems simply imposed targets and production organization systems.²² In this new context the local activists operate with a sophisticated and 'open-eyed' approach to their circumstances. On the one hand they bargain, they argue and they negotiate. So, in the view of Luiz Marinho, the leader of the ABC Metal-Workers' Union,

the plants are modernizing and cutting jobs regardless, with or without trade union participation. Our role is to negotiate the pace of modernization for companies. If we do nothing, they will shut down the companies here and assemble the automobiles someplace else. The difference is that, if we were there, we could at least avoid some lay-offs and preserve some jobs. We either attempt to hang on to something, or we will be left with nothing.²³

On other occasions they retain the capacity to strike and to mobilize popular support in highly imaginative ways. This was the case, for example, at Ford in São Bernardo in 1998. As part of its general restructuring of its operations in Brazil, the company indicated that it intended to close the plant. The trade union immediately called for a strike and production was stopped. Quickly the strike took on a wider dimension. Many of the workers invaded and camped inside the factory with their families. They symbolically reframed the issue of the closure of the factory in terms of its general effect upon the life of people who lived in the area. This was enhanced by the picketing of the chain of Ford dealerships throughout the country, with workers and their supporters wearing a blue and white sash, similar to those in Ford advertising, but the logo 'Ford' was replaced by 'Fome' (which means hunger in Portuguese). These events had a great visual impact and were picked up by television. In their interviews the workers and their trade union representatives turned the localized problem of the ABC into an example of the failures of neoliberal policies and the cruelty of unemployment.

The impact of these new corporate strategies has been so threatening that it has encouraged joint action between the two rival trade union federations. In 1999, CUT and *Força Sindical* jointly petitioned for a national wage agreement to cover all workers in the car assembly plants. Corporate executives summarily dismissed this demand. They insisted that there could be no such wage agreement, as it would threaten the very existence of the industry in Brazil. In response, the unions called for a 'strike festival'. This represented the first attempt at building a national strike of workers across the many states of Brazil where auto-assembly now takes place. One day stoppages were called in

sequence across the states where the national leaders of the two federations met with the strikers and explained the unions' plans to eradicate the enormous wage differentials that had been established between workers in different car plants across the country.

More worrying, however, are the more general effects of neoliberalism upon employment and work relationships. Outside of the state and the major manufacturing sectors, there has been a gradual slide towards insecure work, undermining the collective organization of the workers. In contrast with their poised and successful approach in the highly organized sectors of employment, the trade unions seem all at sea when faced with the problems of the growing informal sector. The marked presence of women in the labour market, for instance, is causing problems for trade unions whose members consist largely of men and whose policies are designed for a male labour force. On two separate occasions we have talked to members of the CUT's metal workers at their educational school in São Paulo. On both occasions the audience was predominantly male and both uneasy and uncertain about the issues posed to the union by the increasing proportion of women in the labour force. They have been clearer about the problems posed by the industrial relocation strategies, particularly in the automotive sector, and the need for fresh efforts to set up trade unions in these newly industrializing areas.

This points to a critical dilemma for trade unions that relates directly to the complex processes of class formation under way in Brazil. In his considered summation of these issues, Oliveira has concluded that Brazil's trade unions, in their attempt to formulate new strategies that blend defensive actions with more general policies aimed at improving the general condition of workers in the non-organized sectors, have been 'greatly concerned with democracy as the starting-point for reworking the current labour relation system and redefining the course of the country'. Nevertheless, 'the exclusion of more than one-third of the economically active population from the formal labour market—subject to all types of informal practices or chronic unemployment—limits the scope of the trade unions and makes it almost impossible to represent a significant contingent of workers'.²⁴ Oliveira's observation that trade unions have become acutely aware of how their 'range of action remains restricted to only a portion of the working class' was reinforced in the late nineties as large numbers of Brazilians became involved in a social movement that had *land* as its central concern.

THE NEW LANDLESS MOVEMENT

Among countries with relatively well-developed manufacturing sectors, Brazil stands unique in having managed to industrialize without agrarian reform. Agricultural land remains highly concentrated in the hands of a class that can be traced back to the owners of the slave plantations. In spite of massive out-migration to the urban centres in the sixties and seventies, the rural economy remains characterized by harsh inequalities and acute poverty. This has given rise to a new and important social movement that was communicated

around the world in Sebastião Salgado's photographic exhibition *Terra—Struggle of the Landless*.

This landless movement sprang up in Southern Brazil in 1984, and has been spreading throughout the country ever since. It has developed a militant strategy of occupying and settling unproductive lands; a strategy it pursues in a highly organized and disciplined manner. By the early 1990s, the movement had created its own clearly recognizable identity reflected in its own flag, music, leaflets, posters and documents.²⁵ Its success can be measured in hundreds of settler camps that have sprung up across the country. It is no surprise, for example, to see one of them as you travel along one of the main roads. The encampments are easily identifiable. They are quite large and in them very poor people have established new homes in precarious tents made of cheap black plastic sheeting. Always there are signs of garden agriculture—the first activity of the settlers. In established camps, the agriculture is more developed and produce is sold at local markets. If no markets exist, settlers have set up agricultural and industrial co-operatives. Some of these were successfully producing meat and milk products by the end of the decade.²⁶ All of these camps fly the flag of the movement—a red flag with white circle. Inside the circle is a green map of Brazil inside of which is a depiction of a man and a woman, the man with a machete in his raised hand. On the flag the sign—Movimento dos Trabalhadores Sem Terra. Dotted around the perimeter of these places are other colourful banners with other graphic slogans: 'land is not earned but conquered' or 'occupy and produce'.

The political aims and rhetoric of this movement differ enormously from those of the trade unions and also the political parties. Its uniqueness lies in the clear determination of its leaders to remain independent of the trade unions, political parties and the Roman Catholic Church. This deep suspicion held by the Brazilian poor for Brazilian institutions of all sorts is the source of considerable strength. Tactically, its leaders realize that it will be difficult for these organizations to refuse it support without incurring political losses. The charismatic quality of some of its leaders, combined with the fairness of their demands, has drawn support to it. This is amplified by the incredible power of its demonstrations. These use visual imagery to convey the conditions of the poor and landless in Brazil.

In 1997, for example, in its most spectacular action to date, the landless movement organized a march on the capital city of Brasilia. Thousands of representatives marched across the country from the north, the south, the north-east and the south-east. Esterici has described this event and its significance:

after two months, walking more than six hundred miles, holding their red banners and sickles, the tired and sweated faces of the workers of the march cheered and the eyes of some became full of tears when they saw the city's main avenue, with all the ministries' buildings, the entrance of the town, the place of the three powers. Under a rain of 'ticker tape' that

came from the windows of the buildings, they arrived to the main avenue and thirty thousand people were there to receive them. City dwellers brought them flowers and baskets with food; trade unionists and militants of opposition parties waved their banners.²⁷

The success of this demonstration—the fact that the people had marched so far and had so captured the imagination of the population of the city—unsettled the government. The president found it impossible to avoid a meeting with the representatives of the movement to discuss land reform. For the first time therefore the government spoke directly to the leadership of the landless movement and some of the organized opposition that had been built around it. That meeting was attended by, among others, a Xavante chief, a metalworker and a Catholic bishop.

The ‘marches on Brasilia’ were tremendously successful, and had widespread repercussions. To begin with, they attracted enormous media attention. In a society where the television dominates all other forms of communication (parabolic aerials appear in the most unlikely of places), the marches placed the case of the rural poor and the iniquities of concentrated land ownership on the political agenda. It was brought into the living rooms of the well to do, and also into the homes of the very poor. In the countryside and in the cities the imagination of many poor people was stirred by the prospect of a new life. The families of small farmers who own their land wanted the same chance for their children. The rural unemployed wanted land to plant crops. In the sprawling slums of São Paulo demands for work began to be transformed into calls for a plot of land where children could be brought up in safety, away from drugs and violence. To many people the demands seemed both reasonable and realizable. As a result, and against all expectations, a spontaneous ‘back-to-the-land movement’ emerged in Brazil in the nineties. The MST has encouraged this development. It has set up detailed arrangements that facilitate the movement of the urban unemployed into the countryside. The MST is investing heavily in young people who are able to learn and rapidly disseminate the movement’s credo.

It became clear in the 1990s that the MST was a movement to be reckoned with and that its determination to resocialize the rural populace and reinvent community life was a real, if extraordinary, political development. According to Lerrer,

when a family moves into a MST settlement or camp, it faces very tough survival conditions. In order to ensure internal structuring, its members must participate directly in the organization in some sector: health care, safety, education, negotiation, hygiene, food. They must also obey rigid rules that are discussed and decided at meetings by their fellow settlers. There are constraints on alcohol, the length of time spent in the camp, work, respect for women, etc. Generally, dwellers in these camps help underwrite their maintenance by offering a percentage of their pay as

rural workers. All these regulations shaping daily life are only put in practice when approved by the majority.²⁸

The movement's main leader, João Pedro Stédile has outlined its three key characteristics: the first is that it is a grassroots movement which welcomes the entire family: the elderly, women and children. He writes:

On this point, it differs from trade unions, because traditionally only adult men attend union meetings. We feel that our strength lies here because, in addition to being macho, men tend to be conservative and individualistic. As this movement includes all members of the family, it acquires incredible potential.²⁹

Stédile also writes of the movement's second characteristic—its 'trade union component' in the corporate sense:

The possibility of getting its own patch of land is the motive prompting a family to settle on vacant land or camp out for an unspecified period. Initially, this is a struggle to meet an economic claim. We have also learnt that the fight for land cannot be restricted to its corporate nature, the trade union element, it must go further, if a family struggles only for its own patch of land and loses its links to the larger organization, the battle for land has no future.

The political element is the third characteristic. Here the coherent ideology of the movement's leadership becomes especially clear. In its view:

The MST has only managed to survive because it has matched private, corporate interests with class interests ... We were aware that although the struggle for land and agrarian reform has a peasant-based social core, it will only progress if it forms part of the class struggle. Right from the start, we were well aware that we were not fighting against *grileiros* illegally taking over unclaimed or ownerless lands for re-sale. We were fighting against an entire class, the large-scale land owners. We were not battling merely to apply the Land Act, but rather against a bourgeois state.

Leaving aside the possible propaganda-like nature of these comments, the main outcome noted during the 1990s is that this movement has grown into a major political force in Brazil, taking the lead in terms of its political demonstrations, media presence, and even in the oppositional negotiations with the government. In 2000, urban trade union leaders and the leadership of the PT have been adapting their calendars to fit in with the emerging strategy of this new mobilizing agency.

THE WORKERS' PARTY AND THE FUTURE OF BRAZILIAN DEMOCRACY

During its twenty years of existence, the Workers' Party has given credibility to the view that it could both support strikes and the struggles of the social movements *and* take political office through the electoral process. Despite Cardoso's consistent ability to defeat Lula in the presidential elections, the PT has chalked up some important ballot-box triumphs. It expanded its seats in Congress from 1.7% in 1982 to 11.7% in 1998 with fifty-eight Federal congressmen. There were also seven PT senators by this point. The 1998 Congressional election showed a trend towards the generalization of the PT vote nation-wide. The party has been successful in mayoral elections in some of Brazil's largest cities, including São Paulo, Porto Alegre, Belo Horizonte, Santos and Belém; and it has won governorships of Rio Grande do Sul, the Federal District, Espírito Santo, Mato Grosso do Sul and Acre. Perhaps the greatest achievement of PT is that for the first time the parliament in Brazil contains elected representatives who are drawn from the working classes—a woman like Benedita da Silva for example. Now senator for the state of Rio, this gifted black woman was brought up in the *favelas* of the city and speaks powerfully with the voice of the urban poor. In an earlier period, São Paulo elected Luiza Erundina, another black woman, born in the north-east, as its mayoress, albeit on a minority vote. Although subsequently defeated, to have such a figure at the head of a radical administration in the very heart of Brazil's powerhouse was an emphatic symbolic statement. More permanently successful have been the PT's activities in Rio Grande do Sul where the people recently elected Olivio Dutra, one of the CUT's founders, as its governor.

The PT has proved that a party which operated originally in a 'symbolic mode' as a political mobilizer can develop a serious programme for governing states and cities while at the same time using its occupation of governmental office as a basis for its mobilizing politics to be expanded and developed. Most significant of these administrative departures has been the 'participative budget' through which the citizens of a city like Porto Alegre have been involved in meetings and discussions over budgetary and programmatic alternatives. In her observations of these developments, Hilary Wainwright has observed:

What is crucial is the creation of a democratic socially conscious force, independent of the state but in close negotiation with it. This new source of democratic power effectively counters the pressures of undemocratic or corrupt business. It both expresses, and puts power behind, the democratically negotiated needs and priorities of the people.³¹

Less discussed, but equally important, has been the party's commitment to ideas of 'basic income' as a means of alleviating poverty and developing the citizenship potential of the very poor. Brazil's city streets are full of children—begging, hassling, cajoling, acting—working for money. The level

of school attendance amongst the poorest is negligible. One of the interesting achievements of the PT administration in the Federal District of Brasilia related to this problem. Developing ideas of basic income, families were granted 100 Reais (about \$50) on condition that they kept their children at school. This successful intervention in social policy proved popular as it removed a perceived 'social nuisance' and also improved the educational standards of the poorest.

Of course, since Lula's near victory in 1989, the electoral fortunes of the PT at the presidential level have been meagre, as Lula has been opposed by Cardoso, a man originally himself of the left and far different from Collor. This most remarkable twist of fate expresses in its clearest form the significance of the PT being still regarded as an invader in the developing democratic polity of Brazil. Brazilian society is unique in the seamless way in which it conjoins the informal (as seen in the ways in which presidents are known by their first names—hence FH or Fernando Henrique) with the hierarchical. Here, everyone is equal, but everyone is expected to know their place. This is especially evident in relation to skin colour and racism. The PT broke this mould in a way which many of the intellectual elite found difficult to cope with. Cardoso is a good example of this. A university academic with few links to workers' organizations, he would have found it impossible to be in a subordinate role to a man like Lula.

In a country such as Brazil, democracy must be viewed as a strategy guaranteeing the existence and continuation of various forms of worker and peasant organization. The history of Brazil indicates a strong tradition of resolving political problems through force. The nation's recent political history includes military dictatorships which gagged the basic freedoms to speak, disagree and organize political groups. As a prospect, it is not possible to consider political alternatives for the Brazilian working class other than through democratic means, building up enough clout to impose alternative pressures. In this case, democracy should be seen as a necessary enabling process through which class construction can take place.

The PT can be seen to have intervened decisively in the democratic process in ways which effectively allow workers to express their views and impose pressures upon the system. The party has interpreted 'democracy' in a radical sense, extending it beyond the formal requirement to vote in elections as affirmed in the Constitution. Here PT and the trade unions and social movements have succeeded in stretching the democratic process, acting out the right to free assembly and the right to march and demonstrate. These activities can be seen to contribute to a process of working-class formation in Brazil. More prosaically, they can be seen as the source of power with which to deal with a burgeoning international capital and one of the most deeply entrenched agrarian interests in the world.

We can leave the concluding words of this essay to Tarso Genro, formerly the Mayor of Porto Alegre in southern Brazil, and a leading PT strategist, who

has expressed with remarkable clarity the role that the party needs to play in the context of a deeply deformed political culture:

it is necessary to respond to the decadence of traditional political representation by seeking new political forms that strive to politically re-unify formal and informal society. The inclusion in democratic political actions and work of those subsisting in informal society, or involving them in self-affirmation activities reflecting their human dignity constitute the new Utopian benchmark of the Left.³²

NOTES

1. *Folha de São Paulo* and *O Globo*, April 23, 1998.
2. *O Globo*, March 8, 1998.
3. A.L. Negro, (1997) 'Servos do Tempo', G. Arbix and M. Zilbovicius (eds), *De JK a FHC—A reinvenção dos carros*, São Paulo: Scritta, 1997.
4. See A. Cardoso, *Sindicatos, Trabalhadores e a Coqueluche Neoliberal*. Rio de Janeiro: FGV, 1999, pp. 34, 5; I. Jácome Rodrigues, *Sindicalismo e Política: a trajetória da CUT*. São Paulo: Scritta, 1997.
5. A. Comin, (1994) 'A experiência de organização das centrais sindicais no Brasil', M. Oliveira, et al. (eds.), *O Mundo do Trabalho—crise e mudança no final do século*, São Paulo: Scritta/Cesit/Mtb-PNUD, 1994, p. 367.
6. H. Beynon, *Working for Ford*, London: Penguin, 1973; Hilary Partridge, 'Italy's Fiat in Turin in the 1950's', Theo Nichols (ed) *Capital and Labour: A Marxist Primer*, London: Fontana, 1980.
7. Rodrigues, *Sindicalismo*, p. 230.
8. N. Esterci and J. R. Ramalho, 'Votes and Violence', *Red Pepper*, 30, November 1996, pp. 28-29
9. R. Meneguello, *PT—a formação de um partido*, São Paulo: Paz e Terra, 1989 .
10. Interview in S. Branford and B. Kucinski, *Brazil—carnival of the oppressed*, London: Latin America Bureau, 1995 .
11. See Paul Cammack, 'Cardoso's Political Project in Brazil: The Limits of Social Democracy', *Socialist Register 1997*, pp. 223-44.
12. Amman, E. (1995) 'Defensive modernisation: Brazilian industry responds to the challenge of market liberalisation'. Manchester Brazilian Research Group, The University of Manchester, Manchester, UK, p. 3.
13. *Ibid.*, p. 4.
14. See, for example, L. Gitahy, M. Leite and F. Rabelo, 'Relações de Trabalho, Política de Recursos Humanos e Competitividade', em *Estudos da Competitividade da Indústria Brasileira*, 1993; M. Leite, 'Reestruturação produtiva, novas tecnologias e novas formas de gestão da mão-de-obra', Oliveira, *O Mundo*, 1994.
15. T. Vigevani and J. P. Veiga, 'A Integração Regional no Mercosul', Arbix and Zilbovicius, *De JK a FHC*, pp. 348-50.
16. A. Abreu, L. Gitahy, J. Ramalho and R. Ruas, 'Industrial Restructuring and Inter-Firm Relations in Brazil: a study of the Auto-Parts Industry in the 1990s', *Occasional Papers No 21*, Institute of Latin American Studies, University of London,

- London, 1999.
17. See the essays by A. Posthuma, C. Addis and G. Arbix, Arbix and Zilbovicius, *De JK a FHC*, 1997.
 18. H. Beynon and J. R. Ramalho, 'Transforming Production/Transforming Society: The case of the Brazilian Automobile Industry', M. Harvey and H. Beynon (eds), *Changing Capitalisms*, Manchester: Manchester University Press, 2000.
 19. Comin, A. 'A experiência', 1994, pp. 386-88.
 20. Rodrigues, *Sindicalismo*, p. 235.
 21. *Folha de São Paulo*, October 17, 1999.
 22. N. Castro, 'Modernização e trabalho no complexo automotivo brasileiro—reestruturação industrial ou japanização de ocasião', N. Castro (ed.), *A Máquina e o equilibrista— inovações na indústria automobilística brasileira*, São Paulo: Paz e Terra, p. 42.
 23. *Veja* magazine, March 25, 1998.
 24. M. Oliveira, 'Avanços e limites do sindicalismo brasileiro recente', Oliveira, *O Mundo*, 1994, p. 510.
 25. D. Lerrer, 'Movimento Sem Terra no Brasil: a nova cara da luta secular pela terra', M. S. P. Castro and A. Wachendorfer, (orgs), *Sindicalismo y Globalización* Caracas: Nueva Sociedad, 1998, p. 171.
 26. Neide Esterci, 'Forward March', *Red Pepper*, 37, June 1997, pp. 24-25.
 27. *Ibid.*
 28. Lerrer, 'Movimento', pp. 173-4.
 29. J. P. Stedile and B.M. Fernandes, *Brava Gente—a trajetória do MST e a luta pela terra no Brasil*, São Paulo: Editora Perseu Abramo, 1999, pp. 32-35.
 30. *Folha de São Paulo*, November 8, 1998.
 31. H. Wainwright, *Reinventing Democracy*, Rio de Janeiro: UFRJ, 2000
 32. T. Genro, *O futuro por armar—democracia e socialismo na era globalitária*. Rio de Janeiro: Vozes., 1999, pp. 40, 61, 62.